

Strategic Direction #4:
Effective and Efficient Services

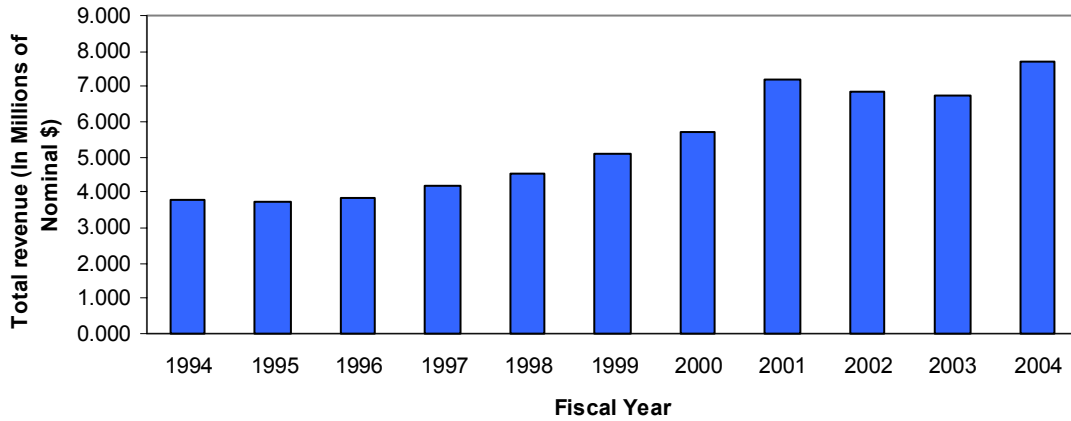
“Provide effective and efficient services to the public in a courteous and equitable manner”

Strategic Direction #3:
Quality of Life

Financial Profile

BPOL nominal tax revenue increased

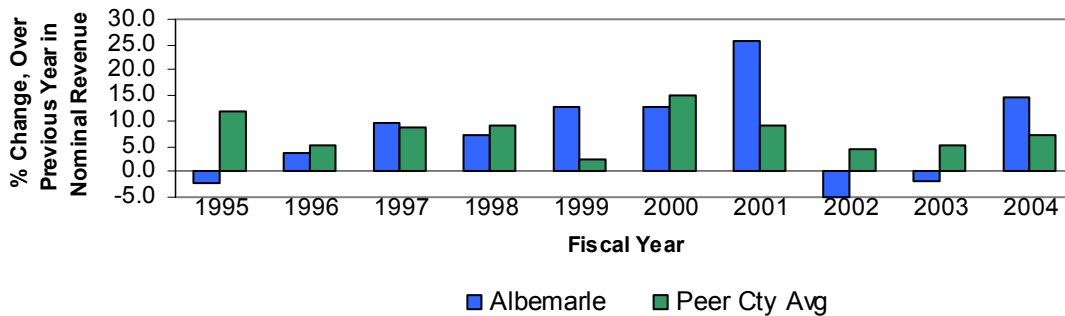
Total Nominal Business License Tax Revenue in Albemarle County, 1994-2004



Total BPOL Tax Revenue - Not Adjusted for Inflation

Business, professional, and occupational license (BPOL) tax revenue serves as one proxy for the volume of business activity taking place in a jurisdiction. In the case of Albemarle this tax revenue was relatively flat between 1994 and 1996, but increased steadily from 1997 through 2001. In 2004 Albemarle experienced a 14.8% increase from 2003 in nominal BPOL Revenues .

Percentage Change in Total Nominal Business License Tax Revenue in Albemarle County and Peer Virginia Counties, 1995-2004

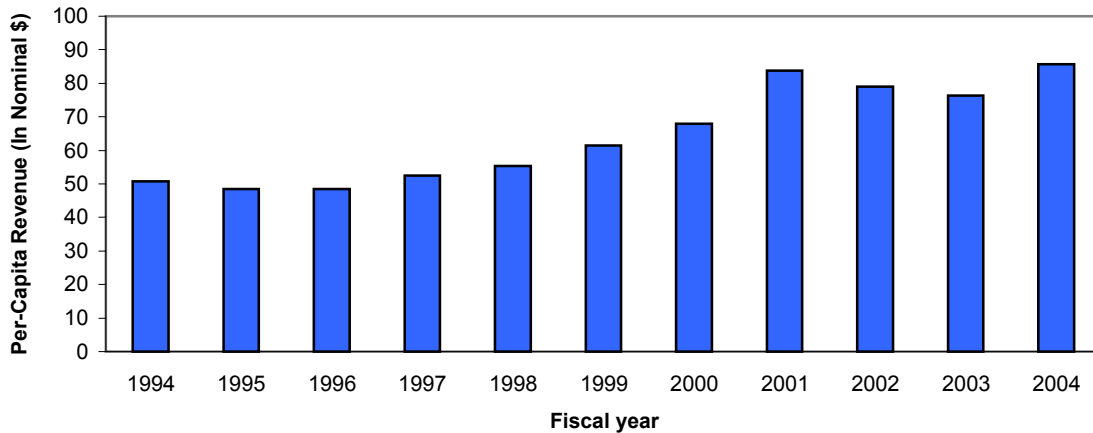


A comparison of the percentage change in BPOL revenue in Albemarle and the County's peer Virginia jurisdictions reveals that, with the exception of 1995, 2002, and 2003, Albemarle has either performed comparably with its peers or, in the cases of 1999, 2001, and 2004, has far surpassed the performance of these other jurisdictions. In 2004, Albemarle doubled the peer county average in terms of % growth from the year 2003.

Source: Commonwealth of Virginia, Auditor of Public Accounts *Comparative Report of Local Government Revenues and Expenditures*, (http://www.apa.state.va.us/local_government/comparative_cost.htm). June 15, 2005.

Per-Capita nominal BPOL tax revenue increased in 2004

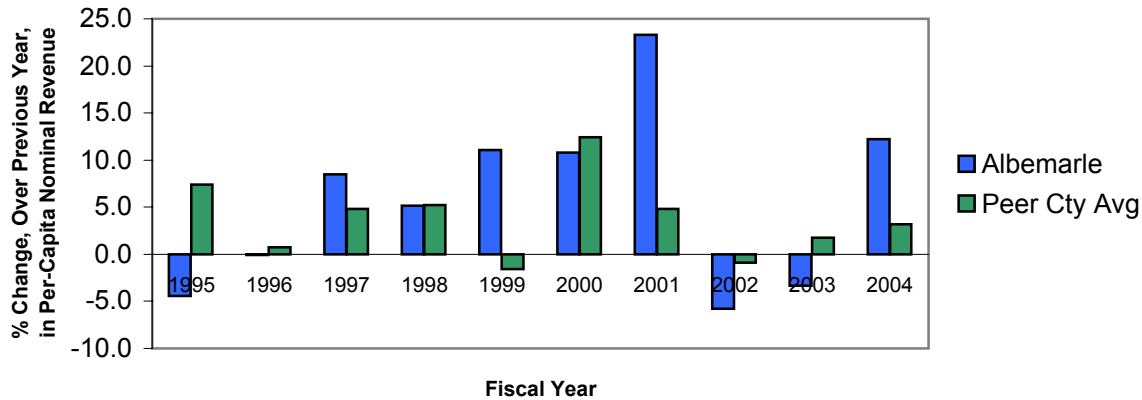
Per-Capita Nominal Business License Tax Revenue in Albemarle County, 1994-2004



Per-Capita BPOL Tax Revenue - Not Adjusted for Inflation

Changes in the per-capita value of BPOL tax revenue gives a rough idea about the *intensity* of business activity in a community. The higher the value of BPOL revenue per resident, the higher the level of business activity that each resident "supports". In the case of Albemarle, this activity increased by roughly \$30 (or 60%) between 1994 and 2001 and increased by 12.2% in 2004 from 2003.

Percentage Change in Per-Capita Nominal Business License Tax Revenue in Albemarle County and Peer Virginia Counties, 1995-2004

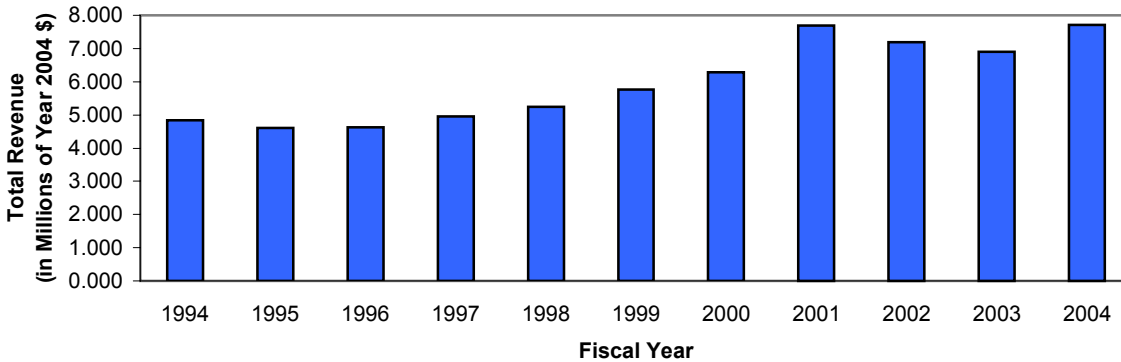


Once again a comparison with the average of the County's peer Virginia jurisdictions reveals that, between 1997 and 2001, Albemarle's per-capita BPOL tax revenue performance typically matched or did better than the peer county average. In 2003, as in 2002, Albemarle's per-capita BPOL revenue fell. In 2004, Albemarle greatly outperformed the peer city average by some 9% from 2003.

Source: Commonwealth of Virginia, Auditor of Public Accounts *Comparative Report of Local Government Revenues and Expenditures*, (http://www.apa.state.va.us/local_government/comparative_cost.htm). June 15, 2005.

Albemarle's constant dollar BPOL tax revenue increased in 2004

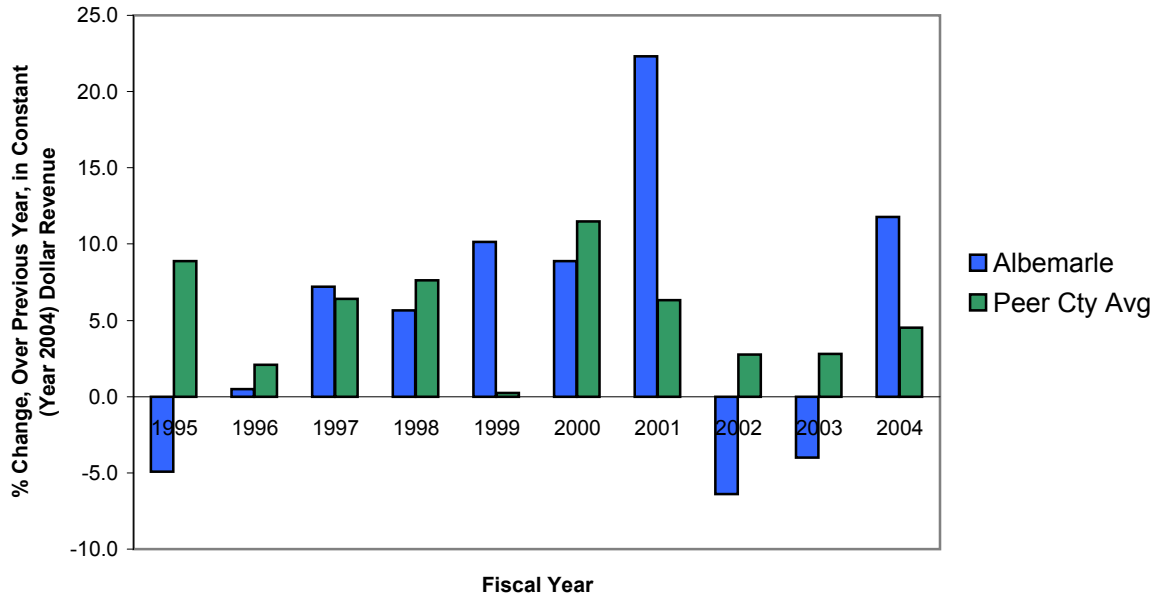
Total Constant Dollar Business License Tax Revenue in Albemarle County, 1994-2004



Total BPOL Tax Revenue - Adjusted for Inflation

After factoring out inflation, the County's total BPOL tax revenue grew substantially, with the greatest growth taking place between 1996 and 2001. However in 2002 and 2003 the county suffered a decrease in BPOL Revenues. In 2004 an increase of 12% or almost \$800,000 occurred.

Percentage Change in Total Constant Dollar Business License Tax Revenue in Albemarle County and Peer Virginia Counties, 1995-2004

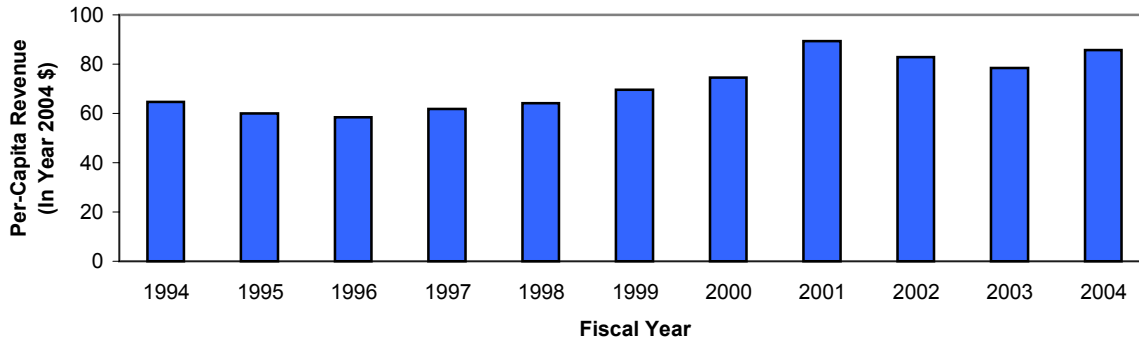


Factoring out inflation does not change the results of comparing Albemarle's performance with the average of its peer Virginia counties. Except for 1995, 2002, and 2003 Albemarle either performed comparably or outperformed this group. In 2004 the county outperformed the peer average by 7% by growing some 12%.

Source: Commonwealth of Virginia, Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, (http://www.apa.state.va.us/local_government/comparative_cost.htm). June 15, 2005.

Per-Capita constant dollar BPOL tax revenue has fluctuated through the years

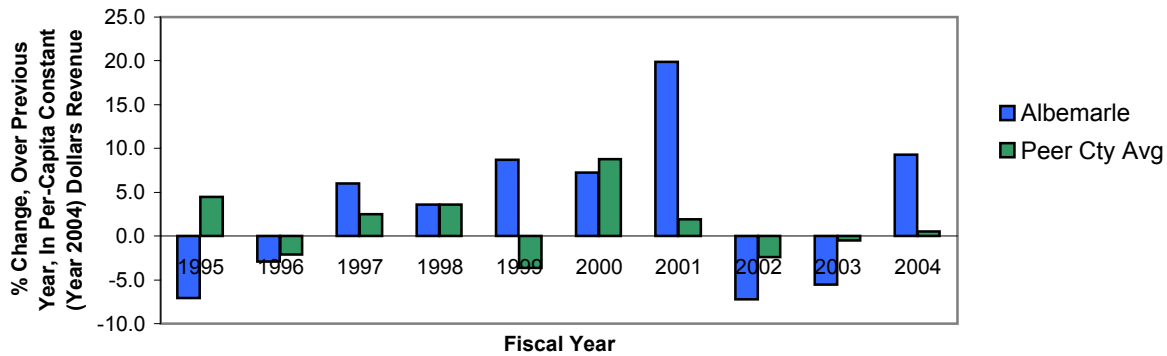
Per-Capita Constant Dollar Business License Tax Revenue in Albemarle County, 1994-2004



Per-Capita BPOL Tax Revenue - Adjusted for Inflation

In real terms, the County's per-capita BPOL tax revenue actually declined between 1994 and 1996, recovered between 1997 and 2001, but dropped again in 2002 and 2003. In 2004 the adjusted per-capita BPOL increased by over 9%.

Percentage Change in Per-Capita Constant Dollar Business License Tax Revenue in Albemarle County and Peer Virginia Counties, 1995-2004



Once again a comparison with the average of the County's peer Virginia jurisdictions reveals that, after 1996, Albemarle's per-capita BPOL tax revenue performance either matched or exceeded that of the other counties. In 2002 and 2003 there have been noticeable declines in performance. In 2004 Albemarle County increased its per capita performance by 9% versus the peer county average of only .5%.

Source: Commonwealth of Virginia, Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, (<http://www.virginia.edu/coopercenter/vastat/gov/>).
June 15, 2005.

Business License Tax Revenue for Albemarle County and Peer Virginia Counties, 1994-2004

(By Fiscal Year, in Millions of Nominal \$)

Year	Albemarle	Yr.-Yr.	Hanover	Yr.-Yr.	Henrico	Yr.-Yr.	James	Yr.-Yr.	Loudoun	Yr.-Yr.	Stafford	Yr.-Yr.	Avg. Peer
		% Ch.		% Ch.		% Ch.	City	% Ch.		% Ch.		Cty. Yr.-Yr.	% Change
1994	3.797	N/A	0.287	N/A	17.778	N/A	2.199	N/A	4.011	N/A	N/A	N/A	N/A
1995	3.712	-2.2	0.292	1.7	20.037	12.7	2.396	9.0	4.990	24.4	N/A	N/A	12.0
1996	3.841	3.5	0.282	-3.4	20.912	4.4	2.673	11.6	5.380	7.8	N/A	N/A	5.1
1997	4.213	9.7	0.324	14.9	21.792	4.2	2.874	7.5	5.850	8.7	N/A	N/A	8.8
1998	4.520	7.3	0.397	22.5	21.461	-1.5	2.946	2.5	6.649	13.7	N/A	N/A	9.3
1999	5.088	12.6	0.358	-9.8	21.054	-1.9	3.080	4.5	7.779	17.0	N/A	N/A	2.5
2000	5.726	12.5	0.397	10.9	22.253	5.7	3.468	12.6	10.247	31.7	N/A	N/A	15.2
2001	7.203	25.8	0.420	5.8	23.092	3.8	3.724	7.4	12.341	20.4	N/A	N/A	9.3
2002	6.849	-4.9	0.429	2.1	22.315	-3.4	3.923	5.3	14.006	13.5	N/A	N/A	4.4
2003	6.725	-1.8	0.427	-0.4	23.013	3.1	4.246	8.2	15.357	9.6	N/A	N/A	5.2
2004	7.717	12.7	0.433	0.9	24.598	10.2	4.3911	11.9	18.079	29.1	N/A	N/A	13.0

Per-Capita Business License Tax Revenue for Albemarle County and Peer Virginia Counties, 1994-2004

(By Fiscal Year, in Nominal \$)

Year	Albemarle	Yr.-Yr.	Hanover	Yr.-Yr.	Henrico	Yr.-Yr.	James	Yr.-Yr.	Loudoun	Yr.-Yr.	Stafford	Yr.-Yr.	Avg. Peer
		% Ch.		% Ch.		% Ch.	City	% Ch.		% Ch.		Cty. Yr.-Yr.	% Change
1994	50.69	N/A	3.98	N/A	74.32	N/A	54.98	N/A	36.01	N/A	N/A	N/A	N/A
1995	48.46	-4.4	3.89	-2.1	83.07	11.8	58.01	5.5	41.17	14.3	N/A	N/A	7.4
1996	48.44	0.0	3.66	-5.9	84.25	1.4	62.02	6.9	41.45	0.7	N/A	N/A	0.8
1997	52.53	8.5	4.07	11.0	86.34	2.5	65.17	5.1	41.76	0.7	N/A	N/A	4.8
1998	55.26	5.2	4.82	18.5	84.46	-2.2	64.61	-0.9	44.03	5.5	N/A	N/A	5.2
1999	61.38	11.1	4.21	-12.7	81.38	-3.6	65.53	1.4	47.87	8.7	N/A	N/A	-1.5
2000	68.02	10.8	4.60	9.3	84.84	4.2	72.10	10.0	60.42	26.2	N/A	N/A	12.5
2001	83.85	23.3	4.71	2.5	86.91	2.4	75.38	4.6	66.28	9.7	N/A	N/A	4.8
2002	79.00	-5.8	4.71	0.0	82.46	-5.1	75.73	0.5	67.05	1.2	N/A	N/A	-0.9
2003	76.34	-3.4	4.60	-2.3	83.84	1.7	79.96	5.6	68.41	2.0	N/A	N/A	1.7
2004	85.65	12.2	4.56	-0.9	87.97	4.9	79.55	-0.5	74.77	9.3	N/A	N/A	3.2

**Business License Tax Revenue for Albemarle County
and Peer Virginia Counties, 1994-2004**
(By Fiscal Year, in Millions of Year 2004 \$)

Year	Albemarle	Yr.-Yr.	Hanover	Yr.-Yr.	Henrico	Yr.-Yr.	James	Yr.-Yr.	Loudoun	Yr.-Yr.	Stafford	Yr.-Yr.	Avg. Peer
		% Ch.		% Ch.		% Ch.	City	% Ch.		% Ch.		% Ch.	Cty. Yr.-Yr.
													% Change
1994	4.714	N/A	0.356	N/A	22.073	N/A	2.730	N/A	4.980	N/A	N/A	N/A	N/A
1995	4.482	-4.9	0.353	-1.1	24.192	9.6	2.893	6.0	6.025	21.0	N/A	N/A	8.9
1996	4.504	0.5	0.331	-6.2	24.524	1.4	3.135	8.4	6.309	4.7	N/A	N/A	2.1
1997	4.830	7.2	0.371	12.3	24.983	1.9	3.295	5.1	6.707	6.3	N/A	N/A	6.4
1998	5.102	5.6	0.448	20.7	24.226	-3.0	3.326	0.9	7.506	11.9	N/A	N/A	7.6
1999	5.619	10.1	0.395	-11.8	23.253	-4.0	3.402	2.3	8.591	14.5	N/A	N/A	0.2
2000	6.118	8.9	0.424	7.3	23.778	2.3	3.706	8.9	10.949	27.4	N/A	N/A	11.5
2001	7.484	22.3	0.436	2.9	23.992	0.9	3.869	4.4	12.822	17.1	N/A	N/A	6.3
2002	7.005	-6.4	0.439	0.6	22.824	-4.9	4.012	3.7	14.325	11.7	N/A	N/A	2.8
2003	6.725	-4.0	0.427	-2.6	23.013	0.8	4.246	5.8	15.357	7.2	N/A	N/A	2.8
2004	7.717	11.8	0.433	-1.4	24.598	4.1	4.391	0.7	18.079	14.7	N/A	N/A	4.5

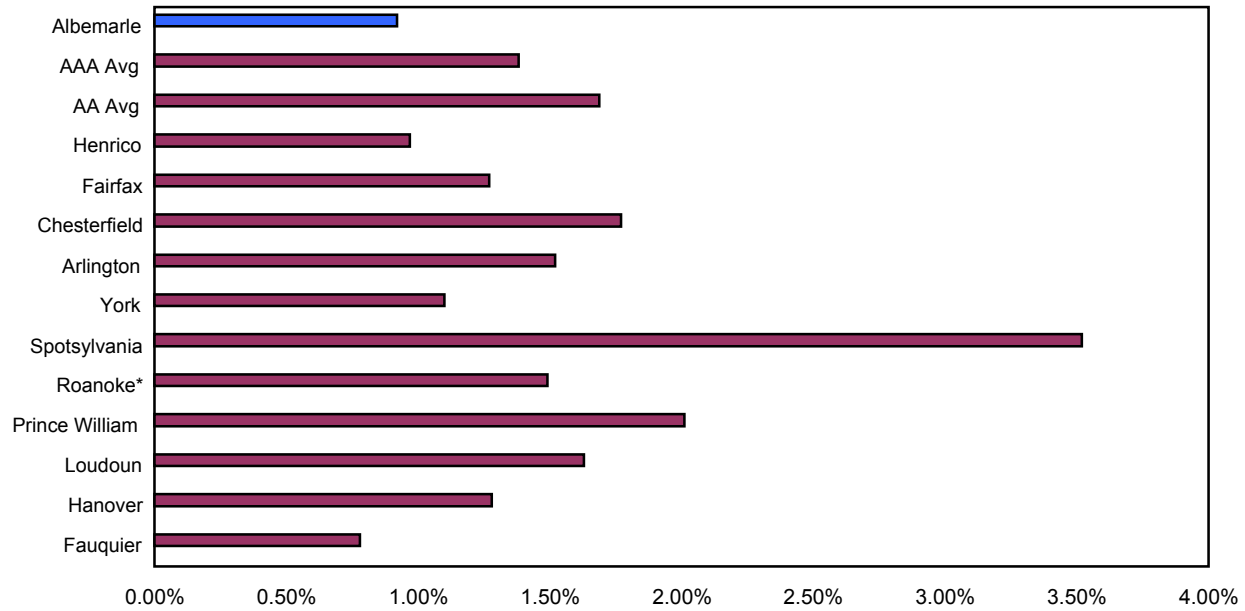
**Per-Capita Business License Tax Revenue for Albemarle
County and Peer Virginia Counties, 1994-2004**
(By Fiscal Year, in Year 2004 \$)

Year	Albemarle	Yr.-Yr.	Hanover	Yr.-Yr.	Henrico	Yr.-Yr.	James	Yr.-Yr.	Loudoun	Yr.-Yr.	Stafford	Yr.-Yr.	Avg. Peer
		% Ch.		% Ch.		% Ch.	City	% Ch.		% Ch.		% Ch.	Cty. Yr.-Yr.
													% Change
1994	62.94	N/A	4.94	N/A	92.28	N/A	68.26	N/A	44.70	N/A	N/A	N/A	N/A
1995	58.51	-7.0	4.70	-4.76	100.30	8.69	70.04	2.62	49.71	11.2	N/A	N/A	4.4
1996	56.80	-2.9	4.29	-8.631	98.81	-1.485	72.73	3.836	48.61	-2.2	N/A	N/A	-2.1
1997	60.22	6.0	4.66	8.5	98.98	0.2	74.71	2.7	47.87	-1.5	N/A	N/A	2.5
1998	62.38	3.6	5.44	16.7	95.34	-3.7	72.93	-2.4	49.71	3.8	N/A	N/A	3.6
1999	67.79	8.7	4.65	-14.6	89.88	-5.7	72.38	-0.8	52.87	6.4	N/A	N/A	-3.7
2000	72.68	7.2	4.91	5.8	90.65	0.9	77.04	6.4	64.56	22.1	N/A	N/A	8.8
2001	87.12	19.9	4.90	-0.3	90.30	-0.4	78.32	1.7	68.86	6.7	N/A	N/A	1.9
2002	80.80	-7.3	4.82	-1.5	84.34	-6.6	77.46	-1.1	68.57	-0.4	N/A	N/A	-2.4
2003	76.34	-5.5	4.60	-4.5	83.84	-0.6	79.96	3.2	68.41	-0.2	N/A	N/A	-0.5
2004	85.65	9.3	4.56	-3.5	87.97	2.2	79.55	-3.1	74.77	6.5	N/A	N/A	0.5

Source: Commonwealth of Virginia, Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, (http://www.apa.state.va.us/local_government/comparative_cost.htm). June 15, 2005.

Per capita amounts derived from population information found on the Weldon Cooper Center VaStat website. To convert to 2004 dollars, used CPI-U data from the U.S. Department of Labor, Bureau of Labor Statistics

Net Bonded Debt vs. Assessed Valuation of Taxable Property for Albemarle County, Various VA Jurisdictions, AA, and AAA averages, 2004



Albemarle County's Current Policy

Debt Outstanding Should Not Exceed 2% of Assessed Valuation of Taxable Property

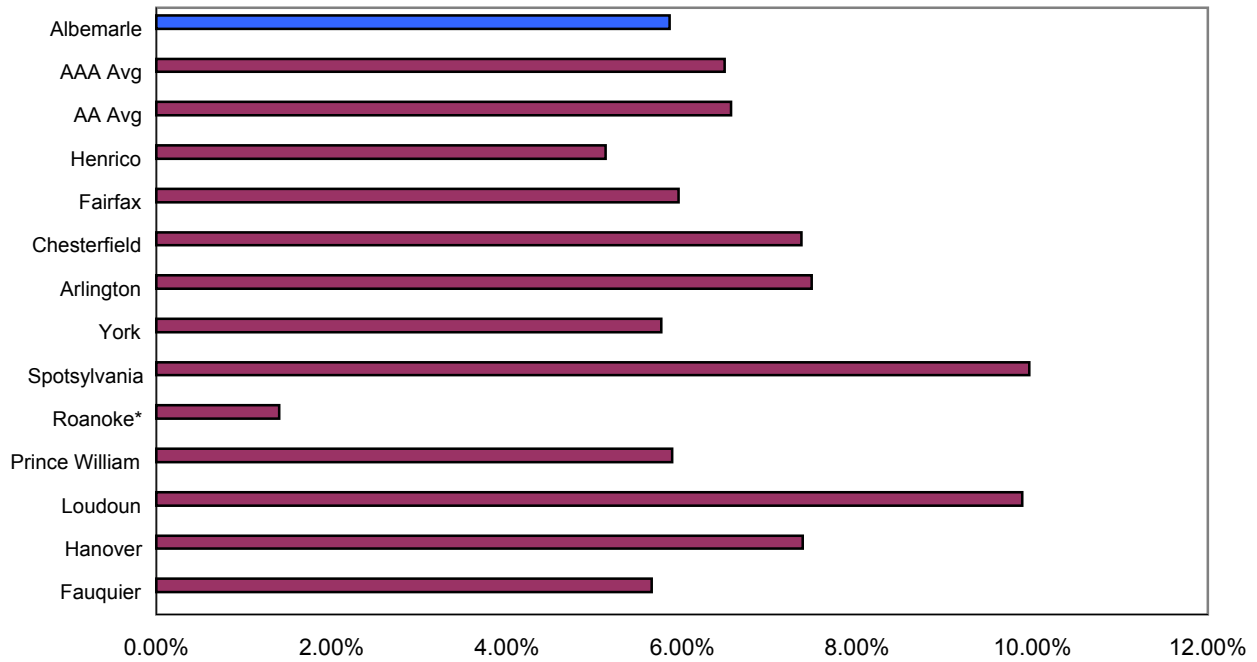
Net Bonded Debt vs. Assessed Valuation of Taxable Property, 2004

Fauquier	0.78%
Hanover	1.28%
Loudoun	1.63%
Prince William	2.01%
Roanoke*	1.49%
Spotsylvania	3.52%
York	1.10%
Arlington	1.52%
Chesterfield	1.77%
Fairfax	1.27%
Henrico	0.97%
AA Avg	1.69%
AAA Avg	1.38%
Albemarle	0.92%

*2003 Data

Source: 2004 CAFR (<http://gasb34.asp.radford.edu/munis.aspx>)

Debt Service vs. Revenues for Albemarle County, Various VA Jurisdictions, AA, and AAA averages, 2004



Albemarle County Current Policy

Debt Service as a Percentage of Revenues Should Not Exceed 10 %

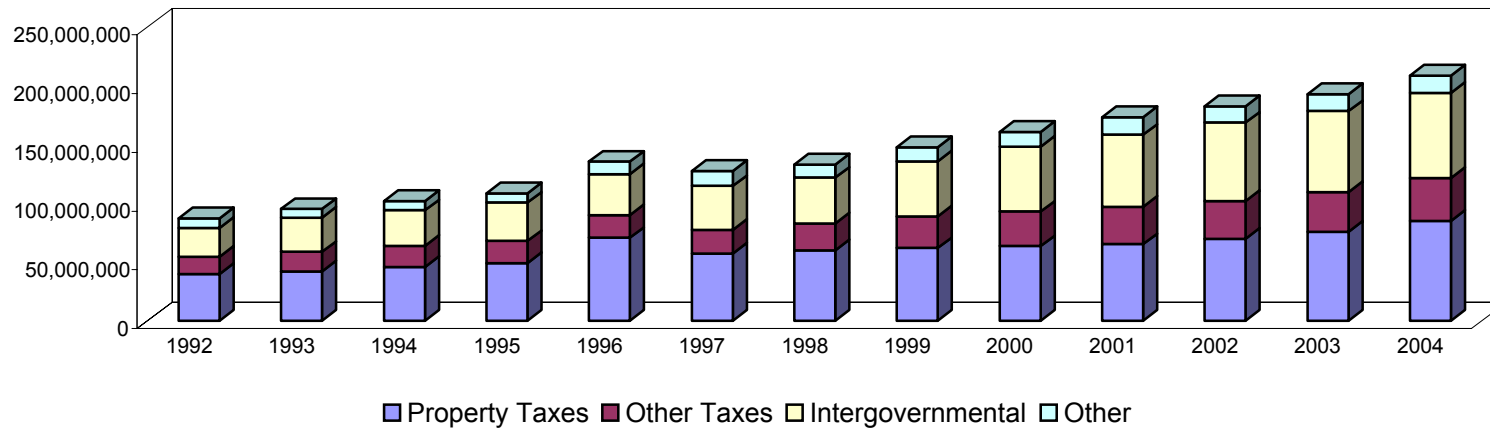
Debt Service vs. Revenue, 2004

Fauquier	5.65%
Hanover	7.38%
Loudoun	9.88%
Prince William	5.89%
Roanoke*	1.40%
Spotsylvania	9.96%
York	5.76%
Arlington	7.48%
Chesterfield	7.36%
Fairfax	5.96%
Henrico	5.13%
AA Avg	6.56%
AAA Avg	6.48%
Albemarle	5.86%

*2003 Data.

Source: 2004 CAFR (<http://gasb34.asp.radford.edu/munis.aspx>)

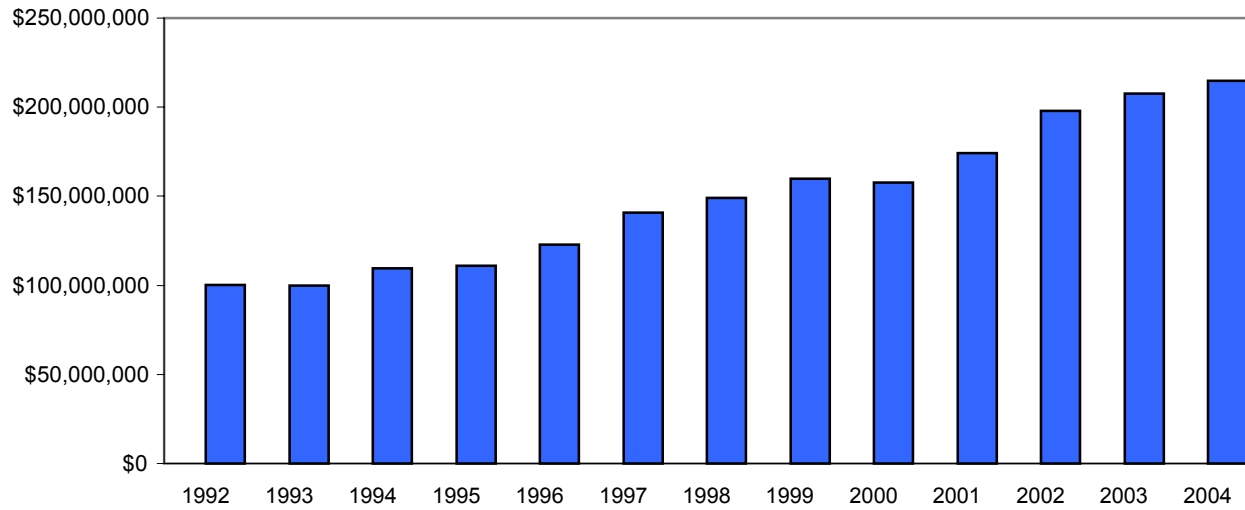
Historic Revenues by Source



Year	Property Taxes	% Change	Other Taxes	% change	Intergovernmental	% Change	Other	% Change	Total	% Change
1992	39,693,578	N/A	14,767,928	N/A	24,617,448	N/A	8,011,862	N/A	87,090,816	N/A
1993	41,868,387	5.48%	16,626,535	12.59%	29,132,827	18.34%	7,440,352	-7.13%	95,068,101	9.16%
1994	45,814,504	9.43%	17,695,347	6.43%	30,501,342	4.70%	7,924,511	6.51%	101,935,704	7.22%
1995	49,057,317	7.08%	18,744,077	5.93%	32,580,254	6.82%	8,049,274	1.57%	108,430,922	6.37%
1996	70,456,150	43.62%	19,287,058	2.90%	35,130,486	7.83%	10,417,849	29.43%	135,291,543	24.77%
1997	57,098,367	-18.96%	20,280,373	5.15%	37,355,357	6.33%	12,623,388	21.17%	127,357,485	-5.86%
1998	59,736,838	4.62%	23,140,529	14.10%	38,931,191	4.22%	11,239,608	-10.96%	133,048,166	4.47%
1999	61,700,661	3.29%	27,134,007	17.26%	46,924,233	20.53%	11,805,721	5.04%	147,564,622	10.91%
2000	63,335,269	2.65%	29,540,491	8.87%	55,221,149	17.68%	12,713,993	7.69%	160,810,902	8.98%
2001	64,966,150	2.57%	31,945,410	8.14%	61,421,035	11.23%	15,040,320	18.30%	173,372,915	7.81%
2002	69,503,975	6.98%	32,448,475	1.57%	66,643,984	8.50%	13,887,549	-7.66%	182,483,983	5.26%
2003	75,809,882	9.07%	33,782,441	4.11%	68,883,985	3.36%	14,406,166	3.73%	192,882,474	5.70%
2004	84,779,601	11.83%	36,681,100	8.58%	72,530,336	5.29%	14,805,466	2.77%	208,796,503	8.25%
5-Yr Average		6.62%		6.26%		9.21%		4.97%		7.20%
10-Yr Average		7.28%		7.66%		9.18%		7.11%		7.67%

Source: 2004 CAFR (http://www.albemarle.org/upload/images/forms_center/departments/finance/forms/CAFR_2004.pdf) pg. 110

Historic Total Expenditures for Albemarle County



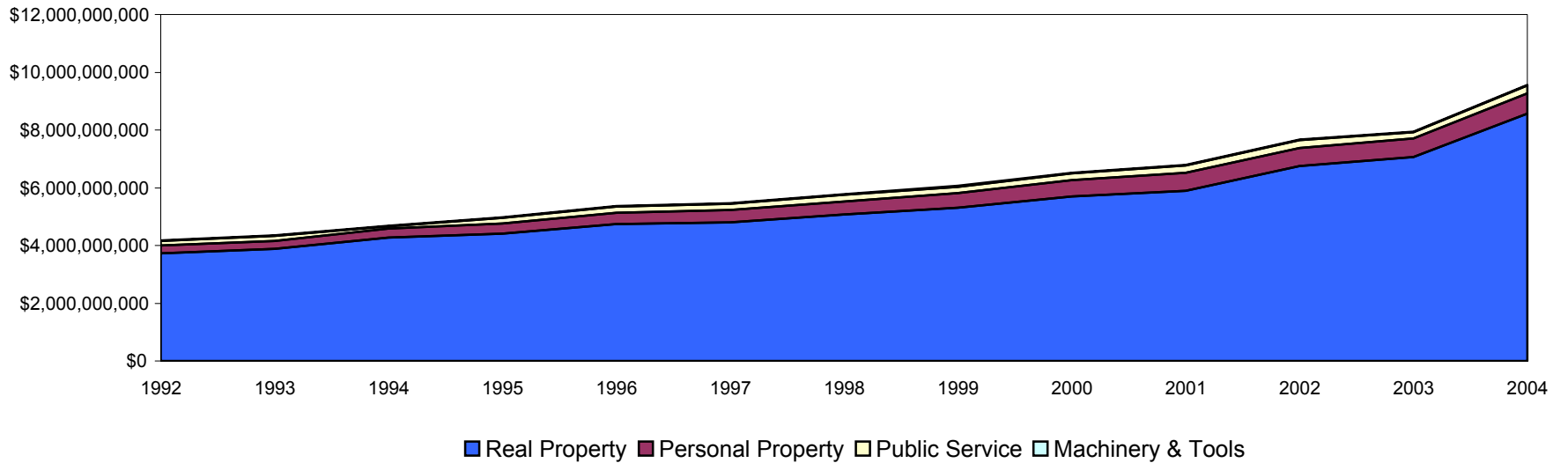
Total Expenditures Albemarle County

Year	Expenditures	% Change
1992	\$100,218,680	N/A
1993	\$99,707,979	-0.51%
1994	\$109,573,814	9.89%
1995	\$110,911,105	1.22%
1996	\$122,831,581	10.75%
1997	\$140,919,884	14.73%
1998	\$149,135,839	5.83%
1999	\$160,001,194	7.29%
2000	\$157,818,583	-1.36%
2001	\$174,213,843	10.39%
2002	\$198,065,818	13.69%
2003	\$207,750,039	4.89%
2004	\$214,756,888	3.37%

5-Yr Average	6.20%
10-Yr Average	7.08%

Source: CAFR (http://www.albemarle.org/upload/images/forms_center/departments/finance/forms/CAFR_2004.pdf)

Historic Assessed Value Growth



Year	Real Property	% Change	Personal Property	% Change	Public Service	% Change	Machinery & Tools	% Change	Total	% Change
1992	3,725,844,000	N/A	276,431,000	N/A	159,849,000	N/A	17,718,000	N/A	4,179,842,000	N/A
1993	3,881,444,000	4.18%	276,539,000	0.04%	171,429,000	7.24%	17,884,000	0.94%	4,347,296,000	4.01%
1994	4,278,835,000	10.24%	313,171,000	13.25%	76,368,000	-55.45%	20,097,000	12.37%	4,688,471,000	7.85%
1995	4,412,887,000	3.13%	351,455,000	12.22%	195,279,000	155.71%	20,131,000	0.17%	4,979,752,000	6.21%
1996	4,731,824,000	7.23%	398,220,000	13.31%	222,883,000	14.14%	21,290,000	5.76%	5,374,217,000	7.92%
1997	4,798,901,000	1.42%	434,291,000	9.06%	201,471,000	-9.61%	22,231,000	4.42%	5,456,894,000	1.54%
1998	5,072,861,000	5.71%	455,627,000	4.91%	228,208,000	13.27%	22,917,000	3.09%	5,779,613,000	5.91%
1999	5,312,445,000	4.72%	494,353,000	8.50%	229,985,000	0.78%	24,016,000	4.80%	6,060,799,000	4.87%
2000	5,703,666,000	7.36%	556,589,000	12.59%	236,288,000	2.74%	24,509,000	2.05%	6,521,052,000	7.59%
2001	5,895,818,000	3.37%	613,365,000	10.20%	255,094,000	7.96%	23,920,000	-2.40%	6,788,197,000	4.10%
2002	6,754,462,000	14.56%	627,938,000	2.38%	257,912,000	1.10%	22,906,000	-4.24%	7,663,218,000	12.89%
2003	7,060,353,000	4.53%	647,845,000	3.17%	218,342,000	-15.34%	19,389,000	-15.35%	7,945,929,000	3.69%
2004	8,567,919,000	21.35%	709,255,000	9.48%	261,328,000	19.69%	16,086,000	-17.04%	9,554,588,000	20.25%
5-Yr Average		10.24%		7.56%		3.23%		-7.40%		9.70%
10-Yr Average		7.34%		8.58%		19.04%		-1.88%		7.50%

Source: CAFR (http://www.albemarle.org/upload/images/forms_center/departments/finance/forms/CAFR_2004.pdf) p. 116