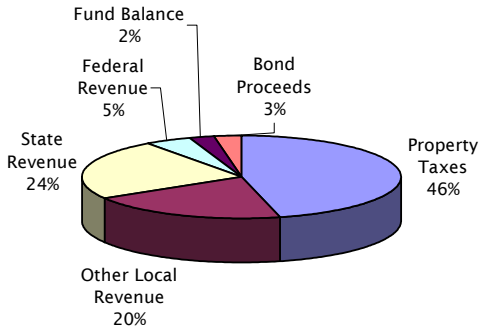
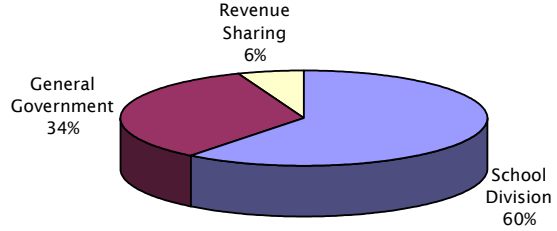


BUDGET AT A GLANCE

FY 09/10 TOTAL BUDGET
ADOPTED REVENUES
\$303,723,333



FY 09/10 TOTAL BUDGET
ADOPTED EXPENDITURES
\$307,723,333



ALL FUNDS SUMMARY

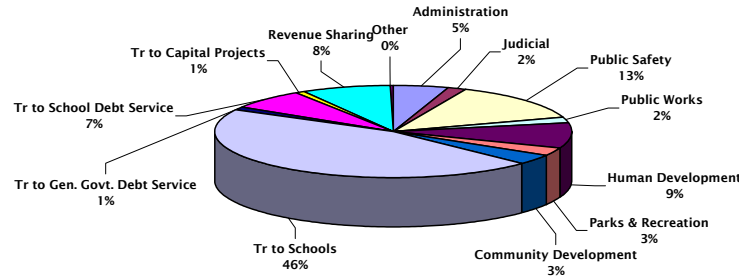
| (\$ in millions) | Budget FY 08/09 | Adopted FY 09/10 | \$ Inc/Dec | % Inc/Dec |
|-----------------------------------|--------------------|---------------------|-----------------|--------------|
| General Government | \$78.4 | \$76.7 | (\$1.8) | -2.3% |
| Special Revenue Funds | 12.7 | 12.7 | 0.0 | 0.2% |
| General Govt Debt Service | 2.2 | 3.1 | 0.9 | 38.6% |
| Subtotal, General Govt. | \$93.3 | \$92.4 | (\$0.9) | -1.0% |
| School Division | \$146.6 | \$144.2 | (\$2.5) | -1.7% |
| School Self-Sustaining | 16.1 | 16.5 | 0.4 | 2.6% |
| School Debt Service | 13.1 | 15.2 | 2.0 | 15.5% |
| Subtotal, Schools | \$175.9 | \$175.9 | (\$0.0) | 0.0% |
| Total, Operating | \$269.2 | \$268.3 | (\$0.9) | -0.3% |
| Capital Projects | 49.2 | 17.4 | (31.9) | -64.7% |
| Revenue Sharing - Charlottesville | 13.6 | 18.0 | 4.4 | 32.3% |
| Revenue Shortfall Contingency | 1.6 | 0.0 | (1.6) | -100.0% |
| Total Budget | \$333.7 | \$303.7 | (\$30.0) | -9.0% |

NOTE: Totals are net of transfers and may not agree due to rounding.

| TAX RATES | | GENERAL INFORMATION | |
|----------------------------|---------|-----------------------|-------------|
| Real Estate Tax (2009) * 1 | \$0.742 | Area | 726 sq. mi. |
| Personal Property Tax* | \$4.28 | Population (2008) | 93,668 |
| Machinery & Tools* | \$4.28 | Market Salary Increa: | 0.00% |
| Meals Tax | 4.00% | Reassessment Rate | -2.75% |
| * Per \$100 assessed value | | | |

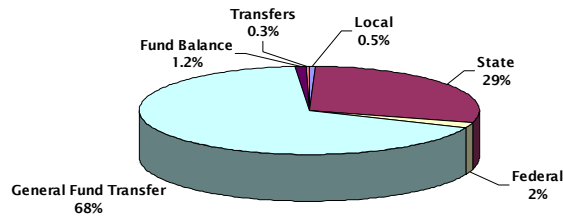
¹ The 2008 Real Estate Tax rate was \$0.71 per \$100 of assessed value.

**FY 09/10 ADOPTED
GENERAL FUND EXPENDITURES
\$218,840,522**



| GENERAL FUND (\$ in millions) | Budget FY 08/09 | Adopted FY 09/10 | \$ Inc/Dec | % Inc/Dec |
|---|---------------------------|----------------------------|-------------------|------------------|
| Administration | \$11.0 | \$10.8 | (\$0.2) | -2.0% |
| Judicial | 3.9 | 3.8 | (0.0) | -1.2% |
| Public Safety | 29.4 | 29.2 | (0.2) | -0.6% |
| Public Works | 4.7 | 4.6 | (0.1) | -1.7% |
| Human Development | 18.9 | 19.2 | 0.4 | 2.0% |
| Parks, Recreation & Culture | 6.3 | 6.4 | 0.1 | 1.3% |
| Community Development | 7.8 | 7.5 | (0.3) | -4.3% |
| Transfers & Other | 142.4 | 137.3 | (5.2) | -3.6% |
| TOTAL, GENERAL FUND | \$224.4 | \$218.8 | (\$5.6) | -2.5% |

**FY 09/10 SCHOOL DIVISION
APPROPRIATED REVENUES
\$148,533,856**



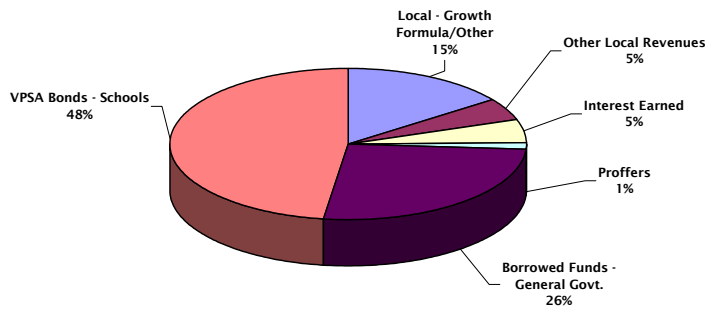
| SCHOOL DIVISION REVENUE (\$ in millions) | Budget FY 08/09 | Adopted FY 09/10 | Appropriated FY 09/10 | \$ Inc/Dec | % Inc/Dec |
|--|---------------------------|----------------------------|---------------------------------|-------------------|------------------|
| Local | \$0.9 | \$0.7 | \$0.7 | (\$0.3) | -28.7% |
| State | 45.1 | 42.8 | 43.3 | (1.9) | -4.1% |
| Federal | 2.7 | 2.7 | 2.7 | 0.0 | 0.0% |
| General Fund Transfer | 101.2 | 100.2 | 100.2 | (1.1) | -1.1% |
| Fund Balance/Other Transfers | 1.3 | 2.2 | 2.2 | 0.9 | 65.5% |
| TOTAL, SCHOOL FUND | \$151.3 | \$148.5 | \$149.0 | (\$2.3) | -1.5% |
| Self-Sustaining Funds | \$16.5 | \$16.9 | \$16.9 | \$0.4 | 2.4% |

NOTE: Totals may not agree due to rounding.

CAPITAL BUDGET AT A GLANCE

FY 2009/10 ADOPTED Capital Improvements Budget

FY 2009/10 Revenues
\$17,413,000

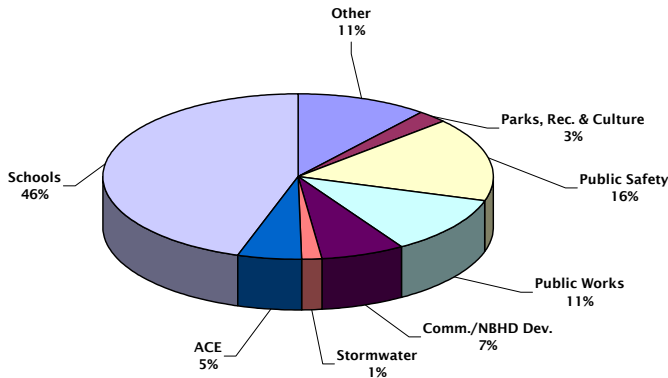


CIP Revenues (\$ in thousands)

FY 09/10

| | |
|--------------------------------|-----------------|
| Local - Growth Formula/Other | \$1,815 |
| Tourism-ACE/Other | 501 |
| Interest Earned | 600 |
| Courthouse Maint./Grant/Other | 46 |
| Borrowed Funds - General Govt. | 3,112 |
| VPSA Bonds - Schools | 5,738 |
| State Technology Grant | 700 |
| Proffers | 178 |
| Use of Reserve | 4,724 |
| TOTAL CIP REVENUES | \$17,413 |

FY 2009/10 Expenditures
\$17,413,000



CIP Expenditures (\$ in thousands)

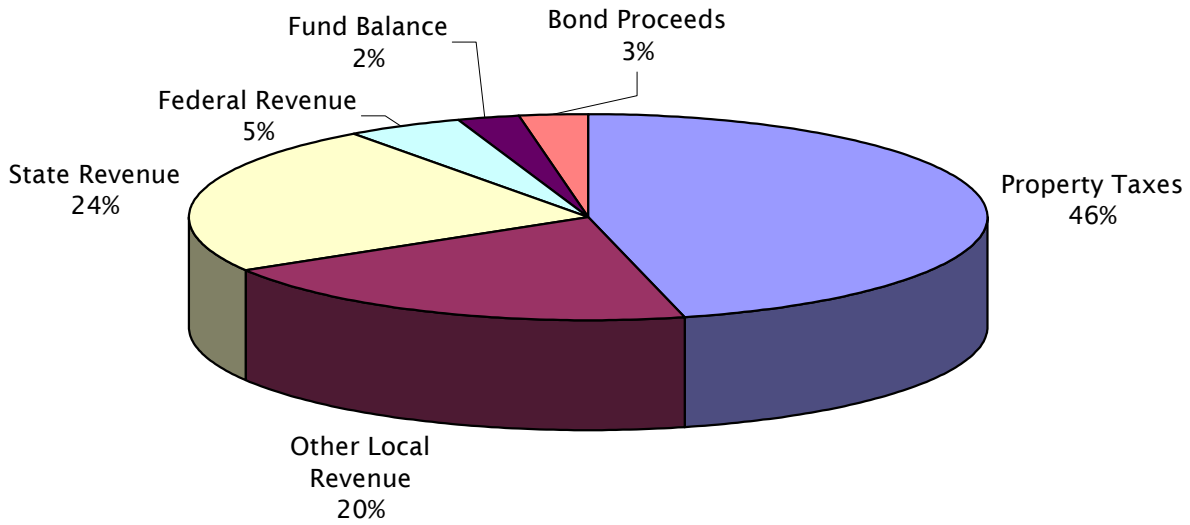
FY 09/10

| | |
|-------------------------------|-----------------|
| Administration | \$0 |
| Parks, Recreation & Culture | 452 |
| Courts & Judicial | 100 |
| Public Safety | 2,862 |
| Public Works | 1,985 |
| Comm/NBHD Development | 1,213 |
| Technology & GIS | 375 |
| Libraries/Human Dev. | 55 |
| Stormwater | 250 |
| ACE | 950 |
| Schools | 7,822 |
| Reserve | 1,349 |
| TOTAL CIP EXPENDITURES | \$17,413 |

* Totals may not agree due to rounding.

TOTAL COUNTY REVENUES

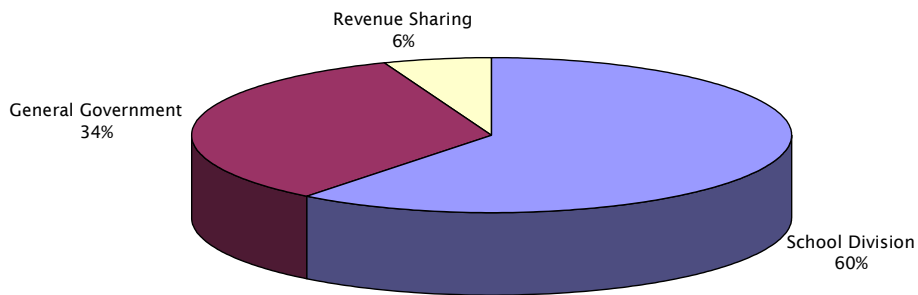
FY 09/10 TOTAL BUDGET ADOPTED REVENUES \$303,723,333



| | FY 07/08 ACTUAL | FY 08/09 APPROP | FY 08/09 ESTIMATE | FY 09/10 PROJECTED | FY 09/10 RECOMM | FY 08/09 ADOPTED | \$ ADP-APP | % ADP/APP |
|-------------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|--------------|
| Property Taxes | \$132,709,205 | \$140,047,106 | \$140,292,060 | \$143,990,097 | \$143,990,097 | \$140,053,307 | \$6,201 | 0.0% |
| Other Local Revenue | 66,587,750 | 67,243,443 | 59,930,311 | 62,695,029 | 62,695,029 | 61,606,792 | (5,636,651) | -8.4% |
| State Revenue | 74,729,692 | 74,724,903 | 75,286,467 | 70,955,316 | 70,955,316 | 72,028,467 | (2,696,436) | -3.6% |
| Federal Revenue | 13,473,467 | 14,170,237 | 14,534,443 | 14,318,758 | 14,318,758 | 14,176,290 | 6,053 | 0.0% |
| Fund Balance | 0 | 2,506,996 | 34,364,541 | 6,863,490 | 6,873,620 | 7,008,477 | 4,501,481 | 179.6% |
| Bond Proceeds | 11,933,650 | 35,023,000 | 52,725,424 | 8,850,000 | 8,850,000 | 8,850,000 | (26,173,000) | -74.7% |
| TOTAL, ALL FUNDS | \$299,433,763 | \$333,715,685 | \$377,133,246 | \$307,672,690 | \$307,682,820 | \$303,723,333 | (\$29,992,352) | -9.0% |

TOTAL COUNTY EXPENDITURES

**FY 09/10 TOTAL BUDGET
ADOPTED EXPENDITURES
\$307,723,333**

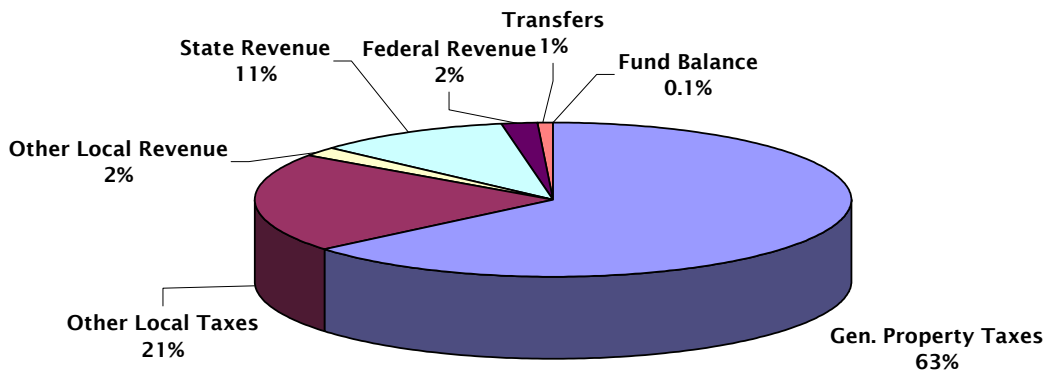


| | FY 07/08 ACTUAL | FY 08/09 APPROP | FY 08/09 PROJECTED | FY 09/10 REQUEST | FY 09/10 RECOMM | FY 08/09 ADOPTED | \$ ADP-APP | % ADP/APP |
|-----------------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|--------------|
| EXPENDITURES | | | | | | | | |
| General Govt Operations | \$73,586,911 | \$78,427,739 | \$76,192,716 | \$79,605,725 | \$76,888,651 | \$76,652,234 | (\$1,775,505) | -2.3% |
| Special Revenue Funds | 11,760,534 | 12,673,502 | 12,756,026 | 12,839,596 | 12,696,884 | 12,696,884 | 23,382 | 0.2% |
| General Govt Debt Service | 2,246,189 | 2,213,822 | 2,213,822 | 3,068,113 | 3,068,113 | 3,068,113 | 854,291 | 38.6% |
| Subtotal, Gen Govt | 87,593,634 | 93,315,063 | 91,162,564 | 95,513,434 | 92,653,648 | 92,417,231 | (897,832) | -1.0% |
| School Div Operations | 139,955,365 | 146,645,923 | 144,014,298 | 144,722,781 | 143,845,483 | 144,184,787 | (2,461,136) | -1.7% |
| School Self-Sustaining | 15,101,716 | 16,125,489 | 16,717,524 | 16,548,585 | 16,548,585 | 16,548,585 | 423,096 | 2.6% |
| School Debt Service | 12,467,768 | 13,137,712 | 13,137,712 | 15,174,802 | 15,174,802 | 15,174,802 | 2,037,090 | 15.5% |
| Subtotal, Schools | 167,524,849 | 175,909,124 | 173,869,534 | 176,446,168 | 175,568,870 | 175,908,174 | (950) | 0.0% |
| SUBTOTAL - OPERATING | \$255,118,483 | \$269,224,187 | \$265,032,098 | \$271,959,602 | \$268,222,518 | \$268,325,405 | (\$898,782) | -0.3% |
| Capital Projects | 28,279,219 | 49,243,476 | 97,911,483 | 17,510,000 | 17,510,000 | 17,359,050 | (31,884,426) | -64.7% |
| Revenue Sharing | 13,212,401 | 13,633,950 | 13,633,950 | 18,038,878 | 18,038,878 | 18,038,878 | 4,404,928 | 32.3% |
| Rev. Shortfall Contingency | 0 | 1,614,072 | 0 | 3,911,424 | 3,911,424 | 0 | (1,614,072) | -100.0% |
| TOTAL - ALL FUNDS | \$296,610,103 | \$333,715,685 | \$376,577,531 | \$311,419,904 | \$307,682,820 | \$303,723,333 | (\$29,992,352) | -9.0% |

NOTE: Totals are net of transfers.

GENERAL FUND REVENUES

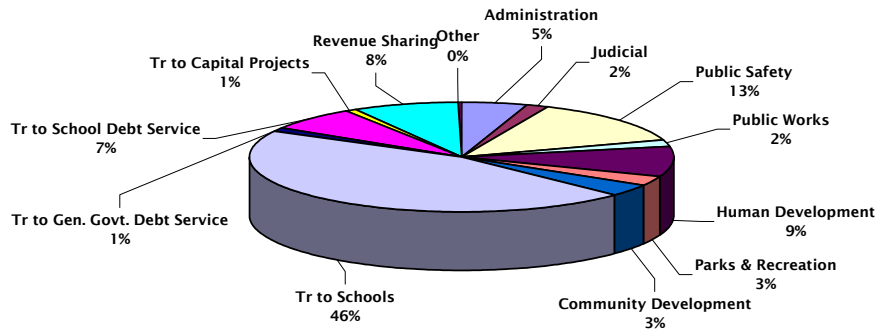
FY 09/10 ADOPTED
GENERAL FUND REVENUES
\$218,840,522



| | FY 07/08 ACTUAL | FY 08/09 APPROP | FY 08/09 PROJECTED | FY 09/10 PROJECTED | FY 09/10 RECOMM | FY 08/09 ADOPTED | \$ ADP-APP | % ADP/APP |
|---------------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|--------------|
| REVENUES | | | | | | | | |
| Local Revenue | | | | | | | | |
| Gen. Property Taxes | \$132,709,205 | \$140,047,106 | \$140,292,060 | \$143,990,097 | \$143,990,097 | \$140,053,307 | \$6,201 | 0.0% |
| Other Local Taxes | 46,008,209 | 48,495,365 | 42,861,431 | 46,215,750 | 46,215,750 | 45,209,537 | (3,285,828) | -6.8% |
| Other Local Revenue | 5,384,939 | 6,178,318 | 4,273,776 | 4,258,950 | 4,258,950 | 4,176,926 | (2,001,392) | -32.4% |
| SUBTOTAL | \$184,102,353 | \$194,720,789 | \$187,427,267 | \$194,464,797 | \$194,464,797 | \$189,439,770 | (\$5,281,019) | -2.7% |
| State Revenue | \$23,709,098 | \$23,530,551 | \$23,436,169 | \$23,290,384 | \$23,290,384 | \$23,486,237 | (\$44,314) | -0.2% |
| Federal Revenue | 4,299,921 | 4,254,244 | 4,206,695 | 4,280,851 | 4,280,851 | 4,138,383 | (115,861) | -2.7% |
| Transfers | 1,769,018 | 1,474,241 | 1,471,753 | 1,629,857 | 1,629,857 | 1,629,857 | 155,616 | 10.6% |
| Fund Balance | 0 | 411,500 | 1,816,285 | 0 | 146,275 | 146,275 | (265,225) | -64.5% |
| SUBTOTAL | \$29,778,037 | \$29,670,536 | \$30,930,902 | \$29,201,092 | \$29,347,367 | \$29,400,752 | (\$269,784) | -0.9% |
| TOTAL GENERAL FUND | \$213,880,390 | \$224,391,325 | \$218,358,169 | \$223,665,889 | \$223,812,164 | \$218,840,522 | (\$5,550,803) | -2.5% |

GENERAL FUND EXPENDITURES

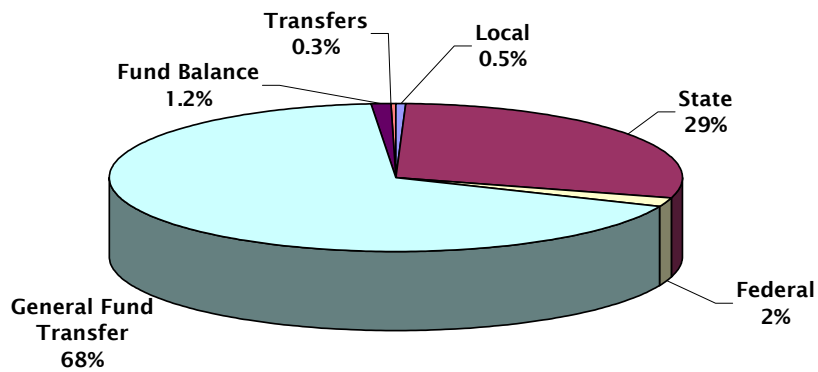
FY 09/10 ADOPTED GENERAL FUND EXPENDITURES \$218,840,522



| | FY 07/08 ACTUAL | FY 08/09 APPROP | FY 08/09 PROJECTED | FY 09/10 REQUEST | FY 09/10 RECOMM | FY 08/09 ADOPTED | \$ ADP-APP | % ADP/APP |
|-------------------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|--------------|
| EXPENDITURES | | | | | | | | |
| Administration | \$10,455,018 | \$11,043,632 | \$10,536,116 | \$10,933,302 | \$10,822,702 | \$10,822,702 | (\$220,930) | -2.0% |
| Judicial | 3,673,592 | 3,860,951 | 3,666,754 | 3,984,787 | 3,816,340 | 3,816,340 | (44,611) | -1.2% |
| Public Safety | 28,375,634 | 29,371,242 | 28,677,057 | 30,296,950 | 29,203,926 | 29,203,926 | (167,316) | -0.6% |
| Public Works | 4,495,506 | 4,673,265 | 4,937,401 | 4,802,365 | 4,593,255 | 4,593,255 | (80,010) | -1.7% |
| Human Development | 17,282,616 | 18,853,734 | 17,924,034 | 19,552,610 | 19,074,079 | 19,228,284 | 374,550 | 2.0% |
| Parks & Recreation | 6,027,268 | 6,323,251 | 6,172,264 | 6,656,582 | 6,403,405 | 6,403,405 | 80,154 | 1.3% |
| Community Development | 7,750,065 | 7,834,842 | 7,763,865 | 7,771,276 | 7,496,524 | 7,496,524 | (338,318) | -4.3% |
| SUBTOTAL | \$78,059,699 | \$81,960,917 | \$79,677,491 | \$83,997,872 | \$81,410,231 | \$81,564,436 | (\$396,481) | -0.5% |
| Tr to Schools | \$96,372,397 | \$101,225,059 | \$98,304,934 | \$101,565,869 | \$100,688,571 | \$100,150,577 | (\$1,074,482) | -1.1% |
| Tr to Gen. Govt. Debt Service | 1,854,751 | 1,930,644 | 1,930,644 | 2,784,935 | 2,784,935 | 2,784,935 | 854,291 | 44.2% |
| Tr to School Debt Service | 12,234,074 | 12,913,103 | 12,913,103 | 14,956,864 | 14,956,864 | 14,956,864 | 2,043,761 | 15.8% |
| Tr to Capital Projects | 11,456,576 | 10,227,962 | 9,836,873 | 2,100,815 | 2,100,815 | 1,815,008 | (8,412,954) | -82.3% |
| Revenue Sharing | 13,212,401 | 13,633,950 | 13,633,950 | 18,038,878 | 18,038,878 | 18,038,878 | 4,404,928 | 32.3% |
| Refunds | 131,044 | 169,500 | 169,500 | 205,500 | 169,500 | 169,500 | 0 | 0.0% |
| Contingency Reserves | 0 | 691,118 | 770,338 | 440,000 | 340,000 | 336,745 | (354,373) | -51.3% |
| Revenue Shortfall Contingency | 0 | 1,614,072 | 0 | 3,911,424 | 3,911,424 | 0 | (1,614,072) | -100.0% |
| Other | 114,285 | 25,000 | 46,000 | (589,054) | (589,054) | (976,421) | (1,001,421) | -4005.7% |
| SUBTOTAL | \$135,375,528 | \$142,430,408 | \$137,605,342 | \$143,415,231 | \$142,401,933 | \$137,276,086 | (\$5,154,322) | -3.6% |
| TOTAL GENERAL FUND | \$213,435,227 | \$224,391,325 | \$217,282,833 | \$227,413,103 | \$223,812,164 | \$218,840,522 | (\$5,550,803) | -2.5% |

SCHOOL DIVISION REVENUES

FY 09/10 SCHOOL DIVISION APPROPRIATED REVENUES \$148,978,488

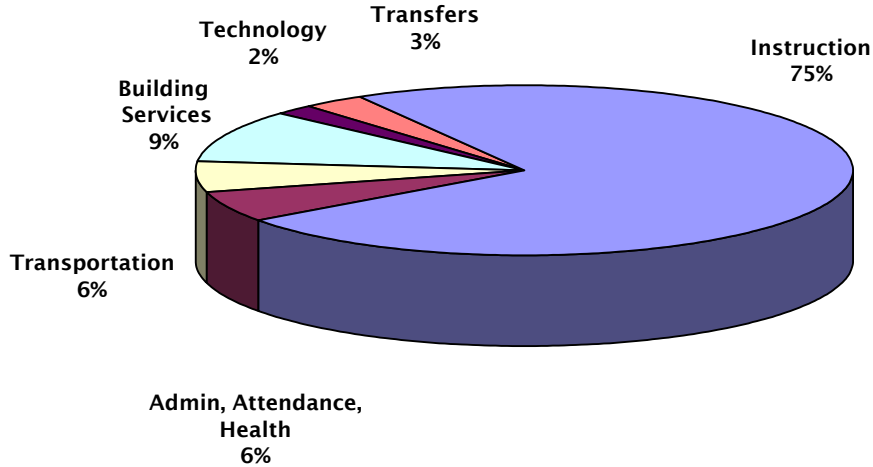


| | FY 07/08 ACTUAL | FY 08/09 APPROP | FY 08/09 PROJECTED | FY 09/10 REQUEST | FY 09/10 RECOMM | FY 09/10 ADOPTED | FY 09/10 APPROP | \$ APP-APP | % APP/ADP |
|---------------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--------------|
| SCHOOL FUNDS | | | | | | | | | |
| Local | \$1,321,508 | \$946,553 | \$1,054,983 | \$675,278 | \$675,278 | \$675,278 | \$675,278 | (\$271,275) | -28.7% |
| State | 44,593,393 | 45,110,478 | 45,147,978 | 41,938,397 | 41,938,397 | 42,815,695 | 43,260,327 | (1,850,151) | -4.1% |
| Federal | 2,077,007 | 2,668,306 | 2,668,306 | 2,668,306 | 2,668,306 | 2,668,306 | 2,668,306 | 0 | 0.0% |
| General Fund Transfer | 96,372,397 | 101,225,059 | 98,304,934 | 101,565,869 | 100,688,571 | 100,150,577 | 100,150,577 | (1,074,482) | -1.1% |
| Fund Balance | 0 | 921,546 | 947,068 | 1,800,000 | 1,800,000 | 1,800,000 | 1,800,000 | 878,454 | 95.3% |
| Transfers | 422,061 | 424,000 | 604,000 | 424,000 | 424,000 | 424,000 | 424,000 | 0 | 0.0% |
| TOTAL SCHOOL FUNDS | \$144,786,366 | \$151,295,942 | \$148,727,269 | \$149,071,850 | \$148,194,552 | \$148,533,856 | \$148,978,488 | (\$2,317,454) | -1.5% |

NOTE: When the budget was adopted, final revenue available to the schools was not yet known. This adjustment was made in the appropriation resolution and is reflected in the chart above. Total FY 09/10 Adopted budget figures include the adopted amount shown for the schools.

SCHOOL DIVISION EXPENDITURES

FY 09/10 SCHOOL DIVISION APPROPRIATED EXPENDITURES \$148,978,488



| | FY 07/08 ACTUAL | FY 08/09 APPROP | FY 09/10 REQUEST | FY 09/10 APPROP | \$ APP-APP | % APP/APP |
|--------------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|--------------|
| SCHOOL FUNDS | | | | | | |
| Instruction | \$108,043,326 | \$111,607,144 | \$109,346,432 | \$109,256,919 | (\$2,350,225) | -2.1% |
| Admin, Attendance, Health | 9,717,847 | 11,161,411 | 8,665,473 | 8,661,624 | (2,499,787) | -22.4% |
| Transportation | 8,897,824 | 9,770,408 | 8,717,314 | 8,717,314 | (1,053,094) | -10.8% |
| Building Services | 13,296,503 | 14,106,960 | 14,819,569 | 14,819,569 | 712,609 | 5.1% |
| Technology** | 0 | 0 | 3,173,993 | 3,173,993 | 3,173,993 | |
| Transfers | 3,784,024 | 4,650,019 | 4,349,069 | 4,349,069 | (300,950) | -6.5% |
| TOTAL SCHOOL FUNDS | \$143,739,524 | \$151,295,942 | \$149,071,850 | \$148,978,488 | (\$2,317,454) | -1.5% |
| Less Available Revenues | | | (\$148,194,552) | | | |
| Short fall | | | \$877,298 | | | |

**Technology expenses were previously listed under Instruction and Administration

The above chart and table do not include School Division debt service which in FY 09/10 will total approximately \$15.2M, an increase of \$2.0M or 15.5% from FY 08/09.

FUND RECONCILIATION

| | FY 07/08 ACTUAL | FY 08/09 APPROP | FY 08/09 PROJECTED | FY 09/10 REQUEST | FY 09/10 RECOMM | FY 09/10 ADOPTED |
|----------------------------------|--------------------|--------------------|-----------------------|---------------------|--------------------|---------------------|
| General Fund | 213,435,227 | 224,391,325 | 217,282,834 | 227,413,103 | 223,812,164 | 218,840,522 |
| Transfers to Other Funds | (126,635,915) | (130,715,564) | (127,456,168) | (125,857,076) | (124,973,211) | (124,149,410) |
| | 86,799,312 | 93,675,761 | 89,826,666 | 101,556,027 | 98,838,953 | 94,691,112 |
| School Operating | 143,739,389 | 151,295,942 | 148,664,317 | 149,071,850 | 148,194,552 | 148,533,856 |
| Transfers to Other Funds | (3,784,024) | (4,650,019) | (4,650,019) | (4,349,069) | (4,349,069) | (4,349,069) |
| | 139,955,365 | 146,645,923 | 144,014,298 | 144,722,781 | 143,845,483 | 144,184,787 |
| School Self-Sustaining | 15,516,326 | 16,525,489 | 17,117,524 | 16,948,585 | 16,948,585 | 16,948,585 |
| Transfers to Other Funds | (414,610) | (400,000) | (400,000) | (400,000) | (400,000) | (400,000) |
| | 15,101,716 | 16,125,489 | 16,717,524 | 16,548,585 | 16,548,585 | 16,548,585 |
| Special Revenue | 13,218,901 | 14,169,284 | 14,251,808 | 14,515,617 | 14,372,905 | 14,372,905 |
| Transfers to Other Funds | (1,458,367) | (1,495,782) | (1,495,782) | (1,676,021) | (1,676,021) | (1,676,021) |
| | 11,760,534 | 12,673,502 | 12,756,026 | 12,839,596 | 12,696,884 | 12,696,884 |
| Capital Projects | 28,301,280 | 49,243,476 | 98,161,483 | 17,564,000 | 17,564,000 | 17,413,050 |
| Transfers to Other Funds | (22,061) | 0 | (250,000) | (54,000) | (54,000) | (54,000) |
| | 28,279,219 | 49,243,476 | 97,911,483 | 17,510,000 | 17,510,000 | 17,359,050 |
| Debt Service | 15,513,053 | 15,351,534 | 15,351,534 | 18,242,915 | 18,242,915 | 18,242,915 |
| Transfers to Other Funds | (799,096) | 0 | 0 | 0 | 0 | 0 |
| | 14,713,957 | 15,351,534 | 15,351,534 | 18,242,915 | 18,242,915 | 18,242,915 |
| Total County Expenditures | 296,610,103 | 333,715,685 | 376,577,531 | 311,419,904 | 307,682,820 | 303,723,333 |

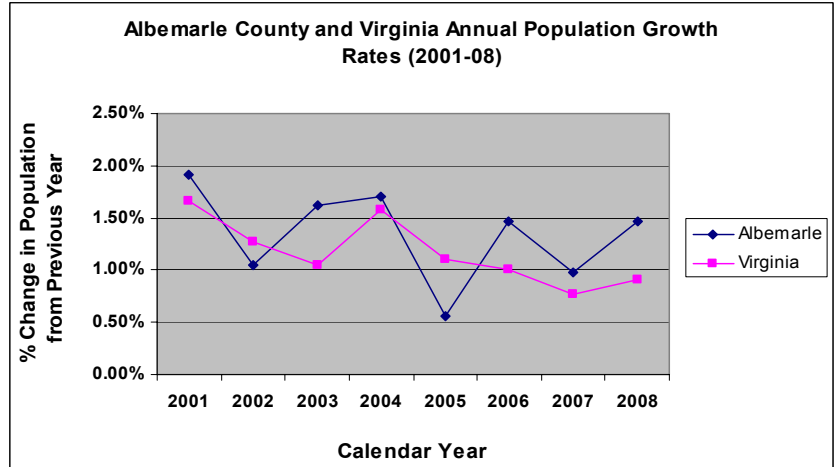
When total county revenues and expenditures are calculated, interfund transfers are netted out to avoid double counting. All local taxes are collected in the General Fund and are dispersed to other funds through transfers. In addition to the transfers to the School Fund, Capital Fund, and Debt Service Fund, the General Fund includes transfers to several Special Revenue Funds including CSA, Bright Stars, Victim Witness Grant, Towe Park, and the Metro Planning Grant.

The School Operating Fund contains transfers to several School Self-Sustaining Programs. It also provides transfers to the Bright Stars and CSA Special Revenue Funds and to the General Fund in support of School Resource Officers.

COMMUNITY PROFILE

Population Trends

Weldon Cooper’s most recent provisional population estimate for Albemarle County for 2008 is 93,668, a growth of 1.47% over 2007. The average annual population growth rate for Albemarle County since the 2000 Census has been approximately 1.34%. If the County continued to grow at that rate, its population would surpass 100,000 in the year 2013.



Ageing Population: According to the U.S. Census, the County’s population is aging, with the percentage of the population older than 65 increasing from 8% (1990) to 12% (2000). The population ages 45 to 64 increased from 18% to 23% between 1990 and 2000. Twenty-nine percent of the population was between the ages of 25 and 44 in 2000. This is the largest portion of the population by age category.

Diversity: In 2000, 84% of the County’s population was white. Ten percent of the population is African American. The Asian and Hispanic populations each make up 3% of the total population.

Growth: Net in-migration accounted on average for 68% of the annual growth from 2000 to 2006, with net in-migration in 2006 accounting for 80.5% of the County’s population growth. Migration into Albemarle County has been the primary component of growth since at least 1990.

Sources: Weldon Cooper Center Population Estimates and 2000 U.S. Census

Economic Profile

Historically, Albemarle County has enjoyed a stable economy characterized by a highly-skilled and educated labor force and a comparatively low unemployment rate. The five largest employment sectors in 2007 were educational services -- state government (essentially the University of Virginia), retail trade, health care, construction, and accommodation/food services. Despite the enormous impact that UVA has on the County’s economy, roughly 70% of the jobs in Albemarle County were in the private sector in 2007.

Business Activity: Business activity in the County increased at a fairly steady rate between 1997 and 2007. Total taxable sales in Albemarle rose from \$760 million in 1997 to \$1.255 billion in 2007. The County’s per-capita taxable sales increased by about 42% between 1997 and 2007, an increase that was roughly equal to the 45% average growth that was experienced by Albemarle’s peer counties (Hanover, Henrico, James City, Loudoun, and Stafford).

Median Income Levels: In 2005, the median adjusted gross income of married couples (which represents a good proxy for median family income) in Albemarle County was \$76,740. This was the 12th highest median income among Virginia’s 95 counties.

Poverty Profile: 6.7% of Albemarle’s population was living in poverty at the time of the 2000 Census; this was below the statewide level of 9.6%. Between the 1990 and 2000 Census, the percentage of children living in poverty in Albemarle County dropped from 9.5% to 6.7%. The Hispanic population had the highest percentage of persons living in poverty, according to the 2000 Census.

Employment: The number of jobs in Albemarle County rose steadily between 2002 and 2007. Since 2002 the number of jobs filled in Albemarle County has increased by nearly 28%, or about 11,000 positions. Note that, as of 2007, the number of jobs in Albemarle County roughly equaled the number of employed Albemarle County residents; prior to that year, the number of jobs in the County was consistently *below*

the number of employed County residents. Over the past several years, the service sector has become increasingly important as a source of employment, while manufacturing has become less important. Since 1990 manufacturing jobs have dropped from 19% of the total job base to 6%, experiencing an average annual decline of 4.6% per year from 1990 to 2006. Over this same period, retail employment grew from 9 to 11.92% of the total employment base, bringing it up to the second largest employment sector, behind educational services -- state government.

Albemarle County historically has enjoyed a very low unemployment rate, which has remained below the state and national averages. In July 2008, however, due to U.S. and global macroeconomic difficulties, Albemarle County's unemployment rate rose to 3.7%, well above any monthly rate that the County had experienced since the early 1990's, although still at a level at which most economists would consider to represent full employment. Albemarle's unemployment rate subsequently dropped, but then rose again, to 3.7% in December 2008. The County's rate is expected to rise in 2009 as economic conditions worsen.

Workforce: The participation of males in the workforce (72%) is greater than that of females (61%). Labor participation among both males and females has increased over the last three decades.

Fourteen percent of Albemarle County's families are female headed households. While this percentage is lower than the state's level, Albemarle County's female headed households with children under the age of 18 have doubled from 1990 to 2000, going from 5% of the population to 9% of the population. According to the 2000 U.S. Census, 78% of working mothers have children between the ages of 6 and 17.

According to the U.S. Census in 2000, 51% of jobs in Albemarle County were filled by non-residents.

Educational Attainment: The educational attainment level of the workforce is high and increasing. According to the 2005 U.S. Census American Community Survey 54% of the population over age 25 have obtained a Bachelor's degree or higher. This compares with just 27% nationally.

Sources: Taxable Sales - Weldon Cooper Center; Family Income - Bureau of Labor Statistics; Poverty - U.S. Census Bureau; Employment - Virginia Employment Commission; Workforce - U.S. Census Bureau

Land Development Trends

Rural Areas: Approximately 690 square miles (95%) of the County's land area are designated as the County's rural areas while over 60% of the County is forested. The majority of the County's parks and natural areas are located in the rural areas. Over 14,000 acres of the northwestern edge of the County (approximately 3% of the rural areas) are included in the Shenandoah National Park.

Several tools are in place to protect the rural areas. Albemarle County offers a use-value taxation program that reduces tax for lands in agricultural, forestal, horticultural, and open space uses. As of the fall of 2006, the County's voluntary agricultural and forestal districts program helped prevent intensification of use on about 64,000 acres of land. Also, roughly 15% of the County is protected by conservation easements. Over 6,300 acres were placed in conservation easements in 2006 due to the outstanding efforts of a number of outside agencies and the County's voluntary Acquisition of Conservation Easements (ACE) program, under which the County purchases conservation easements on qualifying properties.

Development Areas: The County's rural protection and preservation strategies are complemented by the County's efforts to create urban areas that offer attractive amenities to residents and business owners. The County encourages development in designated areas that include urban areas, communities, and villages.

In 2008, 418 building permits were issued for new housing units. It is worth noting that this number represents a dramatic drop from the 831 issued in 2007, and is far below the 895 building permits that the County issued on average annually between 2000 and 2007 inclusive. Of the 418 building permits issued in 2008, 239 (57%) dwelling units were located in the development areas and 179 (43%) dwelling units were located in the rural areas.

Historic Resources: More than 2,000 buildings and structures and 400 archaeological sites have been identified as potential historic resources in the County. Recently, country stores have been featured as important historic treasures. One hundred historic country stores have been identified and are still standing in Albemarle County.

Sources: Rural Areas - Community Development Department and VA Department of Forestry; Development Areas & Historic Resources - Community Development Department

Housing Profile

As of December 2007, the total number of dwelling units in Albemarle County was 39,802. Of these, 24,963 were single-family detached homes, 2,411 were single-family townhouses, 1,510 were single-family attached dwelling units, 261 duplexes, 6,265 multi-family homes, 1,967 mobile homes, and 2,425 condominiums.

For 2008, the Charlottesville Area Association of Realtors (CAAR) reported a median sales price of \$320,100 for all home sales in the County. This number represents an increase from the median sale price of \$307,000 in 2007. This information, however, does not take into account changes in the composition of property types that sold in 2008, and the resulting median figure is highly misleading. According to the Department of Finance, Class 1 and Class 2 residential reassessment values *declined* by roughly 5% and 3% respectively in Albemarle between January 1, 2008 and January 1, 2009. A continuing oversupply of housing for sale in the County, coupled with heightened mortgage lending standards and a deepening global recession, suggest further downward pressure on the Albemarle housing market in 2009.

The 2005 U.S. Census American Communities Survey stated that 64% of the housing in Albemarle was owner occupied, similar to the statewide rate of 67%. Owner occupied housing has increased slightly from 60% in 1980. In 1999, 29% of all owners in the County paid more than 30% of their monthly income towards housing costs. In addition, 38% of County renters paid more than 30% of their income for rent.

As of September 2008, approximately 18% (178 out of 1,010) of the homes for sale in Albemarle County had a listing price at or below \$225,000 according to the CAAR Multiple Listing Service (MLS).

The U. S. Census states that households earning less than 30% of the Area Median Income (AMI) face the greatest shortage of affordable housing, with 85% of these households not living in affordable housing. Based on observations of the County's Housing Office staff, most of the affordable rental opportunities are in properties that are five years or older.

Sources: Community Development Department, Department of Finance, Charlottesville Area Association of Realtors, U.S. Census Bureau

Financial Condition

Financial Information: Albemarle County received a AAA bond rating from Moody's in February, 2003 based on "strong financial operations characterized by healthy reserve levels and ample operating flexibility. Moody's believes that the County's financial operations, characterized by ample reserve levels, will remain strong given conservative management practices and healthy revenue streams." According to Moody's, "the County's debt burden, 1.4% of assessed value, is modest, reflecting the County's policy of financing a significant portion of its capital needs with "pay-as-you-go sources."

The County's debt service remains within its debt policy guidelines of less than 2% of assessed value and less than 10% of general and school fund revenues.

Business, professional, and occupational license (BPOL) nominal tax revenue increased by 133% between 1997 and 2007. Per-capita nominal BPOL tax revenue provides a rough estimate regarding 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." The per-capita BPOL tax revenue roughly doubled between 1997 and 2007, rising from \$52.53 to \$104.93.

Tax Rates: Local property taxes account for 46% of our entire County budget. The real estate property tax rate was \$0.71 per \$100 of assessed value in 2008 and is \$0.742 in 2009. Since 1983, Albemarle County has transferred \$0.10 per \$100 of this collected tax to the City of Charlottesville per a revenue sharing agreement between the jurisdictions, so the County funds its operations on a net property tax rate of \$0.642 in calendar year 2009.

Funding Services: As the County continues to urbanize in the areas around Charlottesville and other designated development areas, it is challenged to provide appropriate levels of services for these higher density areas. The State currently does not allow counties to diversify revenue sources in the same ways cities can. Without the flexibility to diversify revenue sources, counties must continue to rely heavily on property taxes to fund needed services.

Revenues: Local property taxes are the largest source of revenue for the County. Other local revenue sources and state revenue are the two next largest sources, making up 20% and 24% of all revenues,

respectively. The remaining revenues consist of federal revenue, borrowed funds, use of fund balances, and transfers.

During the last five years, the County has relied more heavily on real estate taxes, while other sources of income have remained flat or only slightly increased. State and federal revenues as a percentage of the overall County budget have remained relatively constant over the last several years.

Expenditures: The largest category of expenditures for the County is School Fund operations, comprising 47% of all expenditures in the FY 09/10 Adopted Budget. Adding capital and debt funding and school self-sustaining funds, the School Division's share of the FY 09/10 Adopted Budget is 60% of the total County budget. General government operations account for 25% of all expenditures in the FY 09/10 Adopted Budget. Of this, the largest percentage is dedicated to public safety programs.

FINANCIAL SUMMARY

COMPARATIVE REAL PROPERTY TAX RATES

| Selected Counties (top 20 in population) | 2008 Population | 2008 Basic Tax Rate* |
|---|----------------------------|---------------------------------|
| Loudoun** | 287,688 | 1.14 |
| Roanoke | 91,197 | 1.09 |
| Prince William** | 378,912 | 0.97 |
| Chesterfield** | 303,538 | 0.95 |
| Fairfax** | 1,017,318 | 0.92 |
| Henrico** | 291,767 | 0.87 |
| Arlington** | 206,822 | 0.84 |
| Stafford | 123,690 | 0.84 |
| Hanover** | 97,785 | 0.81 |
| Fauquier** | 66,801 | 0.72 |
| James City | 62,237 | 0.77 |
| Albemarle County | 93,668 | 0.71 |
| Montgomery | 90,517 | 0.71 |
| York | 64,526 | 0.66 |
| Spotsylvania** | 120,615 | 0.62 |
| Rockingham | 74,835 | 0.60 |
| Augusta | 71,586 | 0.58 |
| Frederick | 73,887 | 0.53 |
| Pittsylvania | 62,253 | 0.53 |
| Bedford | 66,274 | 0.50 |
| Charlottesville | 39,638 | 0.95 |

*Per \$100 of assessed value

**Each of these localities also levies special service district taxes

Sources:

Tax Rates: *Virginia Local Tax Rates, 2008, 27th Annual Edition*, Weldon Cooper Center for Public Service. Chesterfield and Fauquier tax rates were obtained from those localities' websites.

Population: *Population Estimates for Virginia, Localities, Planning Districts, & Metropolitan Areas: Final 2007 & Provisional 2008*, Weldon Cooper Center for Public Service, Demographics & Workforce Group, www.coopercenter.org/demographics/, January 27, 2009.

COMPARATIVE EXPENDITURES

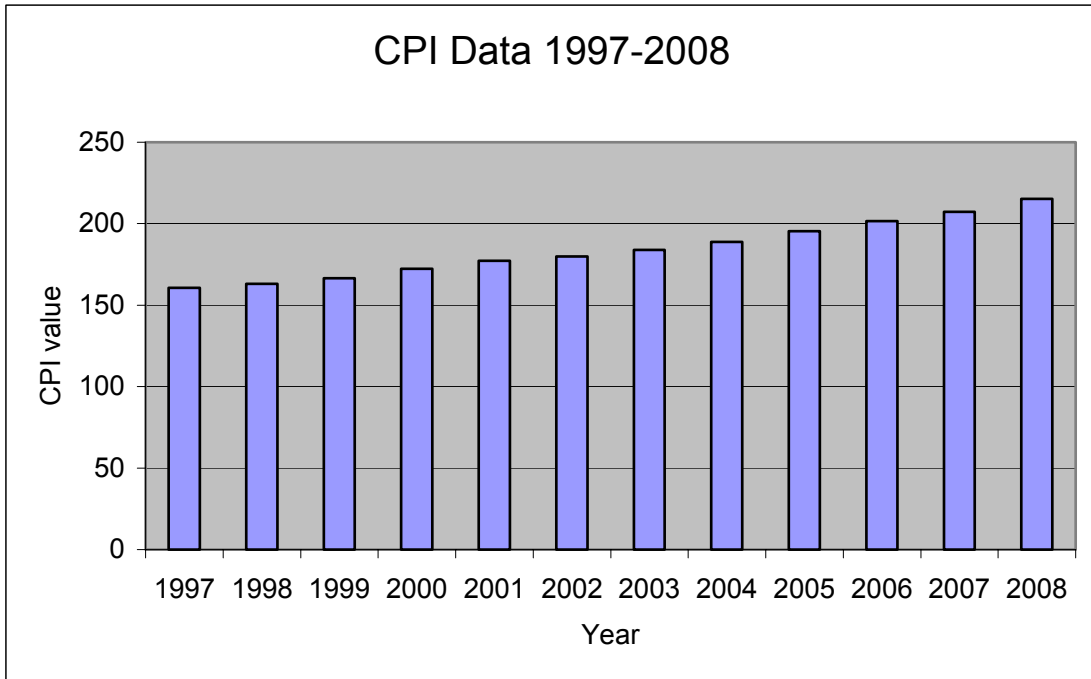
| COMPARATIVE PER CAPITA EXPENDITURES FY 07/08 | | | | | | | | | |
|---|----------------|-----------------|---------------|---------------|------------------|-----------------|------------------------|-----------------------|--------------------|
| Locality | General Admin. | Judicial Admin. | Public Safety | Public Works | Health & Welfare | Education | Parks, Rec., & Culture | Community Development | Total Expenditures |
| Fairfax | 138.51 | 42.02 | 577.32 | 186.41 | 476.05 | 2,156.58 | 149.01 | 142.62 | 3,935,502,439 |
| Prince William | 93.73 | 44.86 | 542.32 | 106.00 | 206.49 | 2,047.02 | 108.21 | 98.61 | 1,230,421,000 |
| Chesterfield | 106.35 | 47.09 | 492.68 | 66.54 | 228.85 | 1,779.58 | 56.75 | 46.26 | 857,222,284 |
| Henrico | 175.82 | 43.18 | 531.29 | 173.90 | 222.43 | 1,542.20 | 108.42 | 113.58 | 849,274,495 |
| Loudoun | 106.88 | 38.57 | 447.60 | 110.11 | 283.92 | 2,522.33 | 155.49 | 114.67 | 1,087,334,409 |
| Arlington | 175.74 | 69.03 | 846.91 | 295.83 | 678.98 | 1,785.59 | 269.89 | 116.50 | 876,609,389 |
| Stafford | 94.39 | 56.28 | 414.13 | 53.39 | 175.82 | 2,047.75 | 86.66 | 41.25 | 367,320,532 |
| Spotsylvania | 89.04 | 48.79 | 374.85 | 127.12 | 185.89 | 1,925.52 | 58.76 | 36.45 | 343,319,562 |
| Hanover | 95.26 | 43.57 | 505.37 | 75.58 | 237.22 | 1,801.80 | 70.77 | 48.05 | 281,387,294 |
| Albemarle* | 110.54 | 39.20 | 368.35 | 47.99 | 351.11 | 1,646.70 | 68.39 | 110.52 | 270,124,417 |
| Roanoke | 92.88 | 40.60 | 402.67 | 161.21 | 237.93 | 1,524.56 | 89.96 | 23.23 | 234,653,569 |
| Montgomery | 65.06 | 27.44 | 107.51 | 58.16 | 193.78 | 1,049.08 | 35.12 | 12.91 | 140,216,484 |
| Rockingham | 53.46 | 41.66 | 262.95 | 79.78 | 218.59 | 1,535.85 | 39.47 | 41.47 | 170,117,311 |
| Frederick | 84.18 | 50.71 | 366.25 | 127.85 | 156.11 | 1,826.99 | 86.43 | 29.83 | 201,589,153 |
| Augusta | 59.79 | 29.16 | 261.80 | 44.00 | 263.04 | 1,469.33 | 40.52 | 22.36 | 156,773,695 |
| Bedford | 39.74 | 42.57 | 208.82 | 106.39 | 254.07 | 1,363.63 | 57.36 | 117.87 | 145,168,974 |
| Fauquier | 158.89 | 72.91 | 360.68 | 216.64 | 277.15 | 1,832.61 | 76.75 | 94.06 | 206,393,664 |
| York | 126.52 | 54.56 | 440.68 | 170.33 | 212.31 | 1,850.14 | 114.83 | 55.17 | 195,161,630 |
| Pittsylvania | 38.64 | 40.51 | 186.04 | 55.41 | 348.92 | 1,291.25 | 17.96 | 111.18 | 130,103,186 |
| James City | 122.09 | 90.65 | 431.79 | 141.45 | 193.45 | 1,765.29 | 173.24 | 207.20 | 194,518,269 |
| Charlottesville | 258.42 | 77.98 | 896.92 | 334.33 | 1,018.80 | 1,709.55 | 274.03 | 197.45 | 188,971,477 |
| Average (top 20 & Charlottesville) | 108.85 | 49.59 | 429.85 | 130.40 | 305.76 | 1,736.83 | 101.81 | 84.82 | |
| All Counties | 105.74 | 49.16 | 415.26 | 126.06 | 313.86 | 1,740.48 | 90.69 | 86.36 | |

Source: Commonwealth of Virginia, Auditor of Public Accounts. *Comparative Report of Local Government Revenues & Expenditures for the Fiscal Year Ended June 30, 2008*, http://www.apa.virginia.gov/data/download/local_government/comparative_cost/Cost08.XLS

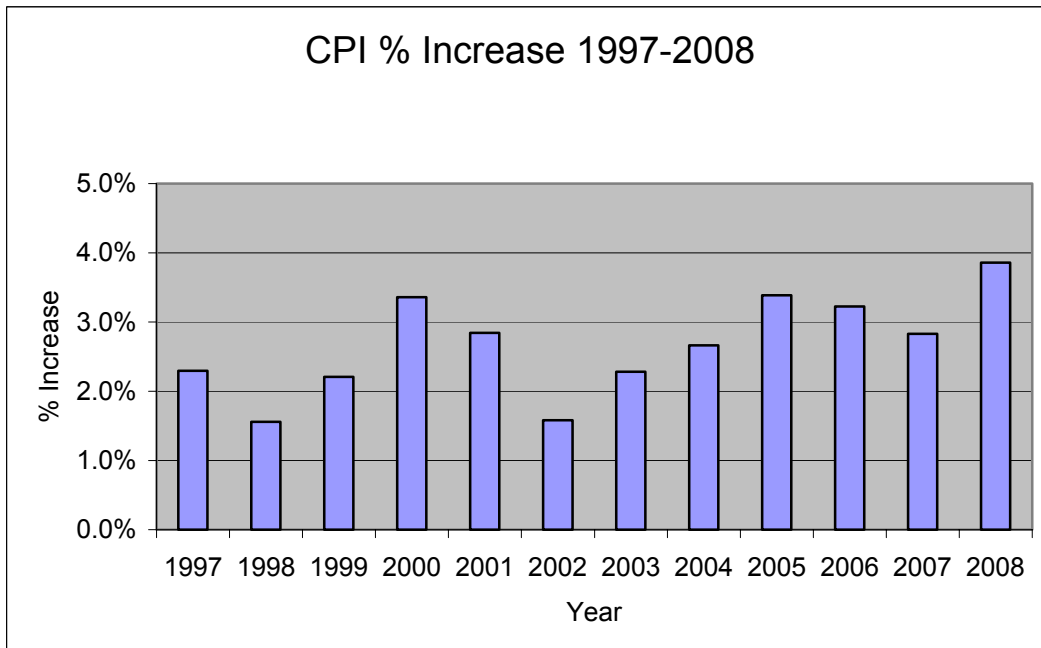
* The amount listed in Community Development excludes \$141.06 per capita paid to the City of Charlottesville under the revenue sharing agreement.

**General Administration includes total costs associated with Information Technology. In prior years these costs were distributed across all functional areas.

CONSUMER PRICE INDEX TRENDS



The Consumer Price Index (CPI) is a statistical description of price levels, provided by the U.S. Department of Labor, which is used as a measure of inflation, or changes in prices of various goods. The most commonly used index is the Consumer Price Index for Urban Consumers (CPI-U), which is an index of prices of various consumer goods. The County uses the average annual (national) CPI-U to measure inflationary increases from one year to the next. Since 1997, the rate of inflation as measured by CPI-U has generally been between 2 and 3 percent. The 2008 inflation rate of 3.9% was the highest rate since 1991.



SELECTED FINANCIAL TRENDS

| | FY 02/03 | FY 03/04 | FY 04/05 | FY 05/06 | FY 06/07 | FY 07/08 | FY 08/09 | Adopted FY 09/10 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------|
| Expenditures | | | | | | | | |
| School & Local Government Operations | 179,729,724 | 187,828,017 | 205,929,410 | 223,410,371 | 249,464,893 | 263,204,610 | 270,838,259 | 268,325,405 |
| % Increase | | 4.5% | 9.6% | 8.5% | 11.7% | 5.5% | 2.9% | -0.9% |
| Capital Budget | 22,196,000 | 22,905,000 | 29,450,797 | 22,999,000 | 39,034,175 | 28,992,592 | 49,243,476 | 17,359,050 |
| % Increase | | 3.2% | 28.6% | -21.9% | 69.7% | -25.7% | 69.8% | -64.7% |
| Revenue Sharing | 6,692,811 | 7,726,021 | 8,004,461 | 9,742,748 | 10,134,816 | 13,212,401 | 13,633,950 | 18,038,878 |
| % Increase | | 15.4% | 3.6% | 21.7% | 4.0% | 30.4% | 3.2% | 32.3% |
| Total County Expenditures | 208,618,535 | 218,459,038 | 243,384,668 | 256,152,119 | 298,633,884 | 305,409,603 | 333,715,685 | 303,723,333 |
| % Increase | | 4.7% | 11.4% | 5.2% | 16.6% | 2.3% | 9.3% | -9.0% |
| School Expenditures as % of Total Expenditures (incl capital) | 61% | 61% | 60% | 61% | 59% | 61% | 63% | 60% |
| General Govt Expenditures as % of Total Expenditures (incl capital) | 35% | 35% | 36% | 35% | 37% | 35% | 33% | 34% |
| People | | | | | | | | |
| Local Government Personnel ³ | 524.95 | 530.95 | 552.95 | 569.95 | 619.80 | 627.80 | 629.30 | 628.80 |
| Positions per 1,000 Population | 6.05 | 6.03 | 6.17 | 6.33 | 6.78 | 6.80 | 6.72 | 6.59 |
| Classified Employee Market Increase | 3.80% | 3.80% | 3.00% | 4.40% | 3.95% | 4.00% | 3.35% | 0.00% |
| School Enrollment ¹ | 12,242 | 12,251 | 12,356 | 12,438 | 12,446 | 12,491 | 12,412 | 12,543 |
| % Increase | | 0.1% | 0.9% | 0.7% | 0.1% | 0.4% | -0.6% | 1.1% |
| Population ² | 86,700 | 88,100 | 89,600 | 90,100 | 91,420 | 92,312 | 93,668 | 95,354 |
| % Increase | | 1.6% | 1.7% | 0.6% | 1.5% | 1.0% | 1.5% | 1.8% |
| Taxes | | | | | | | | |
| Average Urban/Suburban Parcel Assessment | \$161,068 | \$198,667 | \$198,667 | \$254,756 | \$254,756 | \$330,731 | \$322,078 | \$308,443 |
| Real Estate Tax Rate | \$0.76 | \$0.76 | \$0.76 | \$0.74 | \$0.74 | \$0.68 | \$0.71 | \$0.742 |
| Tax on Average Parcel Assessment | \$1,224 | \$1,510 | \$1,510 | \$1,885 | \$1,885 | \$2,249 | \$2,287 | \$2,289 |
| Personal Property Tax Rate | \$4.28 | \$4.28 | \$4.28 | \$4.28 | \$4.28 | \$4.28 | \$4.28 | \$4.28 |

¹ FY 2009-2010 Superintendent's Funding Request

² Albemarle County population figures FY 01/02 through FY 05/06 and FY 07/08 through FY 08/09 are taken from the Weldon Cooper Center for Public Service VASTAT website, "Population Estimates" page (<http://www.coopercenter.org/demographics/POPULATION%20ESTIMATES/>), 4 February 2009. The population figure for FY 06/07 is supplied by Qian Cai, Ph.D., Director of the Weldon Cooper Center's Demographics & Workforce unit, 5 February 2009. The population projection for FY 09/10 comes from Mr. Tex Weaver, Manager, Geographic Data Services, Albemarle County Department of Community Development, 4 February 2009.

³ Personnel represents authorized positions and does not factor in the County's unfunded frozen positions.