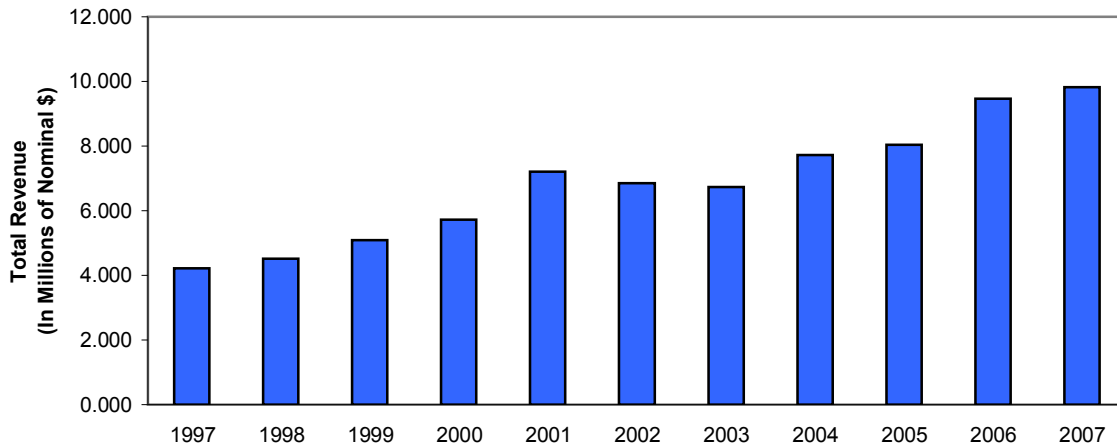


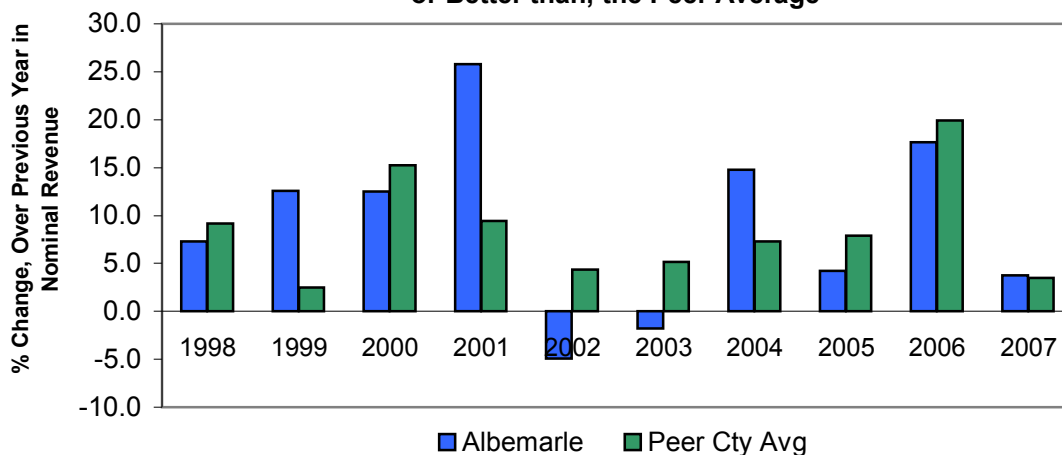
**Albemarle's Nominal BPOL Tax Revenue Increased at a Fairly Steady Rate Between 1997 and 2007**



**Total Nominal Business License Tax Revenue**

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, between 1997 and 2007 growth in this revenue was fairly constant, with the exception of relatively small declines in 2002 and 2003.

**Between 1998 and 2007, Albemarle's Percentage Annual Change in Total Nominal BPOL Revenue Typically was Consistent with, or Better than, the Peer Average**

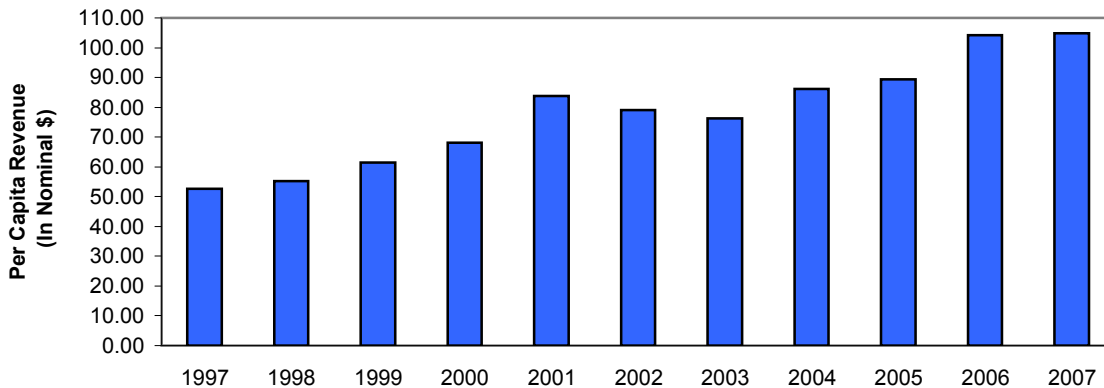


**% Change in Total Nominal Business License Tax Revenue**

A comparison of the percentage change in BPOL revenue in Albemarle and the County's peer Virginia jurisdictions reveals that, with the exception of 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.

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](http://www.apa.state.va.us/local_government/comparative_cost.htm)). 30 August 2008.

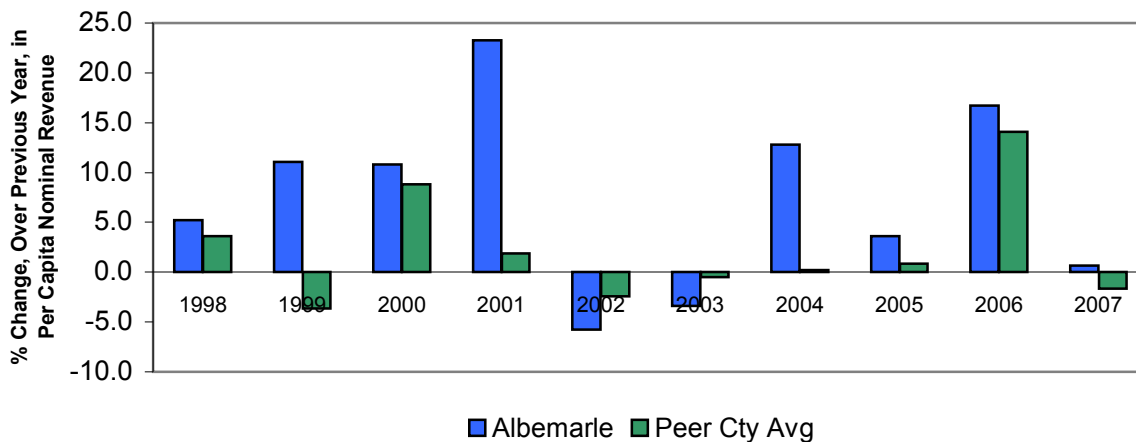
**Albemarle's Per Capita Nominal BPOL Tax Revenue Increased at a Fairly Steady Rate between 1997 and 2007**



**Per Capita Nominal Business License Tax Revenue in Albemarle County**

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 typically increased during the 1997-2007 time period, with relatively small exceptions in 2002 and 2003.

**The Annual Percentage Change in Per Capita Nominal BPOL Tax Revenue in Albemarle Was Typically Better than the Peer Average between 1998 and 2007**



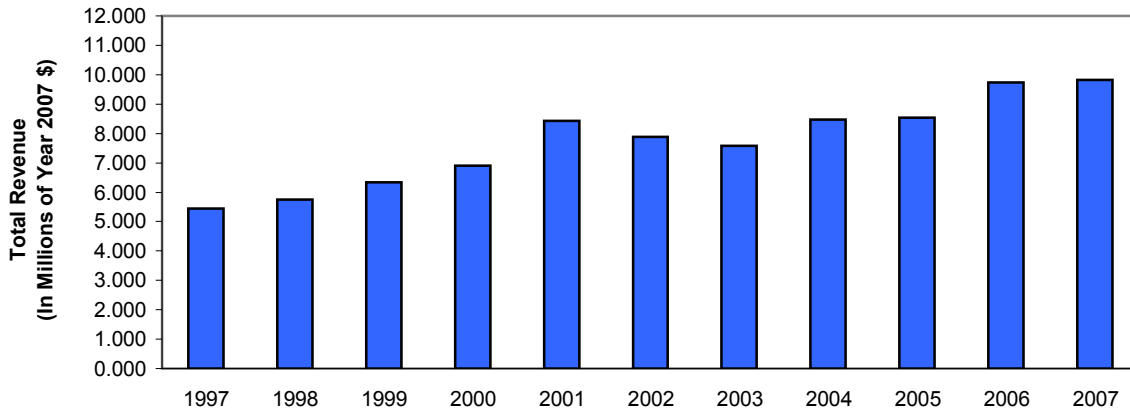
**% Change in Per Capita Nominal Business License Tax Revenue**

A comparison with the average of the County's peer Virginia jurisdictions reveals that, between 1998 and 2007, the annual percentage change in Albemarle's per capita BPOL tax revenue performance typically did better than did the peer county average, with the exceptions of 2002 and 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](http://www.apa.state.va.us/local_government/comparative_cost.htm)), 6 July 2008.

Weldon Cooper, (<http://www.coopercenter.org/demographics/POPULATION%20ESTIMATES/>), 5 July 2008.

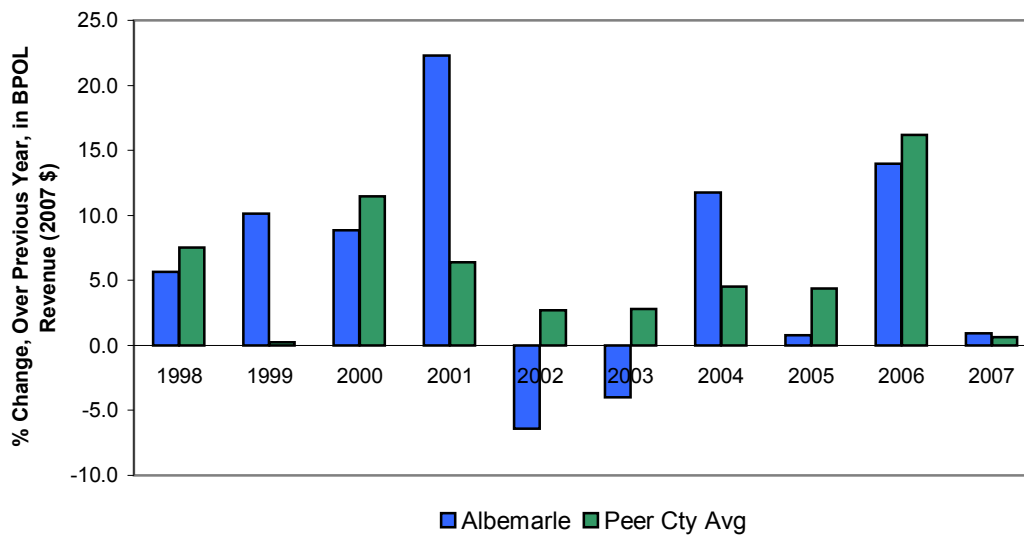
**Albemarle's Constant Dollar BPOL Tax Revenue Increased at a Fairly Steady Rate between 1997 and 2007**



**Total Business License Tax Revenue in Albemarle County, in 2007 Dollars.**

As was the case with nominal BPOL revenue, the County's total inflation-adjusted BPOL tax revenue grew at a fairly constant rate between 1997 and 2007, with the exception of relatively small downturns in 2002 and 2003.

**Albemarle County's Percentage Change in Constant Dollar BPOL Tax Revenue was Comparable to, or Better than, the Peer County Average between 1998 and 2007**



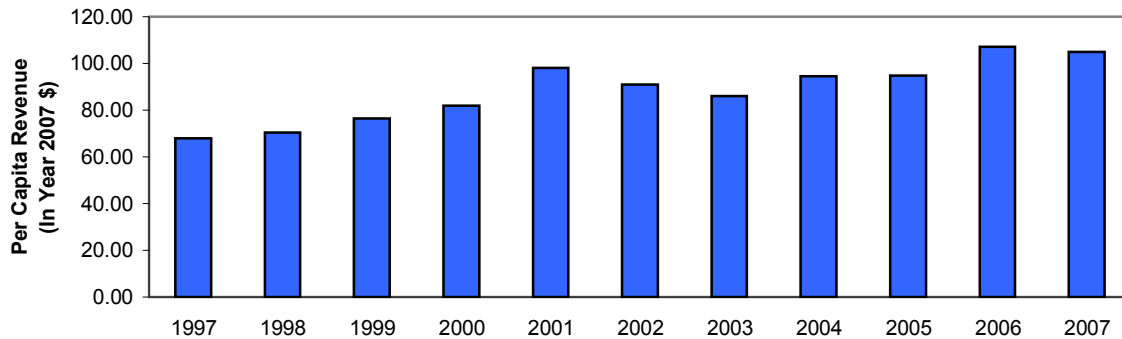
**% Change in Total Constant Dollar Business License Tax Revenue -- In 2007 \$**

With the exception of 2002, 2003, and 2005, the percentage growth in Albemarle's inflation-adjusted total BPOL revenue was comparable to, or better than that of, the peer county average.

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](http://www.apa.state.va.us/local_government/comparative_cost.htm)).

CPI: BLS, (<http://data.bls.gov/cgi-bin/cpicalc.pl>). 11 July 2008.

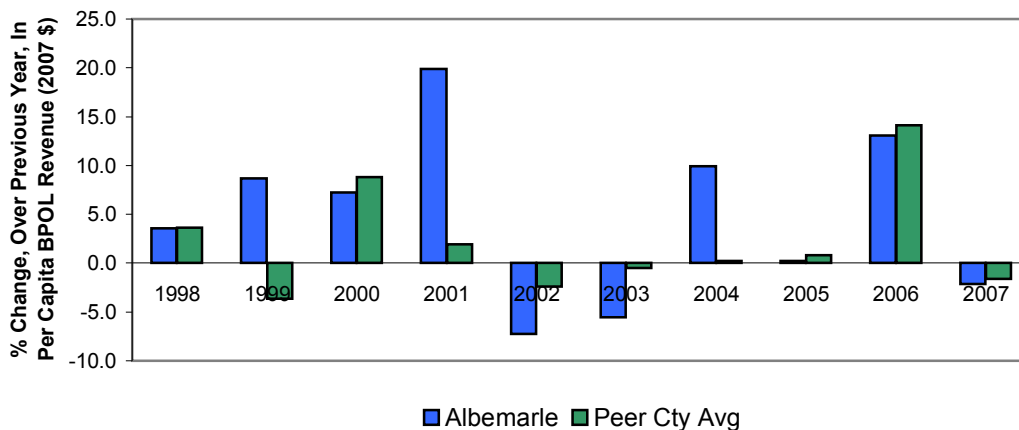
**Per Capita Constant Dollar BPOL Tax Revenue  
Has Fluctuated, but with an Overall Upward  
Trend between 1997 and 2007**



**Per Capita Business License Tax Revenue in Albemarle County, in 2007 Dollars**

In real terms, the County's per capita BPOL tax revenue generally increased between 1997 and 2007, but did drop in 2002, 2003, and 2007.

**Albemarle Had an Annual Percentage Change in Per Capita Constant Dollar BPOL Revenue That Typically Matched or was Better than the Peer County Average between 1997 and 2007**



**% Change in Per Capita Constant Dollar Business Tax Revenue, in 2007 Dollars**

A comparison with the average of the County's peer Virginia jurisdictions reveals that, between 1997 and 2007, the annual percentage growth in Albemarle's per capita BPOL tax revenue typically was either comparable to, or better than, the peer average. The exceptions to this rule were 2002, 2003, and 2007.

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](http://www.apa.state.va.us/local_government/comparative_cost.htm)).  
Weldon Cooper, (<http://www.coopercenter.org/demographics/POPULATION%20ESTIMATES/>).  
CPI: BLS, (<http://data.bls.gov/cgi-bin/cpicalc.pl>). 14 July 2008.

**Business License Tax Revenue for Albemarle County  
and Peer Virginia Counties, 1997-2007**  
(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.		% Ch.	Cty. Yr.-Yr.
1997	<b>4.213</b>	<b>N/A</b>	0.325	N/A	21.792	N/A	2.874	N/A	5.851	N/A	N/A	N/A	<b>N/A</b>
1998	<b>4.520</b>	<b>7.3%</b>	0.397	22.2%	21.461	-1.5%	2.946	2.5%	6.649	13.6%	N/A	N/A	<b>9.2%</b>
1999	<b>5.089</b>	<b>12.6%</b>	0.358	-9.8%	21.054	-1.9%	3.080	4.5%	7.780	17.0%	N/A	N/A	<b>2.5%</b>
2000	<b>5.726</b>	<b>12.5%</b>	0.397	10.9%	22.253	5.7%	3.468	12.6%	10.247	31.7%	N/A	N/A	<b>15.2%</b>
2001	<b>7.203</b>	<b>25.8%</b>	0.421	6.0%	23.093	3.8%	3.725	7.4%	12.341	20.4%	N/A	N/A	<b>9.4%</b>
2002	<b>6.849</b>	<b>-4.9%</b>	0.429	1.9%	22.315	-3.4%	3.924	5.3%	14.007	13.5%	N/A	N/A	<b>4.3%</b>
2003	<b>6.725</b>	<b>-1.8%</b>	0.427	-0.4%	23.013	3.1%	4.246	8.2%	15.357	9.6%	N/A	N/A	<b>5.1%</b>
2004	<b>7.717</b>	<b>14.8%</b>	0.433	1.3%	24.598	6.9%	4.3911	3.4%	18.079	17.7%	N/A	N/A	<b>7.3%</b>
2005	<b>8.043</b>	<b>4.2%</b>	0.442	2.2%	26.055	5.9%	4.663	6.2%	21.231	17.4%	N/A	N/A	<b>7.9%</b>
2006	<b>9.464</b>	<b>17.7%</b>	0.560	26.7%	29.195	12.1%	5.518	18.3%	26.042	22.7%	N/A	N/A	<b>19.9%</b>
2007	<b>9.822</b>	<b>3.8%</b>	0.497	-11.3%	31.845	9.1%	6.261	13.5%	26.725	2.6%	N/A	N/A	<b>3.5%</b>

**Per Capita Business License Tax Revenue for Albemarle County  
and Peer Virginia Counties, 1997-2007**  
(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.		% Ch.	Cty. Yr.-Yr.
1997	<b>52.53</b>	<b>N/A</b>	4.07	N/A	86.34	N/A	65.17	N/A	41.76	N/A	N/A	N/A	<b>N/A</b>
1998	<b>55.26</b>	<b>5.2%</b>	4.82	18.5%	84.46	-2.2%	64.61	-0.9%	44.03	5.5%	N/A	N/A	<b>5.2%</b>
1999	<b>61.38</b>	<b>11.1%</b>	4.21	-12.7%	81.38	-3.6%	65.53	1.4%	47.87	8.7%	N/A	N/A	<b>-1.6%</b>
2000	<b>68.02</b>	<b>10.8%</b>	4.60	9.3%	84.84	4.2%	72.10	10.0%	60.42	26.2%	N/A	N/A	<b>12.4%</b>
2001	<b>83.85</b>	<b>23.3%</b>	4.71	2.5%	86.91	2.4%	75.38	4.6%	66.28	9.7%	N/A	N/A	<b>4.8%</b>
2002	<b>79.00</b>	<b>-5.8%</b>	4.71	0.0%	82.46	-5.1%	75.73	0.5%	67.05	1.2%	N/A	N/A	<b>-0.9%</b>
2003	<b>76.34</b>	<b>-3.4%</b>	4.60	-2.3%	83.84	1.7%	79.96	5.6%	68.41	2.0%	N/A	N/A	<b>1.8%</b>
2004	<b>86.13</b>	<b>12.8%</b>	4.56	-0.9%	87.75	4.7%	79.55	-0.5%	74.09	8.3%	N/A	N/A	<b>2.9%</b>
2005	<b>89.27</b>	<b>3.6%</b>	4.62	1.2%	92.02	4.9%	81.04	1.9%	80.81	9.1%	N/A	N/A	<b>4.3%</b>
2006	<b>104.22</b>	<b>16.7%</b>	5.82	26.0%	101.78	10.6%	93.24	15.1%	96.59	19.5%	N/A	N/A	<b>17.8%</b>
2007	<b>104.93</b>	<b>0.7%</b>	5.09	-12.5%	109.89	8.0%	101.41	8.8%	96.97	0.4%	N/A	N/A	<b>1.2%</b>

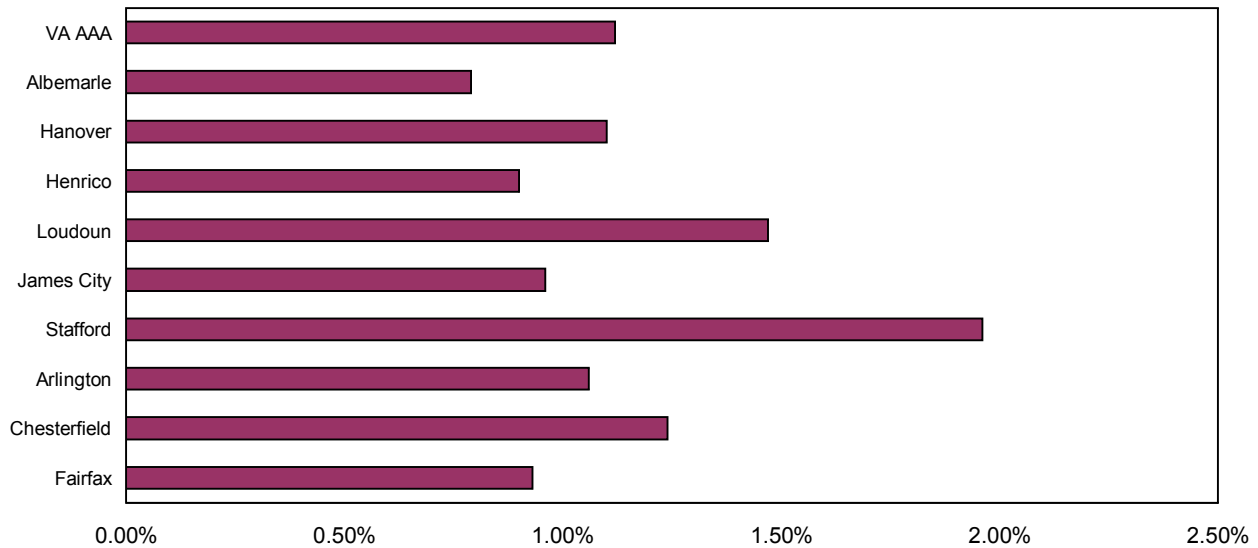
Source: Commonwealth of Virginia, Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures, ([http://www.apa.state.va.us/local\\_government/comparative\\_cost.htm](http://www.apa.state.va.us/local_government/comparative_cost.htm)).

Weldon Cooper, (<http://www.coopercenter.org/demographics/POPULATION%20ESTIMATES/>), 5 July 2008.



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**Albemarle Has the Lowest Net Bonded Debt vs. Assessed Valuation of Taxable Property Ratio Among Selected Peers**



**Albemarle County's Current Policy**

Net debt as a percentage of the estimated market value of taxable property should not exceed 2%

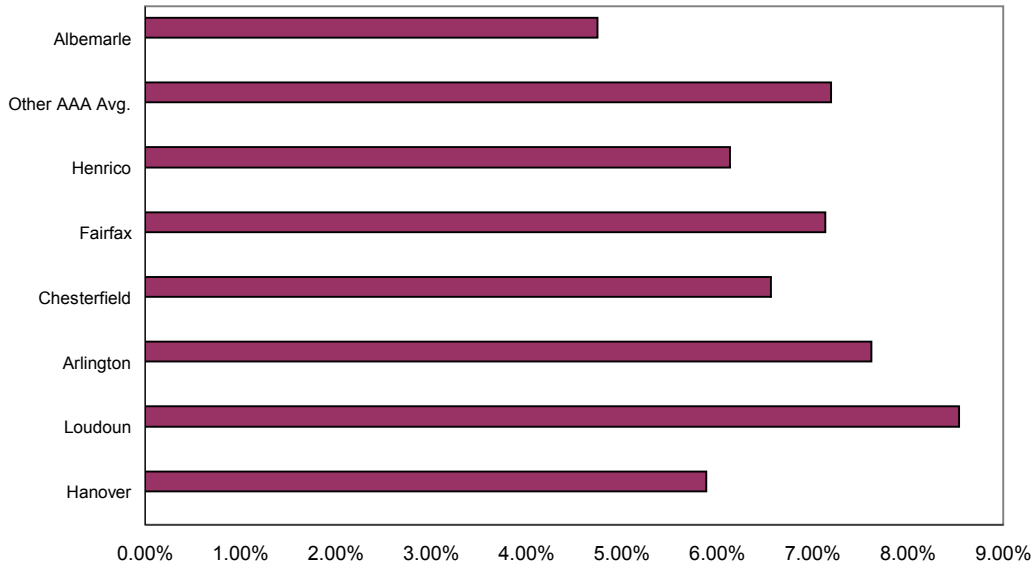
**Net Bonded Debt vs. Assessed Valuation of Taxable Property, 2007**

Other VA AAA	1.12%
Albemarle	0.79%
Hanover	1.10%
Henrico	0.90%
Loudoun	1.47%
James City	0.96%
Stafford	1.96%
Arlington	1.06%
Chesterfield	1.24%
Fairfax	0.93%

Methodology: Other Virginia AAA-Rated Counties are Henrico, Loudoun, Arlington, Chesterfield, Fairfax.

Source: Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2007 for the respective jurisdiction. In the case of Albemarle County, the relevant item was Table 11, "Percentage of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita, Last Ten Fiscal Years" on page 114. CAFRs from other jurisdictions have equivalent tables.

**Debt Service vs. Revenues for Albemarle County, Various Virginia Jurisdictions, and Other AAA-Rated Average, 2007**



**Albemarle County Current Policy**  
 Debt Service as a Percentage of Revenues Should Not Exceed 10 %

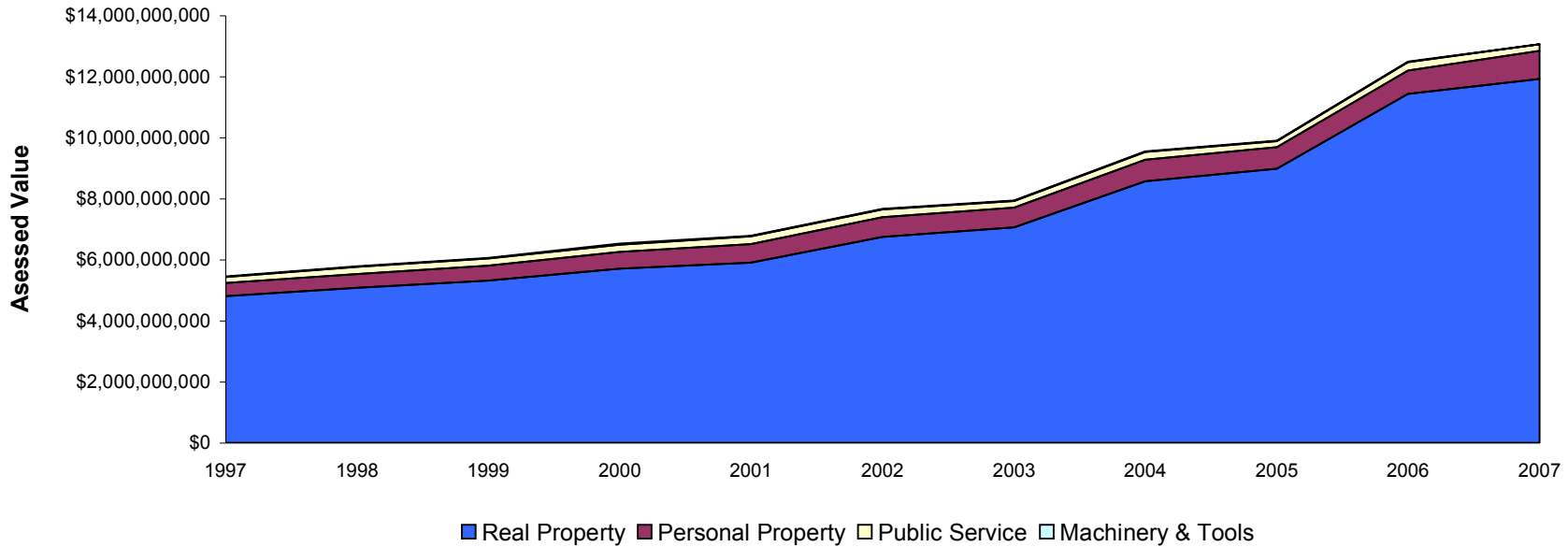
**Debt Service vs. Revenue, 2007**

Hanover	5.89%
Loudoun	8.54%
Stafford	9.29%
James City	9.34%
Arlington	7.61%
Chesterfield	6.56%
Fairfax	7.14%
Henrico	6.13%
Other AAA Avg.	7.20%
<b>Albemarle</b>	<b>4.75%</b>

Methodology: Other Virginia AAA-Rated Counties are Henrico, Loudoun, Arlington, Chesterfield, and Fairfax. Per a discussion with Albemarle County budget staff, used the source listed below, and divided the figure in the "General Government Debt Service" column by the number listed in the "Total Revenue" column in order to derive the percentages shown above.

Source: Commonwealth of Virginia, Auditor of Public Accounts, *Comparative Report of Local Government Revenues and Expenditures for Fiscal Year Ended June 30, 2007*, Exhibit A.

### Total Taxable Assessed Value of Property in Albemarle Has Been Upward Trending Since 1997, and Grew Dramatically after 2003



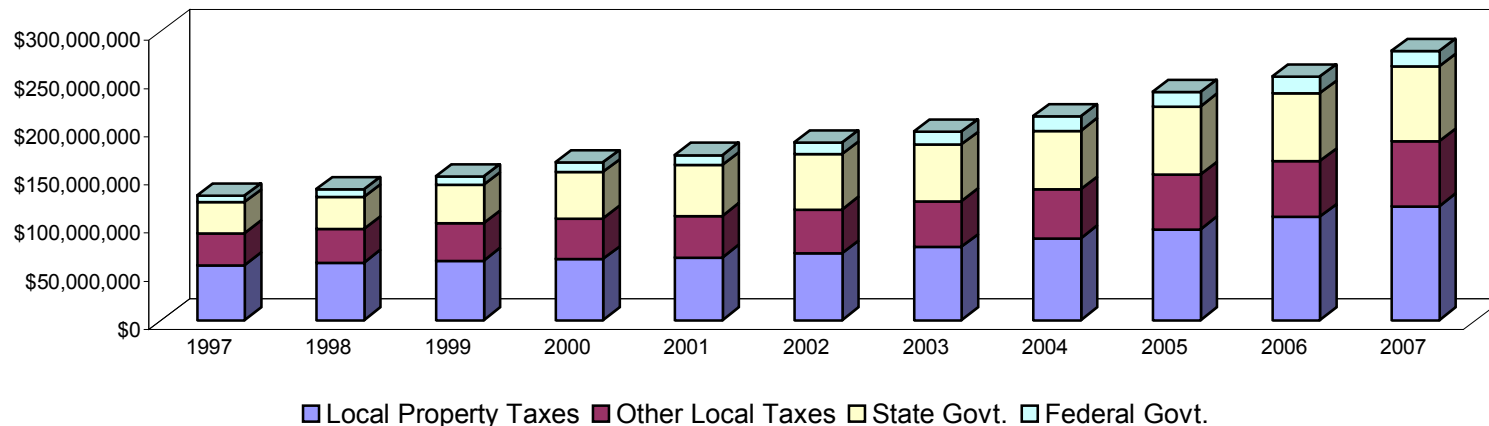
06

#### Assessed Value Growth of Taxable Property

<u>Year</u>	<u>Real Property</u>	<u>% Change</u>	<u>Personal Property</u>	<u>% Change</u>	<u>Public Service</u>	<u>% Change</u>	<u>Machinery &amp; Tools</u>	<u>% Change</u>	<u>Total</u>	<u>% Change</u>
1997	\$4,798,901,000	N/A	\$434,291,000	N/A	\$201,471,000	N/A	\$22,231,000	N/A	\$5,456,894,000	N/A
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%
2005	\$8,981,918,000	4.83%	\$706,596,000	-0.37%	\$196,984,000	-24.62%	\$15,980,000	-0.66%	\$9,901,478,000	3.63%
2006	\$11,425,667,000	27.21%	\$775,333,000	9.73%	\$272,833,000	38.51%	\$16,481,000	3.14%	\$12,490,314,000	26.15%
2007	\$11,930,516,000	4.42%	\$908,439,000	17.17%	\$210,405,000	-22.88%	\$16,587,000	0.64%	\$13,065,947,000	4.61%
2003-2007 Average		12.47%		7.83%		-0.93%		-5.85%		11.66%
1998-2007 Average		9.81%		7.77%		2.12%		-2.60%		9.37%

Data Source: Albemarle County 2007 CAFR, Table 6. Note: Double-digit gains in certain even-numbered years reflect, in part, Albemarle's biennial real estate reassessment during the time period covered by this graph.

### Albemarle County Historic Fiscal Year Revenues, by Source

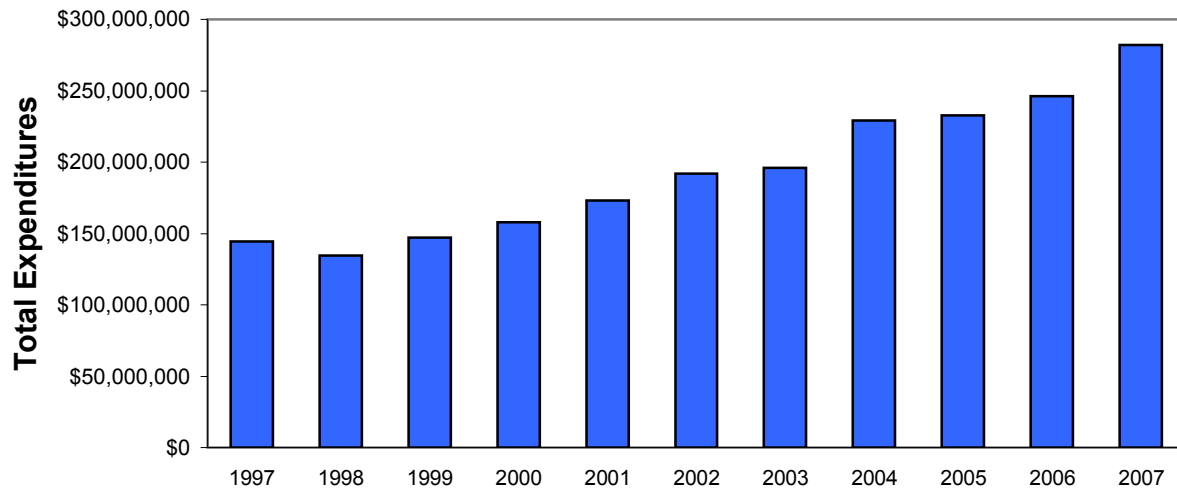


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FY	Local		Other		State Govt.	% Change	Federal Govt.	% Change	Total	% Change
	Property Taxes	% Change	Local Taxes	% change						
1997	\$57,098,367	N/A	\$33,164,681	N/A	\$31,984,599	N/A	\$6,740,466	N/A	\$128,988,113	N/A
1998	\$59,736,838	4.62%	\$34,686,283	4.59%	\$33,544,370	4.88%	\$7,587,899	12.57%	\$135,555,390	5.09%
1999	\$61,700,661	3.29%	\$38,619,322	11.34%	\$40,219,563	19.90%	\$8,439,890	11.23%	\$148,979,436	9.90%
2000	\$63,335,269	2.65%	\$42,169,598	9.19%	\$48,083,697	19.55%	\$9,835,433	16.54%	\$163,423,997	9.70%
2001	\$64,966,150	2.57%	\$43,274,789	2.62%	\$52,746,874	9.70%	\$10,298,342	4.71%	\$171,286,155	4.81%
2002	\$69,503,975	6.98%	\$45,346,515	4.79%	\$57,218,285	8.48%	\$12,323,323	19.66%	\$184,392,098	7.65%
2003	\$75,809,882	9.07%	\$47,626,525	5.03%	\$58,653,057	2.51%	\$13,232,400	7.38%	\$195,321,864	5.93%
2004	\$84,997,523	12.12%	\$50,834,933	6.74%	\$60,751,250	3.58%	\$14,901,277	12.61%	\$211,484,983	8.28%
2005	\$94,192,241	10.82%	\$56,712,253	11.56%	\$70,841,069	16.61%	\$14,779,049	-0.82%	\$236,524,612	11.84%
2006	\$107,248,620	13.86%	\$57,538,150	1.46%	\$70,354,692	-0.69%	\$17,571,596	18.90%	\$252,713,058	6.84%
2007	\$118,073,019	10.09%	\$67,525,316	17.36%	\$77,636,686	10.35%	\$15,866,661	-9.70%	\$279,101,682	10.44%
2003-07 Average		11.19%		8.43%		6.47%		5.67%		8.67%
1998-07 Average		7.61%		7.47%		9.49%		9.31%		8.05%

Source: Commonwealth of Virginia, Auditor of Public Accounts, *Comparative Report of Local Government Revenues and Expenditures* for relevant fiscal year, Exhibits A and B. (<http://www.apa.state.va.us/LocalGovernment/ComparativeReportarchive.cfm>), 25 September 2008.

**Historic Total Expenditures, by Fiscal Year,  
for Albemarle County**



**Total Expenditures  
Albemarle County**

FY	Expenditures	% Change
1997	\$144,567,295	N/A
1998	\$134,611,902	-6.89%
1999	\$147,123,069	9.29%
2000	\$157,788,869	7.25%
2001	\$173,091,210	9.70%
2002	\$191,740,072	10.77%
2003	\$196,038,566	2.24%
2004	\$228,940,331	16.78%
2005	\$232,734,560	1.66%
2006	\$246,292,183	5.83%
2007	\$282,044,523	14.52%
2003-2007 Avg.		8.20%
1998-2007 Avg.		7.12%

Methodology: Total expenditures equal the sum of the the figures in the Maintenance and Operating Expenditures, General Government Capital Projects, and General Government Debt Service columns of Exhibit A in each report cited below.

Source: Commonwealth of Virginia, Auditor of Public Accounts, *Comparative Report of Local Government Revenues and Expenditures* for the relevant fiscal year ended June 30th.

2003	<b>6.905</b>	<b>-4.0</b>	0.439	-2.6	23.626	0.8	4.359	5.8	15.766	7.2	N/A	N/A	<b>2.8</b>
2004	<b>7.717</b>	<b>11.8</b>	0.433	-1.4	24.598	4.1	4.391	0.7	18.079	14.7	N/A	N/A	<b>4.5</b>

Source: Derived from Table V and Table I.

### Table V(c)

#### Per Capita Business License Tax Revenue for AC (By Fiscal Year, In Year 2004 \$)

<u>Year</u>	<u>Albemarle</u>	<u>Yr.-Yr. % Ch.</u>	<u>Hanover</u>	<u>Yr.-Yr. % Ch.</u>	<u>Henrico</u>	<u>Yr.-Yr. % Ch.</u>	<u>James City</u>	<u>Yr.-Yr. % Ch.</u>	<u>Loudoun</u>	<u>Yr.-Yr. % Ch.</u>	<u>Stafford</u>	<u>Yr.-Yr. % Ch.</u>	<u>Avg. Peer Cnty. Yr.-Yr. % Change</u>
1994	<b>64.62</b>	<b>N/A</b>	5.07	N/A	94.73	N/A	70.07	N/A	45.89	N/A	N/A	N/A	<b>N/A</b>
1995	<b>60.07</b>	<b>-7.0</b>	4.83	-4.8	102.97	8.7	71.91	2.6	51.03	11.2	N/A	N/A	<b>4.4</b>
1996	<b>58.31</b>	<b>-2.9</b>	4.41	-8.6	101.44	-1.5	74.67	3.8	49.90	-2.2	N/A	N/A	<b>-2.1</b>
1997	<b>61.83</b>	<b>6.0</b>	4.78	8.5	101.62	0.2	76.70	2.7	49.14	-1.5	N/A	N/A	<b>2.5</b>
1998	<b>64.04</b>	<b>3.6</b>	5.58	16.7	97.88	-3.7	74.87	-2.4	51.03	3.8	N/A	N/A	<b>3.6</b>
1999	<b>69.59</b>	<b>8.7</b>	4.77	-14.6	92.28	-5.7	74.30	-0.8	54.28	6.4	N/A	N/A	<b>-3.7</b>
2000	<b>74.61</b>	<b>7.2</b>	5.05	5.8	93.07	0.9	79.09	6.4	66.28	22.1	N/A	N/A	<b>8.8</b>
2001	<b>89.44</b>	<b>19.9</b>	5.03	-0.3	92.70	-0.4	80.41	1.7	70.69	6.7	N/A	N/A	<b>1.9</b>
2002	<b>82.95</b>	<b>-7.3</b>	4.95	-1.5	86.59	-6.6	79.52	-1.1	70.40	-0.4	N/A	N/A	<b>-2.4</b>