

FY 2006 Fiscal Plan Initiatives

I. Economic Development

Several initiatives in the Five-Year Budget Plan continue our progress in Economic Development. This budget continues funding infrastructure improvements and operating costs at Innovation at Prince William and makes a contribution to the Economic Development opportunity fund. Several initiatives are funded including enhancement to the Building Development Division (funding with fees), a commercial real estate appraiser and funding for continued participation in local and regional professional organizations.

The Five-Year Budget Plan provides \$5 Million in total funding for the Economic Development Opportunity Fund over the five years (\$1 Million annually); providing the capital to negotiate potential economic development opportunities.

Toward this goal, the FY 06 Budget includes:

I. Economic Development Initiative:	<u>FY 06 GF</u>
1 CIP Construction - Innovation at PWC	\$1,100,000
2 CIP Construction - Economic Development Opportunity Fund	\$1,000,000
3 CIP Construction - Innovation Operating Costs	\$155,390
4 Finance, Assessments - Real Estate Appraiser II	\$81,991
5 Compensation and Benefits	\$36,020
6 Econ. Dev. - Flory Center - Increase to the annual contribution	\$30,000
7 Library - Contribution to Literacy Volunteers of America	\$24,000
8 Individual Items Less Than \$20,000	\$12,300
Total Economic Development Initiative	<u><u>\$2,439,701</u></u>

FY 2006 Fiscal Plan Initiatives (continued)

II. Public Safety

In the Five-Year Plan, efforts to maintain our safe community continue. Recommendations include the continuation of the Police Staffing Plan - adding 100 additional sworn officers and 24 civilians over the next five years. To ensure that these additional staff are well-equipped, the Five Year Plan funds an expansion of the Public Safety Training Academy, the PWC share of a Driver Training Track at the academy and provides for 40 additional take-home cars over the next five years.

The Five-Year Plan continues funding for the Fire and Rescue Staffing Plan – addressing the need for additional 24-hour units in the County. The Five-Year Plan provides funding to staff new fire and rescue stations as well as additional 24-hour units. It adds 96 fire or emergency medical staff over the next five years in addition to ten civilians. In addition to 24 hour units, these additional staff support a Firefighter Safety initiative which will improve the efficiency and effectiveness of routine and emergency operations, improve code compliance inspections in the Fire Marshal’s office and coordinate the development and construction of Fire and Rescue projects in the adopted CIP. Also included in the Five Year Plan is a Police and Fire and Rescue Recruitment and Retention initiative for uniform personnel. In response to market pressures, major hiring’s in other jurisdictions and an increase in voluntary resignations, a targeted program was developed to recruit and retain public safety employees. The components of this package include: recruitment bonus; signing bonus; retention supplement; tuition reimbursement, and a language stipend. Also included in this budget is an increase in supplemental pay for ALS certified providers.

The Capital Improvements Program includes the construction of the four new fire and rescue stations that will provide new services to County residents. The River Oaks station will open in Fall 2006; the Dominion Club Station will open in January 2008; the Wellington Station will open July 2009; and a station is programmed for 2012.

The Adult Detention Center continues to experience growing numbers of inmates and this budget fully funds the staffing and operating costs to address this growing population. Some of this funding provides the staffing and operating costs associated with the ADC expansion project.

Toward this goal, the FY 06 Budget includes:

II. Public Safety Initiative:

	<u>FY 06 GF</u>
1 Compensation and Benefits	\$3,732,876
2 PW-Fleet; Vehicle Replacement Budget addition to keep the Public Safety replacement mileage at 110,000 and the Non-Public Safety replacement mileage at 140,000 as approved for FY 05	\$2,050,790
3 Clerk of the Circuit Court - Fines and fee revenue transferred to CIP	\$1,592,471
4 CIP Construction - Proffers	\$1,370,170
5 Police - Staffing Plan for FY 06 - Funding for 10 sworn and 4 civilian	\$1,267,545
6 Police and Fire Recruitment and Retention Initiative - Funds Retention Pay	\$1,120,166
7 Fire & Police Recruitment and Retention - Fire Portion	\$848,696
8 F&R - River Oaks Staffing - Scheduled for occupancy in June 2006	\$804,144
9 F&R - Increase ALS Pay - Incentive pay for each ALS-certified individual	\$654,540
10 ARYFS - Residential Services: County Tax Support and State Match	\$476,630
11 ADC - Nine additional Jail Officers	\$418,779
12 ADC - Farm Out costs for an additional 23 inmates to other facilities	\$383,175
13 Police - Take Home Car Program - Eight vehicles	\$365,432
14 OIT - Public Safety Wireless Hot Spots	\$313,995
15 PW-B&G; Western District Operating - Building maintenance, custodial services, grounds maintenance, snow removal and security	\$285,033
16 Police - Civilian Staffing for Western District - 4 Police Serv. Technicians	\$253,188
17 CIP Construction - Central District Police Station	\$253,000
18 PW-Fleet; Outsource Funds Equivalent to Five Fleet Mechanic II Positions	\$215,378

FY 2006 Fiscal Plan Initiatives (continued)

II. Public Safety Initiative (continued)

19	F&R - (2) Code Compliance Inspectors	\$192,621
20	Sheriff - Six Part-Time Court Deputies	\$172,076
21	OIT - Public Safety Operation & Maintenance Support	\$145,935
22	ADC - Increase in Inmate Medical Costs	\$144,000
23	PW-Fleet; Formalize Outfitting Outsourcing Funding	\$144,000
24	Police - Operating Expenses for Western District	\$124,325
25	PW-Prop Mgmt; FY06 Utility Budget Increase (Western District Police)	\$113,100
26	F&R - Specialty Apparatus Staffing - Second year of four-year initiative	\$113,089
27	BOCS - Contribution to Boys and Girls Club Capital Program	\$100,000
28	OIT - Public Safety Systems Upgrade	\$99,450
29	PSC - Two Telecommunicator I positions	\$98,916
30	OIT - GIS/Programmer analyst	\$91,632
31	F&R - Planner II for Emergency Services	\$90,756
32	F&R - CIP Project Manager	\$89,787
33	OIT - Systems Development Manager	\$89,681
34	PW-Sign Shop; Sign Shop Fabricator Position	\$87,343
35	JCSU - Regional Gang Response and Intervention Team Coordinator	\$85,482
36	F&R - Incident Safety Lieutenant	\$82,367
37	Sheriff - Equipment Replacement Program	\$66,367
38	PSC - Telecommunicator III position	\$59,977
39	ADC - Building Operations Supervisor	\$56,323
40	OCJS - Pretrial Probation Supervision Officer I	\$53,318
41	OCJS - Pretrial Interviewer/Investigator I	\$49,021
42	F&R - Vehicle for River Oaks Battalion Chief	\$47,000
43	ADC - Increase self insurance costs for PWSIG Workers Compensation	\$46,874
44	PW-Fleet; Motor Equipment Operator II	\$46,434
45	Sheriff - Twelve Mobile Data Computers for Existing Sheriff's Office Fleet	\$46,000
46	ADC - Rappahannock Training Academy Fees	\$45,540
47	F&R Vehicle for Safety Lieutenant	\$45,500
48	PSC - One E-911 Terminal	\$45,000
49	Sheriff - Eleven computers & five printers	\$43,633
50	OCJS - Post Trial Supervision Program - Full-time Probation Technician	\$42,633
51	OIT - Monitoring tools for public safety wireless network	\$42,000
52	ADC - Accounting Assistant II	\$40,899
53	PSC - Overtime increase	\$40,000
54	ADC - Polygraph Examiner for ADC human resources 4 days a week	\$39,151
55	F&R Vehicles for Code Compliance Officers	\$37,000
56	ADC - Increase in Peumansend Creek Regional Jail Support	\$36,992
57	ADC - Public Safety Records Assistant	\$36,221
58	F&R - Vehicle for CIP Project Manager	\$34,000
59	Fire & Rescue - Additional funds for a Training Pumper	\$32,500
60	PW-Street Lighting; Electric Increase for Street Lights	\$32,076
61	ARYFS - ENS Foundation of America contribution	\$30,000
62	Fire - Voluntary Action Center contribution	\$30,000

FY 2006 Fiscal Plan Initiatives (continued)

II. Public Safety Initiative (continued)

63 CIP Construction - Public Safety Training Center I	\$27,500
64 F&R - Base ALS - Tie base budget ALS add-to-pay to pay plan adjustment	\$26,850
65 OCJS - Pretrial Supervision Program - Part-time Permanent Pretrial Interviewer/Investigator	\$20,898
66 Individual Items Less Than \$20,000	\$95,831
Total Public Safety Initiative	<u><u>\$19,766,106</u></u>

III. Transportation

In the Five-Year Plan and the Capital Improvements Program (CIP), continued progress in transportation is recommended. In November 2002, voters approved an \$86.7 Million road bond referendum. The Five-Year Plan includes debt service to finance the construction of these projects as well as projects approved during the 1998 road bond referendum. It also includes funding for expansions of OmniRide and OmniLink Service, cash funding for Linton Hall Road using increased recordation tax revenues and introduces projects for the next road bond referendum, scheduled for November 2006.

Another source of funding, but for smaller road and transportation projects, is the Revenue Sharing Program. In FY06, the amount doubled to provide \$2 Million annually, split equally between the County and the State, into the Capital Improvements Program and divides it equally among the seven magisterial districts. The FY06 budget includes the increased funding (\$500,000) for the County share of matching funds. In the Five-Year Plan, we fund the “soft” costs, e.g., design, from the General Fund, thus leaving all the Revenue Sharing funds for actual construction costs. Also included in the budget is the PWC share of a 20% match for VRE bi-level rail cars.

Toward this goal, the FY 06 Budget includes:

III. Transportation Initiative:

	<u>FY 06 GF</u>
1 CIP Construction - Linton Hall III (Recordation Funds)	\$8,910,000
2 CIP Construction - Proffers	\$5,461,624
3 CIP Construction - Spriggs Road Phase II (Debt Savings)	\$4,300,000
4 PRTC - Reserve for PWC share of 20% match on VRE bi-level railcars	\$1,300,800
5 CIP - Revenue Sharing additional funds to increase Transportation Match	\$500,000
6 CIP Construction - Revenue Sharing Program	\$500,000
7 PW-Trans. Planning (Dev. Fees); Modeling Software Service & Maint.	\$200,000
8 PRTC - Placeholder for increase in general fund contribution in 5 yr plan	\$134,785
9 CIP Construction - Minnieville Road (Cardinal Dr. to Spriggs Rd)	\$95,906
10 PW-Trans. Planning (Dev. Fees); Planner II	\$74,080
11 PW-Trans. Planning (Dev. Fees); Technical Training	\$50,000
12 Individual Items Less Than \$20,000	\$22,120
Total Transportation Initiative	<u><u>\$21,549,315</u></u>

FY 2006 Fiscal Plan Initiatives (continued)

IV. Human Services

In the Five-Year Plan, additional funding is recommended for: services for at-risk youth and families; transitional services for mentally disabled students finishing high school; increases in home services for the elderly; and increases for contractor and donation non-profit community organizations consistent with County pay plan increases. The County also makes a contribution to fund a Federally Qualified Community Health Center in partnership with the federal government, the cities, the private sector and participating clients.

Toward this goal, the FY 06 Budget includes:

IV. Human Services Initiative:	<u>FY 06 GF</u>
1 Compensation and Benefits	\$1,823,006
2 CSB - Transitional MR Services for Special Education Graduates	\$525,504
3 Public Health - Community Health Center Contribution	\$450,000
4 CSB - Medical Services Expansion: One psychiatrist and two nurses	\$289,578
5 DSS - FY 05 Midyear Adjustments	\$258,400
6 CSB - Records Control, Utilization Review, and Quality Compliance: Two Medical Records Librarians and new filing system	\$163,647
7 CSB - Contractor and Contribution Agency Baseline Increase	\$106,564
8 DSS- NVFS - Georgetown South Community Center capital loan reduction	\$100,000
9 CSB - Youth SA and MH Services Staffing Increase for In-School and Clinic-Based Services and Services for Children of Substance Abusing Parents	\$91,247
10 County Attorney - One assistant county attorney position	\$80,293
11 CSB - Medicaid Specialist: Better customer service through more efficient and effective practices	\$52,404
12 CSB - Regional Funding (Re-DAP) for MH Supportive Residential Services: Funding for clients to be discharged from State facilities	\$50,000
13 Public Health - Gestational Diabetes Medication	\$43,750
14 DSS - Birmingham Green Funding Increase	\$40,048
15 DSS - Emergency On-Call Pay	\$35,000
16 Aging - Administrative Support Staff - Increase a PPT position to full-time	\$31,664
17 Public Health - NVFS - Pharmacy Central expansion	\$30,000
18 Public Health - Western County Primary Health Care Van	\$30,000
19 CSB-ACTS/ Turning Points - Western County domestic violence shelter bilingual case manager	\$29,500
20 DSS - Independence Empowerment Center Contribution	\$28,000
21 DSS - Increase Baseline Contributions to Existing Community Organizations	\$25,604
22 Aging - In-Home Services Hours Increase	\$25,000
23 CSB - State COLA Revenue Increase	\$23,483
24 Aging - Increase a .67 PPT Information & Referral Specialist to PFT	\$22,815
25 DSS - Good Shepard Housing Foundation Contribution	\$20,000
26 Individual Items Less Than \$20,000	\$64,013
27 DSS - Title IV-E Budget Elimination	(\$320,147)
Total Human Services Initiative	<u><u>\$4,119,373</u></u>

FY 2006 Fiscal Plan Initiatives (continued)

V. Community Development

There are several initiatives in the Five Year Budget Plan to advance the Community Development goal. In historic preservation, there is funding to match grants for transportation enhancement projects and support to Rippon Lodge, Ben Lomand Manor House, and the Brentsville Courthouse. There is also operating funding for site managers, historic interpreters and gift store/admissions area at historic sites. In support of the cultural activities there is funding for the Fine Arts Center partnership with George Mason University and the City of Manassas as well as contributions for Arts Council grants, the Prince William Symphony, the Belmont Bay Science Museum and the Center for the Arts.

The County continues its support of recreation in this Five Year Plan by funding sportsfields improvements, capital maintenance of existing facilities and new trails maintenance. The Capital Improvement Program funds an expansion of Forest Greens Golf Course, Pfitzner Stadium replacement, construction of the Potomac Heritage Trail, and proposes a \$25 million Park Referendum in Fall 2005. The County continues its support of redevelopment efforts by funding a planner position and consultant services to advance the Potomac Communities Revitalization Plan. To advance land use and environmental efforts, there are several staff enhancements in Planning, Developmental Services and Public Works, Building Development and Environmental Services. These positions are fee supported.

Finally, the County continues to support enhancements to the Community Maintenance Program by adding one Property Code Enforcement Inspector, Chief Property Code Inspector and administrative support.

Toward this goal, the FY 06 Budget includes:

V. Community Development Initiative:	<u>FY 06 GF</u>
1 CIP Construction - Proffers	\$3,116,284
2 Park Authority - Compensation	\$610,585
3 PW-Build Dev (Dev. Fees); Six Combination Inspector Positions	\$526,028
4 CIP Construction - Capital Maintenance	\$500,000
5 PW-B&G; Phase III Operating - Maintenance, grounds and custodial support	\$450,708
6 Planning - Plan Review Consulting Funds	\$400,000
7 CIP - PW; Belmont Bay Science Museum	\$200,000
8 Park Authority - Capital Maintenance Addition	\$200,000
9 Park Authority - Pfitzner Stadium Renovations	\$200,000
10 Planning - Potomac Communities Consultant Funds	\$200,000
11 CIP - Phase III additional development fee support	\$194,536
12 CIP Construction - Bennett School Renovations	\$180,758
13 CIP Construction - Phase III (McCoart Government Center)	\$118,209
14 PW-Fac. Const. Mgmt; Site Managers for Rippon, Brentsville & Ben Lomond	\$115,526
15 PW-Build Dev (Dev. Fees); Construction Inspections Supervisor Position	\$109,774
16 PW-Prop Code Enfor; One Property Code Enforcement Inspector Position	\$101,377
17 CIP Construction - Potomac Heritage Trail	\$100,000
18 OEM - National Museum of Americans at War	\$100,000
19 Park Authority - Information technology plan implementation	\$100,000
20 Park Authority - Sudley Park: Non-recurring operating, equipment & supply	\$86,260
21 Planning - Planner II/Zoning Administration/Triage	\$85,592
22 PW-Prop Code Enfor; Additional Chief Property Code Inspector	\$84,053
23 Planning - Planner III/Development Services	\$82,007
24 OIT - GIS Analyst for Addressing and Plan review	\$81,771
25 PW-Build Dev (Dev. Fees); Additional funds for Video Production	\$80,000

FY 2006 Fiscal Plan Initiatives (continued)

V. Community Development Initiative (continued)

26	PW-Prop Mgmt; FY06 Utility Budget Increase (Phase III)	\$72,500
27	CIP Construction - Ben Lomond Manor House TEA Grant Match	\$70,000
28	CIP Construction - Rippon Lodge Grant Match	\$70,000
29	Planning - Planning Technician II/Development Services	\$67,143
30	Park Authority - Benefits adjustment	\$65,000
31	Planning - Archeologist Position	\$63,613
32	PW-Build Dev (Dev. Fees); Training Specialist Position	\$63,066
33	CIP Construction - Ben Lomond Manor House (Transient Occupancy Tax)	\$50,000
34	CIP Construction - Brentsville Courthouse (Transient Occupancy Tax)	\$50,000
35	CIP Construction - TEA 21 Grant Local Match for Towns	\$50,000
36	Planning - Zoning Technician II	\$49,994
37	PW-Build Dev (Dev. Fees); Development Technician II Position	\$49,984
38	PW-Dir. Off; Administrative Support Assistant I	\$49,161
39	Park Authority - Insurance Premium Increase for causality, property and workman's compensation	\$47,600
40	Park Authority - Fleet Fuel cost increase	\$45,500
41	Parks - Dale City Little League Clubhouse	\$40,000
42	PW-Prop Code Enfor; Administrative Support Assistant II Position	\$38,298
43	Planning - Automation Improvements/Replacement	\$38,000
44	Planning - Stafford Regional Airport Contribution increase	\$29,429
45	Planning - Office Assistant/Records Center (part-time)	\$29,165
46	PW - Establish Gift Store/Admissions area @ Rippon & Ben Lomond	\$23,000
47	PW-Fac. Const. Mgmt; Historic Interpreters at Historic Sites	\$22,541
48	Planning - COG Membership Increases	\$20,099
49	Individual Items Less Than \$20,000	\$16,653
Total Community Development Initiative		<u><u>\$9,144,214</u></u>

FY 2006 Fiscal Plan Initiatives (continued)

VI. Other Operational Initiatives

Over the course of the Five Year Plan, the County continues to support its employees by funding health, retirement, and money purchase plan increases, training and development opportunities, and compensation. We continue our focus on quality customer service and innovative means to reach our citizens by funding technology enhancements for e-government initiatives and the PWC cable channel. Funding is also included for government center lease space and fuel, utility and lease increases.

Toward this goal, the FY 05 Budget includes:

VI. Other Operational Initiatives:	FY 06 GF
1 Compensation and Benefits	\$4,511,722
2 BOCS - Un-obligated balance (add to Contingency Reserve)	\$500,000
3 Finance - PWSIG Premium Increases	\$450,000
4 CIP Construction - Government Center Lease Space	\$378,268
5 PW-Fleet; Fuel Budget Price Increases	\$300,000
6 CIP - Government Administration Space	\$250,000
7 PW-Prop Mgmt; Real Estate Escalations - Annual 3% escalation costs	\$224,954
8 CIP Construction - Upgrades to WAN/LAN	\$205,480
9 Finance, Tax Admin - Legislative changes to the car tax relief program	\$180,000
10 Commonwealth Att. - Misdemeanor prosecution for the City of Manassas	\$177,899
11 Registrar - Additional maintenance costs for electronic voting equipment	\$160,000
12 OIT- Enhance eGovernment services on County Internet WEB site	\$145,000
13 Finance - Audit Fee Increase	\$135,000
14 CIP Construction - Space Reconfigurations	\$100,000
15 OIT- Funds Database Administrator	\$89,319
16 PW-Prop Mgmt; FY06 General Utility Budget Increase of 5%	\$88,232
17 OIT - Information Security Officer	\$80,723
18 Library - Migration of Horizon database from Sybase to MS SQL	\$80,000
19 GDC - Additional space	\$74,000
20 PW - Custodial Services; Inc. custodial services at Ferlazzo & McCoart	\$72,000
21 OEM - Training & Development; (TLC, LEADS, SPQA)	\$70,800
22 PW-Prop Mgmt; Construction Coordinator Position	\$64,020
23 Finance, Risk Mgmt - Risk Analyst position	\$61,433
24 OIT - Adware/Spyware protection software	\$60,000
25 PW-Prop Mgmt; Update Facilities Master Plan	\$60,000
26 Registrar - 2nd and 3rd year warranty on voting machines	\$59,840
27 Finance - Financial Reporting; Senior Accountant	\$54,824
28 Library - Expansion of the audio-visual materials collection	\$50,000
29 OEM-Training & Development; Second Organizational Survey	\$50,000
30 OIT - Off-site tape vaulting	\$48,835
31 OEM - Communications; Printing & postage increase	\$44,500
32 Registrar - Funding to realign precinct boundaries due to population growth	\$40,000
33 Library - Seat management costs for 18 PC's for staff and public	\$33,462
34 Finance, Tax Admin - Operating Increase	\$32,500
35 OEM - Communications; Special Events Funding	\$32,500
36 OIT - Anti-spam filtering software	\$31,500

FY 2006 Fiscal Plan Initiatives (continued)

VI. Other Operational Initiatives (continued)

37 Commonwealth Attorney - Increased revenue from State reimbursements	\$27,034
38 BOCS - Northern VA Regional Commission dues increase	\$25,600
39 County Attorney - Additional education and training	\$25,000
40 PW-Prop Mgmt; FY06 Utility Budget Increase	\$24,243
41 Finance - Workers Compensation Claims	\$20,000
42 Registrar - Telephone system for Registrar	\$20,000
43 Individual Items Less Than \$20,000	\$204,469
44 Library - Increase 9 positions from .40 FTE to .53 FTE and cut 3 library page positions that are currently vacant. This returns a cost savings to the county.	(\$910)

Total Other Initiatives

\$9,342,247

Total All Initiatives

\$66,360,955

Capital Improvement Program

The FY 2006-2011 Capital Improvement Program was adopted by the Board on April 19, 2005. Adequate debt service expenditures have been included in the adopted budget to allow continuation of all currently approved capital projects. A summary of these currently approved projects is included in the capital improvement program section of this book.

Debt Service

The total outstanding debt of the County on June 30, 2005 will be \$646,531,810. The major categories are as follows:

General County Outstanding Debt	\$254,944,182
Prince William County Schools Outstanding Debt	\$375,577,628
Solid Waste Funds Outstanding Debt	\$16,030,000

The total amount of debt service required annually to amortize all outstanding long-term liabilities is detailed in the schedule attached. For FY 06, the total debt service required by funding source is as follows:

General Fund	\$35,363,452
Prince William County Schools (includes Literary Fund)	\$51,875,804
Transportation Fund	\$1,595,604
Equipment Lease	\$30,000
Rent from American Type Culture Collection	\$685,042
Solid Waste Fund	\$2,275,405
Volunteer Fire and Rescue Fund	\$1,463,944
Total	\$93,289,251

General Fund Revenue & Resource Summary

General Fund Revenue & Resource Summary

Title	FY 05 Adopted Budget	FY 06 Adopted Budget	Dollar Change FY 05 to FY 06 Adopted	% Change FY05 / FY06 Adopted
<u>General Revenues:</u>				
<u>All Real Estate Taxes:</u>				
Real Estate - Current Year	\$351,151,000	\$385,874,000	\$34,723,000	9.89%
Real Estate Tax Refunds	(\$4,565,000)	(\$6,290,000)	(\$1,725,000)	37.79%
Tax Deferrals	(\$300,000)	(\$200,000)	\$100,000	-33.33%
Land Redemption	\$540,000	\$458,000	(\$82,000)	-15.19%
Real Estate Taxes- Public Service	\$10,299,000	\$11,487,000	\$1,188,000	11.54%
Real Estate Penalties- Current Year	\$1,239,000	\$1,357,000	\$118,000	9.52%
Total All Real Estate Taxes	\$358,364,000	\$392,686,000	\$34,322,000	9.58%
<u>All Personal Property Taxes:</u>				
Personal Property	\$100,794,000	\$108,048,000	\$7,254,000	7.20%
Personal Property - Prior Year	\$75,000	\$75,000	\$0	0.00%
Personal Property Tax Deferrals	(\$560,000)	(\$850,000)	(\$290,000)	51.79%
Personal Property Penalty-Current Year	\$1,513,000	\$1,637,000	\$124,000	8.20%
Total All Personal Property Taxes	\$101,822,000	\$108,910,000	\$7,088,000	6.96%
<u>Interest On Taxes:</u>				
Interest On All Taxes	\$2,013,210	\$1,560,422	(\$452,788)	-22.49%
Total Interest On Taxes	\$2,013,210	\$1,560,422	(\$452,788)	-22.49%
Total General Property Taxes	\$462,199,210	\$503,156,422	\$40,957,212	8.86%
<u>Other Local Taxes:</u>				
Local Sales Tax	\$40,860,000	\$48,125,000	\$7,265,000	17.78%
Sales Tax On Daily Rental	\$159,000	\$197,472	\$38,472	24.20%
Consumer's Utility Tax	\$25,153,000	\$26,160,000	\$1,007,000	4.00%
Bank Stock Tax	\$589,784	\$572,075	(\$17,709)	-3.00%
BPOL Taxes- Local Businesses	\$17,311,000	\$21,420,000	\$4,109,000	23.74%
BPOL Taxes- Public Service	\$1,060,000	\$1,278,522	\$218,522	20.62%
Motor Vehicles-Regular	\$6,144,996	\$6,534,206	\$389,210	6.33%
Recordation Taxes	\$5,770,000	\$12,050,000	\$6,280,000	108.84%
Additional Taxes On Deeds	\$3,200,000	\$4,290,000	\$1,090,000	34.06%
Transient Occupancy Tax	\$1,061,845	\$1,227,259	\$165,414	15.58%
Total Other Local Taxes	\$101,309,625	\$121,854,534	\$20,544,909	20.28%
Total Local Tax Sources	\$563,508,835	\$625,010,956	\$61,502,121	10.91%
<u>Additional Revenue Sources:</u>				
Revenue From Money & Property	\$4,246,914	\$11,846,790	\$7,599,876	178.95%
Cable T.V. Franchise Fee	\$3,142,244	\$3,520,000	\$377,756	12.02%
Misc Revenue	\$11,759	\$4,016	(\$7,743)	-65.85%
State Revenue	\$1,103,636	\$1,368,818	\$265,182	24.03%
Federal Revenue	\$51,039	\$80,607	\$29,568	57.93%
Total Additional Revenue Sources	\$8,555,592	\$16,820,231	\$8,264,639	96.60%
Total General Revenues	\$572,064,427	\$641,831,187	\$69,766,760	12.20%

General Fund Revenue & Resource Summary (Cont.)

Title	FY 05 Adopted Budget	FY 06 Adopted Budget	Dollar Change FY 05 to FY 06 Adopted	% Change FY05 / FY06 Adopted
<u>Agency Revenue:</u>				
Area Agency on Aging	\$1,237,099	\$1,246,146	\$9,047	0.73%
At Risk Youth	\$4,499,026	\$4,914,075	\$415,049	9.23%
Clerk of the Court	\$3,863,085	\$5,288,370	\$1,425,285	36.89%
Commonwealth's Attorney	\$1,635,589	\$1,723,321	\$87,732	5.36%
Community Services Board	\$11,169,283	\$11,811,015	\$641,732	5.75%
Cooperative Extension Service	\$498,449	\$368,736	(\$129,713)	-26.02%
County Attorney	\$195,186	\$195,186	\$0	0.00%
Criminal Justice Services	\$995,955	\$1,004,955	\$9,000	0.90%
Economic Development	\$14,130	\$14,130	\$0	0.00%
Finance	\$1,163,190	\$1,190,332	\$27,142	2.33%
Fire and Rescue	\$868,504	\$1,094,791	\$226,287	26.05%
General Debt	\$2,584,233	\$2,530,757	(\$53,476)	-2.07%
General District Court	\$1,624,500	\$1,717,930	\$93,430	5.75%
Human Rights Office	\$61,000	\$61,000	\$0	0.00%
Juv and Domestic Rel Court	\$51,943	\$51,943	\$0	0.00%
Juvenile Court Service Unit	\$265,051	\$180,026	(\$85,025)	-32.08%
Law Library	\$110,806	\$110,806	\$0	0.00%
Library	\$2,790,321	\$2,962,389	\$172,068	6.17%
Office of Executive Management	\$400,000	\$692,000	\$292,000	73.00%
Office of Information Technology	\$132,400	\$132,400	\$0	0.00%
Office on Youth ****	\$5,000	\$325,400	\$320,400	6408.00%
Planning	\$2,908,463	\$3,385,449	\$476,986	16.40%
Police	\$9,025,615	\$10,471,633	\$1,446,018	16.02%
Public Health	\$251,962	\$222,665	(\$29,297)	-11.63%
Public Safety Communications	\$3,888,488	\$3,952,509	\$64,021	1.65%
Public Works	\$12,152,025	\$13,727,176	\$1,575,151	12.96%
Registrar	\$71,092	\$104,168	\$33,076	46.53%
School Age Care ****	\$306,431	\$0	(\$306,431)	-100.00%
Sheriff	\$2,372,222	\$2,472,061	\$99,839	4.21%
Social Services	\$21,301,089	\$21,121,178	(\$179,911)	-0.84%
Unclassified Non-Departmental	\$8,096,825	\$12,730,878	\$4,634,053	57.23%
Total Agency Revenue	<u>\$94,538,962</u>	<u>\$105,803,425</u>	<u>\$11,264,463</u>	<u>11.92%</u>
Total General Fund Revenue	<u>\$666,603,389</u>	<u>\$747,634,612</u>	<u>\$81,031,223</u>	<u>12.16%</u>
<u>County Resources:</u>				
<u>Budgeted County Resources:</u>				
Capital Reserve / One Time	\$500,000	\$1,000,000	\$500,000	100.00%
Indirect Cost Transfers:				
From Solid Waste	\$806,820	\$805,634	(\$1,186)	-0.15%
From Stormwater Management	\$751,880	\$824,547	\$72,667	9.66%
Special Taxing District Debt Support	\$1,347,000	\$1,672,500	\$325,500	24.16%
Total Budgeted County Resources	<u>\$3,405,700</u>	<u>\$4,302,681</u>	<u>\$896,981</u>	<u>26.34%</u>
Total Budgeted Revenue & Resources	<u>\$670,009,089</u>	<u>\$751,937,293</u>	<u>\$81,928,204</u>	<u>12.23%</u>

General Fund Revenue & Resource Summary (Cont.)

Title	FY 05 Adopted Budget	FY 06 Adopted Budget	Dollar Change FY 05 to FY 06 Adopted	% Change FY05 / FY06 Adopted
<u>Other County Resources:</u>				
General Turnback	\$5,950,663	\$6,678,349	\$727,686	12.23%
Real Estate Tax Reserve From FY 04*	\$2,160,928	\$0	(\$2,160,928)	-100.00%
Real Estate Tax Reserve From FY 05*	\$0	\$5,174,968	\$5,174,968	---
Recordation Tax Revenue Designated For Transportation Projects- Contribution To Reserve**	\$0	(\$8,910,000)	(\$8,910,000)	---
Recordation Tax Revenue Designated For Transportation Projects- Use Of Designation Of FY 05 Year End Balance For Future Use By BOCS	\$0	\$8,910,000	\$8,910,000	---
Public Safety Technology Replacement Fund - Contribution To Planning/Public Works Fee	(\$1,127,911)	(\$1,127,911)	\$0	0.00%
Replacement Fund - Contribution To Planning/Public Works Fee	(\$1,149,833)	(\$338,926)	\$810,907	-70.52%
Replacement Fund - Use Of CIP- 800MHZ Project Support of Public Safety Wireless Hot Spots	\$0	\$312,745	\$312,745	---
Retiree Health Insurance Reserve- Contribution To	\$0	(\$1,700,000)	(\$1,700,000)	---
Retiree Health Insurance Reserve- Use Of	\$0	\$257,000	\$257,000	---
Transit Reserve- Contribution To Cable Program Revenue Reserve (For cable use) - Contribution To	\$0	(\$565,215)	(\$565,215)	---
Bond Project Reserve - Use Of	(\$360,000)	\$0	\$360,000	-100.00%
Courthouse Revenue - Use of (Reserve from FY04 turnback)	\$200,000	\$4,300,000	\$4,100,000	2050.00%
Debt Service Savings - Use of (Reserve from FY04 turnback)	\$1,400,000	\$0	(\$1,400,000)	-100.00%
Retiree Health Care - Use of (Reserve from FY04 turnback)	\$3,600,000	\$0	(\$3,600,000)	-100.00%
Sudley Park Savings - Use of (Reserve from FY04 turnback)	\$750,000	\$0	(\$750,000)	-100.00%
County Share of Excess Revenue - Use of (Reserve from FY04 turnback)	\$150,000	\$0	(\$150,000)	-100.00%
	<u>\$1,100,000</u>	<u>\$0</u>	<u>(\$1,100,000)</u>	<u>-100.00%</u>
Total Other County Resources	<u>\$10,962,309</u>	<u>\$13,305,005</u>	<u>\$2,342,696</u>	<u>21.37%</u>
Total County Resources	<u>\$14,368,009</u>	<u>\$17,607,686</u>	<u>\$3,239,677</u>	<u>22.55%</u>
Total Revenue & Resources	<u>\$680,971,398</u>	<u>\$765,242,298</u>	<u>\$84,270,900</u>	<u>12.38%</u>

General Fund Revenue & Resource Summary (Cont.)

Title	FY 05 Adopted Budget	FY 06 Adopted Budget	Dollar Change FY 05 to FY 06 Adopted	% Change FY05 / FY06 Adopted
Calculation Of County & Schools Split Of Revenue & Resources:				
Revenues & Resources Which Are Split Between County & Schools:				
Total General Revenues	\$572,064,427	\$641,831,187	\$69,766,760	12.20%
Less Recordation Tax Revenue**	\$0	(\$12,050,000)	(\$12,050,000)	----
Plus Real Estate Tax Reserve*	\$2,160,928	\$5,174,968	\$3,014,040	139.48%
Total Split Between County & Schools	<u>\$574,225,355</u>	<u>\$634,956,155</u>	<u>\$60,730,800</u>	<u>10.58%</u>
General Fund Total Transferred To Schools (56.75%)	<u>\$325,872,889</u>	<u>\$360,337,618</u>	<u>\$34,464,729</u>	<u>10.58%</u>
County Share Of Split Between County & Schools (43.25%)	<u>\$248,352,466</u>	<u>\$274,618,537</u>	<u>\$26,266,071</u>	<u>10.58%</u>
Other County Resources (Not Split):				
-Agency Revenue	\$94,538,962	\$105,803,425	\$11,264,463	11.92%
-Budgeted County Resources	\$3,405,700	\$4,302,681	\$896,981	26.34%
-Other County Resources***	\$8,801,381	\$8,130,037	(\$671,344)	-7.63%
-Recordation Tax Revenue**	\$0	\$12,050,000	\$12,050,000	----
County Share Of General Fund Total	<u>\$355,098,509</u>	<u>\$404,904,680</u>	<u>\$49,806,171</u>	<u>14.03%</u>
Total County and Transfer To Schools	<u>\$680,971,398</u>	<u>\$765,242,298</u>	<u>\$84,270,900</u>	<u>12.38%</u>

Notes:

- * For FY 05 and FY 06 the total transferred to Schools is 56.75% of the General Revenue total plus 56.75% of the Real Estate Tax Reserve located under Other County Resources.
- ** Starting in FY 06 the Recordation Tax Revenue is excluded from the funds split between the County & Schools and \$8,910,000 of the \$12,050,000 is designated for Transportation Projects as indicated under Other County Resources.
- *** Excludes FY 05 and FY 06 Real Estate Tax Reserve which was included in the funds split between the County & Schools.
- **** School Age Care was merged into the Office on Youth for FY 2006.

Five-Year Budget Plan

In 1988, the Board of County Supervisors adopted a Financial and Program Planning Ordinance. A major focus of this ordinance is to present to the Board five year revenue and expenditure projections during the annual budget process. This projection process helps the Board gauge the multi-year impacts of fiscal decisions, and weigh the corresponding implications of tax rates and other revenue sources. For FY 06 a five-year budget plan prepared by the Prince William County Schools is combined with the five-year budget plan prepared by Prince William County to give a total picture of the General Fund requirements from FY 06 to FY 10. This five year budget forecast is shown below:

General Fund Resource and Expenditure Projection

	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
<u>Revenue and Resources:</u>					
General Revenue	\$641,831,187	\$703,361,652	\$769,671,052	\$840,988,429	\$912,163,503
Agency Revenue*	\$105,803,425	\$108,448,898	\$111,353,821	\$113,712,118	\$119,590,397
County Resources*	\$17,607,686	\$7,139,566	\$3,491,819	\$1,995,647	(\$6,227,395)
Total Revenue & Resources Available	\$765,242,298	\$818,950,116	\$884,516,692	\$956,696,194	\$1,025,526,505
<u>Expenditures:</u>					
County Government	\$404,904,680	\$425,927,271	\$452,722,923	\$483,870,477	\$512,708,422
Transfer To Schools	\$360,337,618	\$392,290,987	\$429,762,672	\$470,013,959	\$510,190,163
Total Expenditures	\$765,242,298	\$818,218,258	\$882,485,595	\$953,884,436	\$1,022,898,585
Total Revenue & Resource Balance	\$0	\$731,858	\$2,031,097	\$2,811,758	\$2,627,920

*Note: For FY 2006 \$313,995 of CIP 800MHZ Project Support of Public Safety Wireless Hot Spots has been shifted from the Agency Revenue category to County Resources to place those funds in the correct category.

This forecast will shape fiscal decisions over these five years.

The multi-year projections used to develop this five-year forecast have two distinct parts which are independently developed.

Revenue Projections

Revenue forecasting begins with the work of the County's revenue committee. For non-agency revenues, the committee provides a five year forecast based on historical trends, current economic conditions, and assumptions about future trends. These projections are refined throughout the fall and winter, and finalized in a report used during the budget process. For additional detail concerning non-agency revenues, see the pages in the Revenue Summary section titled General Fund Non-Agency Revenues FY 06 through FY 10.

Agency revenues are projected by the Office of Executive Management, in conjunction with the involved agencies. Assumptions about State revenues and about local economic conditions (such as the development and building sector) are factored into the five year forecast of agency revenues. Historical trends are also an important part of the projection process. For additional detail concerning agency revenues, see the Agency Revenue section of the summary titled General Fund Revenue and Resource Summary.

Expenditure Projections

Expenditure projections begin while the proposed fiscal plan is under development. A base budget is established for the first year. Any new initiatives begun in the first year are examined for their implications for future fiscal years and made a part of the projections. This part of the projection process is particularly useful in tracking the movement of new initiatives into the budget for future fiscal years.

Five-Year Budget Plan (continued)

Prince William County's Office of Executive Management uses a micro computer based spreadsheet program to facilitate the preparation of expenditure projections. The program can be customized to make individual agency projections, and is updated from individual data projection modules which produce projections in the following areas:

1. General fund support for capital projects
2. Capital improvements operating costs
3. General debt (capital improvements projects)
4. Pay For Performance adjustments
5. Pay plan market adjustments
6. Benefit adjustments
7. Self insurance
8. Five Year costs of FY 06 budget initiatives.

Many factors play a role in the expenditure projections for Prince William County and Prince William County Schools. Some of the key assumptions underlying the expenditure projections are as follows:

Prince William County

- Funds annual pay for performance
- Funds the following pay plan market adjustments;
FY 06 - 3.0%, FY 07 - 2.5%, FY 08 - 2.5%, FY 09 - 2.5%, FY 10 - 2.5%
- Adds 100 sworn and 24 civilian Police positions from FY 06-10
- Adds 96 uniform and 10 civilian Fire and Rescue positions from FY 06-10 and opens 3 new stations
- Funds annual inflation of operating supplies
- Funds the adopted Capital Improvements Program
- Holds non-public safety operations at FY 06 funding levels

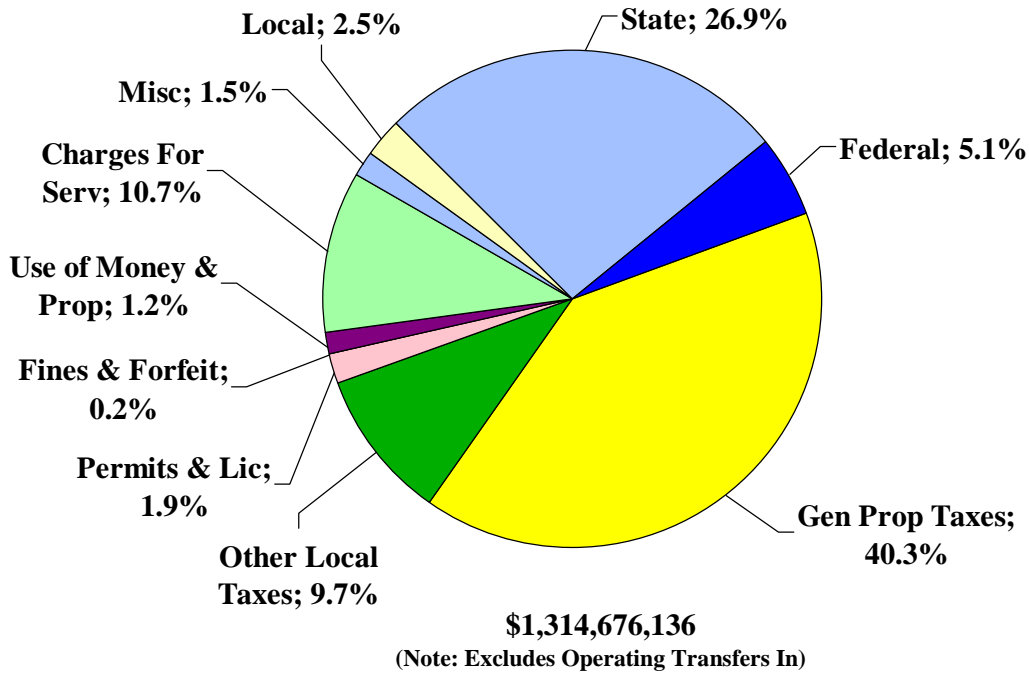
Prince William County School

- Funds annual step increases
- Funds the following salary scale adjustments;
FY 06 – 3.0%, FY 07 – 3.0%, FY 08 – 3.0%, FY 09 – 3.0%, FY 10 – 3.0%
- Funds annual adjustment for inflation in supplies and materials
- Maintains all academic, support and extra curricular programs
- Funds all critical repair projects
- Funds new Capital Improvements Program debt service
- Builds 8 elementary schools, 3 elementary school additions, 4 middle schools, 1 high school and 1 Administrative Building.

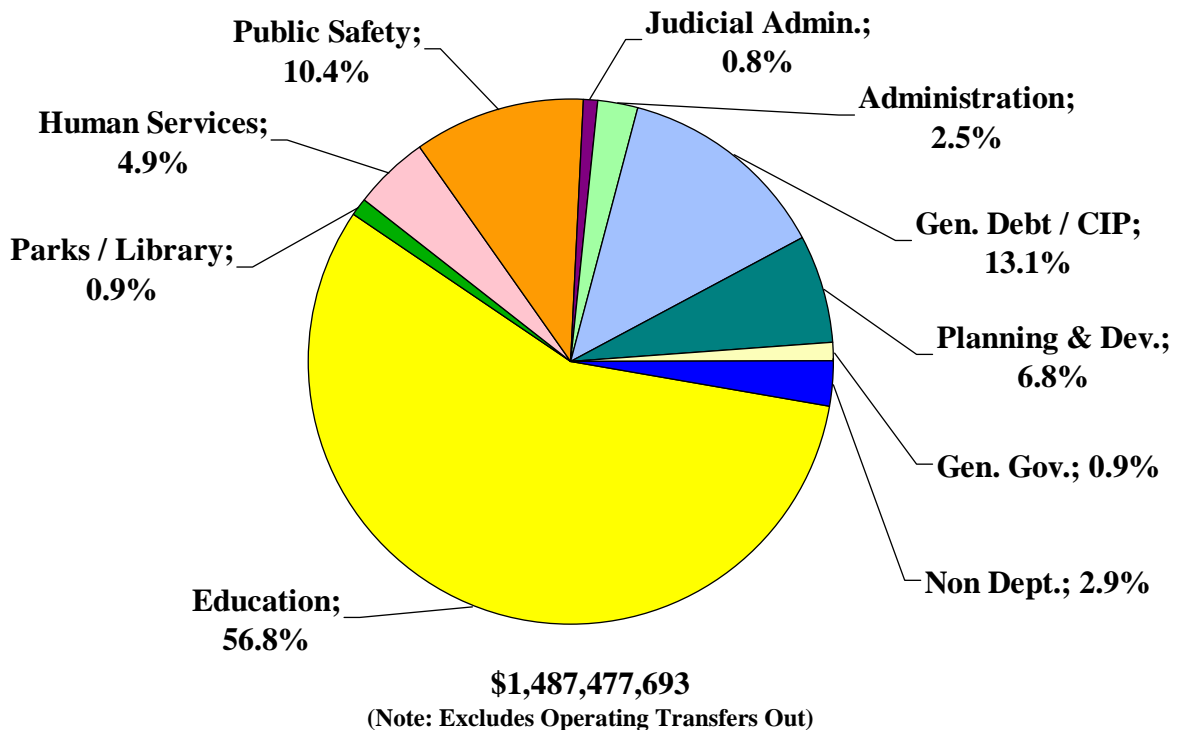
Revenue vs. Expenditure Comparison

The pie charts show the expenditure and revenue budgets for all County-wide funds. The detail for these charts is displayed in the Combined Statement Of Projected Revenues, Budgeted Expenditures And Projected Changes In Fund Balance located on the next page.

FY 06 Total County Revenue Sources



FY 06 Total County Budget By Functional Categories



**Combined Statement Of Projected Revenues, Budgeted Expenditures And
Projected Changes In Fund Balance For The FY 2006 Adopted Fiscal Plan**

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Type	Total FY 06 Adopted
	General Fund	Capital Projects Fund	Special Revenue Fund	Enterprise Fund	Internal Service Fund		
Proj Fund Bal/Net Assets, Beginning:							
Undesignated Fund Bal/Net Assets	\$57,075,010	\$50,249,000	\$53,825,795	\$7,399,563	\$26,849,134	\$3,556,000	\$198,954,502
Fund Balance Reserve:							
Encumbrances	\$7,033,000	\$118,844,000	\$17,925,000	\$0	\$0	\$906,000	\$144,708,000
Designated For Future Years	\$50,414,000	\$2,150,000	\$23,377,000	\$0	\$0	\$0	\$75,941,000
Other	\$3,152,000	\$65,750,000	\$1,552,000	\$68,680,000	\$3,803,000	\$0	\$142,937,000
Available Fund Balance	<u>\$117,674,010</u>	<u>\$236,993,000</u>	<u>\$96,679,795</u>	<u>\$76,079,563</u>	<u>\$30,652,134</u>	<u>\$4,462,000</u>	<u>\$562,540,502</u>
Projected Revenues:							
General Property Taxes	\$503,475,934	\$0	\$27,181,188	\$0	\$0	\$0	\$530,657,122
Other Local Taxes	\$127,158,323	\$0	\$0	\$0	\$0	\$0	\$127,158,323
Permits, Priv. Fees and Reg Lic	\$20,451,031	\$0	\$4,124,035	\$8,000	\$0	\$0	\$24,583,066
Fines & Forfeitures	\$2,250,872	\$0	\$0	\$0	\$0	\$0	\$2,250,872
Rev From Use of Money & Prop	\$12,836,981	\$0	\$647,000	\$972,000	\$892,967	\$0	\$15,348,948
Charges for Services	\$7,918,176	\$0	\$27,468,882	\$13,636,391	\$91,154,348	\$0	\$140,177,797
Miscellaneous	\$10,610,667	\$7,000,000	\$1,143,566	\$50,000	\$1,319,000	\$0	\$20,123,233
Rev From Other Localities	\$5,927,479	\$0	\$3,421,129	\$0	\$0	\$23,931,294	\$33,279,902
Rev From the Commonwealth of Va	\$36,054,438	\$1,873,000	\$315,540,282	\$0	\$0	\$0	\$353,467,720
Rev from the Federal Gov	\$16,034,102	\$0	\$51,595,051	\$0	\$0	\$0	\$67,629,153
Total Revenues	<u>\$742,718,003</u>	<u>\$8,873,000</u>	<u>\$431,121,133</u>	<u>\$14,666,391</u>	<u>\$93,366,315</u>	<u>\$23,931,294</u>	<u>\$1,314,676,136</u>
Budgeted Expenditures:							
General Governmental	\$12,789,524	\$0	\$0	\$0	\$0	\$0	\$12,789,524
Administration	\$22,836,346	\$0	\$0	\$0	\$14,607,025	\$0	\$37,443,371
Judicial Administration	\$12,534,494	\$0	\$0	\$0	\$0	\$0	\$12,534,494
Public Safety	\$107,297,448	\$0	\$47,590,783	\$0	\$0	\$0	\$154,888,231
Planning And Development	\$44,371,629	\$0	\$33,872,384	\$16,123,990	\$7,048,659	\$0	\$101,416,662
Human Services	\$72,786,490	\$0	\$0	\$0	\$0	\$0	\$72,786,490
Parks And Library	\$13,282,793	\$0	\$0	\$0	\$0	\$0	\$13,282,793
Education	\$0	\$106,454,000	\$663,098,404	\$0	\$50,972,655	\$23,931,294	\$844,456,353
Debt / C.I.P.	\$38,360,838	\$107,556,646	\$48,629,423	\$0	\$0	\$0	\$194,546,907
Non-Departmental	\$13,451,981	\$0	\$871,887	\$0	\$29,009,000	\$0	\$43,332,868
Total Expenditures	<u>\$337,711,543</u>	<u>\$214,010,646</u>	<u>\$794,062,881</u>	<u>\$16,123,990</u>	<u>\$101,637,339</u>	<u>\$23,931,294</u>	<u>\$1,487,477,693</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>\$405,006,460</u>	<u>(\$205,137,646)</u>	<u>(\$362,941,748)</u>	<u>(\$1,457,599)</u>	<u>(\$8,271,024)</u>	<u>\$0</u>	<u>(\$172,801,557)</u>
Other Financing Sources (Uses):							
Operating Transfers In	\$9,219,290	\$54,839,586	\$378,937,318	\$15,835,778	\$3,680,890	\$0	\$462,512,862
Operating Transfers Out	(\$427,530,755)	(\$2,000,000)	(\$27,597,365)	(\$5,384,742)	\$0	\$0	(\$462,512,862)
Proceeds From Loans And Bonds	\$0	\$117,344,060	\$0	\$0	\$0	\$0	\$117,344,060
Total Other Financing Sources (Uses)	<u>(\$418,311,465)</u>	<u>\$170,183,646</u>	<u>\$351,339,953</u>	<u>\$10,451,036</u>	<u>\$3,680,890</u>	<u>\$0</u>	<u>\$117,344,060</u>
Excess (Deficiency) Of Revenues Over Expenditures & Other Sources (Uses)	<u>(\$13,305,005)</u>	<u>(\$34,954,000)</u>	<u>(\$11,601,795)</u>	<u>\$8,993,437</u>	<u>(\$4,590,134)</u>	<u>\$0</u>	<u>(\$55,457,497)</u>
Projected Fund Balance, Ending	<u>\$104,369,005</u>	<u>\$202,039,000</u>	<u>\$85,078,000</u>	<u>\$85,073,000</u>	<u>\$26,062,000</u>	<u>\$4,462,000</u>	<u>\$507,083,005</u>

GENERAL FUND EXPENDITURE AND RESOURCE COMPARISON

	FY 04 Approp.	FY 04 Actual	FY 05 Adopted	FY 06 Adopted	% Change FY 05 To FY 06
<u>Expenditure By Classification:</u>					
Personal Services	\$135,453,561	\$134,685,196	\$145,223,946	\$158,826,345	9.37%
Fringe Benefits	\$30,878,081	\$29,920,232	\$42,933,312	\$44,908,732	4.60%
Contractual Services	\$20,480,912	\$16,703,416	\$16,495,476	\$18,893,868	14.54%
Internal Services	\$18,732,935	\$18,688,844	\$19,017,030	\$21,952,904	15.44%
Other Services	\$46,340,642	\$40,264,319	\$40,576,465	\$44,164,650	8.84%
Debt Maintenance	\$26,416,536	\$21,801,630	\$33,040,036	\$38,454,897	16.39%
Capital Outlay	\$6,253,863	\$3,100,520	\$2,952,949	\$4,823,671	63.35%
Leases & Rentals	\$5,076,831	\$4,912,568	\$5,494,706	\$5,686,475	3.49%
Transfers Out*	\$354,961,235	\$354,362,453	\$375,237,478	\$427,530,755	13.94%
Total General Fund Expenditures	\$644,594,596	\$624,439,179	\$680,971,398	\$765,242,298	12.38%
<u>Funding Sources:</u>					
General Property Taxes	\$360,836,068	\$368,194,758	\$462,518,722	\$503,475,934	8.86%
Other Local Taxes	\$98,012,151	\$104,865,153	\$106,365,293	\$127,158,323	19.55%
Permits, Priv. Fees and Reg Lic	\$16,088,159	\$19,410,931	\$17,321,551	\$20,451,031	18.07%
Fines & Forfeitures	\$2,152,442	\$2,328,626	\$2,152,442	\$2,250,872	4.57%
Rev From Use of Money & Prop	\$8,012,315	\$3,802,162	\$5,191,034	\$12,836,981	147.29%
Charges for Services	\$6,673,477	\$8,578,811	\$6,883,695	\$7,918,176	15.03%
Miscellaneous	\$7,066,411	\$7,108,292	\$6,455,878	\$10,436,967	61.67%
Rev From Other Localities	\$5,505,592	\$5,529,287	\$5,857,825	\$5,927,479	1.19%
Rev From the Commonwealth of Va	\$80,614,097	\$83,287,500	\$32,273,900	\$36,054,438	11.71%
Rev from the Federal Gov	\$19,932,217	\$20,003,284	\$16,395,244	\$16,034,102	-2.20%
Non-Revenue Receipts	\$779,700	\$1,262,963	\$660,647	\$173,700	-73.71%
Transfers In*	\$9,935,646	\$9,482,930	\$7,932,858	\$9,219,290	16.22%
Total General Fund Revenue	\$615,608,275	\$633,854,699	\$670,009,089	\$751,937,293	12.23%
Other Resources	\$28,986,321	(\$9,415,519)	\$10,962,309	\$13,305,005	21.37%
Total General Fund Revenue And Other Resources	\$644,594,596	\$624,439,179	\$680,971,398	\$765,242,298	12.38%
Revenue and Other Resources Over / (Under) Expenditures	\$0	\$0	\$0	\$0	--

* Note: Excludes Transfers Within The General Fund

Position Summary of Full Time Equivalent Positions (FTE)

Department / Agency	FY 02 Adopted FTE Positions	FY 03 Adopted FTE Positions	FY 04 Adopted FTE Positions	FY 05 Adopted FTE Positions	FY 06 Adopted FTE Positions	Position Change FY 05 to FY 06	Percent Change FY 05 to FY 06
General Governmental:							
Board Of County Supervisors	12.12	12.12	12.12	12.12	17.00	4.88	40.26%
Office Of Executive Management	50.90	54.90	57.40	59.40	61.40	2.00	3.37%
County Attorney	21.00	24.00	26.00	26.00	27.00	1.00	3.85%
Sub Total	84.02	91.02	95.52	97.52	105.40	7.88	8.08%
Planning And Development:							
Economic Development	12.00	12.00	12.00	12.50	12.50	0.00	0.00%
Planning	48.00	51.00	55.00	56.00	61.50	5.50	9.82%
Public Works	263.75	279.72	313.58	334.87	384.33	49.46	14.77%
Sub Total	323.75	342.72	380.58	403.37	458.33	54.96	13.63%
Administration:							
Finance	130.33	132.33	133.80	134.80	139.55	4.75	3.52%
Human Rights Office	5.80	5.80	7.00	6.00	6.00	0.00	0.00%
Off. Of Information Technology	43.48	42.98	44.48	45.48	47.48	2.00	4.40%
Registration & Elections	11.00	11.00	11.00	11.00	11.00	0.00	0.00%
Sub Total	190.61	192.11	196.28	197.28	204.03	6.75	3.42%
Judicial Administration:							
Clerk Of The Court	57.70	49.70	51.70	52.00	52.00	0.00	0.00%
Circuit Court Judges	0.00	9.00	9.00	9.00	9.00	0.00	0.00%
Commonwealth's Attorney	38.00	39.00	39.00	39.00	41.00	2.00	5.13%
Office of Criminal Justice Services	23.86	23.86	25.58	25.95	31.00	5.05	19.46%
General District Court	1.00	1.00	1.00	1.00	1.00	0.00	0.00%
Juvenile Court Services Unit	3.00	5.00	7.00	8.00	8.00	0.00	0.00%
Law Library	1.00	1.00	1.00	1.00	1.00	0.00	0.00%
Sub Total	124.56	128.56	134.28	135.95	143.00	7.05	5.19%
Public Safety:							
Fire And Rescue	277.00	299.00	328.00	357.00	374.00	17.00	4.76%
Police	578.67	604.07	628.07	655.40	673.40	18.00	2.75%
Sheriff	69.00	73.00	74.00	79.00	82.00	3.00	3.80%
Public Safety Communications	88.00	88.00	89.00	92.00	95.00	3.00	3.26%
Sub Total	1,012.67	1,064.07	1,119.07	1,183.40	1,224.40	41.00	3.46%
Human Services:							
Community Services Board	233.46	234.86	223.36	232.53	240.77	8.24	3.54%
Extension & Continuing Ed.	8.32	9.08	9.65	9.65	9.65	0.00	0.00%
Office On Youth*	3.00	2.80	3.00	3.00	7.00	4.00	133.33%
At Risk Youth & Family Services	1.00	1.00	1.00	1.00	1.00	0.00	0.00%
School Age Care*	5.00	5.00	5.00	4.00	0.00	-4.00	-100.00%
Area Agency On Aging	41.25	42.52	42.09	44.26	44.62	0.36	0.81%
Public Health	8.96	9.96	9.96	9.96	9.96	0.00	0.00%
Social Services	312.80	323.45	307.95	314.22	315.69	1.47	0.47%
Sub Total	613.79	628.67	602.01	618.62	628.69	10.07	1.63%

Position Summary of Full Time Equivalent Positions (FTE) (Cont.)

Department / Agency	FY 02 Adopted FTE Positions	FY 03 Adopted FTE Positions	FY 04 Adopted FTE Positions	FY 05 Adopted FTE Positions	FY 06 Adopted FTE Positions	Position Change FY 05 to FY 06	Percent Change FY 05 to FY 06
Parks And Library:							
Library	191.25	191.25	189.68	188.68	188.65	-0.03	-0.02%
Sub Total	191.25	191.25	189.68	188.68	188.65	-0.03	-0.02%
Special Revenue Fund:							
Adult Detention Center	217.00	225.00	230.00	232.00	244.80	12.80	5.52%
Housing & Community Dev.	27.60	31.80	33.80	33.80	34.00	0.20	0.59%
Sub Total	244.60	256.80	263.80	265.80	278.80	13.00	4.89%
Enterprise Fund:							
Public Works; Solid Waste	47.71	47.71	49.05	51.05	55.38	4.33	8.48%
Sub Total	47.71	47.71	49.05	51.05	55.38	4.33	8.48%
Internal Service Fund:							
Public Works; Fleet Management	30.08	30.08	31.08	31.08	33.12	2.04	6.56%
Off. Of Info. Tech.; Data Processing	42.05	46.55	46.05	47.05	50.05	3.00	6.38%
Public Works; Small Proj. Const.	23.79	23.79	23.79	22.36	23.36	1.00	4.47%
Sub Total	95.92	100.42	100.92	100.49	106.53	6.04	6.01%
Total FTE Positions	2,928.88	3,043.33	3,131.19	3,242.16	3,393.21	151.05	4.66%
PWC Population **	309,351	321,570	336,820	350,827	364,834	---	---
PWC FTE Positions Per 1,000 Population	9.47	9.46	9.30	9.24	9.30	---	---

* **Note:** School Age Care was merged into the Office on Youth for FY 2006.

****Source County Population:** Estimates through FY 2006 are from the Prince William County Office of Information Technology - Prince William County Standard Data Set as of June 15, 2004 with information to be included in the September 30, 2004, release of the Standard Data Set.

Percent Share of Total General County Budget

(Excludes Transfer To Schools)

Department / Agency	FY 02 Adopted % Of Budget	FY 03 Adopted % Of Budget	FY 04 Adopted % Of Budget	FY 05 Adopted % Of Budget	FY 06 Adopted % Of Budget
<u>General Governmental:</u>					
Board Of County Supervisors	0.448%	0.410%	0.379%	0.383%	0.574%
Office Of Executive Management	1.843%	1.825%	1.861%	1.898%	1.916%
County Attorney	0.749%	0.815%	0.781%	0.774%	0.748%
Sub Total	3.040%	3.050%	3.021%	3.055%	3.238%
<u>Administration:</u>					
Board Of Equalization	0.017%	0.015%	0.014%	0.013%	0.011%
Contingency Reserve	0.162%	0.143%	0.477%	0.211%	0.309%
Finance	3.539%	3.322%	3.169%	3.163%	2.953%
Human Rights Office	0.160%	0.137%	0.160%	0.137%	0.126%
Off Of Information Technology	1.979%	1.984%	1.849%	1.746%	1.599%
General Registrar	0.376%	0.315%	0.290%	0.266%	0.309%
Property & Misc. Insurance	0.162%	0.426%	0.505%	0.356%	0.312%
Unemployment Insurance Reserve	0.024%	0.021%	0.026%	0.024%	0.021%
Sub Total	6.417%	6.363%	6.491%	5.916%	5.640%
<u>Judicial Administration:</u>					
Clerk Of The Court	1.434%	1.422%	1.130%	1.109%	1.396%
Circuit Court Judges	0.000%	0.186%	0.177%	0.179%	0.161%
Commonwealth's Attorney	1.100%	1.037%	1.012%	0.983%	0.976%
Criminal Justice Services	0.646%	0.599%	0.545%	0.538%	0.539%
Juvenile Court Service Unit	0.127%	0.157%	0.252%	0.288%	0.251%
General District Court	0.073%	0.066%	0.060%	0.066%	0.080%
Juvenile & Domestic Relations	0.040%	0.022%	0.019%	0.024%	0.017%
Law Library	0.045%	0.042%	0.039%	0.041%	0.037%
Magistrates	0.033%	0.037%	0.039%	0.038%	0.037%
Sub Total	3.500%	3.567%	3.272%	3.267%	3.495%
<u>Planning And Development:</u>					
Economic Development	0.703%	0.652%	0.598%	0.560%	0.526%
Planning	1.605%	1.611%	1.509%	1.552%	1.647%
Tran. To Conven. & Visitors Bureau	0.331%	0.388%	0.417%	0.310%	0.310%
Transfer To Transportation Fund	0.721%	0.673%	0.759%	0.159%	0.494%
Transfer To Housing	0.000%	0.000%	0.000%	0.000%	0.002%
Public Works	8.466%	8.735%	8.636%	8.419%	8.802%
Sub Total	11.826%	12.060%	11.919%	11.000%	11.782%
<u>Public Safety:</u>					
Fire And Rescue	8.299%	8.670%	8.854%	9.165%	8.998%
Public Safety Communications	2.332%	2.245%	2.090%	2.099%	1.961%
Sheriff	1.692%	1.751%	1.673%	1.712%	1.633%
Transfer To Jail	3.135%	4.014%	3.928%	3.992%	3.850%
Police	15.699%	15.468%	14.999%	15.151%	14.129%
Sub Total	31.157%	32.148%	31.544%	32.119%	30.570%

Percent Share of Total General County Budget (Cont.)

(Excludes Transfer To Schools)

Department / Agency	FY 02	FY 03	FY 04	FY 05	FY 06
	Adopted % Of Budget	Adopted % Of Budget	Adopted % Of Budget	Adopted % Of Budget	Adopted % Of Budget
<u>Human Services:</u>					
Community Services Board	6.882%	6.608%	6.049%	6.101%	5.906%
Extension & Continuing Education	0.371%	0.383%	0.355%	0.338%	0.312%
Office On Youth *	0.110%	0.066%	0.067%	0.068%	0.141%
School Age Care *	0.117%	0.103%	0.092%	0.086%	0.000%
Area Agency On Aging	0.982%	0.960%	0.885%	0.880%	0.813%
At Risk Youth And Family Services	1.733%	1.967%	2.093%	1.923%	1.849%
Public Health	1.377%	1.316%	1.246%	1.177%	1.216%
Social Services	10.930%	10.101%	9.241%	9.155%	8.118%
Sub Total	22.502%	21.504%	20.027%	19.729%	18.354%
<u>Parks And Library:</u>					
Library	4.573%	4.131%	3.807%	3.587%	3.280%
Park Authority Local Contribution	4.102%	4.066%	4.394%	3.796%	3.601%
Sub Total	8.675%	8.198%	8.202%	7.383%	6.882%
<u>Debt / CIP:</u>					
Trans To Construction Funds	2.201%	1.773%	3.758%	4.878%	7.242%
General Debt	7.156%	7.390%	8.150%	9.083%	9.369%
UOSA Expansion	0.269%	0.238%	0.213%	0.191%	0.105%
Sub Total	9.626%	9.401%	12.120%	14.152%	16.717%
<u>Non-Departmental:</u>					
Unclassified Administrative	3.257%	3.709%	3.403%	3.378%	3.322%
Sub Total	3.257%	3.709%	3.403%	3.378%	3.322%
Total	100.000%	100.000%	100.000%	100.000%	100.000%

* School Age Care was merged into the Office on Youth for FY 2006.

REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

I. GOVERNMENTAL FUND TYPES

Most of the County's governmental functions are accounted for in Governmental Fund Types. These fund types measure changes in financial position rather than net income. The following are the County's Governmental Fund Types:

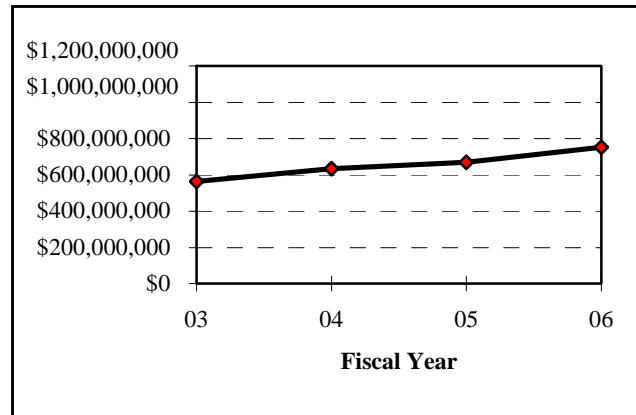
A. General Fund:

The General Fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, State and Federal distributions, licenses, permits, charges for services, and interest income. A significant part of the fund's revenues are transferred to other funds principally to finance the operations of the County Public Schools, the Park Authority, the Conventions and Visitors Bureau and the Regional Adult Detention Center. Debt service expenditures for payments of principal and interest of the County's general long-term debt (bonds and other long-term debt not serviced by proprietary or special revenue funds) are included in the General Fund.

Revenue Summary:

----- Actual -----	
Fiscal Year 2003	\$564,477,684
Fiscal Year 2004	\$633,854,699
----- Estimate -----	
Fiscal Year 2005	\$670,009,089
Fiscal Year 2006	\$751,937,293
Change FY 05 to FY 06	\$81,928,204

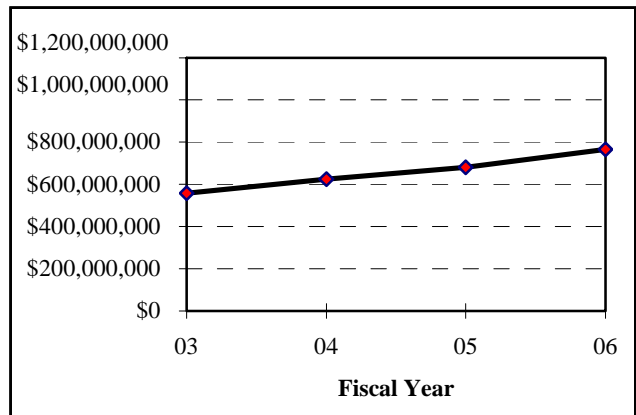
(Note: Excludes Other Resources and transfers within the General Fund)



Expenditure Summary:

----- Actual -----	
Fiscal Year 2003	\$558,083,788
Fiscal Year 2004	\$624,439,179
----- Estimate -----	
Fiscal Year 2005	\$680,971,398
Fiscal Year 2006	\$765,242,298
Change FY 05 to FY 06	\$84,270,900

(Note: Excludes transfers within the General Fund)



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS (Cont.)

B. Special Revenue Funds:

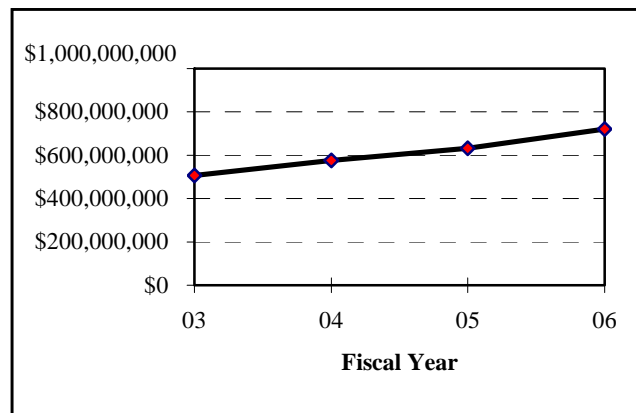
Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds are used to account for volunteer fire and rescue, levies, school operations, and the Regional Adult Detention Center.

1. Schools- Operating Fund

The Prince William County School Board is a component unit of Prince William County. The School Board derives revenues from the Commonwealth of Virginia, transfers from the County and charges for services.

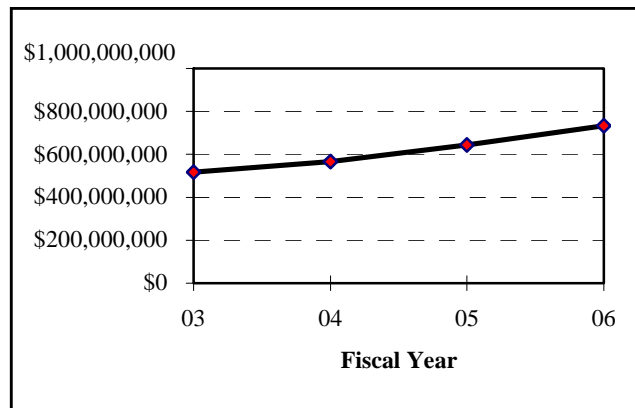
Revenue Summary:

----- Actual -----	
Fiscal Year 2003	\$506,714,935
Fiscal Year 2004	\$575,426,960
----- Estimate -----	
Fiscal Year 2005	\$632,561,650
Fiscal Year 2006	\$721,239,504
Change FY 05 to FY 06	\$88,677,854



Expenditure Summary:

----- Actual -----	
Fiscal Year 2003	\$517,586,348
Fiscal Year 2004	\$566,102,303
----- Estimate -----	
Fiscal Year 2005	\$643,706,444
Fiscal Year 2006	\$733,158,205
Change FY 05 to FY 06	\$89,451,761



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS (Cont.)

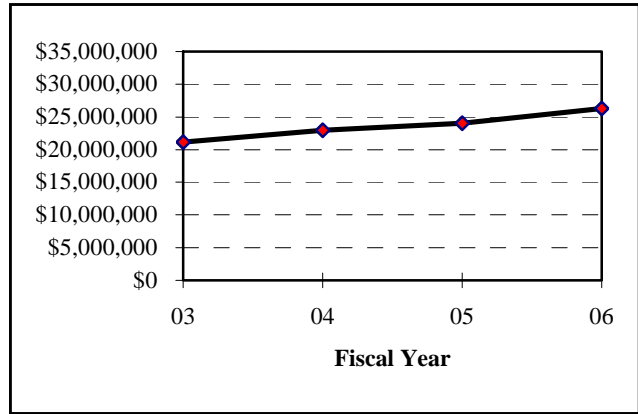
B. Special Revenue Funds (continued):

2. Adult Detention Center

The Adult Detention Center is a component unit of Prince William County. The Adult Detention Center derives revenues from the Commonwealth of Virginia, transfers from the County and charges for services.

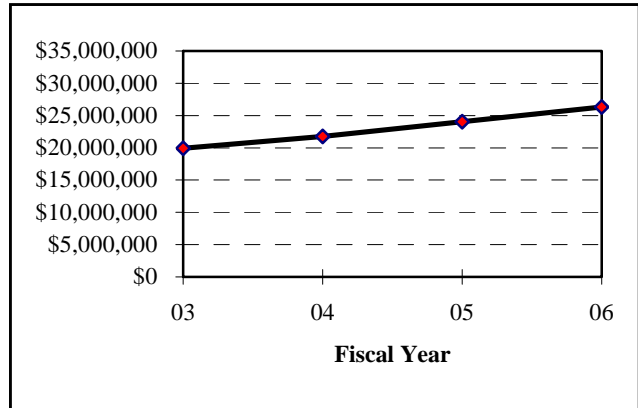
Revenue Summary:

----- Actual -----	
Fiscal Year 2003	\$21,185,511
Fiscal Year 2004	\$22,995,493
----- Estimate -----	
Fiscal Year 2005	\$24,039,724
Fiscal Year 2006	\$26,307,488
Change FY 05 to FY 06	\$2,267,764



Expenditure Summary:

----- Actual -----	
Fiscal Year 2003	\$19,946,877
Fiscal Year 2004	\$21,772,697
----- Estimate -----	
Fiscal Year 2005	\$24,039,724
Fiscal Year 2006	\$26,307,488
Change FY 05 to FY 06	\$2,267,764



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS (Cont.)

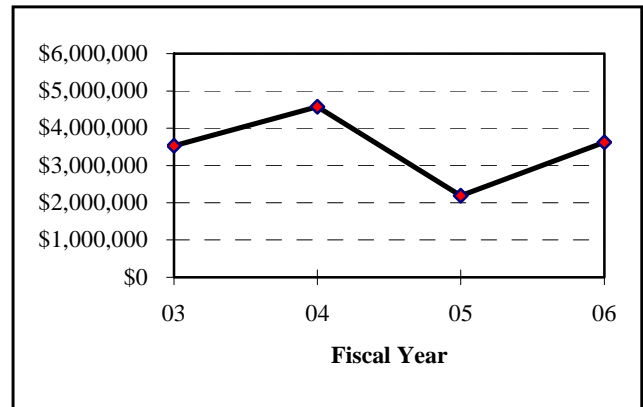
B. Special Revenue Funds (continued):

3. Transportation Fund

The Transportation Fund receives its revenue from a 2% motor fuels tax, user fees (such as a parking fee), State and Federal Grants and transfers from other funds. These revenues are used primarily to pay debt service.

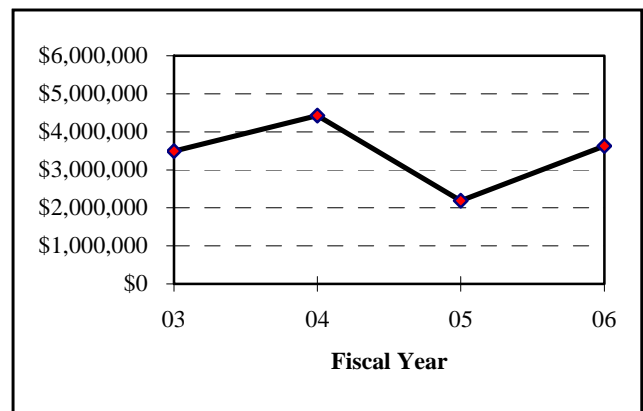
Revenue Summary:

----- Actual -----	
Fiscal Year 2003	\$3,532,182
Fiscal Year 2004	\$4,575,442
----- Estimate -----	
Fiscal Year 2005	\$2,185,976
Fiscal Year 2006	\$3,629,145
Change FY 05 to FY 06	\$1,443,169



Expenditure Summary:

----- Actual -----	
Fiscal Year 2003	\$3,491,758
Fiscal Year 2004	\$4,430,184
----- Estimate -----	
Fiscal Year 2005	\$2,185,976
Fiscal Year 2006	\$3,629,145
Change FY 05 to FY 06	\$1,443,169



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS (Cont.)

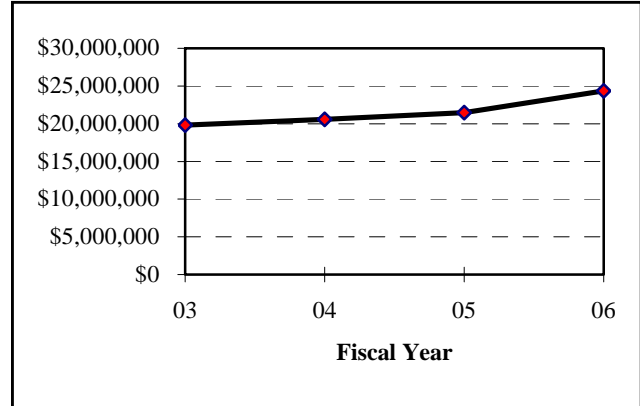
B. Special Revenue Funds (continued):

4. Fire And Rescue Levy Fund

The Fire and Rescue Levy exists to provide a special service to a specific County district. In this case the special service that is provided is fire and rescue. Revenues are principally derived from special tax levies and charges for services.

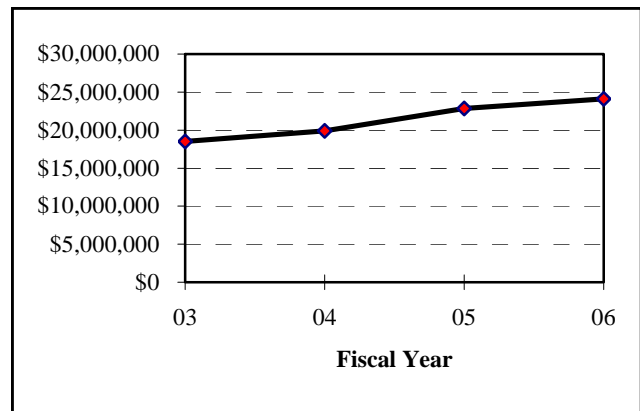
Revenue Summary:

----- Actual -----	
Fiscal Year 2003	\$19,814,993
Fiscal Year 2004	\$20,577,787
----- Estimate -----	
Fiscal Year 2005	\$21,494,647
Fiscal Year 2006	\$24,345,689
Change FY 05 to FY 06	\$2,851,042



Expenditure Summary:

----- Actual -----	
Fiscal Year 2003	\$18,507,138
Fiscal Year 2004	\$19,896,013
----- Estimate -----	
Fiscal Year 2005	\$22,868,052
Fiscal Year 2006	\$24,101,119
Change FY 05 to FY 06	\$1,233,067



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS (Cont.)

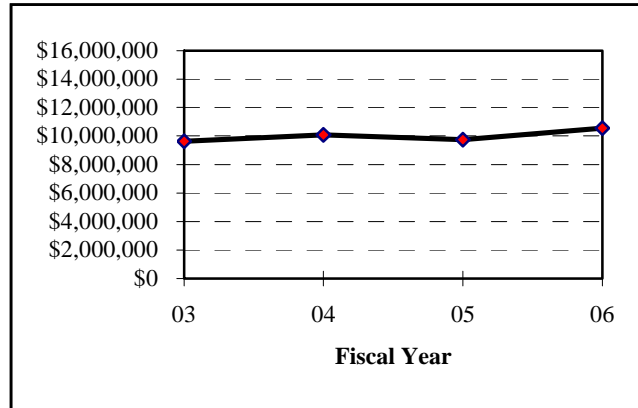
B. Special Revenue Funds (continued):

5. Special Levy Fund

The Special Levy Fund exists to provide a special service to a specific County district. In this case the special services provided are primarily Stormwater Management and Gypsy Moth/Mosquito control. Revenues are principally derived from special tax levies and charges for services.

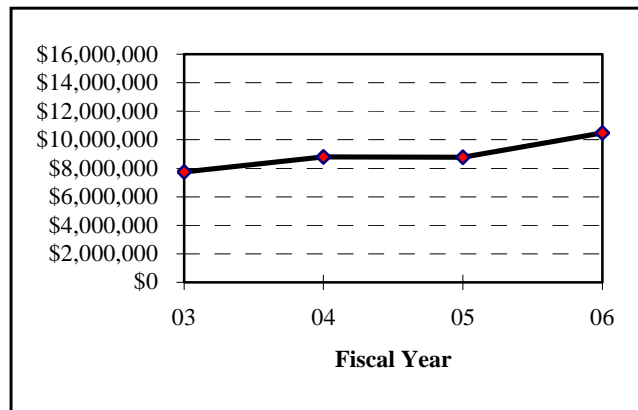
Revenue Summary:

----- Actual -----	
Fiscal Year 2003	\$9,616,561
Fiscal Year 2004	\$10,084,197
----- Estimate -----	
Fiscal Year 2005	\$9,730,007
Fiscal Year 2006	\$10,553,080
Change FY 05 to FY 06	\$823,073



Expenditure Summary:

----- Actual -----	
Fiscal Year 2003	\$7,735,614
Fiscal Year 2004	\$8,791,868
----- Estimate -----	
Fiscal Year 2005	\$8,778,902
Fiscal Year 2006	\$10,480,743
Change FY 05 to FY 06	\$1,701,841



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS (Cont.)

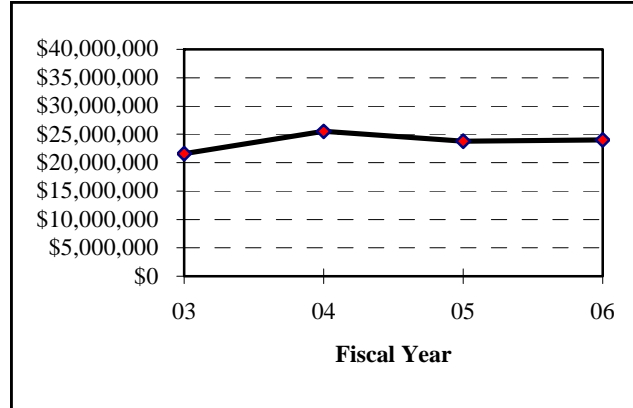
B. Special Revenue Funds (continued):

6. Housing Fund

The Housing Fund receives its revenue primarily from Federal Housing and Community Development grants that are used to develop affordable housing opportunities for County residents and other Community Development initiatives.

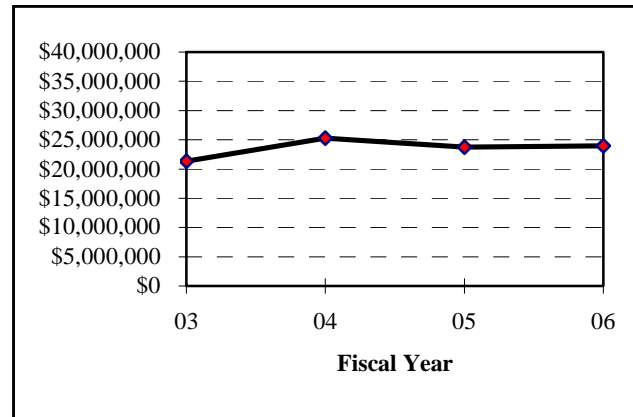
Revenue Summary:

----- Actual -----	
Fiscal Year 2003	\$21,567,124
Fiscal Year 2004	\$25,501,959
----- Estimate -----	
Fiscal Year 2005	\$23,753,022
Fiscal Year 2006	\$23,983,545
Change FY 05 to FY 06	\$230,523



Expenditure Summary:

----- Actual -----	
Fiscal Year 2003	\$21,330,475
Fiscal Year 2004	\$25,288,995
----- Estimate -----	
Fiscal Year 2005	\$23,753,022
Fiscal Year 2006	\$23,983,545
Change FY 05 to FY 06	\$230,523



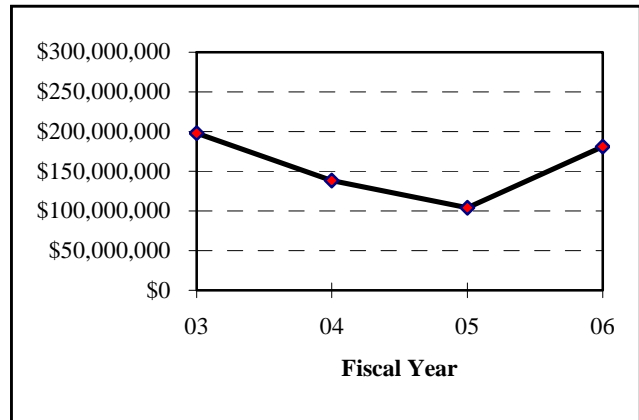
REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS (Cont.)

C. Capital Projects Funds:

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Fund Types as discussed on the following pages). The Capital Projects Fund accounts for all current construction projects including improvements to and the construction of schools, roads and various other projects.

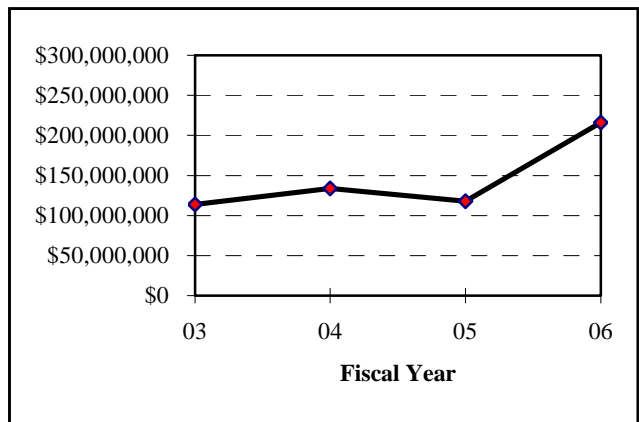
Revenue Summary:

----- Actual -----	
Fiscal Year 2003	\$198,178,536
Fiscal Year 2004	\$137,946,740
----- Estimate -----	
Fiscal Year 2005	\$103,730,427
Fiscal Year 2006	\$181,056,646
Change FY 05 to FY 06	\$77,326,219



Expenditure Summary:

----- Actual -----	
Fiscal Year 2003	\$114,038,925
Fiscal Year 2004	\$133,646,387
----- Estimate -----	
Fiscal Year 2005	\$117,715,009
Fiscal Year 2006	\$216,010,646
Change FY 05 to FY 06	\$98,295,637



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS (Cont.)

II. PROPRIETARY FUND TYPES:

Proprietary Funds account for County activities which operate similar to private sector businesses. These funds measure net income, financial position and changes in financial position. The following are the County's Proprietary Fund Types:

A. Enterprise Funds:

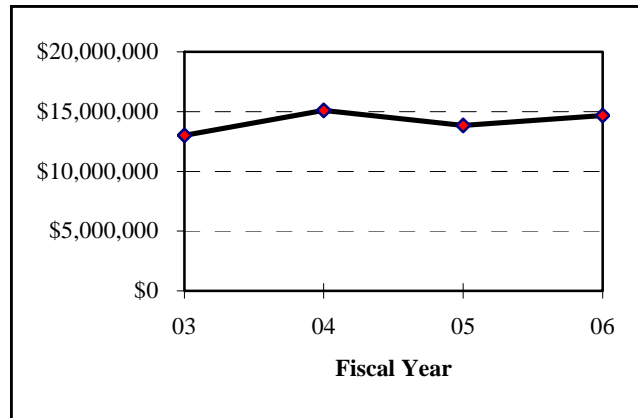
These funds are used to account for operations that are: (a) financed and operated in a manner similar to private business enterprises - where the intent of the Board of County Supervisors is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the Board of County Supervisors has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

1. Landfill (Solid Waste)

Enterprise Funds are used to account for operations where the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user fees, similar to private business enterprises. The Prince William County Landfill, which provides refuse disposal, is one of the County's Enterprise Fund accounts.

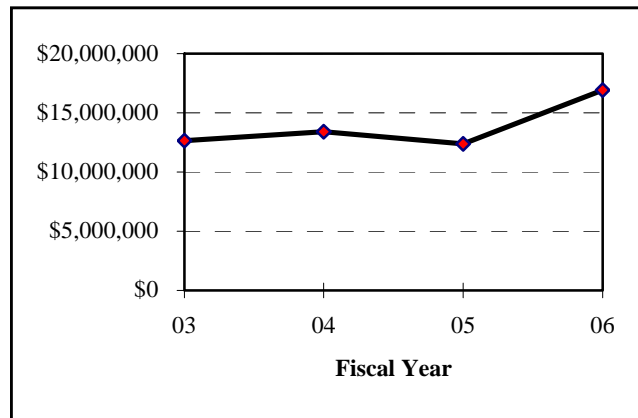
Revenue Summary:

----- Actual -----	
Fiscal Year 2003	\$13,022,709
Fiscal Year 2004	\$15,106,183
----- Estimate -----	
Fiscal Year 2005	\$13,842,000
Fiscal Year 2006	\$14,666,391
Change FY 05 to FY 06	\$824,391



Expenditure Summary:

----- Actual -----	
Fiscal Year 2003	\$12,656,847
Fiscal Year 2004	\$13,395,946
----- Estimate -----	
Fiscal Year 2005	\$12,370,040
Fiscal Year 2006	\$16,929,624
Change FY 05 to FY 06	\$4,559,584



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS (Cont.)

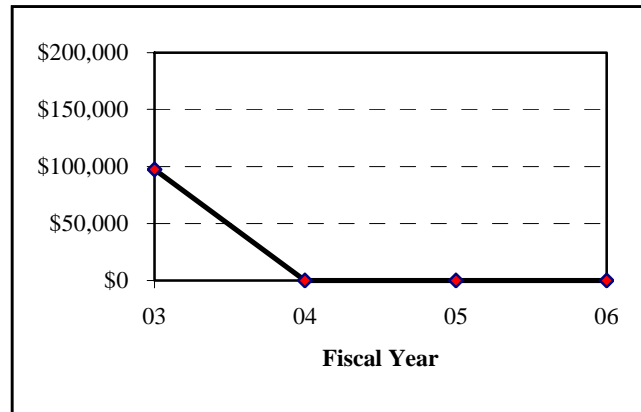
A. Enterprise Funds (continued):

2. Sanitary District (Special Tax District)

Enterprise Funds are used to account for operations where the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user fees, similar to private business enterprises. The Prince William County Sanitary Districts which provide services to residents of Bull Run and prior to FY 03, Occoquan Forest, are Enterprise Fund accounts. For FY 05 the Bull Run Mountain Service District budget has been reclassified from a Proprietary Fund Type to a Special Revenue Fund Type per GASB Fund Type definition.

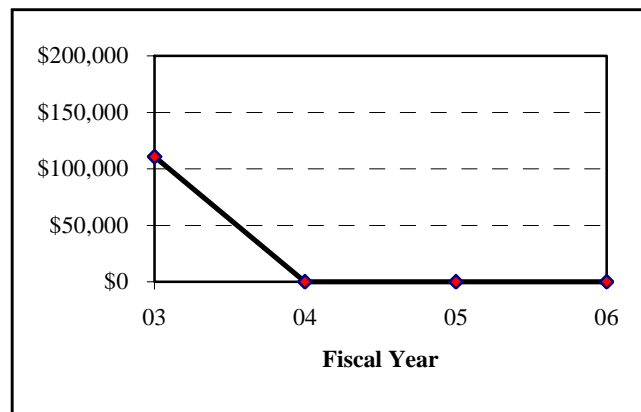
Revenue Summary:

----- Actual -----	
Fiscal Year 2003	\$97,249
Fiscal Year 2004	\$0
----- Estimate -----	
Fiscal Year 2005	\$0
Fiscal Year 2006	\$0
Change FY 05 to FY 06	\$0



Expenditure Summary:

----- Actual -----	
Fiscal Year 2003	\$110,863
Fiscal Year 2004	\$0
----- Estimate -----	
Fiscal Year 2005	\$0
Fiscal Year 2006	\$0
Change FY 05 to FY 06	\$0



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS (Cont.)

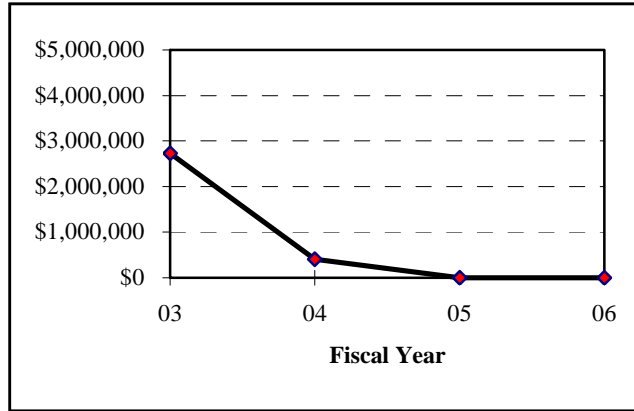
A. Enterprise Funds (continued):

3. INNOVATION @ Prince William

Enterprise Funds are used to account for operations where the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user fees, similar to private business enterprises. The INNOVATION @ Prince William Enterprise Fund account has been set up to account for debt service payments and land sales at INNOVATION @ Prince William.

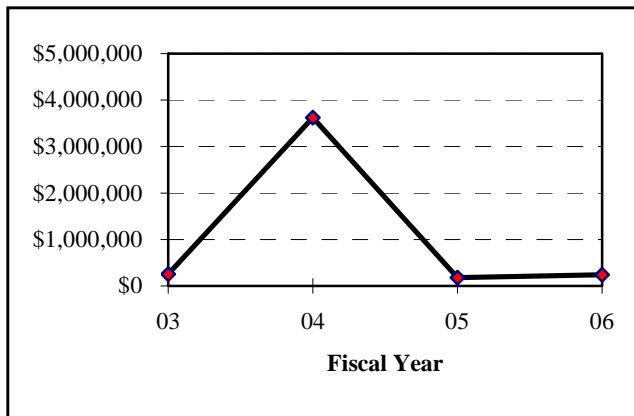
Revenue Summary:

----- Actual -----	
Fiscal Year 2003	\$2,728,788
Fiscal Year 2004	\$409,292
----- Estimate -----	
Fiscal Year 2005	\$0
Fiscal Year 2006	\$0
Change FY 05 to FY 06	\$0



Expenditure Summary:

----- Actual -----	
Fiscal Year 2003	\$252,732
Fiscal Year 2004	\$3,624,054
----- Estimate -----	
Fiscal Year 2005	\$178,977
Fiscal Year 2006	\$240,500
Change FY 05 to FY 06	\$61,523



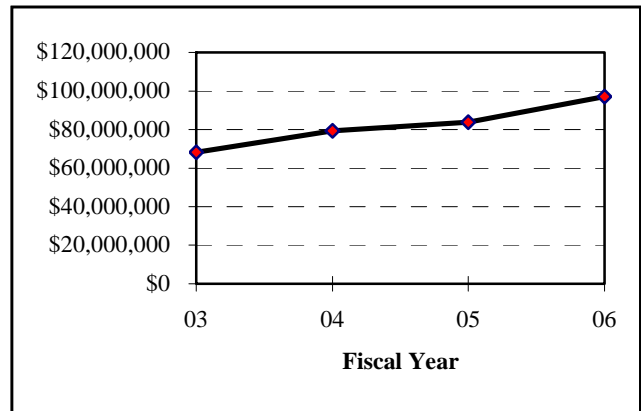
REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS (Cont.)

B. Internal Service Funds:

These funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on an allocated cost recovery basis. Internal Service Funds are established for data processing, vehicle maintenance, road construction, and self-insurance.

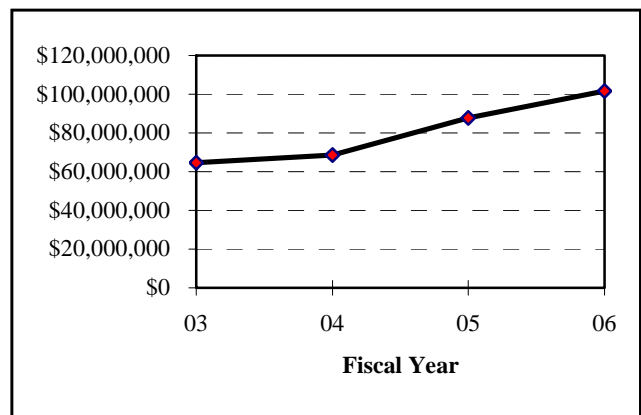
Revenue Summary:

----- Actual -----	
Fiscal Year 2003	\$68,306,768
Fiscal Year 2004	\$79,318,616
----- Estimate -----	
Fiscal Year 2005	\$83,849,444
Fiscal Year 2006	\$97,047,205
Change FY 05 to FY 06	\$13,197,761



Expenditure Summary:

----- Actual -----	
Fiscal Year 2003	\$64,692,761
Fiscal Year 2004	\$68,568,084
----- Estimate -----	
Fiscal Year 2005	\$87,713,726
Fiscal Year 2006	\$101,637,338
Change FY 05 to FY 06	\$13,923,612





Facts about the Budget

Glossary

A glossary of terms can be found on page 844 of the FY 2006 Fiscal Plan.

Development of the Annual Budget

Each year, the County publishes two fiscal plan (budget) documents: the *Proposed Fiscal Plan* and the *Adopted Fiscal Plan*. The *Proposed Fiscal Plan* is the annual budget proposed by the County Executive for County government operations for the upcoming fiscal year, which runs from July 1 through June 30. The proposed budget is based on estimates of projected expenditures for County programs, as well as the means of paying for those expenditures (estimated revenues). Following extensive review and deliberation, the Board of County Supervisors formally approves the *Adopted* (or final) *Fiscal Plan*.

As required by the code of Virginia, Sections 15.1-160 and 15.1-602, the County Executive must submit to the Board of County Supervisors a proposed fiscal plan on or before April 1 of each year for the fiscal year beginning July 1. After an extensive budget review and deliberation process and two public hearings to receive citizen input, the Board of County Supervisors makes its decisions on the *Adopted Fiscal Plan*. The fiscal plan must be adopted on or before May 1 of each year per the code of Virginia Section 22.1-93. A calendar of events for budget development activities for Fiscal Year 06 (July 1, 2005 - June 30, 2006) is included on the following page to describe the budget development process in greater detail.

The Budget in General

The budget reflects the estimated costs of operation for those programs and activities that received funding during the budget development process. To adequately pay for the costs of County services to a growing population, the total budget adopted for the upcoming fiscal year normally shows an increase over the budget for the current fiscal year.

Financially, the budget is comprised of four fund types: the General Fund, Special Revenue Funds, the Capital Projects Fund, and Proprietary Funds. Functionally, the County government services and expenditures are organized into the nine following sections within the Fiscal Plan document:

1. General Government
2. Administration

3. Judicial Administration
4. Planning and Development
5. Public Safety
6. Human Services
7. Parks and Library
8. Debt/Capital Improvements Program
9. Non-Departmental

The Relationship Between the Capital Improvements Program and the Budget

The County also prepares a six-year Capital Improvements Program (CIP) which is adopted by the Board of County Supervisors and published as a separate document. The CIP specifies those capital improvements and construction projects which are scheduled for funding over the next six years in order to maintain or enhance the County's capital assets and delivery of services. In addition, the CIP describes financing mechanisms for those projects. Financial resources used to meet priority needs established by the CIP are accounted for through the Capital Projects Fund.

The primary type of operating expenditure included in the budget relating to the CIP is funding to cover debt service payments for general obligation bonds or other types of debt required to fund specific CIP projects. The Debt/Capital Improvements Program section of the Fiscal Plan document provides detailed information on debt management considerations.

Also, the Capital Improvements Program identifies the facility operating costs, program operating costs, and operating revenues associated with each approved capital project. Funding for capital facility operating requirements is included when and where needed in the operating budgets for the appropriate agencies consistent with costs projected in the CIP.

A summary of the Capital Improvements Program is also included in the Debt/Capital Improvements Program section of the budget document.

Amending the Budget

The County provides for amendment of the adopted budget in two ways. First, the budget for any fund, agency, program, or project can be increased or decreased by formal Board of

Facts about the Budget (continued)

County Supervisors action (budget and appropriation resolution).

Any budget amendment which involves an amount exceeding the lesser of one percent of the total revenue shown in the current adopted budget or \$500,000 may not be enacted without first advertising and then conducting a public hearing. The advertisement must be published once in a newspaper with general County circulation at least seven days prior to the public hearing. After obtaining input from citizens at the public hearing, the Board of County Supervisors may then amend the budget by formal action.

Second, existing authorized budget amounts can be transferred within agencies and programs or between agencies and programs upon various levels of authority as set forth in County Executive Policy 4.11 (Budget Transfers). The authority level required for budget transfers varies depending on the nature and amount of the budget transfer involved and is specified in the budget transfer matrix governing implementation of the policy (see matrix below). The policy provides operating flexibility while ensuring adequate policy and fiscal control.

Budget Transfer Matrix

Transfers Within Fund, Department and Expenditure Category (Object Level 1)

<u>Transfer Category</u>	<u>Department Head Approval</u>	<u>BOCS Approval</u>
Within expenditure category character	\$1 +	NA

Transfers Within Fund and Department Between Expenditure Categories (Object Level 1)

<u>Transfer Category</u>	<u>Department Head Approval</u>	<u>BOCS Approval</u>
All	\$1 To \$19,999	\$20,000 +

Transfers Within Fund Between Departments

<u>Transfer Category</u>	<u>Department Head Approval</u>	<u>BOCS Approval</u>
All	\$1 To \$19,999	\$20,000 +

Transfers Between Funds and Subfunds¹ and Projects

<u>Transfer Category</u>	<u>Department Head Approval</u>	<u>BOCS Approval</u>
All	\$1 To \$19,999	\$20,000 +

¹ Transfers between subfunds within funds 11 - 39 do not require Board of County Supervisors (BOCS) approval if > \$19,999 and within an expenditure category (object level 1)

Fiscal Year 06 Budget Development Process

Calendar of Events

July - August

Phase I: Agencies report to Office of Executive Management on prior fiscal year performance in achieving adopted agency outcomes and service levels

August 2

Phase I & II: Budget instructions and performance budget targets, including outcomes, service levels, revenues, expenditures, and County tax support, are distributed to agencies by Office of Executive Management

August 27

Phase I: Agencies submit phase I FY 06 budget submissions due to Office of Executive Management

September 16

Agencies submit Capital Improvements Program (CIP) updates and new project requests to Office of Executive Management for review, analysis, and recommendations

September-Mid November

Department Directors/Department Budget Contacts meet with Budget Director/Budget Staff to review prior fiscal year performance and upcoming fiscal year goals, objectives, activities, outcomes, and service levels

October 26

Board of County Supervisors retreat to discuss budget and other financial issues

November 25

Agencies submit Phase II budget increase requests and responses to performance budget targets to Office of Executive Management for review, analysis, and recommendations

December-January

Office of Executive Management meets with agencies to discuss Phase II budget issues and recommendations

December 14

County Executive presents Proposed CIP to the Board of County Supervisors

February 22

County Executive presents Proposed Fiscal Plan to the Board of County Supervisors

February 26

Office of Executive Management briefs Citizen Budget Committees regarding the Proposed Fiscal Plan and CIP

Early March-Early April

Board of County Supervisors conducts community meeting with the public and budget work sessions with County government staff to review and deliberate the budget

March 8

Board of County Supervisors authorizes the advertisement of proposed tax and levy rates

March 21 and 22

Board of County Supervisors conducts two public hearings regarding the proposed budget and tax and levy rates

April 19

Board of County Supervisors adopts the Fiscal Plan and CIP

July 1

Fiscal year and execution of agency budgets begin

Prince William County Accounting System

I. Basis of Budgeting

The County's governmental functions and accounting system are organized and controlled on a fund basis. Accounts are maintained on the **modified accrual** basis of accounting for governmental, expendable trust, and agency funds. Revenues are recognized when measurable and available as current assets. Expenditures are generally recognized when the related services or goods are received and the liability is incurred. Proprietary funds are accounted for on the **full accrual** basis of accounting, which requires that revenues be recognized in the period in which service is given and that expenses be recorded in the period in which the benefit is received. The basis of budgeting for each of these funds is the same as the basis of accounting for each of these funds.

II. Government Fund Types

Most of the County's governmental functions are accounted for in Governmental Fund Types. These fund types measure changes in financial position rather than net income. The following are the County's Governmental Fund Types:

A. General Fund

The General Fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, State and Federal distributions, license and permit fees, charges for services, and interest income. A significant part of the fund's revenues are transferred to other funds to finance the operations of the County Public Schools, the Park Authority, and the Regional Adult Detention Center. Debt service expenditures for payments of principal and interest of the County's general long-term debt (bonds and other long-term debt not serviced by proprietary or special revenue funds) are included in the General Fund.

B. Special Revenue Funds

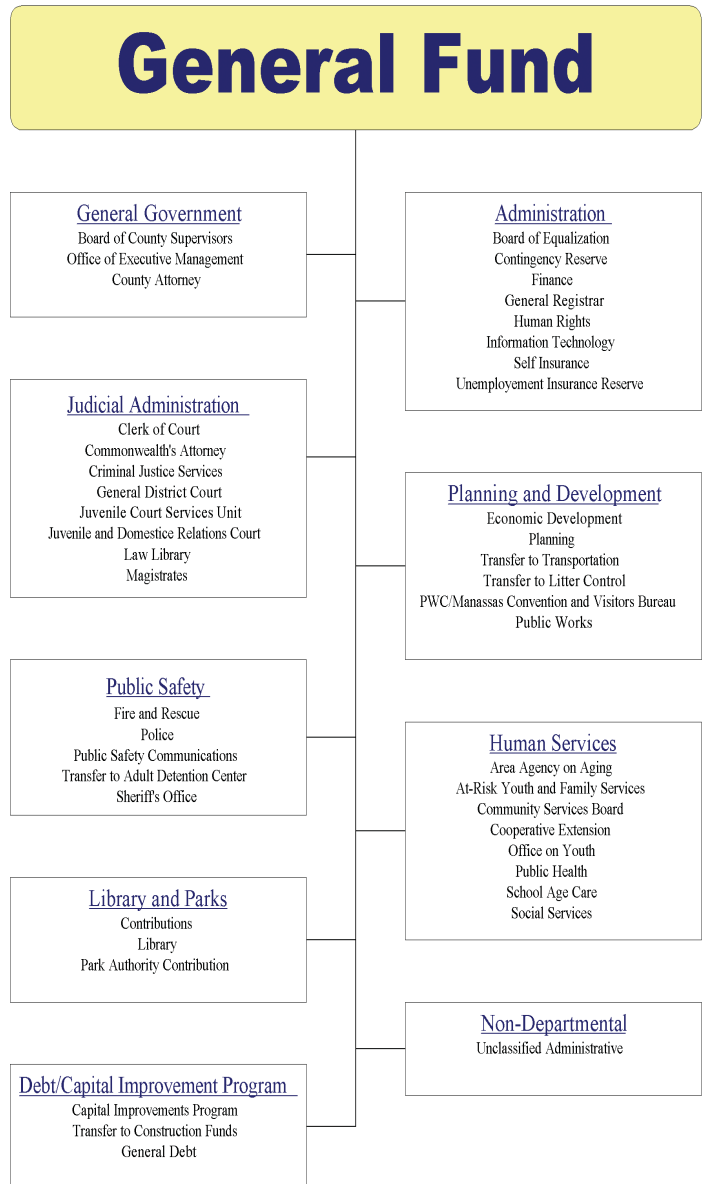
Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds are used to account for volunteer fire and rescue levies, school operations, and the Regional Adult Detention Center.

C. Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Fund Types as discussed on the following page). The Capital Projects Fund accounts for all current construction projects including improvements to and the construction of schools, roads, and various other projects.

Note: The County does not maintain Special Assessment Funds. The Debt Service Fund was eliminated on July 1, 1985, because there was no requirement for it.

Operating Funds: Government Fund Types



III. Proprietary Fund Types

Proprietary Funds account for County activities, which operate, similarly to private sector businesses. These funds measure net income, financial position, and changes in financial position. The following are the County's Proprietary Fund Types:

A. Enterprise Funds

These funds are used to account for operations that are: (a) financed and operated in a manner similar to private business enterprises - where the intent of the Board of County Supervisors is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the Board of County Supervisors has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The following are Enterprise Funds: the Prince William County Service Authority (which provides water and sewer services), the Prince William County Park Authority (which provides recreational services), and the Prince William County Landfill (which provides solid waste disposal for the County).

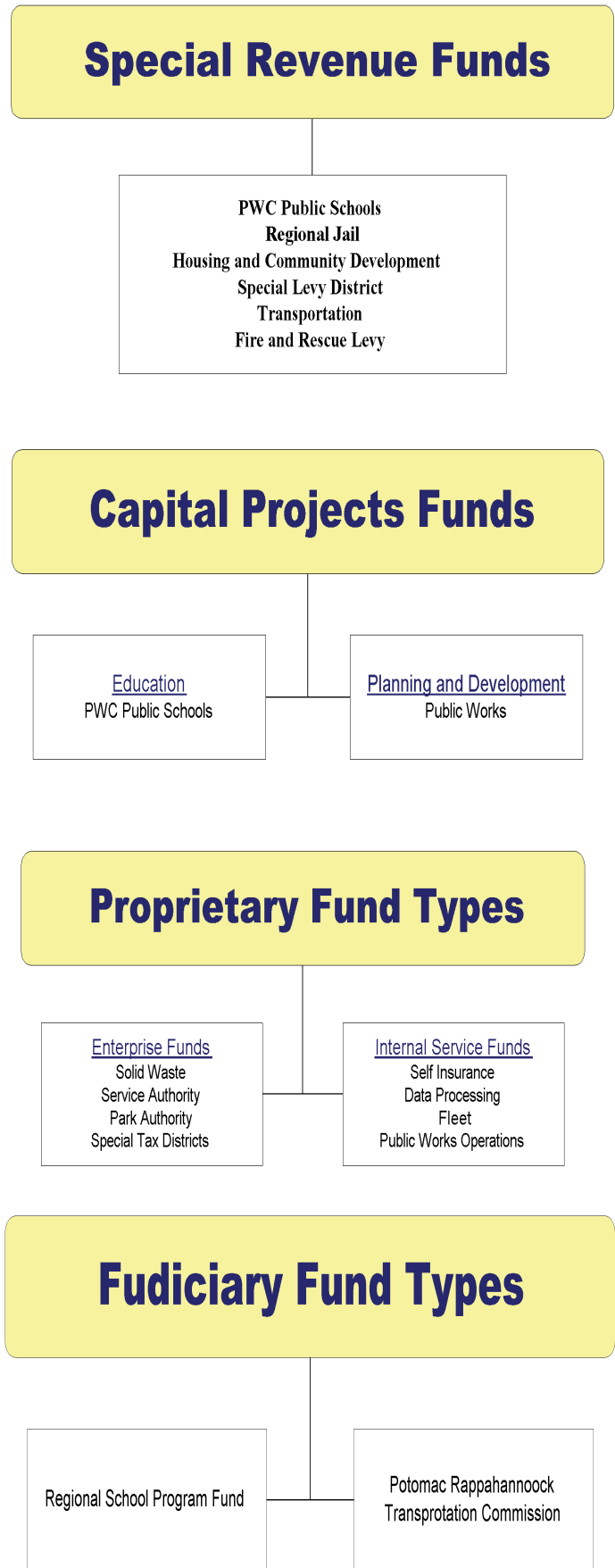
B. Internal Service Funds

These funds are used to account for financing of goods or services provided by one County department or agency to other departments and agencies on an allocated cost recovery basis. Internal Service Funds are established for data processing, vehicle maintenance, road construction, and self-insurance.

IV. Fiduciary Fund Types – Trust and Agency Funds

These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The County has established Agency and Expendable Trust Funds to account for library donations, special welfare, and certain other activities. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds.

Operating Funds: Government Fund Types



Users Guide: How to Read the Budget Document

The agency detail section of the budget document consists of the following elements of information that describe each agency's organization, budget, and service delivery for Fiscal Year 2006.

- A. **Agency Organization Chart** - The chart presents the agency's organizational structure and the agency's relationship to the County government organization as a whole.
- B. **Mission Statement** - The mission statement is a brief description of the purpose and functions of the agency.
- C. **Agency and Program Locator** - The text indicates the agency's location within the budget's functional areas and the program's location within the agency.
- D. **Expenditure and Revenue Summary** - The revenue and expenditure summary provides historical and estimated expenditure and revenue information for each agency. Four types of information are summarized for each fiscal year displayed:
 - 1. **Expenditure by Program** - These figures represent the amounts appropriated or expended for each program within the agency.
 - 2. **Expenditure by Classification** - All County agency expenditures are grouped into eight major categories shown in this summary.
 - i. **Personal Services:** Salaries for all full-time, part-time, and temporary employees, including overtime, Sunday and holiday pay, shift differentials, and per diem compensation for members of certain boards and commissions.
 - ii. **Fringe Benefits:** Compensatory payments on behalf of agency employees including social security, health and life insurance, and retirement benefits.
 - iii. **Contractual Services:** Payments for products and services procured by the agency from contractors.
 - iv. **Internal Services:** Payments for certain goods and services provided by one agency of County government to other agencies; an example is data processing services.

- v. **Other Services:** Expenditures to supply, equip, and train employees to deliver agency services; certain Social Services public assistance and service payments and contributions to outside organizations are also included under this classification.
 - vi. **Capital Outlay:** Expenditures for tangible goods valued at \$5,000 or greater.
 - vii. **Leases and Rentals:** Payments for leases and rentals of goods, equipment, and property.
 - viii. **Transfers (Out):** Operating transfers of monies from the agency to another agency, fund, or subfund.
3. **Funding Sources (revenues)** - County agency revenues are grouped into as many as nine major categories shown in this summary.
- i. **Permits, Privilege Fees, and Regulatory Licenses:** Revenues received from entities or persons engaged in an activity or enterprise which is regulated by the County government to ensure the public's health, safety, or welfare.
 - ii. **Fines and Forfeitures:** Revenues received from persons guilty of infractions of the law.
 - iii. **Revenue from Use of Money and Property:** Monies received from interest income or proceeds from the sale, lease, or rental of an agency's property.
 - iv. **Charges for Services:** Fees that agencies charge the users of their products or services to recover some or all of the cost of the product or service rendered by the agency.
 - v. **Miscellaneous Revenue:** Various recovered costs, expenditure reimbursements, and gifts and donations.
 - vi. **Revenue from Other Localities:** Funds received from other units of local government.
 - vii. **Revenue from the Commonwealth:** Funds received from the State of Virginia.
 - viii. **Revenue from the Federal Government:** Funds received from the government of the United States of America.

- ix. **Transfers (In):** Operating transfers of monies to the agency from another agency, fund, or subfund.
4. **Net General County Tax Support** - The operating subsidy received by the agency; this amount is calculated by subtracting total agency funding sources (revenues) from total agency expenditures for each fiscal year.
- For historical reference, final budget (appropriated) and actual expenditures and revenues are reported for FY 04 to allow comparisons. Adopted budget information is displayed for FY 05. The FY 05 and FY 06 budgets are compared in the final column, which calculates the percentage change between those two fiscal years.
- E. **Agency Expenditure Budget History Graph** - Bar and line graph display of the agency's adopted expenditure budget amounts for each fiscal year from FY 02 to FY 06. Unless otherwise noted, the amounts of net tax support and other funding sources which support each year's adopted expenditure budget are displayed within the bar representing each year's adopted expenditure budget.
- F. **Agency Staff History Graph** - Bar and line graph display of the total authorized full-time and part-time positions for FY 02 through FY 06 for each agency as a whole. Values are expressed in FTEs (full-time equivalents). One FTE is equal to one full-time position.
- G. **Agency Staff** - Total authorized full-time and part-time positions for FY 04, FY 05, and FY 06 are summarized for each agency by program. Values are expressed in FTEs (full-time equivalents). One FTE is equal to one full-time position.
- H. **Strategic Goal** - Statements of public policy adopted by the Board of County Supervisors through the 2004-2008 Strategic Plan. There are six County strategic goals: one each for Economic Development/Quality of Life, Education, Effective Government, Human Services, Public Safety/Safe Community, and Transportation.
- I. **Major Issues** - Narrative discussion summarizing major FY 06 base budget changes and other issues for the agency as a whole.
- J. **Budget Additions** - Narrative discussion of increases to the FY 06 base budget. Discussion includes a description of the item and its cost, its relevance to the 2004-2008 Strategic Plan, and the outcome and service level impacts of its implementation.
- K. **Program Budget Summary** - Each agency program has a box displayed under the title of the program that summarizes the program's expenditure budget and authorized staffing for FY 05 and FY 06. The dollar change and percent change between these two fiscal years' expenditure budgets are also shown. In addition, the change in the number of authorized FTEs between fiscal years is displayed.
- L. **Goal** - General statements of public policy purpose and intent. Although not included in the Strategic Plan, these goals provide overall direction to County agencies and programs.
- M. **Desired Strategic Plan Community Outcomes** - Key outcomes with targets that demonstrate how the community or individual will benefit or change based on achieving the goal. Community outcomes are adopted by the Board of County Supervisors in the Strategic Plan, taken from the annual citizen telephone survey or developed by agencies based on their mission and goals.
- N. **Outcome Targets/Trends** - Multi-year trends for the community and program outcomes. The unit of measure is stated and the numerical targets shown for FY 04, FY 05, and FY 06 as adopted by the Board of County Supervisors. Actual results are shown for FY 03 and FY 04.
- O. **Activities** - Measurable statements describing the jobs performed by each program to achieve the stated objectives.
- P. **Activity Costs** - The cost for each activity is shown for FY 04, FY 05, and FY 06 as adopted by the Board of County Supervisors. Actual costs are shown for FY 03 and FY 04.
- Q. **Service Level Trends Table** - Performance measures are displayed for each activity. Service level targets represent agency performance objectives for the year. The unit of measure is stated and the numerical targets shown for FY 04, FY 05, and FY 06 as adopted by the Board of County Supervisors. Actual costs are shown for FY 03 and FY 04.



I. Prince William Financial and Program Planning Ordinance

In 1994, the Prince William Board of County Supervisors adopted the Financial and Program Planning Ordinance. This ordinance provides a framework for planning government services, funding these planned services, and achieving desired community outcomes. This framework also links the County's strategic planning and budgeting processes, resulting in the implementation of strategic-based, outcome budgeting in Prince William County. This type of budgeting accomplishes two major objectives. First, it provides County leaders and residents with a blueprint for the current and future direction of the County government. Second, it enables decision-makers to make budget decisions based on achieving community outcomes. This system implements the community's vision for accountable, efficient government.

II. Community Vision and Values

A. The Future Report

In 1989, the Prince William Board of County Supervisors approved a process to involve the community in envisioning the physical and aesthetic characteristics of life as well as the amenities and opportunities that should exist in Prince William in the year 2010. The Board appointed fifteen

citizens to the County's Commission on the Future to oversee this process. When completed, this "visioning" process involved over 3,000 citizens. The Future Report covers nearly every aspect of life in Prince William and contains hundreds of vision statements.

B. The Annual Citizen Survey

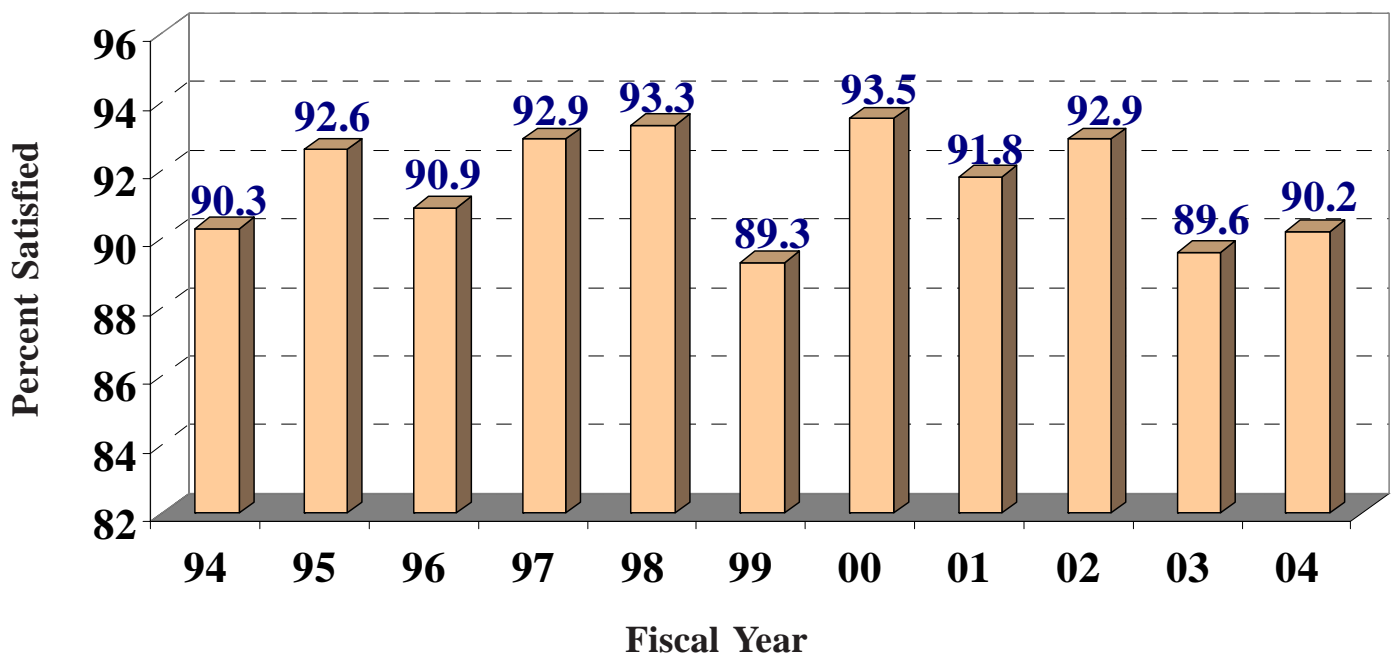
A formal visioning process is only one way the County gauges citizens' views on vision and values. Every spring, the University of Virginia conducts a citizen survey for Prince William County that asks citizens to rate their satisfaction both with overall County Government and with various County services and facilities. This survey provides valuable information to the Board of County Supervisors and to staff and ties directly into agencies' service level targets. Every four years, the County expands the use of this survey to include not only satisfaction with current services, but also citizens' views on issues and problems facing the County. Figure 1, below, shows citizen satisfaction with County government services from 1994-2004.

C. On-going Community Dialogue

The County's Strategic Plan is a community-based plan. This is a key reason why the Plan has been so successful in achieving the County's future vision and in guiding resource allocation decisions. The Board consistently encourages citizen input and participation throughout the

Figure 1

Overall Citizen Satisfaction with County Government Services



II. Community Vision and Values (continued)

planning and budget processes. In addition to the annual citizen survey, this includes:

1. **Annual community meetings** to provide citizens with reports on progress towards implementation of the Strategic Plan and to get input on changes to the plan;
2. **Community meetings and public hearings** on the recommendations contained in the annual budget;
3. **Ongoing presentations and dialogue** with civic, business and community groups on the Strategic Plan and budget;
4. **Annual meetings with all County board, committee and commission members** to get their input into these processes;
5. **Dialogue with the Board's Budget Committees** regarding recommendations in the proposed budget.

III. Prince William County Strategic Plan

A. Strategic Planning Process

Strategic Planning leads to focused achievement of the community's vision because it:

1. Concentrates on a limited number of strategic goals;
2. Explicitly considers resource availability;
3. Assesses internal strengths and weaknesses;
4. Considers major events and changes occurring outside the jurisdiction;
5. Explores different alternatives for achieving strategic goals;
6. Is action oriented with a strong emphasis on achieving practical outcomes.

The Board of County Supervisors adopted the County's first Strategic Plan in October 1992. The 1992-1996 Strategic Plan guided the development of the FY 94-97 Fiscal Plans. The second Strategic Plan was adopted in January 1997. The 1996-2000 Strategic Plan guided the FY 98-01 Fiscal Plans. In April, 2001, the Board of County Supervisors adopted the county's third Strategic Plan. The 2001-2005 Strategic Plan guided the development of the FY02-05 budgets. In October 2004 the Board adopted the 2004-2008 Strategic Plan which will guide budget development thru FY 09.

B. Strategic Plan Elements

The Prince William County Strategic Plan is a four-year document designed to help the County achieve its long-term vision. As such, it provides crucial policy guidance for service delivery and resource allocation decisions during the Board of County Supervisor's four-year term. The Prince William County Strategic Plan defines:

1. **The mission statement** for County government;
2. **Strategic goals** for the County;
3. **Community outcomes** which measure success in achieving the strategic goals;
4. **Strategies and objectives** to achieve the goals.

C. Strategic Goals

The adopted Strategic Goals are the service delivery areas in which Prince William County will place its emphasis over the next several years - particularly in its annual budget and capital improvements program. Prince William County's 2004-2008 Strategic Goals are as follows:

Community Development

Prince William County will develop and maintain a well-planned, attractive and sustainable community where citizens enjoy a high quality of life and positive reward for their investment. We are a community where residents, businesses and visitors appreciate the County's historic, cultural, natural and recreational resources.

Economic Development

The County will maintain an economic development climate that will attract and foster the expansion of environmentally sound industries to create quality jobs, diversify the non-residential tax base, and allow people to live in, work in, and visit Prince William County.

Education

The County will provide a quality educational environment and opportunities, in partnership with the School Board, the education community, and businesses to provide our citizens with job readiness skills and/or the academic qualifications for post-secondary education and the pursuit of life-long learning.

Human Services

The County will provide efficient, effective, integrated, and accessible human services that support individual and family efforts to achieve independence and self-sufficiency. The County shall focus on leveraging state and federal funding and maximizing community partnerships.

Public Safety

The County will continue to be a safe community, reduce crime and prevent personal injury and loss of life and property.

Transportation

The County will facilitate intra/inter jurisdictional movement that gets people to jobs, improves safety, reduces congestion, reduces travel time, supports and encourages economic development, and is environmentally sensitive.

D. Strategic Plan Accomplishments

The Board of County Supervisors successfully implemented the 1992-1996 Strategic Plan, using it to guide the FY 94-97 budgets and the County's rightsizing efforts.

1. The National Association of Counties (NACO) presented a 1992 Achievement Award for the County's Strategic Plan.
2. Over 2,000 citizens were involved in developing the 2001-2005 Strategic Plan.
3. Over 2,300 citizens were involved in developing the 2004-2008 Strategic Plan.

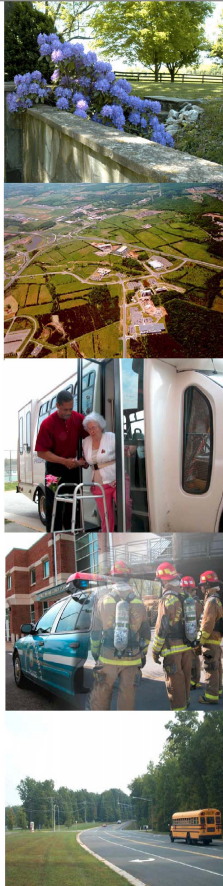
2004-2008 STRATEGIC PLAN

Prince William County is a premier community where we treasure the richness of our past and the promise of our future.

We are diverse and dynamic with a thriving economy where citizens and businesses grow and succeed together.

We are a global business and technology leader for the 21st century.

Prince William County, Virginia



IV. Measuring Performance

When done well and used well, performance measurement contributes to: service delivery; decision-making; evaluating program performance and results; communicating program goals; and perhaps most importantly, improving program effectiveness.

A. Strategic Plan Community Outcomes

Performance measurement was taken one step further when the Board of County Supervisors incorporated community outcome measures into the 1996-2000 Strategic Plan. The 1992-1996 Strategic Plan did not contain these outcomes because of a lack of measurement experience. These community outcomes are adopted for each strategic goal area and are the essential measures of success which tell the County whether or not it achieved its strategic goals. In addition, these outcomes show how the community will benefit or change based on achieving the strategic goal. Not all community outcomes have numeric targets due to a lack of base data. Keeping with the concept of community-based planning, these community outcome measures were recommended by citizens. The community outcomes for each goal in the 2004-2008 Strategic Plan are as follows:

1. Community Development Community Outcomes:

- Increase citizen satisfaction with their Quality of Life, as measured by the Citizen Survey.
- The value of Building Rehabilitation Permits issued will be greater than the value the previous year.
- The percent increase in the Assessed Value in Potomac Communities will be greater than the percent increase in the rest of the County.
- Increase satisfaction with the job the County is doing in preventing neighborhoods from deteriorating and making sure the community is well kept up.
- Increase Satisfaction with the County's efforts with Planning and Land Use.
- Increase new owner occupied residential units that are affordable to County citizens as defined by 30% of median family income.
- Average litter rating for designated County roads will be 1.5 or better (with 0 = no visible trash and 5 = trash dumping site).
- Increase citizen satisfaction with County efforts in historic preservation.
- Increase transient occupancy tax revenue over the prior year.

IV. Measuring Performance (continued)

2. Economic Development Community Outcomes:

- Increase economic development capital investment by \$100 million from the expansion of existing businesses (non-retail).
- Add or expand 80 targeted businesses to Prince William County.
- Increase economic development capital investment by \$320 million from the attraction of new businesses (non-retail).
- Add 4,440 new jobs from attraction of new and expansion of existing businesses (non-retail).
- Increase the average weekly wage per employee by 12% at the end of four years as measured in constant dollars.

3. Education Community Outcomes – Identified in PWC Schools Strategic Plan

4. Human Services Community Outcomes:

- Prevent homelessness from exceeding 1.60 per 1,000 population.
- Prevent the suicide rate from exceeding 7.50 per 100,000 population.
- Prevent juvenile drug and alcohol arrests from exceeding 1.60 and 1.42, respectively, per 1,000 youth population.
- Prevent adult drug and alcohol arrests from exceeding 5.35 and 14.97, respectively, per 1,000 adult population.
- Prevent the number of substantiated cases of abuse, neglect and exploitation of children from exceeding 2.0 per 1,000 youth population.
- Prevent the number of substantiated cases of abuse, neglect and exploitation of adults from exceeding 0.50 per 1,000 adult population.
- Prevent the average length of State hospital stays from exceeding 52 days for mentally ill clients.
- Serve in the community no less than 92% of youth at-risk of out-of-home placement.
- Prevent the two year re-offense rate of juvenile offenders from exceeding 44%.
- Promote child health by preventing low birth weight from exceeding 6.5% of all births.

5. Public Safety Community Outcomes:

- Achieve a rate of residential fire-related deaths that is less than 2 per 100,000 population per year.
- Achieve a rate of fire injuries at 11 or fewer per 100,000 population per year.
- Attain a witnessed cardiac arrest survival rate of 10% or greater.
- Advanced Life Support (ALS) response times will improve by four percentage points.
- Basic Life Support (BLS) response times will improve by four percentage points.
- Fire suppression response times will improve by four percentage points.
- Prince William will rank in the lowest third of the COG Region Crime Rate Index with a Part I crime rate of less than 24 per 1,000 population.
- Maintain a police emergency (in-progress) average response time of 7 minutes or less.
- Attain a juvenile arrest rate of 15.0 per 1,000 youth population per year.
- Prince William County will attain a closure rate of 23% for Part I crimes.
- The vehicle crash rate per vehicle miles traveled will be no more than 5 percentage points over the previous year.
- Increase the percent of citizens who report they are prepared to be self-sufficient in the event of a disaster.

6. Transportation Community Outcomes:

- Further reduce the number of traffic accidents (vehicular and pedestrian) at critical intersections by 5%.
- Achieve 9.0 million passenger trips through multi-modal means.
- Continue to meet regional EPA attainment goals for air quality standards.
- Increase the base of citizens telecommuting to 20%.
- 62.9% of citizens are satisfied with their ease of Getting Around.

B. Goals, Objectives and Activities

During development of the FY 2000 budget, the County revised its format taking budget accountability one step further by identifying the activities within each agency program and the costs associated with these activities. The components of this format based on the adopted 2004-2008 Strategic Plan are as follows:

1. **Strategic Goals** - Statements of public policy adopted by the Board of County Supervisors through the 2004-2008 Strategic Plan. There are six County strategic goal areas: Community Development; Economic Development, Education, Human Services, Public Safety and Transportation.
2. **Goal** - General statements of the public policy mission and intent of each program. These are not included in the Prince William County 2004-2008 Strategic Plan.
3. **Desired Community Outcomes** - Key outcomes with targets that demonstrate how the community or individual will benefit or change based on achieving the goal. Community outcomes are adopted by the Board of County Supervisors in the strategic plan, taken from the annual citizen telephone survey, or developed by agencies based on their mission and goals.
4. **Outcome Trends** - Multi-year trends for the community and program outcomes. The unit of measure is stated and the numerical targets shown for FY 04, FY 05 and FY 06 as adopted by the Board of County Supervisors. Actual data is shown for FY 03 and FY 04.
5. **Objectives** - Measurable statements of what the program will accomplish during the fiscal year to achieve the larger goal and community outcomes targets.
6. **Activities** - Measurable statements describing the jobs performed in order to achieve the objectives.
7. **Activity Costs** - Statement of the expenditure budget for each activity.
8. **Service Levels** - Performance measures are displayed for each program and activity. Service level targets represent agency performance objectives for the year. The unit of measure is stated and the numerical targets shown for FY 04, FY 05 and FY 06 as adopted by the Board of County Supervisors. Actual data is reported for FY 03 and FY 04.

C. Service Efforts and Accomplishments Report

Prince William takes performance measurement one step further with the production of Service Efforts and Accomplishments (SEA) reports for various aspects of County

government. These reports contain cost, workload and performance measures as benchmarked against performance in prior years and similar measures in other jurisdictions. Thus, in developing the SEA, the County decided to measure success not only against its own performance but against other similar jurisdictions. The areas that were reported in the 2004 SEA include:

1. Adult Detention Center
2. Building Development
3. Fire and Rescue Services
4. Human Resources and Training & Development
5. Mental Health/Mental Retardation/Substance Abuse
6. Police
7. Public Welfare
8. Real Estate Assessments
9. Risk Management
10. Tax Administration

D. Performance Measurement Accomplishments

1. Community outcomes recommended by citizens are incorporated into each Strategic Goal area in the adopted 2004-2008 Strategic Plan.
2. Each program of County government reports its fiscal year goals in the form of service level targets and reports actual performance against these targets.
3. The County benchmarks its services against similar services in other jurisdictions in annual Service Efforts and Accomplishments (SEA) reports.
4. The National Association of Counties (NACO) presented a 1993 Achievement Award for the County's Performance Measurement System.
5. The County has been selected by the International City and County Manager's Association (ICMA) to participate along with 50 other jurisdictions in their Performance Measurement Consortium. Its purpose is to develop measures that can be used by all jurisdictions, thus facilitating benchmarking one jurisdiction with another. The County is sharing its expertise in developing measures in the following categories: Police services, Fire and Rescue services, Neighborhood services (parks, recreation, planning and zoning) and Administrative services.
6. The ICMA has published an interactive CD-ROM that teaches jurisdictions how to develop a performance

IV. Measuring Performance (continued)

measurement system. Prince William County is featured extensively in the CD-ROM.

7. The County received the prestigious Center for Accountability and Performance (CAP) Organizations Leadership Award from the American Society for Public Administration (ASPA) in March 2004. The CAP award recognizes outstanding applications of a systems approach to performance measurement that has resulted in a culture change, sustained improvements, and demonstrated positive effects on government performance and accountability.
8. The Government Finance Officer's Association (GFOA) gave the County's Fiscal Year 2005 budget the distinction of "Special Performance Measurement Recognition".

V. Resource Allocation

A. From Line Item Budgeting to Outcome Budgeting

Over the course of several years, Prince William County changed the way it creates budgets - from developing traditional line-item budgets to developing outcome budgets. In line-item budgets, performance and accountability are measured by whether or not an agency spent what it said it would spend on supplies, personnel, travel, etc. Outcome

budgets, on the other hand, measure accountability by whether or not an agency achieved the outcomes it said it would. This enables decision-makers to make budget decisions based on the desired community outcomes (contained in the Strategic Plan) and service level targets found in agency program budgets. Outcome budgets also allow citizens to see the County's future direction and, most importantly, what their tax dollars are really buying.

B. An Outcome Budgeting Example

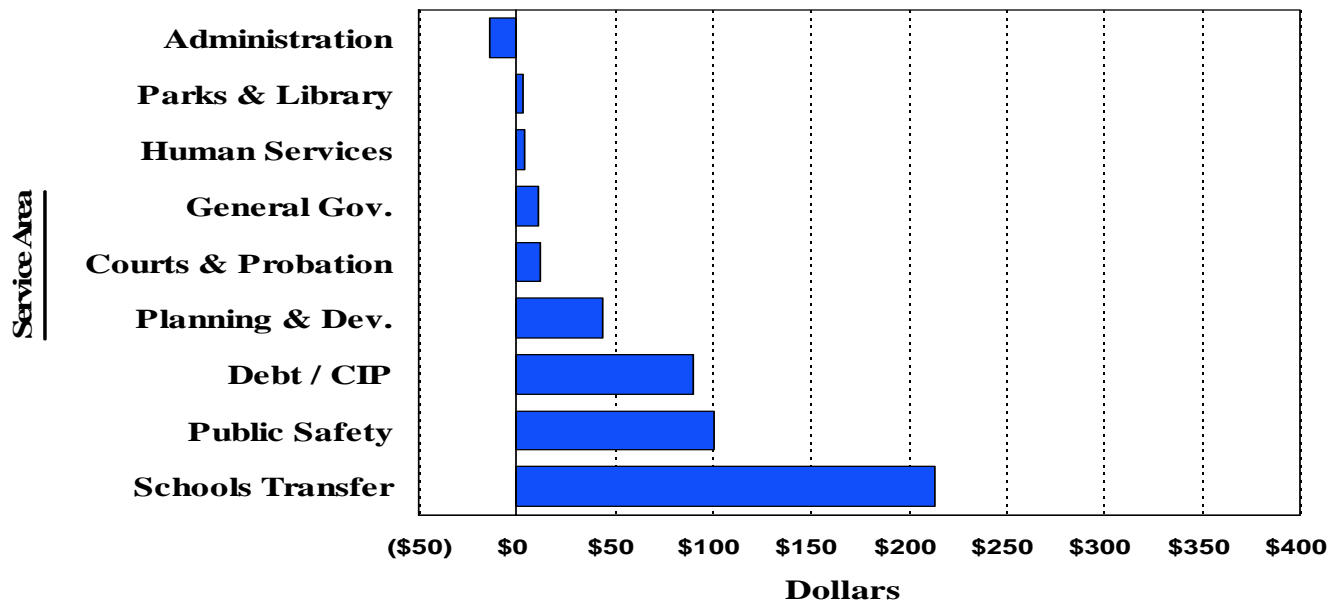
An example of outcome budget decision-making is the addition of patrol officers to the Police Department. In traditional line-item budgets, the focus would be on salary and equipment costs for those officers. Outcome budgets take this a step further to focus on the outcomes produced by those officers, e.g., eventual reduction in crime rate, increase in closure rate and an increased percentage of citizens feeling safe in their neighborhoods (a citizen survey question).

C. Measuring Outcome Budget Success

Two measures of success in outcome budgeting in recent years have been the decline in the overall cost of government and the shifting of resources to strategic goal areas. The County has had much success in recent years in minimizing the cost of government. Taxpayers are paying \$165 more per capita for general County services than they did in FY 92 when adjusted for inflation. In FY 92, the general budgeted cost per capita for County services (including

Figure 2

**FY 97 to FY 06 Dollar Change
In Cost Per Capita by Service Area
(Adjusted for Inflation)**



schools and fee-based services including the fire levy, stormwater, solid waste, etc) was \$1,350. The FY 06 adopted budget's general fund cost per capita is \$1,515, adjusted for inflation.

D. Citizen Satisfaction

The County is also constantly receiving input from its citizens on what services are appropriate for government to provide. This input is received through the County's strategic planning process and through the County's annual citizen survey. In 2004, the citizen survey showed that 90.2% of County residents were satisfied or very satisfied with the services provided by Prince William County Government. Also in 2004, citizen satisfaction with the value for their tax dollar was 75.8%, up from 65.5% in 1993.

The success of linking Strategic Planning to resource allocation can also be seen in *Figure 2* (on the preceding page) which shows the change in cost per capita by service area. Stated simply, those areas of government considered Strategic gain resources and those service areas considered non-strategic lose resources.

E. Resource Allocation Accomplishments

1. The Strategic Plan has guided resource allocation in the County. Shifting resources to strategic service areas and away from those services areas considered to be non-strategic. (See *Figure 2*)
2. The Strategic Plan guides the development of the Capital Improvements Program (CIP); 71% of the projects in the County's CIP support strategies and objectives in the Strategic Plan.
3. Prince William County has received the Certificate of Achievement of Distinguished Budget Presentation from the Government Finance Officers' Association (GFOA) for every budget year from FY 87 through FY 05. This is the highest form of recognition in governmental budgeting. In FY 98 and again in FY 01, the County received an upgraded award when the GFOA recognized the Prince William County Fiscal Plan as an "Outstanding Operations Guide". Also in FY 01, the GFOA recognized the County's Fiscal Plan as an "Outstanding Policy Document." In FY 05, the County's Fiscal Plan received special recognition as an "Outstanding Communication Device" as well as "Special Performance Measure Recognition".
4. The National Association of Counties (NACO) presented a 1995 Achievement Award to the County for Prince William's budgeting process which focuses on outcomes (Budgeting for Results).

VI. Principles of Sound Financial Management

A. Basis for Sound Financial Management

Just as the Strategic Plan guides the County's operational priorities, the "Principles of Sound Financial Management" guides financial decisions. Prince William County has a long standing commitment to sound financial management. These principles were first adopted in 1988 and receive regular updates to ensure their continued usefulness as a guide for decision-making. The sound financial management of the County's resources is achieved by following the consistent and coordinated approach provided by this policy document. Further, by following these principles the County's image and credibility with the public, bond rating agencies, and investors is enhanced. The County's improved credibility is reflected by recent credit upgrades, including achievement of its first AAA credit rating. Three factors make this prudent financial planning imperative:

1. Public demand for services and facilities in a rapidly urbanizing environment tend to escalate at a more rapid rate than population growth and revenues;
2. State and Federal mandates for services and standards are often not accompanied by sufficient funds to provide the required services or to meet imposed standards;
3. Changes in national or local economic conditions can impact the revenue base.

B. County Bond Rating

The County's long-term financial goal is to achieve and maintain a high bond rating. Some factors required for a high bond rating, such as a stabilized rate of population growth and diversification of the County's tax base, can be influenced but not controlled by County government. However, the County government should ensure that the factors under its control - the quality of its financial and overall management - meet the standards required of highly rated communities. The County, through its adoption of the Principles of Sound Financial Management, ensures that the characteristics of the County's financial operation enable the County to progress toward achieving and maintaining a high bond rating.

C. Adopted Policies

The Principles of Sound Financial Management include the following:

VI. Principles of Sound Financial Management_(continued)

1. Fund Balance

- Establish and maintain a minimum General Fund Balance equal to 5% of annual General Fund revenues over the preceding year with an ultimate goal of achieving and maintaining a General Fund Balance at 7.5%; and
- Limit the use of this General Fund Balance to nonrecurring operating expenditures of an emergency nature.

2. Annual Fiscal Plan

- Limit current expenditures to current revenues plus projected turnback;
- Establish a Contingency Appropriation at a minimum of \$500,000;
- Prepare annual five year projection of General Fund revenues and expenditures;
- Implement a formal budget review process to monitor the status of the current year's fiscal plan;
- Integrate performance measurement and production indicators where possible within the annual budget process;
- Replace capital assets on a cost effective and scheduled basis; and
- Prepare an annual budget consistent with guidelines established by the Government Finance Officers Association.

3. Revenues

- Maintain a diversified and stable revenue system;
- Recognize the full cost of services provided when establishing user charges and services;
- Pursue intergovernmental aid for only those programs or activities that address recognized needs and are consistent with the County's long-term objectives; and
- Consider Surplus Revenues to be "one-time revenues" to be used only for non-recurring expenditures.

4. Capital Improvement Program

- Adopt annually an updated comprehensive multi-year capital improvement program; and

- Invest a minimum of 10% of the annual General Fund revenues allocated to the County's operating budget in the Capital Improvement Program.

5. Debt Management

- Limit debt outstanding to a maximum 3% of the net assessed value of all taxable property; and
- Limit debt service expenditures to a maximum 10% of revenues.

6. Cash Management

- Maximize investment yield only after legal, safety and liquidity criteria are met; and
- Invest a minimum 100% of total book cash balances at all times.

7. Assessments

- Maintain sound appraisal procedures to keep property values current and equitable; and
- Assess all property at 100% of market value.

8. Property Tax Collection

- Monitor all taxes to ensure they are equitably administered and collections are timely and accurate; and
- Aggressively collect property taxes and related penalties and interest as authorized by the Code of Virginia.

9. Procurement

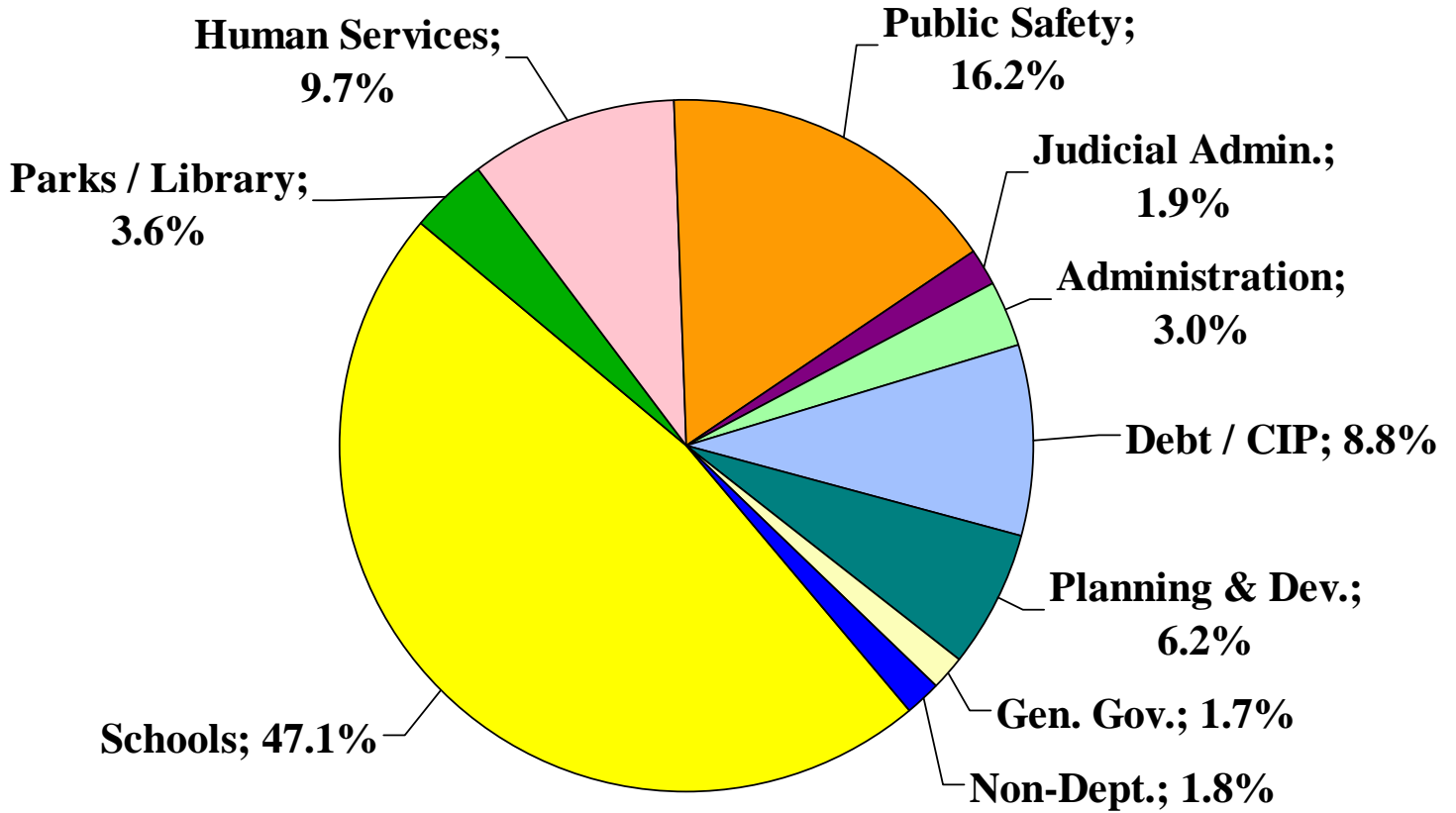
- Make all purchases in accordance with the County's purchasing policies and procedures and applicable state and federal laws;
- Endeavor to obtain supplies, equipment, and services as economically as possible; and
- Maintain a purchasing system which provides needed materials in a timely manner to avoid interruptions in the delivery of services.

10. Risk Management

- Make diligent efforts to protect and preserve County assets against losses that could deplete County resources or impair the County's ability to provide services to its citizens; and
- Reduce the County's exposure to liability through training, safety, risk financing, and the transfer of risk when cost effective.

The total FY 06 Adopted General Fund budget is \$765.2 million within the ten functional categories shown here. This pie chart indicates which services County revenues buy for the citizens of Prince William County. The largest single slice of this pie (47.1%) goes towards funding the Prince William County School System. The next largest categories are Public Safety at 16.2% and Human Services at 9.7%. These three categories are almost three-quarters of the total Prince William County budget (73.0%).

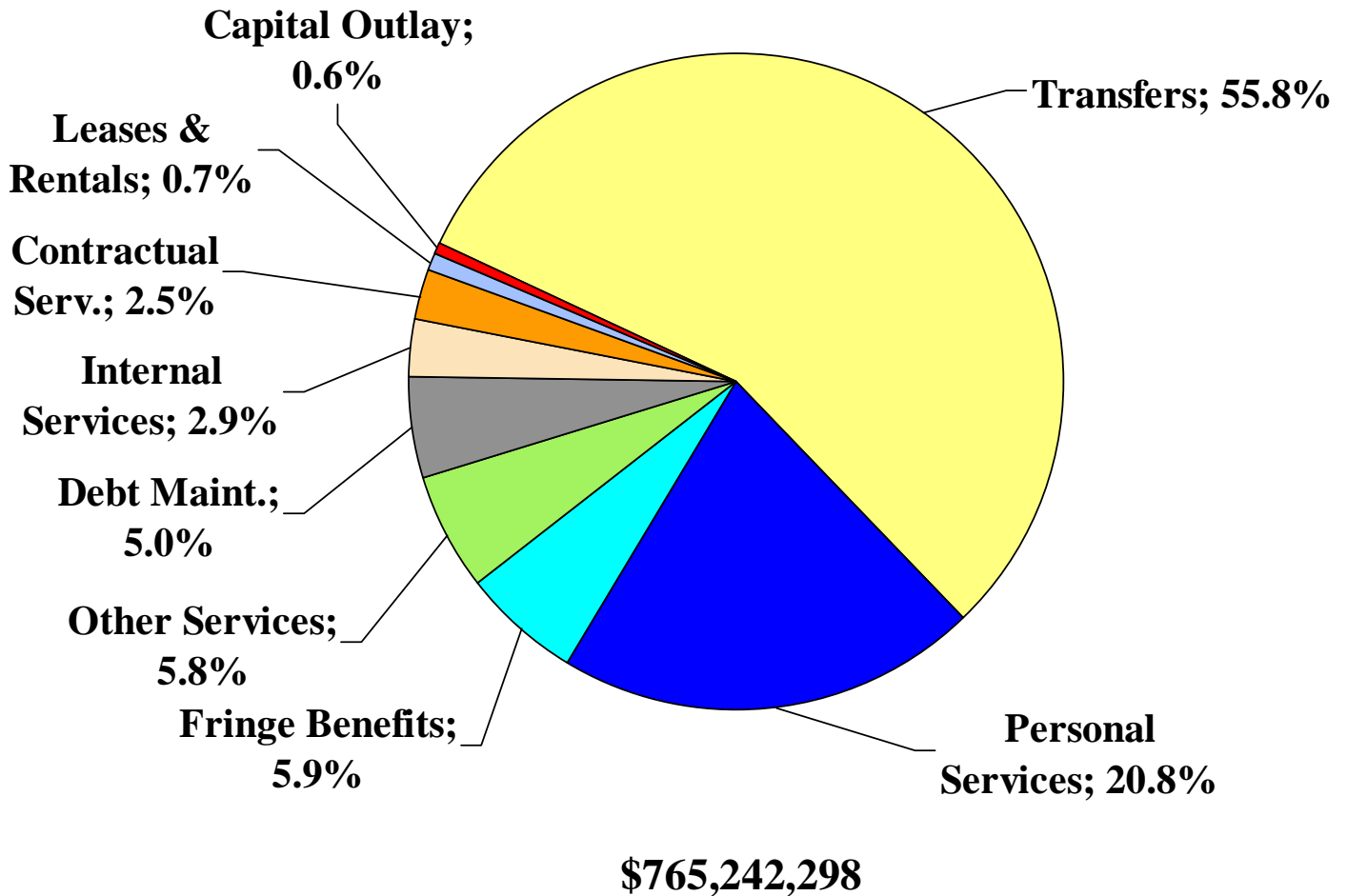
FY 06 General Fund Budget By Functional Categories (Includes School Transfer Budget)



\$765,242,298

This pie chart shows the Adopted FY 06 General Fund Budget by expenditure categories. All General Fund Expenditures (totaling \$765.2 million) are grouped into nine categories of expenditures. The largest slice of this pie (55.8%) is Transfers which includes transfers to the Prince William County School System, Park Authority, Construction Fund, Potomac and Rappahanock Transportation Commission, Convention and Visitors Bureau and the Adult Detention Center. The largest of these transfers is the Prince William County School System budget totaling \$360.3 million. The next largest category of expenditures (20.8%) is Personal Services which contains salaries for all full-time, part-time and temporary County employees. Combined with fringe benefits (5.9%), compensation for County employees totals 26.7% of total General Fund expenditures. Other Services is the next largest category at 5.8%. This category contains the operating budgets for County agencies. Together, these four categories make up 88.3% of the total General Fund expenditure budget.

FY 06 General Fund Budget By Category of Expenditure (Includes School Transfer Budget)



Expenditure Summary

Department / Agency	FY 02		FY 03		FY 04		FY 05		FY 06		% Change	
	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	05 To 06	05 To 06
SECTION ONE: GENERAL FUND EXPENDITURE SUMMARY:												
General Governmental:												
Board Of County Supervisors	\$1,126,577		\$1,165,766		\$1,205,828		\$1,358,349		\$2,323,789		\$965,440	71.07%
Office Of Executive Management	\$4,632,505		\$5,192,027		\$5,926,850		\$6,741,117		\$7,756,792		\$1,015,675	15.07%
County Attorney	\$1,883,539		\$2,318,819		\$2,488,025		\$2,749,498		\$3,028,463		\$278,965	10.15%
Sub Total	\$7,642,621		\$8,676,612		\$9,620,703		\$10,848,964		\$13,109,044		\$2,260,080	20.83%
Administration:												
Board Of Equalization	\$41,729		\$41,729		\$45,981		\$45,981		\$45,981		\$0	0.00%
Contingency Reserve	\$408,067		\$408,067		\$1,520,025		\$750,000		\$1,250,000		\$500,000	66.67%
Finance	\$8,896,457		\$9,450,063		\$10,093,125		\$11,230,856		\$11,955,371		\$724,515	6.45%
Human Rights Office	\$401,543		\$389,938		\$511,048		\$484,820		\$510,121		\$25,301	5.22%
Off Of Information Technology	\$4,974,293		\$5,642,808		\$5,887,234		\$6,201,276		\$6,475,474		\$274,198	4.42%
General Registrar	\$944,970		\$895,485		\$923,029		\$944,619		\$1,250,909		\$306,290	32.42%
Property & Misc. Insurance	\$406,050		\$1,212,475		\$1,609,198		\$1,264,966		\$1,264,966		\$0	0.00%
Unemployment Insurance Reserve	\$60,000		\$60,000		\$83,524		\$83,524		\$83,524		\$0	0.00%
Sub Total	\$16,133,109		\$18,100,565		\$20,673,164		\$21,006,042		\$22,836,346		\$1,830,304	8.71%
Judicial Administration:												
Clerk Of The Court (A)	\$3,604,129		\$4,043,887		\$3,598,480		\$3,937,770		\$5,654,262		\$1,716,492	43.59%
Circuit Court Judges (A)	\$0		\$529,808		\$563,627		\$635,077		\$651,703		\$16,626	2.62%
Commonwealth's Attorney	\$2,765,820		\$2,950,698		\$3,222,028		\$3,491,966		\$3,952,015		\$460,049	13.17%
Criminal Justice Services	\$1,625,254		\$1,703,011		\$1,736,748		\$1,911,272		\$2,182,791		\$271,519	14.21%
Juvenile Court Service Unit	\$320,186		\$447,342		\$803,373		\$1,022,391		\$1,016,392		(\$5,999)	-0.59%
General District Court	\$184,054		\$186,343		\$189,773		\$234,775		\$324,705		\$89,930	38.30%
Juvenile & Domestic Relations Court	\$101,481		\$62,027		\$60,027		\$84,254		\$70,080		(\$14,174)	-16.82%
Law Library	\$113,819		\$118,513		\$124,297		\$145,476		\$151,045		\$5,569	3.83%
Magistrates	\$83,324		\$104,732		\$123,521		\$136,527		\$148,972		\$12,445	9.12%
Sub Total	\$8,798,067		\$10,146,361		\$10,421,874		\$11,599,508		\$14,151,965		\$2,552,457	22.00%
Planning And Development:												
Economic Development	\$1,767,293		\$1,855,319		\$1,905,520		\$1,987,607		\$2,130,784		\$143,177	7.20%
Planning	\$4,035,416		\$4,582,214		\$4,804,800		\$5,511,433		\$6,669,261		\$1,157,828	21.01%
Tran. To Conven. & Visitors Bureau	\$831,386		\$1,104,761		\$1,327,511		\$1,101,212		\$1,254,212		\$153,000	13.89%
Transfer To Transportation Fund	\$1,813,768		\$1,913,768		\$2,417,808		\$565,215		\$2,000,800		\$1,435,585	253.99%
Transfer To Housing	\$0		\$0		\$0		\$0		\$10,105		\$10,105	0.00%
Public Works	\$21,282,904		\$24,848,912		\$27,504,138		\$29,895,826		\$35,641,584		\$5,745,758	19.22%
Sub Total	\$29,730,767		\$34,304,974		\$37,959,777		\$39,061,293		\$47,706,746		\$8,645,453	22.13%

Expenditure Summary (Cont.)

Department / Agency	FY 02		FY 03		FY 04		FY 05		FY 06		% Change 05 To 06 Adopted	
	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget		
Public Safety:												
Fire And Rescue	\$20,863,406		\$24,663,593		\$28,197,833		\$32,544,226		\$36,433,798		\$3,889,572	11.95%
Public Safety Communications	\$5,862,732		\$6,385,436		\$6,657,167		\$7,453,996		\$7,941,115		\$487,119	6.54%
Sheriff	\$4,253,514		\$4,980,821		\$5,326,909		\$6,080,452		\$6,610,313		\$529,861	8.71%
Transfer To Jail	\$7,882,513		\$11,418,435		\$12,511,029		\$14,174,108		\$15,588,795		\$1,414,687	9.98%
Police	\$39,468,295		\$44,001,710		\$47,768,172		\$53,802,525		\$57,207,148		\$3,404,623	6.33%
Sub Total	\$78,330,460		\$91,449,995		\$100,461,110		\$114,055,307		\$123,781,169		\$9,725,862	8.53%
Human Services:												
Community Services Board	\$17,301,334		\$18,796,881		\$19,264,883		\$21,663,449		\$23,914,816		\$2,251,367	10.39%
Extension & Continuing Ed.	\$932,800		\$1,090,710		\$1,130,739		\$1,201,830		\$1,262,209		\$60,379	5.02%
Office On Youth (D)	\$275,878		\$188,458		\$213,100		\$239,963		\$569,613		\$329,650	137.38%
School Age Care (D)	\$293,437		\$292,971		\$292,181		\$306,431		\$0		(\$306,431)	-100.00%
Area Agency On Aging	\$2,468,908		\$2,729,690		\$2,819,460		\$3,125,714		\$3,289,898		\$164,184	5.25%
At Risk Youth And Family Services	\$4,357,547		\$5,595,183		\$6,664,239		\$6,830,065		\$7,487,291		\$657,226	9.62%
Public Health (B)	\$3,462,951		\$3,742,650		\$3,967,840		\$4,181,252		\$4,922,926		\$741,674	17.74%
Social Services	\$27,478,998		\$28,734,622		\$29,430,742		\$32,510,369		\$32,870,354		\$359,985	1.11%
Sub Total	\$56,571,853		\$61,171,165		\$63,783,184		\$70,059,073		\$74,317,107		\$4,258,034	6.08%
Parks And Library:												
Library	\$11,497,142		\$11,752,520		\$12,125,675		\$12,737,437		\$13,282,793		\$545,356	4.28%
Park Auth. Local Contribution	\$10,312,979		\$11,567,397		\$13,994,459		\$13,481,176		\$14,581,566		\$1,100,390	8.16%
Sub Total	\$21,810,121		\$23,319,917		\$26,120,134		\$26,218,613		\$27,864,359		\$1,645,746	6.28%
Debt / CIP:												
Trans To Construction Funds	\$5,533,632		\$5,042,673		\$11,968,601		\$17,322,956		\$29,325,125		\$12,002,169	69.28%
General Debt	\$17,990,854		\$21,021,220		\$25,955,489		\$32,253,441		\$37,933,838		\$5,680,397	17.61%
UOSA Expansion	\$677,000		\$677,000		\$677,000		\$677,000		\$427,000		(\$250,000)	-36.93%
Sub Total	\$24,201,486		\$26,740,893		\$38,601,090		\$50,253,397		\$67,685,963		\$17,432,566	34.69%
Non-Departmental:												
Unclassified Administrative	\$8,187,442		\$10,551,733		\$10,837,276		\$11,996,312		\$13,451,981		\$1,455,669	12.13%
Sub Total	\$8,187,442		\$10,551,733		\$10,837,276		\$11,996,312		\$13,451,981		\$1,455,669	12.13%
Total Without School Transfer	\$251,405,926		\$284,462,215		\$318,478,312		\$355,098,509		\$404,904,680		\$49,806,171	14.03%
Transfer To Schools	\$225,236,210		\$258,818,590		\$292,610,666		\$325,872,889		\$360,337,618		\$34,464,729	10.58%
Total With School Transfer	\$476,642,136		\$543,280,805		\$611,088,978		\$680,971,398		\$765,242,298		\$84,270,900	12.38%

Expenditure Summary (Cont.)

Department / Agency	FY 02		FY 03		FY 04		FY 05		FY 06		% Change	
	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	05 To 06	05 To 06
SECTION TWO: NON GENERAL FUND EXPENDITURE SUMMARY:												
Special Revenue Funds:												
Trans. To P.R.T.C.	\$1,813,768	\$1,913,768	\$2,417,808	\$565,215	\$2,000,800	\$1,435,585	253.99%					
Commuter Rail Station Parking	\$101,823	\$101,823	\$101,823	\$101,823	\$101,823	\$0	0.00%					
Comm. parking lease rev bond debt	\$1,516,453	\$1,523,846	\$1,518,023	\$1,518,938	\$1,526,522	\$7,584	0.50%					
Adult Detention Center	\$17,158,687	\$19,756,303	\$21,576,582	\$24,039,724	\$26,307,488	\$2,267,764	9.43%					
Lake Jackson Service Dist.	\$53,000	\$55,000	\$60,550	\$68,600	\$88,550	\$19,950	29.08%					
Bull Run Mountain Serv. Dist. (C)	\$0	\$0	\$0	\$100,000	\$127,500	\$27,500	27.50%					
Woodbine Forest Service District	\$5,544	\$3,462	\$445	\$0	\$0	\$0	0.00%					
Foremost Court Service District	\$4,232	\$4,577	\$5,346	\$5,788	\$0	(\$5,788)	-100.00%					
Circuit Court Service District	\$0	\$0	\$5,728	\$5,963	\$6,400	\$437	7.33%					
Spc tax dist;Gypsy Moth/Mosq ctrl	\$784,037	\$685,605	\$725,928	\$961,638	\$915,385	(\$46,253)	-4.81%					
P. W. Parkway Trans Imprv Dst.	\$1,100,000	\$1,190,000	\$1,194,000	\$1,259,000	\$1,550,000	\$291,000	23.11%					
234 Bypass Trans Imprv Dst	\$60,000	\$70,000	\$78,000	\$88,000	\$122,500	\$34,500	39.20%					
Stormwater Management	\$4,847,782	\$5,012,634	\$6,269,994	\$6,289,914	\$7,670,409	\$1,380,495	21.95%					
Housing & Community Dev.	\$4,047,494	\$16,598,749	\$20,875,540	\$23,753,022	\$23,983,545	\$230,523	0.97%					
Total Special Revenue Funds	\$31,492,820	\$46,915,767	\$54,829,767	\$58,757,625	\$64,400,922	\$5,643,297	9.60%					
Capital Projects Fund:												
Capital Improvement Projects	\$21,217,115	\$22,865,452	\$150,506,389	\$46,150,009	\$108,556,646	\$62,406,637	135.23%					
Total Capital Projects Fund	\$21,217,115	\$22,865,452	\$150,506,389	\$46,150,009	\$108,556,646	\$62,406,637	135.23%					
Enterprise Fund:												
Public Works; Solid Waste	\$12,488,983	\$11,237,529	\$15,477,873	\$12,370,040	\$16,929,624	\$4,559,584	36.86%					
Bull Run Mountain Serv. Dist. (C)	\$67,500	\$75,000	\$83,500	\$0	\$0	\$0	0.00%					
Innovation @ Prince William	\$424,099	\$122,482	\$175,477	\$178,977	\$4,579,108	\$4,400,131	2458.49%					
Ocoquan Forest Sanitary Dist.	\$198,475	\$0	\$0	\$0	\$0	\$0	0.00%					
Total Enterprise Fund	\$13,179,057	\$11,435,011	\$15,736,850	\$12,549,017	\$21,508,732	\$8,959,715	71.40%					
Internal Service Funds:												
Public Works; Fleet Management	\$3,290,307	\$3,410,934	\$3,750,838	\$4,082,069	\$4,898,085	\$816,016	19.99%					
OIT; Data Processing	\$9,032,437	\$11,425,587	\$12,200,659	\$12,954,432	\$14,607,025	\$1,652,593	12.76%					
Medical Insurance	\$0	\$14,218,000	\$17,343,000	\$23,735,000	\$29,009,000	\$5,274,000	22.22%					
Public Works; Small Proj. Const.	\$1,725,563	\$1,757,849	\$1,832,345	\$2,004,993	\$2,150,574	\$145,581	7.26%					
Total Internal Service Funds	\$14,048,307	\$30,812,370	\$35,126,842	\$42,776,494	\$50,664,684	\$7,888,190	18.44%					

Expenditure Summary (Cont.)

Department / Agency	FY 02		FY 03		FY 04		FY 05		FY 06		% Change	
	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	05 To 06	Adopted
Fire And Rescue Levy Funds:												
Buckhall	\$540,300	\$776,800	\$777,800	\$777,800	\$777,800	\$777,800	\$803,300	\$25,500	\$803,300	\$25,500	3.28%	
Coles	\$596,150	\$600,150	\$658,050	\$658,050	\$798,900	\$798,900	\$790,000	(\$8,900)	\$790,000	(\$8,900)	-1.11%	
Dumfries Triangle Fire	\$1,069,198	\$1,240,714	\$1,303,562	\$1,303,562	\$1,401,464	\$1,401,464	\$1,653,464	\$252,000	\$1,653,464	\$252,000	17.98%	
Dumfries Triangle Rescue	\$765,000	\$1,221,373	\$991,600	\$991,600	\$2,138,405	\$2,138,405	\$2,265,341	\$126,936	\$2,265,341	\$126,936	5.94%	
Evergreen	\$413,200	\$520,918	\$595,900	\$595,900	\$723,950	\$723,950	\$665,279	(\$58,671)	\$665,279	(\$58,671)	-8.10%	
Gainesville	\$585,100	\$585,100	\$612,200	\$612,200	\$652,320	\$652,320	\$732,838	\$80,518	\$732,838	\$80,518	12.34%	
Lake Jackson	\$545,660	\$566,200	\$620,000	\$620,000	\$2,698,000	\$2,698,000	\$761,500	(\$1,936,500)	\$761,500	(\$1,936,500)	-71.78%	
Neabsco	\$2,308,030	\$2,767,779	\$3,027,589	\$3,027,589	\$3,587,309	\$3,587,309	\$6,752,169	\$3,164,860	\$6,752,169	\$3,164,860	88.22%	
Nokesville	\$486,760	\$790,112	\$3,631,760	\$3,631,760	\$1,333,800	\$1,333,800	\$1,348,800	\$15,000	\$1,348,800	\$15,000	1.12%	
O.W.L. Fire	\$2,262,372	\$3,257,622	\$2,787,331	\$2,787,331	\$2,787,331	\$2,787,331	\$2,422,471	(\$364,860)	\$2,422,471	(\$364,860)	-13.09%	
Stonewall Jackson	\$632,500	\$632,500	\$632,500	\$632,500	\$636,400	\$636,400	\$697,400	\$61,000	\$697,400	\$61,000	9.59%	
Yorkshire	\$289,200	\$396,973	\$662,234	\$662,234	\$718,880	\$718,880	\$607,800	(\$111,080)	\$607,800	(\$111,080)	-15.45%	
Levy Support to Fire & Rescue Dept.	\$0	\$0	\$0	\$0	\$219,500	\$219,500	\$345,787	\$126,287	\$345,787	\$126,287	57.53%	
800 MHz - Nokesville	\$0	\$0	\$149,516	\$149,516	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
800 MHz - Occoquan	\$0	\$0	\$2,198	\$2,198	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
800 MHz - Neabsco	\$0	\$0	\$54,075	\$54,075	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
800 MHz - Stonewall Jackson	\$0	\$0	\$119,493	\$119,493	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
800 MHz - Coles	\$0	\$0	\$32,854	\$32,854	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
800 MHz - Lake Jackson	\$0	\$0	\$47,324	\$47,324	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
800 MHz - Gainesville	\$0	\$0	\$50,612	\$50,612	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
800 MHz - Evergreen	\$0	\$0	\$89,276	\$89,276	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
800 MHz - Buckhall	\$0	\$0	\$84,329	\$84,329	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	
Capital Fund	\$0	\$3,471,650	\$3,366,690	\$3,366,690	\$3,152,967	\$3,152,967	\$3,013,944	(\$139,023)	\$3,013,944	(\$139,023)	-4.41%	
800 MHz / MDT Fund	\$2,409,325	\$1,061,029	\$2,602,329	\$2,602,329	\$1,241,026	\$1,241,026	\$1,241,026	\$0	\$1,241,026	\$0	0.00%	
Total Fire & Rescue Levy Funds	\$12,902,795	\$17,888,920	\$22,899,222	\$22,899,222	\$22,868,052	\$22,868,052	\$24,101,119	\$1,233,067	\$24,101,119	\$1,233,067	5.39%	

Expenditure Summary (Cont.)

Department / Agency	FY 02		FY 03		FY 04		FY 05		FY 06		% Change	
	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	05 To 06	Adopted
Schools:												
Operating Fund	\$416,627,748		\$467,912,755		\$517,193,909		\$572,189,753		\$655,072,636		\$82,882,883	14.49%
School Debt Service Fund	\$29,323,092		\$33,407,009		\$38,677,720		\$44,444,057		\$48,629,423		\$4,185,366	9.42%
Construction Fund	\$120,944,600		\$77,764,668		\$64,083,000		\$71,565,000		\$107,454,000		\$35,889,000	50.15%
Food Service Fund	\$16,004,105		\$17,669,206		\$19,507,155		\$22,316,968		\$24,659,721		\$2,342,753	10.50%
Warehouse	\$3,125,000		\$3,125,000		\$3,600,000		\$4,250,000		\$4,250,000		\$0	0.00%
Facilities Use Fund	\$408,402		\$466,471		\$510,331		\$505,666		\$546,425		\$40,759	8.06%
Self Insurance Fund	\$4,199,412		\$4,585,397		\$4,778,572		\$4,921,929		\$5,282,181		\$360,252	7.32%
Health Insurance Fund	\$22,762,612		\$24,897,608		\$34,485,421		\$40,015,303		\$45,690,474		\$5,675,171	14.18%
Regional School Fund	\$15,004,397		\$18,760,167		\$19,797,400		\$21,000,000		\$23,931,294		\$2,931,294	13.96%
Total Schools	\$628,399,368		\$648,588,281		\$702,633,508		\$781,208,676		\$915,516,154		\$134,307,478	17.19%
Grand Total All Funds	\$1,197,881,598		\$1,321,786,606		\$1,592,821,556		\$1,645,281,271		\$1,949,990,555		\$304,709,284	18.52%

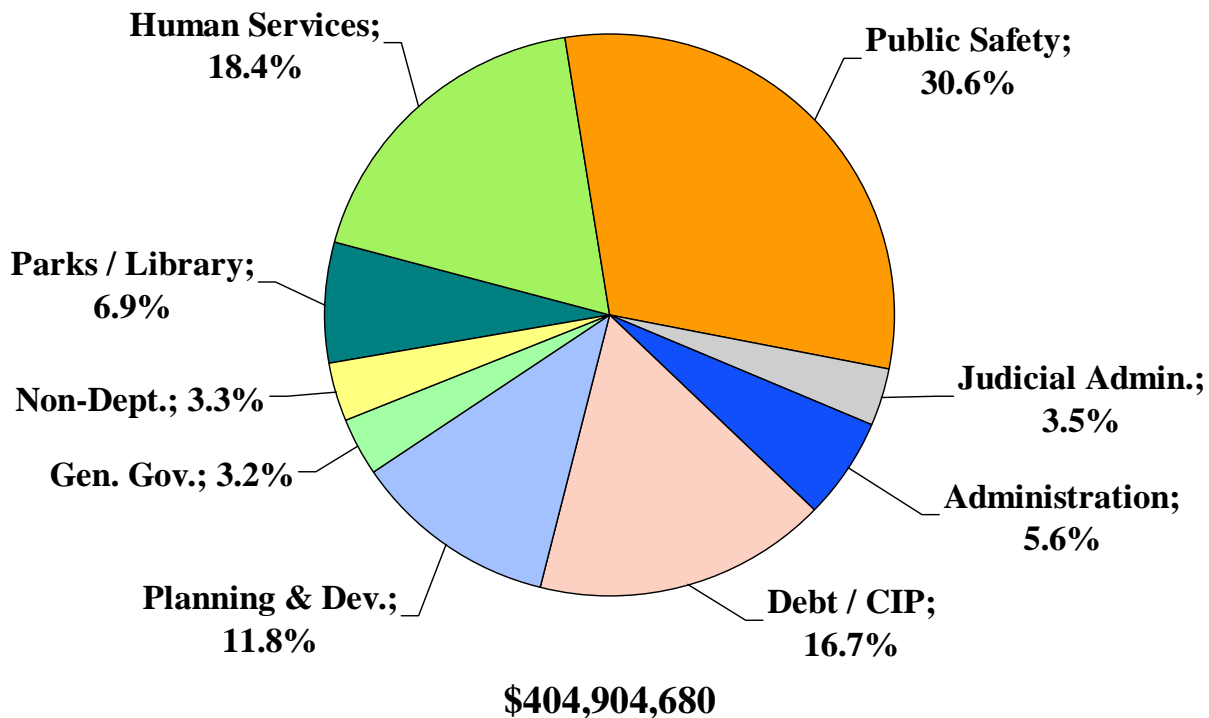
Notes:

- All Budget Amounts Are Adopted. As Such, They Exclude Carryovers Of Funds From Prior Fiscal Years And Any Budget Amendments Which Occurred After Adoption.
- (A) The Circuit Court Judges budget was transferred from the Clerk of The Court budget as of FY 03.
- (B) The Public Health Expenditure Budget Represents The County-Held Portion Of The Total Public Health Budget Displayed In The Agency Summary Of Expenditures And Revenues.
- (C) The Bull Run Mountain Service District budget has been reclassified from a Proprietary Fund Type to a Special Revenue Fund Type per GASB Fund Type definition as of FY 05.
- (D) School Age Care was merged into the Office on Youth for FY 2006.

The total FY 06 Adopted General Fund Budget excluding the Prince William County School Transfer Budget is \$404.9 million within nine functional categories. The various categories are shown in this pie chart. As in FY 05, Public Safety continues to receive the largest commitment of County funds with 30.6% of the total budget. This category funds: Police, Fire and Rescue, Public Safety Communications, Sheriff, and the Adult Detention Center. Again as in FY 05, Human Services is the second largest category with 18.4% of the total budget. This category contains funding for such departments as: Social Services, Community Services Board, Aging, Cooperative Extension, At-Risk Youth, and Health. Taken together, these two categories command almost half (49.0%) of the total Prince William County budget. The remainder of the budget is broken into the following categories:

- Administration (5.6%) funds financial, support and community activities such as: the Finance Department; the Office of Information Technology, Human Rights and the General Registrar;
- Debt/Capital Improvements Program (CIP) (16.7%) funds debt payments for such projects as road construction and the projects contained in the County’s FY 06-11 Capital Improvements Program;
- Parks and Library (6.9%) contains funding for Prince William’s library system, and the Park Authority;
- Planning and Development (11.8%) contains funding for Public Works, Economic Development, the Planning Office, and Potomac and Rappahanock Transportation Commission /Transit;
- Non-Departmental (3.3%) contains funding for the Counties Self-Insurance program and General Fund support for Data Processing and Fleet.
- Judicial Administration (3.5%) contains funding for Criminal Justice and all Court services;
- General Governmental (3.2%) contains funding for the Board of County Supervisors, the County Attorney, and the Office of Executive Management.

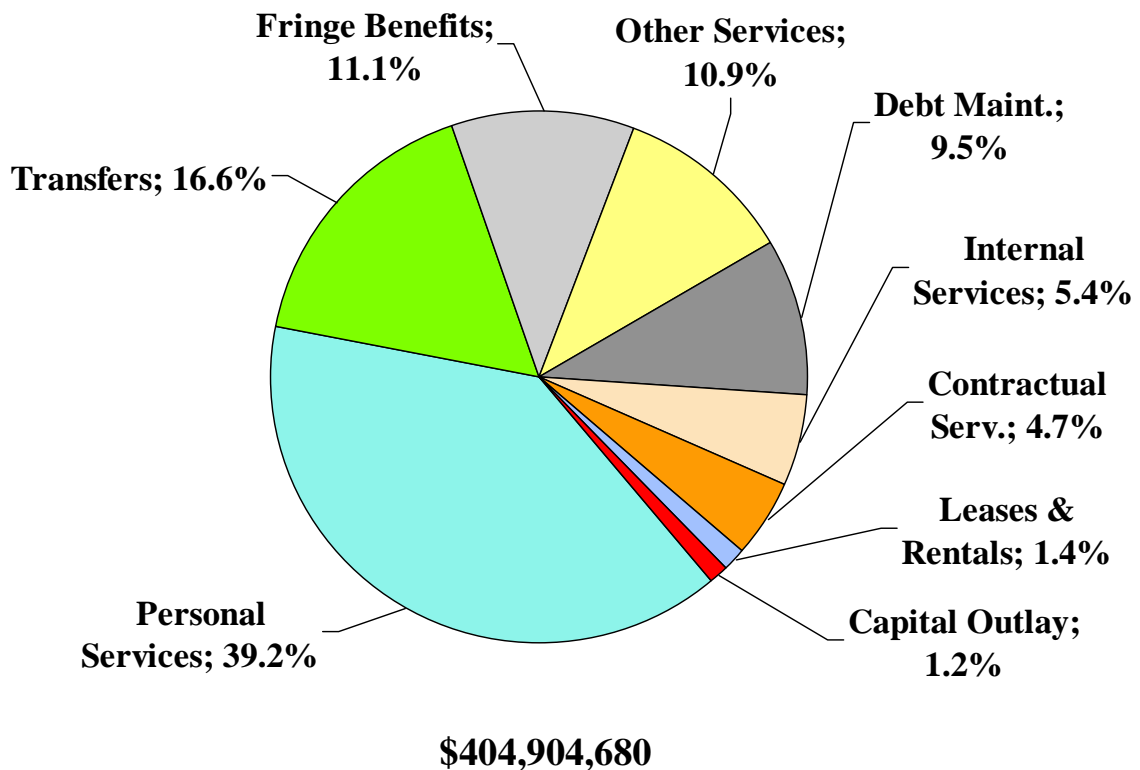
**FY 06 General Fund Budget
By Functional Categories
(Excludes School Transfer Budget)**



This pie chart shows the FY 06 Adopted General Fund Budget by expenditure categories excluding the Prince William County School Budget transfer. These General Fund expenditures relate only to the County government portion of the budget. The largest slice of this pie (39.2%) is Personal Services. Combined with Fringe Benefits (11.1%), compensation for all County employees accounts for over one-half (50.3%) of total General Fund expenditures. The remainder of the budget is broken into the following categories:

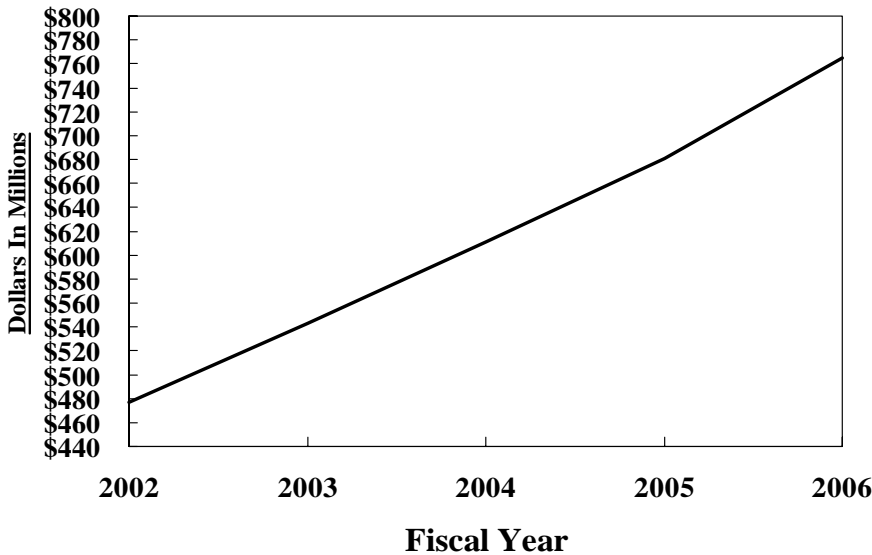
- Other Services (10.9%) contains funds to supply, equip and train employees to perform their jobs;
- Debt Maintenance (9.5%) pays the debt service on capital projects such as roads and other construction;
- Transfers (16.6%) contains funds transferred out of the General Fund to the Park Authority, Potomac and Rappahanock Transportation Commission, Adult Detention Center and the Construction Fund;
- Contractual Services (4.7%) is funds to pay for products and services contracted out by the County;
- Internal Services (5.4%) contains funds to account for financing of goods or services provided by one department of the County to other departments. An example is data processing services;
- Leases and Rentals (1.4%) contains funds to pay for leases and rentals on goods and property;
- Capital Outlay (1.2%) pays for capital items, e.g., vehicles purchased by County departments.

**FY 06 General Fund Budget
By Category of Expenditure
(Excludes School Transfer Budget)**



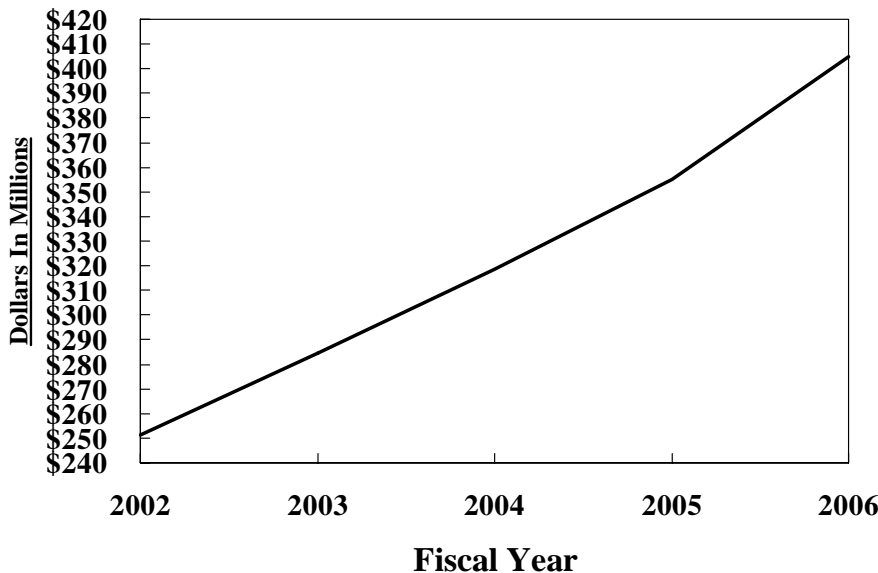
The following graphs show the General Fund Budget history both including and excluding the Prince William County School Transfer Budget. With the Prince William County School budget included, total expenditures have increased 60.6% from FY 02 Adopted to FY 06 Adopted (from \$476.6 million to \$765.2 million). Excluding the Prince William County School budget, total expenditures have increased 61.1% over the same period (from \$251.4 million to \$404.9 million).

General Fund Expenditure Budget History (INCLUDES SCHOOL TRANSFER BUDGET)



Note: All Years Adopted

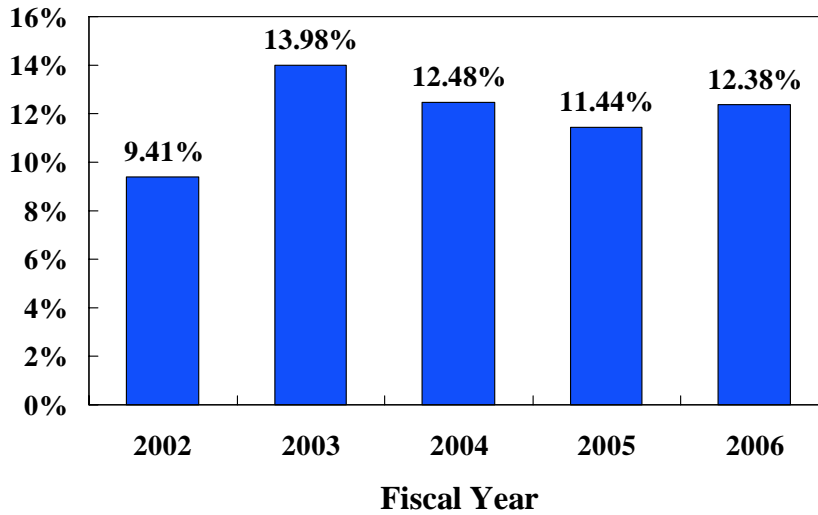
General Fund Expenditure Budget History (EXCLUDES SCHOOL TRANSFER BUDGET)



Note: All Years Adopted

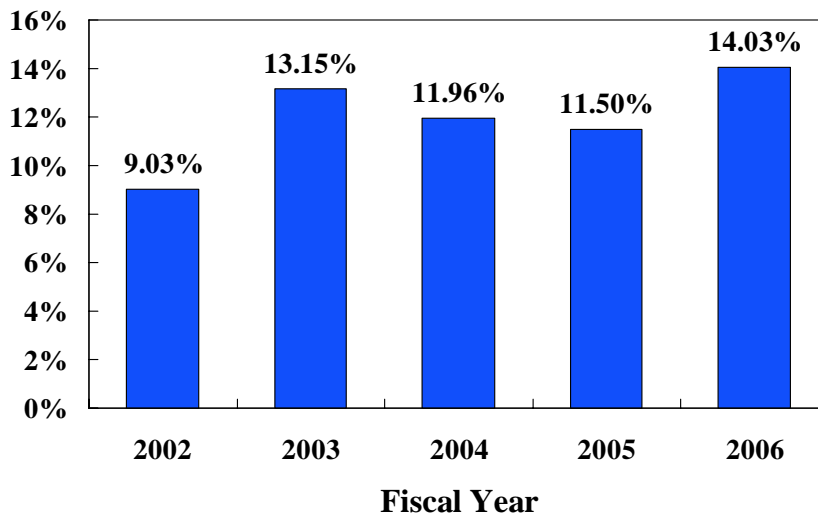
As the following graphs show, General Fund Expenditure Budgets from FY 02 to FY 06 Adopted including the Prince William County School Transfer Budget has increased an average of 11.94% per year. Excluding the Prince William County School Budget Transfer, total General Fund Expenditures have increased an average of 11.93% per year.

General Fund Expenditure Budget History
Percent Change: FY 02 to FY 06
 (Includes School Transfer Budget)



Note: All Years Adopted

General Fund Expenditure Budget History
Percent Change: FY 02 to FY 06
 (Excludes School Transfer Budget)

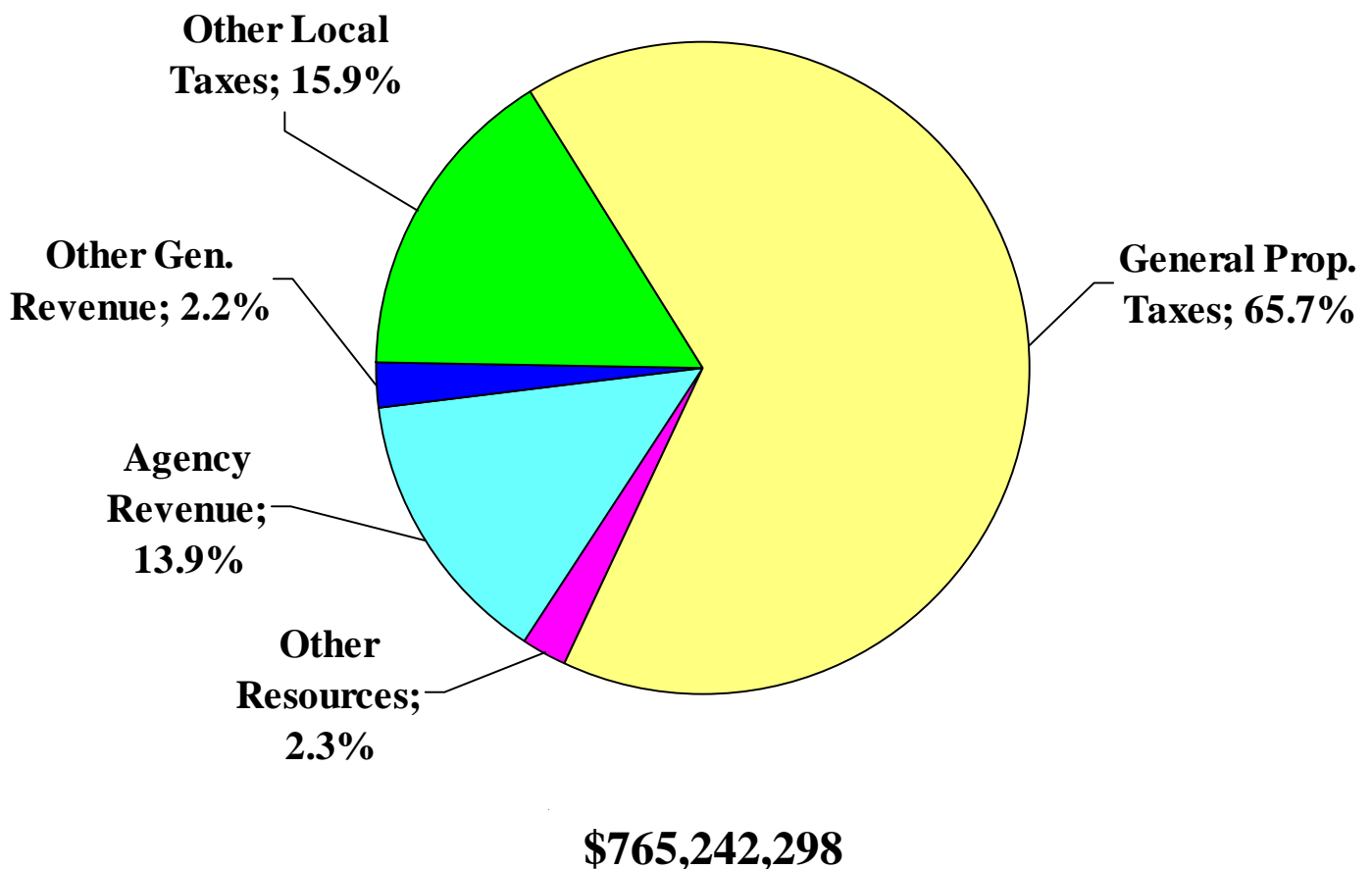


Note: All Years Adopted



The General Fund accounts for all financial transactions and resources in Prince William County other than those required to be accounted for in another Fund. Thus, the General Fund is the largest and most important fund used by the County. The General Fund is divided into revenues and expenditures. This pie chart shows all FY 06 Adopted funding sources contained within Prince William County's General Fund. In other words, the chart shows where the money comes from to support the County's expenditures. The largest slice of this pie (65.7%) comes from General Property Taxes. This source contains revenues received from the County's real estate and personal property taxes. The next largest sources are Other Local Taxes (15.9%) and Agency Revenue (13.9%). Other Local Taxes contains revenues from such sources as: Sales Tax, Business, Professional & Occupational License, Public Utility Gross Receipts Tax, Consumer Utility Tax, and the Transient Occupancy Tax. Agency Revenue (13.9%) contains revenues that are collected by individual County agencies. These revenues most typically come from Federal and State grants as well as private sector sources. These three pieces of the pie, when added together, make up 95.5% of total funding sources in the General Fund.

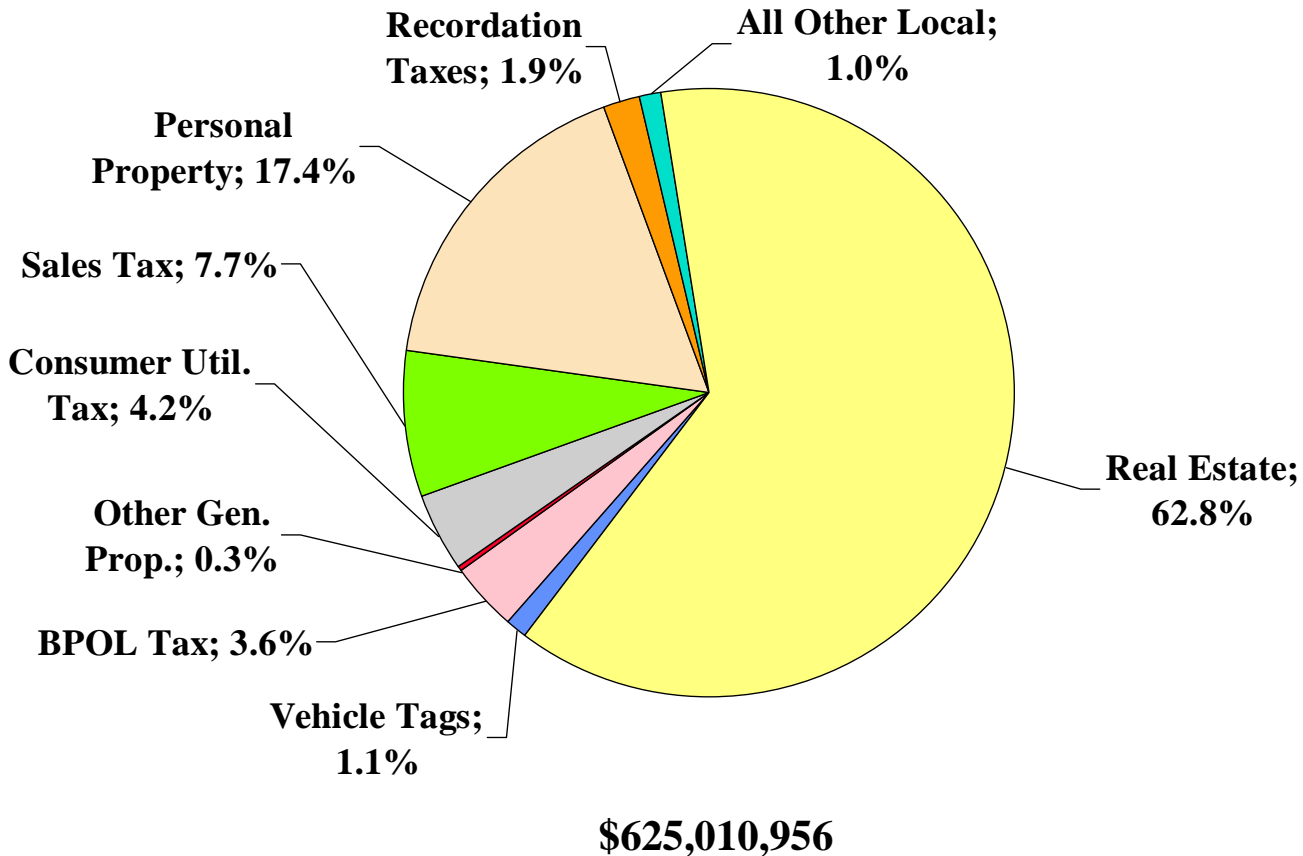
FY 06 Funding Sources General Fund



This pie chart provides detail regarding the County’s FY 06 Adopted local tax sources. These taxes make up a majority of the funding sources contained in the County’s General Fund. The largest source of local tax dollars (62.8%) comes from the real estate tax (\$0.91 per \$100 of assessed value) assessed on citizen’s homes and real estate properties. The next largest source (17.4%) is Personal Property Taxes (\$3.70 per \$100 of assessed value) assessed on individual and business personal property. The next source (7.7%) is Sales Tax (a tax rate of 1%) levied on the retail sale or rent of most tangible property. These three tax sources taken together provide 87.9% of total local tax dollars coming into the County. The smaller sources of tax dollars include:

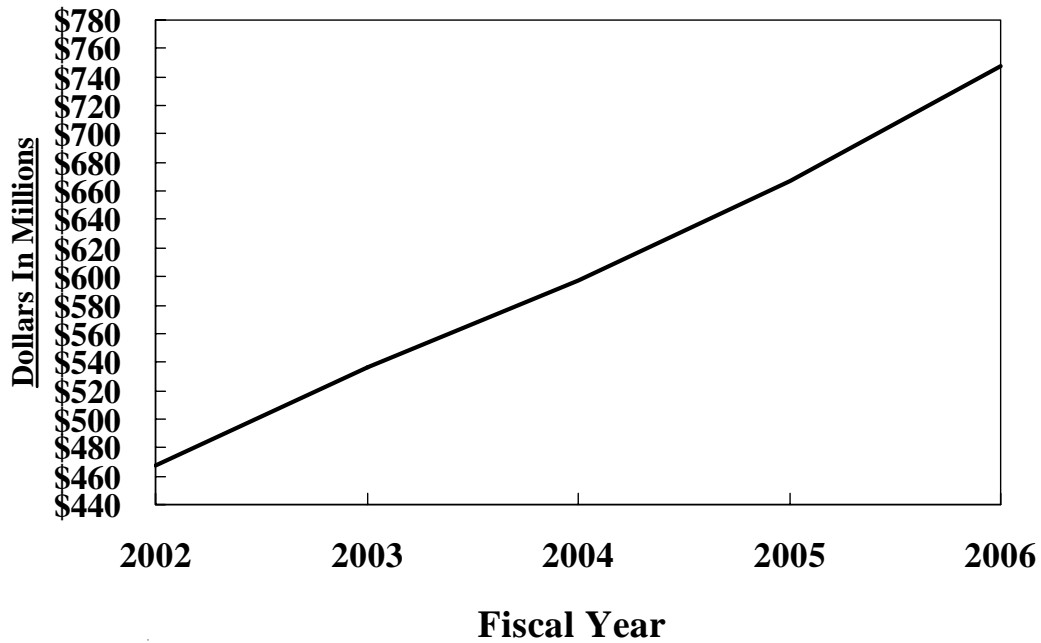
- Vehicle Tags (1.1%) received from the annual sale of automobile decals;
- All Other Local (1.0%) include miscellaneous tax sources such as Transient Occupancy Tax and Recordation Taxes;
- Other General Property (0.3%) is interest earned on all taxes;
- Business, Professional, Occupational License tax (3.6%) levied on the gross receipts of County businesses;
- Consumer Utility Tax (4.2%) levied on the consumers of telephone, electric and natural gas.

Detail of FY 06 Local Tax Sources



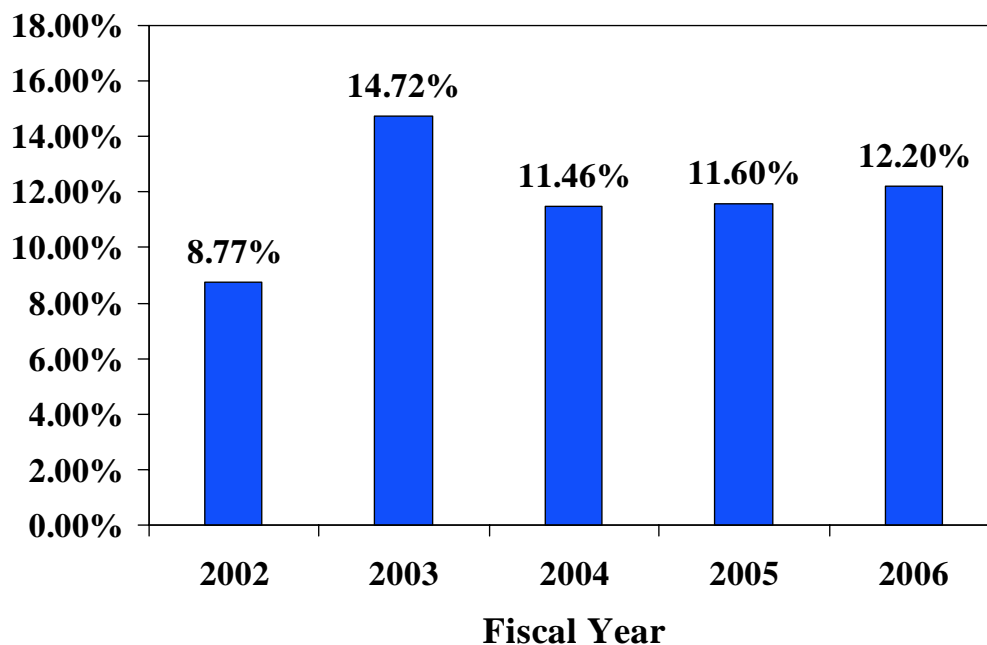
As the following graphs show, total Prince William County General Fund Revenues have increased 60.1% from FY 02 Adopted to FY 06 Adopted (from \$467.2 million to \$747.6 million).

General Fund Revenue History FY 02 to FY 06



Note: All Years Adopted

General Fund Revenue Summary Percent Change: FY 02 to FY 06



Note: All Years Adopted

Revenue Projections - General Fund Non-Agency Revenue

Table 1. Revenue Estimates by Category

Acct. Code	GENERAL REVENUE SOURCE	FY2006 ESTIMATE	FY2007 ESTIMATE	FY2008 ESTIMATE	FY2009 ESTIMATE	FY2010 ESTIMATE
0010	REAL ESTATE TAXES	\$384,624,000	\$422,999,000	\$461,790,000	\$503,218,000	\$544,303,000
	ROLLBACK SUPPLEMENT	1,250,000	1,000,000	750,000	500,000	250,000
0020	REAL ESTATE TAX EXONERATIONS	(6,290,000)	(6,911,000)	(7,539,000)	(8,211,000)	(8,876,000)
	SUBTOTAL	379,584,000	417,088,000	455,001,000	495,507,000	535,677,000
0041	R/E TAXES - PUBLIC SERVICE	11,487,000	10,684,000	10,572,000	10,664,000	10,968,000
0021	REAL ESTATE TAX DEFERRAL	(200,000)	(200,000)	(250,000)	(200,000)	(300,000)
0025	LAND REDEMPTION	458,000	469,000	476,000	482,000	487,000
0160	REAL ESTATE PENALTIES	1,357,000	1,491,000	1,627,000	1,771,000	1,915,000
	TOTAL - - REAL ESTATE	392,686,000	429,532,000	467,426,000	508,224,000	548,747,000
0071	PERSONAL PROPERTY TAXES	108,048,000	119,975,000	135,373,000	152,325,000	170,079,000
0072	P/P - PRIOR YEAR	75,000	75,000	75,000	75,000	75,000
0081	P/P TAX DEFERRAL	(\$850,000)	(\$1,650,000)	(\$1,825,000)	(\$2,000,000)	(\$2,100,000)
0170	P/P PENALTIES	1,637,000	1,240,000	1,501,000	1,790,000	2,091,000
	TOTAL - - PERSONAL PROPERTY	108,910,000	119,640,000	135,124,000	152,190,000	170,145,000
0210	LOCAL SALES TAX	48,125,000	51,975,000	56,133,000	60,623,000	65,473,000
0220	CONSUMER UTILITY TAX	26,160,000	27,910,000	29,920,000	31,630,000	33,510,000
0235	BPOL TAXES - LOCAL BUSINESSES	21,420,000	23,570,000	25,920,000	28,510,000	31,370,000
0510	INVESTMENT INCOME	12,184,426	16,774,114	19,305,297	21,995,895	23,051,364
0140	INTEREST ON TAXES	1,560,422	1,718,602	1,889,197	2,073,062	2,258,419
0250	VEHICLE DECALS - REGULAR	6,534,206	7,004,896	7,509,492	8,050,436	8,630,347
0260	RECORDATION TAX	12,050,000	12,100,000	12,380,000	12,770,000	13,150,000
0261	ADDITIONAL TAX ON DEEDS	4,290,000	4,590,000	4,820,000	5,061,000	5,314,000
0390	CABLE TV FEES	3,520,000	3,780,000	4,050,000	4,320,000	4,600,000
	All OTHER REVENUE OVER \$1.5 MILLION	27,954,628	29,193,497	30,648,688	32,274,498	33,952,767
0215	DAILY EQUIPMENT RENTAL TAX	197,472	204,170	210,868	223,520	236,931
0230	BANK FRANCHISE TAX	572,075	590,241	608,407	644,911	683,606
0236	BPOL TAXES - PUBLIC SERVICE	1,278,522	1,385,300	1,492,078	1,581,603	1,676,499
0270	TRANSIENT OCCUPANCY TAX	1,227,259	1,419,937	1,660,309	1,810,345	1,975,686
0520	INTEREST PAID TO VENDORS	(293,974)	(318,412)	(342,850)	(363,421)	(385,226)
0521	INTEREST PAID ON REFUNDS	(43,662)	(43,109)	(42,556)	(45,109)	(47,815)
1301	ABC PROFITS	357,000	374,850	393,593	413,272	433,936
1302	STATE WINE TAX	294,000	308,700	324,135	340,342	357,359
1303	ROLLING STOCK TAX	84,343	88,561	92,989	97,638	102,520
1304	PASSENGER CAR RENTAL TAX	576,104	604,909	635,154	666,912	700,257
1305	MOBILE HOME TITLING TAX	57,371	60,239	63,251	66,414	69,735
1700	FED PAYMENT IN LIEU OF TAXES	80,607	88,001	95,395	101,119	107,186
MISC.	ALL OTHER GENERAL REVENUE	4,016	3,654	3,293	3,490	3,699
	ALL OTHER REVENUE UNDER \$1.5 MILLION	4,391,133	4,767,041	5,194,066	5,541,036	5,914,373
	TOTAL GENERAL REVENUE	\$641,831,187	\$703,361,652	\$769,671,052	\$840,988,429	\$912,163,503

General Fund

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. General Fund revenues are described below:

Real Estate Revenue

Real estate revenues are broken down into the following categories: general real estate tax, public service tax, real estate tax deferral, land redemption, and real estate penalties.

Real Estate Taxes - 010/020

The real estate tax is the single largest revenue source for the County contributing approximately 61.2% of general revenues (FY06 forecast). It is levied on all land, improvements, and leasehold interests on land or improvements (collectively called “real property”) except that which has been legally exempted from taxation by the Prince William County Code and the Code of Virginia. The revenue summary for the general real estate tax applies only to real property assessed locally, which includes residential, commercial and industrial, and agricultural and resource land property types. The following tables show a ten-year history of this revenue source and the five-year revenue forecast:

Table 2. Revenue Summary – Real Estate Taxes

Revenue History	Tax Rate ¹	Actual Revenue	Percent Change
FY1996	\$1.36	\$162,035,845	2.9%
FY1997	1.36	166,236,961	2.6%
FY1998	1.36	173,689,320	4.5%
FY1999	1.36	182,632,874	5.2%
FY2000	1.36	193,691,695	6.1%
FY2001	1.34	208,663,095	7.7%
FY2002	1.30	230,638,558	10.5%
FY2003	1.23	266,546,217	15.6%
FY2004	1.16	304,997,838	14.4%
Current Estimate	Tax Rate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$1.07	\$346,586,000	13.6%
FY2005 (revised estimate)	1.07	347,860,000	14.1%
Forecast Revenue	Tax Rate	Revenue Estimate	Percent Change
FY2006	\$0.910	\$379,584,000	9.1%
FY2007	0.838	417,088,000	9.9%
FY2008	0.821	455,001,000	9.1%
FY2009	0.820	495,507,000	8.9%
FY2010	0.835	535,677,000	8.1%

Note that public service properties including railroads, utilities, etc. are not assessed locally. Rather, these properties are assessed by the State Corporation Commission and the Virginia Department of Taxation. Therefore, real estate revenues from these properties are not included in the above table.

¹ The real estate tax rate in prior years is as follows:

1987 - \$1.42

1988 - \$1.30

1989 - 1990 - \$1.38

1991 - 1995 - \$1.36

Residential Real Estate

The residential real estate market in Prince William County continued its fourth year of swiftly rising home prices with appreciation exceeding 20% per year in most parts of the County. The Federal Funds Rate increases of the past twelve months have not affected long-term bond rates or mortgage rates. With interest rates near their historic lows, residential real estate remained an attractive investment with high short-term returns.

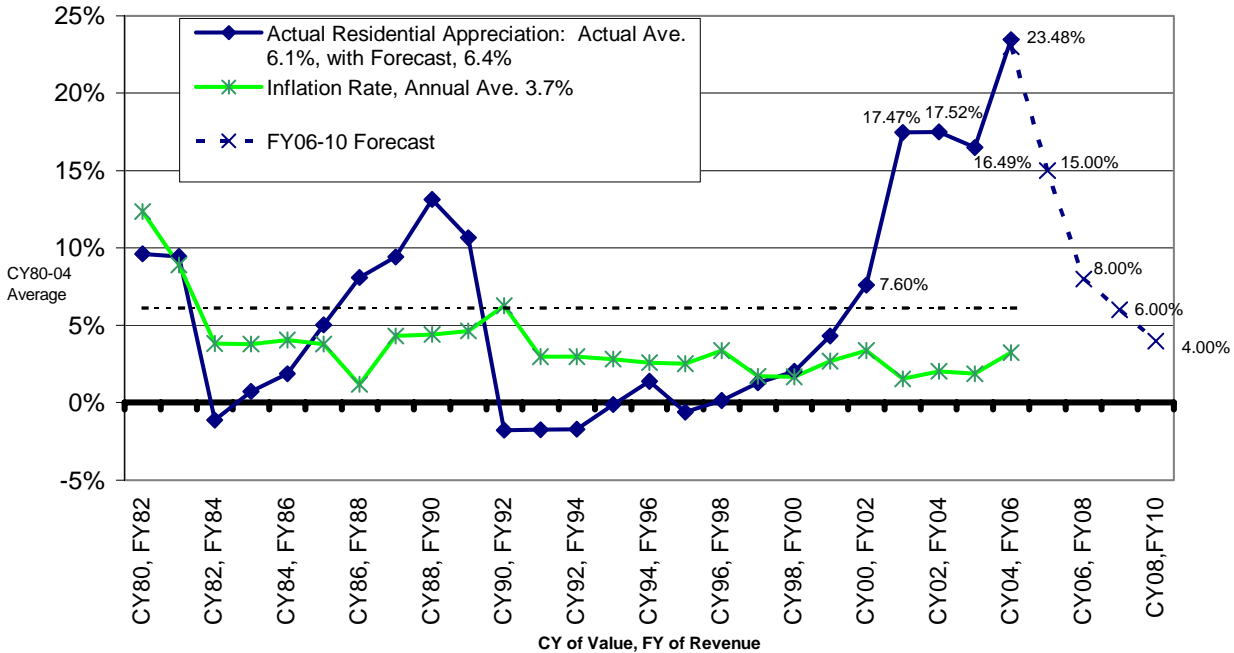
Demand for first-time-buyer homes priced less than \$350,000 continued to be the strongest sector of the residential market during calendar year 2004. The number of homes sold in 2004 increased 27.6% over the prior year as the average number of days on the market declined to 22 days according to the Metropolitan Regional Information System. The inventory of homes on the market decreased during calendar year 2004 while demand further strengthened, maintaining short marketing times and vigorous pricing. Homes priced over \$400,000 showed healthy increases in value, although not as high as lower priced homes.

The residential real estate market consists of four property types: single-family homes, townhouses, residential condominiums, and apartments. Duplex units are included within the townhouse category. The apartment category consists of units within rental apartment communities and apartment buildings with five or more units.

Residential Market Value Changes

The following chart shows a history of actual residential appreciation (excluding rental apartments) from fiscal year 1982 through fiscal year 2006 and the General Revenue Committee's estimates thereafter. The actual average from revenue years 1982 through 2005 is also reflected:

Figure 1. Average Annual Residential Real Estate Appreciation, 1982-2010



The following table shows the expected change in market value for residential and apartment properties during the forecast period.

Table 3. Residential Market Value Changes

Revenue Year	Single-Family, Townhouse, and Condominium	Apartments
FY2007	15.00%	5.0%
FY2008	8.00%	4.0%
FY2009	6.00%	3.0%
FY2010	4.00%	2.0%

Residential properties in Prince William County are expected to appreciate on average 15% overall for fiscal year 2007. Forecasters are predicting a sustained, strong residential market in 2005 as the Washington area continues to outperform the national real estate market. Key drivers in the Washington area's forecast are low unemployment, strong job growth, shrinking supply of land available for development inside the Capital Beltway, and historically low mortgage interest rates. At the national level, unemployment is expected to continue its downward trend and the Gross Domestic Product (GDP) is expected to sustain a healthy growth rate in 2005. The National Association of Realtors has forecasted a near record level of market activity in 2005. All these factors play an important role in the increasing housing shortage the region is experiencing.

The forecast for residential appreciation beyond fiscal year 2007 reflects these market insights. Appreciation is expected to moderate to a rate of 8% in fiscal year 2008, 6% for fiscal year 2009, and 4% for fiscal year 2010. Forecasters expect strong demand for homes to continue, but not at levels equal to those in fiscal year 2006; rather, appreciation will gradually decline to levels that resemble long-term annual averages due mainly to higher interest rates.

Residential appreciation in Prince William County is comparable to neighboring Northern Virginia jurisdictions:

Table 4. Comparison of Estimated Residential Market Value Changes from 2004 to 2005

	Prince William County	Loudoun County	Fairfax County	City of Alexandria	Arlington County
All Residential (Excluding Rental Apartments)	23.5%	19.7%	23.1%	21.3%	24.0%

Apartments Market Value Change

Favorable conditions in the County's apartment market translate into an average increase in market value of 6.0% for fiscal year 2006. This increase is largely attributable to higher apartment rents and lower capitalization rates. Demand for apartment units remained strong during calendar year 2004. Appreciation is estimated to continue at a lower rate of approximately 5% in fiscal year 2007, 4% in fiscal year 2008, 3% in fiscal year 2009 and 2% in fiscal year 2010.

Residential New Construction Units

Growth is defined as the change in assessed value due to the subdivision of land and the construction of new residential units. Construction taking place in one calendar year affects real estate revenues two fiscal years later. For example, construction that occurs in calendar year 2004 affects revenues beginning in fiscal year 2006.

The following table summarizes the expected number of newly constructed residential units during the forecast period, and the previous six year's activity:

Table 5. Residential Growth - Number of Units

Revenue Year	Total Residential Units	Single-Family	Townhouse	Condominium	Apartments
FY2001(a)	3,086	2,162	848	76	0
FY2002(a)	3,659	2,315	1,086	18	240
FY2003(a)	5,051	3,059	941	43	1,008
FY2004(a)	4,824	3,166	1,297	111	250
FY2005(a)	4,859	3,231	1,219	31	378
FY2006(a)	5,894	3,619	1,107	254	914
FY2007	5,330	3,300	1,000	200	830
FY2008	3,700	2,500	900	100	200
FY2009	3,325	2,300	800	25	200
FY2010	3,225	2,300	700	25	200

(a) - actual

Construction of 4,980 residential units and 914 apartment units was completed during calendar year 2004 which will generate revenue for fiscal year 2006. There were 499 more single family, townhouse, and condominium units constructed in 2004 than 2003 while 536 more apartment units were constructed. The volume of new home starts is expected to taper off during the forecast period with 4,500 units estimated for fiscal year 2007 down to 3,500, 3,125, and 3,025 units forecast for fiscal years 2008 through 2010 respectively. Construction of new apartment units is forecast to slightly decrease to 830 units for fiscal year 2007 and stabilize at 200 units for fiscal years 2008 through 2010. Construction of a significant number of apartment projects in recent years has been driven by federal tax credit incentives.

Residential Values Per New Unit

The average assessed value of a new home constructed during 2004 was \$447,974, a 17.1% increase over the average assessed value of homes built in 2003 which was \$382,442.

The average assessed value of a new single family home was \$493,565 in 2004, a 14.7% increase over the average assessed value of \$430,374 in 2003.

For fiscal year 2006, the average assessed value of a new condominium unit was \$301,754 and the average value of a townhouse unit climbed to \$332,477. There has been a trend in recent years toward the construction of larger townhouse style condominium units and luxury waterfront mid-rise condominium units. The average selling price of these units has typically exceeded the average selling price of townhouses.

The assessed value per new unit of apartment properties increased to \$84,400 per unit for fiscal year 2006 from \$80,000 for fiscal year 2005.

Table 6. New Residential Assessed Value per New Unit

Revenue Year	Overall Residential (Excluding Apts.)	Single-Family	Townhouse	Condominium	Apartment
FY2001(a)	\$209,062	\$237,970	\$143,776	\$115,178	\$60,000
FY2002(a)	232,577	268,562	157,537	131,916	64,300
FY2003(a)	287,903	318,832	192,801	168,769	68,026
FY2004(a)	327,671	372,654	226,622	224,565	65,235
FY2005(a)	382,442	430,374	258,473	261,470	80,000
FY2006(a)	447,974	493,565	332,477	301,754	84,400
FY2007	516,618	567,600	382,300	347,000	88,600
FY2008	554,740	613,000	412,900	374,800	92,100
FY2009	593,482	649,800	437,700	397,300	94,900
FY2010	622,582	675,800	455,200	413,200	96,800

(a) - actual

Commercial Real Estate

Calendar year 2004 market activity in Prince William County resulted in commercial properties appreciating 15.1% on average for fiscal year 2006 revenues. The industrial sector experienced the greatest level of appreciation at approximately 20%. Retail properties appreciated approximately 16% and office buildings increased approximately 15% on average while the assessed values of hotels and special purpose properties showed little change in value overall.

The commercial property outlook for fiscal year 2007 is expected to bring 8% appreciation overall. Retail and industrial properties are expected to show the highest appreciation rates. Office and vacant commercial land properties will show moderate rates of appreciation while the value of hotels will show some decreases in value. Commercial appreciation for fiscal year 2008 is forecast at 4% and appreciation in fiscal years 2009 and 2010 is expected to be 3% per year.

Average assessed values per square foot for fiscal year 2006 are determined based on the added building value resulting from new construction completed during calendar year 2004.² These unit values are then adjusted to reflect the general appreciation of commercial properties during the remainder of the forecast period.

Table 7. Commercial Market Value Changes

Revenue Year	Commercial
FY2002(a)	9.7%
FY2003(a)	6.7%
FY2004(a)	3.8%
FY2005(a)	11.9%
FY2006(a)	15.1%
FY2007	8.0%
FY2008	4.0%
FY2009	3.0%
FY2010	3.0%

(a) - actual

Commercial properties are categorized into five property types: retail, office, hotel, industrial, and special purpose. For fiscal year 2006 (calendar year 2004 market activity), a total of 1,807,573 commercial square feet was added to the assessment rolls.

² Note that increases or decreases in dollars per square foot from one year to the next are not indicative of appreciation trends. Unit values are based on the contributory value of the new buildings in a category divided by the added square footage in that category. Building values per square foot vary widely among different building types within each category and the types of new buildings within categories vary from one year to the next.

Growth is expected to decrease slightly in fiscal year 2007 to 1,374,835 square feet and gradually decrease to approximately 760,000 square feet at the end of the forecast period. Moderate growth in commercial new construction over the past few years has put Prince William County's commercial/industrial market in a better position than neighboring jurisdictions where excess supply is causing downward pressure on prices.

Commercial real estate is currently a very attractive investment option with low capitalization rates (as low as 6%) and higher yields than certificates of deposit. Overall, the commercial/industrial real estate market is expected to remain solid through calendar year 2005 as strong demand and attractive lending options remain present. An 8% increase in assessed value is expected for fiscal year 2007 followed by 4% in fiscal year 2008, and 3% in fiscal years 2009 and 2010.

Retail

New construction in the retail sector accounted for nearly 37% of all commercial/industrial growth for fiscal year 2006, adding approximately 660,000 square feet to the tax base. Shopping centers and big box properties comprised most of the new construction - roughly 500,000 square feet. One new shopping center—Parkway Crossing East—was completed along with several big box properties such as the new Virginia Gateway Target and Lowes, as well as the Wal-Mart at Southbridge. Also completed were general retail properties such as banks, restaurants, daycare centers, garages and service stations, miscellaneous retail and additions to existing properties. Growth in retail properties forecast for fiscal years 2007 to 2010 includes large retail projects currently under construction such as the Virginia Gateway Retail Center in Gainesville, which is expected to add another 340,000 square feet of shops, restaurants, and other retail. It also includes new projects such as the Fortuna Target and Retail Center in the Dumfries area, which is expected to add about 200,000 square feet in fiscal 2007. Significant growth in the residential real estate market has spurred significant retail construction. In addition, commercial real estate has remained attractive to investors. The retail properties in the County are experiencing strong income growth and low vacancy. Shopping center capitalization rates have been declining and continued to do so in 2004. Capitalization rates for premium shopping centers are approximately 6.5%.

Nearly half of the assessed value within the commercial/industrial tax base is within the retail sector. Shopping center properties showed the highest levels of appreciation within the retail sector, 16% on average for fiscal 2006, while general commercial properties showed moderate levels of appreciation for fiscal year 2006 - 10% on average. The retail sector is forecast to remain strong throughout the forecast period.

Industrial

Nearly 36% of commercial/industrial new construction for fiscal year 2006 occurred within the industrial sector adding almost 650,000 square feet to the commercial/industrial base. New construction completed during 2004 within the industrial sector included several new storage and showroom warehouses, multi-tenant and flex space as well as manufacturing buildings and industrial equipment repair facilities. Growth within the industrial sector is expected to remain strong throughout the forecast period with approximately 500,000 square feet being added to the tax base for fiscal year 2007.

Existing industrial properties appreciated approximately 20% for fiscal year 2006. This rate of appreciation is expected to level off somewhat and remain strong throughout the forecast period as Prince William County continues to be in high demand by transportation-based businesses and support service companies seeking space of 3,000 to 20,000 square feet.

Hotels

Three new hotels with 310 total rooms were completed during 2004 with a total square footage of 197,911. Currently, a Country Inn & Suites is permitted for 59,584 square feet and site grading has started. A Comfort Inn of 59,584 square feet was issued a permit and site grading started on February 7, 2005. Residence Inn has also started construction of a 76,070 square foot hotel. Over the next several years three hotels are planned for Prince William County. These are a Hampton Inn, Holiday Inn and a luxury hotel for the Cherry Hill area.

The existing hotel market showed a slight decline in valuation for 2004. The declines in hotel assessments were from older and smaller properties in the County, with the newer hotels remaining stable or with a slight decrease over fiscal year 2005.

Assessed values of hotels are expected to remain stable during the out-years of the forecast period.

Office Buildings

Construction of several new office buildings was completed during calendar year 2004, adding approximately 170,000 square feet to the commercial base. They include the Glen Office Park, Pointe Center in Dumfries and Hunters Retreat Professional Bldg. Also, Wellington Business Center, Golanski Blvd and Heritage Center office condos were completed during calendar year 2004, adding another 51,377 square feet to the total commercial base. Growth within the office sector is expected to be strong during the forecast period with the addition of approximately 397,000 square feet for fiscal year 2007. Included in this amount is a total of 165,744 square feet in commercial condos is expected to be added in fiscal year 2007.

The forecast includes office properties already beginning construction or planned office properties such as Quantico Center, County Center, Linden Office Park, Quantico Gateway as well as Hedges Run Office Park, Prince William Town Center and Linden Business Center office condos.

Higher office rents are forecast to drive moderate increases in assessed value for office properties for fiscal year 2007. The lack of speculative building within the office sector is seen as a positive driver toward moderate increases in assessed value over the forecast period as the supply of office space is not expected to exceed demand.

Special Purpose

Properties within the special purpose category through fiscal year 2004 were limited to high-technology data center type properties. Since the technology sector's dramatic decline a few years ago, supply of these properties far exceeds demand on a regional level. No growth is expected within this sector until fiscal year 2007 (calendar year 2005) when construction on the first section of Eli Lilly's insulin manufacturing facility is anticipated to begin. Assessed values are expected to remain stable during the forecast period.

Miscellaneous Properties

Nearly 134,000 square feet of miscellaneous commercial properties such as golf course improvements and taxable schools were constructed in calendar year 2004 (fiscal year 2006). A multi-year forecast of these properties is not included in the revenue forecast since these properties are not constructed on a regular basis.

Revenue Summary

A summary of commercial growth and assessed values per square foot during the forecast period is shown below.

Table 8. Commercial New Construction Value per Square Foot

Revenue Year	Retail	Office	Hotel	Industrial	Special Use Properties
FY2001(a)	\$118	\$84	\$ 11	\$44	\$351
FY2002(a)	90	66	80	46	195
FY2003(a)	74	75	91	39	291
FY2004(a)	67	94	n/a	43	n/a
FY2005(a)	95	83	92	56	n/a
FY2006(a)	109	96	106	60	n/a
FY2007	118	104	114	65	155
FY2008	122	108	119	67	162
FY2009	126	111	123	69	166
FY2010	130	114	126	72	171

Table 9. New Commercial Construction Square Footage

Revenue Year	Total Commercial	Retail	Office	Hotel	Industrial	Special Use Properties
FY2001(a)	1,354,470	573,618	63,664	59,904	429,819	227,465
FY2002(a)	790,294	137,778	199,213	195,085	258,218	0
FY2003(a)	1,391,510	475,668	106,916	96,610	464,763	247,553
FY2004(a)	491,590	147,059	61,250	0	283,281	0
FY2005(a)	1,026,817	393,109	78,062	29,492	526,154	0
FY2006(a)	1,807,573	661,639	170,153	197,911	644,456	0
FY2007	1,374,835	350,000	396,835	60,000	500,000	68,000
FY2008	1,026,000	350,000	100,000	60,000	250,000	266,000
FY2009	1,116,000	350,000	100,000	150,000	250,000	266,000
FY2010	760,000	350,000	100,000	60,000	250,000	0

(a) - actual

Exonerations

Estimated real estate tax exonerations are deducted from the gross local real estate tax revenue to arrive at the net local real estate tax revenue.

Exonerations are decreases in revenue due to assessment reductions, changes in tax liability, or tax relief programs. Assessment reductions are typically caused by appeals of assessed values and account for the majority of exonerations. Changes in tax liability occur when a property changes from a taxable to a tax-exempt status. Taxes are also exonerated for properties whose owners qualify for the Tax Relief Program for the Elderly and Disabled.

The FY2006 forecast for real estate tax exonerations is \$6,290,000 – a 38% increase from the FY2005 projection of \$4,565,000. This is due to the following eligibility requirement changes made by the Board of County Supervisors which will enable more households to participate in the Tax Relief Program for Elderly and Disabled Persons:

- the net worth limitation was increased from \$240,000 to \$340,000 which excludes the residence for which the exemption is sought and up to 25 acres of land which it occupies;
- the amount of income that can be earned by relatives and not included in the income calculation was raised from \$8,500 to \$10,000;
- the base income definition was changed from 84% of the low income family income limit based upon a family of two to the low income family income limit based upon a family of two. For FY2006 (tax year 2005), the gross household income from all sources may not exceed \$66,700.

Public Service Taxes - 041

Public service taxes are levied on non-locally assessed properties. The State Corporation Commission (SCC) assesses all telecommunications companies, water companies, intrastate pipeline distribution companies, and electric light and power companies. The Virginia Department of Taxation assesses railroads and interstate pipeline transmission companies.

Table 10. Revenue Summary – Public Services Taxes - 041

Revenue History	Tax Rate	Actual Revenue	Percent Change
FY1995	\$1.36	\$11,328,276	4.3%
FY1996	1.36	11,358,462	0.3%
FY1997	1.36	11,229,547	(1.1%)
FY1998	1.36	11,293,854	0.6%
FY1999	1.36	11,804,605	4.5%
FY2000	1.36	11,857,804	0.4%
FY2001	1.34	11,762,173	0.8%
FY2002	1.30	11,537,837	(1.9%)
FY2003	1.23	11,084,790	(3.9%)
FY2004	1.16	10,976,245	(1.0%)
Current Estimate		Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$1.07	\$10,299,000	(6.2%)
FY2005 (revised estimate)	1.07	13,372,595	21.8%
Forecast Revenue		Revenue Estimate	Percent Change
FY2006	\$0.910	\$11,487,000	(14.1%)
FY2007	0.838	10,684,000	(7.0%)
FY2008	0.821	10,572,000	(1.0%)
FY2009	0.820	10,664,000	0.9%
FY2010	0.835	10,968,000	2.9%

Historically, all market value changes within the public service classification have been attributable to new construction growth. Growth during fiscal year 2005 was significantly higher than in past years due to the completion of Virginia Power's facility at Possum Point. Growth within the public service properties is expected to stabilize at a rate of 1% per year for fiscal years 2006 to 2010. However, revenue will decline during the early years of the forecast period as the estimated real estate tax rate declines. Public service market values are not subject to the same market changes as other real estate properties.

Table 11. Public Service – Changes in Assessed Value

	FY06	FY07	FY08	FY09	FY10
Public Service Growth	1.00%	1.00%	1.00%	1.00%	1.00%

Real Estate Tax Deferrals - 021

If unpaid real estate taxes at the end of a fiscal year are less than at the beginning of that fiscal year, the amount of the reduction is recorded as revenue in real estate tax deferrals.

If unpaid real estate taxes at the end of a fiscal year are more than at the beginning of that fiscal year, the amount of the increase is recorded as negative revenue in real estate tax deferrals. Real estate taxes collected after becoming more than three years delinquent are accounted for as land redemption revenue.

Table 12. Revenue Summary – Real Estate Tax Deferrals - 021

Revenue History	Actual Revenue	Percent Change
FY1996	\$ (176,381)	(110.7%)
FY1997	150,000	185.0%
FY1998	440,000	193.3%
FY1999	(1,421,000)	(423.0%)
FY2000	928,212	165.3%
FY2001	1,467,386	58.1%
FY2002	1,072,000	(26.9%)
FY2003	724,347	(32.4%)
FY2004	587,945	(18.8%)
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$ (300,000)	(151.0%)
FY2005 (revised estimate)	(300,000)	(151.0%)
Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$ (200,000)	33.3%
FY2007	(200,000)	0.0%
FY2008	(250,000)	(25.0%)
FY2009	(200,000)	20.0%
FY2010	(300,000)	(50.0%)

The forecast reflects the initiative approved by the Board of County Supervisors on December 10, 1996 to decrease the percentage of unpaid property taxes at fiscal year end, as compared to the current year levy, from 11% in FY1996 to 6% in FY2003. With the adoption of the FY2002 budget, additional collection resources were provided to the Finance Department and the amount of unpaid property taxes as a percentage of the total levy was revised to 5.5% by FY2005.

At the end of FY2004, the percentage of unpaid property taxes compared to the FY2004 levy was 3.8%. The updated forecast for FY2005 is 3.3% which is the County’s best unpaid property tax rate since data was first collected in 1971. Continuing this positive trend, the FY06 forecast assumes an unpaid property tax rate of 3.3%.

The revenue forecast is made by estimating collections of unpaid real estate taxes up to three years delinquent. This revenue category varies depending on the amount of unpaid taxes at the end of one year compared to the previous year due to:

1. voluntary payment of taxes by property owners,
2. County resources allocated to collection efforts, and
3. the success of those collection efforts.

Land Redemption - 025

Land redemption is the recognition of real estate taxes collected after being more than three years delinquent. The Code of Virginia allows the County to pursue the collection of delinquent real estate taxes for twenty years.

Table 13. Revenue Summary – Land Redemption - 025

Revenue History	Actual Revenue	Percent Change
FY1996	\$ 992,773	(20.1%)
FY1997	1,647,446	65.9%
FY1998	696,355	(57.7%)
FY1999	2,012,300	188.9%
FY2000	1,278,836	(36.4%)
FY2001	718,462	(43.8%)
FY2002	818,871	14.0%
FY2003	1,039,775	27.0%
FY2004	347,818	(66.5%)
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$ 540,000	55.3%
FY2005 (revised estimate)	540,000	55.3%
Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$ 458,000	(15.2%)
FY2007	469,000	2.4%
FY2008	476,000	1.5%
FY2009	482,000	1.3%
FY2010	487,000	1.0%

This revenue category varies depending on the amount of unpaid taxes three years and older, and the level of success in collecting these past due amounts. The FY2006 to FY2010 estimate assumes 25% of the prior year's unpaid land redemption taxes will be collected annually. Thirty percent is approximately equal to the percentage collected in the past four fiscal years. A variety of methods are used to enforce collection of those taxes, including filing suit to force the sale of the property for unpaid taxes. Unpaid land redemption taxes, at the end of each fiscal year, are estimated as follows:

Table 14. Unpaid Land Redemption Taxes

FY2004	\$1,873,000
FY2005	1,833,000
FY2006	1,874,000
FY2007	1,906,000
FY2008	1,929,000
FY2009	1,947,000
FY2010	1,960,000

Real Estate Penalties - 160

The County assesses a 10% penalty on the late payment of real estate taxes. The penalty becomes due as the first and second half real estate taxes and supplemental real estate taxes become delinquent.

Table 15. Revenue Summary – Real Estate Penalties -160

Revenue History	Actual Revenue	Percent Change
FY1996	\$ 774,921	(11.9%)
FY1997	819,867	5.8%
FY1998	931,469	13.6%
FY1999	1,044,940	12.2%
FY2000	1,012,047	(3.1%)
FY2001	767,409	(24.2%)
FY2002	1,026,456	33.8%
FY2003	1,046,982	2.0%
FY2004	1,234,854	17.9%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$1,239,000	0.3%
FY2005 (revised estimate)	1,239,000	0.3%
Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$1,357,000	9.5%
FY2007	1,491,000	9.9%
FY2008	1,627,000	9.1%
FY2009	1,771,000	8.9%
FY2010	1,915,000	8.1%

Revenue from real estate penalties is estimated by applying a fixed percentage (approximately 0.36%) to the real estate revenue forecast excluding public service properties. The fixed percentage is based on recent historical data of real estate penalty revenues as a percentage of total real estate revenues excluding public service properties.

Personal Property Revenue

The personal property tax is assessed on vehicles, mobile homes, and business personal property. Approximately 86% of personal property tax revenue is forecast in FY2006 to be generated by motor vehicles, trailers, and motor homes. The remaining 14% is forecast to be received from taxes levied on business equipment.

Certain classifications of property do not generate a tax bill because of their extremely low tax rate, such as farm equipment, vehicles that qualify for elderly tax relief, vanpool vans, handicapped-equipped vehicles, and vehicles used by fire and rescue volunteers to answer emergency calls. In addition, some vehicles are tax exempt such as those used as daily rentals, vehicles owned by certain military personnel, and vehicles owned by non-profit organizations.

Table 16. Revenue Summary – Personal Property Tax /071/079/1308

Revenue History	Actual Revenue	Percent Change
FY1995	\$37,788,732	13.5%
FY1996	42,975,207	13.7%
FY1997	48,272,222	12.3%
FY1998	50,295,580	4.2%
FY1999	53,148,925	5.7%
FY2000	58,599,068	10.3%
FY2001	66,030,775	12.7%
FY2002	75,804,001	25.7%
FY2003	85,015,356	12.2%
FY2004	94,949,873	11.7%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$100,794,000	6.2%
FY2005 (revised estimate)	98,794,000	4.0%
Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$108,048,000	9.4%
FY2007	119,975,000	11.0%
FY2008	135,373,000	12.8%
FY2009	152,325,000	12.5%
FY2010	170,079,000	11.7%

Personal Property Tax on Vehicles /071/079/1308

Personal property tax revenue from vehicles is estimated based on the percentage change in average assessed value per vehicle and the percentage change in the number of units billed. Generally, the assessed value of taxable vehicles is obtained from standard pricing guides. The County uses the trade-in values published in the National Automobile Dealers Association (NADA) value guide for new and older vehicles.

Car Tax Relief

A portion of the tax due on personal use vehicles is paid by the Commonwealth directly to the County under the Personal Property Tax Relief Act (PPTRA). Through tax year 2005 (fiscal year 2006), the Commonwealth will pay the County 70% of the tax due on the first \$20,000 of assessed value for qualified vehicles.

During the 2004 State budget sessions, legislation was enacted that changes how the amount of car tax relief is calculated under the PPTRA. The legislation caps the amount reimbursed to the County beginning in tax year 2006 (fiscal year 2007). Capping the car tax at a set dollar amount (\$950 million state-wide) will reduce the percentage of the tax on qualifying vehicles paid by the Commonwealth in each successive year. To compensate, Prince William County must increase the amount paid by the taxpayer or face declining revenue. The five-year revenue forecast assumes the County will increase the amount paid by taxpayers so that overall personal property tax revenue from qualifying vehicles remains the same as it would under the current PPTRA program.

Change in Average Vehicle Value

The average assessed value per vehicle decreased by 2.5% between FY2004 and FY2005. The decrease was the result of a larger than average drop in used car values caused by an oversupply of used vehicles in the market. According to industry experts, this was a single year phenomenon, which was the result of a simultaneous increase in dealer incentives on new vehicles and a shrinking number of commercial fleet vehicles that were re-sold in the used car market.

The FY2006 (calendar year 2005) forecast assumes that this event does not repeat itself and the average change in the assessed value of all vehicles in the County increases by 2.5% - a pattern more typical of prior years. An increase in the average assessed value occurs during times of population growth and a moderate to high rate of vehicle replacement.

Both of these economic factors have been forecast to continue by industry experts throughout the five-year forecast. The combination of these two factors more than offsets “normal” depreciation on existing vehicles, thus leading to an overall increase in average vehicle value.

Change in Number of Vehicle Units Billed

The percentage change in the number of vehicle units billed increased by 7.2% between FY2004 and FY2005. Over the prior five years, the increase has averaged 7.3%, ranging from a low of 5.5% to a high of 8.6%. The FY2006 (calendar year 2005) forecast assumes an increase of 7.2%. The increase in units is due to population growth, growth in the number of businesses and business vehicles, and an upward trend in the average number of vehicles per household.

Table 17. Average Assessed Value per Vehicle

	<u>Dollar Value</u>	<u>Percent Increase</u>
FY2001(a)	7,750	6.5%
FY2002(a)	8,169	5.4%
FY2003(a)	8,242	0.9%
FY2004(a)	8,740	6.0%
FY2005(a)	8,522	(2.5%)
FY2006	8,735	2.5%
FY2007	9,150	4.8%
FY2008	9,585	4.8%
FY2009	10,041	4.8%
FY2010	10,518	4.8%

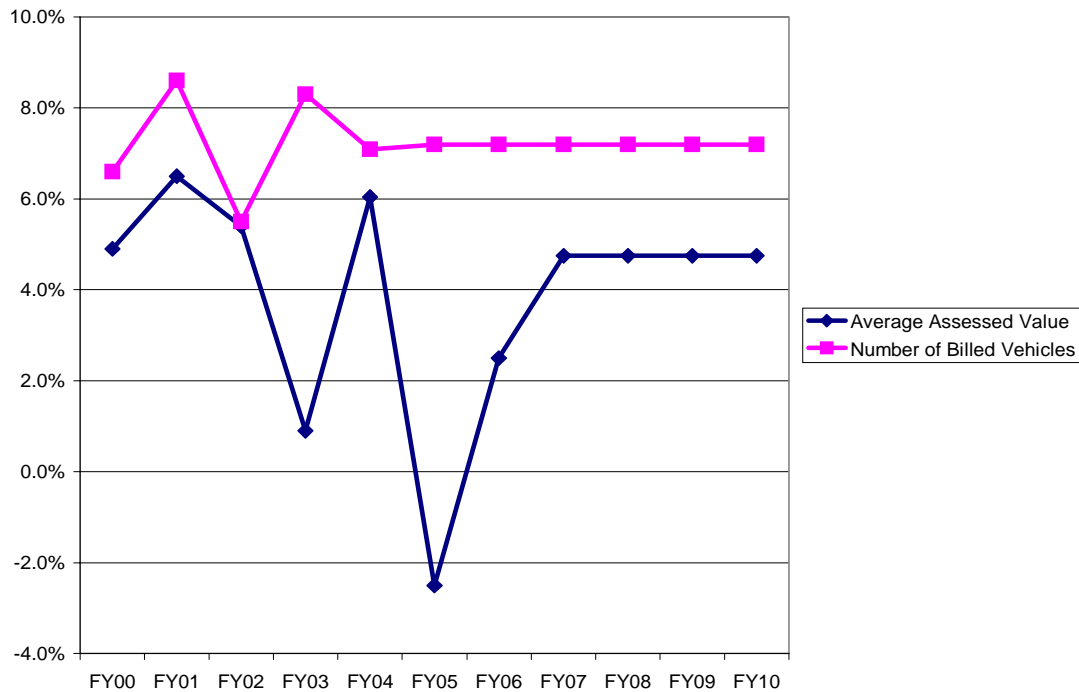
(a) – actual

Table 18. Percent Change in Number of Vehicle Units Billed

FY2001(a)	8.6%
FY2002(a)	5.5%
FY2003(a)	8.3%
FY2004(a)	7.1%
FY2005(a)	7.2%
FY2006	7.2%
FY2007	7.2%
FY2008	7.2%
FY2009	7.2%
FY2010	7.2%

(a) – actual

Figure 2. Annual Percent Changes in Average Assessed Vehicle Value and Number of Billed Vehicles



Housing Units

The increase in housing units has a direct effect on the number of vehicles in the County and a one-year lag on personal property tax revenue. The projected increase in owner-occupied and rental units for the prior fiscal year is multiplied by the projected average value of personal property per housing unit for revenue in the current fiscal year.

Business Personal Property Tax

The business portion of the personal property tax is levied on all general office furniture and equipment, machinery and tools, equipment used for research and development, heavy construction equipment, and computer equipment located in the County as of January 1st of each year. Each business is required to file a return annually declaring the item, its original cost, and year of purchase. Therefore, the assessed value is determined from its original cost, year of purchase, and use of the equipment.

The County has three depreciation schedules for the following classes of business equipment:

- General Business Equipment** - Assessed at 85% of its original cost in the year acquired. Thereafter, the percentage decreases by 10% increments. If still held after eight years, its assessed value remains constant at 10% of the original cost.
- Heavy Equipment** - Assessed at 80% of its original cost in the year acquired. Thereafter, the percentage decreases by 15% increments. If still held after five years, its assessed value remains constant at 10% of original cost.
- Computer Equipment and Peripherals** - Assessed at 50% of cost in the first year, 35% the second year, 20% the third year, 10% the fourth year, and 5% the fifth and subsequent years.

General business equipment and heavy equipment account for 68% and 16% of taxes on business equipment respectively. Taxes on computer equipment comprise the remaining 16%.

Revenue Summary

For the forecast period, taxes from business equipment are expected to increase by 6.8% - the same increase as in the most current year.

Personal Property Prior Year - 072

This account records changes to prior year personal property taxes as a result of changes in estimated allowance for uncollectible taxes. These revenues are slightly less than \$100,000 a year, and are therefore not addressed in as much detail as the major revenue sources.

Table 19. Revenue Forecast – Personal Property Prior Year - 072

Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$75,000	0.0%
FY2007	75,000	0.0%
FY2008	75,000	0.0%
FY2009	75,000	0.0%
FY2010	75,000	0.0%

Personal Property Deferrals - 081

If unpaid personal property taxes at the end of a fiscal year are less than at the beginning of that fiscal year, the amount of the reduction is recorded as revenue in personal property tax deferrals.

If unpaid personal property taxes at the end of a fiscal year are more than at the beginning of that fiscal year, the amount of the increase is recorded as negative revenue in personal property tax deferrals.

Table 20. Revenue Summary – Personal Property Deferrals - 081

Revenue History	Actual Revenue	Percent Change
FY1996	\$ 176,000	115.5%
FY1997	(1,150,000)	(753.4%)
FY1998	1,160,000	200.9%
FY1999	(1,805,000)	(255.6%)
FY2000	(15,000)	99.2%
FY2001	2,027,000	13,613.3%
FY2002	2,275,000	12.2%
FY2003	4,342,000	90.9%
FY2004	2,089,762	(51.9%)
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$ (560,000)	(126.8%)
FY2005 (revised estimate)	460,000	(78.0%)
Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$(850,000)	(284.8%)
FY2007	(1,650,000)	(94.1%)
FY2008	(1,825,000)	(10.6%)
FY2009	(2,000,000)	(9.6%)
FY2010	(2,100,000)	(5.0%)

The forecast includes the initiative approved by the Board of County Supervisors on December 10, 1996 to decrease the percentage of unpaid property taxes at fiscal year end as compared to the current year levy from 11% in FY 1996 to 6% in FY2003. With the adoption of the FY2002 budget, additional collection resources were provided to the Finance Department and the amount of unpaid property taxes as a percentage of the total levy was revised to 5.5% by FY2005.

At the end of FY2004, the percentage of unpaid property taxes compared to the FY2004 levy was 3.8%. The updated forecast for FY2005 is 3.3%, which is the County's best unpaid property tax rate since data was first collected in 1971. Continuing this trend, the FY2006 forecast assumes an unpaid property tax rate of 3.3%.

The revenue forecast is made by estimating collections of unpaid personal property taxes up to five years delinquent. This revenue category varies depending on the amount of unpaid taxes at the end of one year compared to the previous year due to:

1. voluntary payment of taxes,
2. County resources allocated to collection efforts, and
3. the success of those collection efforts.

Personal Property Penalties - Current Year - 170

The County assesses a 10% penalty on the late payment of personal property taxes.

Table 21. Revenue Summary – Personal Property Penalties – Current Year - 170

Revenue History	Actual Revenue	Percent Change
FY1996	\$1,205,980	12.5%
FY1997	1,465,331	21.5%
FY1998	1,437,635	(1.9%)
FY1999	1,088,512	(24.3%)
FY2000	1,167,455	7.3%
FY2001	1,327,065	13.7%
FY2002	1,339,702	1.0%
FY2003	1,543,641	15.2%
FY2004	1,662,928	7.7%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$1,513,000	(9.0%)
FY2005 (revised estimate)	1,513,000	0.0%
Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$1,637,000	8.2%
FY2007	1,240,000	(24.3%)
FY2008	1,501,000	21.0%
FY2009	1,790,000	19.3%
FY2010	2,091,000	16.8%

A significant decrease in personal property penalty revenue is forecast for FY2007. This is due to the revised PPTRA legislation discussed on page 25. Once enacted, the 10% personal property penalty on late payments will apply only to the local share of what is delinquent. The penalty will not apply to the portion paid by the Commonwealth.

Local Sales Tax Revenue

Local Sales Tax - 210

The County, by adopted ordinance, has elected to levy a 1% general retail sales tax to provide revenue for the general fund. This tax is levied on the retail sale or rental of tangible property, excluding motor vehicle sales and trailers, vehicle rentals, boat sales, gasoline sales, natural gas, electricity, and water, and the purchases by organizations that have received tax exemption.

The tax revenue is collected by the Virginia Department of Taxation, and is distributed to the County monthly. There is a two-month lag between the date of sale and the actual receipt of funds. For example, local sales taxes collected by businesses in November must be remitted to the Department of Taxation by the retail business no later than December 30th. The Department of Taxation then remits the sales tax to the locality in the third week of January. Despite the timing lag, sales tax revenues are accrued to the month in which they were collected by the businesses.

The four incorporated towns in the County share in the local sales tax based on the ratio of school age population in the towns to the school age population of the entire County based on the latest state-wide school census. The current formula deducts 1.095% from the County's gross tax to be sent to the four towns. Thus, the County realizes 98.91% of the monthly sales taxes collected.

Table 22. Revenue Summary – Local Sales Tax - 210

Revenue History	Actual Revenue	Percent Change
FY1996	21,913,545	1.7%
FY1997	23,496,367	7.2%
FY1998	24,569,784	4.6%
FY1999	26,498,998	7.9%
FY2000	29,036,130	9.5%
FY2001	31,603,038	8.8%
FY2002	33,443,678	5.8%
FY2003	35,223,965	5.3%
FY2004	40,721,074	15.6%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$40,860,000	0.3%
FY2005 (revised estimate)	44,560,000	9.4%
Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$48,125,000	8.0%
FY2007	51,975,000	8.0%
FY2008	56,133,000	8.0%
FY2009	60,623,000	8.0%
FY2010	65,473,000	8.0%

Prince William County's most recent two to three years' experience with sales tax has reflected a notably faster than normal pattern of annual growth. During the period of recession, in fiscal years 2000 through 2002, the County's sales tax grew at rates varying between 6% and 10%. This is a very comfortable growth rate during a recession. Since the beginning of FY2004 the County's sales tax has experienced growth in excess of 10% per year, including the first half of FY 2005.

Beginning in FY2004, the various surrounding jurisdictions started seeing improvements in their sales tax revenues. Most of the other Northern Virginia jurisdictions' 2004 sales tax revenue displayed healthy rates of growth when compared to the same period in the prior year:

Table 23. Percent of Sales Tax Change in Neighboring Jurisdictions, Compared to Same Period in Prior Year³

	2004			
	QTR 1	QTR 2	QTR 3	QTR 4#
Alexandria	9.6%	9.8%	3.5%	4.8%
Arlington	4.5%	9.9%	7.0%	4.7%
Fairfax County	13.3%	13.1%	4.9%	5.1%
Prince William County	26.0%	16.8%	10.0%	11.6%

Prince William County experienced significant positive growth in sales tax receipts in both calendar and FY2004.

Some of the factors believed to contribute to the County's consistent positive sales tax growth are:

- fewer "high-end retail" businesses,
- proportionately more discount retailers,
- continued strong construction of homes and businesses,
- low unemployment, and
- high levels of job stability.

Population Growth

The retail sales tax estimate is based on the population change in the County. The population increase is determined by the anticipated increase in new housing units for the forecast period as well as the average household size for each type of new housing unit constructed. The five-year projection includes population increases ranging from approximately 9,877 to 17,299 new residents in each year of the projection period. Population changes are expected to decline slowly over the five-year period as fewer new housing units are added. Nevertheless, this is a significant level of growth and has a definite impact on sales tax growth.

Table 24. Population Growth

Fiscal Year	Population Change	Estimated Population	Percent Change
FY2003		321,570	
FY2004	15,250	336,820	4.7%
FY2005	14,007	350,827	4.2%
FY2006	17,299	368,126	4.9%
FY2007	15,671	383,797	4.3%
FY2008	11,263	395,060	2.9%
FY2009	10,170	405,230	2.6%
FY2010	9,877	415,107	2.4%

³ Virginia Department of Taxation, Sales Tax Report, <http://www.tax.state.va.us/publications.htm>

Consumer Utility Revenue

Consumer Utility Tax - 220

The County levies a consumer utility tax on wired and cellular telephone service as well as electric and natural gas utilities. The County does not tax water and sewer services. Effective January 1, 2001, the Code of Virginia required the County to convert its existing tax on purchasers of natural gas and electricity from a dollar-based tax to a consumption-based tax.

The levy for electricity consumption based on kilowatt hours (kWh)⁴ is:

Residential users: \$1.40 minimum billing charge plus the rate of \$0.01509 on each kWh delivered monthly by a service provider not to exceed \$3.00 per month.

Commercial users: \$2.29 minimum billing charge plus the rate of \$0.013487 on each kWh delivered monthly to commercial consumers, not to exceed \$100.00 monthly.

The levy for natural gas consumption based on 100 units of cubic feet (CCF)⁵ is:

Residential consumers: \$1.60 minimum billing charge plus the rate of \$0.06 on each CCF delivered monthly to residential consumers, not to exceed \$3.00 per month.

Commercial consumers: \$3.35 minimum billing charge plus the rate of \$0.085 on each CCF delivered monthly to commercial consumers, not to exceed \$100.00 monthly.

The County also levies a consumer utility tax on telecommunication services. This includes wired telephone service and cellular phones.

The levy rate for wired telephone service (landline) is:

Residential consumers: 20% on the first \$15 per month of each customer's bill with a maximum charge of \$3 per month.

Commercial consumers: 20% on the first \$500 per month with a maximum charge of \$100 per month for each utility.

The levy rate for cellular phone service is the same for both residential and commercial customers. It is 10% on the first \$30 per month of each customer's mobile telephone bill; with a maximum charge of \$3 per month.

Since consumer utility taxes are capped, inflation is not a factor in the five year forecast.

⁴ Kilowatt hours (kWh) delivered means 1000 watts of electricity delivered in a one-hour period by an electric provider to an actual consumer, except that in the case of eligible customer-generators (sometimes called cogenerators) as defined in Va. Code § 56-594, it means kWh supplied from the electric grid to such customer-generators, minus the kWh generated and fed back to the electric grid by such customer-generators.

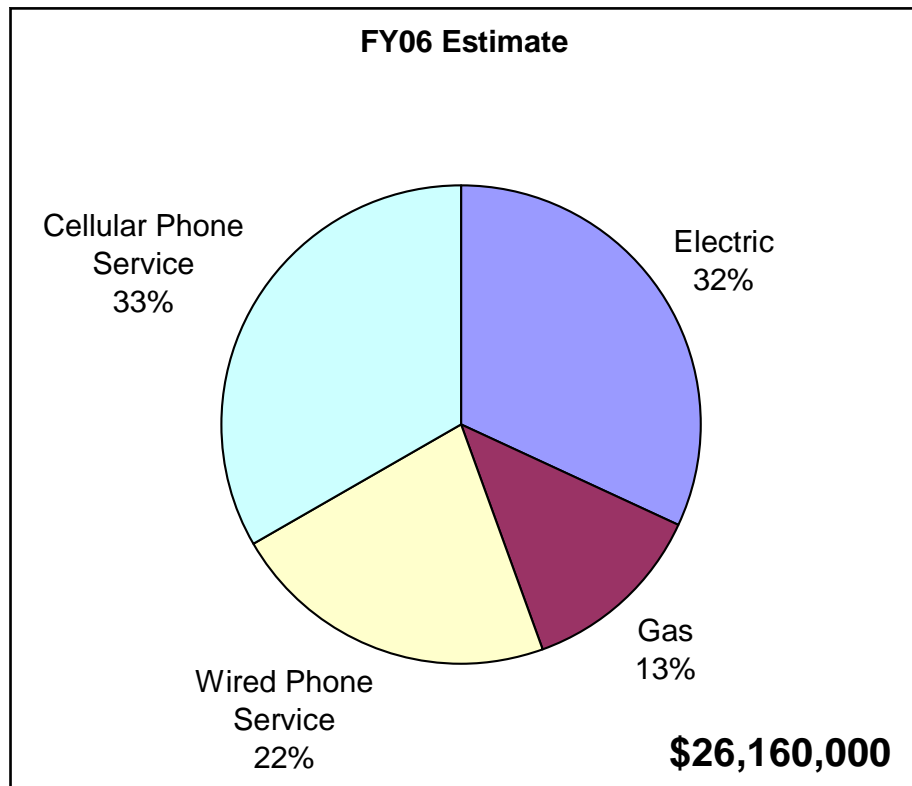
⁵ CCF means the volume of gas at standard pressure and temperature in units of 100 cubic feet.

Table 25. Revenue Summary – Consumer Utility Tax - 220

Revenue History	Actual Revenue	Percent Change
FY1995	\$11,983,462	4.5%
FY1996	12,394,172	3.4%
FY1997	13,780,132	11.2%
FY1998	14,170,595	2.8%
FY1999	14,702,407	3.8%
FY2000	16,210,493	10.3%
FY2001	17,806,197	9.8%
FY2002	19,246,918	8.1%
FY2003	20,257,043	5.2%
FY2004	22,869,727	12.9%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$25,153,000	10.0%
FY2005 (revised estimate)	24,300,000	6.3%
Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$26,160,000	7.7%
FY2007	27,910,000	6.7%
FY2008	29,920,000	7.2%
FY2009	31,630,000	5.7%
FY2010	33,510,000	5.9%

The forecast is comprised of four components: (1) electric, (2) gas, (3) wired telephone service, and (4) wireless phone service. The following chart shows the four components of consumer utility tax revenue projected for fiscal year 2006:

Figure 3. Four Major Categories of Consumer Utility Tax Revenue



Housing Units

A factor in forecasting consumer utility tax revenue is the expected number of housing units, including apartments. The following is the projected number of housing units over the 5-year forecast:

Table 26. Housing Units

	Housing Units	Change
FY2006	127,948	4.8%
FY2007	133,278	4.2%
FY2008	136,978	2.8%
FY2009	140,303	2.4%
FY2010	143,528	2.3%

Number of BPOL Filings

Another factor in forecasting consumer utility tax revenue is the number of businesses derived from BPOL filings and a projected rate of business growth. The following is the projected number of BPOL filers located in Prince William County with gross receipts greater than \$100,000 over the 5-year forecast:

Table 27. Projection of BPOL Filers Located in PWC with Gross Receipts Greater Than \$100,000

	Number of Businesses	Change
FY2006	4,624	4.00%
FY2007	4,763	3.00%
FY2008	4,894	2.75%
FY2009	5,016	2.50%
FY2010	5,129	2.25%

Percent Change in Wired Revenue

The consumer utility tax forecast also considers two components of telephone tax revenue: (1) wired and (2) wireless. Throughout the 1990's, second phone lines were common as more homes added internet access, fax machines and separate phones for work or individual family members. In FY02 and FY03, wired telephone revenue stagnated despite growth in housing units and businesses in the County. In FY04, wired telephone revenue decreased over 3% from FY03 as many households eliminated their second phone lines in favor of broadband Internet access and cellular telephones:

Verizon reported that 4.6% of its customers cut off their local phone lines, the result of a continuing shift toward cell phone-only households as well as the decline in second phone lines used for Internet access. The continuing declines are likely to increase further as cable companies such as Comcast deploy phone service. Morgan Stanley predicted earlier this month that line losses could hit 5% by year's end, as voice-over-Internet Protocol technologies take off.⁶

A multi-year trend analysis is the basis for the 5-year forecast. Future revenue is likely to decrease over the next few years as many homes substitute telephone landlines with wireless telecommunications and cable internet access. These revenues slowly begin to recover in FY09.

⁶ Scott Woolley, "Verizon Goes It Alone," [http://forbes.com/2005/01/27/cz_sw_0127verizon.html], 27 January 2005.

Table 28. Change in Wired Revenue Activity

	Change
FY2001(a)	6.41%
FY2002(a)	0.38%
FY2003(a)	0.61%
FY2004(a)	(3.13%)
FY2005(est.)	(3.65%)
FY2006	(4.00%)
FY2007	(3.00%)
FY2008	0.00%
FY2009	1.50%
FY2010	2.00%

(a) – actual

Cellular Phone Revenue

A five-year analysis of County revenue from taxes on cell phones shows an average growth rate of 46%. However, it is uncertain if this amount of growth can continue into the future due to market saturation as the FY2005 projected growth rate is 19%. The forecast for the next five fiscal years assumes a gradual decline in cellular revenue growth.

Table 29. Change in Cellular Phone Revenue Activity

	Change
FY2001(a)	50.64%
FY2002(a)	66.89%
FY2003(a)	11.16%
FY2004(a)	58.89%
FY2005(est.)	19.31%
FY2006	20.00%
FY2007	15.00%
FY2008	15.00%
FY2009	10.00%
FY2010	10.00%

(a) – actual

BPOL Tax Revenue – 235

The Business, Professional, and Occupational License (BPOL) tax is imposed on commercial and home occupational businesses operating in the County. The County has adopted a multiple tax rate schedule according to the type of business activity subject to the tax. Existing businesses are taxed on their prior calendar year gross receipts of \$100,000 and above. New businesses are taxed on an estimate of gross receipts \$100,000 and above for the current year. The BPOL tax is levied on both full-time as well as part-time businesses, as long as the business meets or exceeds the \$100,000 threshold.

The basis for fiscal year 2005 is gross revenue receipts from calendar year 2004. Therefore, forecasting 2005 gross receipts (FY2006) has a one-year lag in which actual prior year figures on which to base an estimate are unavailable.

Table 30. Revenue Summary – BPOL Tax Revenue - 235

Revenue History	Actual Revenue	Percent Change
FY1996	\$ 7,352,176	4.6%
FY1997	7,250,478	(1.4%)
FY1998	7,952,716	9.7%
FY1999	8,594,470	8.1%
FY2000	10,283,757	19.7%
FY2001	11,806,197	14.8%
FY2002	13,384,468	13.4%
FY2003	14,836,449	10.8%
FY2004	17,563,465	18.4%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$17,311,000	(1.4%)
FY2005 (revised estimate)	19,300,000	9.9%
Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$21,420,000	11.0%
FY2007	23,570,000	10.0%
FY2008	25,920,000	10.0%
FY2009	28,510,000	10.0%
FY2010	31,370,000	10.0%

Building and retailing represent approximately 70% of business license revenue. Contractors and developers must purchase building materials and furnishings for homes and commercial buildings on which sales tax is paid.

Investment Income - 0510

Investment income represents interest receipts, interest accrual, and gains or losses from the sale of investments for the County’s share of earnings on the “general” cash investment portfolio. The general portfolio consists of those funds that are not restricted. The general fund available cash constitutes approximately 63% of the total pooled investments. All funds are invested in accordance with the County’s investment guidelines of legality, safety, liquidity, and yield.

Table 31. Revenue Summary – Investment Income - 0510

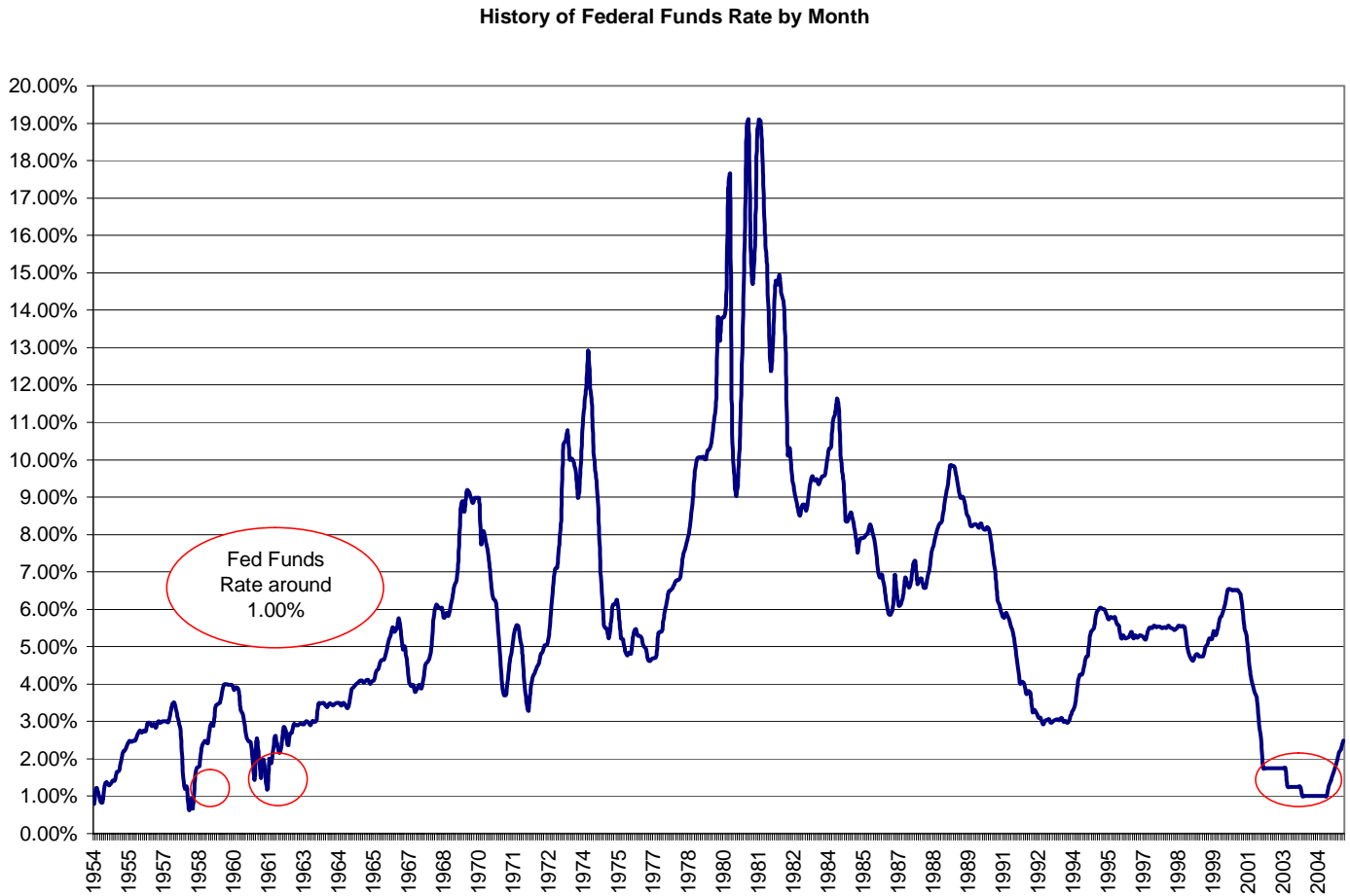
Revenue History	Actual Revenue	Percent Change
FY1996	\$ 8,077,038	23.4%
FY1997	7,642,069	(5.4%)
FY1998	8,364,953	9.5%
FY1999	6,788,336	(18.8%)
FY2000	9,479,253	39.6%
FY2001	11,809,529	24.9%
FY2002	7,442,158	(37.0%)
FY2003	5,358,898	(28.0%)
FY2004	2,999,989	(44.0%)
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$4,570,292	52.3%
FY2005 (revised estimate)	8,200,000	273.3%
Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$ 12,184,426	48.6%
FY2007	16,774,114	37.7%
FY2008	19,305,297	15.1%
FY2009	21,995,895	13.9%
FY2010	23,051,364	4.8%

To forecast investment income, the average portfolio yield and portfolio size are projected to determine the current or estimated future year’s investment revenue. The general fund share is calculated based on the prior year actual share of cash balances available to invest.

Portfolio Yield

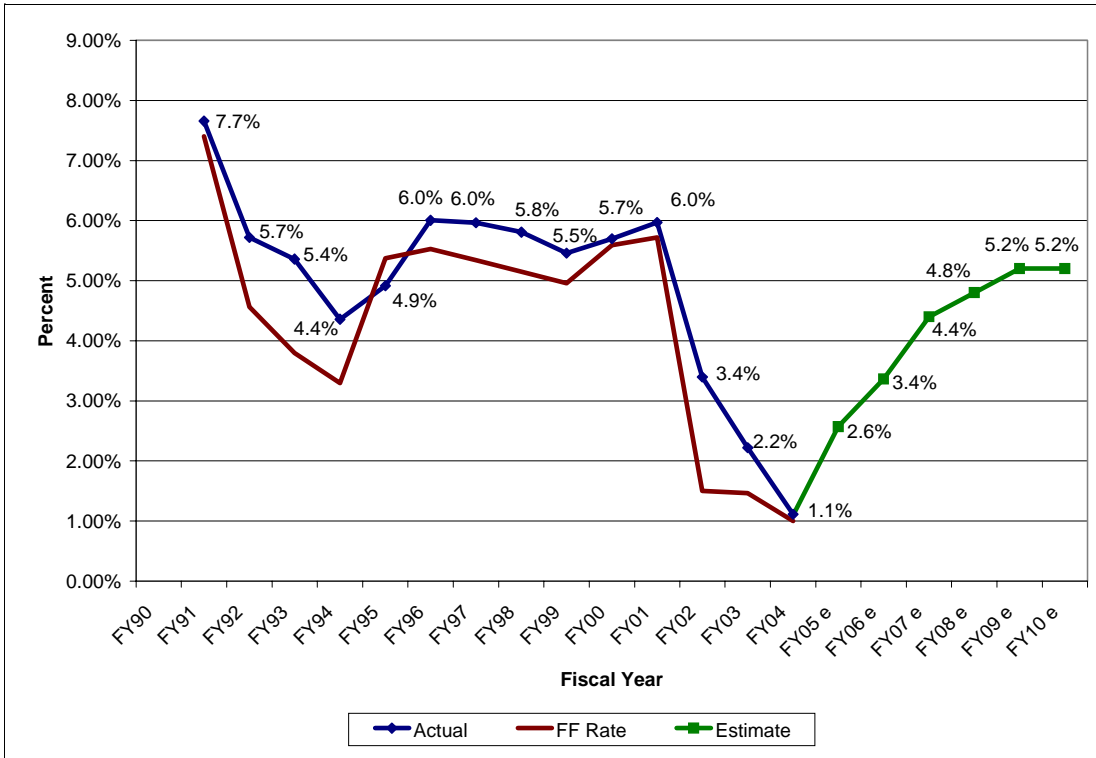
The Federal Reserve Board (Fed) pursued an exceptionally aggressive monetary policy throughout 2001 as a recession unfolded, which was led by plunges in business profits and capital spending. The Federal Reserve dropped the Fed Funds rate target by 475 basis points in 2001. The Federal Reserve made two additional cuts to the Fed Funds rate in November 2002 and June 2003 reducing the Fed Funds target rate to 1.00% - the lowest level since 1958. Beginning June 2004 the Federal Reserve increased the Fed Funds rate through February 2005 by 150 basis points to 2.5%. The following graph presents a history of the Fed Funds rate target since 1954, when the rate stood at record lows:

Figure 4. History of the Federal Funds Rate Target



The Federal Funds rate trend has a leading relationship to the average yield of Prince William County’s portfolio. The timing of securities purchases, cash flow requirements, the general interest rate environment at the time of purchasing securities, and the securities’ duration primarily determine the portfolio’s yield. The County’s general portfolio carries an asset mix that is held over a period of time based on yields that were available at the time of the purchases. The County’s portfolio yield does not change rapidly with swings in the market except to reflect the replacement of maturing securities at current market conditions. State laws and the County’s adopted investment policy govern the investment process, how funds can be invested, and which securities can be purchased. The following graph presents a history of the County’s portfolio yield as well as the projected yield for FY06-10 juxtaposed against the Fed Funds rate target:

Figure 5. Prince William County’s Portfolio Yield



Most forecasting sources provide interest rate information up to four quarters beyond current dates. Therefore, the final half of FY2006 is an estimate without authoritative source data as a basis for projection. The County’s portfolio yield projection for the final half of FY2005 and beyond is based on reasonable expectations that the Federal Funds rate will remain between 2.5% and 3.5% for the next six to twelve months as the economy continues to recover. Current economic forecasts indicate that the Federal Funds rate will continue to increase through the first and second quarter of calendar year 2005. The forecast for FY2006 and beyond is based on the assumption that the Federal Reserve Board will moderate its rate target over time to avert inflationary growth.

Portfolio Size

The average total dollar value of the portfolio is affected by the increase in County revenues. Therefore, the revenue forecast itself becomes a key determinate of interest income. The percentage growth in the size of the portfolio is based on 30% of the percentage increase in all general revenues, since a portion of the revenue increase is spent as a normal part of the County's cash flow during the year and is not available to invest. The following tables show the forecasted growth rate of revenues and 30% of that growth as the determining factor for the growth rate of the portfolio size.

Table 32. Growth Rate of Revenues and 30% Thereof for the Portfolio

	Growth Rate	30% of Growth Rate
FY2006	9.25%	2.78%
FY2007	8.67%	2.60%
FY2008	9.11%	2.73%
FY2009	8.40%	2.52%
FY2010	7.15%	2.15%

Table 33. Portfolio Size

	Value
FY2006	\$575,000,000
FY2007	605,126,766
FY2008	638,402,692
FY2009	671,425,360
FY2010	703,643,589

All Other Revenue Sources

All other revenue is detailed as follows in “Revenues Over \$1.5 Million” and “Revenues Under \$1.5 Million”, totaling “All Other Revenues” in Table 1.

Revenue Sources over \$1.5 Million

Interest on Taxes - 140

Delinquent personal property and real estate tax accounts incur interest at 10% of the unpaid amount the first year. Subsequent years are incurred at 10% or the Internal Revenue Service (IRS) delinquent tax rate, whichever is greater.

Table 34. Revenue Summary – Interest on Taxes -140

Revenue History	Actual Revenue	Percent Change
FY1996	\$1,640,921	(8.1%)
FY1997	2,013,275	22.7%
FY1998	1,761,208	(12.5%)
FY1999	2,302,737	30.7%
FY2000	2,310,126	0.3%
FY2001	2,027,000	(12.3%)
FY2002	2,049,420	1.1%
FY2003	2,003,030	(2.3%)
FY2004	1,303,362	(34.9%)
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$2,013,210	54.5%
FY2005 (revised estimate)	1,500,000	15.1%
Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$1,560,422	4.0%
FY2007	1,718,602	10.1%
FY2008	1,889,197	9.9%
FY2009	2,073,062	9.7%
FY2010	2,258,419	8.9%

The revenue estimate is computed by multiplying the fixed percentage of 0.32% by the combined estimate for gross current year real estate tax revenue and personal property tax revenue (excluding public service revenue).

Although the long-term historical average is 0.70%, recent history suggests the collection rate has improved, thereby decreasing interest on taxes revenue. Interest on taxes as a percentage of real estate and personal property tax revenues was 0.78% in FY01, 0.66% in FY02, 0.56% in FY03, and 0.32% in FY04.

Vehicle Decals - 250/259

The County levies a vehicle license fee of \$24 per year for each vehicle normally garaged or parked in the County. The decal must be renewed by October 5th and must be displayed no later than November 15th.

Table 35. Revenue Summary – Vehicle Decals - 250/259

Revenue History	Actual Revenue	Percent Change
FY1996	\$3,683,004	3.9%
FY1997	3,837,958	4.2%
FY1998	3,980,974	3.7%
FY1999	2,260,107	(43.2%)
FY2000	4,066,086	79.9%
FY2001	4,686,385	15.3%
FY2002	5,141,812	9.7%
FY2003	5,441,534	5.8%
FY2004	5,829,319	7.1%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$6,144,996	5.4%
FY2005 (revised estimate)	6,144,996	5.4%
Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$6,534,206	6.3%
FY2007	7,004,896	7.2%
FY2008	7,509,492	7.2%
FY2009	8,050,436	7.2%
FY2010	8,630,347	7.2%

The vehicle decal fees dropped 43% in FY99 due to the change in the decal due date and a \$10.00 decrease in the decal fee for FY99. After the transition period ended in FY 99, the decal fee reverted back to \$24 in FY00. The revenue has returned to previous years' levels and will continue to increase in conjunction with the projected growth in vehicles in the County.

The decal fee revenue forecast is derived by multiplying the decal fee by 90% of the estimated billable units in the County. Approximately 10% of the billable units are eligible for a free decal. This is done to account for the number of decals issued at no cost to residents moving to Prince William County who have a current decal from another Virginia jurisdiction.

Recordation Tax - 260

A recordation tax is levied when a legal instrument regarding real property such as a deed or deed of trust is recorded with the Clerk of the Circuit Court. This tax is charged for transfers in ownership of property, deeds of trust, and mortgage refinancings.

On April 28, 2004, approximately one week after the Board of County Supervisors adopted the Fiscal 2005 budget, the Commonwealth of Virginia increased the State recordation tax rate from \$0.15 per \$100 of value to \$0.25 per \$100 of value effective September 1, 2004. Section 58.1-814 of the Virginia Code grants Prince William County the authority to levy an optional, local recordation tax rate equal to one-third of the State recordation tax rate. Therefore, the local recordation tax rate increased from \$0.05 per \$100 of value to \$0.083 per \$100 of value. The forecast depicted below reflects only Prince William County's share of recordation tax revenues.

Table 36. Revenue Summary – Recordation Tax - 260

Revenue History	Actual Revenue	Percent Change
FY1996	\$ 1,305,225	12.4%
FY1997	1,353,238	3.7%
FY1998	1,733,097	28.1%
FY1999	2,033,815	17.4%
FY2000	2,119,681	4.2%
FY2001	2,815,940	32.8%
FY2002	4,272,952	51.7%
FY2003	6,473,394	51.5%
FY2004	7,937,447	22.6%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$ 5,770,000	(27.3%)
FY2005 (revised estimate)	13,565,000	70.9%
Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$12,050,000	(11.2%)
FY2007	12,100,000	0.4%
FY2008	12,380,000	2.3%
FY2009	12,770,000	3.2%
FY2010	13,150,000	3.0%

Recordation tax revenues have soared since fiscal year 2002 due to growing home sales and mortgage refinancings. Low mortgage rates drove much of this activity. According to the Mortgage Bankers Association of America (MBA), the average 30-year fixed mortgage rate in 2004 was 5.8% which is unchanged from the 2003 average of 5.8%.⁷

Although mortgage rates are not expected to increase substantially in 2005, mortgage refinancings are expected to decline. MBA forecasts that refinancings as a percentage of total mortgage originations will decrease from 44% in 2004 to 39% in 2005.⁸ This represents an 11% decrease in revenues generated by refinancings.

Fiscal 2005 revenues are projected to exceed the adopted budget by nearly \$8 million. This is attributed to the recordation tax rate increase approved by the Commonwealth of Virginia after the Board of County Supervisors adopted the Fiscal 2005 budget as well as record-setting home sales volume. The FY2006 revenue forecast anticipates recordation tax revenues to decrease in FY2006 due to the expected decline in mortgage refinancings as interest rates increase. Thereafter, revenues will gradually increase as the sales of new and existing homes appreciate in value.

⁷ MBA Long-term Mortgage Finance Forecast, January 21, 2005, Mortgage Bankers Association of America

⁸ Ibid

On October 26, 2004, the Board of County Supervisors adopted Resolution 04-1034, which earmarks a portion of recordation tax revenues for transportation purposes in the County. Beginning in FY06, recordation tax revenues generated by the rate increase of \$0.033 in addition to 56.75% of recordation tax revenues generated from the base rate of \$0.05 will be used to improve County roads. The remaining amount of recordation tax revenue is retained by the County government as general revenue. The following table identifies the portion of recordation tax revenues designated for transportation and general revenue use in each year of the five-year forecast:

Table 37. Revenue Summary – Recordation Tax Designated for Transportation and General Revenue Use

Forecast Revenue	Recordation Tax Revenue for Transportation Use	General County Government Revenue	Total Recordation Tax Revenue
FY2006	\$8,910,000	\$3,140,000	\$12,050,000
FY2007	8,950,000	3,150,000	12,100,000
FY2008	9,150,000	3,230,000	12,380,000
FY2009	9,440,000	3,330,000	12,770,000
FY2010	9,720,000	3,430,000	13,150,000

Tax on Deeds - 261

The tax on deeds is imposed when real estate deeds of conveyance (not deeds of trust) are recorded with the Clerk of the Circuit Court. The tax on deeds is levied when:

- property ownership changes
- property ownership is conveyed in any manner
- a legal instrument is recorded with a transfer amount

The tax on deeds rate is \$1.00 per \$1,000 of value. The State and locality each receive half of the revenue generated by this tax (equal to \$0.50 per \$1,000 of value). The revenue forecast depicted below reflects only Prince William County's share of revenues.

Table 38. Revenue Summary – Tax on Deeds - 261

Revenue History	Actual Revenue	Percent Change
FY1999	\$ 735,280	
FY2000	936,541	27.4%
FY2001	1,183,922	26.4%
FY2002	1,581,489	33.6%
FY2003	2,098,654	32.7%
FY2004	2,775,718	32.3%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$3,200,000	15.3%
FY2005 (revised estimate)	3,900,000	40.5%
Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$4,290,000	10.0%
FY2007	4,590,000	7.0%
FY2008	4,820,000	5.0%
FY2009	5,061,000	5.0%
FY2010	5,314,000	5.0%

Revenue Summary

Revenue growth attributed to tax on deeds is expected to slow in FY06 as mortgage rates are projected to exceed 6.5%. Despite the projected increase in mortgage rates, the FY06 forecast assumes consistent home sales from the prior year due to the following supply and demand factors:

- Job growth in the Washington-metro area will continue due primarily to national defense spending. According to Stephen Fuller, regional economist and professor at George Mason University, “Job growth this year (2005) will exceed that of last year. Last year, we created 72,000 jobs here. This year, it’ll be more like 75,000 to 78,000.”⁹
- Most developers are entering 2005 with homes already sold six to nine months before they are built.

With consistent home sales projected for FY06, the projected revenue growth is attributed to home price appreciation during the fiscal year (July 2005-June 2006).

Cable TV Fees - 390

The cable franchise fee is a tax based on cable company gross receipts. This fee is not a regulatory fee, but a general revenue tax authorized by Congress in 1984. On July 1, 1996, the Board of County Supervisors adopted a 3% cable television franchise fee for the FY97 budget. The Code of Virginia (§ 58.1-3818.3) authorizes the County to adopt by ordinance a franchise fee at a maximum rate of 5%. The Board of County Supervisors approved an increase from 3% to 5% effective July 1, 1997.

Table 39. Revenue Summary – Cable TV Fees - 390

Revenue History	Actual Revenue	Percent Change
FY1995	N/A	--
FY1997	\$ 921,998	--
FY1998	1,698,796	84.3%
FY1999	1,770,700	4.2%
FY2000	1,945,980	9.9%
FY2001	2,243,491	15.3%
FY2002	3,149,770	40.4%
FY2003	2,700,496	(14.3%)
FY2004	2,957,028	9.5%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2005 (adopted budget)	\$3,142,244	6.3%
FY2005 (revised estimate)	3,142,244	6.3%
Forecast Revenue	Revenue Estimate	Percent Change
FY2006	\$3,520,000	12.0%
FY2007	3,780,000	7.4%
FY2008	4,050,000	7.1%
FY2009	4,320,000	6.7%
FY2010	4,600,000	6.5%

The revenue forecast is based on the expected increase of new housing units and growth of cable TV services and rates. Revenue in FY2003 and FY2004 was down approximately \$450,000 and \$550,000 respectively because of federal government action resulting in the loss of fees charged by cable service providers on internet access charges. These changes are reflected in the FY06-10 revenue forecast.

⁹ Daniela Deane, *Can Anything Stop The Housing Market*, The Washington Post, January 1, 2005, p. F01.

Revenue Sources Under \$1.5 Million

Listed below are several County general revenue sources estimated to be less than \$1.5 million each. Even though these sources sometimes have large changes in revenue on a percentage basis, such changes have an insignificant impact on revenues throughout the forecast period. For fiscal years 2006 – 2010, most revenue categories are increased annually except as noted in the individual revenue sources. The forecast and a description of each revenue source follows.

Table 40. Miscellaneous Revenue Sources

Revenue Source	Actual FY2002	Actual FY2003	Actual FY2004	Revised Estimate FY2005	Estimated 2006
Daily Rental Equipment Tax - 215	\$ 233,398	\$ 150,115	\$ 181,105	\$ 190,000	\$ 197,472
Bank Franchise Tax – 230	530,610	431,518	554,317	589,784	572,075
BPOL Taxes- Public Service–236	852,364	999,960	1,029,124	1,060,000	1,278,522
Transient Occupancy Tax – 270	854,149	854,749	942,967	1,061,845	1,227,259
Misc. Business Licenses - 380	4,800	5,600	4,800	0	0
Interest Paid to Vendors – 520	(218,872)	(258,025)	(230,455)	(238,182)	(293,974)
Interest Paid on Refunds – 521	(70,202)	(54,822)	(20,116)	(85,196)	(43,662)
ABC Profits – 1301 *	743,942	408,473	340,042	340,000	357,000
State Wine Tax – 1302 *	385,761	306,626	258,705	280,000	294,000
Rolling Stock Tax – 1303	81,764	79,533	74,142	80,327	84,343
Passenger Car Rental Tax – 1304	557,898	543,238	480,919	548,670	576,104
Mobile Home Titling Tax – 1305	86,484	54,098	79,836	54,639	57,371
Federal Pymt in Lieu of Taxes - 1700	76,622	39,413	66,679	51,039	80,607
Other Revenue – 1150, 514	4,889	5,732	(357)	11,759	4,016
Total Miscellaneous Revenue	\$4,123,607	\$3,566,208	\$3,761,708	\$3,944,685	\$4,391,133

*See following description

Daily Rental Equipment Tax - 215

The County levies a daily rental tax of 1% on certified short-term rental businesses. The tax applies to businesses that rent items held by users for less than 91 consecutive days. Examples of such businesses include bowling alleys, video rental stores, hardware stores, and equipment rental stores. They are required to collect 1% of the daily rent and remit it to the County quarterly.

Bank Franchise Tax - 230

The County levies a bank franchise tax on the net capital of each bank, trust, or bank holding company, excluding savings banks, which operate in the County. The tax is based on 0.8% of the net capital multiplied by the percentage of deposits on hand at that branch compared to its statewide deposits. The Virginia Department of Taxation audits the tax.

BPOL Taxes - Public Service - 236

The Business, Professional, and Occupational License (BPOL) tax is imposed on public utility companies that operate in the County. The tax of \$0.29/\$100 of assessed value was identical to the County's BPOL tax on other businesses, but is authorized under separate statutes. The Commonwealth repealed the tax for electric companies and replaced them with the Corporate Net Income Tax and the declining Consumption Tax. The State set the latter at a maximum of \$0.50/\$100 of assessed value. If a locality's rate is below the maximum, the State receives the difference. Therefore, the Board of County Supervisors increased this tax only for electric companies from \$0.29/\$100 of assessed value to \$0.50/\$100 of assessed value effective January 1, 2001.

Transient Occupancy Tax - 270

The County levies a transient occupancy tax of 5% of the amount charged for the occupancy of hotels, motels, boarding houses and travel campgrounds. However, charges for rooms rented by the same individual or group for thirty or more days are exempt. This tax also does not apply to miscellaneous charges such as in room telephone usage, movie rentals, etc. The tax is remitted directly to the County on a quarterly basis in August, November, February, and May by hotels, motels and campgrounds. The general revenue share of this tax is 40%. The remaining 60% is budgeted for tourism-related purposes such as the Convention Visitors' Bureau (CVB). Board appropriation is based on requirements submitted by the CVB. The Transient Occupancy tax is based on forecasts for number of hotel rooms in the County, occupancy rates, and room rates.

Miscellaneous Business Licenses - 380

The County levies a business license fee to trash haulers and septic tank installers operating in the County. The Public Health Department issues these licenses. This has been reclassified as other revenue.

Interest Paid to Vendors - 520

When a vendor with whom the County does business overpays for any reason, or when a performance bond is repaid to a developer, the refunded amount includes interest. This interest is recorded as negative revenue.

Interest Paid on Refunds - 521

The County must pay interest on taxpayer refunds based on delinquent taxes that were erroneously assessed. This interest is recorded as negative revenue.

ABC Profits - 1301

Two-thirds of Alcohol Beverage Control Commission (ABC) store profits are distributed quarterly to counties, cities, and towns based on the locality's percentage of total State population from the latest census. Three subtractions are made from ABC profits before distribution: (i) costs of care and rehabilitation, (ii) payments to the State for its provision of general fund services, and (iii) warehouse costs. During FY2003 the State reduced the locality share of this tax by 50% because of State revenue shortfalls.

State Wine Tax - 1302

The State wine tax is a tax levied on each bottle of wine sold in ABC stores and all retail outlets. The tax rate is \$0.40 per liter. Sixty-six percent of the wine tax collected is retained by the State, twelve percent is kept by the ABC, and twenty-two percent is distributed quarterly to counties, cities and towns based on the locality's percentage of total State population from the latest census. The State reduced the localities' share of this tax by 50% in FY2003 because of State revenue shortfalls.

Rolling Stock Tax - 1303

The rolling stock of railroads, freight car companies and certified vehicle carriers doing business in the state is taxed at the rate of \$1.00 on each \$100 of assessed value. This tax is levied in lieu of the personal property tax. Revenues are distributed to counties, cities, and incorporated towns based on: (i) the percentage of track miles located in the locality versus the State-wide total or (ii) vehicle miles operated by a carrier in the locality versus the State-wide total. The State reduced the localities' share of this tax by 50% in FY2003 because of State revenue shortfalls.

Passenger Car Rental Tax - 1304

Automobiles rented on a daily basis are often moved from location to location and have no fixed sites for personal property taxation. In lieu of the local personal property tax, the Department of Motor Vehicles collects a tax for short-term rentals from leasing companies located in the County. The State remits four percent of the rental fee for passenger cars rented for less than twelve months to the County.

Mobile Home Titling Tax - 1305

The Mobile Home Titling Tax is a 3% tax on mobile homes titled in the Commonwealth. The vendor pays the tax to the Department of Taxation who remits it to the locality where the home is registered.

Federal Payment in Lieu of Taxes - 1700

The Federal Government owns a substantial amount of land in Prince William County. Because land owned by the Federal Government is not taxable by the County, the Federal Government makes a payment in lieu of taxes to the County.

All Funds Revenue Summary

Department / Agency	FY 02 Adopted Revenue Bud.	FY 03 Adopted Revenue Bud.	FY 04 Adopted Revenue Bud.	FY 05 Adopted Revenue Bud.	FY 06 Adopted Revenue Bud.	% Change FY 05 to FY 06
SECTION ONE: GENERAL FUND REVENUE SUMMARY:						
General Governmental:						
Office Of Executive Management	\$0	\$0	\$0	\$400,000	\$692,000	73.00%
County Attorney	\$144,186	\$244,186	\$195,186	\$195,186	\$195,186	0.00%
Sub Total	\$144,186	\$244,186	\$195,186	\$595,186	\$887,186	49.06%
Administration:						
Finance	\$1,102,350	\$1,020,323	\$1,086,099	\$1,163,190	\$1,190,332	2.33%
Human Rights Office	\$25,000	\$25,000	\$61,000	\$61,000	\$61,000	0.00%
Off Of Information Technology	\$132,400	\$132,400	\$132,400	\$132,400	\$132,400	0.00%
General Registrar	\$90,523	\$83,773	\$71,092	\$71,092	\$104,168	46.53%
Sub Total	\$1,350,273	\$1,261,496	\$1,350,591	\$1,427,682	\$1,487,900	4.22%
Judicial Administration:						
Clerk Of The Court	\$2,735,852	\$3,127,366	\$3,685,841	\$3,863,085	\$5,288,370	36.89%
Commonwealth's Attorney	\$1,538,396	\$1,600,702	\$1,599,089	\$1,635,589	\$1,723,321	5.36%
Criminal Justice Services	\$1,112,484	\$1,119,602	\$982,197	\$995,955	\$1,004,955	0.90%
Juvenile Court Service Unit	\$77,269	\$93,145	\$94,189	\$265,051	\$180,026	-32.08%
General District Court	\$1,434,500	\$1,584,500	\$1,584,500	\$1,624,500	\$1,717,930	5.75%
Juvenile & Domestic Relations Court	\$63,000	\$63,000	\$51,943	\$51,943	\$51,943	0.00%
Law Library	\$110,806	\$110,806	\$110,806	\$110,806	\$110,806	0.00%
Sub Total	\$7,072,307	\$7,699,121	\$8,108,565	\$8,546,929	\$10,077,351	17.91%
Planning And Development:						
Economic Development	\$14,130	\$14,130	\$14,130	\$14,130	\$14,130	0.00%
Planning	\$2,261,547	\$2,375,901	\$2,543,254	\$2,908,463	\$3,385,449	16.40%
Public Works	\$7,628,545	\$8,901,431	\$10,550,292	\$12,152,025	\$13,727,176	12.96%
Sub Total	\$9,904,222	\$11,291,462	\$13,107,676	\$15,074,618	\$17,126,755	13.61%
Public Safety:						
Fire And Rescue	\$476,072	\$587,520	\$527,572	\$868,504	\$1,094,791	26.05%
Public Safety Communications	\$2,394,321	\$3,882,839	\$3,841,359	\$3,888,488	\$3,952,509	1.65%
Sheriff	\$2,042,526	\$2,256,283	\$2,315,686	\$2,372,222	\$2,472,061	4.21%
Police	\$8,331,208	\$8,402,936	\$8,695,487	\$9,025,615	\$10,471,633	16.02%
Sub Total	\$13,244,127	\$15,129,578	\$15,380,104	\$16,154,829	\$17,990,994	11.37%
Human Services:						
Community Services Board	\$10,439,127	\$11,123,421	\$10,563,610	\$11,169,283	\$11,811,015	5.75%
Extension & Continuing Ed.	\$367,502	\$414,484	\$479,858	\$498,449	\$368,736	-26.02%
Office On Youth (B)	\$107,410	\$5,000	\$5,000	\$5,000	\$325,400	6408.00%
School Age Care (B)	\$280,281	\$288,481	\$292,181	\$306,431	\$0	-100.00%
Area Agency On Aging	\$1,067,574	\$1,168,869	\$1,126,031	\$1,237,099	\$1,246,146	0.73%
At Risk Youth And Family Services	\$3,085,993	\$3,833,773	\$4,538,941	\$4,499,026	\$4,914,075	9.23%
Public Health	\$215,619	\$243,873	\$261,870	\$251,962	\$222,665	-11.63%
Social Services	\$19,053,007	\$19,884,510	\$19,467,875	\$21,301,089	\$21,121,178	-0.84%
Sub Total	\$34,616,513	\$36,962,411	\$36,735,366	\$39,268,339	\$40,009,215	1.89%
Library:						
Library	\$2,885,012	\$2,873,778	\$2,760,530	\$2,790,321	\$2,962,389	6.17%
Sub Total	\$2,885,012	\$2,873,778	\$2,760,530	\$2,790,321	\$2,962,389	6.17%

All Funds Revenue Summary (Cont.)

Department / Agency	FY 02 Adopted Revenue Bud.	FY 03 Adopted Revenue Bud.	FY 04 Adopted Revenue Bud.	FY 05 Adopted Revenue Bud.	FY 06 Adopted Revenue Bud.	% Change FY 05 to FY 06
Debt / CIP:						
General Debt	\$858,004	\$1,002,137	\$1,901,132	\$2,584,233	\$2,530,757	-2.07%
Sub Total	\$858,004	\$1,002,137	\$1,901,132	\$2,584,233	\$2,530,757	-2.07%
Non-Departmental:						
Unclassified Administrative	\$1,946,736	\$3,339,934	\$4,637,358	\$8,096,825	\$12,730,878	57.23%
General Revenues	\$395,086,000	\$456,068,000	\$513,124,072	\$572,064,427	\$641,831,187	12.20%
Transfers In	\$3,247,673	\$3,568,726	\$6,157,996	\$3,405,700	\$4,302,681	26.34%
Sub Total	\$400,280,409	\$462,976,660	\$523,919,426	\$583,566,952	\$658,864,746	12.90%
Total General Fund Revenue	\$470,355,053	\$539,440,829	\$603,458,576	\$670,009,089	\$751,937,293	12.23%
SECTION TWO: NON GENERAL FUND REVENUE SUMMARY:						
Special Revenue Funds:						
Trans. To P.R.T.C.	\$1,813,768	\$1,913,768	\$2,417,808	\$565,215	\$2,000,800	253.99%
Commuter Rail Station Parking	\$101,823	\$101,823	\$101,823	\$101,823	\$101,823	0.00%
Comm. parking lease rev bond debt	\$1,516,453	\$1,523,846	\$1,518,023	\$1,518,938	\$1,526,522	0.50%
Adult Detention Center	\$17,058,687	\$20,162,467	\$21,576,582	\$24,039,724	\$26,307,488	9.43%
Lake Jackson Service Dist.	\$53,000	\$55,000	\$60,550	\$68,600	\$88,550	29.08%
Bull Run Mountain Serv. Dist. (A)	\$0	\$0	\$0	\$100,000	\$127,500	27.50%
Woodbine Forest Service District	\$5,544	\$3,462	\$0	\$0	\$0	---
Foremost Court Service District	\$4,232	\$4,577	\$5,346	\$5,788	\$0	-100.00%
Circuit Court Service District	\$0	\$0	\$5,728	\$5,963	\$6,100	2.30%
Spc tax dist;Gypsy Moth/Mosq ctrl	\$809,880	\$810,000	\$1,107,534	\$1,200,000	\$1,037,745	-13.52%
P. W. Parkway Trans Imprv Dst.	\$971,940	\$1,102,160	\$1,151,420	\$1,222,080	\$1,477,920	20.93%
234 Bypass Trans Imprv Dst	\$52,846	\$61,654	\$73,474	\$87,932	\$117,684	33.84%
Stormwater Management	\$5,069,820	\$5,325,364	\$6,494,880	\$7,039,644	\$7,697,581	9.35%
Housing & Community Dev.	\$4,047,494	\$16,598,749	\$20,875,539	\$23,753,022	\$23,983,545	0.97%
Total Special Revenue Funds	\$31,505,487	\$47,662,870	\$55,388,707	\$59,708,729	\$64,473,258	7.98%
Capital Projects Fund:						
Capital Improvement Projects	\$20,217,115	\$21,865,452	\$149,506,389	\$45,650,009	\$107,556,646	135.61%
Total Capital Projects Fund	\$20,217,115	\$21,865,452	\$149,506,389	\$45,650,009	\$107,556,646	135.61%
Enterprise Fund:						
Public Works; Solid Waste	\$11,071,000	\$11,302,200	\$11,911,000	\$13,842,000	\$14,666,391	5.96%
Bull Run Mountain Serv. Dist. (A)	\$67,500	\$75,000	\$83,500	\$0	\$0	---
Innovation @ Prince William	\$330,750	\$10,000	\$0	\$0	\$0	---
Occoquan Forest Sanitary Dist.	\$238,848	\$0	\$0	\$0	\$0	---
Total Enterprise Fund	\$11,708,098	\$11,387,200	\$11,994,500	\$13,842,000	\$14,666,391	5.96%
Internal Service Funds:						
Public Works; Fleet Management	\$3,290,307	\$3,410,934	\$3,750,838	\$4,082,069	\$4,898,085	19.99%
OIT; Data Processing	\$9,032,437	\$11,425,587	\$12,200,659	\$12,954,432	\$14,607,025	12.76%
Medical Insurance	\$0	\$14,218,000	\$17,343,000	\$21,183,000	\$25,453,000	20.16%
Public Works; Small Proj. Const.	\$1,725,563	\$1,757,849	\$1,832,345	\$2,004,993	\$2,150,574	7.26%
Total Internal Service Funds	\$14,048,307	\$30,812,370	\$35,126,842	\$40,224,494	\$47,108,684	17.11%
Fire And Rescue Levy Funds:						
Fire and Rescue Levy Total	\$12,902,795	\$16,330,925	\$19,320,516	\$21,494,647	\$24,345,689	13.26%
Total Fire & Rescue Levy Funds	\$12,902,795	\$16,330,925	\$19,320,516	\$21,494,647	\$24,345,689	13.26%

All Funds Revenue Summary (Cont.)

Department / Agency	FY 02 Adopted Revenue Bud.	FY 03 Adopted Revenue Bud.	FY 04 Adopted Revenue Bud.	FY 05 Adopted Revenue Bud.	FY 06 Adopted Revenue Bud.	% Change FY 05 to FY 06
Schools:						
Operating Fund	\$411,982,748	\$461,221,755	\$510,105,909	\$562,364,753	\$644,093,636	14.53%
School Debt Service Fund	\$28,273,092	\$33,139,009	\$38,127,720	\$44,344,057	\$48,429,423	9.21%
Construction Fund	\$59,129,000	\$95,640,000	\$96,285,000	\$58,080,418	\$73,500,000	26.55%
Food Service Fund	\$15,234,432	\$17,048,744	\$18,478,722	\$21,097,174	\$23,926,748	13.41%
Warehouse	\$3,125,000	\$3,125,000	\$3,600,000	\$4,250,000	\$4,250,000	0.00%
Facilities Use Fund	\$346,671	\$467,404	\$510,331	\$505,666	\$539,697	6.73%
Self Insurance Fund	\$3,211,810	\$4,135,081	\$3,362,504	\$3,601,101	\$3,865,890	7.35%
Health Insurance Fund	\$23,171,499	\$24,761,814	\$34,485,421	\$40,023,848	\$46,072,631	15.11%
Regional School Fund	\$14,883,664	\$18,760,155	\$19,936,393	\$20,512,009	\$23,931,294	16.67%
Total Schools	\$559,357,916	\$658,298,962	\$724,892,000	\$754,779,026	\$868,609,319	15.08%
Grand Total All Funds	\$1,120,094,771	\$1,325,798,608	\$1,599,687,530	\$1,605,707,994	\$1,878,697,280	17.00%

(A) The Bull Run Mountain Service District budget has been reclassified from a Proprietary Fund Type to a Special Revenue Fund Type per GASB Fund Type definition.

(B) School Age Care was merged into the Office on Youth for FY 2006.