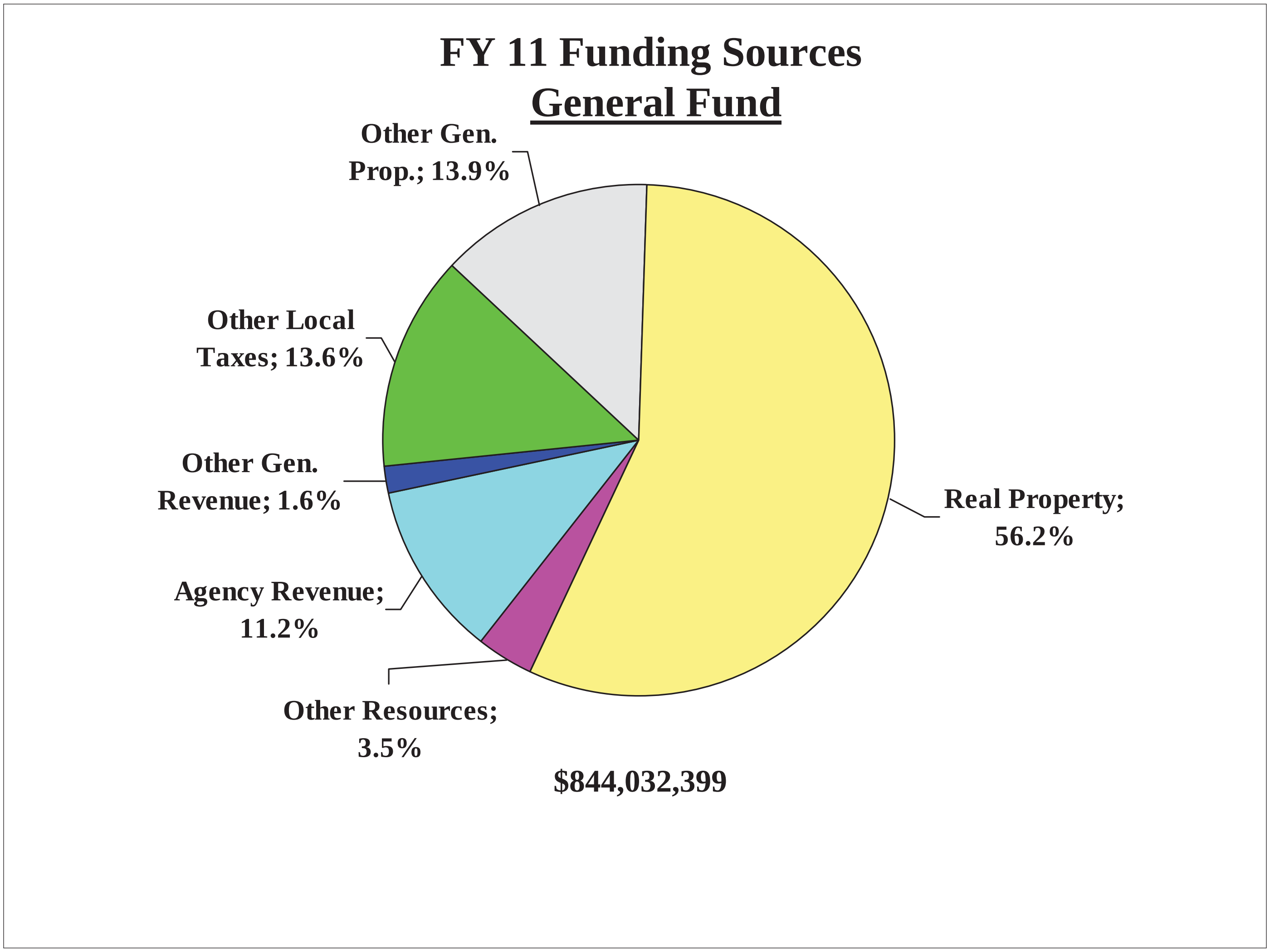
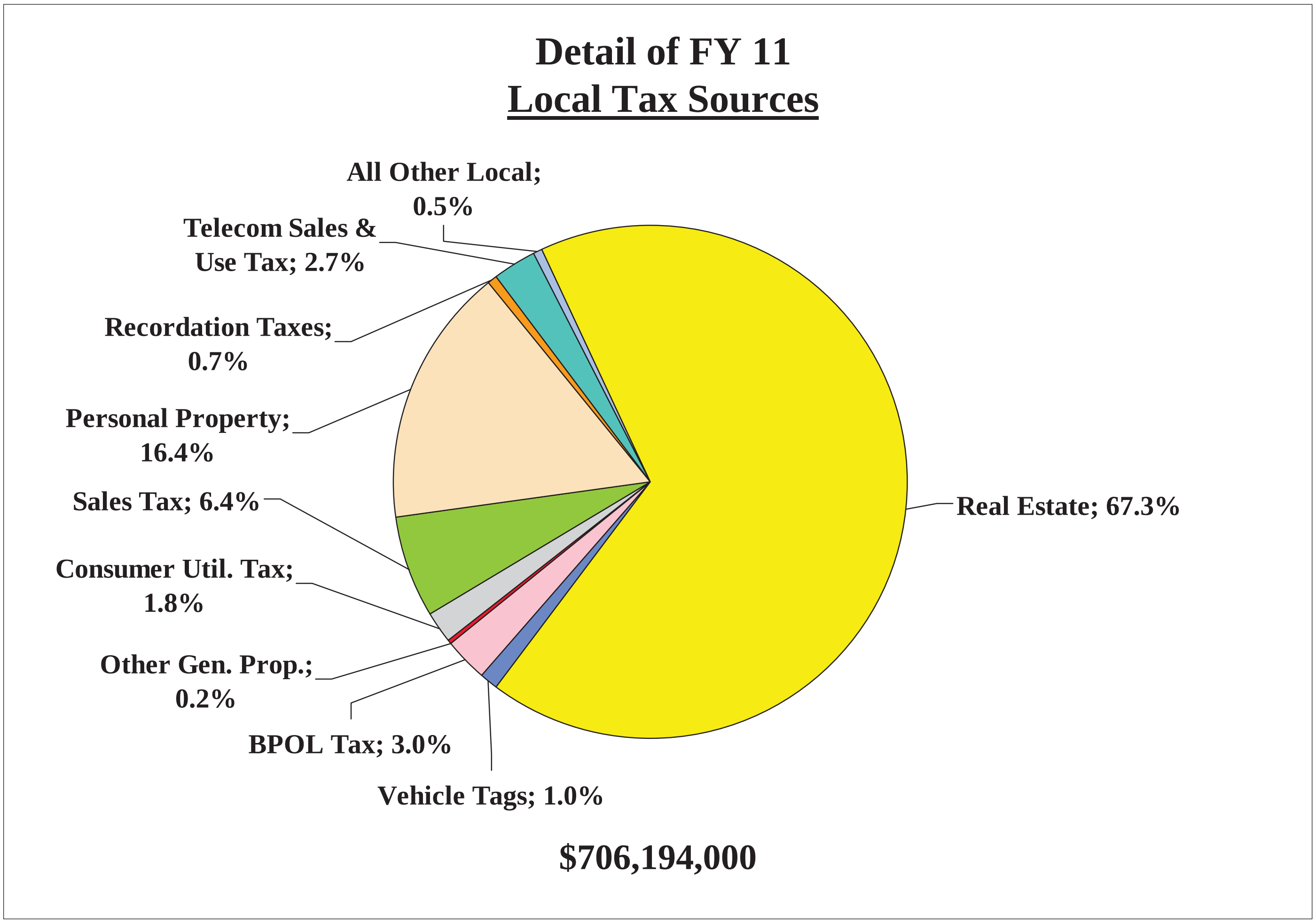
The General Fund accounts for all financial transactions and resources in Prince William County other than those required to be accounted for in another Fund. Thus, the General Fund is the largest and most important fund used by the County. The General Fund is divided into revenues and expenditures. This pie chart shows all FY 11 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 (56.2%) comes from Real Property Taxes. This source contains revenues received from the County's real estate. The next largest sources are other General Property (13.9%) and other local taxes (13.6%). 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. Other General Property contains revenue from such sources as Personal Property and interest in taxes. Agency Revenue (11.2%) 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 four pieces of the pie, when added together, make up 94.9% of total funding sources in the General Fund.

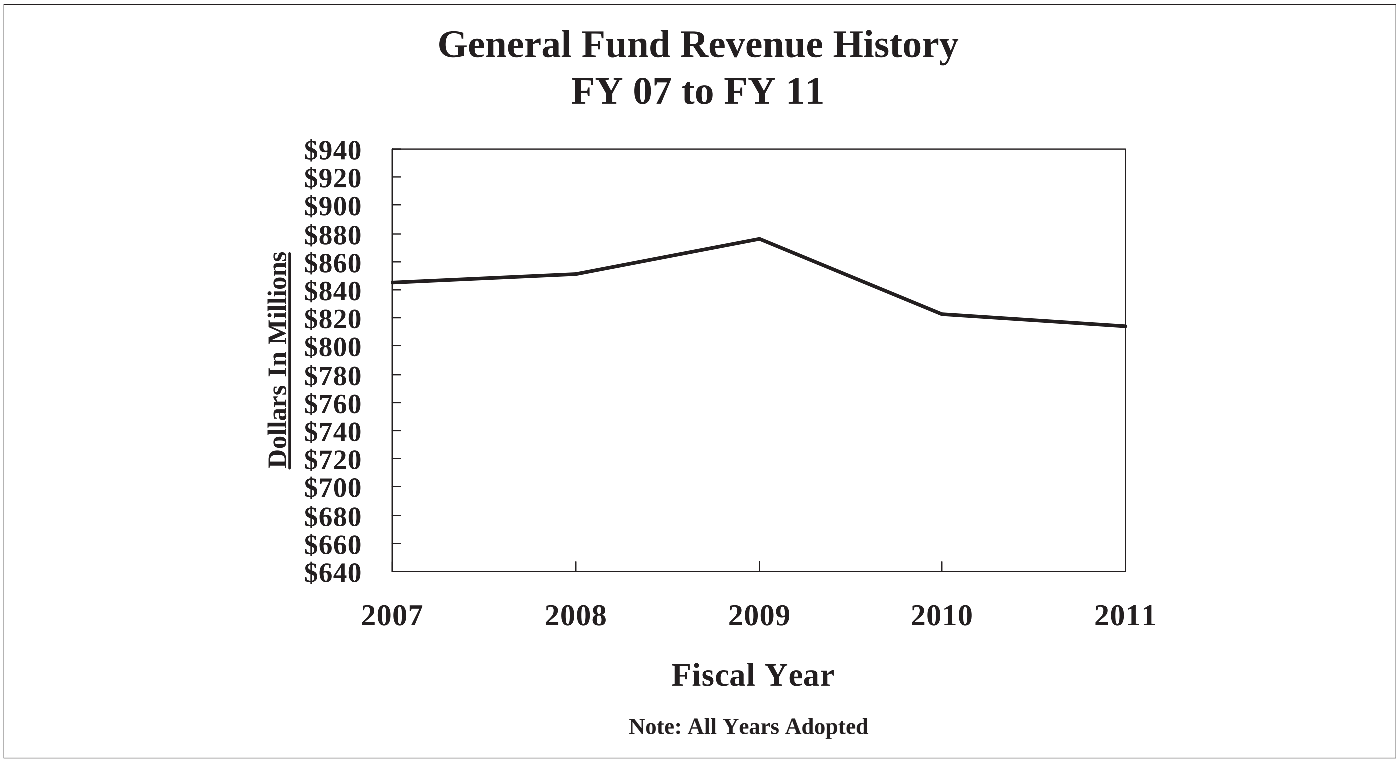


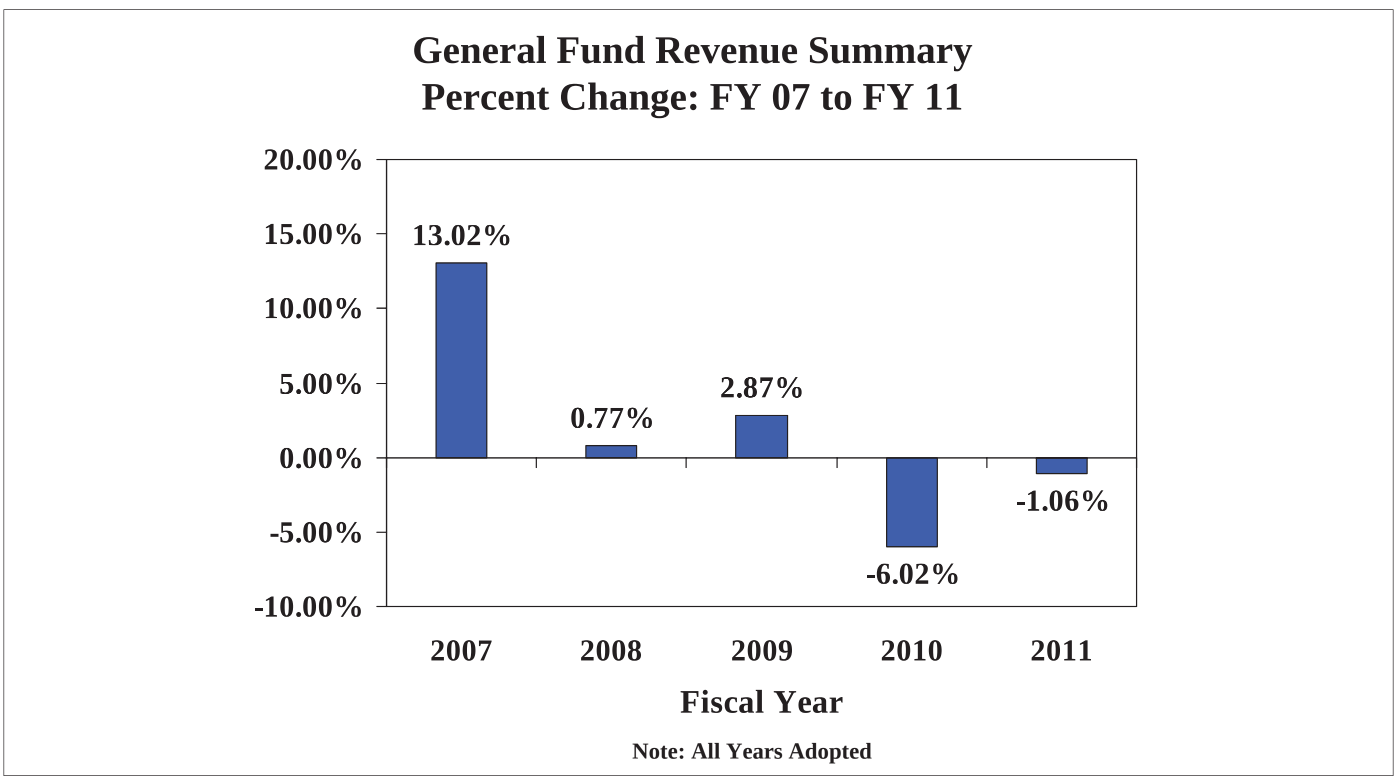
This pie chart provides detail regarding the County's FY 11 Adopted local tax sources. These taxes make up a majority of the funding sources contained in the County's General Fund. The largest source of local tax dollars (67.3%) comes from the real estate tax ($1.236 per $100 of assessed value) assessed on citizen's homes and real estate properties. The next largest source (16.4%) is Personal Property Taxes ($3.70 per $100 of assessed value) assessed on individual and business personal property. The next source (6.4%) 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 90.1% of total local tax dollars coming into the County. The smaller sources of tax dollars include:

- Vehicle Tags (1.0%) received from the annual sale of automobile decals;
- All Other Local (0.5%) include miscellaneous tax sources such as Transient Occupancy Tax;
- Other General Property (0.2%) is interest earned on all taxes;
- Business, Professional, Occupational License tax (3.0%) levied on the gross receipts of County businesses;
- Consumer Utility Tax (1.8%) levied on the consumers of telephone, electric and natural gas.
- Recordation Taxes (0.7%) is levied when a deed or deed of trust is recorded with the clerk of the circuit court
- Telecommunication Sales and Use Tax (2.7%) is 5% levied on the following services; Landline, telephones, wireless telephone, cable TV, satellite TV, VOIP service and Paging services.



As the following graphs show, total Prince William County General Fund Revenues have decreased 3.6% from FY 07 Adopted to FY 11 Adopted (from $844.99 million to $814.44 million).





FY 2011 Adopted Real Estate Tax Rate and Average Tax Bill

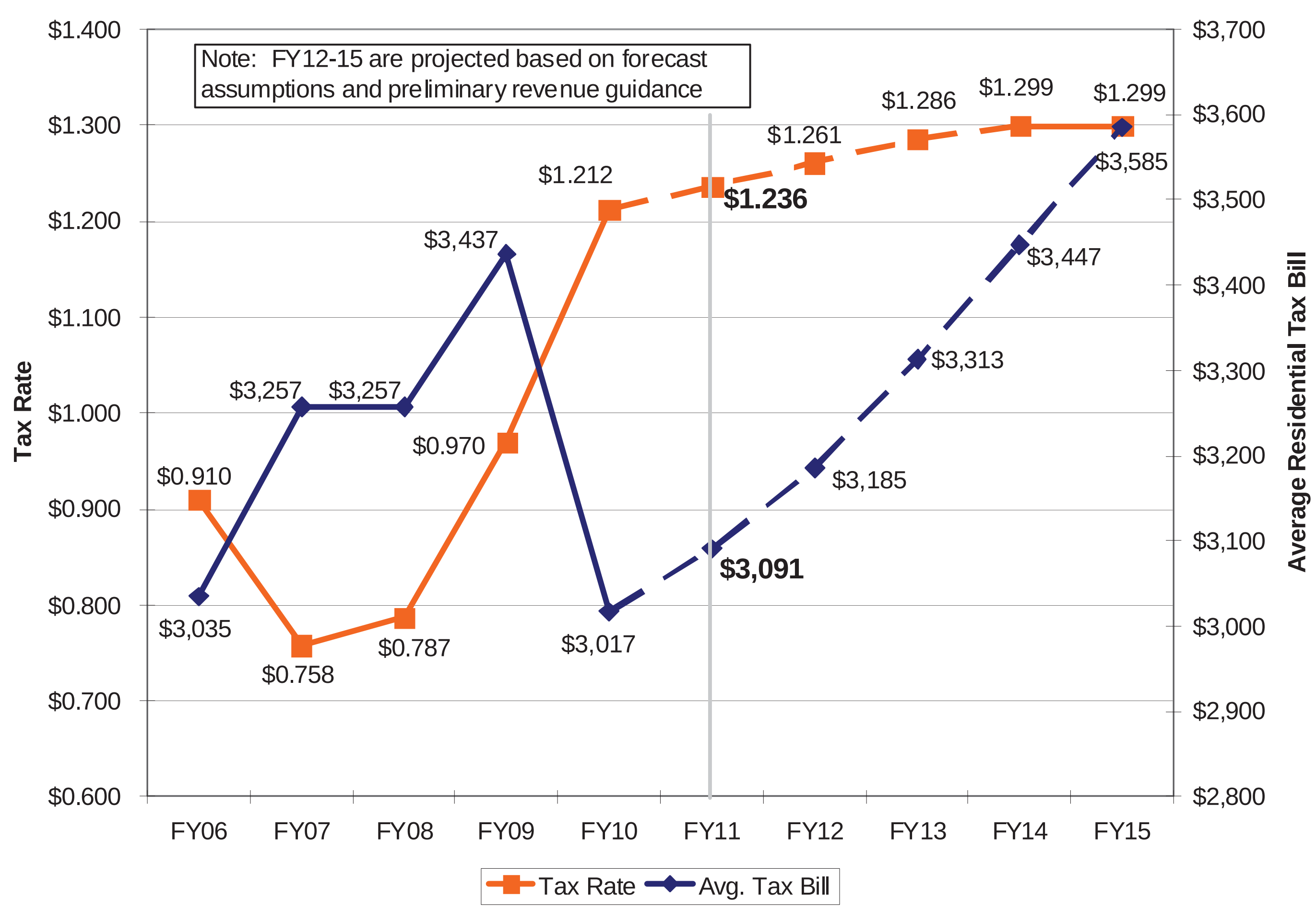
During calendar year 2009, Prince William County's residential real estate market stabilized as banks better managed their properties for sale instead of flooding the market, which was the case during calendar year 2008. As a result, sales prices stabilized and even small increases were experienced during the second half of calendar year 2009. Although residential prices found a bottom as average assessed values increased 0.4%, commercial real estate values decreased an average 17.4% in assessed value due to virtually no available credit from banks for acquisitions in addition to high vacancy rates because of the national and local economy.

On April 27, 2010, the Board of County Supervisors adopted the FY 2011 Fiscal Plan. The adopted real estate tax rate of $1.236 has the following tax bill impacts on property owners:

- the "average" real estate tax bill on existing, residential properties will increase $74 or 2.5%;
- the "average" real estate tax bill on existing, commercial properties will decrease 15.8%.

Figure 1 illustrates the recent history of the County's real estate tax rate and average residential real estate tax bill:

Figure 1. FY 2011-2015 Adopted Real Estate Tax Rates and Average Tax Bill



The real estate tax rate increased to $1.236 in FY 2011. This is an increase of $0.478 from the tax rate of $0.758 adopted in FY 2007. However, during that same four year period, the average residential tax bill will have decreased by $166 or 5.1% (from $3,257 to $3,091). The average tax bill is proposed to increase beyond FY 2011 based on the projected inflation rates of 3.0% for FY 2012 and 4.0% annually in FY 2013-2015. It is important to note that the average, existing residential tax bill will not return to FY 2007 levels until FY 2013 - a period of six years.

Table 1. Revenue Estimates by Category

Acct. Code	GENERAL REVENUE SOURCE	FY2011 ESTIMATE	FY2012 ESTIMATE	FY2013 ESTIMATE	FY2014 ESTIMATE	FY2015 ESTIMATE
0010	REAL ESTATE TAXES	$466,833,000	$481,303,000	$509,589,000	$542,322,000	$578,216,000
	ROLLBACK SUPPLEMENT	100,000	100,000	100,000	100,000	100,000
0020	REAL ESTATE TAX EXONERATIONS	(8,405,000)	(8,786,000)	(9,302,000)	(9,899,000)	(10,554,000)
	SUBTOTAL	458,528,000	472,617,000	500,387,000	532,523,000	567,762,000
0041	R/E TAXES - PUBLIC SERVICE	15,139,000	14,673,000	15,114,000	15,419,000	15,573,000
0021	REAL ESTATE TAX DEFERRAL	(1,000,000)	(1,000,000)	(500,000)	(250,000)	(250,000)
0025	LAND REDEMPTION	315,000	315,000	315,000	315,000	315,000
0160	REAL ESTATE PENALTIES	1,800,000	2,070,000	2,192,000	2,332,000	2,487,000
TOTAL - - REAL ESTATE		**474,782,000**	**488,675,000**	**517,508,000**	**550,339,000**	**585,887,000**
0071	PERSONAL PROPERTY TAXES	115,310,000	114,310,000	118,950,000	124,050,000	130,440,000
0072	P/P - PRIOR YEAR	75,000	75,000	75,000	75,000	75,000
0081	P/P TAX DEFERRAL	($1,000,000)	($1,000,000)	($1,000,000)	($1,000,000)	($1,000,000)
0170	P/P PENALTIES	1,160,000	1,150,000	1,190,000	1,240,000	1,310,000
TOTAL - - PERSONAL PROPERTY		**115,545,000**	**114,535,000**	**119,215,000**	**124,365,000**	**130,825,000**
0210	**LOCAL SALES TAX**	**45,050,000**	**45,950,000**	**47,790,000**	**49,700,000**	**51,690,000**
0220	**CONSUMER UTILITY TAX**	**13,050,000**	**13,320,000**	**13,650,000**	**14,030,000**	**14,490,000**
0223	**COMMUNICATIONS SALES TAX**	**19,200,000**	**19,390,000**	**19,780,000**	**20,370,000**	**20,980,000**
0235	**BPOL TAXES - LOCAL BUSINESSES**	**20,130,000**	**20,530,000**	**21,150,000**	**21,780,000**	**22,650,000**
0510	**INVESTMENT INCOME**	**12,990,000**	**16,690,000**	**21,490,000**	**28,110,000**	**32,020,000**
0140	INTEREST ON TAXES	1,377,000	1,409,000	1,486,000	1,576,000	1,676,000
0222	CABLE FRANCHISE TAX	0	0	0	0	0
0250	MOTOR VEHICLE LICENSE FEE	6,930,000	7,030,000	7,170,000	7,320,000	7,520,000
0260	RECORDATION TAX	5,260,000	5,260,000	5,400,000	5,550,000	5,710,000
0261	ADDITIONAL TAX ON DEEDS	1,790,000	1,860,000	1,950,000	2,050,000	2,150,000
All OTHER REVENUE OVER $1.5 MILLION		**15,357,000**	**15,559,000**	**16,006,000**	**16,496,000**	**17,056,000**
0215	DAILY EQUIPMENT RENTAL TAX	200,000	220,000	242,000	266,000	293,000
0230	BANK FRANCHISE TAX	655,000	675,000	695,000	715,000	735,000
0236	BPOL TAXES - PUBLIC SERVICE	1,050,000	1,071,000	1,103,000	1,136,000	1,170,000
0270	TRANSIENT OCCUPANCY TAX	1,175,000	1,200,000	1,240,000	1,285,000	1,340,000
0520	INTEREST PAID TO VENDORS	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
0521	INTEREST PAID ON REFUNDS	(50,000)	(55,000)	(55,000)	(55,000)	(55,000)
1301	ABC PROFITS	0	0	0	0	0
1302	STATE WINE TAX	0	0	0	0	0
1303	ROLLING STOCK TAX	92,500	94,000	96,000	98,000	100,000
1304	PASSENGER CAR RENTAL TAX	750,000	772,000	795,000	820,000	845,000
1305	MOBILE HOME TITLING TAX	35,000	36,000	37,000	38,000	39,000
1700	FED PAYMENT IN LIEU OF TAXES	86,000	90,000	95,000	100,000	105,000
MISC.	ALL OTHER GENERAL REVENUE	7,000	7,000	7,000	7,000	7,000
ALL OTHER REVENUE UNDER $1.5 MILLION		**3,650,500**	**3,760,000**	**3,905,000**	**4,060,000**	**4,229,000**
TOTAL GENERAL REVENUE		**$719,754,500**	**$738,409,000**	**$780,494,000**	**$829,250,000**	**$879,827,000**

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 Prince William County contributing approximately 66.0% of general revenues (FY 2011 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. Table 2 shows a ten-year history of this revenue source and the five-year revenue forecast:

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 Table 2.

Residential Real Estate

Following a battered residential real estate market due to regionally unparalleled foreclosure rates, the credit crisis, and general economic weakness in 2008, Prince William County's market stabilized in 2009. Following a nearly 30% decline in values in 2008, average existing home value increased approximately 0.4% in 2009. Factors contributing to the stabilization of values included the $8,000 first time home buyer tax credit program, continued low mortgage rates (approximately 5.0%), lower foreclosure rates, and financial institution's decisions not to flood the market with foreclosed homes. In 2009, there were approximately 3,500 foreclosures of residential properties compared to over 6,500 in 2008, a decrease of 46%.

Table 2. Revenue Summary - Real Estate Taxes - 010 / 020

Revenue History	Tax Rate[1]	Actual Revenue	Percent Change
FY 2001	$1.340	$208,663,095	7.7%
FY 2002	1.300	230,638,558	10.5%
FY 2003	1.230	266,546,217	15.6%
FY 2004	1.160	304,997,838	14.4%
FY 2005	1.070	348,048,638	14.1%
FY 2006	0.910	380,232,314	9.2%
FY 2007	0.758	419,468,402	10.3%
FY 2008	0.787	438,809,461	4.6%
FY 2009	0.970	493,304,534	12.4%
Current Estimate	**Tax Rate**	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$1.212	$459,924,000	(6.8%)
FY 2010 (Revised Estimate)	1.212	459,747,306	(6.8%)
Forecast Revenue	**Tax Rate**	**Revenue Estimate**	**Percent Change**
FY 2011	$1.236	$458,528,000	(0.3%)
FY 2012	1.261	472,617,000	3.1%
FY 2013	1.286	500,387,000	5.9%
FY 2014	1.299	532,523,000	6.4%
FY 2015	1.299	567,762,000	6.6%

[1]The real estate tax rate in prior years is as follows:
1987 - $1.42
1988 - $1.30
1989 - 1990 - $1.38
1991 - 2000 - $1.36

The average number of days on the market declined from 108 days to 42 days. The inventory of homes on the market also declined dramatically during calendar year 2009 as a growing number of realtors are expressing concerns over a lack of home supply. Bank owned properties and short sales made up approximately two thirds of all sales in 2009.

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

Figure 2 shows a history of actual residential appreciation (excluding rental apartments) from calendar year 1980 through 2009 and the General Revenue Committee's estimates thereafter.

Table 3 shows the expected change in market value for residential and apartment properties during the forecast period.

The strengths of the Washington D.C. area, which are relatively low unemployment (compared to national and state unemployment rates) and anemic but nevertheless stable job growth expectations, are countered by improving but still relatively high foreclosure rates in Prince William County.

The residential market is forecast to gradually stabilize as the excess supply of foreclosed properties is absorbed over the course of the next twelve months depending on how economic uncertainties unfold. Residential properties in Prince William County are expected to recover in value gradually by increments of 1% over the next four years.

Figure 2. Average Annual Residential Real Estate Appreciation, 1982-2013

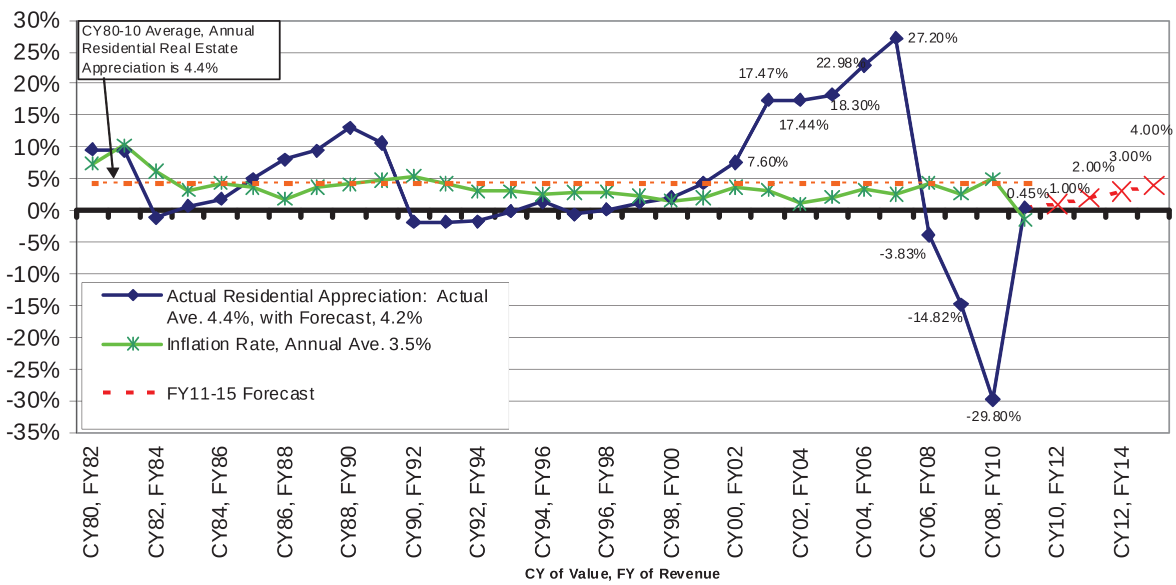


Table 3. Residential Market Value Changes

Revenue Year	Single-Family, Townhouse, and Condominium	Apartments
FY 2011	0.4%	-20.8%
FY 2012	1.0%	-5.0%
FY 2013	2.0%	0.0%
FY 2014	3.0%	3.0%
FY 2015	4.0%	5.0%

Residential market change in Prince William County is somewhat stronger than neighboring Northern Virginia jurisdictions *(See Table 4)*:

Apartments Market Value Change

The apartment market has continued to experience relatively stable rents and occupancy levels in Prince William County. Despite stability in Prince William, values experienced a sharp drop mainly due to an annualized 190 basis point increase in overall capitalization rates according to the fourth quarter 2009 Korpacz Investor Survey. The reason for this sharp increase is directly tied to the scarcity of credit available to investors and does not reflect on the desirability of apartments as an investment category. Appreciation is estimated to resume at a rate of approximately 3% in fiscal year 2014 (FY 2014) and 5% in FY 2015.

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 occurred in calendar year 2009 will be reflected in the County's January 1, 2010 landbook which provides the basis for real estate tax revenue received in FY 2011. Table 5 summarizes the expected number of newly constructed residential units during the forecast period, and the previous five year activity:

Construction of approximately 2,050 residential units was completed during calendar year 2009 which will generate revenue for FY 2011. There were approximately 250 more single family, townhouse, and condominium units constructed in 2009 than 2008. The volume of new home starts is expected to increase as the economy stabilizes and the inventory of foreclosed homes diminishes during the remainder of the forecast period. Despite not having any newly constructed apartment units in 2009, construction of new apartment units is forecast to resume in 2010 and remain stable at around 200 units during the entire forecast period. 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 2009 was $311,923, a 5.8% decrease over the average assessed value of homes built in 2008 which was $330,995. It should be noted that the overall assessed

Table 4. Comparison of Estimated Residential Market Value Changes from 2009 to 2010

	Prince William County	Loudoun County	Fairfax County	City of Alexandria	Arlington County
All Residential (Excluding Rental Apartments)	0.4%	-2.9%	-5.6%	-5.0%	-2.5%

Table 5. Residential Growth - Number of Units

Revenue Year	Total Residential Units	Single-Family	Townhouse	Condominium	Apartments
FY 2006(a)	5,644	3,619	1,107	254	664
FY 2007(a)	6,178	3,780	1,343	518	537
FY 2008(a)	4,420	2,556	1,135	278	451
FY 2009(a)	2,889	1,406	531	768	184
FY 2010(a)	1,978	1,060	278	456	184
FY 2011(est.)	2,044	1,167	302	575	0
FY 2012	2,400	1,300	350	550	200
FY 2013	2,600	1,450	400	550	200
FY 2014	2,800	1,600	450	550	200
FY 2015	3,000	1,750	500	550	200

(a) - actual

value of a new home is affected by the mix of single family, townhouse, and condominium units constructed in any given year.

The average assessed value of a new single family home was $359,100 in 2009, a 7.4% decrease over the average assessed value of $387,959 in 2008.

In 2009, the average assessed value of a new condominium unit was $247,700 compared to $242,976 in 2008 and the average value of a new townhouse unit declined from $258,170 to $251,900 - a 2.4% decrease.

Commercial Real Estate

The troubles of the commercial real estate market remains rooted in the same reasons as last year - scarcity of investment credit and an uncertain economic outlook.

Calendar year 2009 market activity in Prince William County is forecast to result in commercial properties depreciating 17.4% on average, which will impact FY 2011 real estate tax revenue.*(See Table 7)* The industrial and retail sectors experienced the greatest levels of depreciation followed in order of magnitude by hotel/motel and office properties. Office properties were affected by excess inventory as a result of recent construction as well as weak demand. The commercial property outlook for calendar year 2010 (FY 2012 revenue) remains weak as the credit crunch and commercial foreclosure activity are anticipated to continue over most of 2010. Commercial depreciation for FY 2012 is forecast at -10% followed by no change in FY 2013 and slight appreciation in FY 2014 (3.0%) and FY 2015 (5.0%).

Average assessed values per square foot for FY 2011 are determined based on the added building value resulting from new construction completed during calendar year 2009.[1] These unit values are then adjusted to reflect the general appreciation of commercial properties during the remainder of the forecast period.

[1] 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.

Table 6. New Residential Assessed Value per New Unit

Revenue Year	Overall Residential (Excludes Apts.)	Single-Family	Townhouse	Condominium	Apartment
FY 2006(a)	$447,974	$493,565	$332,477	$301,754	$79,622
FY 2007(a)	548,355	616,954	421,251	377,304	92,237
FY 2008(a)	531,957	610,977	408,275	343,586	97,017
FY 2009(a)	427,378	525,384	344,824	305,035	106,202
FY 2010(a)	330,995	387,959	258,170	242,976	99,885
FY 2011(est.)	311,923	359,100	251,900	247,700	93,600
FY 2012	304,755	348,300	244,300	240,300	93,600
FY 2013	309,281	351,800	246,700	242,700	96,400
FY 2014	319,879	362,400	254,100	250,000	99,300
FY 2015	330,625	373,300	261,700	257,500	102,300

(a) - actual

Table 7. Commercial Market Value Changes

Revenue Year	Commercial
FY 2006(a)	15.7%
FY 2007(a)	17.3%
FY 2008(a)	10.9%
FY 2009(a)	4.3%
FY 2010(a)	-15.2%
FY 2011	-17.4%
FY 2012	-10.0%
FY 2013	0.0%
FY 2014	3.0%
FY 2015	5.0%

(a) - actual

Commercial properties are categorized into five property types: retail, office, hotel, industrial, and special purpose. For FY 2011 (calendar year 2009 market activity), approximately 926,000 square feet of commercial space was added to the assessment rolls. Growth is expected to be anemic during the forecast period.

Retail

New construction in the retail sector accounted for approximately 58% of all commercial/industrial growth for FY 2011, adding nearly 535,000 square feet to the tax base. Some notable newly constructed properties include a Wal-Mart at Manassas Mall and two Walgreen pharmacies. The turmoil in the residential market in 2008 undoubtedly caused retail growth to moderate in 2009 as the sector tends to lag residential markets by one or two years. Shopping center capitalization rates decreased noticeably in 2009. Capitalization rates for premium shopping centers in 2010 are approximately 7%.

Nearly half of the assessed value within the commercial/industrial tax base is within the retail sector. Retail properties are forecast to depreciate approximately 25% for fiscal 2011. The retail sector is anticipated to remain anemic until residential new construction increases and valuation trends turn positive.

Industrial

Construction of industrial properties accounted for approximately 7% of all new commercial construction for FY 2011, adding approximately 69,000 square feet to the commercial/industrial base. This represents a significant decline from previous years and is directly linked to the continued, struggling economy. Both rents and occupancy levels of industrial properties in general experienced sharp declines in 2009. The oversupply of warehouse space in all submarkets suggests that growth within the sector will likely remain weak for foreseeable future.

Existing industrial properties are forecast to depreciate approximately 25% for fiscal year 2011.

Hotels

In 2009, the completion of Candlewood Suites in Manassas and Value Palace in Gainesville added 95,362 square feet (213 rooms) to Prince William County's hotel inventory. The hotel market valuation for 2010 is forecast to decline 23% due to decreased business and pleasure travel activity caused by the economic recession. For the near future, assessed values of hotels are expected to stay depressed due to economic conditions.

Office Buildings

Construction of several new office buildings and condominiums completed during calendar year 2009 added approximately 217,000 square feet to the commercial base. Growth within the office sector is expected to be sustained at a lower rate during the forecast period since absorbing newly constructed unoccupied space remains a challenge for the office sector. The net effects of over-building and the recession have been higher office vacancies and naturally lower rents. The calendar year 2009 vacancy rate for office space in general was approximately 15%. It is anticipated that no speculative building will take place during calendar year 2010. The overall depreciation rate for office buildings in 2009 is currently forecast at 19%.

Special Use

Properties within the special use category comprise taxable schools, healthcare facilities, high-technology data center properties and other types of properties that have no foreseeable alternate uses. Approximately 10,000 square feet of miscellaneous commercial properties was constructed in calendar year 2009 (FY 2011).

A summary of commercial growth and assessed values per square foot during the forecast period is shown below in Tables 8 and 9.

Real Estate 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.

In December 2004, the Board of County Supervisors made changes to eligibility requirements, which enables more households to participate in the Tax Relief Program for Elderly and Disabled Persons. The current eligibility requirements for senior citizens are:

- be 65 years of age or older as of December 31, 2010 - tax relief is prorated for applicants who turn 65 during calendar year 2010;
- have a gross household income from all sources of not more than $74,200 (in determining income, the first $10,000 of income earned by any relative living in the household other than the owner(s) or spouse is excluded);
- have a combined financial net worth for the applicant and spouse residing in the household of not more than $340,000, excluding the residence for which the exemption is sought and up to 25 acres of land which it occupies;
- own and occupy the home as their sole dwelling.

Table 8. Commercial New Construction Value per Square Foot

Revenue Year	Retail	Office	Hotel	Industrial	Misc. Properties
FY 2006(a)	$109	$ 96	$106	$60	n/a
FY 2007(a)	81	105	84	66	n/a
FY 2008(a)	85	110	88	69	n/a
FY 2009(a)	98	110	108	89	n/a
FY 2010(a)	102	114	112	93	n/a
FY 2011(est.)	90	99	89	58	85
FY 2012	90	99	89	58	85
FY 2013	93	102	92	60	88
FY 2014	95	105	94	62	90
FY 2015	98	108	97	63	93

Table 9. New Commercial Construction Square Footage

Revenue Year	Total Commercial	Retail	Office	Hotel	Industrial	Misc. Properties
FY 2006(a)	1,807,573	661,639	170,153	197,911	644,456	--
FY 2007(a)	1,732,978	563,714	106,775	0	1,040,984	--
FY 2008(a)	2,731,438	566,090	1,028,850	115,002	915,098	106,398
FY 2009(a)	3,572,737	644,119	948,518	174,793	1,623,988	181,319
FY 2010(a)	2,833,958	1,295,731	276,813	56,013	1,175,139	30,262
FY 2011(est.)	925,785	534,842	216,832	95,362	68,557	10,192
FY 2012	566,000	350,000	100,000	56,000	50,000	10,000
FY 2013	751,000	400,000	125,000	56,000	150,000	20,000
FY 2014	876,000	450,000	150,000	56,000	200,000	20,000
FY 2015	1,026,000	500,000	200,000	56,000	250,000	20,000

(a) - actual

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.

Historically, all market value changes within the public service classification have been attributable to new construction growth. Revenue growth during fiscal year 2005 was significantly higher than in past years (despite a reduction in the real estate tax rate) due to the completion of Virginia Power's facility at Possum Point. Recent growth in public service property revenue in FY 2009 (10.9%) and FY 2010 (15.5%) is attributed to increases in Prince William County's real estate tax rate. *(See Table 10)*

Because the performance of the commercial real estate market serves as a barometer for public service assessed values, the assessed value of public service properties decreased 7.6% in FY 2010 and is forecast to decrease 10.0% in FY 2011 and another 5.0% in FY 2012. Growth within public service properties is expected to stabilize at a rate of 1.0% per year during FY 2013-2015. *(See Table 11)*

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. *(See Table 12)*

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.

On December 10, 1996, the Board of County Supervisors approved an initiative to decrease the percentage of unpaid property taxes at fiscal year end, as compared to the current

Table 10. Revenue Summary - Public Services Taxes - 041

Revenue History	Tax Rate	Actual Revenue	Percent Change
FY 2001	$1.340	$11,762,173	0.8%
FY 2002	1.300	11,537,837	(1.9%)
FY 2003	1.230	11,084,790	(3.9%)
FY 2004	1.160	10,976,245	(1.0%)
FY 2005	1.070	13,372,595	21.8%
FY 2006	0.910	11,413,498	(14.7%)
FY 2007	0.758	10,277,509	(10.0%)
FY 2008	0.787	11,401,499	10.9%
FY 2009	0.970	14,275,190	25.2%
Current Estimate		**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$1.212	$17,123,000	20.0%
FY 2010 (Revised Estimate)	1.212	16,489,897	15.5%
Forecast Revenue		**Revenue Estimate**	**Percent Change**
FY 2011	$1.236	$15,139,000	(8.2%)
FY 2012	1.261	14,673,000	(3.1%)
FY 2013	1.286	15,114,000	3.0%
FY 2014	1.299	15,419,000	2.0%
FY 2015	1.299	15,573,000	1.0%

Table 11. Public Service - Changes in Assessed Value

	FY 11	FY 12	FY 13	FY 14	FY 15
Public Service Growth (est.)	-10.00%	-5.00%	1.00%	1.00%	1.00%

year levy, from 11% in FY 1996 to 6% in FY 2003. With the adoption of the FY 2002 budget, additional collection resources were provided to the Finance Department and the amount of total unpaid property taxes as a percentage of the total levy was revised to 5.5% by FY 2005.

At the end of FY 2009, the percentage of unpaid property taxes compared to the FY 2009 levy was 2.2%. This remains unchanged from the FY 2008 unpaid property tax percentage of 2.2% and remains the County's best unpaid property tax rate since data was first collected in 1971. The unpaid property tax percentage is anticipated to increase in FY 2010 through FY 2015 due to foreclosure activity in the County's real estate market as well as the current economic recession. As a point of reference, during the economic recession in FY 1992, the amount of unpaid real estate taxes increased $6.4 million on a much smaller tax base.

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.

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

Revenue History	Actual Revenue	Percent Change
FY 2001	$1,467,386	58.1%
FY 2002	1,072,000	(26.9%)
FY 2003	724,347	(32.4%)
FY 2004	587,945	(18.8%)
FY 2005	810,324	37.8%
FY 2006	235,971	(70.9%)
FY 2007	(244,825)	(203.8%)
FY 2008	483,032	297.3%
FY 2009	(715,210)	(248.1%)
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$(4,000,000)	(459.3%)
FY 2010 (Revised Estimate)	(1,000,000)	(39.8%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	$(1,000,000)	0.0%
FY 2012	(1,000,000)	0.0%
FY 2013	(500,000)	50.0%
FY 2014	(250,000)	50.0%
FY 2015	(250,000)	0.0%

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 Prince William County to pursue the collection of delinquent real estate taxes for twenty years. *(See Table 13)*

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 FY 2011 to FY 2015 estimate assumes 20% 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. A variety of methods is used to enforce the 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 *(See Table 14)*:

Real Estate Penalties - 160

Prince William 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. *(See Table 15)*

Revenue from real estate penalties is estimated by applying a fixed percentage (approximately 0.44%) 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 85% of personal property tax revenue is forecast in FY 2011 to be generated by motor vehicles, trailers, and motor homes. The remaining 15% is forecast to be received from taxes levied on business equipment. *(See Table 16)*

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 13. Revenue Summary - Land Redemption - 025

Revenue History	Actual Revenue	Percent Change
FY 2001	$ 718,462	(43.8%)
FY 2002	818,871	14.0%
FY 2003	1,039,775	27.0%
FY 2004	347,818	(66.5%)
FY 2005	461,405	32.7%
FY 2006	327,255	(29.1%)
FY 2007	245,304	(25.0%)
FY 2008	237,913	(3.0%)
FY 2009	128,418	(46.0%)
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$ 319,000	148.4%
FY 2010 (Revised Estimate)	150,000	(53.0%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	$ 315,000	110.0%
FY 2012	315,000	0.0%
FY 2013	315,000	0.0%
FY 2014	315,000	0.0%
FY 2015	315,000	0.0%

Table 14. Unpaid Land Redemption Taxes

FY 2009	$1,411,000
FY 2010	1,575,000
FY 2011	1,575,000
FY 2012	1,575,000
FY 2013	1,575,000
FY 2014	1,575,000
FY 2015	1,575,000

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. Prince William 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 Prince William County under the Personal Property Tax Relief Act (PPTRA). Through tax year 2005 (fiscal year 2006), the Commonwealth paid 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 capped the

Table 15. Revenue Summary - Real Estate Penalties - 160

Revenue History	Actual Revenue	Percent Change
FY 2001	$ 767,409	(24.2%)
FY 2002	1,026,456	33.8%
FY 2003	1,046,982	2.0%
FY 2004	1,234,854	17.9%
FY 2005	1,375,110	11.4%
FY 2006	1,550,598	12.8%
FY 2007	1,842,422	18.8%
FY 2008	1,952,229	6.0%
FY 2009	2,160,303	10.7%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$1,771,000	(18.0%)
FY 2010 (Revised Estimate)	1,600,000	(25.9%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	$1,800,000	12.5%
FY 2012	2,070,000	15.0%
FY 2013	2,192,000	5.9%
FY 2014	2,332,000	6.4%
FY 2015	2,487,000	6.6%

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

Revenue History	Actual Revenue	Percent Change
FY 2001	$ 66,030,775	12.7%
FY 2002	75,804,001	25.7%
FY 2003	85,015,356	12.2%
FY 2004	94,949,873	11.7%
FY 2005	98,256,579	3.5%
FY 2006	113,102,335	15.1%
FY 2007	124,238,439	9.8%
FY 2008	126,770,945	2.0%
FY 2009	129,389,732	2.1%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$119,725,000	(7.5%)
FY 2010 (Revised Estimate)	115,200,000	(11.0%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	$115,310,000	0.1%
FY 2012	114,310,000	(0.9%)
FY 2013	118,950,000	4.1%
FY 2014	124,050,000	4.3%
FY 2015	130,440,000	5.2%

amount reimbursed to the County, which began 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, the County must increase the share of the tax paid by the taxpayer or face declining revenue. The five-year revenue forecast assumes the County will increase the share paid by taxpayers so that overall personal property tax revenue from qualifying vehicles remains the same as it would under the current PPTRA program. The percentage of tax relief for qualifying vehicles in fiscal year 2011 (tax year 2010) is 64.0%.

Change in Average Vehicle Value

The average assessed value per vehicle decreased 13.1% between FY 2009 and FY 2010 based on automobile market activity that occurred during calendar year 2008. *(See Table 17)* Automobile sales plunged 18% nationally due to rising gas prices ($4 per gallon during spring 2008) and the collapse of the financial industry. [2] As consumers sold gas consuming sport utility vehicles (SUV) and trucks in favor of more fuel efficient vehicles, trade-in values of these vehicles depreciated at accelerated rates as they sat on car lots. As credit froze throughout the financial industry, auto loans were granted only to those buyers with the lowest credit risk. As a result, inventories at both new and used car dealerships grew as sales declined. In an attempt to clear these inventories and make way for new 2009 models, car dealers increased incentives and/or lowered prices, further depressing values.

[2] Michelle Krebs and Bill Visnic, *2008 U.S. Auto Sales Are Worst Since 1992*, Edmunds.com, January 5, 2009.

As the economic recession grew and consumer confidence plummeted, consumers typically postponed large, discretionary purchases such as new automobiles in an effort to reduce spending and increase savings. Therefore, a greater portion of County residents retained their existing vehicles which depreciated in value instead of replacing them with newer, more expensive vehicles. The continued downturn in the County's housing market, particularly the new construction of higher valued homes whose residents tend to own higher valued vehicles, has also contributed to lower average vehicle values.

The FY 2011 (tax year 2010) forecast assumes no increase (0.0%) in average assessed values based on automobile market activity that occurred during calendar year 2009. Automobile sales declined an additional 21% in calendar year 2009 compared to 2008. This marked the lowest total of light-vehicle sales in the United States since 1970.[3] Although sales decreased dramatically, automobile industry-wide inventories plummeted as manufacturers responded to market dynamics which occurred in calendar year 2008 by eliminating brands and models as well as eliminating dealerships. By better managing inventories, automakers have dramatically reduced cash incentives (as much as 20%) offered to consumers for the purchase of new cars.[4] This has helped stabilize used car prices. In addition, lower gas prices has caused some used truck and SUV values to appreciate in value compared to what their values experienced in 2008. These gains in truck and SUV values will offset normalized depreciation rates on passenger cars such as compact vehicles and mid-sized sedans.

[3] Author Unknown, *Auto Industry Believes 2009 Close Bodes Well for 2010*, Edmunds.com, January 5, 2010.
[4] Ibid

Table 17. Average Assessed Value per Vehicle

	Dollar Value	Percent Increase
FY 2006(a)	$ 9,502	9.8%
FY 2007(a)	9,998	5.2%
FY 2008(a)	9,843	(1.6%)
FY 2009(a)	10,070	2.3%
FY 2010(a)	8,750	(13.1%)
FY 2011	8,750	0.0%
FY 2012	8,575	-2.0%
FY 2013	8,773	2.3%
FY 2014	8,976	2.3%
FY 2015	9,184	2.3%

(a) - actual

The auto industry has cautious optimism for calendar year 2010, which establishes NADA values for tax year 2011 and personal property revenue in FY 2012. Credit for the purchase of automobiles has loosened and will most likely continue into calendar year 2010 as the national economy slowly improves. However, it is anticipated that Prince William County's average values will decrease 2.0% as cars, trucks, and SUVs all depreciate at a normalized rate of 12-14% per year while new car sales will increase, but not enough to offset the depreciation of existing vehicles. The forecast for FY 2013-2015 is based on the assumption that new car sales will continue to slowly increase and offset the depreciation of existing vehicles in the County.

Change in Number of Vehicle Units Billed

The percentage change in the number of vehicle units billed increased by 1.0% between FY 2009 and FY 2010. *(See Table 18)* The FY 2011 (tax year 2010) forecast assumes a 1.0% increase in the number of vehicle units billed due to slow population growth resulting from the marked slowdown in new residential home construction. Despite the current real estate market, the increase in vehicle units billed during FY 2012-2015 is due to gradual population growth and slow growth in the number of businesses and business vehicles as the economy recovers. *(See Figure 3)*

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 Prince William 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:

1. 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.
2. 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.
3. 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 75% and 11% of taxes on business equipment respectively. Taxes on computer equipment comprise 12% and taxes from machinery and tools account for the remaining 2%.

Taxes from business equipment are expected to decrease by 2.5% in FY 2011 and decrease another 2.5% in FY 2012 before stabilizing in FY 2013 (0.0%). Similar to homeowners, business defer purchases of new equipment during times of economic recession. Therefore, business

Table 18. Percent Change in Number of Vehicle Units Billed

FY 2006(a)	5.4%
FY 2007(a)	2.4%
FY 2008(a)	1.5%
FY 2009(a)	1.3%
FY 2010(a)	1.0%
FY 2011	1.0%
FY 2012	1.5%
FY 2013	1.9%
FY 2014	2.1%
FY 2015	2.8%

(a) - actual

equipment depreciates according to the above schedules. Business personal property tax revenue from heavy equipment, in particular, has decreased dramatically due to the decline in residential and commercial real estate markets. Heavy equipment from construction companies that have gone out of business due to the economy has been sold to other firms located outside the County. Taxes from business equipment is forecast to increase 3.0% in FY 2014 and by 5.0% in FY 2015.

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. *(See Table 19)*

Personal Property Deferrals - 081

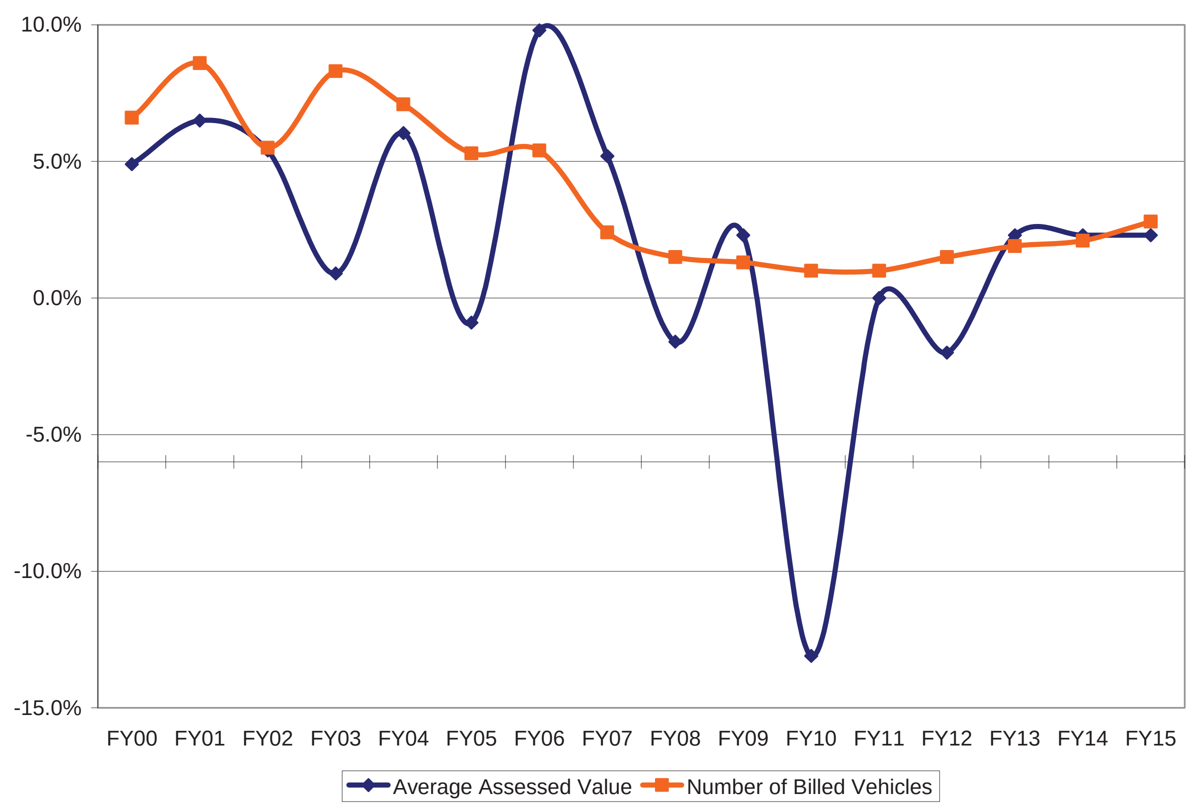
If unpaid personal property taxes at the end of a fiscal year are less than at the beginning of that fiscal year, the amount of the reduction is recorded as revenue in personal property tax deferrals.

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. *(See Table 20)*

On December 10, 1996, the Board of County Supervisors approved an initiative 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 FY 2003. With the adoption of the FY 2002 budget, additional collection resources were provided to the Finance Department and the amount of total unpaid property taxes as a percentage of the total levy was revised to 5.5% by FY 2005.

At the end of FY 2009, the percentage of unpaid property taxes compared to the FY 2009 levy was 2.2%. This remains unchanged from the FY 2008 unpaid property tax percentage of 2.2% and remains the County's best unpaid property tax rate since data was first collected in 1971. The unpaid property tax percentage is anticipated to increase in FY 2010 through FY 2015 due to the current economic recession. As a point of reference, during the economic recession in FY 1992, the amount of unpaid personal property taxes increased $1.1 million on a much smaller tax base.

Figure 3. Annual Percent Changes in Average Assessed Vehicle Value and Number of Billed Vehicles



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

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

A significant decrease in personal property penalty revenue occurred in FY 2007. *(See Table 21)* This is due to the revised Personal Property Tax Relief Act (PPTRA) legislation that capped the amount reimbursed to the County. The 10% personal property penalty on late payments applies only to the local share of what is delinquent. The penalty is not applied to the portion paid by the Commonwealth.

Personal property penalty revenue is projected to decrease approximately 20% in FY 2010 due to the dramatic decline in average assessed vehicle values previously discussed as well as decreases in business tangible personal property.

Local Sales Tax Revenue

Local Sales Tax - 210

Prince William County, by adopted ordinance, has elected to levy a 1% general retail sales tax. 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.

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

Forecast Revenue	Revenue Estimate	Percent Change
FY 2011	$75,000	0.0%
FY 2012	75,000	0.0%
FY 2013	75,000	0.0%
FY 2014	75,000	0.0%
FY 2015	75,000	0.0%

Table 20. Revenue Summary - Personal Property Deferrals - 081

Revenue History	Actual Revenue	Percent Change
FY 2001	$ 2,027,000	13,613.3%
FY 2002	2,275,000	12.2%
FY 2003	4,342,000	90.9%
FY 2004	2,089,762	(51.9%)
FY 2005	1,878,762	(10.1%)
FY 2006	3,818,762	203.3%
FY 2007	(88,148)	(102.3%)
FY 2008	(620,783)	(604.3%)
FY 2009	(771,845)	(24.3%)
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$(1,050,000)	(36.0%)
FY 2010 (Revised Estimate)	(1,000,000)	(29.6%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	$(1,000,000)	0.0%
FY 2012	(1,000,000)	0.0%
FY 2013	(1,000,000)	0.0%
FY 2014	(1,000,000)	0.0%
FY 2015	(1,000,000)	0.0%

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 within Prince William 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 1.02% from the County's gross tax to be sent to the four towns. Thus, the County realizes 98.98% of the monthly sales taxes collected. *(See Table 22)*

Prince William County's sales tax revenue in the first eight months of FY 2010 is currently 0.9% less than the amount of sales tax revenue that was generated during the first eight months of FY 2009. This pattern is running counter to the previously anticipated continuation of the downward trend of reduced sales tax revenue as identified in the FY 2010 adopted forecast. The flattening of this revenue appears to be signaling an end to the long decline in this revenue source. The forecast anticipates a slow reversal in this trend resulting in a relatively small increase in the projected FY 2011 and FY 2012 Prince William County sales tax revenue. At the national level, it appears that economic pressures will continue to degrade sales tax revenues and are not expected to ease in the near future and will prevent these revenues from beginning to return to a normal upward trend until after FY 2012.

In spite of this changing pattern, the reversal of this trend is expected to be slower than prior recoveries. Consequently, it is expected that sales tax revenue will not fully return to a normal growth rate of 4% until at least FY 2013 when the increases will be due principally to population growth and price inflation. Most prior year's growth in sales tax revenue normally ranges between 5% and 8% growth.

During calendar 2009 , neighboring jurisdictions experienced a similar period of dramatically decelerating sales tax revenue in the first half of the calendar year. All four Northern Virginia jurisdictions' first half of calendar 2009 sales tax revenues reflect actual significant declines

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

Revenue History	Actual Revenue	Percent Change
FY 2001	$1,327,065	13.7%
FY 2002	1,339,702	1.0%
FY 2003	1,543,641	15.2%
FY 2004	1,662,928	7.7%
FY 2005	1,561,623	(6.1%)
FY 2006	1,829,485	10.8%
FY 2007	1,153,220	(40.0%)
FY 2008	1,223,942	6.1%
FY 2009	1,442,088	17.8%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$1,160,000	(19.6%)
FY 2010 (Revised Estimate)	1,150,000	(20.3%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	$1,160,000	0.9%
FY 2012	1,150,000	(0.9%)
FY 2013	1,190,000	3.5%
FY 2014	1,240,000	4.2%
FY 2015	1,310,000	5.6%

in sales tax revenue when compared to the same period in the prior year. The second half of the calendar year reflects the commencement of a change toward a recovery period for three (including Prince William County) of the four jurisdictions. *(See Table 23)*

The factors believed to have contributed to the County's stagnant sales tax revenue are:

- growing levels of unemployment and unease about future employment prospects (the national unemployment rate increased from 7.1% in December 2008 to 9.7% in December 2009; the Virginia unemployment rate increased from 5.1% in December 2008 to 6.7% in December 2009; the County's unemployment rate increased from 4.2% in December 2008 to 5.5% in December 2009)[5];
- reset levels of interest rates on many existing variable rate mortgages of Prince William residents, resulting in significant increases in mortgage payment amounts which in turn decreases the funds many residents have available for retail expenses;
- a sharp decline in new and existing home sales and the associated impact of furnishing residences;
- a dramatic, general tightening of available credit;
- significant degradation of the national and regional economies which may be beginning to improve in Prince William County;
- continuing low consumer confidence which may be easing in Prince William County.

[5] Virginia Employment Commission

Consumer Utility Revenue

Consumer Utility Tax - 220

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

Table 22. Revenue Summary - Local Sales Tax - 210

Revenue History	Actual Revenue	Percent Change
FY 2001	$31,603,038	8.8%
FY 2002	33,443,678	5.8%
FY 2003	35,223,965	5.3%
FY 2004	40,721,074	15.6%
FY 2005	43,856,656	7.7%
FY 2006	46,648,646	6.4%
FY 2007	47,921,402	2.7%
FY 2008	46,155,437	(3.7%)
FY 2009	45,055,466	(2.4%)
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$43,430,000	(3.6%)
FY 2010 (Revised Estimate)	44,600,000	(1.0%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	$45,050,000	1.0%
FY 2012	45,950,000	2.0%
FY 2013	47,790,000	4.0%
FY 2014	49,700,000	4.0%
FY 2015	51,690,000	4.0%

The levy for electricity consumption based on kilowatt hours (kWh)[6] 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)[7] 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.

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

Prior to January 1, 2007, Prince William County's consumer utility tax was also levied on wired and cellular telephone service. With the advent of the Virginia communications sales and use tax the County's consumer utility tax is no longer levied on telecommunication services. This change occurred during the second half of FY 2007. Fiscal year 2008 was the first full-year the consumer utility tax was levied only on electric and natural gas utilities. *(See Table 24)*

[6] 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.
[7] CCF means the volume of gas at standard pressure and temperature in units of 100 cubic feet.

Electricity and Gas Revenue Growth

Table 25 shows the history of electric and gas utility growth in Prince William County as well as the projected growth rates included in the five year revenue forecast for FY 2011-2015. The growth rates reflect the projected increase in new, residential housing units during the forecast period as well as the belief that the inventory of foreclosed properties will slowly decrease and the homes that are sold become habitable again. Please refer to the section titled "Residential Values Per New Unit" for a history of new housing units in the County. As seen in Table 6, the number of new residential units drastically decreased in FY 2009 (CY 2007) and FY 2010 (CY 2008) before slowly increasing as the real estate market recovers and builders resume construction activities.

Table 23. Percent of Sales Tax Change in Neighboring Jurisdictions, Compared to Same Period in Prior Year[2]

	Calendar Year 2009			
	QTR 1	QTR 2	QTR 3	QTR 4
Alexandria	(21.0%)	(2.2%)	4.5%	1.8%
Arlington	21.2%	(5.1%)	3.1%	(16.1%)
Fairfax County	(9.3%)	(7.4%)	(5.5%)	(2.9%)
Prince William County	(4.6%)	(1.8%)	1.0%	(0.9%)

[2]Virginia Department of Taxation, Monthly Sales Tax Reports

Communications Sales and Use Tax

Communications Sales and Use Tax Revenue - 223

On April 17, 2006, the Governor of Virginia approved House Bill 568 and revised the taxation of communication services in the Commonwealth. Prior to the new legislation, localities were authorized to levy taxes on landline and wireless telephone services through the consumer utility tax as well as cable television service through cable franchise taxes.

The new legislation applies a statewide communications sales and use tax to communication and video services. The communications sales and use tax, which became effective on January 1, 2007, is 5% on the following services:

Services Previously Taxed Locally:

- Landline Telephone Services
- Wireless Telephone Services
- Cable Television Services

Services Not Previously Taxed:

- Satellite Television Services
- Voice Over Internet Protocol Services (VOIP)
- Paging Services

Due to the new Virginia communications sales and use tax, Prince William County no longer has the authority to levy the following taxes and fees:

- Local consumer utility tax on landline and wireless telephone service
- Cable franchise fees
- Local E-911 tax (please note that E-911 revenue is not included in the general revenue projection)

Similar to general sales tax revenue, telecommunications sales and use tax revenue is collected by the Virginia Department of Taxation and distributed to Prince William County monthly. As enumerated in Section 58.1-662 of the Code of Virginia, the telecommunications revenue will be distributed to localities according to the percentage of telecommunications and cable television tax revenue each locality received relative to the statewide total in FY 2006. In FY 2006, the County accounted for 4.64% of statewide telecommunications and cable television tax revenue. Therefore, the County has received 4.64% of the statewide telecommunications sales and use tax each month since January 1, 2007. It is important to note that the FY 2007 actual represented only a half-year levy of the new communications tax. Fiscal year 2008 represented the first, full-year the tax was implemented. *(See Table 26)*

Table 24. Revenue Summary - Consumer Utility Tax - 220

Revenue History	Actual Revenue	Percent Change
FY 2001	$17,806,197	9.8%
FY 2002	19,246,918	8.1%
FY 2003	20,257,043	5.2%
FY 2004	22,869,727	12.9%
FY 2005	25,451,681	11.3%
FY 2006	26,295,481	3.3%
FY 2007	18,521,861	(29.6%)
FY 2008	12,353,990	(33.3%)
FY 2009	12,595,964	2.0%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$12,700,000	0.8%
FY 2010 (Revised Estimate)	12,780,000	1.5%
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	$13,050,000	2.1%
FY 2012	13,320,000	2.1%
FY 2013	13,650,000	2.5%
FY 2014	14,030,000	2.8%
FY 2015	14,490,000	3.3%

The FY 2011 forecast was determined by examining actual monthly revenue received during FY 2010. It is important to note that the Department of Taxation granted a total of $19.5 million in communication tax refunds and accrued interest statewide. The refunds occurred because telecommunication service providers incorrectly applied the tax on services that were exempt from the tax. The refunds were issued to service providers in the form of credits towards future taxes over a four month period, thereby reducing monthly distributions to localities during FY 2009 and FY 2010. The impact of these refunds to Prince William County's revenue was $0.5 million in FY 2009 and $0.4 million in FY 2010.

The FY 2011 forecast is based upon the first remittance of communications tax revenue since the refunds to service providers were completed by the Department of Taxation in October 2009 (FY 2010). The average monthly distribution amount over the past five months was approximately $1.6 million since normalized distributions resumed in November 2009. No revenue growth is projected during FY 2011 because any revenue growth will be due to statewide activity – not Prince William County growth in communication services.

BPOL Revenue

BPOL Tax Revenue - 235

The Business, Professional, and Occupational License (BPOL) tax is imposed on commercial and home occupational businesses operating in Prince William County. The County has adopted a multiple tax rate schedule according to the type of business activity subject to the tax. The BPOL tax is levied only on businesses with annual gross receipts (from the prior calendar year) greater than $100,000. New businesses are taxed based on an estimate if gross receipts are greater than $100,000 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 FY 2010 BPOL tax revenue is gross revenue receipts from calendar year 2009. Therefore, forecasting 2010 gross receipts (FY 2011) has a one-year lag in which actual prior year figures on which to base an estimate are unavailable. *(See Table 27)*

Figure 4 shows the sources of BPOL revenue during FY 2009:

Almost 90% of FY 2009 BPOL revenue was generated by four sectors of the County's local economy: retail, contractors, personal services, and professional services. The following table summarizes the FY 2009 actual and projected growth rates in FY 2010 and FY 2011 for each of these economic sectors:

BPOL revenue from contractors is anticipated to stabilize in FY 2011 after bottoming out in FY 2010 due to the prolonged slowdown in the real estate market, particularly commercial construction. New home construction in the County has declined dramatically as builders are competing with foreclosed properties for sales. The forecast also includes the assumption that homeowners will slowly resume plans for home renovation projects (impacting general contractors) after canceling them during calendar years 2008 and 2009.

Table 25. Percent Change in Revenue Growth from Electricity and Gas Utilities

	Electric Utilities	Gas Utilities
FY 2004(a)	5.3%	5.9%
FY 2005(a)	4.6%	7.1%
FY 2006(a)	5.7%	5.0%
FY 2007(a)	3.2%	6.0%
FY 2008(a)	2.2%	0.5%
FY 2009(a)	1.4%	3.2%
FY 2010(Proj.)	1.5%	4.6%
FY 2011	1.5%	3.5%
FY 2012	1.5%	3.5%
FY 2013	2.0%	3.5%
FY 2014	2.5%	3.5%
FY 2015	3.0%	4.0%

The BPOL forecast for the retail sector (on a calendar year basis) is consistent with the retail sales tax forecast for FY 2011 because over 75% of sales tax revenue is derived from retail sales, which includes food and household goods purchases.

Investment Income

Investment Income - 0510

Investment income represents interest receipts, interest accrual, and gains or losses from the sale of investments for Prince William 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 56-58% of the total pooled investments. All funds are invested in accordance with the County's investment guidelines of legality, safety, liquidity, and yield. *(See Table 28)*

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 downdraft in the national housing market and the accompanying re-pricing of sub-prime loans and securities collateralized with sub-prime loans has caused significant turmoil in both equity and debt markets since August 2007. Unprecedented upheaval occurred in the credit and financial markets with the September 2008 bankruptcy of Lehman Brothers, the AIG liquidation/rescue, the acquisition of Merrill Lynch by Bank of America, and the purchase of Wachovia by Wells Fargo. In response, Congress eventually passed the Emergency Economic Stabilization Act.

The TARP, stimulus bill and various other administration endeavors have resulted in an enormous increase in government spending, government debt, and the budget deficit. This will not be a benign governmental expansion and the vast majority of economists are expecting various consequences from this action ranging from moderate inflation growth to hyper-inflation to currency devaluation or some combination thereof.

In response to the unstable markets, the Federal Reserve Board (FRB) reduced the Target Fed Funds rate range at 0.00% - 0.25% in December 2008. The FRB continues to hold interest rates low and took no action in its latest meeting held January 27, 2010.

Table 26. Revenue Summary - Communications Sales and Use Tax - 223

Revenue History	Actual Revenue	Percent Change
FY 2007	$ 9,132,861	--
FY 2008	20,475,575	124.2%
FY 2009	18,770,086	(8.3%)
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$20,000,000	6.6%
FY 2010 (Revised Estimate)	18,700,000	(0.4%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	$19,200,000	2.7%
FY 2012	19,390,000	1.0%
FY 2013	19,780,000	2.0%
FY 2014	20,370,000	3.0%
FY 2015	20,980,000	3.0%

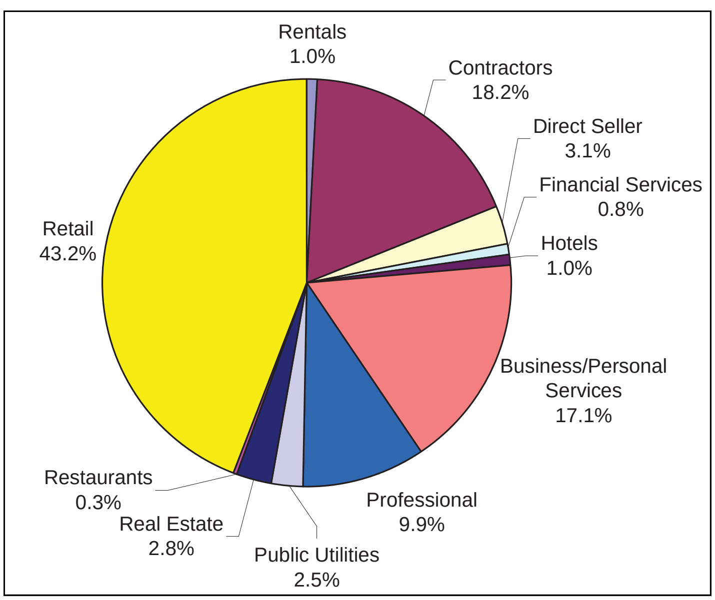
Figure 5 presents a history of the Fed Funds rate target since 1958, when the rate stood at record lows:

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 portfolio's total return and yields do change to reflect swings in the market price of securities and to reflect the replacement of maturing securities at current market conditions.

Table 27. Revenue Summary - BPOL Tax Revenue - 235

Revenue History	Actual Revenue	Percent Change
FY 2001	$11,806,197	14.8%
FY 2002	13,384,468	13.4%
FY 2003	14,836,449	10.8%
FY 2004	17,563,465	18.4%
FY 2005	19,533,652	11.2%
FY 2006	23,071,409	18.1%
FY 2007	22,808,968	(1.1%)
FY 2008	21,173,489	(7.2%)
FY 2009	19,930,513	(5.9%)
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$19,150,000	(3.9%)
FY 2010 (Revised Estimate)	19,930,000	0.0%
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	$20,130,000	1.0%
FY 2012	20,530,000	2.0%
FY 2013	21,150,000	3.0%
FY 2014	21,780,000	3.0%
FY 2015	22,650,000	4.0%

Figure 4. FY 2009 BPOL Composition



State laws and the County's adopted investment policy govern the investment process, how funds can be invested, and which securities can be purchased. Figure 6 presents a history of the County's portfolio yield as well as the projected yield for FY 11-15 juxtaposed against the Fed Funds average rate target history:

Most forecasting sources provide interest rate information up to four quarters beyond current dates. Therefore, the final half of FY 2011 is an estimate without authoritative source data as a basis for projection. Unemployment numbers are now in excess of 10% nationally and the national housing market is still seriously damaged. Credit appears to be somewhat more available as banks are demonstrating a greater willingness to lend but is far from what might be considered "normal." Interest rates should continue low for the near term which will aid in supporting an economic recovery. How long the Fed can keep rates at these record low levels is a key question going forward.

Prince William County's investment strategy addresses the requirements of legality, safety and liquidity by investing in a diversified portfolio with specific security types, financial institutions, and sufficient liquidity to meet anticipated operating requirements. In addition, the County seeks to match its cash flow needs to the overall maturity structure of the portfolio and, in that context, maximize yield.

The portfolio management process has been stressed over the last two years due to unprecedented occurrences in the debt and equity markets. In spite of those challenges, the County has managed to maintain its attention to safety and liquidity as well as produce good, if not excellent, returns. The County expects those challenges to continue. Going forward the risks of volatile interest rates and ultimately inflation will be areas around which the portfolio must be managed. To gain some protection against inflation, the County has begun to purchase Treasury Inflation Protected Securities (TIPS), and additions in that area will continue at a slow and measured pace. A large volume of step-up agency securities have also been purchased as a hedge against rising interest rates. The general portfolio mix is expected to be rather stable barring significant sudden market changes.

Table 28. Revenue Summary - Investment Income - 510 / 515

Revenue History	Actual Revenue	Percent Change
FY 2001	$13,061,177	47.8%
FY 2002	7,800,441	(40.3%)
FY 2003	5,448,326	(30.2%)
FY 2004	2,999,989	(44.9%)
FY 2005	9,324,045	210.8%
FY 2006	12,740,165	36.6%
FY 2007	20,970,386	64.6%
FY 2008	24,125,140	15.0%
FY 2009	18,383,224	(23.8%)
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$12,680,000	(31.0%)
FY 2010 (Revised Estimate)	13,250,000	(27.9%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	$12,990,000	(2.0%)
FY 2012	16,690,000	28.5%
FY 2013	21,490,000	28.8%
FY 2014	28,110,000	30.8%
FY 2015	32,020,000	13.9%

It is important to note that the County's portfolio currently contains no direct investments in commercial paper, asset-backed commercial paper, or mortgage backed securities.

Portfolio Size

The average total dollar value of the portfolio is affected by the increase in County revenues and fund balance. Therefore, the revenue forecast itself becomes a key determinate of interest income. Table 29 shows the forecasted growth in the portfolio. Increases in portfolio size typically came from additions to fund balance as well as a portion of annual revenue growth.

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

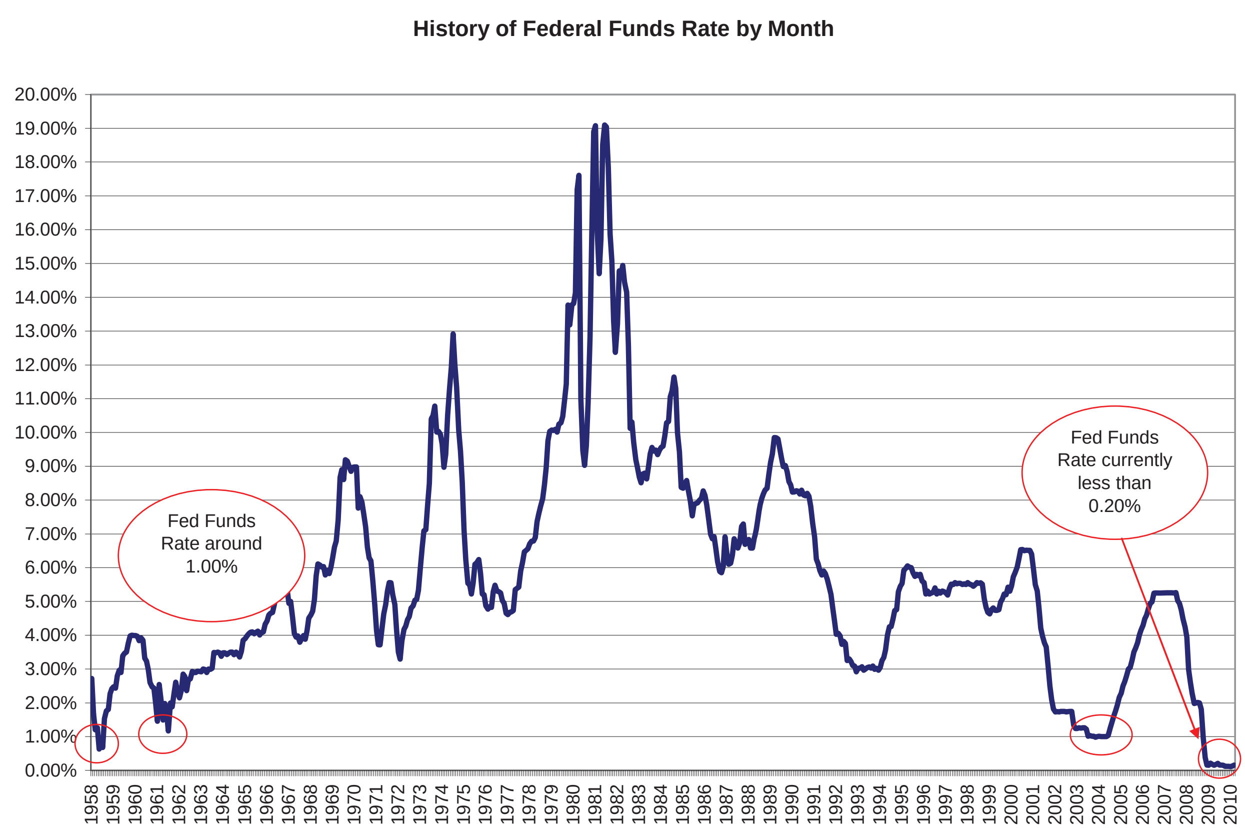
Interest on Taxes - 140

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. *(See Table 30)*

The revenue estimate is computed by multiplying the fixed percentage of 0.24% 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

Figure 5. History of the Federal Funds Rate Target



decreasing interest on taxes revenue. Interest on taxes as a percentage of real estate and personal property tax revenues was 0.32% in FY 04, 0.27% in FY 05, 0.20% in FY 06, 0.23% in FY 07, 0.26% in FY 08, and 0.24% in FY 09.

Interest on taxes revenue is projected to decline 11.0% in FY 2010 due to decreased real estate and personal property tax revenue. Real estate tax revenue is projected to decrease $33.6 million (FY 2010 projected vs. FY 2009 actual) due to the County's adopted revenue policy where average residential real estate tax bills decreased 12.2%. Personal property tax revenue is projected to decrease $14.2 million due to fewer new (more expensive) cars being purchased by County residents. They are retaining older, existing vehicles that continue to depreciate in value due to the economic recession.

Motor Vehicle License Fee - 250 / 259

Section 46.2-752 Virginia Code Annotated authorizes the County to levy a vehicle license fee. The amount of the license tax cannot be greater than the annual or one-year fee imposed by the Commonwealth on motor vehicles. The adopted, local fee is $24 per year for each passenger car and truck normally garaged or parked in the County. The adopted fee per year for each motorcycle is $12.

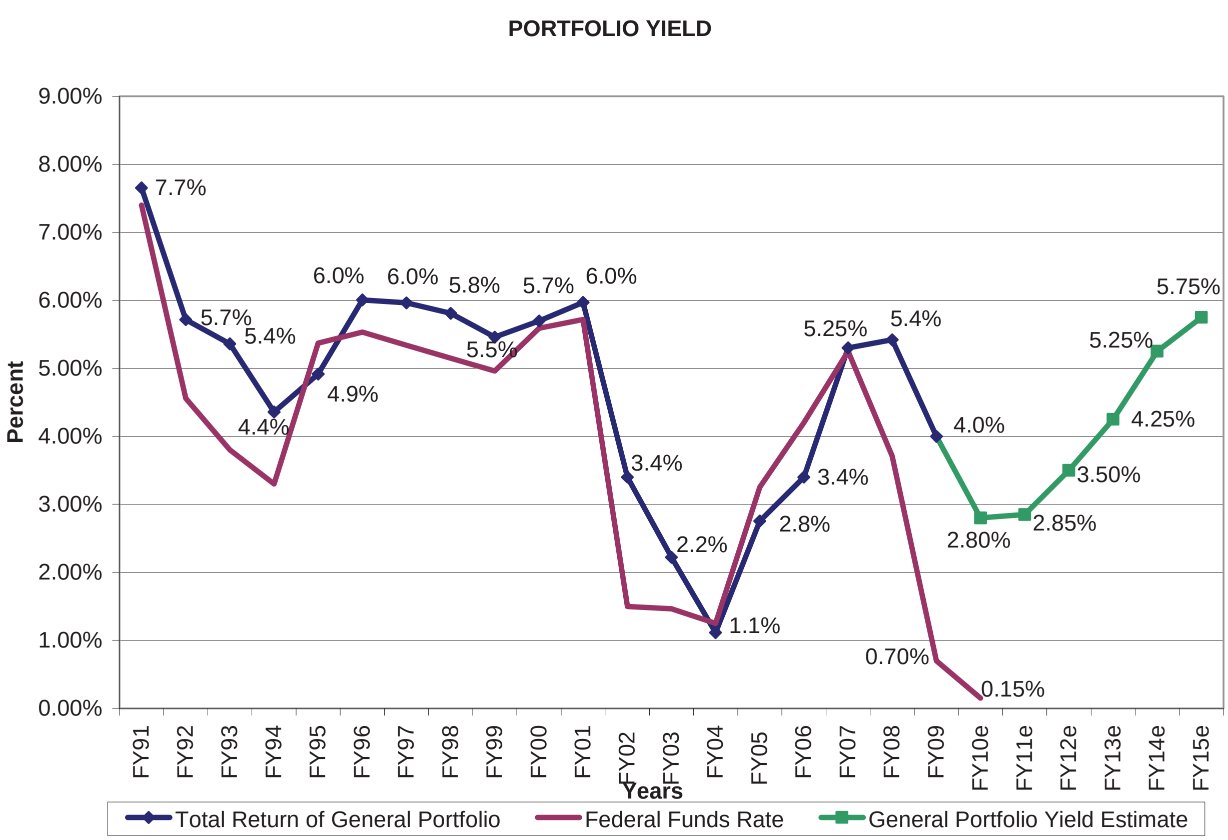
In May 2009, the Board of County Supervisors eliminated the distribution of vehicle decals to County residents as part of FY 2010 budget reductions. However, the motor vehicle license fee will continue to be levied in conjunction with the personal property tax. *(See Table 31)*

The license fee revenue forecast is derived by multiplying the decal fee by the estimated billable units in the County.

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.

Figure 6. Prince William County's Portfolio Yield



On April 28, 2004, 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 (FY 2005). 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 in Table 32 reflects only Prince William County's share of recordation tax revenue and does not include the state portion of recordation revenue.

Recordation tax revenue is driven by home sales, home sale price appreciation, and refinance activity.

Fiscal Year 2010 recordation tax revenue is projected to decrease 25.3% from FY 2009 revenue. Through the first half of FY 2010 (July through December 2009), residential unit sales decreased 27.6% compared to the same period in FY 2009 as fewer foreclosed homes are being sold by banks who are doing a better job managing their inventories. The purchase price of the homes sold during the first half of FY 2010 increased an average of 5-7% compared to average purchase prices a year ago as approximately 40% of home sales were bank sales of foreclosed properties in FY 2010 compared to approximately 70% during FY 2009. Refinance activity remains especially attractive for homeowners who can qualify in a tight credit market. Thirty-year fixed rate mortgages were consistently below 5.0% during the first half of FY 2010 and any homeowner who qualified will most likely refinance during FY 2010. Based on analysis conducted by Freddie Mac, approximately 75% of mortgage applications in December 2009 were attributed to refinancings.[8]

The FY 2011 revenue forecast anticipates that refinance activity will decrease nearly 25% from FY 2010 activity as mortgage rates increase from the all-time lows currently being experienced. The forecast also reflects the belief that continued home sale price appreciation (2% on a FY 2011 adjusted basis) will occur as banks continue to slowly unload their inventories of foreclosed properties and remove them from balance sheets. The number of homes sold during

[8] "Refi & ARM Share Data" at http://www.freddiemac.com/news/finance/refi-arm_archives.htm

Table 29. Average Portfolio Size

	Value
FY 2011	$814,000,000
FY 2012	851,000,000
FY 2013	903,000,000
FY 2014	956,000,000
FY 2015	994,000,000

Table 30. Revenue Summary - Interest on Taxes - 140

Revenue History	Actual Revenue	Percent Change
FY 2001	$2,027,000	(12.3%)
FY 2002	2,049,420	1.1%
FY 2003	2,003,030	(2.3%)
FY 2004	1,303,362	(34.9%)
FY 2005	1,219,674	(6.4%)
FY 2006	1,230,197	0.9%
FY 2007	1,252,785	1.8%
FY 2008	1,476,714	17.9%
FY 2009	1,495,957	1.3%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$1,332,000	(11.0%)
FY 2010 (Revised Estimate)	1,332,000	(11.0%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	$1,377,000	3.4%
FY 2012	1,409,000	2.3%
FY 2013	1,486,000	5.5%
FY 2014	1,576,000	6.1%
FY 2015	1,676,000	6.3%

FY 2011 is projected to remain flat (no increase) as many homeowners owe more on their mortgage that what their home is worth and are unable to 'move-up' in the housing market. Mortgage rates are also projected to increase, thereby eliminating some potential homebuyers from entering the market. Significant declines in refinance activity, small home price appreciation, and flat unit sales results in recordation tax revenue decreasing 11.7% in FY 2011. After FY 2011, sales price increases will offset continued declines in refinance activity and equilibrium is achieved in FY 2012.

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 FY 2006, 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. Table 33 identifies the portion of recordation tax revenues designated for transportation and general revenue use in each year of the forecast:

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 in Table 34 reflects only Prince William County's share of revenues.

Consistent with the recordation tax forecast, revenue growth attributed to the tax on deeds is expected to increase in FY 2011 due to projected increases in sales prices and stable sales volume (2% increase in prices combined with no increase in sales). It is important to note that the tax on deeds is not levied on mortgage refinancings.

Table 31. Revenue Summary - Motor Vehicle License Fee - 250 / 259

Revenue History	Actual Revenue	Percent Change
FY 2001	$4,686,385	15.3%
FY 2002	5,141,812	9.7%
FY 2003	5,441,534	5.8%
FY 2004	5,829,319	7.1%
FY 2005	6,274,625	7.6%
FY 2006	6,641,428	5.8%
FY 2007	6,533,798	(1.6%)
FY 2008	6,650,854	1.8%
FY 2009	6,874,316	3.4%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$6,870,000	(0.1%)
FY 2010 (Revised Estimate)	6,900,000	0.4%
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	$6,930,000	0.4%
FY 2012	7,030,000	1.4%
FY 2013	7,170,000	2.0%
FY 2014	7,320,000	2.1%
FY 2015	7,520,000	2.7%

Cable Franchise Tax - 222

The cable franchise tax was based on cable company gross receipts. This fee was 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 FY 97 budget. The Code of Virginia (§ 58.1-3818.3) authorized 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.

On April 17, 2006, the Governor of Virginia approved House Bill 568 and revised the taxation of communication services in the Commonwealth. Effective January 1, 2007, the new Virginia communications sales and use tax replaced Prince William County's cable franchise tax. The local cable franchise tax has been eliminated because the County no longer has the authority to levy it. *(See Table 35)*

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 2009 - 2013, most revenue categories are increased annually except as noted in the individual revenue sources. The forecast and a description of each revenue source follows. *(See Table 36)*

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.

Table 32. Revenue Summary - Recordation Tax - 260

Revenue History	Actual Revenue	Percent Change
FY 2001	$ 2,815,940	32.8%
FY 2002	4,272,952	51.7%
FY 2003	6,473,394	51.5%
FY 2004	7,937,447	22.6%
FY 2005	15,562,384	96.1%
FY 2006	18,619,777	19.6%
FY 2007	12,525,249	(32.7%)
FY 2008	8,897,108	(29.0%)
FY 2009	7,975,907	(10.4%)
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$ 9,210,000	15.5%
FY 2010 (Revised Estimate)	5,960,000	(25.3%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	$ 5,260,000	(11.7%)
FY 2012	5,260,000	0.0%
FY 2013	5,400,000	2.7%
FY 2014	5,550,000	2.8%
FY 2015	5,710,000	2.9%

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 it 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.

Table 33. 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
FY 2011	$3,890,000	$1,370,000	$5,260,000
FY 2012	3,890,000	1,370,000	5,260,000
FY 2013	3,990,000	1,410,000	5,400,000
FY 2014	4,110,000	1,440,000	5,550,000
FY 2015	4,220,000	1,490,000	5,710,000

Table 34. Revenue Summary - Tax on Deeds - 261

Revenue History	Actual Revenue	Percent Change
FY 2001	$1,183,922	26.4%
FY 2002	1,581,489	33.6%
FY 2003	2,098,654	32.7%
FY 2004	2,775,718	32.3%
FY 2005	3,929,185	41.6%
FY 2006	4,121,652	4.9%
FY 2007	2,618,084	(36.5%)
FY 2008	2,630,427	0.5%
FY 2009	2,692,742	2.4%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	$3,720,000	38.1%
FY 2010 (Revised Estimate)	1,750,000	(35.0%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	$1,790,000	2.3%
FY 2012	1,860,000	3.9%
FY 2013	1,950,000	4.8%
FY 2014	2,050,000	5.1%
FY 2015	2,150,000	4.9%

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. Beginning in FY 09, ABC profit revenue is no longer distributed to localities in order to provide additional State mental health services following the tragedy that occurred at the Virginia Polytechnic Institute (Virginia Tech) in April 2007.

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,

Table 35. Revenue Summary - Cable Franchise Tax - 222

Revenue History	Actual Revenue	Percent Change
FY 2001	$2,243,491	15.3%
FY 2002	3,149,770	40.4%
FY 2003	2,700,496	(14.3%)
FY 2004	2,957,028	9.5%
FY 2005	3,251,899	10.0%
FY 2006	3,430,604	5.5%
FY 2007	2,021,222	(41.0%)
FY 2008	--	--
FY 2009	--	--
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2010 (Adopted Budget)	--	--
FY 2010 (Revised Estimate)	--	--
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2011	--	--
FY 2012	--	--
FY 2013	--	--
FY 2014	--	--
FY 2015	--	--

cities and towns based on the locality's percentage of total State population from the latest census. Beginning in FY 09, State wine tax revenue is no longer distributed to localities in order to provide additional State mental health services following the tragedy that occurred at the Virginia Polytechnic Institute (Virginia Tech) in April 2007.

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.

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.

Table 36. Miscellaneous Revenue Sources

Revenue Source	Actual FY 2007	Actual FY 2008	Actual FY 2009	Revised Estimate FY 2010	Forecast FY 2011
Daily Rental Equipment Tax - 215	$ 190,389	$ 171,224	$ 201,241	$ 225,000	$ 200,000
Bank Franchise Tax – 230	670,471	640,681	793,541	700,000	655,000
BPOL Taxes- Public Service–236	1,184,033	1,178,279	1,225,482	1,050,000	1,050,000
Transient Occupancy Tax – 270	1,317,654	1,355,664	1,275,384	1,200,000	1,175,000
Misc. Business Licenses - 380	6,800	6,400	7,800	9,300	7,000
Interest Paid to Vendors – 520	(312,834)	(789,690)	(618,822)	(400,000)	(350,000)
Interest Paid on Refunds – 521	(34,194)	(374,534)	(49,024)	(45,000)	(50,000)
ABC Profits – 1301	160,440	160,440	0	0	0
State Wine Tax – 1302	168,172	168,172	0	0	0
Rolling Stock Tax – 1303	76,203	79,367	101,088	92,415	92,500
Passenger Car Rental Tax – 1304	848,026	794,864	792,475	700,000	750,000
Mobile Home Titling Tax – 1305	88,048	54,929	37,568	32,000	35,000
Federal Pymt in Lieu of Taxes - 1700	81,063	104,586	85,419	86,000	86,000
Other Revenue – 1150, 514	8,469	1,554	1,153	0	0
Total Miscellaneous Revenue	$4,653,247	$3,551,936	$3,853,305	$3,649,715	$3,650,500

Projected Revenue And Other Financing Sources For The FY 2011 Adopted Fiscal Plan

	Governmental Fund Types								Enterprise Fund Type	Fiduciary Fund Type	Internal Service Fund Type		Total
			Special Revenue										Adopted
	General	Capital Projects	Schools	Fire And Rescue Levy	Regional Jail	Housing & Comm. Dev.	Special Levy Dist.	Transportation	Solid Waste	Reg. School Prog. Fund	Self Insurance	All Others *	FY 11
Projected Revenues:													
General Property Taxes	$592,654,238			$29,160,000			$3,906,301						$625,720,539
Other Local Taxes	$117,702,500												$117,702,500
Permits, Priv. Fees and Reg Lic	$1,374,328						$9,100,389		$8,000				$10,482,717
Fines & Forfeitures	$2,586,271												$2,586,271
Rev From Use of Money & Prop	$13,453,443		$1,135,000				$573,840		$1,337,500		$450,000	$1,000,000	$17,949,783
Charges for Services	$7,985,717		$24,317,156		$662,774	$867,190	$4,780,716		$16,578,744		$100,198,601	$23,191,713	$178,582,612
Miscellaneous	$2,068,373	$3,000,000	$1,452,105		$57,020	$10,000	$273,017		$155,000		$2,615,000		$9,630,515
Rev From Other Localities	$6,903,253				$3,016,772			$1,516,464		$33,824,760			$45,261,249
Rev From the Commonwealth of Va	$40,754,308		$353,820,124		$9,637,228	$49,366	$3,493						$404,264,519
Rev from the Federal Gov	$18,058,881	$7,000,000	$61,874,523		$482,500	$27,414,253							$114,830,157
Total Revenues	$803,541,312	$10,000,000	$442,598,908	$29,160,000	$13,856,294	$28,340,809	$18,637,756	$1,516,464	$18,079,244	$33,824,760	$103,263,601	$24,191,713	$1,527,010,861
Other Financing Sources (Uses):													
Operating Transfers In**	$20,090,884	$8,538,526	$406,475,629	$250,000	$22,395,601	$11,082	$1,983,683	$0	$0	$0	$6,373,105	$0	$466,118,510
Proceeds From Loans And Bonds	$0	$58,096,000	$0	$0	$0	$0	$0	$0	$66,000	$0	$0	$0	$58,162,000
Total Other Financing Sources (Uses)	$20,090,884	$66,634,526	$406,475,629	$250,000	$22,395,601	$11,082	$1,983,683	$0	$66,000	$0	$6,373,105	$0	$524,280,510
Total Revenue & Other Financing Sources	$823,632,196	$76,634,526	$849,074,537	$29,410,000	$36,251,895	$28,351,891	$20,621,439	$1,516,464	$18,145,244	$33,824,760	$109,636,706	$24,191,713	$2,051,291,371

Notes:

* Includes Data Processing, Fleet Maintenance and Construction Crew Internal Service Fund Budgets.

** The Operating Transfer In for the Convention and Vistors Bureau ($911,504) and the Park Authority ($13,565,037) are adopted and reported by a separate board and are excluded from this revenue report.

All Funds Revenue Summary

Department / Agency	FY 07 Adopted Revenue Bud.	FY 08 Adopted Revenue Bud.	FY 09 Adopted Revenue Bud.	FY 10 Adopted Revenue Bud.	FY 11 Adopted Revenue Bud.	% Change FY 10 to FY 11
SECTION ONE: GENERAL FUND REVENUE SUMMARY:						
General Governmental:						
Office Of Executive Management	$774,000	$0	$130,130	$0	$0	---
County Attorney	$195,186	$195,186	$245,186	$245,186	$245,186	0.00%
Sub Total	$969,186	$195,186	$375,316	$245,186	$245,186	0.00%
Administration:						
Finance	$1,178,332	$1,302,560	$1,559,453	$1,660,722	$1,681,240	1.24%
Human Rights Office	$61,000	$61,000	$61,000	$64,580	$64,580	0.00%
Off Of Information Technology	$140,060	$140,060	$226,331	$226,331	$249,331	10.16%
General Registrar	$106,029	$112,963	$114,324	$109,641	$87,051	-20.60%
Sub Total	$1,485,421	$1,616,583	$1,961,108	$2,061,274	$2,082,202	1.02%
Judicial Administration:						
Clerk Of The Court	$7,502,505	$5,252,089	$4,286,035	$4,302,781	$4,148,407	-3.59%
Commonwealth's Attorney	$1,770,737	$1,851,232	$1,875,537	$1,839,274	$1,742,500	-5.26%
Criminal Justice Services	$1,088,123	$1,141,661	$1,149,605	$1,175,355	$1,175,355	0.00%
Juvenile Court Service Unit	$144,592	$138,660	$138,660	$138,660	$136,600	-1.49%
General District Court	$1,892,930	$1,892,930	$1,892,930	$1,892,930	$1,892,930	0.00%
Juvenile & Domestic Relations Court	$60,313	$60,313	$60,313	$60,313	$60,313	0.00%
Law Library	$110,806	$110,806	$110,806	$110,806	$150,806	36.10%
Sub Total	$12,570,006	$10,447,691	$9,513,886	$9,520,119	$9,306,911	-2.24%
Planning And Development:						
Economic Development	$14,130	$14,130	$14,130	$14,130	$14,130	0.00%
Planning (1)	$2,525,293	$2,059,270	$99,013	$93,095	$293,095	214.83%
Transportation (1)	$2,723,191	$1,442,964	$0	$0	$0	---
Public Works (1)	$11,591,409	$11,270,934	$2,011,247	$1,969,187	$2,931,793	48.88%
Sub Total	$16,854,023	$14,787,298	$2,124,390	$2,076,412	$3,239,018	55.99%
Public Safety:						
Fire And Rescue	$2,154,838	$2,269,432	$2,570,823	$2,226,739	$6,216,555	179.18%
Public Safety Communications	$3,952,509	$3,600,372	$2,023,252	$2,023,252	$1,973,252	-2.47%
Sheriff	$2,782,188	$2,912,765	$3,006,144	$3,007,076	$3,035,402	0.94%
Police	$12,209,032	$12,846,892	$11,697,766	$10,946,534	$11,085,640	1.27%
Sub Total	$21,098,567	$21,629,461	$19,297,985	$18,203,601	$22,310,849	22.56%
Human Services:						
Community Services	$13,454,854	$13,986,435	$14,646,576	$15,139,067	$15,728,416	3.89%
Extension & Continuing Ed.	$499,777	$361,550	$400,373	$517,727	$535,255	3.39%
Office On Youth	$356,100	$356,100	$464,780	$0	$0	---
Area Agency On Aging	$1,266,173	$1,580,578	$1,501,454	$1,120,132	$1,101,783	-1.64%
At Risk Youth And Family Services	$5,148,748	$5,273,398	$5,504,244	$5,317,823	$5,317,823	0.00%
Public Health	$220,384	$262,196	$267,786	$287,343	$298,115	3.75%
Social Services	$22,666,926	$23,351,882	$25,529,617	$24,270,775	$22,759,463	-6.23%
Sub Total	$43,612,962	$45,172,139	$48,314,830	$46,652,867	$45,740,855	-1.95%
Library:						
Library	$3,003,618	$3,094,268	$3,137,758	$3,133,955	$3,178,966	1.44%
Sub Total	$3,003,618	$3,094,268	$3,137,758	$3,133,955	$3,178,966	1.44%

All Funds Revenue Summary (Cont.)

Department / Agency	FY 07 Adopted Revenue Bud.	FY 08 Adopted Revenue Bud.	FY 09 Adopted Revenue Bud.	FY 10 Adopted Revenue Bud.	FY 11 Adopted Revenue Bud.	% Change FY 10 to FY 11
Debt / CIP:						
General Debt	$2,575,134	$3,478,735	$3,559,899	$3,477,208	$3,432,009	-1.30%
Sub Total	$2,575,134	$3,478,735	$3,559,899	$3,477,208	$3,432,009	-1.30%
Non-Departmental:						
Unclassified Administrative	$14,184,190	$13,327,821	$16,016,147	$9,922,351	$5,148,333	-48.11%
General Revenues	$728,636,545	$737,732,405	$771,579,000	$727,859,700	$719,754,500	-1.11%
Transfers In	$4,188,947	$5,232,915	$7,780,850	$11,081,663	$9,193,367	-17.04%
Sub Total	$747,009,682	$756,293,141	$795,375,997	$748,863,714	$734,096,200	-1.97%
Total General Fund Revenue	**$849,178,599**	**$856,714,502**	**$883,661,169**	**$834,234,336**	**$823,632,196**	**-1.27%**
SECTION TWO: NON GENERAL FUND REVENUE SUMMARY:						
Special Revenue Funds:						
Trans. To P.R.T.C.	$700,000	$700,000	$0	$0	$0	---
Commuter Rail Station Parking	$101,823	$101,823	$0	$0	$0	---
Comm. parking lease rev bond debt	$1,525,742	$1,524,494	$1,520,656	$1,519,867	$1,516,464	-0.22%
Adult Detention Center	$29,777,579	$32,968,601	$39,201,356	$35,935,194	$36,251,895	0.88%
Lake Jackson Service Dist.	$108,976	$143,920	$147,758	$151,460	$152,530	0.71%
Bull Run Mountain Serv. Dist.	$170,391	$245,892	$231,522	$238,170	$240,542	1.00%
Circuit Court Service District	$6,100	$5,902	$3,973	$0	$0	---
Spc tax dist;Gypsy Moth/Mosq ctrl	$1,096,347	$1,465,840	$1,585,835	$1,585,835	$1,585,835	0.00%
P. W. Parkway Trans Imprv Dst.	$1,758,240	$2,015,800	$2,146,640	$2,163,860	$1,884,120	-12.93%
234 Bypass Trans Imprv Dst	$131,898	$171,676	$213,456	$215,800	$182,274	-15.54%
Stormwater Management (1)	$8,184,798	$7,156,439	$4,956,624	$4,956,624	$4,956,624	0.00%
Public Works; Building Dev. (1, 2)	$0	$0	$8,856,841	$0	$0	---
Public Works- Site Dev. Fee Supp. (1)	$0	$0	$2,430,270	$1,227,965	$1,227,965	0.00%
Planning- Site Dev. Fee Supported (1)	$0	$0	$1,880,389	$1,278,440	$1,440,575	12.68%
Transportation- Site Dev Fee Supp (1, 2)	$0	$0	$1,403,105	$963,361	$963,361	0.00%
Development Serv. - Dev Fee (2)	$0	$0	$0	$7,422,727	$7,987,613	7.61%
Housing & Community Dev.	$26,723,315	$26,852,604	$25,453,313	$28,293,120	$28,351,891	0.21%
Total Special Revenue Funds	$70,285,209	$73,352,991	$90,031,738	$85,952,423	$86,741,689	0.92%
Capital Projects Fund:						
Capital Improvement Projects	$67,411,017	$53,428,450	$68,627,588	$20,251,302	$14,325,526	-29.26%
Total Capital Projects Fund	$67,411,017	$53,428,450	$68,627,588	$20,251,302	$14,325,526	-29.26%
Enterprise Fund:						
Public Works; Solid Waste	$15,752,176	$16,504,000	$16,779,000	$16,779,000	$18,145,244	8.14%
Total Enterprise Fund	$15,752,176	$16,504,000	$16,779,000	$16,779,000	$18,145,244	8.14%
Internal Service Funds:						
Public Works; Fleet Management	$5,842,290	$6,485,848	$6,336,397	$6,335,075	$6,353,693	0.29%
OIT; Data Processing	$15,498,492	$15,651,632	$15,843,834	$15,271,132	$14,556,613	-4.68%
Medical Insurance	$28,105,000	$32,373,000	$31,358,000	$34,372,000	$39,623,000	15.28%
Public Works; Small Proj. Const.	$2,216,539	$2,275,834	$2,323,719	$2,478,144	$2,281,407	-7.94%
Total Internal Service Funds	$51,662,321	$56,786,314	$55,861,950	$58,456,351	$62,814,713	7.46%
Fire And Rescue Levy Funds:						
Fire and Rescue Levy Total	$26,917,740	$27,005,237	$31,464,455	$29,610,000	$29,410,000	-0.68%
Total Fire & Rescue Levy Funds	$26,917,740	$27,005,237	$31,464,455	$29,610,000	$29,410,000	-0.68%

All Funds Revenue Summary (Cont.)

Department / Agency	FY 07 Adopted Revenue Bud.	FY 08 Adopted Revenue Bud.	FY 09 Adopted Revenue Bud.	FY 10 Adopted Revenue Bud.	FY 11 Adopted Revenue Bud.	% Change FY 10 to FY 11
Schools:						
Operating Fund	$727,707,085	$749,417,617	$791,017,635	$771,655,350	$752,762,281	-2.45%
School Debt Service Fund	$52,183,029	$56,408,860	$59,438,548	$61,400,058	$58,127,770	-5.33%
Construction Fund	$122,087,000	$60,658,000	$70,193,000	$106,050,500	$62,309,000	-41.25%
Food Service Fund	$25,706,341	$27,053,751	$28,896,472	$29,763,365	$32,100,111	7.85%
Warehouse	$4,100,000	$4,450,000	$4,750,000	$4,850,000	$5,000,000	3.09%
Facilities Use Fund	$578,165	$703,893	$975,077	$1,026,800	$1,084,375	5.61%
Self Insurance Fund	$4,052,951	$3,244,021	$3,521,466	$3,302,378	$3,333,105	0.93%
Health Insurance Fund	$53,449,938	$57,230,359	$56,991,037	$59,725,747	$67,680,601	13.32%
Regional School Fund	$27,765,272	$25,296,670	$27,868,607	$30,563,043	$33,824,760	10.67%
Total Schools	$1,017,629,781	$984,463,171	$1,043,651,842	$1,068,337,241	$1,016,222,003	-4.88%
Grand Total All Funds	**$2,098,836,843**	**$2,068,254,665**	**$2,190,077,742**	**$2,113,620,653**	**$2,051,291,371**	**-2.95%**

(1) For FY 09 the Development Fee supported portions of Public Works, Planning and Transportation that in prior years were included in the General Fund have been transferred to the Special Revenue Fund. The Site Development portion of Public Works has been broken out of the Stormwater Management total for FY 09.

(2) After the adoption of the FY 2009 Budget, the BOCS approved the creation of the Department of Development Administration (DDS) by transferring development fee supported portions of Public Works and Planning to DDS.


THE SEAL OF PRINCE WILLIAM COUNTY VA.