



PRINCE WILLIAM
COUNTY

Revenue & Expenditures **REPORT**



1st Quarter
FY 2025

Published 11/15/2024

PRINCE WILLIAM COUNTY

1st Quarter FY 2025 Revenues

Section 2.09 of the ***Principles of Sound Financial Management*** requires a quarterly report on the status of General Fund revenues, expenditures, budget, projections, and trends to be provided to the Board of County Supervisors (BOCS) within forty-five (45) days of the end of each quarter with the exception of the 4th quarter report. A preliminary 4th quarter report shall be provided within ninety (90) days of the end of the quarter.

The FY 2025 Adopted Budget estimates general revenues to be \$1.59 billion.

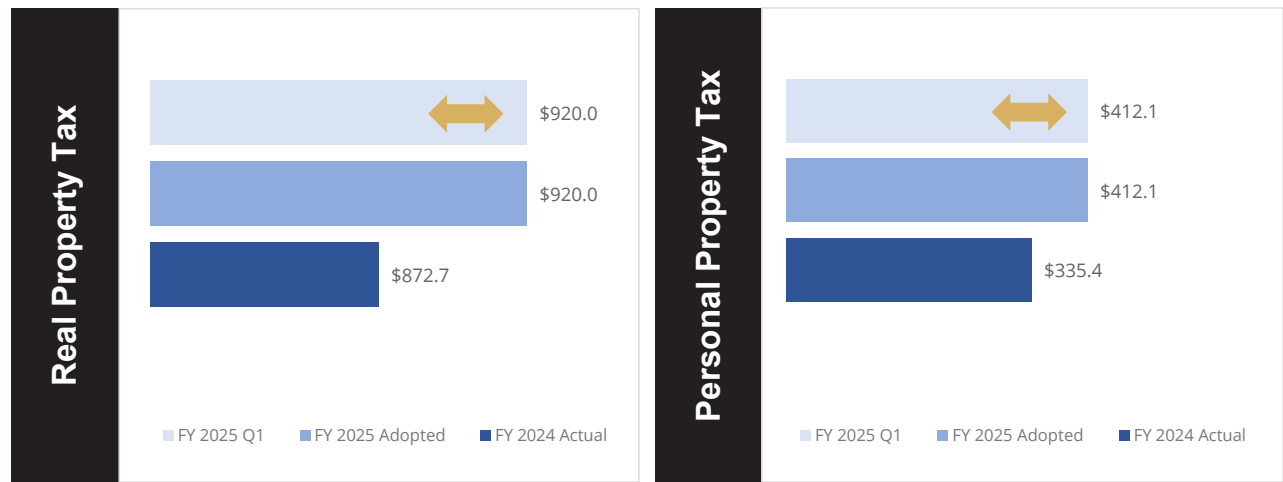
General Revenue Sources	Prior Year FY 2024	Current Year FY 2025			
	Year-End (Preliminary Unaudited)	Adopted Forecast	Q1 Revised	\$ Change Q1/Adopted	% Change Q1/Adopted
Real Property Tax	\$872,688,927	\$919,979,000	\$919,979,000	\$0	0.00%
Personal Property Tax	335,371,025	412,050,000	412,050,000	0	0.00%
Motor Vehicle License Tax	12,610,447	13,000,000	13,000,000	0	0.00%
Local Sales Tax	95,654,382	96,000,000	96,000,000	0	0.00%
Food and Beverage Tax	44,953,500	42,000,000	42,000,000	0	0.00%
Consumer Utility Tax	14,658,210	15,500,000	15,500,000	0	0.00%
Communications Sales and Use Tax	11,272,071	12,100,000	12,100,000	0	0.00%
BPOL Tax	38,921,579	35,675,000	35,675,000	0	0.00%
Investment Income	33,381,349	25,480,000	25,480,000	0	0.00%
All Other Revenue	17,435,128	20,095,000	20,095,000	0	0.00%
TOTAL GENERAL REVENUES	\$1,476,946,618	\$1,591,879,000	\$1,591,879,000	\$ -	0.00%

Revenues At-A-Glance

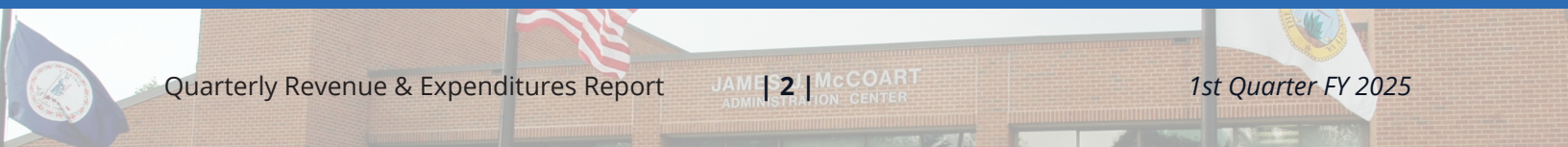
Highlights from the FY 2025 Adopted Budget are as follows:

Real Property Tax revenue collected to date suggests this revenue stream is on course to meet the FY 2025 adopted forecast of \$920.0 million. Real estate tax relief, exonerations and lawsuit reserves, key components that influence net property tax proceeds, are being closely monitored to determine if future adjustments are warranted.

Personal Property Tax is forecast to generate FY 2025 revenue of \$412.1 million. While an extension of the personal property tax deadline for vehicles to December 5, 2024, precludes revisions at this time, personal property tax will be evaluated at a later date to determine if an adjustment to the forecast is necessary. On September 10, 2024, the Board of County Supervisors unanimously voted to extend the payment deadline by 60 days to offer residents a measure of temporary relief amid vehicle valuations that continue to be elevated coupled with the declining percentage of tax relief allocated under the Personal Property Tax Relief Act (PPTRA)

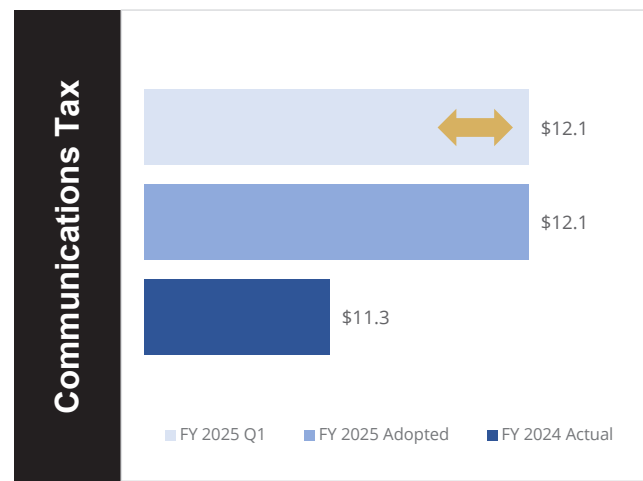
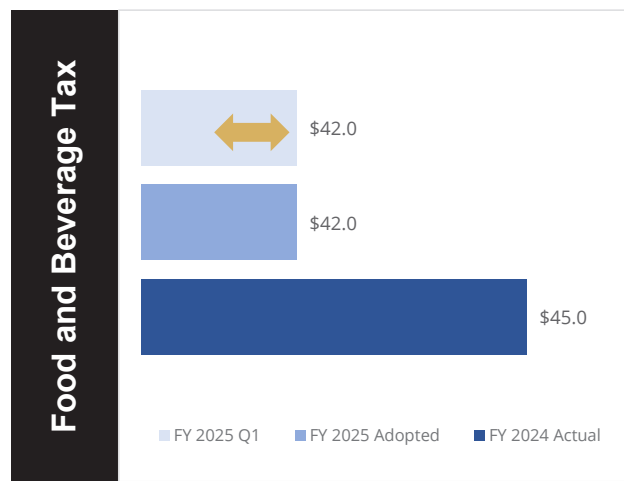
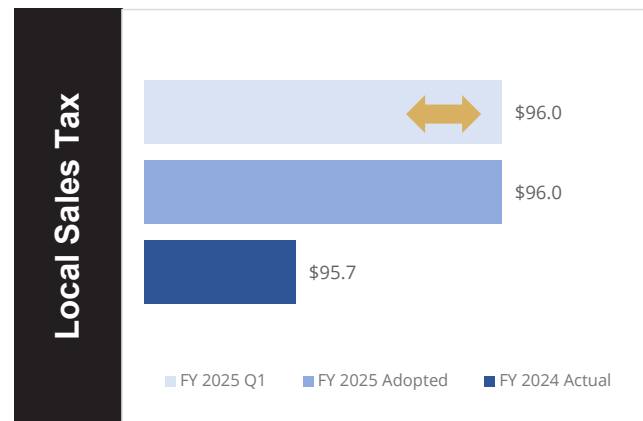
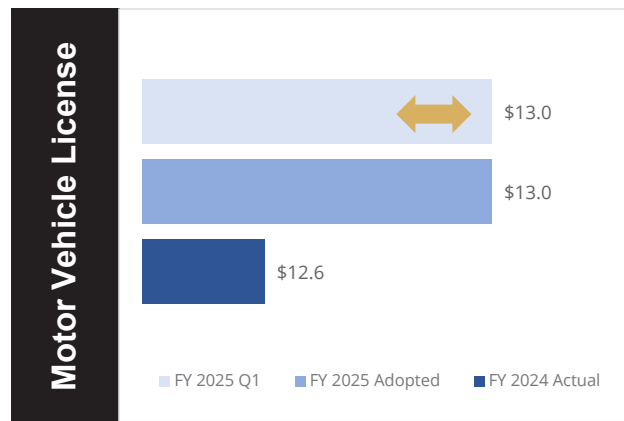


Dollar amounts expressed in millions

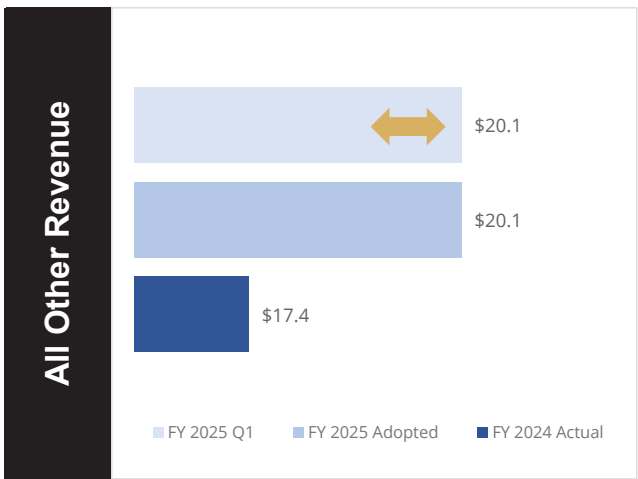
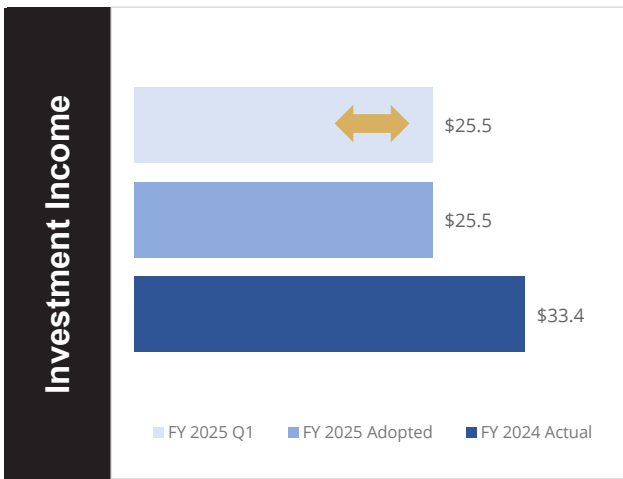
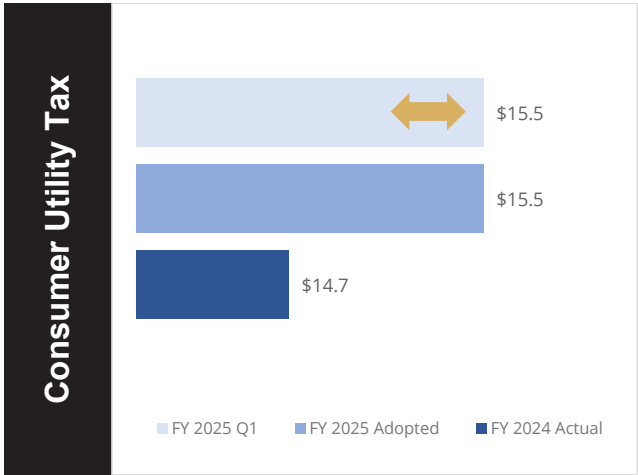
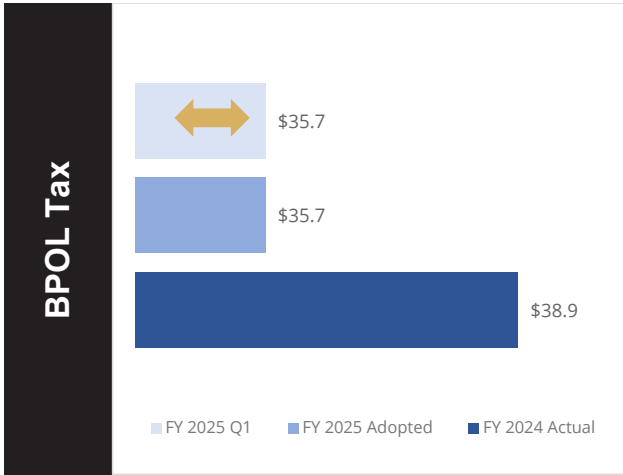


Local Sales Tax collections over the first three months of FY 2025 implies this revenue stream is on track to meet the adopted forecast of \$96.0 million. While the pace of goods consumption has gradually declined, consumer demand has largely defied expectations for a substantive slowdown over the past eighteen months. Despite the presence of higher prices, consumers' ability to continue spending has been buoyed by existing strength within the regional labor market and nominal income growth that remains above pre-pandemic levels.

Food and Beverage Tax collections in the early portion of FY 2025 suggest this revenue source is on course to meet the adopted forecast of \$42 million. The backdrop propelling receipts is akin to Local Sales Tax – consistent spending behavior sustained by existing strength within the regional labor market, firm nominal income growth stubborn inflationary pressure within the services sector. Furthermore, resources provided to the County's Tax Administration Division for collection enforcement are anticipated to yield additional revenue.



Dollar amounts expressed in millions



Dollar amounts expressed in millions

Looking Ahead

Economy At-A-Glance

Indicator	Prior Qtr 06/30/2024	Prior Year 09/30/2023	Current ¹ 09/30/2024	Trend					Notes
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General

Consumer Price Index (CPI)	3.0%	3.7%	2.4%	Orange	Yellow	Grey	Light Green	Dark Green	Measures prices paid by consumers for a basket of goods and services.
Gross Domestic Product (GDP)	3.0%	4.9%	2.8%	Orange	Yellow	Grey	Light Green	Dark Green	Measures the final market price for goods and services produced within the U.S.
Federal Funds Rate	5.33%	5.33%	4.83%	Orange	Yellow	Grey	Light Green	Dark Green	Target interest rate set by the Federal Open Market Committee (FOMC). Establishes baseline lending rates and short term rates of return.
S&P 500 Index	5,460	4,288	5,762	Orange	Yellow	Grey	Light Green	Dark Green	Considered the best single gauge of large-cap U.S. equities. The index contains 500 leading companies and captures approximately 80% of available market capitalization.

Unemployment Rate

National	4.1%	3.8%	4.1%	Orange	Yellow	Grey	Light Green	Dark Green	Tracks the number of unemployed persons as a percentage of the total U.S. labor force.
Virginia	2.7%	2.5%	2.9% (P)	Orange	Yellow	Grey	Light Green	Dark Green	Tracks the number of unemployed persons as a percentage of the total VA labor force.
Prince William County	2.9%	2.9%	2.9% (P)	Orange	Yellow	Grey	Light Green	Dark Green	Tracks the number of unemployed persons as a percentage of the total PWC labor force.

Average Weekly Wages ²

National	\$1,435	\$1,465	\$1,550	Orange	Yellow	Grey	Light Green	Dark Green	Tracks the average weekly monetary compensation paid to an employee in the U.S. Excludes bonus payments.
Virginia	\$1,482	\$1,477	\$1,554	Orange	Yellow	Grey	Light Green	Dark Green	Tracks the average weekly monetary compensation paid to an employee in VA. Excludes bonus payments.
Prince William County	\$1,247	\$1,176	\$1,227	Orange	Yellow	Grey	Light Green	Dark Green	Tracks the average weekly monetary compensation paid to an employee in PWC. Excludes bonus payments.

Employment Establishments ³

Virginia	316,673	347,721	318,255	Orange	Yellow	Grey	Light Green	Dark Green	Tracks the total number of physical locations where business, services, or industrial operations are performed in Virginia.
Region	82,922	82,375	83,911	Orange	Yellow	Grey	Light Green	Dark Green	Tracks the total number of physical locations where business, services, or industrial operations are performed in Northern Virginia.
Prince William County	10,581	11,422	10,558	Orange	Yellow	Grey	Light Green	Dark Green	Tracks the total number of physical locations where business, services, or industrial operations are performed in Prince William County.

Revenue

Retail Sales: National	0.0%	0.7%	0.4%	Orange	Yellow	Grey	Light Green	Dark Green	Retail sales tracks the resale of new and used goods to the general public for personal or household consumption.
Sales and Use Tax: Virginia	-0.7%	2.0%	1.5%	Orange	Yellow	Grey	Light Green	Dark Green	Tracks the percentage of state collections for sales and use tax.
Sales and Use Tax: Prince William County	1.3%	3.2%	7.8%	Orange	Yellow	Grey	Light Green	Dark Green	Tracks the percentage of collections for sales and use tax in Prince William County. Current sales tax rate is 6.0%.
Revenue Collections: Virginia	5.9%	17.9%	9.9%	Orange	Yellow	Grey	Light Green	Dark Green	Approximately 88% of Virginia's revenue consists of net individual income tax and sales tax.

Vehicles

National Automobile Sales (units in millions)	15.5	15.5	15.6	Orange	Yellow	Grey	Light Green	Dark Green	Tracks the total number of year-to-date light-vehicle sales in the U.S. on a Seasonally Adjusted Annual Rate basis.
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Real Estate Market: Prince William County

Median Sold Price	\$635,000	\$540,500	\$550,000	Orange	Yellow	Grey	Light Green	Dark Green	Reflects the median sold price for a home.
Closed Sales	541	392	402	Orange	Yellow	Grey	Light Green	Dark Green	Reflects the number of closed home sales.
Average Days on Market	10	15	18	Orange	Yellow	Grey	Light Green	Dark Green	Reflects the average time a home is on the market from listing to closing.
Ratio of Homes on the Market to Homes Sold	0.87	1.14	1.29	Orange	Yellow	Grey	Light Green	Dark Green	A ratio > 1 suggests supply of homes on the market exceeds current demand. A ratio < 1 suggests supply of homes on the market is below current demand.
Commercial Vacancy Rate	3.5%	3.4%	3.4%	Orange	Yellow	Grey	Light Green	Dark Green	Tracks the percentage of vacant store front property by square feet.

¹ Reflects data available as of the date displayed
² Average Weekly Wages lags current and prior period by 2 quarters
³ Employment Establishments lags current and prior period by 2 quarters



National, State, and Local Trends

National Following the Federal Reserve's decision to lower the Federal Funds rate by 0.50% in mid-September, the bond market's attempt to front-run future interest cuts have, once again, been upended. With measurements of economic growth and U.S. labor market conditions proving relatively sturdy, medium to longer term interest rates have risen sharply since reaching a current year low in the latter part of September. Add in uncertain fiscal policy initiatives under a forthcoming Trump administration and investors have been compelled to reassess the trajectory of the macroeconomic backdrop. Seeking to maintain economic stability, the Federal Reserve announced a widely anticipated 0.25% interest rate cut on November 7th, bringing the target range of the Federal Funds rate to 4.50% - 4.75%. The statement issued following the meeting removed a phrase stating the committee "has gained greater confidence that inflation is moving sustainably toward 2 percent." Taken at face value, an initial conclusion could be drawn policymakers had begun to question whether the disinflation process had stalled. But Chairman Jerome Powell noted during his press conference that changes to the statement did not signal a loss of confidence surrounding the outlook. Not surprisingly, numerous questions were posed by reporters about how the Federal Reserve would incorporate fiscal policies proposed by President-elect Trump to form an economic outlook. "In the near term, the election will have no effects on our policy decisions," Powell said. The message to markets is clear – the decision to implement an interest rate cut in December will be based on incoming employment and inflation data. In the opinion of Bloomberg Economics, "The Fed is likely to continue cutting rates gradually as inflation eases. The Republican victory in the presidential election and their likely sweep of Congress suggests expansionary fiscal policies are in the offing - something that could make Fed policymakers more cautious in their rates outlook in December's dot plot."

Consumer Price Index (CPI) Despite September's CPI report confirming a sixth consecutive month of modest improvement at the headline level, services sector inflation and the reemergence of price pressures for goods continues to pose an obstacle to durable success. While slowly moderating, services sector inflation remains nearly three percentage points above policymakers' 2.0% goal. And with specific categories remaining stubbornly high, such as transportation services, the pace of future progress may be sluggish absent the occurrence of an exogenous economic shock. Headline CPI for September was unchanged at 0.2% versus the prior month. Measured year-over-year, inflation rose 2.4% compared to 2.5% in August. Energy prices represented a drag on September headline inflation, propelled by a decline in gasoline prices of 4.1%. Core inflation, which excludes food and energy and is scrutinized to assess signs of progress, rose 0.3% month-over-month, while the year-over-year pace increased to 3.3% from 3.2% in August. Following a decline of 0.2% in August, core goods prices rose 0.2% September, the first month-over-month increase since February. A rise in prices for used and new vehicles of 0.3% and 0.2%, respectively, were key drivers behind the increase. Core services remained at 0.4% in September versus the prior month. While the shelter component continued to underpin core services inflation, the rate of change declined to 0.2% in September from 0.5% the previous month. Carrying an index weight equal to approximately one-third of overall CPI, the shelter category (includes rental housing costs) is a significant driver of not only services inflation but the entire CPI basket. Partially offsetting the improvement in shelter prices, motor vehicle repair and car insurance rose sharply in September, increasing 1.0% and 1.2%, respectively. Over the past twelve months, motor vehicle insurance is up 16.3% while motor vehicle repair has increased 6.0%. Both categories highlight the downstream impact of replacement costs within the automobile sector amid vehicle prices that remain significantly above pre-pandemic levels.

Gross Domestic Product (GDP) While the U.S. economy expanded at a solid pace during the quarter, the breadth of growth was driven primarily by wealthier household spending, national defense, and business investment in equipment. Considering the outcome of the November 5th election, fourth quarter growth could come under pressure given legal, regulatory and geopolitical concerns recently expressed by the business community. Adjusted for inflation, the Bureau of Economic Analysis's advance estimate of GDP showed the U.S. economy grew at a 2.8% annualized pace during the quarter, slightly below the consensus estimate of 2.9% and the second quarter mark of 3.0%. Final sales to domestic purchasers,

which excludes inventories and trade and is a key metric utilized to assess trends in consumption behavior, increased 3.5% versus the previous quarter's mark of 2.8%. Personal consumption rose 3.7% from 2.8% the prior quarter, led by expenditures on durable goods, health care and a brisk increase in discretionary spending on food services and accommodations. Business investment on equipment rose 11.1%, propelled largely by transport and information processing equipment. Partially offsetting the gain was a decline of 4.0% in business investment on structures. In a note, Bloomberg Economics framed third quarter GDP results with the following statement - "The headline GDP print for 3Q makes the economy look strong, but beneath the surface things are less stable. Consumer spending, the main growth driver, has been narrowly boosted by upper-income households, while lower-income ones have grown more price-sensitive. Meanwhile, some of the quarter's investment was probably to front run the East Coast port strike - potentially taking away from growth in subsequent quarters."

Labor Market Following below consensus employment gains in July and August, September's employment report temporarily allayed concerns the labor market had begun to send early warning signs of deterioration. While the overall strength of the report was impressive, two measurements of employment suggest employers are primarily replacing workers as opposed to increasing headcount. First, the Job Occupancy and Labor Turnover Survey has signaled a steady decrease in the demand for labor, falling to 7.4 million in September from 8.7 million in January. And second, according to Bloomberg Economics, the six-month moving average of workers transitioning into unemployment has gradually increased versus job seekers that have moved out of unemployment. The consensus view among market observers points to a labor market that, for the time being, remains sound but has entered a period of normalization. Nonfarm payrolls for September increased 254,000, above the consensus estimate of 150,000. The unemployment rate edged lower to 4.1% in September from 4.2% the previous month. The labor force grew by 150,000 workers while the labor force participation rate was unchanged at 62.7% in September from the prior month. Though hiring affiliated with services employment surprised to the upside, as in prior months, the breadth of job gains in September were narrow on a sector level basis. Employment expansion was concentrated primarily in Leisure and Hospitality (78k) Health Care and Social Assistance (72k), and Government (31k). Sectors that realized job losses were Transportation and Warehousing (-9k) and manufacturing (-7k). Employment was little changed in most other industries such as Mining and Logging, Wholesale Trade, Information, and financial activities. In a note, Bloomberg Economics summarized the September employment report, saying, "September's jobs report was surprisingly good. The details were strong, and we think it lifted the chance of a soft landing. However, it may still be premature to say the Fed's 50-bp rate cut stabilized the unemployment rate - the report preceded several high-profile layoff announcements in October, as well as typical layoffs into year-end. We continue to expect the unemployment rate to hit 4.5% by the close of 2024."

Retail Sales Propelled by income growth and access to credit, retail expenditures grew at a healthy pace during September. According to Bloomberg, "Barring a sharp downturn in the labor market, we expect consumer spending to continue growing moderately amid signs that frugal consumers are seeking cheaper options for the holiday season, and even mid- to high-income groups are under financial pressure." The U.S. Census Bureau reported retail sales for September increased 0.4%, preceded by a 0.1% gain the previous month. Details from the September report revealed sales excluding vehicles and gasoline rose 0.7%, well above the consensus estimate of 0.3% and the prior month mark of 0.3%. Control-group sales, (excludes food services, auto dealers, building-material stores, and gasoline stations) a potential barometer for underlying spending trends, rose higher than anticipated to 0.7% versus 0.3% in August. After sluggish growth throughout much of 2024, food services & drinking places sales in September broke slightly above 1.0% for the first time this year. While the result may be an outlier, the category bares monitoring to gauge whether consumers have the financial durability to consistently engage in discretionary spending.

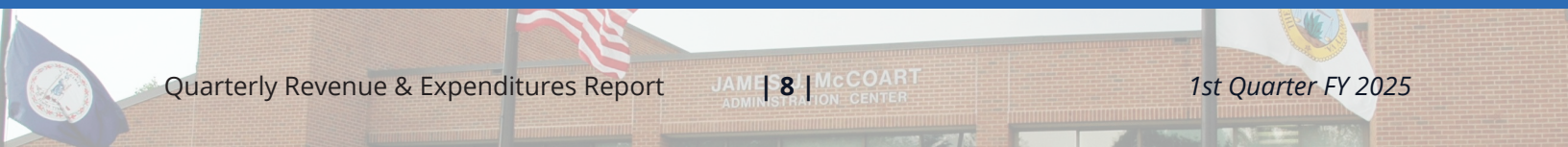
Automobile Industry The National Automobile Dealers Association (NADA) reported Seasonally Adjusted Annual Rate (SAAR) new light-vehicle sales of 15.6 million units through September, an increase of 0.8% over the same period last year. But since rising 4.9% in the first quarter versus one year prior, new vehicle sales have steadily fallen, declining 0.5% in the second quarter and 1.9% during the third quarter on a year-over-year basis. The subsequent trend has prompted NADA to revise its 2024 sales forecast

down to 15.7 million units from 15.9 million. According to NADA, the supply of new-vehicle inventory has risen throughout 2024. New light-vehicle inventory on the ground and in transit in September was 2.8 million units. Inventory is expected to approach 3.0 million units in November before slightly tailing off before the end of the year. Despite a gradual improvement in the supply of new vehicles, affordability remains challenging for many Americans. Cost data provided by Cox Automotive indicated the average monthly payment increased 0.2% to \$740 in September from the previous month but is down overall from a peak of \$792 in December 2022. And while the average new-vehicle financing rate decreased 30 basis points in September to 9.53%, coupled with an increase in automobile manufacturer incentives, potential savings were partially offset by an increase in new-vehicle prices of 0.8%. After cresting in December 2021, used-vehicle prices have slowly receded, but remain well above pre-pandemic levels. Following a 2024 low mark of 196.1 in June, the Manheim Used Vehicle Value Index drifted higher over the quarter to 203.0 in September. Looking forward, Cox Automotive is of the opinion that “Next year, with even fewer lease maturities, the Cox Automotive team is expecting depreciation trends will be reduced versus what is typically seen. The outlook for values at the end of 2025 is up 2.4%, and the initial estimate for 2026 is to see a gain of 2.6%. With the long-term bias move in the MUVVI index at +2.3%, this means slightly lower overall depreciation in wholesale values is expected in the years ahead.”

State The Secretary of Finance’s September revenue report noted the Commonwealth’s general fund revenues are tracking \$656.4 million (9.9%) higher through first three months of FY 2025 versus the same period one year prior. The primary catalyst has been an increase in net individual income tax collections of \$661.9 million (15.1%). Individual income tax withholding (58% of general fund revenues) grew \$243.3 million (5.5%) through September compared to one year prior, while sales tax collections (16% of general fund revenues) through the first quarter of the current fiscal year increased \$17.6 million (1.5%). “Virginia’s strong financial position is reflected in September’s revenues, which are currently exceeding projections. This positive trend is fueled by our consistently strong labor market and business investment,” said Governor Glenn Youngkin. “We remain committed to creating opportunities for all Virginians to thrive, even in the face of uncertain broader economic risks on the horizon at the national level.”

Virginia’s seasonally adjusted unemployment rate rose during the quarter, moving to 2.9% in September from 2.7% in June. The Virginia Employment Commission’s September report disclosed an increase in Virginia’s labor force of 2,677 workers to 4,571,505. The number of unemployed residents increased by 2,994 to 131,326, while the number of employed Virginians decreased 317 to 4,440,179. The Commission reported employment rose in six of eleven major categories in September versus the prior month, led by job gains in Leisure and Hospitality (2,200), Professional and Business Services (1,100) and Government (900). Within the five categories that declined, the top three sectors that recorded job losses were Information (-1,100), Education and Health Services (-900) and Manufacturing (-800).

Local After posting a current year high of 3.4% in August, the preliminary estimate of unemployment for Prince William County declined to 2.9% in September. Data published by the Bureau of Labor Statistics indicated the labor force fell to 257,053 from 257,958 and the number of employed residents rose by 235 in September versus the previous month. The total number of unemployed citizens decreased by 1,140 during September from the prior month. While the availability of granular data to assess the health of the County’s job market at a sector level is limited, a leading indicator that can be utilized to measure labor market conditions are initial claims for unemployment insurance. For the period spanning July through September, average initial claims per month increased to 458 versus a per month average of 423 from April through June. Considering the trajectory of claims throughout the quarter, a reasonable conclusion can be made that evidence of broad-based labor market weakness has remained subdued.



Prince William County Real Estate Market

Residential Sales Activity The following highlights are based on Metropolitan Regional Information Systems (MRIS) data for the quarters ended September 2024 and September 2023.

Category	Sep 2024	Sep 2023	Increase/(Decrease)
Median Sold Price	\$550,000	\$540,500	1.8%
Units Sold	402	392	2.6%
Active Listings	519	446	16.4%
Average Days on Market	18	15	20.0%
New Listings	436	384	13.5%

Although the average 30-year mortgage rate has fallen approximately 0.5% from the current year peak set back in the spring, housing affordability challenges, which show no signs of immediate relief for homebuyers, have remained persistent. At the time of this writing, Freddie Mac's Primary Mortgage Survey indicated the average 30-year fixed rate mortgage stood at 6.72%. The low mark for this year of 6.08%, established in late September, was fueled by a repricing of interest rates lower based on the market's projected trajectory of future interest rate cuts by the Federal Reserve. Interest rates have since moved higher in response to buoyant economic data that may lead to a shallower rate cut path over the short-term. Freddie Mac recently noted that "Although uncertainty will remain, it does appear mortgage rates are cresting and are not expected to reach the highs seen earlier this year." Virginia Realtors monthly Flash Survey indicated the organization's Buyer Activity Index increased to 37 in September from 35 the prior month. Approximately 15% of realtors assessed buyer activity in their local market as "high" or "very high", while roughly 40% rated buyer activity as "low" or "very low". An estimated 39% of realtors cited a shortfall of "housing in their local market was a significant issue for their clients", and 10% referenced rising mortgage rates "were holding their buyer clients back from purchasing a home in September." A separate index produced by Virginia Realtors that measures realtors' opinions about market performance three months forward increased to 49 in September versus 47 in August. Approximately 22% of survey participants thought buyer activity over the next three months would be higher in their respective markets while 25% indicated buyer activity would decline.

Commercial Sector For the quarter ended September 2024, Costar Realty Group (Costar) reported the County's commercial inventory included 56.2 million square feet (sq. ft.) of space in 2,273 properties with 1.9 million sq. ft. of vacant space. The vacancy rate was 3.4% compared to 3.5% at the end of the prior quarter. Highlights from Virginia Realtors Q3 2024 statewide commercial real estate report are as follows:

- Office: "Virginia's office market remains sluggish overall. Net absorption continues to be negative and vacancy rates are climbing. Rent growth for Class A space rose while rents for Class B/C moderated. The construction pipeline continues to get smaller, and there was an uptick in deliveries in Richmond and Hampton Roads this quarter."
- Retail: "The retail real estate market showed some signs of moderating in the third quarter. Absorption levels turned negative for just the second time in the last eight quarters and the construction pipeline dipped slightly from the third quarter a year ago. It's still a tight market though with vacancy rates low and holding firm at the state level. Rents continue to climb overall, mostly driven by larger retail spaces."
- Industrial: "The industrial market picked back up in the third quarter after a slow second quarter. Absorption levels surged and rents are rising across building types. Vacancy rates rose and construction activity slowed overall."

PRINCE WILLIAM COUNTY

1st Quarter FY 2025 Expenditures

General Information

The Board of County Supervisors (BOCS) adopted the ***Principles of Sound Financial Management***; the County government's guiding financial policies. The Principles require that the BOCS receive a quarterly general fund revenue and expenditure update within 45 days of the end of each quarter.

The County's fiscal year runs from July 1 to June 30. The BOCS adopted an FY 2025 general fund budget of \$1.8 billion.

- \$911 million adopted School transfer, in accordance with the County-Schools revenue sharing agreement.
- \$898 million adopted County government general fund budget, including transfers.

In accordance with State Code, the County cannot exceed the annual legal appropriation. As a result, the County general fund budget will always have a year-end surplus.

County agencies may have revenue sources other than local taxes that support the general fund expenditure budget. These include charges for services, federal and state revenue, court fines, and fees.

First Quarter Summary

1. ***General Fund Reporting*** – This report includes only unrestricted general fund expenditures. It does not include restricted funds within the general fund such as recordation tax designated for mobility, transient occupancy tax mandated for tourism, cable franchise capital grant, proffers, grants, or criminal forfeitures.
2. ***Revised FY 2025 Budget*** – As of September 30, 2024, the revised County government unrestricted general fund budget, excluding transfers, was \$847.7 million.

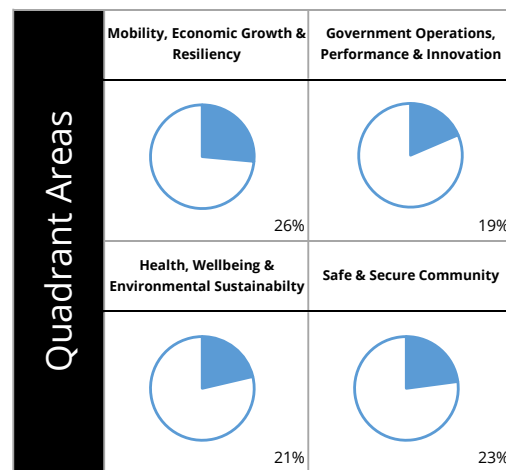
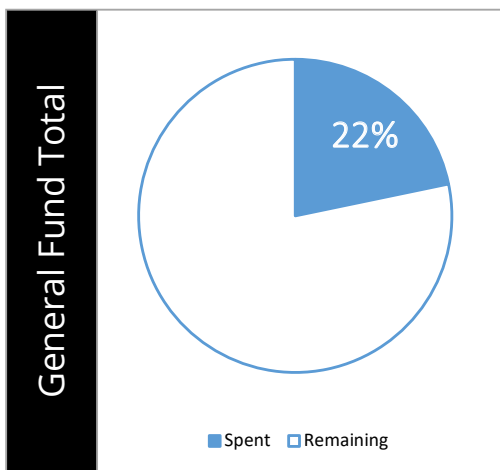
- 3. *First Quarter General Fund Expenditures* – As of September 30, 2024, 25.2% of the expenditure budget was spent. Excluding Non-Departmental and Debt Service, which are not indicators of direct County agency operations and have a disproportionate share of expenditures during the first quarter, agencies spent 21.7% of the expenditure budget.

Percent of Budget Spent (Including Debt Service & Non-Departmental)	Percent of Budget Spent (Excluding Debt Service & Non-Departmental)
25.2%	21.7%

- 4. *Information Technology Charges* – Information technology costs were not billed in the first quarter. Therefore, Internal Services expenditures (and overall agency expenditures) were lower than normally anticipated for the first quarter. After excluding Non-Departmental and Debt Service and adjusting for information technology costs not billed in the first quarter, agencies spent 22.6% of the operating expenditure budget.

Percent of Budget Spent (Excluding Debt Service, Non-Departmental, & Internal Services)
22.6%

- 5. *First Quarter Salary & Benefit Expenses* – Agency salary and benefit expenses as a percentage of budget will be lower in the first quarter as there were six (6) pay periods out of a total of 26 pay periods for the entire fiscal year. This means salary and benefit expenses are not evenly distributed throughout the fiscal year.
- 6. *Projected Expenditure Savings* - Current projections indicate 98.5% of the County government's general fund expenditure budget will be expended by year-end. Projected expenditure savings at the end of the fiscal year are estimated at approximately \$12.0 million.
- 7. *Agency Variances* – Notable variances are reported based on the 'Spent %' column on the following pages. Encumbrances are not included in the agency detailed tables and charts.




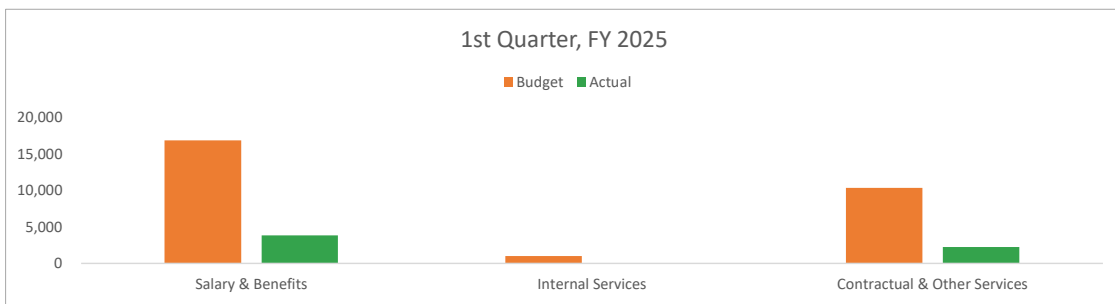
Mobility, Economic Growth & Resiliency Quadrant Area

(Dollar amounts expressed in thousands)

Departments & Agencies

- Development Services
- Economic Development & Tourism
- Planning
- Public Works
- Transportation

Quadrant Area	Spending Category	Budget	Actual	Spent %
Mobility, Economic Growth & Resiliency	Salary & Benefits	16,844.10	3,842.26	
	Internal Services	1,005.62	26.74	
	Contractual & Other Services	10,321.39	2,247.16	
	Reserves & Contingencies	(5,207.20)	(50.43)	
	22,963.92	6,065.74	26.41%	




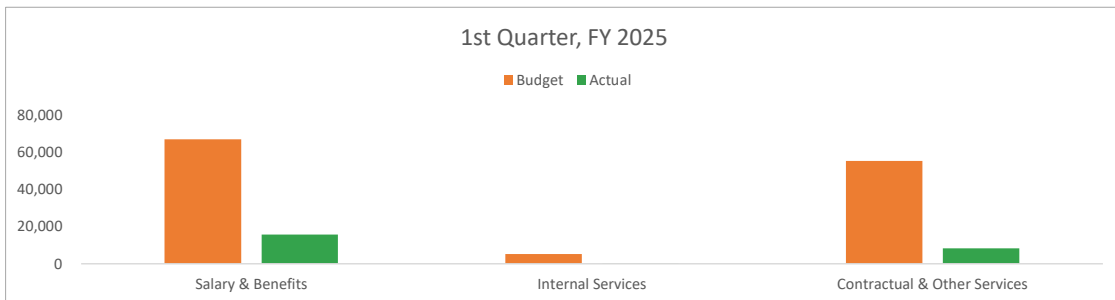
Government Operations, Performance & Innovation Quadrant Area

(Dollar amounts expressed in thousands)

Departments & Agencies

- Board of County Supervisors
- County Attorney
- Elections
- Executive Management
- Facilities & Fleet Management
- Finance
- Human Resources
- Human Rights
- Management & Budget

Quadrant Area	Spending Category	Budget	Actual	Spent %
Government Operations, Performance & Innovation	Salary & Benefits	67,082.67	15,754.86	
	Internal Services	5,329.00	94.64	
	Contractual & Other Services	55,459.20	8,289.26	
	Reserves & Contingencies	(5,323.65)	(1,422.70)	
	122,547.22	22,716.06	18.54%	




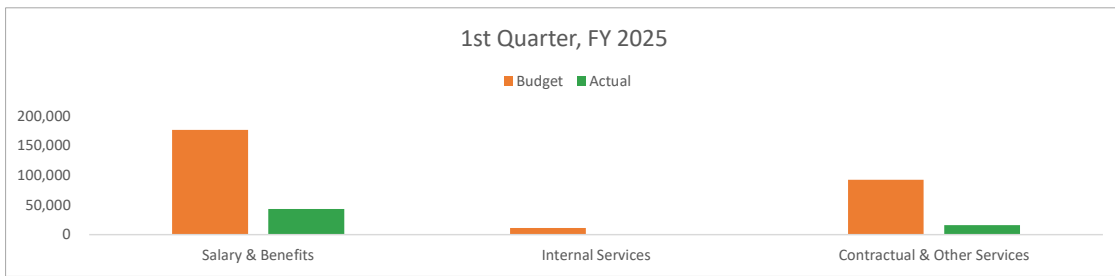
Health, Wellbeing & Environmental Sustainability Quadrant Area

(Dollar amounts expressed in thousands)

Departments & Agencies

- Aging
- Community Services
- Cooperative Extension Service
- Juvenile Court Service Unit
- Library
- Parks & Recreation
- Public Health
- Social Services
- Youth Services

Quadrant Area	Spending Category	Budget	Actual	Spent %
Health, Wellbeing & Environmental Sustainability	Salary & Benefits	176,491.92	43,121.68	
	Internal Services	10,963.51	442.25	
	Contractual & Other Services	92,447.52	15,860.01	
	Reserves & Contingencies	(846.91)	0.00	
	279,056.04	59,423.94	21.29%	




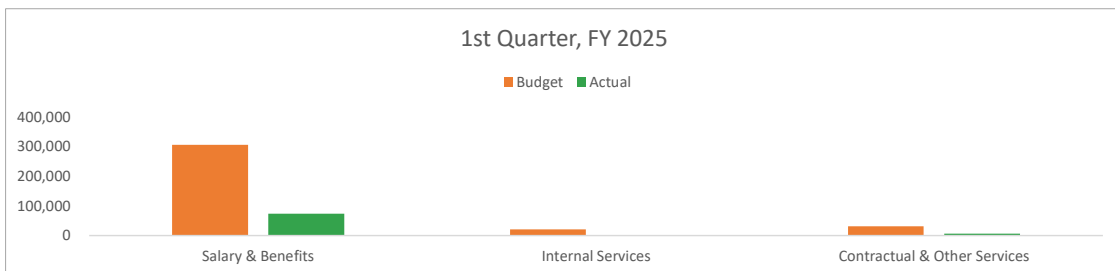
Safe & Secure Community Quadrant Area

(Dollar amounts expressed in thousands)

Departments & Agencies





- Circuit Clerk Court
- Circuit Court Judges
- Commonwealth's Attorney
- Criminal Justice Services
- Fire & Rescue
- General District Court
- Juvenile & Domestic Relations Court
- Magistrates
- Police
- Public Safety Communications
- Sheriff

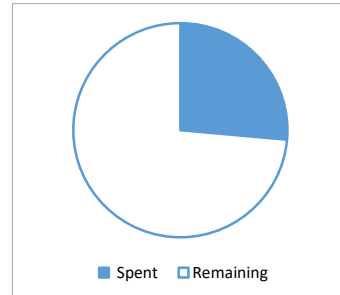
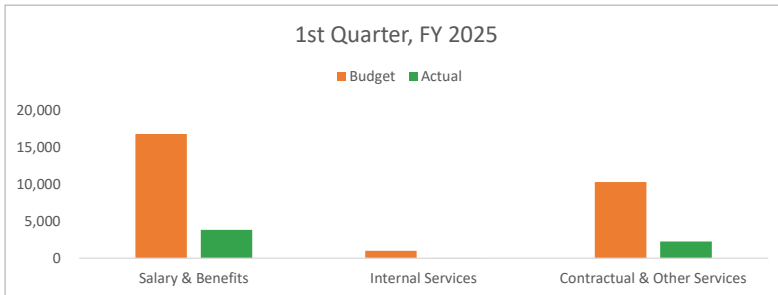
Quadrant Area	Spending Category	Budget	Actual	Spent %
Safe & Secure Community	Salary & Benefits	305,223.24	73,990.62	
	Internal Services	20,937.82	1,556.51	
	Contractual & Other Services	30,745.91	6,089.23	
	Reserves & Contingencies	(175.65)	0.00	
	356,731.33	81,636.36	22.88%	



Mobility, Economic Growth & Resiliency Quadrant Area

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Economic Development & Tourism	Salary & Benefits	3,263.90	713.54	
	Internal Services	169.12	0.18	
	Contractual & Other Services	2,226.67	686.49	
	Reserves & Contingencies	(15.40)	0.00	
		5,644.29	1,400.21	
Planning	Salary & Benefits	2,637.11	471.65	
	Internal Services	205.78	0.95	
	Contractual & Other Services	2,503.53	753.79	
	Reserves & Contingencies	(8.06)	0.00	
		5,338.36	1,226.39	
Public Works	Salary & Benefits	4,596.09	1,065.04	
	Internal Services	289.61	12.91	
	Contractual & Other Services	2,011.44	149.50	
	Reserves & Contingencies	(218.61)	(50.43)	
		6,678.53	1,177.02	
Transportation	Salary & Benefits	6,240.81	1,591.23	
	Internal Services	333.62	12.70	
	Contractual & Other Services	3,573.58	657.38	
	Reserves & Contingencies	(4,965.13)	0.00	
		5,182.88	2,261.31	












Notable Variances

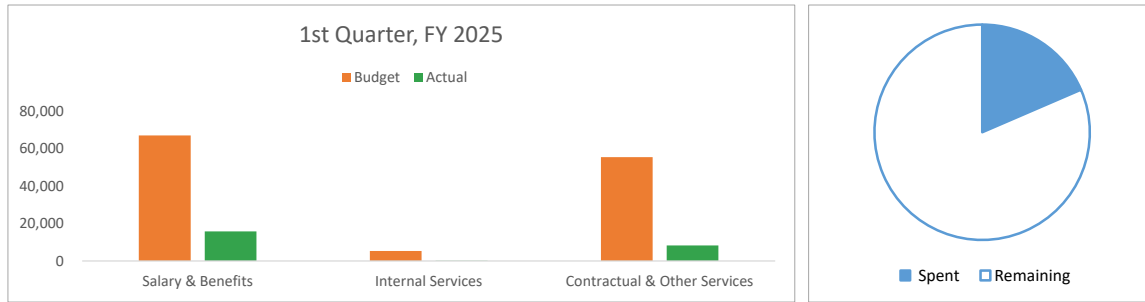
- Public Works** - Contractual & Other Services includes \$0.8 million in encumbrances for services and maintenance/repairs that will be billed later in the year.
- Transportation** - A total of \$1.1 million for first quarter salary and benefit expenses charged to capital projects is not included. This will reduce overall Transportation expenses after it is completed early in the second quarter.

Government Operations, Performance & Innovation Quadrant Area

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Board of County Supervisors	Salary & Benefits	4,303.34	915.12	
	Internal Services	366.52	0.00	
	Contractual & Other Services	2,661.20	392.88	
	Reserves & Contingencies	(12.90)	0.00	
	7,318.15	1,308.01	17.87%	
County Attorney	Salary & Benefits	5,408.13	1,246.59	
	Internal Services	298.54	0.00	
	Contractual & Other Services	1,472.96	124.97	
	Reserves & Contingencies	(181.85)	(29.53)	
	6,997.78	1,342.03	19.18%	
Elections	Salary & Benefits	2,645.65	577.03	
	Internal Services	271.28	2.45	
	Contractual & Other Services	1,519.12	349.55	
	Reserves & Contingencies	(14.08)	0.00	
	4,421.97	929.03	21.01%	
Executive Management	Salary & Benefits	8,464.22	1,960.21	
	Internal Services	352.21	0.49	
	Contractual & Other Services	1,401.61	99.52	
	Reserves & Contingencies	(257.49)	(62.34)	
	9,960.55	1,997.88	20.06%	
Facilities & Fleet Management	Salary & Benefits	13,943.67	3,360.30	
	Internal Services	1,427.50	80.72	
	Contractual & Other Services	40,618.73	6,713.96	
	Reserves & Contingencies	(3,847.44)	(457.91)	
	52,142.46	9,697.07	18.60%	
Finance	Salary & Benefits	23,265.45	5,628.70	
	Internal Services	1,908.80	10.98	
	Contractual & Other Services	5,946.45	484.66	
	Reserves & Contingencies	(311.87)	(165.71)	
	30,808.83	5,958.62	19.34%	
Human Resources	Salary & Benefits	5,858.91	1,334.19	
	Internal Services	543.96	0.00	
	Contractual & Other Services	1,683.23	116.66	
	Reserves & Contingencies	(696.61)	(707.21)	
	7,389.49	743.64	10.06%	
Human Rights Office	Salary & Benefits	918.08	194.29	
	Internal Services	46.01	0.00	
	Contractual & Other Services	72.70	5.32	
	Reserves & Contingencies	(0.69)	0.00	
	1,036.10	199.60	19.26%	
Management & Budget	Salary & Benefits	2,275.23	538.42	
	Internal Services	114.18	0.00	
	Contractual & Other Services	83.20	1.75	
	Reserves & Contingencies	(0.72)	0.00	
	2,471.89	540.17	21.85%	

Government Operations, Performance & Innovation Quadrant (Continued)












Notable Variances

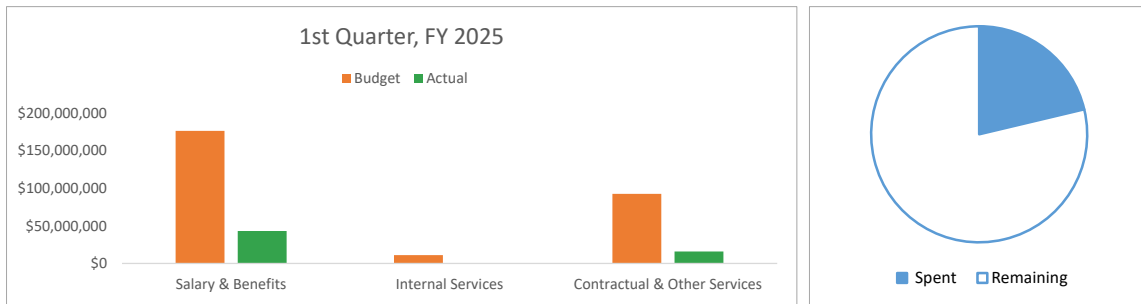
- Board of County Supervisors** - Contractual and other services expenditure includes an additional \$0.7M in encumbrances from contracts and audit services.
- County Attorney** - Salary & Benefits is underspent due to two vacancies. Contractual Services funding associated with Collective Bargaining will be spent later in the year.
- Facilities & Fleet Management** - A total of \$11.2 million is allocated in encumbrances for contractual services, other goods and services, capital outlay, and leases/rentals, which will be utilized over the course of the year.
- Finance** - DoIT Internal Service Fees are yet to be billed, with \$3.0 million in encumbrances from Contractual & Other Services to be billed later.
- Human Resources** - Contractual & Other Services funding is for \$0.7 million of compensation studies (4 total) that will not be billed until later in the year. Salary and benefit costs for designated Human Resources positions were charged for the entire fiscal year to the medical internal service fund, thereby reducing overall expenses in the first quarter. DoIT Internal Service Fees have not yet been billed.
- Human Rights** - Contractual & Other Services includes \$0.03 million in Fair Housing testing that will be spent later in the year.

Health, Wellbeing & Environmental Sustainability Quadrant Area

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Aging	Salary & Benefits	4,449.37	1,099.65	
	Internal Services	265.12	3.37	
	Contractual & Other Services	4,922.72	2,775.02	
	Reserves & Contingencies	(47.66)	0.00	
	9,589.55	3,878.04	40.44%	
Community Services	Salary & Benefits	59,394.67	14,378.38	
	Internal Services	2,624.07	34.62	
	Contractual & Other Services	29,697.86	1,442.95	
	Reserves & Contingencies	(158.98)	0.00	
	91,557.62	15,855.95	17.32%	
Cooperative Extension Service	Salary & Benefits	1,229.94	251.51	
	Internal Services	143.69	0.00	
	Contractual & Other Services	208.94	7.45	
	Reserves & Contingencies	(0.43)	0.00	
	1,582.13	258.96	16.37%	
Library	Salary & Benefits	20,573.21	4,534.35	
	Internal Services	1,756.94	8.81	
	Contractual & Other Services	3,703.51	812.24	
	Reserves & Contingencies	(30.76)	0.00	
	26,002.89	5,355.41	20.60%	
Juvenile Court Service Unit	Salary & Benefits	757.40	164.81	
	Internal Services	24.65	2.03	
	Contractual & Other Services	91.15	2.44	
	Reserves & Contingencies	(4.01)	0.00	
	869.19	169.29	19.48%	
Parks & Recreation	Salary & Benefits	32,495.78	7,696.47	
	Internal Services	3,301.89	359.85	
	Contractual & Other Services	13,552.60	3,427.17	
	Reserves & Contingencies	(242.15)	0.00	
	49,108.12	11,483.49	23.38%	
Public Health	Salary & Benefits	1,885.61	1,497.01	
	Internal Services	60.56	4.10	
	Contractual & Other Services	3,105.82	741.37	
	Reserves & Contingencies	(30.97)	0.00	
	5,021.03	2,242.48	44.66%	
Social Services	Salary & Benefits	45,682.22	11,601.85	
	Internal Services	2,233.64	20.32	
	Contractual & Other Services	36,046.21	6,446.15	
	Reserves & Contingencies	(324.60)	0.00	
	83,637.46	18,068.32	21.60%	
Youth Services	Salary & Benefits	10,023.74	1,897.64	
	Internal Services	552.95	9.14	
	Contractual & Other Services	1,118.72	205.22	
	Reserves & Contingencies	(7.36)	0.00	
	11,688.05	2,112.00	18.07%	

Health, Wellbeing & Environmental Sustainability Quadrant (Continued)



Notable Variances

- Aging** - Elevated costs for contractual and other services are due to \$2.45 million paid for Birmingham Green in the first quarter.
- Community Services** - A total of \$15 million encumbrances covers contractual services for the local Crisis Receiving Center and Regional Crisis Service, services for developmental disabilities and early intervention. Billing for the DoIT Internal Service and Crisis Intervention Team and Assessment (CITAC) Program is still pending.
- Cooperative Extension Service** - Salaries and benefits were underspent because the first-quarter reimbursement from the state was not billed. Additionally, DoIT fees have not been posted yet, and there is \$130K in grant funds that have been carried over, which requires adjustments.
- Juvenile Court Service Unit** - Internal Services are underspent due to technology billings not being processed. Contractual & Other Services are underspent due to \$56K in encumbrances that are not being captured in the quarter.
- Public Health** - Expenditures are elevated in the first quarter because the payment for the second quarter local agreement and the local salary supplement was made prior to the official start of the second quarter.
- Youth Services** - Salary & Benefits is underspent due to vacancies. Contractual & Other Services includes \$0.5 million for medical services, food, and security services for youth, facilities, and program services.




Safe & Secure Community Quadrant Area

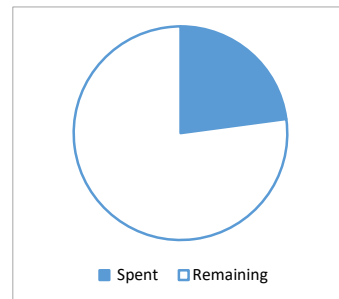
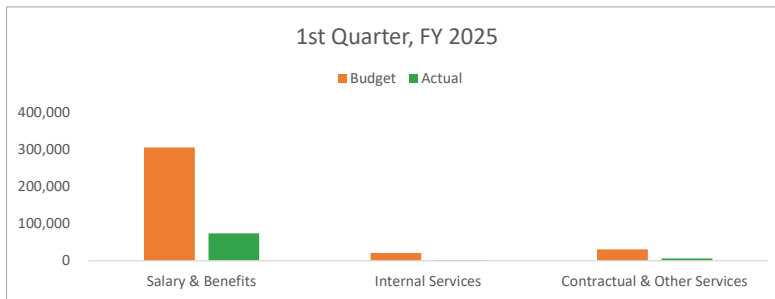
(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Circuit Court Clerk	Salary & Benefits	5,384.54	1,282.86	
	Internal Services	255.21	0.00	
	Contractual & Other Services	726.13	137.87	
	Reserves & Contingencies	(3.74)	0.00	
	6,362.14	1,420.73	22.33%	
Circuit Court Judges	Salary & Benefits	1,841.83	450.88	
	Internal Services	82.57	0.00	
	Contractual & Other Services	110.58	28.11	
	Reserves & Contingencies	(0.94)	0.00	
	2,034.03	478.99	23.55%	
Commonwealth Attorney	Salary & Benefits	11,547.80	2,628.73	
	Internal Services	630.66	0.00	
	Contractual & Other Services	720.46	139.08	
	Reserves & Contingencies	(4.55)	0.00	
	12,894.37	2,767.81	21.47%	
Criminal Justice Services	Salary & Benefits	6,850.33	1,601.74	
	Internal Services	395.46	2.41	
	Contractual & Other Services	867.04	193.96	
	Reserves & Contingencies	(6.05)	0.00	
	8,106.78	1,798.10	22.18%	
Fire & Rescue	Salary & Benefits	120,208.25	28,941.47	
	Internal Services	5,574.00	283.08	
	Contractual & Other Services	9,023.13	1,789.93	
	Reserves & Contingencies	(53.06)	0.00	
	134,752.32	31,014.48	23.02%	
General District Court	Salary & Benefits	1,764.01	328.84	
	Internal Services	23.11	0.00	
	Contractual & Other Services	353.00	39.97	
	Reserves & Contingencies	(1.75)	0.00	
	2,138.36	368.81	17.25%	
Juvenile & Domestic Relations Ct	Salary & Benefits	641.87	97.28	
	Internal Services	32.92	0.00	
	Contractual & Other Services	113.20	23.97	
	Reserves & Contingencies	(0.66)	0.00	
	787.33	121.26	15.40%	
Magistrates	Salary & Benefits	88.73	20.48	
	Internal Services	20.13	0.00	
	Contractual & Other Services	10.39	2.17	
	Reserves & Contingencies	(0.08)	0.00	
	119.16	22.64	19.00%	

Safe & Secure Community Quadrant (Continued)

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Police	Salary & Benefits	126,812.74	31,505.78	
	Internal Services	11,991.07	1,164.90	
	Contractual & Other Services	15,196.08	3,155.42	
	Reserves & Contingencies	(75.31)	0.00	
	153,924.59	35,826.11	23.28%	
Public Safety Communications	Salary & Benefits	14,073.53	3,167.38	
	Internal Services	577.46	1.08	
	Contractual & Other Services	2,423.81	311.30	
	Reserves & Contingencies	(21.25)	0.00	
	17,053.56	3,479.77	20.40%	
Sheriff	Salary & Benefits	16,009.61	3,965.16	
	Internal Services	1,355.24	105.04	
	Contractual & Other Services	1,202.11	267.46	
	Reserves & Contingencies	(8.27)	0.00	
	18,558.68	4,337.67	23.37%	




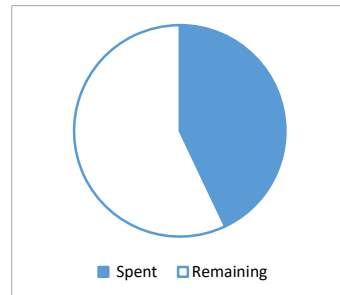
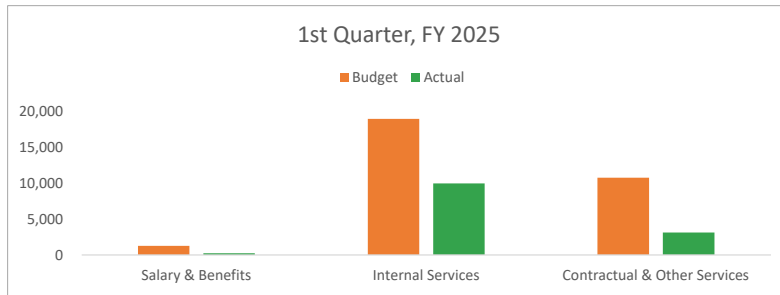
Notable Variances

- General District Court** - Salaries and benefits are underspent due to there are \$45K in unrecorded encumbrances for Contractual & Other Services this quarter.
- Juvenile & Domestic Relations Court** - Salaries and benefits are underspent due to vacancies. There are \$19K in unrecorded encumbrances for Contractual & Other Services this quarter.

Non-Departmental

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Non-Departmental	Salary & Benefits	1,247.50	220.63	
	Internal Services	18,928.32	9,954.77	
	Contractual & Other Services	10,747.76	3,111.84	
	Reserves & Contingencies	0.00	0.00	
		30,923.58	13,287.24	




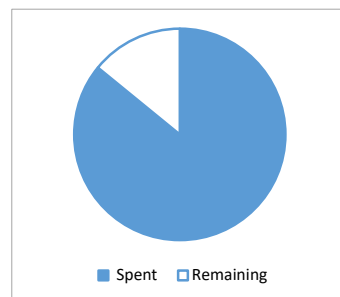
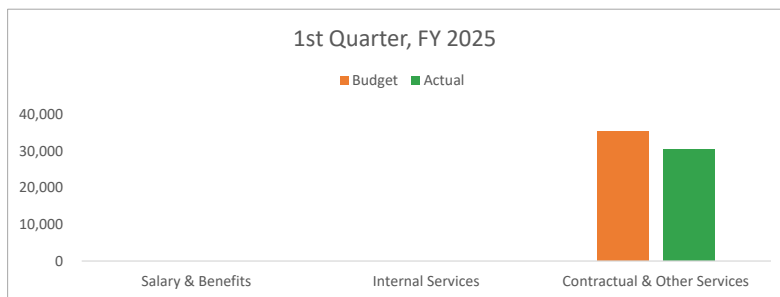
Notable Variances

1. **Non-Departmental** - The following payments were made during the first quarter of the fiscal year: Self-Insurance Workers Compensation (\$6.9M), Self-Insurance Casualty Pool (\$3.1M), Property and Miscellaneous Insurance Premiums (\$0.6M), Hylton Performing Arts Center Contribution (\$2.0M), and Northern Virginia Community College Contribution (\$0.3M).

Debt Service

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Debt Service	Salary & Benefits	0.00	0.00	
	Internal Services	0.00	0.00	
	Contractual & Other Services	35,520.40	30,502.12	
	Reserves & Contingencies	0.00	0.00	
		35,520.40	30,502.12	



Notable Variances

1. **Debt Service** - Most debt service obligations are scheduled for payment in the first quarter of the fiscal year.



**PRINCE
WILLIAM**
— COUNTY

**Department of Finance
Office of Management and Budget**

1 County Complex Court
Prince William, VA 22192

www.pwcva.gov