

FY 2003

Fiscal Plan

Volume I Executive Summary

Prince William County is a premier community where we treasure our past and the promise of our future. We are diverse and dynamic with a thriving economy where citizens and businesses grow & succeed together. We are a global technology leader for the 21st century.

Prince William County,
Virginia

FY 2003 Fiscal Plan

Volume I

Prince William County, Virginia

Board of County Supervisors



Chairman – Sean T. Connaughton

Vice-Chairman – Ruth T. Griggs - Occoquan District

Hilda M. Barg – Woodbridge District

Maureen S. Caddigan – Dumfries District

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John D. Jenkins – Neabsco District

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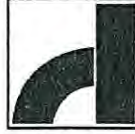
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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Prince William County
Virginia**

Special Performance Measures Recognition

For the Fiscal Year Beginning
July 01, 2001

Arnold A. Brown
President

Jeffrey R. Green
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to Prince William County for its annual budget for the fiscal year beginning July 1, 2001.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

FY 2003

Fiscal Plan

Volume I: Executive Summary

BUDGET SUMMARY

UNDERSTANDING the BUDGET

STRATEGIC-BASED
OUTCOME BUDGET PROCESS

EXPENDITURE SUMMARY

REVENUE SUMMARY

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VOLUME II

Prince William County,
Virginia

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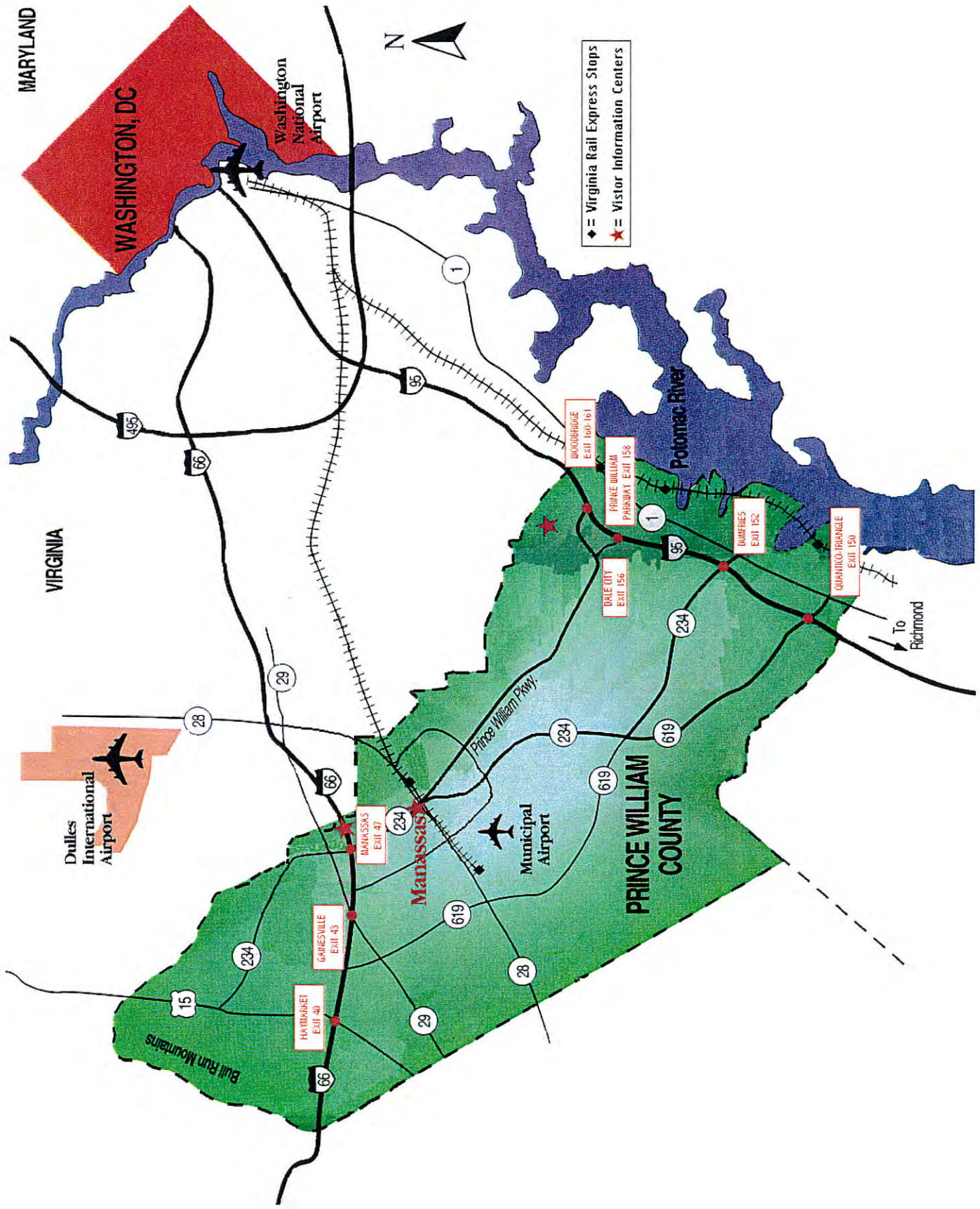
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Volume II

Agency Detail



History and Description of the Government of Prince William County



HISTORY

Captain John Smith first discovered Prince William County during an expedition up the Potomac River in 1608. Smith found the region inhabited by Anacostan, Doeg, Iroquois, and Piscataway Indians. The first known colonial settlement was founded in 1722. In 1730, the Virginia General Assembly carved out an area approximately 2,000 square miles in size and named it Prince William County, after the second son of England's King George II. At that time Prince William County comprised all of "Northern Virginia" but by 1759, the General Assembly substantially reduced the County's size. Fairfax County was formed in 1742 and Fauquier County was formed in 1759, both from the original Prince William County area.

In 1730, the Dumfries area was prominent in the County and may have been the location of an official Tobacco Inspection Station due to its close proximity to the Potomac River. This is important because the Potomac River was a major regional route used to export tobacco to England, which was profitable for the southern colonial regions. The Tobacco Inspection law, passed in Virginia in 1730, required all exported tobacco shipments to bear an inspection certificate. Dumfries officially became a town in 1749 and in 1763 it reached an economic milestone by exporting more tobacco tonnage than the colony of New York.

Economic and political displeasure with the British government reached the breaking point for Prince William colonists in 1773. Pro-Colony groups such as The Prince William Resolvers voiced their protest against the erosion of colonial liberties. As England had ordered all colonial governors to cease granting lands, except to veterans of the French and Indian War. Further financial strains were wrought against the colonies through taxation, including the infamous Tea Act and Stamp Act. In 1774, under ever mounting pressure, the Virginia Convention adopted resolves against the importation of British goods and the importation of slaves. The Virginia Convention also required each county to form a volunteer company of cavalry or infantry. Prince William already formed a volunteer unit the year before. The Independent Company of Prince William, under the leadership of Captains William Grayson and Philip Richard Francis Lee, was a volunteer unit comprised of 40 plus infantrymen. Many troops from the Independent Company of Prince William joined others from around the state to form two [State] regiments sanctioned by the third Virginia Convention in 1775. After the start of the Revolutionary War, the remaining troops of the "Company" became known as The Prince William District Battalion in 1776. Later in June of that year, Captain Grayson was appointed Assistant Secretary to General George Washington.

The war ended and news of the ratification of The Treaty of Paris between the United States and Great Britain reached Virginia on February 3, 1784. Remaining Prince William County soldiers from the Virginia regiments returned home with their families. Although there was heavy troop movement through the County from all sides, it escaped the massive destruction leveled against Richmond. The County wasn't as fortunate, however, during the Civil War.

History and Description of the Government of Prince William County

Before the Civil War, the population of Prince William County reached 11,000 and the African American population was 43.4 percent. Many African Americans in Virginia at this time were free from slavery and indentured servitude. Virginia legislators passed a law in 1782 permitting the freeing of slaves, however, colonies further south did not participate in similar legislation. Haymarket emerged as a large population center in 1799, with Occoquan following in 1804 and Brentsville in 1822. The County thrived through the early and mid 1800's. The railroad era began in Virginia around 1811 and in 1851 the railroad reached Manassas. Manassas Junction brought a new form of shipping and travel to the area. It also became a crucial stratagem for cutting off supplies to either side throughout the War. The first threat to the railroad junction was the Battle at Blackburn's Ford after Virginia seceded from the Union in 1861. Although the Battle at Blackburn's Ford was short lived, it was a prelude to the First Manassas Battle three days later. First Manassas at Bull Run was the first major land battle of Union and Confederate Armies in Virginia after the Confederate takeover of Fort Sumter in South Carolina. Thomas J. Jackson earned his now very famous nickname "Stonewall" Jackson towards the end of this battle. The Union objective was to seize the Manassas Junction Railroad.

Many lesser-known principal battles were also fought in the County, they include, Cockpit Point, Manassas Station, Chapman's Mill, and Bristoe Station. Cockpit Point, a stretch of shoreline along the Occoquan River, is where the Confederate army formed a blockade at the Potomac River to cut off supplies to Washington. The Battle at Manassas Station was a Confederate victory where the Union supply depot at Manassas Junction was destroyed. The skirmish near Chapman's Mill ensured another Union defeat at the Second Battle of Bull Run: a swift Union retreat allowed two Confederate battalions to join together. This single inconsequential action virtually insured the Union Army defeat during the Second Battle at Bull Run. The last principal battle fought in Prince William County was at Bristoe Station in 1863. A Confederate corps happened upon a retreating Union army at Bristoe Station and attacked. Other Union soldiers in the area countered the small corps and captured the Confederate battery of artillery. The Confederacy fell in January of 1865.

Manassas became a town in 1873. Later, in 1892, Manassas became the County Seat for Prince William. Rebuilding the area to its former glory was almost an impossible task for locals. Grand manors and local businesses blighted during the War were replaced by modern inventions and post war architecture. The railroad was reconstructed and expanded westward. Education became more important and schools sprung up - almost overnight. Ironically a former Union Army Officer, George Carr Round, relocated to Manassas and helped to build its first public school. He later served on the Town Council and was a member of the Virginia General Assembly. Many schools and colleges sprung up in the County to include The Manassas Industrial School for Colored Youth and Eastern College. The Manassas Industrial School for Colored Youth was founded by Jennie Dean in 1894. The purpose of the school was to improve the moral and intellectual condition of the youth placed under its care.

Eastern College attracted students from over 22 states and 2 foreign countries. Eastern was transformed into a military academy and later closed in 1935. Other academies and military schools opened in the area in the early 1900's. The ultimate military training academy of a sort was founded on a peninsula southwest of The Town of Occoquan, on the Quantico River in 1917. The Quantico Marine Base became an official training facility for the Navy before World War I, and was one of the first Marine training centers not housed on a Naval base. The Town of Quantico, surrounded by the training center was incorporated in 1927.

History and Description of the Government of Prince William County

After two World Wars and the incorporation of The Cities of Manassas and Manassas Park in 1975, present day Prince William County is a thriving and diverse community. The County has a population of 294,798 people and boasts a median household income of \$68,667 as of 1999. It is also a "young" County with 30.4% of its population below eighteen years of age. Prince William County was the birthplace or home of many notable personalities including: George Mason II, Henry Lee III (the father of General Robert E. Lee), William Grayson, John Ballendine, Parson Mason Locke Weems, Benita Fitzgerald-Brown, The Chinn Family, Simon Kenton, Jennie Dean, James Robinson, Wilmer McLean, and many more. From pre-colonial times to modern day, Prince William County is a very interesting place to live. It is full of history. And now as the County enters the 21st Century, the promise of a bright future is all hers.

REGIONAL PERSPECTIVE

Prince William County is located in Northern Virginia, approximately 30 miles southwest of Washington, D.C. The County encompasses an area of 348 square miles, 18.8% of which is federally owned land.

Prince William's location in Metropolitan Washington, D.C. and the availability of excellent transportation in the region is a catalyst for growth in the County, continuing to provide numerous economic advantages. Interstate 95 and U.S. Highway 1 connect the County with Washington, D. C. to the north and Richmond, Virginia to the south. Interstate 66 connects the western portion of the County with Washington, D.C. to the east and Interstate 81 to the west. The Route 234 Bypass links Interstate 66 in the west with 7,000 acres designated for industrial and commercial growth. Prince William Parkway includes a new interchange on Interstate 95 and prime development locations through the eastern portion of the County.

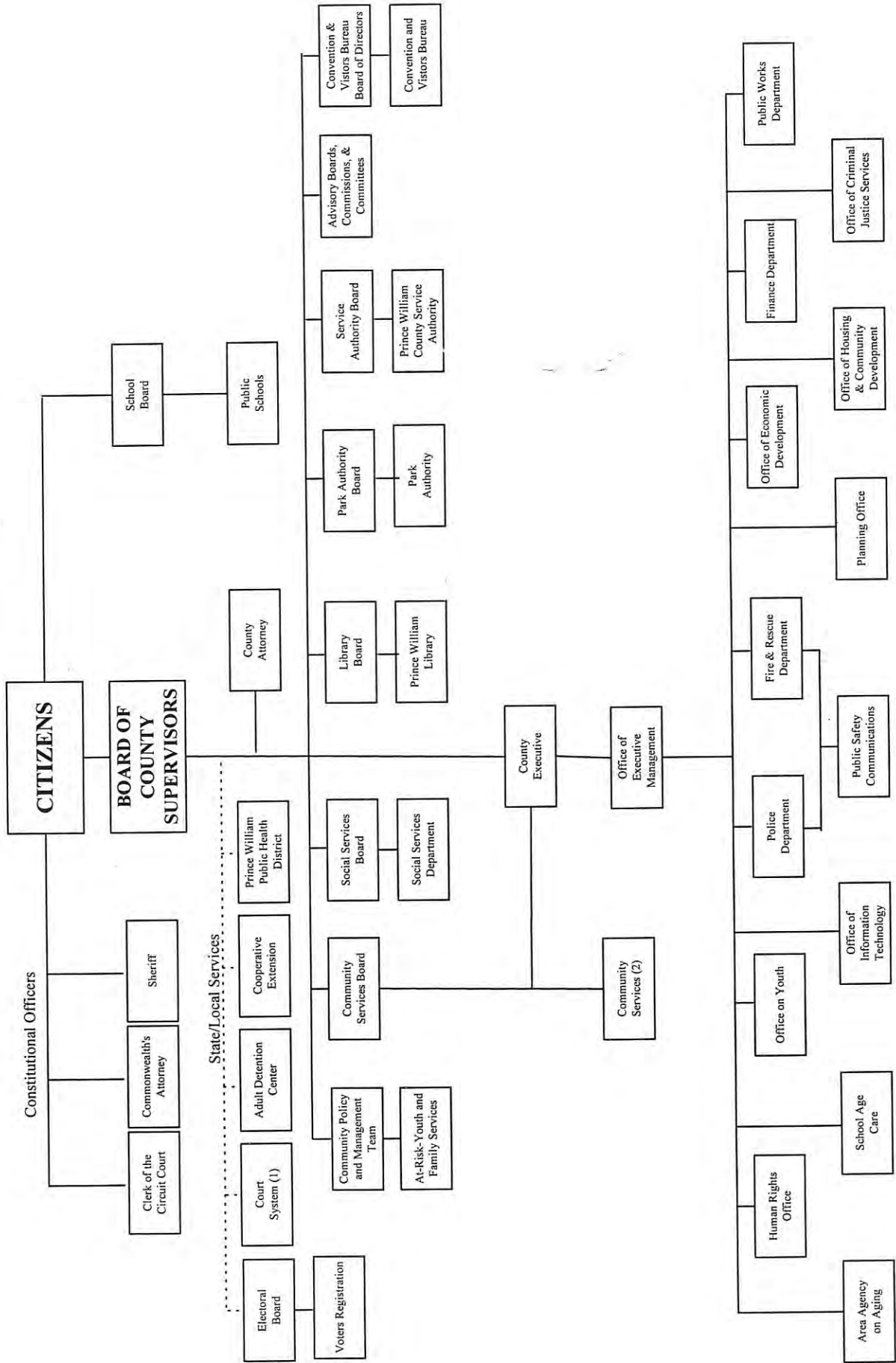
The County has a number of rail service alternatives available to its citizens and businesses. These include both freight and passenger service and provide easy access for County residents traveling to Washington, D.C. and to other points along the Eastern seaboard. A number of different rail companies provide these services, among them, The Norfolk Southern Railway and the Richmond, Fredericksburg and Potomac Railway, provide freight service to the County. Amtrak passenger stations are located in the Town of Quantico and the City of Manassas. The Virginia Railway Express provides passenger service four times a day to the District of Columbia from four stations within the County.

Dulles International Airport, Reagan National Airport, and Manassas Municipal Airport, a regional facility, provide air transportation within easy access of Prince William County.

LOCAL GOVERNMENT

The Prince William County Government exercises local governing powers granted to it by the Virginia General Assembly. Since 1972, Prince William County has had the County Executive form of government. Under this form of government, an eight member Board of County Supervisors has full powers to determine the policies covering the financial and business affairs of the County government. The Board appoints a County Executive to act as the County government's chief administrative officer and to execute the Board's policies. The Board also appoints a County Attorney and several separate Boards and Authorities to administer the operations of certain services. The County provides a full range of local government services including police, fire and rescue, court services, education, development administration, library, water and sewer services, park and recreational services, health and social services, public improvements, planning and general administration.

Prince William County Government Organizational Chart



Notes:
 (1) Circuit Court, General District Court, Juvenile & Domestic Relations Court, Juvenile Court Services, Law Library, Magistrate & Circuit Court Judges
 (2) Mental Health, Mental Retardation & Substance Abuse Services



Craig S. Gerhart
County Executive

COUNTY OF PRINCE WILLIAM

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(703) 792-6600 Metro 631-1703 FAX: (703) 792-7484

BOARD OF COUNTY SUPERVISORS

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Mary K. Hill
John D. Jenkins
L. Ben Thompson
Edgar S. Wilbourn, III

July 1, 2002

Mr. Chairman and Members of the Board:

On behalf of Prince William County Government staff, I am pleased to present the Adopted FY2003 Prince William County Fiscal Plan. In fiscal terms, this budget takes significant steps to honor commitments made by the Board of County Supervisors and the County government on behalf of our residents, our businesses and our County employees.

Total County operations including special levies and enterprise activities exceed \$1 billion for the first time. The General Fund budget totals \$543.3 million, including the school transfer. This is an increase of 13.98 percent over FY2002. The total County General Fund budget, excluding the schools transfer, is \$284.4 million or a 13.15 percent increase over FY2002.

The Strategic Plan continues to be the primary driver of resource allocation for the County, focusing spending priorities in five major areas: Economic Development; Education; Public Safety; Transportation; and Human Services. As part of that strategic planning process, the Board of Supervisors adopted a vision statement to guide the community as we enter into the 21st century. This vision states:

"Prince William County is a premier community where we treasure our past and the promise of our future. We are diverse and dynamic with a thriving economy where citizens and businesses grow and succeed together. We are a global leader for the 21st century."

The mission of the County, as adopted by the Board, is intended to complement the vision. The mission states:

"Prince William County Government is to provide the necessary services to protect the health, Safety, welfare, cultural resources and environment of citizens and businesses consistent with the community's values, priorities and fiscal capacity."

The FY2003 budget is based on key principles which relate directly to the Board's vision and mission statement.

To this end, this budget:

- Employs the County's economic success to reduce the real estate tax rate while maintaining the government's long-term fiscal health;
- Continues to implement the Board's adopted tax trigger policy;
- Fulfills the community's Strategic Plan and the Board's adopted policies;
- Implements the Board's directive to ensure that the County continues to attract and retain quality employees;
- Provides the quality service in local government—public safety services, roads, education,—while building a stronger identity and sense of place for the County through historic preservation, tourism and quality of life initiatives;
- Prepares the County for a potential economic downturn; and
- Does not automatically replace lost and federal or state revenue.

PRINCE WILLIAM ECONOMIC AND FINANCIAL MANAGEMENT POLICIES

The FY2003-2007 Five-Year Plan is supported by a healthy local economy and sound financial management policies put into place by the Board of Supervisors. These policies recognize the balance that must be struck between increased spending to meet Strategic Plan Goals and a decrease in the tax rate as our general revenues increase. Prince William County is one of very few jurisdictions in Virginia that has committed to use increased revenue growth, in part, to cut the tax rate and reduce the growth in citizens' tax bills.

- County Revenues and Tax Trigger Implementation - County revenues have benefited from a healthy local economy and the increasing value of our residential and commercial tax base. The County's real estate revenues totaled about \$237.4 million in FY2002. These revenues are estimated at \$275.7 million for FY2003 – a 16% increase. This strong revenue growth has allowed the County to surpass its original tax trigger goal. The result is a tax rate reduction from \$1.36 per \$100 of assessed value in FY2000 to \$1.23 in FY2003 – a thirteen cent reduction over three years. The Five-Year Plan calls for the reduction to continue to \$1.22 by FY2004 and \$1.21 by FY2006. The expenditure recommendations in this Five-Year Plan are based on these reduced tax rates.
- County Tax Bills – Even with the decrease in the tax rates, the average real estate tax bill in the County is still increasing because real estate values are increasing. In FY2003, the average tax bill will increase by \$212. Without the tax cut adopted in this budget, tax bills would increase by \$455.
- County/School Revenue Agreement – This agreement, adopted by the Board of Supervisors and the School Board, sets out the split of General Revenues with the Schools receiving 56.75% and the County receiving 43.25%. This agreement has allowed the County government and the Schools to plan their fiscal and capital programs on a five-year basis, enhancing the stability and predictability of the public budget process.

- Five Year Plan – By ordinance, the Board requires certain information to assist it in making sound resource allocations decisions. The ordinance states that the County Executive shall provide the Board with financial projections that include: Multi-year revenues; multi-year expenditure projections with explanations of any major factors impacting revenues; and any related policy recommendations. To implement the goals of this ordinance, the Board annually adopts a five-year Budget Plan.

POLICY ENVIRONMENT

We are in our second decade of strategic planning. During the past decade, the Board of County Supervisors and our citizenry have seen that managing the County government in a strategic manner creates a blueprint for success. The Strategic Plan, the Principles of Sound Financial Management, the adopted revenue sharing agreement with the School Board, and the tax trigger policy illustrate the Board's discipline and deliberation in its fiscal approach to governance. This approach allows the County government and the schools to plan their fiscal and capital programs on a five-year basis, enhancing the stability and predictability of the public budget process.

- Strategic Plan – The Prince William County Strategic Plan is a four-year document designed to help the County achieve its long-term vision. As such, it provides crucial policy guidance for service delivery and resource allocation decisions during the Board of County Supervisor's four-year term. The Prince William County Strategic Plan defines:
 1. The mission statement for County government;
 2. Strategic goals for the County;
 3. Community outcomes which measure success in achieving the strategic goals;
 4. Strategies and objectives to achieve the goals.
- Tax Trigger Policy – At the heart of the FY2003-2007 Five-Year Plan is the Tax Trigger Plan. The Board of County Supervisors adopted the plan in April 1999, with the goal of reducing the County's real estate tax rate by eight cents over ten years. The result, though, has been a tax rate reduction of thirteen cents over three years. Under this plan, general revenue increases that exceed our revenue forecasts, and are not accompanied by additional costs, provide a trigger to reduce the real estate tax rate. The methodology is to take one cent of increased general revenue to reduce the tax rate and to use the next two cents for additional County and School service improvements, including employee compensation.

STRATEGIC PLAN INITIATIVES

Economic Development

Economic Development has been a strategic goal since the first Strategic Plan was adopted in 1992. Our 2001-2005 goal calls for attracting businesses that allow people to live in, work in, and visit Prince William. Our past accomplishments in Economic Development include: the development and marketing of INNOVATION@ Prince William; the creation of an economic development opportunity fund; and the attraction of targeted industries such as America Online. These efforts have contributed to \$1.33 billion of capital investment and the creation of 6,200 targeted jobs over the past three years.

Tourism is also an important targeted industry in the County. The Board and the community have consistently supported investment in this area. Our achievements in tourism include: the creation of the Prince William-Manassas Convention and Visitors Bureau and the Historic Preservation Foundation; the purchase of Rippon Lodge, an 18th century historic home; the restoration of Brentsville Courthouse and Ben Lomond Manor House; and the location of two new attractions - the Marine Heritage Center and the Belmont Bay Science Center. We believe that these efforts contribute greatly to promoting Prince William as a tourist destination.

Several initiatives in the FY 2003 Budget continue our progress in historic preservation and tourism. In historic preservation, \$270 thousand in funding is provided to match grants for restoration of our historic buildings and staff for a foundation that will contribute to these efforts. To support tourism, the budget contains \$60 thousand for Belmont Science Center staffing and \$750 thousand for the Marine Heritage Center. The latter brings utilities to the site that was donated by the County in September 2001. The Marine Heritage Center is estimated to cost \$150 million, funded primarily by the Marine Corps and the Marine Corps Heritage Foundation, and once built, will draw 400 thousand visitors annually.

The Five-Year Plan provides \$3.7 million in total funding for the Economic Development Opportunity Fund over the five years, providing the capital to negotiate potential economic development opportunities. On the planning and development side, this budget includes the addition of building and stormwater inspectors to further support our efforts to improve the development process. In historic preservation, there is additional funding to match grants for restoration of our historic buildings and staff for the foundation that will contribute to these efforts. To support tourism, the budget contains donations and funding for the Belmont Science Center and the Marine Heritage Center, furthering the development of these important projects.

Education

The education Strategic Goal encompasses all levels of educational achievement including elementary school, post-secondary school, and life-long learning. In elementary and secondary education, the Board of Supervisors continues to have a strong partnership with the School Board to provide a quality educational environment for the students in Prince William County. Past accomplishments in education include: funding of school renewal projects; planning and funding new schools to meet growing student populations; the closing of "open" classrooms; and increased compensation for teachers.

In the Five-Year Budget Plan, the Schools receive 56.75 percent of the general revenue each year, which fully funds the School Board's Five-Year Budget. The FY2003 School transfer increases by 15 percent over FY2002.

The FY2003 Budget provides funding for the schools that is 15% higher than FY2002. This funding will serve a student population that will grow by 3,000, increase teacher salaries 7.1 percent, and fund the current portion of the School's Capital Improvement Program (13 new constructions and 19 renovations) that, when complete, will have a permanent seat for every student in the system.

In post-secondary education, the Board has partnered with both Northern Virginia Community College and George Mason University to provide opportunities for our citizens to pursue advanced learning. In the Five-Year Budget Plan, we have fully funded the Community College's request for additional funding for capital improvements. This increases our contribution to \$1 per capita beginning in FY2003.

Public Safety

The community has supported Public Safety as one of its strategic goals in each of the County's three Strategic Plans with the current goal calling for us to continue to be a safe community for our residents. The Board has made considerable progress on this goal since 1992 and some of our past accomplishments include: funding a Police staffing plan; development and funding of an 800 MHz public safety communications system; the initiation of a County-wide fire levy and fire station siting plan; and the expansion of the Owens Building (Emergency Operations Center).

The 2003 Budget continues our commitment to a safe community. Improvements include the continuation of the Police Staffing Plan and the initiation of a Fire and Rescue Staffing Plan. Twenty sworn officers and four civilians are added to the Police Department at a cost of \$2.1 million. Sixteen career staff are added to Fire and Rescue under the newly adopted staffing plan. Additionally, 3 career positions are added under the extended hour's program. In FY 2003 the County will recruit and hire its first Emergency Management Coordinator and its first High School Cadet Recruiter. The total cost of the staffing enhancement to Fire and Rescue is \$2.5 million.

The Five-Year Plan continues efforts to maintain our safe community. Budget additions include the continuation of the Police Staffing Plan adding 60 sworn officers and 23 civilians over the next five years. To ensure that these additional staff are well-equipped, the Five-Year Plan fully funds the mobile data project (with 215 units added by FY2005), provides for 40 additional take-home cars over the next five years, and funds the Western District Police Station.

The Five-Year Plan begins funding for the newly-developed Fire and Rescue Staffing Plan which addresses the need for additional 24-hour units in the County. The Five-Year Plan provides funding for two additional 24-hour units a year for a total of ten by FY2007. Along with staffing for the new Linton Hall and River Oaks Stations, this Plan adds 96 firefighters over the next five years. These staff also need to be well-equipped. To this end, Fire and Rescue's mobile data needs are fully funded with 35 units added by FY2006 and five career ambulances are replaced over the next three years.

This budget also contains initiatives to address emergency preparedness. These include an Emergency Services Coordinator in Fire and Rescue and the funding of "cold" sites in OIT which will provide back-up for our important technology systems.

The Adult Detention Center continues to experience growing numbers of inmates and this budget fully funds the staffing and operating costs to address this growing population. This endeavor requires \$8.6 million of additional funding over the Five-Year Plan. This funding includes staff and operating costs associated with the ADC expansion project.

In Public Safety Communications, increased staff and operating expenses were funded with agency revenue. A significant issue, however, continues to be funding for the eventual replacement of the public safety technology systems such as Computer Aided Dispatch (CAD) and E-911. To prepare for this, we are increasing the E-911 fee from \$1.18 per month to \$1.75 per month. This makes the Prince William fee comparable with surrounding jurisdictions and contributes \$5.4 million to a public safety technology replacement fund by the end of the Five-Year Plan. It is estimated that a total of \$20 million in funding will be needed over the next six years to maintain and replace these systems.

Transportation

Although transportation has been a strategic goal for the past decade, it is still an area of relatively low citizen satisfaction as compared to other County services. In the 2001 citizen survey 55% of citizens were satisfied with the ease of getting around in the County. To work toward improving satisfaction, the County has built 90 lane miles of roads and an additional 26 lane miles are in various stages of development from design to construction. On the transit side, the Board has continuously supported the services provided by the Potomac and Rappahannock Transportation Commission and the Virginia Railway Express, including commuter buses and trains and intra-County bus service.

The FY 2003 Budget, through increased debt service and the Capital Improvement Program (CIP), continues progress in transportation. Smaller road and transportation projects in the State County revenue sharing program receive additional County funds.

The Five-Year Plan and the Capital Improvement Program (CIP), address many transportation needs. Funding is provided for debt service on a \$60 million bond referendum that could occur as early as November 2002. This is in addition to the \$169 million in bonds issued for roads that have been supported by citizens since 1988. Another source of funding for smaller road and transportation projects is the State's revenue-sharing project. This project puts \$1 million annually, provided equally by the County and the State, into the Public Works budget and divides it equally among the seven magisterial districts. In the Five-Year Plan, we recommend funding the "soft" costs, e.g., design, from the General Fund, thus leaving all the revenue sharing funds for actual construction costs. Over five years, this frees up \$1.7 million to put towards these transportation projects.

Human Services

Human Services is currently a strategic goal calling for services that support independence and self-sufficiency by leveraging state and federal funding and maximizing community partnerships. The community has made progress towards this goal by providing additional services for: at-risk youth; adults in long-term care; welfare-to-work clients needing day care; seniors using the expanded Senior Center; and services for mental health and mental retardation clients.

In both the FY 2003 Budget and throughout the Five-Year Plan, additional funding is approved for: transitional services for mentally retarded youth coming out of high school; increased in-home care hours for the elderly; the continuation of the Juvenile Detention Home expansion project; and increases for our contractor and contribution non-profit agencies that is indexed to employee pay adjustments.

The major issue facing human services this year, however, is State budget cuts. These cuts total \$1.6 million, and affect a wide range of customers from the mentally ill to juveniles in the criminal justice system. The most significant impact is on the Department of Social Services with a \$510 thousand cut from the Virginia Juveniles for Community Crime Control Act that affects the County's Group Homes for Boys and Girls.

CULTURAL AND RECREATIONAL SERVICES

Although this is not a strategic goal area for the County, the community and the Board supports efforts in this area. Initiatives in FY2003 include additional and renovated sports fields, partnership in the Freedom Recreation Center, Valley View Park, additional park capital maintenance funds, the opening of Bull Run Library, and more funding for the arts.

In the Five-Year Plan, additional funding is included for sports field improvements, renovations at Pfitzner Stadium, increased capital maintenance and renovation for existing park projects, increased funding to the Prince William Arts Council, and the County's contribution to the Freedom Recreation Center.

EFFECTIVE AND EFFICIENT GOVERNMENT

In order to achieve the adopted strategic goals, the County needs effective and efficient internal support systems including financial and budget processes, facility support, technology, and fleet maintenance. In the past, the Board has supported these functions by funding seat management for agency desktop computers, a larger fleet facility to service County vehicles, additional Finance and Budget staff, and the County's Information Technology Strategic Plan.

In the Five-Year Plan, we embark on a process to fully fund the County's immediate and long term technology needs by funding our e-government efforts, replacing network infrastructure, funding system development, and providing staff support for important business applications. Full funding is provided for the replacement of the County's voice and data infrastructure, and e-government systems. In addition, the Board approved an increase in the E-911 fee, from \$1.18 to \$1.75, to establish a public safety technology replacement fund.

ATTRACT AND RETAIN QUALITY EMPLOYEES

Ensuring that we attract and retain the most qualified County employees is essential to making our vision a reality and achieving our strategic goals. As part of the FY2002 budget process, the Board adopted a revised compensation policy that has as its goal that Prince William will be equal to the average starting salaries of our three main competitive jurisdictions – Fairfax, Arlington, and Alexandria.

In the Five-Year Plan, we continue our progress on improving employee compensation. In FY2003, we include a 3.5% market pay adjustment and funding for merit pay. The average employee receives a 5-step merit, therefore taken together, employees will receive on average a 7-8% salary increase. From FY2004 through FY2007 the Five-Year Plan includes a 3% annual market adjustment and merit pay. We will also advance the pay plan two steps at the end of the fiscal year.

On the benefit side, our biggest challenge this year was the exploding cost of health insurance premiums. This year, the tremendous increases being experienced by other organizations reached the County with our primary insurance carrier quoting premium increases of 55%. We explored many options, concluding self-insurance was the best long term solution for both the County and its employees. A new medical self-insurance program will be established in FY2003. To ensure the long-term solvency of the program, a \$3 million initial contribution will be made from FY 2002 surplus revenues.

Because we realize that salary and benefits are not the only factors that help us recruit and retain employees, we increase funding for our successful Employee Training and Development Program that was begun in FY 2002. This program has, in its first year, resulted in improved employee orientation, conversational Spanish classes, and supervisory and customer service training. The FY 2003 budget also funds outreach efforts to improve our workforce diversity and a County Management Intern position to provide opportunities for graduate students interested in local government and in Prince William County.

ACKNOWLEDGEMENTS

Many professional staff members contributed to this report, especially the Budget Office, who prepared and compiled this report. I commend them for their professionalism, hard work and continued efforts to improve this document. In addition, I acknowledge the cooperation and assistance of each County agency throughout the year in the efficient administration of the County's financial operations.

The FY 2003 Budget and the Five Year Plan reflects our commitment to the citizens of Prince William County, the Board of Supervisors, and all concerned readers of this report, to provide information in conformance with the highest standards of financial accountability.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig S. Gerhart". The signature is fluid and cursive, with a large initial "C" and "G".

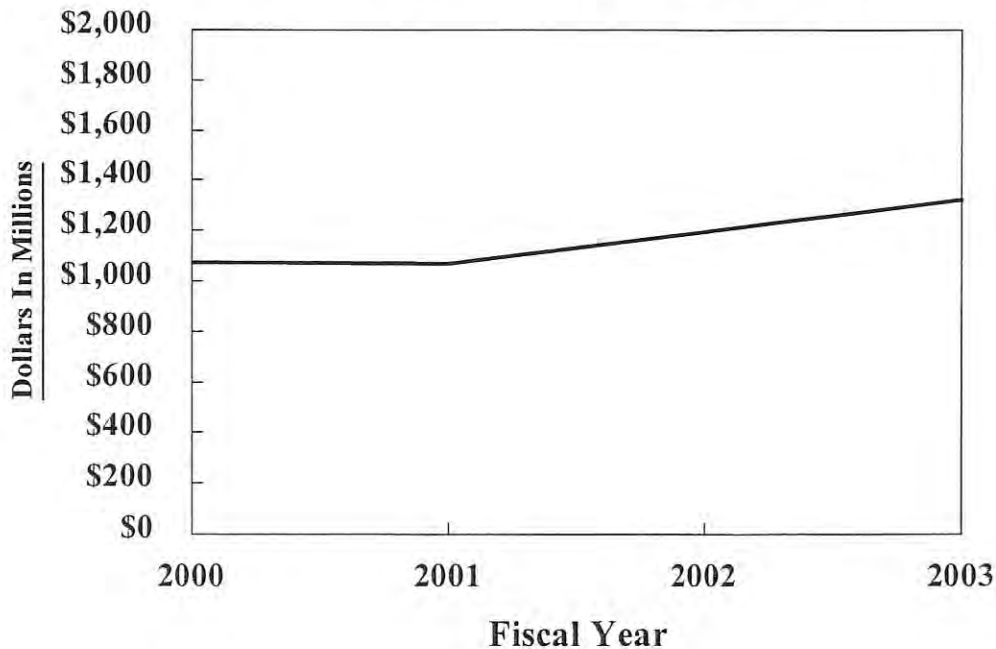
Craig S. Gerhart
County Executive

All Funds Expenditure Budget

The total FY 2003 Adopted All Funds budget is \$1.322 billion within the seven areas shown below. This is an increase of 10.34% over the FY 2002 Adopted total.

Funding Area	FY 2000 Adopted Budget	FY 2001 Adopted Budget	FY 2002 Adopted Budget	FY 2003 Adopted Budget	% Change 02 To 03 Adopted
General Fund	\$405,809,294	\$435,632,854	\$476,642,136	\$543,280,805	13.98%
Special Revenue Funds	\$26,367,143	\$28,348,808	\$31,492,820	\$46,915,767	48.97%
Capital Projects Fund	\$101,351,672	\$30,342,984	\$21,217,115	\$22,865,452	7.77%
Enterprise Fund	\$11,069,728	\$11,189,387	\$13,179,057	\$11,435,011	-13.23%
Internal Service Fund	\$10,932,198	\$11,275,274	\$14,048,307	\$30,812,370	119.33%
Fire & Rescue Levy Funds	\$9,370,043	\$10,527,986	\$12,902,795	\$17,888,920	38.64%
Schools	\$509,530,019	\$541,664,424	\$628,399,368	\$648,588,281	3.21%
Total	\$1,074,430,097	\$1,068,981,717	\$1,197,881,598	\$1,321,786,606	10.34%

All Funds Expenditure Budget History



Note: All Years Adopted

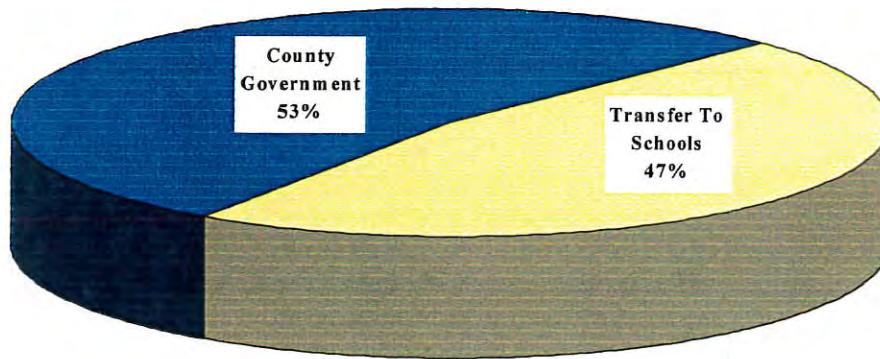
General Fund Expenditures

The two major components of General Fund expenditures are the Prince William County Government and the local share of the Prince William County Schools System's budget. Following are the expenditure levels adopted for FY 2002 and adopted for FY 2003 for these two areas.

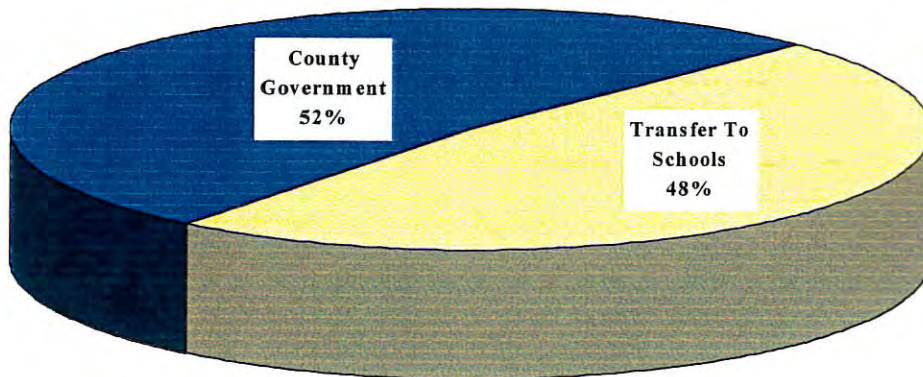
General Fund Expenditures

	FY 2002 Adopted	FY 2003 Adopted	Dollar Change FY 02 / 03	Percent Change FY 02 / 03
County Government	\$251,405,926	\$284,462,215	\$33,056,289	13.15%
Transfer To Schools	\$225,236,210	\$258,818,590	\$33,582,380	14.91%
Total General Fund	\$476,642,136	\$543,280,805	\$66,638,669	13.98%

Fiscal Year 2002 Adopted General Fund Budget



Fiscal Year 2003 Adopted General Fund Budget



FY 2003

Fiscal Plan

Volume I: Executive Summary

BUDGET SUMMARY



Prince William County,
Virginia



FY 2003 Fiscal Plan Initiatives

Economic Development

Several initiatives in the Five-Year Budget Plan continue our progress in Economic Development. In historic preservation, there is additional funding to match grants for restoration of our historic buildings and staff for a foundation that will contribute to these efforts. To support tourism, the budget contains donations and funding for both the Belmont Science Center and the Marine Heritage Center, furthering these important projects.

The Five-Year Budget Plan provides \$3.7 in total funding for the Economic Development Opportunity Fund over the five years; providing the capital to negotiate potential economic development opportunities. On the planning and development side, this budget includes the addition of building and stormwater inspectors to further support our efforts to improve the development process.

Toward this goal, the FY 2003 Budget includes:

I. ECONOMIC DEVELOPMENT INITIATIVE

A. Base Budget Decreases:

1 General Debt - Innovation - Broadview Land Purchase	(\$320,750)
2 Planning - One-time expenses in FY 2002	(\$227,065)
3 VRS projected decrease (from 7.64% to 6.14%)	(\$148,852)
4 CIP Construction - Economic Development Opportunity Fund	(\$100,000)
5 Public Works - One-time expenses in FY 2002	(\$28,830)
6 General Debt - INNOVATION Loop Road (1998 Bond)	(\$9,439)
7 General Debt - ATCC	(\$1,010)
Total Base Budget Decreases	(\$835,946)

B. Base Budget Increases:

1 CVB - Increase CVB Transfer from increase in Transient Occupancy Tax	\$273,375
2 Compensation Roll-Over	\$181,137
3 Non-Dept - Increase Public Events at Historic Properties	\$91,125
4 FICA increase	\$24,785
5 Group Life increase	\$23,733
6 General Debt - INNOVATION Environmental, Roads, and Site Improv.	\$19,133
7 Money Purchase Plan increase in base requirement	\$5,111
8 Health increase in base requirement	\$3,542
9 Delta Dental increase in base requirement	\$2,526
Total Base Budget Increases	\$624,467

Total Econ Dev/Quality Growth Base Budget Changes **(\$211,479)**

FY 2003 Fiscal Plan Initiatives

I. ECONOMIC DEVELOPMENT INITIATIVE (continued)

C. Supplemental Budget Initiatives:

1 Compensation and Benefits	\$973,905
2 CIP - Heritage Center Contribution	\$750,000
3 Public Works - Building Development; 3 Combination Inspectors	\$244,167
4 Public Works - Building Development; Additional Space for Inspectors	\$146,638
5 Planning - Comprehensive Plan Update	\$140,000
6 Public Works - Building Development; Mtrack/IVR	\$140,000
7 Planning - Planning Technician II	\$94,326
8 Public Works - Building Development; Engineer II	\$83,635
9 Public Works - Building Development; Combination Inspector	\$79,403
10 Public Works - Building Development; Engineer III	\$71,612
11 CIP - Historic Restoration Projects	\$70,000
12 Public Works - Building Development; GIS	\$66,549
13 OEM - Contribution of \$62,000 to the Science Museum of Virginia	\$62,000
14 Public Works - Staffing and Support for Old Courthouse.	\$61,451
15 Public Works - Secretary to support Historical Preservation Foundation	\$54,218
16 Public Works - Building Dev.; Video Production of Deck Building	\$50,000
17 Public Works - Building Development; Engineer Assistant II	\$41,452
18 Public Works - Building Dev.; Increase Part-Time Secretary to Full-Time	\$18,558
19 CIP - INNOVATION	\$17,670
20 Planning - COG Membership Increase	\$10,667
21 Public Works - Historic Preservation Foundation Initial Budget	\$10,000
22 Public Works - Rippon Lodge Utility Budget	\$8,580
23 Planning - Stafford Regional Airport Membership Contribution	\$4,770
Total Economic Development Supplemental Initiatives	\$3,199,601
TOTAL ECONOMIC DEVELOPMENT INITIATIVES	\$2,988,122

Public Safety

In the Five-Year Plan, efforts to maintain our safe community continue. Recommendations include the continuation of the Police Staffing Plan - adding 60 additional sworn officers and 23 civilians over the next five years. To ensure that these additional staff are well-equipped, the Five-Year Plan: fully funds the mobile data project (with 215 units added by FY2005), provides for 15 additional take-home cars over the next five years, and funds the Western District Police Station.

The Five-Year Plan begins funding for the newly-developed Fire and Rescue Staffing Plan – addressing the need for additional 24-hour units in the County. The Five-Year Plan provides funding for two additional 24-hour units a year for a total of ten by FY2007. Along with staffing for the new Linton Hall and River Oaks Stations, this Plan adds 96 firefighters over the next five years. These staff also need to be well-equipped. To that end, Fire and Rescue's mobile data needs are also fully funded with 35 units added by FY2006 and five career ambulances are replaced over the next three years.

The Adult Detention Center continues to experience growing numbers of inmates and this budget fully funds the staffing and operating costs to address this growing population. Some of this funding, however, advances the staffing and operating costs needed for the ADC expansion project.

FY 2003 Fiscal Plan Initiatives

Public Safety (continued)

In Public Safety Communications, we increased operating expenses and staffing with growth in existing revenues. A significant issue, however, continues to be funding for the eventual replacement of the public safety technology systems such as CAD and public safety communications. To prepare for this, we increased the E-911 fee from \$1.18 per month to \$1.75 per month. This makes the Prince William fee more comparable with surrounding jurisdictions and contributes \$5.4 million to a public safety technology replacement fund by the end of the Five-Year Plan. It is estimated that a total of \$20 million in funding will be needed over the next 10 years to maintain and replace these systems.

Toward this goal, the FY 2003 Budget includes:

II. PUBLIC SAFETY INITIATIVE

A. Base Budget Shifts*:

1 JCSU - Urine Screening - Increase service level	\$3,500
Total Base Budget Shifts	\$3,500

B. Base Budget Decreases:

1 CIP Construction - MDT (Mobile Data Terminals)	(\$1,107,068)
2 Police - One-time expenses in FY 2002	(\$888,124)
3 VRS projected decrease (from 7.64% to 6.14%)	(\$758,302)
4 Fire and Rescue - One-time expenses in FY 2002	(\$149,352)
5 Public Safety Comm - Reduction of \$100,000 for telephone switch.	(\$100,000)
6 CIP Construction - Project consultant services extension (800mhz)	(\$75,000)
7 JDRC - Jv Court Case Mgt.- Seat Mgmt now State supported	(\$43,954)
8 Public Works - One-time expenses in FY 2002	(\$31,051)
9 General Debt - Police/Fire Training Facility	(\$22,682)
10 General Debt - Garfield Police Station	(\$14,842)
11 ADC - One-time expenses in FY 2002	(\$11,553)
12 OCJS - One-time expenses in FY 2002	(\$4,827)
13 General Debt - Owens Building	(\$3,903)
14 ADC - Revenue increased to support Seat Management	(\$3,619)
15 Commonwealth Attorney - One-time expenses in FY 2002	(\$3,174)
16 JCSU - One-time expenses in FY 2002	(\$2,669)
17 General Debt - Courthouse	(\$173)
Total Base Budget Decreases	(\$3,220,293)

C. Base Budget Increases:

1 General Debt - Judicial Center Expansion	\$1,819,433
2 Compensation Roll-Over	\$922,770
3 ADC - Reduce Federal Inmate Revenue to zero	\$648,240
4 General Debt - Owens Building Expansion	\$507,666
5 Police - FY03 Full-Year cost of FY02 positions added to Staffing Plan	\$212,445
6 Police - FY03 costs associated with three officers added at carryover	\$194,329
7 FICA increase	\$126,263
8 Group Life increase	\$120,905
9 ADC - Increase in LEOS Transfer	\$72,363
10 Fire and Rescue - Full-Year cost of FY02 positions for Station 15 ALS	\$41,847
11 Money Purchase Plan increase in base requirement	\$26,036
12 Health increase in base requirement	\$18,043
13 Police and Fire Retirement increase in base requirement	\$12,979
14 Delta Dental increase in base requirement	\$12,869
15 JCSU - Family Reunification Services - Increase service level	\$5,900
Total Base Budget Increases	\$4,742,088

FY 2003 Fiscal Plan Initiatives

II. PUBLIC SAFETY INITIATIVE (continued)

C. Base Budget Increases:

1 General Debt - Judicial Center Expansion	\$1,819,433
2 Compensation Roll-Over	\$922,770
3 ADC - Reduce Federal Inmate Revenue to zero	\$648,240
4 General Debt - Owens Building Expansion	\$507,666
5 Police - FY03 Full-Year cost of FY02 positions added to Staffing Plan	\$212,445
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7 FICA increase	\$126,263
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9 ADC - Increase in LEOS Transfer	\$72,363
10 Fire and Rescue - Full-Year cost of FY02 positions for Station 15 ALS	\$41,847
11 Money Purchase Plan increase in base requirement	\$26,036
12 Health increase in base requirement	\$18,043
13 Police and Fire Retirement increase in base requirement	\$12,979
14 Delta Dental increase in base requirement	\$12,869
15 JCSU - Family Reunification Services - Increase service level	\$5,900
Total Base Budget Increases	\$4,742,088

Total Public Safety Base Budget Changes

\$1,521,795

* Note: Shifts are excluded from the total.

D. Supplemental Budget Initiatives:

1 Compensation and Benefits	\$4,961,380
2 Police - Police Staffing Plan for ten sworn and four civilian positions	\$1,252,334
3 Fire and Rescue - 24-Hour ALS Staffing for Lake Jackson	\$864,556
4 Fire and Rescue - 24-Hour Staffing for Coles District VFD	\$823,201
5 Clerk of the Court - Case management system conversion	\$786,875
6 Police - Add four Police Officers in FY03, for a total of 20 sworn position	\$464,788
7 Police - Expand Police Staffing Plan funding by six officers	\$438,059
8 ADC - Fund Balance Increase from 3% to 5%	\$406,164
9 Volunteer Fire and Rescue - B&A \$332,594 in proffer funds to volunteer budgets for capital projects	\$332,594
10 Fire and Rescue - Extended Hours	\$309,173
11 Police - Mobile Radio Replacement associated with the 800 MHz project	\$280,187
12 Police - Warehouse Lease Space	\$263,192
13 CIP Construction - Courthouse Complex Master Plan	\$257,400
14 Public Works - Fleet; Replace Two Ambulance Units	\$255,000
15 OIT - Operating, software agreements and radio space costs for 800 MHz	\$236,592
16 ADC - Increased funding for contractual medical services and medicine	\$225,000
17 Fire and Rescue - High School Cadet Program	\$193,373
18 ADC - 1 Kitchen Manager and 1 Kitchen Supervisor plus 3 Jail Officers	\$189,637
19 Sheriff - Add four Sheriff Deputies	\$188,296
20 ADC - Operating increases due to inmate population growth	\$185,000

FY 2003 Fiscal Plan Initiatives

II. PUBLIC SAFETY INITIATIVE (continued)

D. Supplemental Budget Initiatives (continued):

21 ADC - Overtime and Holiday Pay	\$175,000
22 Police - Add five take home cars in FY03-07	\$162,700
23 Fire and Rescue - 800 MHz Radio Replacements (Mobile and Portable)	\$147,510
24 Police - Public Safety Systems Hardware/Software and Database Support	\$146,434
25 Police - Portable Radio Replacement associated with 800 MHz project	\$140,809
26 CIP Construction - Public Safety Driver Training Facility	\$127,500
27 ADC - Additional Inmate Housing at other jurisdictions	\$125,000
28 ADC - Additional inmate housing for local inmates at other jurisdictions	\$125,000
29 ADC - Shift differential of \$0.70 per hour	\$125,000
30 Fire and Rescue - Emergency Services Coordinator	\$120,933
31 PSC - Voice Logging Recorder System	\$120,000
32 Sheriff - Increase for uniforms, equipment, supplies and maintenance	\$103,886
33 ADC - Elimination of \$100,000 charge against fund balance	\$100,000
34 Fire and Rescue - Altaris RMS Maintenance/Support	\$88,538
35 Police - Take Home Car Program	\$86,820
36 Fire and Rescue - Mobile Data Terminal and Seat Management	\$83,713
37 Fire and Rescue - Training from Fire Programs Fund	\$81,831
38 Police - Vice Lease Space	\$81,572
39 Sheriff - 800 MHz Radios replacement	\$79,893
40 PSC - Two Telecommunicator II positions	\$77,754
41 Commonwealth Attorney - Detective Liason Position	\$68,500
42 ADC - Funds 800 MHz Portable Radio Replacement Costs	\$66,219
43 ADC - Commission increase for Alien Assistance Program	\$66,000
44 PSC - CAD Software Support & VIEW/GDI Tools	\$57,720
45 ADC - Information Systems Analyst	\$56,408
46 JCSU - Intensive Supervision Services Juvenile Probation Officer - Operating transfer of IV-E funding from DSS	\$53,491
47 JCSU - Intensive Supervision Staffing Plan (Part A)	\$53,491
48 ADC - Increase in PWSIG casualty insurance pool costs	\$44,904
49 Public Works - B&G; Maintenance Mechanic II for Owens Expansion	\$41,643
50 ADC - Correctional Health Assistant due to inmate population growth	\$39,692
51 Fire and Rescue - Account Clerk II	\$38,933
52 Public Works - Prop Mgmt; Utility Budget Increase at Owens Building	\$33,100
53 ADC - Start up funding for ADC participation in firing range	\$30,000
54 PSC - Call Check Recorders	\$24,000
55 PSC - Seat Management for 12 new terminals associated with 800 MHz	\$22,296
56 Fire and Rescue - Training from Two for Life Fund	\$19,702
57 OIT - Operating funds for the Judicial Center Building Expansion	\$18,633
58 PSC - CAD Terminals (Four)	\$18,000
59 PSC - MIS & CAD Hardware Maintenance	\$16,000
60 ADC - Increases for gasoline and vehicle maintenance	\$15,000

FY 2003 Fiscal Plan Initiatives

II. PUBLIC SAFETY INITIATIVE (continued)

D. Supplemental Budget Initiatives (continued):

61 PSC - Dictaphone System for voice logging system	\$15,000
62 PSC - HP-Unix/Oracle Upgrade for database applications	\$11,423
63 PSC - Meridian System Maintenance	\$10,612
64 PSC - Meridian Operating System Upgrade	\$10,000
65 Fire and Rescue - Community Education from Fire Programs Fund	\$9,915
66 ADC - Lease cost escalation for the Work Release Program	\$8,719
67 OIT - Circuits and equipment costs due to Judicial Center Expansion	\$7,823
68 PSC - Dispatcher/Call Taker Chairs	\$7,500
69 Clerk of the Court - OIT, Seat Management charges and purchase PCs	\$6,561
70 PSC - CAD System Administration, Database Support	\$6,368
71 PSC - Portable Radio Replacement for 800 MHz radio system	\$5,288
72 Public Works - Prop Mgmt; Animal Shelter Utility Budget Increase	\$3,000
73 JDRC - Lease of new copy machine	\$2,500
74 OCJS - Contribution increase for Voluntary Action Center	\$2,493
75 OIT - Maintenance of equipment installed in Owens Building Expansion	\$2,140
76 JDRC - Furniture, equipment and office supplies	\$2,000
77 PSC - Message Switch Server Software Support	\$1,455
78 PSC - UCS Mobile Data Browser Software Support	\$1,000
79 Magistrates - Repair & Maintenance	\$250
80 Magistrates - Books Increase	\$200
Total Public Safety Supplemental Initiatives	<u>\$16,110,673</u>
TOTAL PUBLIC SAFETY INITIATIVES	<u>\$17,632,468</u>

Transportation

In the Five-Year Plan and the Capital Improvement Program (CIP), continued progress in transportation is recommended. Funding is available for a \$58 million road bond as early as the Fall 2002. Another source of funding, but for smaller road and transportation projects, is the State's revenue-sharing project. This puts \$1 million annually, split between the County and the State, into the Public Works budget and divides it equally among the seven magisterial districts. In the Five-Year Plan, we fund the "soft" costs, e.g., design from the General Fund, thus leaving all the revenue sharing funds for actual construction costs. Over five years, this frees up \$1.7 million to put towards these transportation projects.

Toward this goal, the FY 2003 Budget includes:

III. TRANSPORTATION INITIATIVE

A. Base Budget Decreases:

1 General Debt - PW Parkway	(\$217,179)
2 General Debt - 234 Bypass	(\$24,328)
3 General Debt - Cardinal Drive	(\$23,393)
4 General Debt - Liberia Avenue	(\$12,680)
5 General Debt - Sudley Road	(\$11,512)
6 General Debt - Ashton Avenue	(\$9,614)
7 General Debt - Moore Drive	(\$3,964)
8 General Debt - Spriggs Road ('98 Bond)	(\$3,178)
9 General Debt - Wellington Station Road	(\$2,384)
10 General Debt - Bike Trail	(\$2,059)
11 General Debt - Old Bridge Road	(\$1,860)
Total Base Budget Decreases	<u>(\$312,151)</u>

FY 2003 Fiscal Plan Initiatives

III. TRANSPORTATION INITIATIVE (continued)

B. Base Budget Increases:

1 General Debt - Ridgefield Road ('98 Bond)	\$64,045
2 General Debt - Wellington Road ('98 Bond)	\$57,436
3 General Debt - PW Parkway Extension ('98 Bond)	\$24,060
Total Base Budget Increases	\$145,541

Total Transportation Base Budget Changes	(\$166,610)
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C. Supplemental Budget Initiatives:

1 Public Works - Revenue Sharing Road Design Administrative Costs	\$339,704
2 PRTC - Transfer Increase	\$100,000
3 Public Works - Transportation; Planner III for regional meetings	\$81,544
Total Transportation Supplemental Initiatives	\$521,248

TOTAL TRANSPORTATION INITIATIVES	\$354,638
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Human Services

In the Five-Year Plan, we recommend additional funding for: transitional services for mentally retarded youth coming out of high school, increased in-home care hours for the elderly, the continuation of the Juvenile Detention Home expansion project, and a 3.5% increase for our contractor and donation non-profit agencies.

Toward this goal, the FY 2003 Budget includes:

IV. HUMAN SERVICES INITIATIVE

A. Base Budget Shifts*:

1 CSB - MR Day Support Program Contractual Services Reallocation	\$254,276
2 Public Health - State Clinician Position	\$120,000
3 DSS - VJCCCA State Revenue Reduction	\$69,559
4 CSB - Shift from MH Supported Town Home to MH Independent Living	\$45,313
5 DSS - Winter Shelter - Adequate funding for service demand	\$25,000
6 DSS - JDH Medical Services	\$23,000
7 CSB - POMS State Revenue Reduction	\$14,192
8 Public Health - Project Parent Activity Elimination - Shift funds to Other Communicable Disease Services	\$14,087
9 ARYFS - Family Preservation and Support Services Budget Adjustment - Shift funds from Project Parent and CES Family Reunification projects to JCSU Family Reunification and CES Parent Education projects and mini-	\$13,730
Total Base Budget Shifts	\$579,157

FY 2003 Fiscal Plan Initiatives

IV. HUMAN SERVICES INITIATIVE (continued)

B. Base Budget Decreases:

1 DSS - FY 02 Budget Reconciliation Roll-Forward	(\$716,944)
2 CSB - MR/MH/SA Services Reduction From The State	(\$329,223)
3 VRS projected decrease (from 7.64% to 6.14%)	(\$317,179)
4 DSS - VJCCCA Reduction From The State	(\$310,068)
5 CIP Construction - Woodbridge Senior Center Expansion	(\$278,019)
6 ARYFS - Medicaid Local Match	(\$120,000)
7 Youth - Eliminate Department of Justice grant funding	(\$75,000)
8 Public Health - Excess County Transfer Payment to State Co-op Budget	(\$60,000)
9 CSB - POMS Reduction From The State	(\$40,000)
10 DSS - Food Stamps Issuance - Conversion to EBT	(\$29,641)
11 Office On Youth - Delinquency Prev/Youth Development Reduction	(\$27,410)
12 DSS - Administration Reduction From The State	(\$26,302)
13 CSB - One-time expenses in FY 2002	(\$9,163)
14 SAC - One-time expenses in FY 2002	(\$7,500)
15 General Debt - Juv. Detention Home Exp Phase I	(\$5,770)
16 Aging - Decrease of food supplies in Home Delivered Meals Program	(\$3,050)
17 Public Health - Groundwater Testing	(\$2,429)
18 ARYFS - One-time expenses in FY 2002	(\$2,021)
19 DSS - One-time expenses in FY 2002	(\$2,000)
20 ARYFS - Family Preservation and Support Services Revenue Reduction	(\$956)
Total Base Budget Decreases	(\$2,362,675)

C. Base Budget Increases:

1 General Debt - Juv. Detention Home Exp Phase II	\$584,084
2 Compensation Roll-Over	\$385,972
3 CSB - FY 02 Reconciliation Roll-Forward	\$261,410
4 CSB - Youth In-Home Services Staff Increase Approved By BOCS	\$114,872
5 Public Health - Prenatal Care Positions Approved by the BOCS	\$103,430
6 FICA increase	\$52,813
7 Group Life increase	\$50,572
8 Coop. Ext. - HUD grant for Financial Education, Responsible Renters	\$13,500
9 Money Purchase Plan increase in base requirement	\$10,890
10 Health increase in base requirement	\$7,547
11 Delta Dental increase in base requirement	\$5,383
Total Base Budget Increases	\$1,590,473
Total Human Services Base Budget Changes	(\$772,203)

* Note: Shifts are excluded from the total.

FY 2003 Fiscal Plan Initiatives

IV. HUMAN SERVICES INITIATIVE (continued)

D. Supplemental Budget Initiatives:

1 Compensation and Benefits	\$2,075,227
2 ARYFS - VJCCCA conversion of group homes to CSA vendors	\$985,254
3 DSS - FY 02 midyear adjustments roll-forward	\$537,781
4 DSS - VJCCCA conversion of group homes to CSA vendors	\$329,476
5 ARYFS - Residential Services Increase	\$313,783
6 CSB - MH/MR/SA State revenue restoration	\$276,271
7 DSS - JDH Expansion Phase II CIP Operating Costs	\$211,223
8 ARYFS - Community Based Services and Foster Care	\$141,499
9 ARYFS - Changes in local match requirement	\$120,000
10 DSS - Daycare	\$118,680
11 CSB - MR Client Services for Students Graduating from School System	\$99,207
12 Coop Ext - NVCC Contribution Increase	\$94,889
13 CSB - Contractor and Contribution Agency Increase - 3.5%	\$91,840
14 DSS - Foster Care Social Worker II - IV-E funding	\$64,594
15 DSS - District Home Contract Increase	\$64,546
16 DSS - Child Welfare Assessments Social Worker II - IV-E funding	\$62,849
17 DSS - Family Treatment Social Worker II - IV-E funding	\$62,848
18 DSS - Intensive Supervision Juvenile Probation Officer - IV-E funding	\$53,491
19 DSS - Healthy Families - NVFS - IV-E funding	\$46,000
20 Public Works - Maint. Mechanic II position for JDH Expansion Phase II	\$38,124
21 DSS - Auxiliary Grants Increase	\$37,600
22 DSS - Employment Serv. - Shift Senior Employment from Aging to DSS	\$32,748
23 DSS - NVFS BEST trans. Housing	\$30,000
24 DSS - SERVE transitional housing	\$30,000
25 DSS - Employment Services - Partly reverse base budget recomm.	\$29,877
26 DSS - .50 FTE Econ. Support Spec. II for CSA Admin - IV-E funding	\$28,008
27 DSS - Contractor and Contribution Agency Increase - 3.5%	\$27,127
28 Aging - Full-time Senior Center Program Assistants	\$25,790
29 CSB - ARC - Family support services	\$25,000
30 DSS - Reclass Social Services Prog. Supervisor and Fraud Investigator	\$24,942
31 DSS - ACTS homeless and domestic violence shelter funding increases	\$24,000
32 CSB - MR Group Homes revenue/expenditure shortfall	\$21,563
33 Aging - Increase In-Home Services Hours by 1,290	\$20,000
34 Public Works - Juvenile Detention Home Phase II Utility Budget Increase	\$19,500
35 CSB - ARC - Additional 1.5% funding increase	\$19,292
36 Public Health - Hepatitis C baseline testing	\$16,464
37 DSS - SERVE homeless shelter increase	\$16,000
38 Aging - Create Part-time Account Clerk for Bluebird Program	\$14,500
39 Aging - Temporary Salaries for drivers and substitute in Adult Day Care	\$12,000
40 Aging - Seat Management for 4 computers	\$8,874

FY 2003 Fiscal Plan Initiatives

IV. HUMAN SERVICES INITIATIVE (continued)

D. Supplemental Budget Initiatives (continued):

41 Aging - Salary for substitute staff at Senior Centers	\$8,000
42 Coop Ext - Instructor and support for Living Apart - Parenting Together	\$7,300
43 Aging - Reverse Senior Employment Base Budget Analysis	\$6,652
44 Aging - Increased contribution to Northern Va. Ombudsman Program	\$5,330
45 Aging - Temporary salaries for contractor to complete Age Plan 2010	\$5,000
46 Coop Ext - PPT Parent Education Instructor and program support	\$5,000
47 Aging - Increase Cook Aide hours per day at Woodbridge Senior Center	\$4,474
48 Aging - Increase Data Entry Operator from 15 to 20 hours per week	\$3,300
49 Aging - Maintenance for the AIM client database management system	\$3,000
50 SAC - Miscellaneous costs to open one additional SAC program	\$2,874
51 Aging - Provide 3.5% increase to all Area Agency on Aging contractors	\$1,305
52 Public Works - Woodbridge Senior Center Utility Budget Increase	\$455
53 DSS - Child and Adult Care Food Program Discontinuation	(\$730,225)
54 ARYFS - CSA State revenue restoration	(\$120,000)
55 ARYFS - Increased Medicaid local match	(\$80,000)
56 DSS - Employment Services - Eliminate vacant Supervisor position	(\$60,000)
57 CSB - Eliminate vacant CSB Therapist I position in Job Coach Services	(\$40,408)
58 DSS - Reverse Senior Employment Base Budget Analysis	(\$32,748)
59 Aging - Employment Services shift to DSS for employment services	(\$6,652)
Total Human Services Supplemental Initiatives	\$5,233,524
TOTAL HUMAN SERVICES INITIATIVES	\$4,461,321

Quality of Life

In the Five-Year Plan, additional funding is included for sports field improvements, renovations at Pfitzner Stadium, increased capital maintenance and renovation for existing park projects, increased funding to the Prince William Arts Council, and for the County's contribution to the Freedom Recreation Center. In addition, the County takes its first step toward improving the Potomac C community. Funding is included to begin implementing the recommendation of Urban Land Institute.

Toward this goal, the FY 2003 Budget includes:

FY 2003 Fiscal Plan Initiatives

V. QUALITY OF LIFE

A. Base Budget Decreases:

1 Library - State Aid to Libraries Reduction From The State	(\$199,812)
2 Library - One-time expenses in FY 2002	(\$194,000)
3 CIP Construction - Rippon Lodge	(\$100,000)
4 VRS projected decrease (from 7.64% to 6.14%)	(\$81,522)
5 Library - Expenditures are reduced \$25,000 based on decreases in fines	(\$25,000)
6 General Debt - Chinn Library	(\$17,782)
7 General Debt - Park Projects (1988 Bond Referendum)	(\$15,692)
8 General Debt - Bull Run Library	(\$9,864)
9 General Debt - Chinn Aquatic Center	(\$1,946)
10 General Debt - Elementary Schools - Henderson & Springwood	(\$1,899)
11 General Debt - BMX Park ('98 Bond)	(\$900)

Total Base Budget Decreases

(\$648,417)

B. Base Budget Increases:

1 General Debt - Pfitzner Stadium Improvements	\$341,000
2 Compensation Roll-Over	\$99,203
3 General Debt - Park Field Renovations ('98 Bond)	\$59,563
4 General Debt - Veterans Park ('98 Bond)	\$32,977
5 General Debt - Gainesville/Haymarket Land Acquisition ('98 Bond)	\$14,008
6 General Debt - Valley View Park Fields ('98 Bond - Sztan Property)	\$13,813
7 FICA increase	\$13,574
8 Group Life increase	\$12,998
9 Money Purchase Plan increase in base requirement	\$2,799
10 Health increase in base requirement	\$1,940
11 Delta Dental increase in base requirement	\$1,384

Total Base Budget Increases

\$593,258

Total Quality of Life Base Budget Changes

(\$55,159)

C. Supplemental Budget Increases:

1 CIP - Proffer transfer from General Fund to support CIP Projects	\$617,874
2 Compensation and Benefits	\$533,376
3 Park Authority - Compensation and Health Benefits increase	\$392,900
4 General Debt - 10% debt service reserve	\$276,542
5 Park Authority - Sportsfield improvements operating and maintenace	\$269,329
6 Park Authority - Capital Maintenance funding increase	\$250,000
7 Planning - Implement ULI recommendations. Includes a Planner III	\$250,000
8 Park Authority - Security and Risk Mitigation requirements	\$133,000
9 Park Authority - Freedom Center Contribution	\$116,994
10 OEM - Cable Television and Government Programming Director	\$92,855
11 County Attorney - Assistant County Attorney	\$90,564
12 Public Works - Property Code Inspector	\$89,298
13 Library - Record Center; Record Center Computer Upgrade	\$85,465
14 County Attorney - Add one FTE legal secretary	\$84,238
15 Library - Information Support Services/Library Materials Support	\$75,000
16 CIP - Assist Towns in providing local match if they are successful in obtaining TEA-21 grants	\$50,000
17 OIT - Implement recommendations of Telecommunications Task Force	\$50,000
18 Library - Shelving Replacement	\$50,000
19 Park Authority - County-wide needs assessment study	\$50,000
20 OIT - Network Analyst position for operation of the I-net	\$34,663

FY 2003 Fiscal Plan Initiatives

V. QUALITY OF LIFE (continued)

21 Public Works - Transportation Planning; Administrative Cost Increases	\$33,475
22 Public Works - Prop Code Enforcement; Office Assistant Position	\$30,444
23 Public Works - Increase Landscape Planting and Maintenance Funding	\$28,000
24 Park Auth. - Maint.; Valley View, Compton and Ridgefield Village Parks	\$26,000
25 Library - Library Connection Transition to Libreres	\$25,000
26 Library - Operating Increase to Cover Revenue Shortfall	\$25,000
27 Library - Furniture Replacement	\$25,000
28 Planning - Temporary admin. Support	\$20,000
29 Park Authority - ARC - Special recreation	\$10,000
30 Park Authority - Arts Council increase	\$6,195
31 Public Works - Telecom. increase for Property Code Inspectors	\$4,800
32 Unclassified Admin; Tax Exemption -Lake Ridge Comm. Swim Club	\$4,610
33 OEM - Legal Services of Northern Virginia, Inc.contributions increase	\$4,558
34 Registrar - Rent increase for facility use on election day	\$1,000
Total Quality of Life Supplemental	\$3,836,180
 TOTAL QUALITY OF LIFE	 \$3,781,021

Environment

Over the course of the Five Year Plan, the County continues its commitment to an environmentally safe community by making operational and customer service improvements at its sanitary landfill. The County also remains committed to monitoring water quality protecting properties and the public from flooding, and raising awareness through educational materials and events.

Toward this goal, the FY 2003 Budget includes:

VI. ENVIRONMENT

A. Base Budget Decreases:

1 Public Works - One-time expenses in FY 2002	(\$1,435,002)
Total Base Budget Decreases	(\$1,435,002)
 Total Environment Base Budget Changes	 (\$1,435,002)

B. Supplemental Budget Increases:

1 Public Works - Solid Waste; Replacement of Igloo Containers	\$200,000
2 Public Works - Solid Waste; Replacement of a 1993 Leibherr dozer	\$200,000
3 Public Works - Solid Waste; Indirect Cost Allocation Expense Increase	\$125,709
4 Public Works - Solid Waste; Engineering for design of Landfill Liner	\$125,000
5 Public Works - Solid Waste; Paving Landfill scrap metal area	\$100,000
6 Public Works - Solid Waste; Replace the Landfill Scale House Building	\$100,000
7 Public Works - Stormwater; Indirect Cost Allocation Expense Increase	\$95,344
8 Public Works - Solid Waste; Contract increase for Balls Ford composting	\$25,400
9 Public Works - Solid Waste; Replacement of a used Ford utility tractor	\$25,000
10 Public Works - Stormwater; Occoquan Watershed Management Program	\$18,991
11 Public Works - Occoquan Watershed Monitoring Lab payment increase	\$17,000
12 Public Works - Stormwater; Software Licenses and Printer Support	\$5,000
13 Public Works - Stormwater; CDPD Costs (Remote Inspections Technology) for Site Inspectors	\$4,845
14 Public Works - Solid Waste; Decrease cell closure costs by off-site soils	(\$1,070,000)
Total Environment Supplemental Increases	(\$27,711)
 TOTAL ENVIRONMENT	 (\$1,462,713)

FY 2003 Fiscal Plan Initiatives

Effective and Efficient Government

In the Five-Year Plan, we recommend continuing technology funding to support our e-government efforts, replace network infrastructure, fund system development and provide staff support for important business applications. Included in the budget for the first time is the County's move toward providing an Institutional Network (I-Net) through the County's cable franchise agreement that would link the schools, libraries, governmental offices and volunteer fire and rescue stations with a high speed network; and the introduction of a government access channel, also through the Cable franchise agreement. To accomplish this, three positions have been added to the budget in FY 2003.

Toward this goal, the FY 2003 Budget includes:

VII. EFFECTIVE AND EFFICIENT GOVERNMENT

A. Base Budget Shifts*:

1	Police - Shift of System Developer II position from Police to OIT	\$85,128
2	CIP - Shift to pay the ongoing cost for Fire and Rescue warehouse lease	\$70,500
3	ADC - Shift seat management costs to properly allocate	\$40,963
4	Public Works - Fleet Mgmt.; Shift to cover 4,000 mile service increase	\$36,387
5	Police - Eliminate 1.6 FTE Crossing Guards and create FT Secretary	\$30,462
6	CIP - Shift to pay for the Office of Criminal Justice Services leased space	\$29,060
7	Public Works - Fleet Mgmt.; Utility budget at the new Fleet Facility	\$26,155
8	CIP - Shift to pay for the Public Works Solid Waste leased space	\$21,148
9	Registrar - Shift to OEM for staffing Ferlazzo Information Desk	\$14,365
10	CSB - New copier lease	\$7,100
11	OIT - Shift to Public Works for lease space at the Radio Shop	\$4,500
12	Public Health - Fiber Optic Line Serving The Manassas Health Clinic	\$1,800
13	CIP - Shift for Fire and Rescue Warehouse telecommunications	\$1,548
14	CIP - Shift for OCJS telecommunications	\$1,548
Total Base Budget Shifts		\$370,664

B. Base Budget Decreases:

1	CIP Construction - Fleet Facility	(\$1,100,000)
2	Non-Dept - One-time expenses in FY 2002	(\$510,070)
3	VRS projected decrease (from 7.64% to 6.14%)	(\$203,804)
4	CIP Construction - Prop. Mgmt; Consultant services for space analysis	(\$200,000)
5	OEM - One-time expenses in FY 2002	(\$87,154)
6	CIP Construction - Capital Maintenance	(\$85,378)
7	Registrar - One-time expenses in FY 2002	(\$55,000)
8	Public Works - One-time expenses in FY 2002	(\$50,553)
9	General Debt - Ferlazzo Building	(\$44,591)
10	Finance - One-time expenses in FY 2002	(\$23,502)
11	Registrar - State Board of Elections Reduction From The State	(\$6,750)
Total Base Budget Decreases		(\$2,366,802)

FY 2003 Fiscal Plan Initiatives

VII. EFFECTIVE AND EFFICIENT GOVERNMENT (continued)

C. Base Budget Increases:

1 Compensation Roll-Over	\$248,007
2 County Attorney - One FTE Ass't County Attorney added by BOCS	\$95,397
3 FICA increase	\$33,935
4 Group Life increase	\$32,495
5 Money Purchase Plan increase in base requirement	\$6,997
6 Health increase in base requirement	\$4,849
7 Delta Dental increase in base requirement	\$3,459
Total Base Budget Increases	\$425,139

Total Effective and Efficient Government Base Budget Changes **(\$1,941,663)**

* *Note: Shifts are excluded from the total.*

D. Supplemental Budget Increases:

1 Compensation and Benefits	\$1,333,440
2 Self Insurance - Property & Miscellaneous Insurance Premium Increases	\$806,425
3 CIP - Capital Maintenance	\$519,000
4 CIP - Government Center Administration Space	\$450,000
5 OIT - Infrastructure Replacement	\$438,024
6 OIT - eGovernment	\$325,010
7 Public Works - Lease 4,232 S.F. at 4380 Ridgewood Center Drive	\$312,374
8 Public Works - Additional Space at Linden Lakes	\$280,627
9 OIT - Consultant to plan for replacing the existing NT 4.0	\$242,532
10 CIP - IT Upgrades to WAN/Lan	\$225,000
11 Public Works - Cyclical Base Budget Review - Energy Saving Initiatives	\$150,000
12 CIP - Fleet Facility Relocation	\$100,000
13 Public Works - CPI Increase for Current Leased Space	\$93,981
14 Finance - Appraiser	\$87,455
15 Public Works - Lease for 2 Digital Color Copiers	\$80,000
16 OIT - Increased Operating Costs	\$77,500
17 OEM - Training and Development	\$75,000
18 OIT - New server and database mgmt. for Real Estate Assessments	\$75,000
19 OIT - Network Intrusion Detection Software.	\$65,000
20 OIT - Network Security Analyst	\$63,831
21 OIT - Security and Anti-Virus software licensing and annual maint.	\$50,160
22 Finance -Account Clerk II	\$50,000
23 OEM - Publish Regional Emergency Preparedness Brochure	\$42,616
24 Public Works - Maintenance Mechanic at New Fleet Building.	\$40,850
25 OIT - Increasing licensing fees for existing network software tools	\$40,530
26 OEM - Intern Position	\$31,719
27 OIT - License maintenance fee increase for "County Mapper"	\$30,973
28 Planning - Records Center Clerk position	\$28,011
29 OIT - Funds to continue to use internet content filtering capability	\$27,000
30 OEM - Diversity Recruitment Initiative	\$25,000

FY 2003 Fiscal Plan Initiatives

VII. EFFECTIVE AND EFFICIENT GOVERNMENT (continued)

D. Supplemental Budget Increases (continued):

31 OIT - Replacement of Radio Maintenance Van.	\$25,000
32 Finance - Postage, software support, and banking services.	\$20,000
33 OIT - Increased operating costs for WAN/LAN CIP project	\$19,000
34 Public Works - Fleet Facility Utility Budget	\$18,845
35 OIT - Additional Funds for Seat Management	\$17,908
36 Public Works - Server Upgrade to run Windows 2000	\$15,000
37 Public Works - Custodial Services for 4,400 sq. ft. at Ridgewood	\$9,900
38 OIT-Telecommunications operating and maintenance costs for fleet	\$7,965
39 OIT-Telecommunications operating and maintenance for Fleet	\$5,697
40 OEM - Memberships & dues Increases for VML, VACo and NVRC.	\$4,826
41 Finance - Audit Fee Increase	\$2,500
42 OIT - System Developer II to support HRIS/Payroll system.	\$1,370
43 Public Works - McCoart Sign Electric	\$810
44 OEM - Human Resources Personnel Clerk added with \$23,140 shift	\$0
45 Public Works - Cyclical Base Budget Review - Design & Move Services	(\$105,586)
46 Public Works - Cyclical Base Budget Review - Temperature Settings	(\$65,000)
47 Public Works - Cyclical Base Budget Review - Turf & Accent Plantings	(\$20,000)
48 Public Works - Cyclical Base Budget Review - Custodial Services	(\$20,000)
49 Public Works - Cyclical Base Budget Review - Energy Reduction	(\$15,311)
Total Effective and Efficient Govt. Supplemental Increases	\$6,089,982
TOTAL EFFECTIVE AND EFFICIENT GOVT	\$4,148,319
Total Base Budget Shifts*	\$953,321
Total Base Budget Decreases	(\$11,181,286)
Total Base Budget Increases	\$8,120,966
Total Supplemental Initiatives	\$34,963,497
Total All Initiatives	\$31,903,177

* Note: Shifts are excluded from the total.

Capital Improvements Program

The FY 2003-2008 Capital Improvement Program was adopted by the Board on April 16, 2002. Adequate debt service expenditures have been included in the adopted budget to allow continuation of all currently approved capital projects. A summary of these currently approved projects is included in the the capital improvement program in Volume II.

Debt Service

The total outstanding debt of the County on June 30, 2002 will be \$470,510,000. The major categories are as follows:

General County Outstanding Debt	\$138,713,000
Prince William County Schools Outstanding Debt	\$311,228,000
Solid Waste Funds Outstanding Debt	\$20,569,000

The total amount of debt service required annually to amortize all outstanding long-term liabilities is detailed in the schedule attached. For FY 2003, the total debt service required by funding source is as follows:

General Fund	\$18,530,965
Prince William County Schools (includes Literary Fund)	\$33,137,091
Transportation Fund	\$653,731
Sanitary District Funds	\$62,625
Equipment Leases	\$30,000
Rent from American Type Culture Collection	\$685,042
Solid Waste Fund	\$2,977,928
Volunteer Fire and Rescue Fund	\$844,940
Total	\$56,922,322

General Fund Revenue & Resource Summary

Title	FY 2002 Adopted Budget	FY 2003 Adopted Budget	Dollar Change FY 02 to FY 03 Adopted	% Change FY02 / FY03 Adopted
General Revenues:				
All Real Estate Taxes:				
Real Estate - Current Year	\$226,040,900	\$265,171,000	\$39,130,100	17.31%
Real Estate Tax Refunds	(\$3,006,000)	(\$2,652,000)	\$354,000	-11.78%
Tax Deferrals	\$200,000	\$200,000	\$0	0.00%
Land Redemption	\$1,300,000	\$979,000	(\$321,000)	-24.69%
Real Estate Taxes- Public Service	\$11,751,000	\$11,100,000	(\$651,000)	-5.54%
Real Estate Penalties- Current Year	\$1,115,000	\$939,000	(\$176,000)	-15.78%
Total All Real Estate Taxes	\$237,400,900	\$275,737,000	\$38,336,100	16.15%
All Personal Property Taxes:				
Personal Property	\$71,130,000	\$80,798,000	\$9,668,000	13.59%
Personal Property - Prior Year	\$99,400	\$74,000	(\$25,400)	-25.55%
Personal Property Tax Deferrals	\$1,800,000	\$1,583,000	(\$217,000)	-12.06%
Personal Property Penalty-Current Year	\$1,223,100	\$1,374,000	\$150,900	12.34%
Total All Personal Property Taxes	\$74,252,500	\$83,829,000	\$9,576,500	12.90%
Interest On Taxes:				
Interest On All Taxes	\$1,783,100	\$2,060,000	\$276,900	15.53%
Total Interest On Taxes	\$1,783,100	\$2,060,000	\$276,900	15.53%
Total General Property Taxes	\$313,436,500	\$361,626,000	\$48,189,500	15.37%
Other Local Taxes:				
Local Sales Tax	\$31,387,000	\$35,529,000	\$4,142,000	13.20%
Sales Tax On Daily Rental	\$178,500	\$187,000	\$8,500	4.76%
Consumer's Utility Tax	\$16,857,000	\$19,609,000	\$2,752,000	16.33%
Bank Stock Tax	\$496,400	\$520,000	\$23,600	4.75%
BPOL Taxes- Local Businesses	\$11,126,000	\$13,730,000	\$2,604,000	23.40%
BPOL Taxes- Public Service	\$1,149,000	\$831,000	(\$318,000)	-27.68%
Motor Vehicles-Regular	\$4,462,400	\$5,148,000	\$685,600	15.36%
Recordation Taxes	\$2,365,100	\$3,315,000	\$949,900	40.16%
Additional Taxes On Deeds	\$1,028,400	\$1,000,000	(\$28,400)	-2.76%
Transient Occupancy Tax	\$822,000	\$1,065,000	\$243,000	29.56%
Total Other Local Taxes	\$69,871,800	\$80,934,000	\$11,062,200	15.83%
Total Local Tax Sources	\$383,308,300	\$442,560,000	\$59,251,700	15.46%
Additional Revenue Sources:				
Revenue From Money & Property	\$7,833,000	\$8,363,000	\$530,000	6.77%
Cable T.V. Franchise Fee	\$2,144,000	\$3,262,000	\$1,118,000	52.15%
Misc Revenue	\$8,000	\$0	(\$8,000)	-100.00%
State Revenue	\$1,777,700	\$1,868,000	\$90,300	5.08%
Federal Revenue	\$15,000	\$15,000	\$0	0.00%
Total Additional Revenue Sources	\$11,777,700	\$13,508,000	\$1,730,300	14.69%
Total General Revenues	\$395,086,000	\$456,068,000	\$60,982,000	15.44%

General Fund Revenue & Resource Summary

Title	FY 2002 Adopted Budget	FY 2003 Adopted Budget	Dollar Change FY 02 to FY 03 Adopted	% Change FY02 / FY03 Adopted
Agency Revenue:				
Area Agency on Aging	\$1,067,574	\$1,168,869	\$101,295	9.49%
At Risk Youth	\$3,085,993	\$3,833,773	\$747,780	24.23%
Clerk Of Court	\$2,735,852	\$3,127,366	\$391,514	14.31%
Commonwealth's Attorney	\$1,538,396	\$1,600,702	\$62,306	4.05%
Community Service Board	\$10,439,127	\$11,123,421	\$684,294	6.56%
Cooperative Extension Service	\$367,502	\$414,484	\$46,982	12.78%
County Attorney	\$144,186	\$244,186	\$100,000	69.35%
Criminal Justice Services	\$1,112,484	\$1,119,602	\$7,118	0.64%
Economic Dev	\$14,130	\$14,130	\$0	0.00%
Finance	\$1,102,350	\$1,020,323	(\$82,027)	-7.44%
Fire Services	\$476,072	\$587,520	\$111,448	23.41%
General Debt	\$858,004	\$1,002,137	\$144,133	16.80%
General District Court	\$1,434,500	\$1,584,500	\$150,000	10.46%
Human Rights Office	\$25,000	\$25,000	\$0	0.00%
Juvenile & Domestic Relations Court	\$63,000	\$63,000	\$0	0.00%
Juvenile Court Service Unit	\$77,269	\$93,145	\$15,876	20.55%
Law Library	\$110,806	\$110,806	\$0	0.00%
Library	\$2,885,012	\$2,873,778	(\$11,234)	-0.39%
Office Of Information Technology	\$132,400	\$132,400	\$0	0.00%
Office On Youth	\$107,410	\$5,000	(\$102,410)	-95.34%
Planning	\$2,261,547	\$2,375,901	\$114,354	5.06%
Police	\$8,331,208	\$8,402,936	\$71,728	0.86%
Public Health	\$215,619	\$243,873	\$28,254	13.10%
Public Safety Communications	\$2,394,321	\$3,882,839	\$1,488,518	62.17%
Public Works	\$7,628,545	\$8,901,431	\$1,272,886	16.69%
Registrar	\$90,523	\$83,773	(\$6,750)	-7.46%
School Age Care	\$280,281	\$288,481	\$8,200	2.93%
Sheriff	\$2,042,526	\$2,256,283	\$213,757	10.47%
Social Services	\$19,053,007	\$19,884,510	\$831,503	4.36%
Unclassified Non-Departmental	\$1,946,736	\$3,339,934	\$1,393,198	71.57%
Total Agency Revenue	\$72,021,380	\$79,804,103	\$7,782,723	10.81%
Total General Fund Revenue	\$467,107,380	\$535,872,103	\$68,764,723	14.72%

General Fund Revenue & Resource Summary

Title	FY 2002 Adopted Budget	FY 2003 Adopted Budget	Dollar Change FY 02 to FY 03 Adopted	% Change FY02 / FY03 Adopted
County Resources:				
Budgeted County Resources:				
Capital Reserve / One Time	\$1,000,000	\$1,000,000	\$0	0.00%
Indirect Cost Transfers:				
From Solid Waste	\$468,042	\$593,751	\$125,709	26.86%
From Stormwater Management	\$519,631	\$614,975	\$95,344	18.35%
Special Taxing District Debt Support	\$1,160,000	\$1,260,000	\$100,000	8.62%
Transfer Proffers to Park Authority	\$100,000	\$100,000	\$0	0.00%
Total Budgeted County Resources	<u>\$3,247,673</u>	<u>\$3,568,726</u>	<u>\$321,053</u>	<u>9.89%</u>
Total Budgeted Revenue & Resources	<u>\$470,355,053</u>	<u>\$539,440,829</u>	<u>\$69,085,776</u>	<u>14.69%</u>
Other County Resources:				
General Turnback	\$4,778,965	\$4,660,501	(\$118,464)	-2.48%
General Revenue Support From FY01	\$1,806,000	\$0	(\$1,806,000)	-100.00%
Year End FY00 Support For 401a	\$400,000	\$400,000	\$0	0.00%
Public Safety Technology				
Replacement Fund	\$0	(\$1,074,833)	(\$1,074,833)	0.00%
Planning/Public Works				
Fee Replacement Fund	\$0	(\$150,182)	(\$150,182)	0.00%
Revenue Stabilization Fund				
Contribution	(\$700,000)	\$0	\$700,000	-100.00%
Use Of Sub Fund Balance:				
School Age Care	\$2,118	\$4,490	\$2,372	111.99%
Total Other County Resources	<u>\$6,287,083</u>	<u>\$3,839,976</u>	<u>(\$2,447,107)</u>	<u>-38.92%</u>
Total County Resources	<u>\$9,534,756</u>	<u>\$7,408,702</u>	<u>(\$2,126,054)</u>	<u>-22.30%</u>
Total Revenue & Resources	<u>\$476,642,136</u>	<u>\$543,280,805</u>	<u>\$66,638,669</u>	<u>13.98%</u>
General Fund Total				
Transferred To Schools	\$225,236,210	\$258,818,590	\$33,582,380	14.91%
County Share Of General Fund Total	<u>\$251,405,926</u>	<u>\$284,462,215</u>	<u>\$33,056,289</u>	<u>13.15%</u>
Total County and Transfer To Schools	<u>\$476,642,136</u>	<u>\$543,280,805</u>	<u>\$66,638,669</u>	<u>13.98%</u>

Five Year Budget Plan

In 1988, the Board of County Supervisors adopted a Financial and Program Planning Ordinance. A major focus of this ordinance is to present to the Board five year revenue and expenditure projections during the annual budget process. This projection process helps the Board gauge the multi-year impacts of fiscal decisions, and weigh the corresponding implications of tax rates and other revenue sources. For Fiscal 2003 a five-year budget plan prepared by the Prince William County Schools is combined with the five-year budget plan prepared by Prince William County to give a total picture of the General Fund requirements from Fiscal 2003 to Fiscal 2007. This five year budget forecast is shown below:

General Fund Resource And Expenditure Projection

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
<u>Revenue and Resources:</u>					
General Revenue	\$456,068,000	\$499,742,000	\$535,775,000	\$573,154,000	\$616,476,000
Agency Revenue	\$79,804,103	\$80,846,720	\$83,322,849	\$85,883,307	\$88,531,169
County Resources	\$7,408,702	\$4,370,045	\$11,840,250	\$13,741,063	\$12,330,732
Total Revenue & Resources Available	\$543,280,805	\$584,958,765	\$630,938,099	\$672,778,370	\$717,337,901
<u>Expenditures:</u>					
County Government	\$284,462,215	\$301,181,720	\$326,774,732	\$347,466,649	\$368,057,136
Transfer To Schools	\$258,818,590	\$283,603,585	\$304,052,313	\$325,264,895	\$349,850,130
Total Expenditures	\$543,280,805	\$584,785,305	\$630,827,045	\$672,731,544	\$717,907,266
Total Revenue & Resources Available	\$0	\$173,460	\$111,054	\$46,826	(\$569,365)

This forecast will shape fiscal decisions over these five years.

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

Revenue Projections

Revenue forecasting begins with the work of the County's revenue committee. For non-agency revenues, the committee provides a five year forecast based on historical trends, current economic conditions, and assumptions about future trends. These projections are refined throughout the fall and winter, and finalized in a report used during the budget process. For additional detail concerning non-agency revenues, see the pages in the Revenue Summary section titled General Fund Non-Agency Revenues FY 03 through FY 07.

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

Expenditure Projections

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

Five Year Budget Plan

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

- 1) General fund support for capital projects
- 2) Capital improvements operating costs
- 3) General debt (capital improvements projects)
- 4) Merit pay plan adjustments
- 5) Pay plan market adjustments
- 6) Benefit adjustments
- 7) Self insurance
- 8) Five Year costs of Fiscal 2003 budget initiatives.

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

Prince William County

- Funds annual merit pay
- Funds the following pay plan market adjustments;
FY 03- 3.5%, FY 04- 3%, FY 05- 3%, FY 06- 3%, FY 07- 3%
- Adds 89 Police positions from Fiscal 2003 -2007
- Adds 104 Fire and Rescue positions from Fiscal 2003-2007 and opens new stations
- Funds annual inflation of operating supplies
- Funds the adopted Capital Improvements Program
- Holds non-public safety operations at Fiscal 2003 funding levels

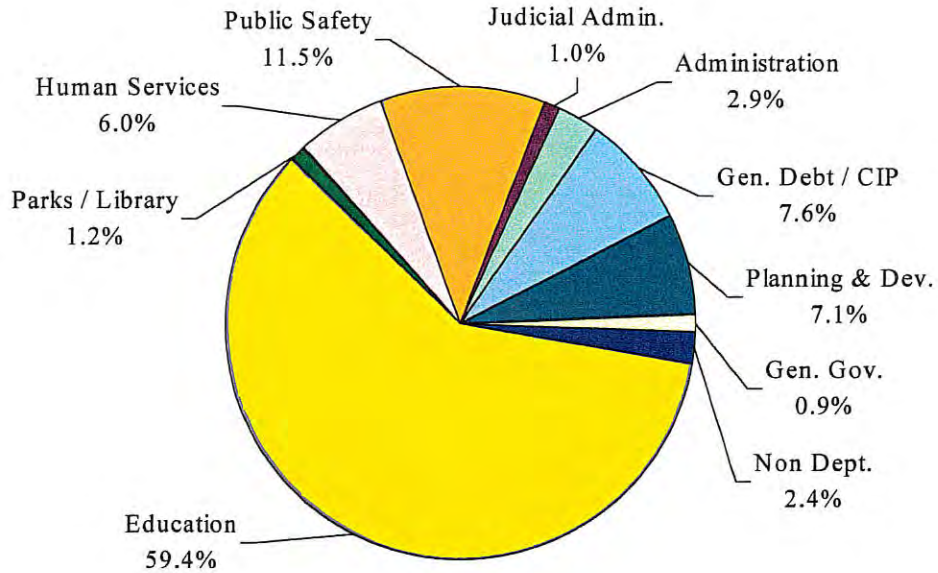
Prince William County School

- Funds annual step increases
- Funds a 3% salary scale adjustment from Fiscal 2003-2007
- Funds annual adjustment for inflation in supplies and materials
- Maintains all academic, support and extra curricular programs
- Funds all critical repair projects
- Funds new Capital Improvements Program debt service
- Builds 7 elementary schools, 3 elementary school additions, 2 high schools, 3 middle schools, 1 middle school addition and 1 transportation center.

Revenue vs. Expenditure Comparison

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

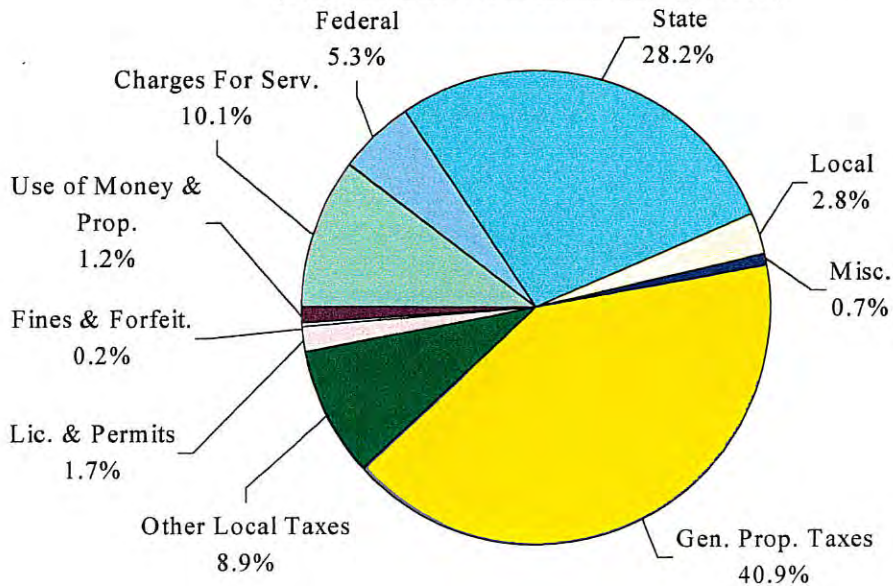
Fiscal Year 2003 Total County Budget By Functional Categories



\$1,009,203,480

(Note: Excludes Operating Transfers Out)

Fiscal Year 2003 Total County Revenue Sources



\$930,188,436

(Note: Excludes Operating Transfers In)

Combined Statement Of Projected Revenues, Budgeted Expenditures And Projected Changes In Fund Balance For The FY 2003 Adopted Fiscal Plan

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Type	Total FY 2003 Adopted
	General Fund	Capital Projects Fund	Special Revenue Fund	Enterprise Fund	Internal Service Fund		
Projected Fund Balance, Beginning	\$43,202,225	\$18,278,039	\$24,415,217	\$59,606,388	\$10,678,077	\$1,893,157	\$158,073,102
Fund Balance Reserve:							
Encumbrances	\$8,692,984	\$86,229,857	\$13,971,926	\$2,254,168	\$2,740,118	\$0	\$113,889,053
Designated For Future Years	\$24,522,599	\$1,000,000	\$8,351,442	\$0	\$0	\$0	\$33,874,041
Other	\$3,883,913	\$30,224,068	\$11,854,975	\$0	\$0	\$0	\$45,962,956
Available Fund Balance	<u>\$80,301,720</u>	<u>\$135,731,964</u>	<u>\$58,593,559</u>	<u>\$61,860,556</u>	<u>\$13,418,195</u>	<u>\$1,893,157</u>	<u>\$351,799,152</u>
Projected Revenues:							
General Property Taxes	\$361,781,238	\$0	\$18,005,184	\$75,000	\$0	\$0	\$379,861,422
Other Local Taxes	\$82,531,500	\$0	\$0	\$0	\$0	\$0	\$82,531,500
Licenses And Permits	\$13,643,427	\$0	\$2,590,364	\$5,000	\$0	\$0	\$16,238,791
Fines And Forfeitures	\$2,121,272	\$0	\$0	\$0	\$0	\$0	\$2,121,272
Rev. From Use Of Money & Property	\$9,402,468	\$0	\$510,000	\$642,200	\$691,000	\$0	\$11,245,668
Charges For Services	\$10,087,138	\$0	\$18,235,259	\$10,655,000	\$55,061,185	\$0	\$94,038,582
Miscellaneous	\$1,638,711	\$3,000,000	\$1,057,020	\$0	\$907,000	\$0	\$6,602,731
Intergovernmental Revenue - Federal	\$13,926,566	\$0	\$35,119,813	\$0	\$0	\$0	\$49,046,379
Intergovernmental Revenue - State	\$34,010,838	\$500,000	\$227,555,888	\$0	\$0	\$0	\$262,066,726
Intergovernmental Revenue - Local	\$5,236,418	\$0	\$2,438,792	\$0	\$0	\$18,760,155	\$26,435,365
Total Revenues	<u>\$534,379,576</u>	<u>\$3,500,000</u>	<u>\$305,512,320</u>	<u>\$11,377,200</u>	<u>\$56,659,185</u>	<u>\$18,760,155</u>	<u>\$930,188,436</u>
Budgeted Expenditures:							
General Governmental Administration	\$8,676,612	\$0	\$0	\$0	\$0	\$0	\$8,676,612
Judicial Administration	\$18,100,565	\$0	\$0	\$10,000	\$11,425,587	\$0	\$29,536,152
Public Safety	\$10,146,361	\$0	\$0	\$0	\$0	\$0	\$10,146,361
Planning And Development	\$79,375,698	\$0	\$36,903,257	\$0	\$0	\$0	\$116,278,955
Human Services	\$31,216,445	\$0	\$24,662,150	\$10,718,778	\$5,168,784	\$0	\$71,766,157
Parks And Library	\$60,805,986	\$0	\$0	\$0	\$0	\$0	\$60,805,986
Education	\$11,752,520	\$0	\$0	\$0	\$0	\$0	\$11,752,520
Debt / C.I.P.	\$0	\$76,764,668	\$474,452,951	\$0	\$29,483,005	\$18,760,167	\$599,460,791
Non-Departmental	\$21,698,220	\$21,865,452	\$33,407,009	\$0	\$0	\$0	\$76,970,681
Total Expenditures	<u>\$9,591,265</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,218,000</u>	<u>\$0</u>	<u>\$23,809,265</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>\$251,363,672</u>	<u>\$98,630,120</u>	<u>\$569,425,367</u>	<u>\$10,728,778</u>	<u>\$60,295,376</u>	<u>\$18,760,167</u>	<u>\$1,009,203,480</u>
Other Financing Sources (Uses):							
Operating Transfers In	\$283,015,904	(\$95,130,120)	(\$263,913,047)	\$648,422	(\$3,636,191)	(\$12)	(\$79,015,044)
Operating Transfers Out	\$5,061,253	\$18,306,248	\$273,483,387	\$12,682,158	\$3,050,081	\$0	\$312,583,127
Proceeds From Loans And Bonds	(\$291,917,133)	(\$2,000,000)	(\$17,959,761)	(\$706,233)	\$0	\$0	(\$312,583,127)
Total Other Financing Sources (Uses)	<u>\$0</u>	<u>\$95,699,204</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$95,699,204</u>
Excess (Deficiency) Of Revenues Over Expenditures & Other Sources (Uses)	<u>(\$286,855,880)</u>	<u>\$112,005,452</u>	<u>\$255,523,626</u>	<u>\$11,975,925</u>	<u>\$3,050,081</u>	<u>\$0</u>	<u>\$95,699,204</u>
Projected Fund Balance, Ending	<u>\$76,461,744</u>	<u>\$152,607,296</u>	<u>\$50,204,138</u>	<u>\$74,484,903</u>	<u>\$12,832,085</u>	<u>\$1,893,145</u>	<u>\$368,483,312</u>

GENERAL FUND EXPENDITURE AND RESOURCE COMPARISON

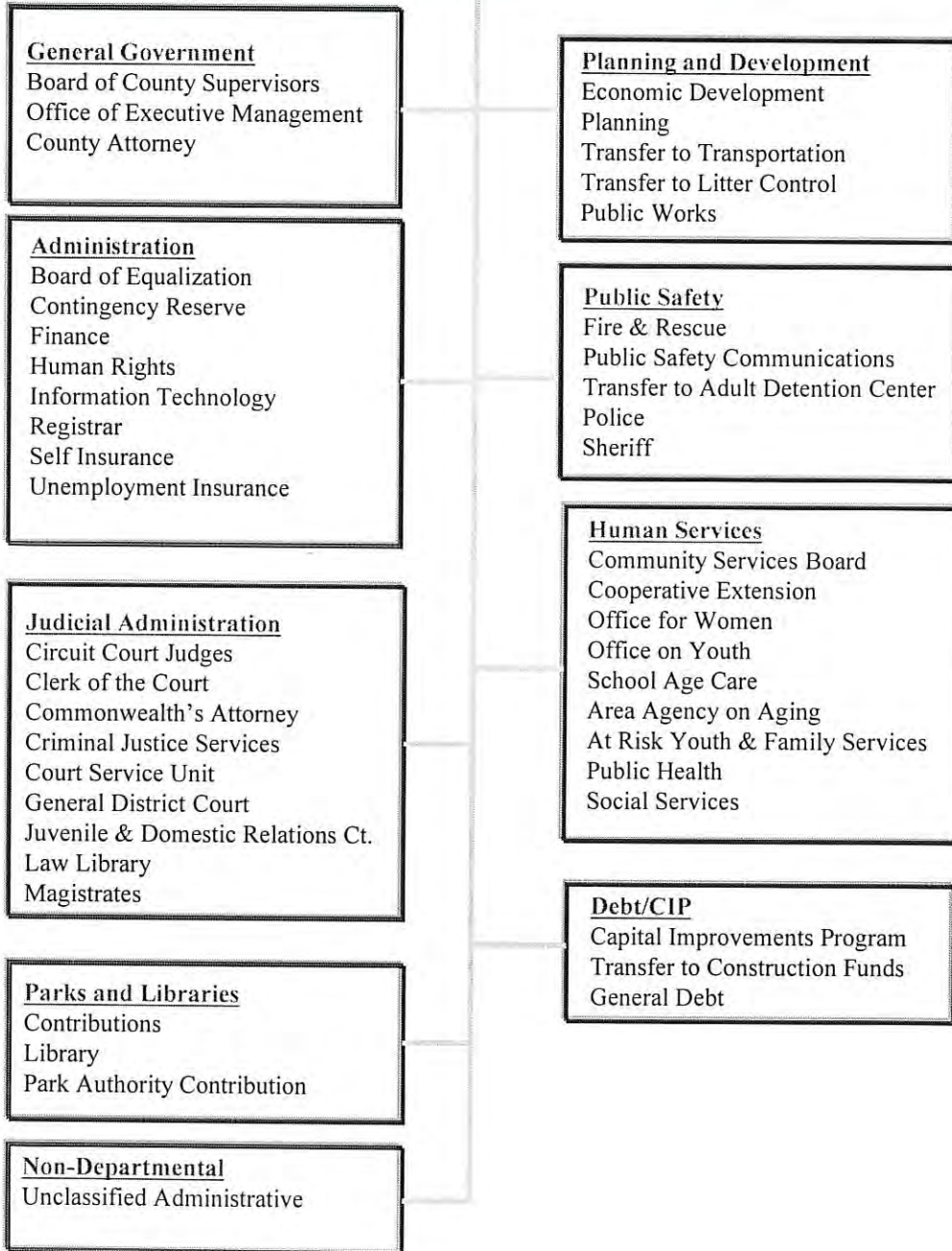
	FY 2001 Approp.	FY 2001 Actual	FY 2002 Adopted	FY 2003 Adopted	% Change FY 02 To FY 03
<u>Expenditure By Classification:</u>					
Personal Services	\$101,547,548	\$101,474,811	\$113,374,798	\$125,082,689	10.33%
Fringe Benefits	\$24,473,365	\$23,342,217	\$25,138,190	\$27,812,521	10.64%
Contractual Services	\$16,213,188	\$13,114,746	\$12,797,466	\$14,800,809	15.65%
Internal Services	\$13,349,223	\$12,516,360	\$13,710,586	\$16,127,640	17.63%
Other Services	\$35,238,369	\$29,994,810	\$33,205,487	\$36,154,851	8.88%
Debt Maintenance	\$18,124,432	\$18,015,808	\$18,316,144	\$21,688,220	18.41%
Capital Outlay	\$5,140,265	\$4,390,907	\$2,043,880	\$4,206,782	105.82%
Leases and Rentals	\$4,694,711	\$4,534,643	\$4,991,398	\$5,490,160	9.99%
Transfers Out*	\$238,455,841	\$238,455,841	\$253,064,187	\$291,917,133	15.35%
Total General Fund Expenditures	\$457,236,942	\$445,840,144	\$476,642,136	\$543,280,805	13.98%
<u>Funding Sources:</u>					
General Property Taxes	\$260,154,200	\$268,089,455	\$313,771,500	\$361,781,238	15.30%
Other Local Taxes	\$68,470,111	\$75,554,584	\$71,104,800	\$82,531,500	16.07%
Permits, Priv. Fees and Reg. Lic.	\$9,981,635	\$13,557,389	\$11,204,315	\$13,643,427	21.77%
Fines and Forfeitures	\$2,052,700	\$2,043,718	\$2,004,172	\$2,121,272	5.84%
Use of Money and Property	\$8,826,932	\$13,932,995	\$8,745,306	\$9,402,468	7.51%
Charges for Services	\$4,880,386	\$5,807,476	\$6,942,651	\$10,087,138	45.29%
Miscellaneous Revenue	\$3,732,678	\$3,589,890	\$592,450	\$1,489,011	151.33%
Revenue from Other Localities	\$4,248,509	\$4,224,651	\$4,675,895	\$5,236,418	11.99%
Rev. from the Comm. of Va.	\$57,324,348	\$59,398,454	\$32,748,955	\$34,010,838	3.85%
Revenue from the Federal Gov.	\$15,278,733	\$14,853,232	\$13,852,392	\$13,926,566	0.54%
Non-Revenue Receipts	\$221,894	\$314,386	\$134,700	\$149,700	11.14%
Transfers In*	\$5,770,038	\$4,353,916	\$4,577,917	\$5,061,253	10.56%
Total General Fund Revenue	\$440,942,164	\$465,720,148	\$470,355,053	\$539,440,829	14.69%
Other Resources	\$16,294,778	(\$19,880,004)	\$6,287,083	\$3,839,976	-38.92%
Total General Fund Revenue And Other Resources	\$457,236,942	\$445,840,144	\$476,642,136	\$543,280,805	13.98%
Revenue and Other Resources Over / (Under) Expenditures	\$0	\$0	\$0	\$0	--

* Note: Excludes Transfers Within The General Fund.

Operating Funds

Governmental Fund Types

General Fund



Operating Funds

Governmental Fund Types (continued)

Special Revenue Funds

Prince William County Public Schools
Regional Jail
Housing & Community Development
Special Levy District
Transportation
Fire and Rescue Levy

Capital Projects Funds

Education
PWC Public Schools

Planning & Development
Public Works

Proprietary Fund Types

Enterprise Funds
Solid Waste
Service Authority
Park Authority
Special Tax Districts

Internal Service Funds
Self Insurance
Data Processing
Fleet
Public Works Operations

Fiduciary Fund Types

Regional School Program Fund

Potomac Rappahannock
Transportation Commission

Position Summary of Full Time Equivalent Positions (FTE)

Department / Agency	FY 1999 Adopted FTE Positions	FY 2000 Adopted FTE Positions	FY 2001 Adopted FTE Positions	FY 2002 Adopted FTE Positions	FY 2003 Adopted FTE Positions	Position Change FY 02 to FY 03	Percent Change FY 02 to FY 03
General Governmental:							
Board Of County Supervisors	9.00	12.12	12.12	12.12	12.12	0.00	0.00%
Office Of Executive Management	43.39	46.56	47.90	50.90	54.90	4.00	7.86%
County Attorney	20.00	20.00	20.00	21.00	24.00	3.00	14.29%
Sub Total	72.39	78.68	80.02	84.02	91.02	7.00	8.33%
Planning And Development:							
Economic Development	9.53	9.53	11.00	12.00	12.00	0.00	0.00%
Planning	50.00	50.00	44.00	48.00	51.00	3.00	6.25%
Public Works	218.30	225.72	241.61	263.75	279.72	15.97	6.05%
Sub Total	277.83	285.25	296.61	323.75	342.72	18.97	5.86%
Administration:							
Finance	117.80	124.33	122.33	130.33	132.33	2.00	1.53%
Human Rights Office	5.00	6.80	5.80	5.80	5.80	0.00	0.00%
Off. Of Information Technology	46.53	41.98	43.20	43.48	42.98	-0.50	-1.15%
Registration & Elections	11.00	11.00	11.00	11.00	11.00	0.00	0.00%
Sub Total	180.33	184.11	182.33	190.61	192.11	1.50	0.79%
Judicial Administration:							
Clerk Of The Court	60.03	56.70	56.70	57.70	49.70	-8.00	-13.86%
Circuit Court Judges	0.00	0.00	0.00	0.00	9.00	9.00	---
Commonwealth's Attorney	35.00	36.00	36.00	38.00	39.00	1.00	2.63%
Criminal Justice Services	17.41	19.91	20.65	23.86	23.86	0.00	0.00%
General District Court	1.00	1.00	1.00	1.00	1.00	0.00	0.00%
Juvenile Court Services	1.00	2.00	2.00	3.00	5.00	2.00	66.67%
Law Library	1.00	1.00	1.50	1.00	1.00	0.00	0.00%
Sub Total	115.44	116.61	117.85	124.56	128.56	4.00	3.21%
Public Safety:							
Fire And Rescue	233.00	253.00	259.00	277.00	299.00	22.00	7.94%
Police	506.07	528.07	558.67	578.67	604.07	25.40	4.39%
Sheriff	60.65	65.65	69.00	69.00	73.00	4.00	5.80%
Public Safety Communications	82.20	86.20	87.20	88.00	88.00	0.00	0.00%
Sub Total	881.92	932.92	973.87	1,012.67	1,064.07	51.40	5.08%
Human Services:							
Community Services Board	194.37	204.00	227.03	233.46	234.86	1.40	0.60%
Extension & Continuing Ed.	5.78	8.30	8.32	8.32	9.08	0.76	9.13%
Office For Women	1.10	1.10	1.10	0.00	0.00	0.00	---
Office On Youth	2.00	2.00	3.00	3.00	2.80	-0.20	-6.67%
At Risk Youth And Family Services	0.00	0.00	0.00	1.00	1.00	0.00	0.00%
School Age Care	4.80	5.00	5.00	5.00	5.00	0.00	0.00%
Area Agency On Aging	33.84	36.39	41.57	41.25	42.52	1.27	3.08%
Public Health	14.49	14.96	14.96	8.96	9.96	1.00	11.16%
Social Services	283.91	289.85	297.80	312.80	323.45	10.65	3.40%
Sub Total	540.29	561.60	598.78	613.79	628.67	14.88	2.42%

Position Summary of Full Time Equivalent Positions (FTE)

Department / Agency	FY 1999 Adopted FTE Positions	FY 2000 Adopted FTE Positions	FY 2001 Adopted FTE Positions	FY 2002 Adopted FTE Positions	FY 2003 Adopted FTE Positions	Position Change FY 02 to FY 03	Percent Change FY 02 to FY 03
Parks And Library:							
Library	189.44	192.31	192.31	191.25	191.25	0.00	0.00%
Sub Total	189.44	192.31	192.31	191.25	191.25	0.00	0.00%
Special Revenue Fund:							
Adult Detention Center	217.00	217.00	217.00	217.00	225.00	8.00	3.69%
Housing & Community Dev.	19.60	19.60	26.60	27.60	31.80	4.20	15.22%
Sub Total	236.60	236.60	243.60	244.60	256.80	12.20	4.99%
Enterprise Fund:							
Public Works; Solid Waste	52.71	46.38	45.71	47.71	47.71	0.00	0.00%
Sub Total	52.71	46.38	45.71	47.71	47.71	0.00	0.00%
Internal Service Fund:							
Public Works; Fleet Management	27.88	30.08	30.08	30.08	30.08	0.00	0.00%
Off. Of Info. Tech.; Data Processing	35.00	41.55	45.33	42.05	46.55	4.50	10.70%
Public Works; Small Proj. Const.	21.86	23.77	22.55	23.79	23.79	0.00	0.00%
Sub Total	84.74	95.40	97.96	95.92	100.42	4.50	4.69%
Total FTE Positions	2,631.69	2,729.86	2,829.04	2,928.88	3,043.33	114.45	3.91%

Percent Share of Total General County Budget

Department / Agency	FY 1999 Adopted % Of Budget	FY 2000 Adopted % Of Budget	FY 2001 Adopted % Of Budget	FY 2002 Adopted % Of Budget	FY 2003 Adopted % Of Budget
<u>General Governmental:</u>					
Board Of County Supervisors	0.447%	0.472%	0.475%	0.448%	0.410%
Office Of Executive Management	1.749%	1.764%	1.762%	1.843%	1.825%
County Attorney	0.769%	0.759%	0.765%	0.749%	0.815%
Sub Total	2.965%	2.995%	3.002%	3.040%	3.050%
<u>Administration:</u>					
Board Of Equalization	0.021%	0.019%	0.018%	0.017%	0.015%
Contingency Reserve	0.286%	0.189%	0.177%	0.162%	0.143%
Finance	3.933%	3.875%	3.725%	3.539%	3.322%
Human Rights Office	0.156%	0.184%	0.159%	0.160%	0.137%
Off Of Information Technology	1.939%	1.836%	1.930%	1.979%	1.984%
General Registrar	0.377%	0.379%	0.367%	0.376%	0.315%
Property & Misc. Insurance	0.203%	0.188%	0.176%	0.162%	0.426%
Unemployment Insurance Reserve	0.030%	0.028%	0.026%	0.024%	0.021%
Sub Total	6.944%	6.699%	6.579%	6.417%	6.363%
<u>Judicial Administration:</u>					
Clerk Of The Court	1.406%	1.469%	1.418%	1.434%	1.422%
Circuit Court Judges	0.000%	0.000%	0.000%	0.000%	0.186%
Commonwealth's Attorney	1.113%	1.081%	1.090%	1.100%	1.037%
Criminal Justice Services	0.489%	0.497%	0.539%	0.646%	0.599%
Juvenile Court Service Unit	0.041%	0.087%	0.097%	0.127%	0.157%
General District Court	0.072%	0.071%	0.070%	0.073%	0.066%
Juvenile & Domestic Relations	0.025%	0.044%	0.023%	0.040%	0.022%
Law Library	0.085%	0.090%	0.086%	0.045%	0.042%
Magistrates	0.013%	0.014%	0.021%	0.033%	0.037%
Sub Total	3.243%	3.355%	3.344%	3.500%	3.567%
<u>Planning And Development:</u>					
Economic Development	0.648%	0.620%	0.684%	0.703%	0.652%
Planning	1.756%	1.760%	1.532%	1.605%	1.611%
Tran. To Conven. & Visitors Bureau	0.000%	0.000%	0.000%	0.331%	0.388%
Transfer To Transportation Fund	0.805%	0.794%	0.743%	0.721%	0.673%
Transfer To Litter Control	0.035%	0.032%	0.000%	0.000%	0.000%
Public Works	9.042%	8.785%	8.737%	8.466%	8.735%
Sub Total	12.286%	11.990%	11.696%	11.826%	12.060%
<u>Public Safety:</u>					
Fire And Rescue	7.277%	7.649%	7.706%	8.299%	8.670%
Public Safety Communications	2.212%	2.271%	2.412%	2.332%	2.245%
Sheriff	1.730%	1.796%	1.858%	1.692%	1.751%
Transfer To Jail	2.883%	2.819%	2.889%	3.135%	4.014%
Police	15.133%	15.371%	15.652%	15.699%	15.468%
Sub Total	29.234%	29.906%	30.517%	31.157%	32.148%

Percent Share of Total General County Budget

Department / Agency	FY 1999 Adopted % Of Budget	FY 2000 Adopted % Of Budget	FY 2001 Adopted % Of Budget	FY 2002 Adopted % Of Budget	FY 2003 Adopted % Of Budget
<u>Human Services:</u>					
Community Services Board	6.833%	6.603%	6.877%	6.882%	6.608%
Extension & Continuing Education	0.327%	0.340%	0.340%	0.371%	0.383%
Office For Women	0.027%	0.030%	0.030%	0.000%	0.000%
Office On Youth	0.056%	0.053%	0.118%	0.110%	0.066%
School Age Care	0.121%	0.112%	0.115%	0.117%	0.103%
Area Agency On Aging	0.858%	0.949%	0.980%	0.982%	0.960%
At Risk Youth And Family Services	1.689%	1.812%	1.836%	1.733%	1.967%
Public Health	1.713%	1.631%	1.595%	1.377%	1.316%
Social Services	10.846%	11.168%	11.190%	10.930%	10.101%
Sub Total	22.470%	22.699%	23.081%	22.502%	21.504%
<u>Parks And Library:</u>					
Contributions	0.004%	0.005%	0.000%	0.000%	0.000%
Library	4.933%	4.814%	4.808%	4.573%	4.131%
Tourism Transfer To Park Auth.	0.000%	0.000%	0.000%	0.000%	0.000%
Park Authority Local Contribution	4.053%	4.104%	3.773%	4.102%	4.066%
Sub Total	8.990%	8.923%	8.582%	8.675%	8.198%
<u>Debt / CIP:</u>					
Capital Improv Prog	0.050%	0.014%	0.000%	0.000%	0.000%
Trans To Construction Funds	1.398%	1.890%	1.676%	2.201%	1.773%
General Debt	9.640%	8.613%	7.935%	7.156%	7.390%
UOSA Expansion	0.338%	0.314%	0.294%	0.269%	0.238%
Sub Total	11.426%	10.831%	9.905%	9.626%	9.401%
<u>Non-Departmental:</u>					
Unclassified Administrative	2.443%	2.603%	3.295%	3.257%	3.709%
Sub Total	2.443%	2.603%	3.295%	3.257%	3.709%
Total	100.000%	100.000%	100.000%	100.000%	100.000%

REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

I. GOVERNMENTAL FUND TYPES

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

A. General Fund:

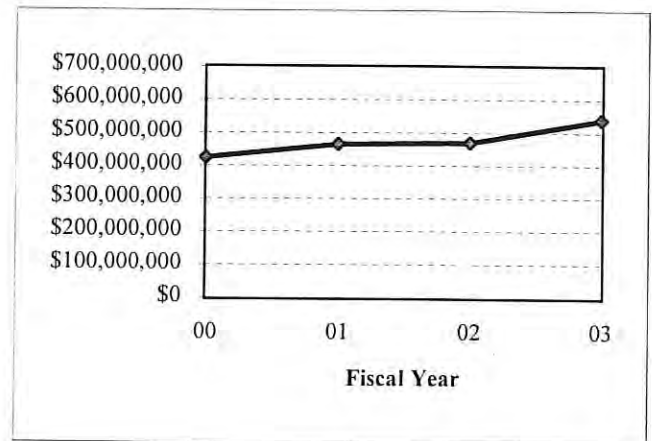
The General Fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, State and Federal distributions, licenses, permits, charges for services, and interest income.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

Revenue Summary:

----- Actual -----	
Fiscal Year 2000	\$424,244,685
Fiscal Year 2001	\$465,720,148

----- Estimate -----	
Fiscal Year 2002	\$470,355,053
Fiscal Year 2003	\$539,440,829
Change FY 02 to FY 03	\$69,085,776

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

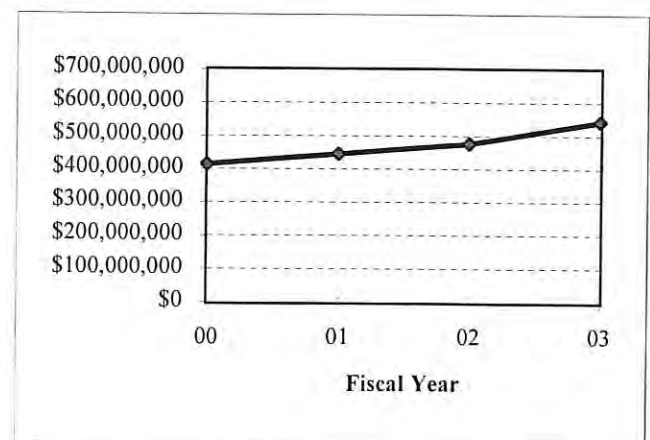


Expenditure Summary:

----- Actual -----	
Fiscal Year 2000	\$414,278,468
Fiscal Year 2001	\$445,840,144

----- Estimate -----	
Fiscal Year 2002	\$476,642,136
Fiscal Year 2003	\$543,280,805
Change FY 02 to FY 03	\$66,638,669

(Note: Excludes transfers within the General Fund)



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

B. Special Revenue Funds:

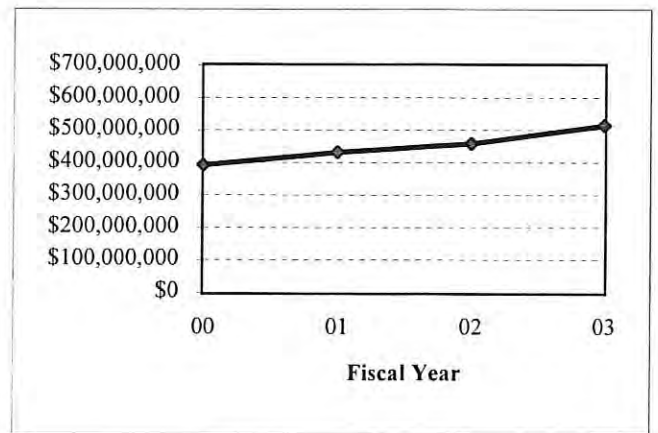
Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds are used to account for volunteer fire and rescue, levies, school operations,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

I. Schools- Operating Fund

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

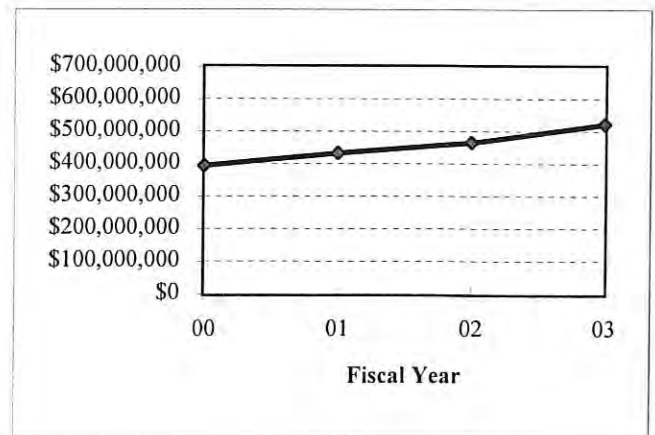
Revenue Summary:

----- Actual -----	
Fiscal Year 2000	\$392,843,280
Fiscal Year 2001	\$432,114,692
----- Estimate -----	
Fiscal Year 2002	\$458,961,943
Fiscal Year 2003	\$515,001,912
Change FY 02 to FY 03	\$56,039,969



Expenditure Summary:

----- Actual -----	
Fiscal Year 2000	\$393,902,343
Fiscal Year 2001	\$432,525,835
----- Estimate -----	
Fiscal Year 2002	\$465,488,347
Fiscal Year 2003	\$522,580,441
Change FY 02 to FY 03	\$57,092,094



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

B. Special Revenue Funds (continued):

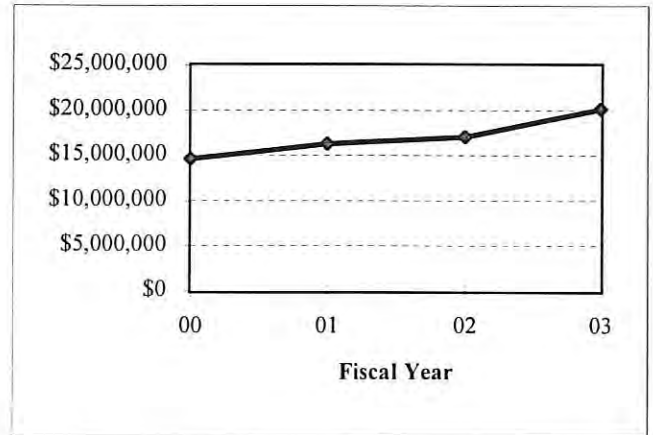
2. Adult Detention Center

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

Revenue Summary:

----- Actual -----	
Fiscal Year 2000	\$14,609,061
Fiscal Year 2001	\$16,292,958

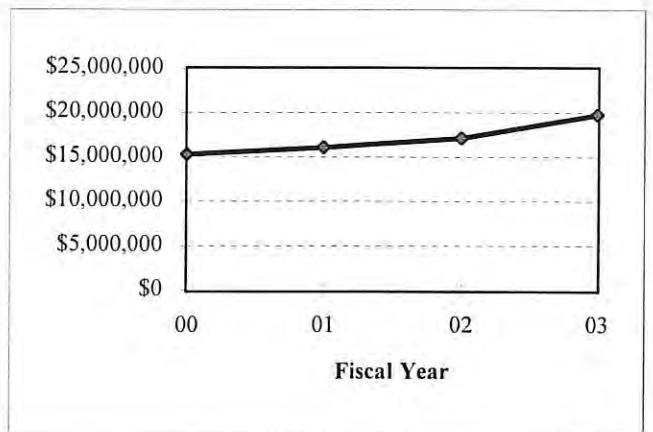
----- Estimate -----	
Fiscal Year 2002	\$17,058,687
Fiscal Year 2003	\$20,162,467
Change FY 02 to FY 03	\$3,103,780



Expenditure Summary:

----- Actual -----	
Fiscal Year 2000	\$15,319,530
Fiscal Year 2001	\$16,083,841

----- Estimate -----	
Fiscal Year 2002	\$17,158,687
Fiscal Year 2003	\$19,756,303
Change FY 02 to FY 03	\$2,597,616



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

B. Special Revenue Funds (continued):

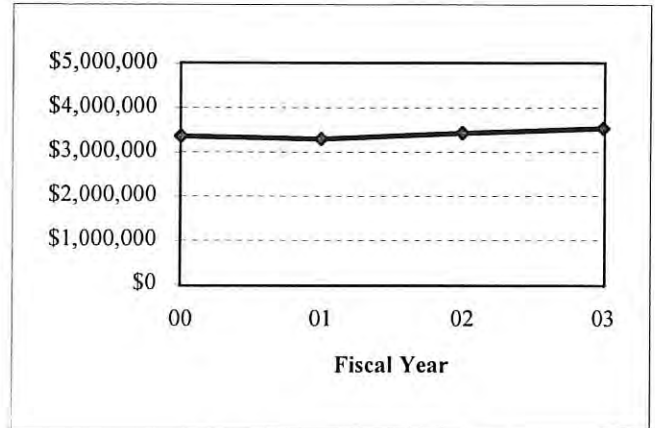
3. Transportation Fund

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

Revenue Summary:

----- Actual -----	
Fiscal Year 2000	\$3,358,693
Fiscal Year 2001	\$3,294,497

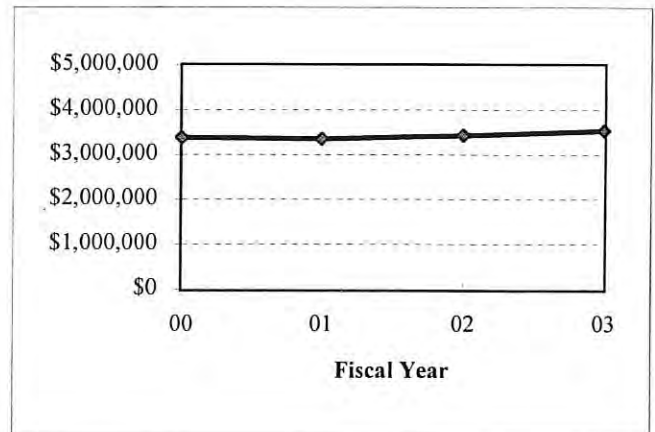
----- Estimate -----	
Fiscal Year 2002	\$3,432,044
Fiscal Year 2003	\$3,539,437
Change FY 02 to FY 03	\$107,393



Expenditure Summary:

----- Actual -----	
Fiscal Year 2000	\$3,380,347
Fiscal Year 2001	\$3,354,202

----- Estimate -----	
Fiscal Year 2002	\$3,432,044
Fiscal Year 2003	\$3,539,437
Change FY 02 to FY 03	\$107,393



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

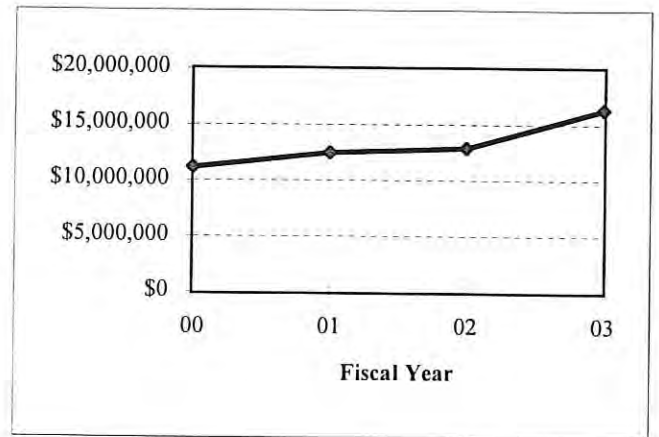
B. Special Revenue Funds (continued):

4. Fire And Rescue Levy Fund

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

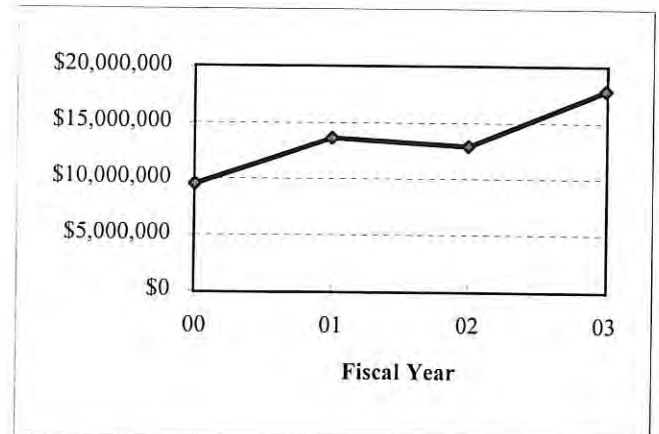
Revenue Summary:

----- Actual -----	
Fiscal Year 2000	\$11,167,334
Fiscal Year 2001	\$12,480,969
----- Estimate -----	
Fiscal Year 2002	\$12,902,795
Fiscal Year 2003	\$16,330,925
Change FY 02 to FY 03	\$3,428,130



Expenditure Summary:

----- Actual -----	
Fiscal Year 2000	\$9,515,858
Fiscal Year 2001	\$13,640,356
----- Estimate -----	
Fiscal Year 2002	\$12,902,795
Fiscal Year 2003	\$17,888,920
Change FY 02 to FY 03	\$4,986,125



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

B. Special Revenue Funds (continued):

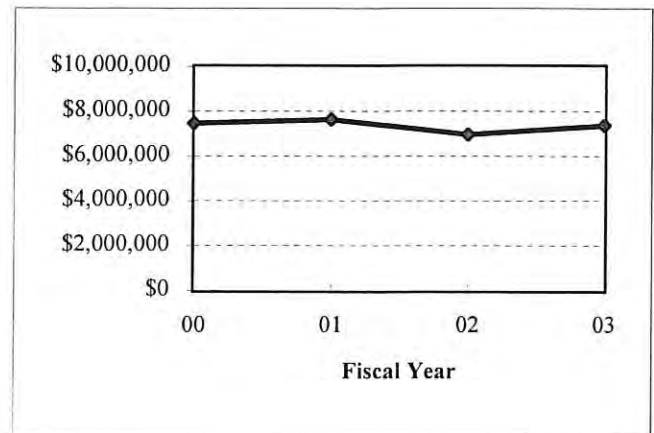
5. Special Levy Fund

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

Revenue Summary:

----- Actual -----	
Fiscal Year 2000	\$7,471,171
Fiscal Year 2001	\$7,634,271

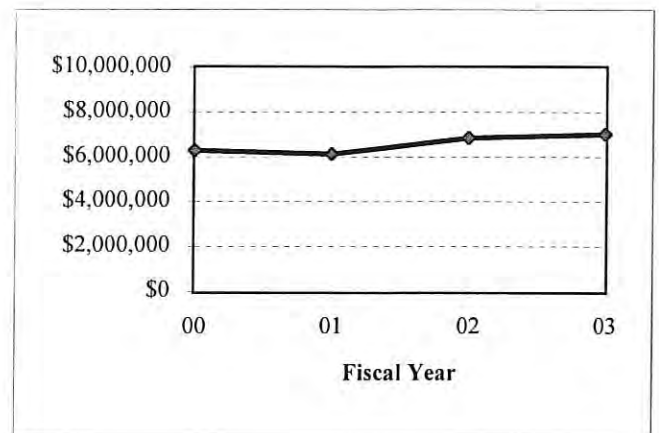
----- Estimate -----	
Fiscal Year 2002	\$6,967,262
Fiscal Year 2003	\$7,362,217
Change FY 02 to FY 03	\$394,955



Expenditure Summary:

----- Actual -----	
Fiscal Year 2000	\$6,289,711
Fiscal Year 2001	\$6,130,566

----- Estimate -----	
Fiscal Year 2002	\$6,854,595
Fiscal Year 2003	\$7,021,278
Change FY 02 to FY 03	\$166,683



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

B. Special Revenue Funds (continued):

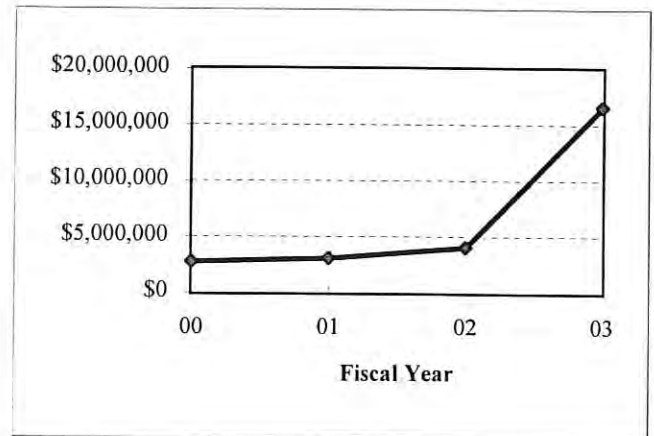
6. Housing Fund

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

Revenue Summary:

----- Actual -----	
Fiscal Year 2000	\$2,757,997
Fiscal Year 2001	\$3,053,152

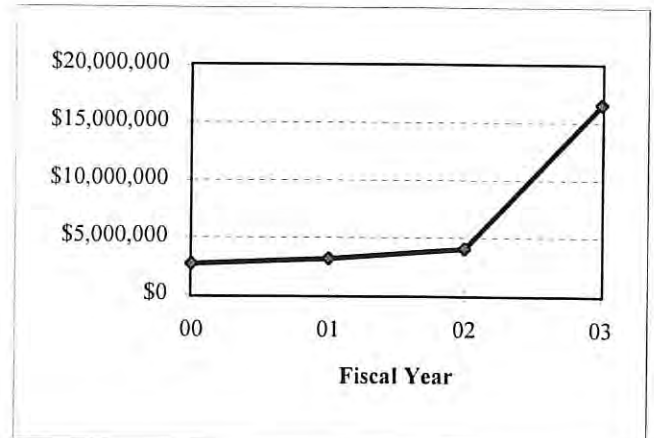
----- Estimate -----	
Fiscal Year 2002	\$4,047,494
Fiscal Year 2003	\$16,598,749
Change FY 02 to FY 03	\$12,551,255



Expenditure Summary:

----- Actual -----	
Fiscal Year 2000	\$2,712,407
Fiscal Year 2001	\$3,168,928

----- Estimate -----	
Fiscal Year 2002	\$4,047,494
Fiscal Year 2003	\$16,598,749
Change FY 02 to FY 03	\$12,551,255



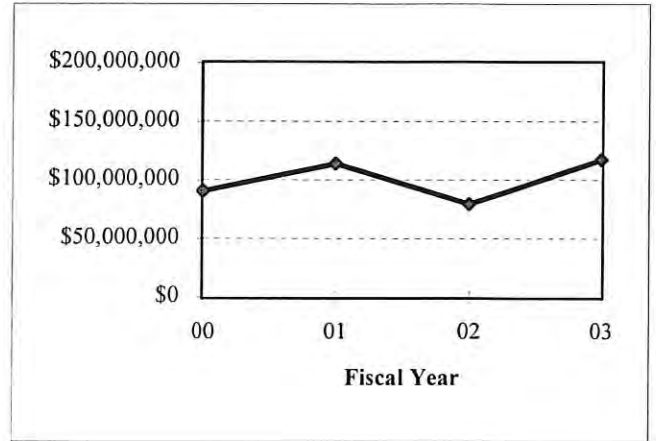
REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

C. Capital Projects Funds:

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

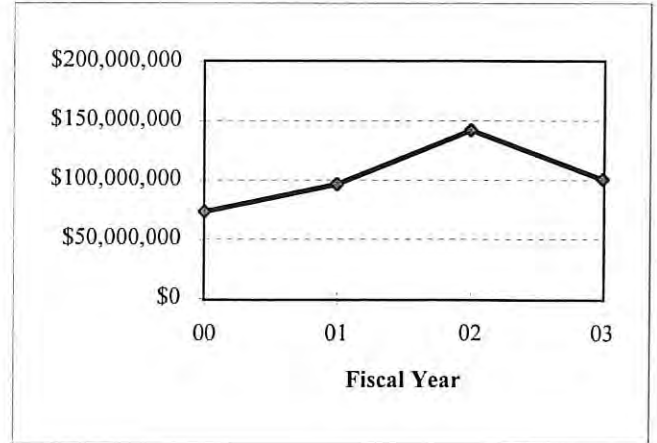
Revenue Summary:

----- Actual -----	
Fiscal Year 2000	\$90,678,471
Fiscal Year 2001	\$114,069,581
----- Estimate -----	
Fiscal Year 2002	\$79,346,115
Fiscal Year 2003	\$117,505,452
Change FY 02 to FY 03	\$38,159,337



Expenditure Summary:

----- Actual -----	
Fiscal Year 2000	\$73,273,556
Fiscal Year 2001	\$96,387,213
----- Estimate -----	
Fiscal Year 2002	\$142,161,715
Fiscal Year 2003	\$100,630,120
Change FY 02 to FY 03	(\$41,531,595)



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

II. PROPRIETARY FUND TYPES:

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

A. Enterprise Funds:

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

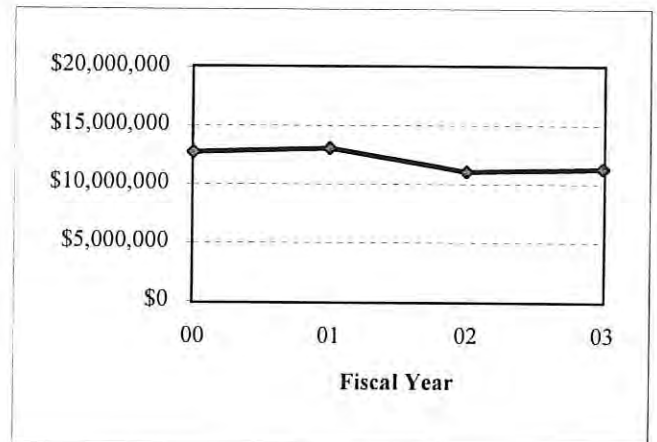
I. Landfill (Solid Waste)

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

Revenue Summary:

----- Actual -----	
Fiscal Year 2000	\$12,736,850
Fiscal Year 2001	\$13,081,153

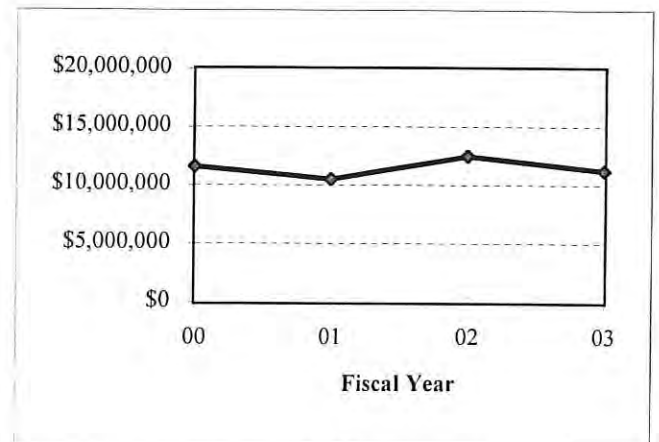
----- Estimate -----	
Fiscal Year 2002	\$11,071,000
Fiscal Year 2003	\$11,302,200
Change FY 02 to FY 03	\$231,200



Expenditure Summary:

----- Actual -----	
Fiscal Year 2000	\$11,585,978
Fiscal Year 2001	\$10,513,330

----- Estimate -----	
Fiscal Year 2002	\$12,488,983
Fiscal Year 2003	\$11,237,529
Change FY 02 to FY 03	(\$1,251,454)



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

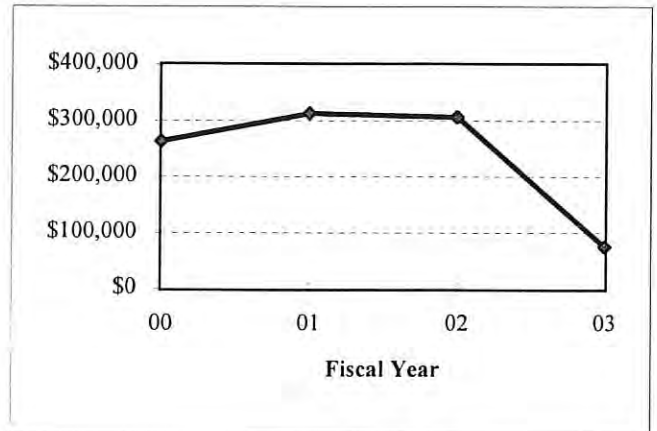
A. Enterprise Funds (continued):

2. Sanitary District (Special Tax District)

Enterprise Funds are used to account for operations where the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user fees, similar to private business enterprises. The Prince William County Sanitary Districts which provide water to residents of Bull Run and Occoquan Forest, are Enterprise Fund accounts.

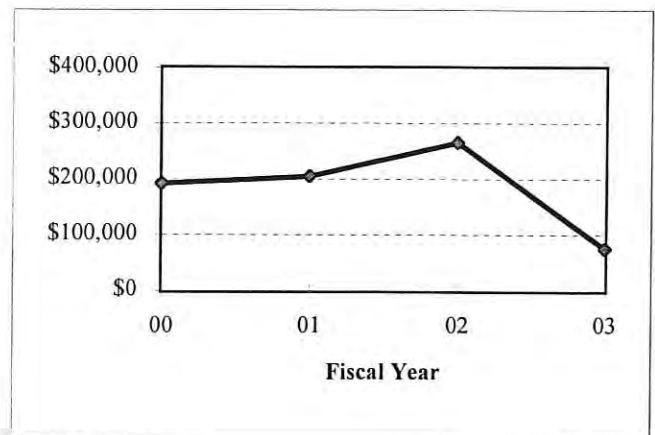
Revenue Summary:

	----- Actual -----
Fiscal Year 2000	\$263,555
Fiscal Year 2001	\$313,274
	----- Estimate -----
Fiscal Year 2002	\$306,348
Fiscal Year 2003	\$75,000
Change FY 02 to FY 03	(\$231,348)



Expenditure Summary:

	----- Actual -----
Fiscal Year 2000	\$191,965
Fiscal Year 2001	\$204,529
	----- Estimate -----
Fiscal Year 2002	\$265,975
Fiscal Year 2003	\$75,000
Change FY 02 to FY 03	(\$190,975)



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

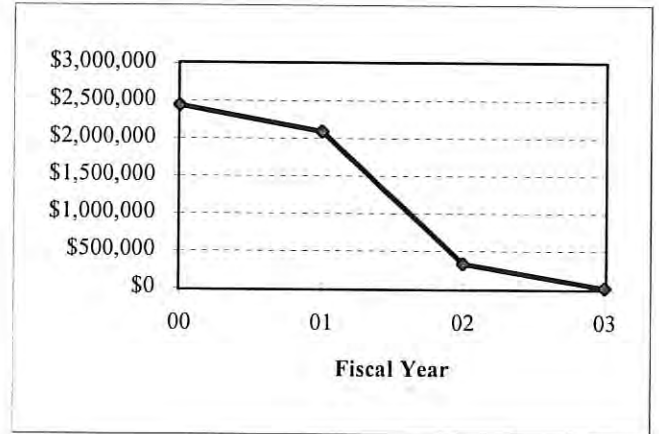
A. Enterprise Funds (continued):

3. INNOVATION @ Prince William

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

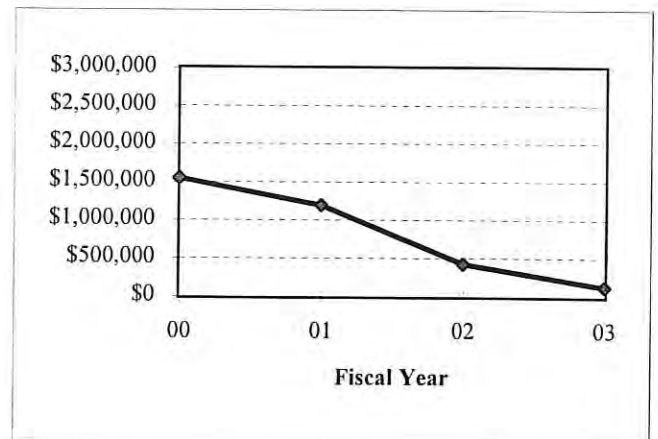
Revenue Summary:

----- Actual -----	
Fiscal Year 2000	\$2,441,089
Fiscal Year 2001	\$2,090,951
----- Estimate -----	
Fiscal Year 2002	\$330,750
Fiscal Year 2003	\$10,000
Change FY 02 to FY 03	(\$320,750)



Expenditure Summary:

----- Actual -----	
Fiscal Year 2000	\$1,546,233
Fiscal Year 2001	\$1,193,596
----- Estimate -----	
Fiscal Year 2002	\$424,099
Fiscal Year 2003	\$122,482
Change FY 02 to FY 03	(\$301,617)



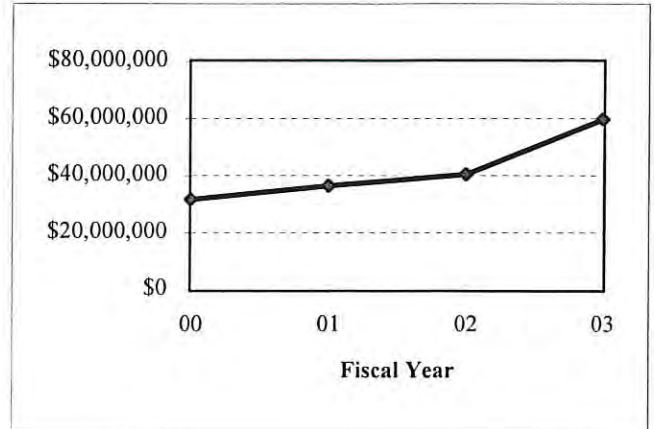
REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

B. Internal Service Funds:

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

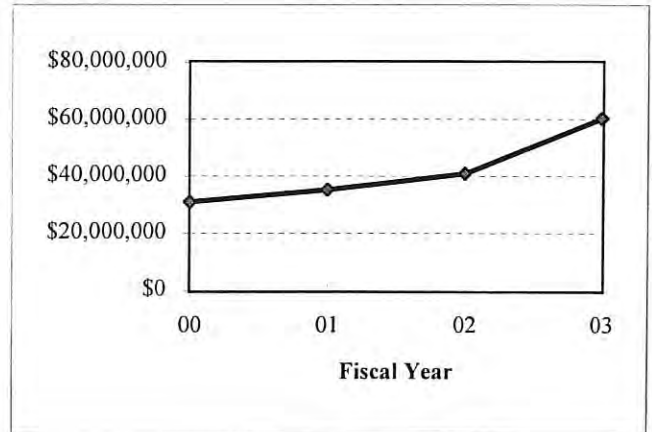
Revenue Summary:

----- Actual -----	
Fiscal Year 2000	\$31,625,794
Fiscal Year 2001	\$36,481,638
----- Estimate -----	
Fiscal Year 2002	\$40,431,616
Fiscal Year 2003	\$59,709,266
Change FY 02 to FY 03	\$19,277,650



Expenditure Summary:

----- Actual -----	
Fiscal Year 2000	\$31,023,538
Fiscal Year 2001	\$35,264,541
----- Estimate -----	
Fiscal Year 2002	\$41,010,330
Fiscal Year 2003	\$60,295,376
Change FY 02 to FY 03	\$19,285,046



FY 2003

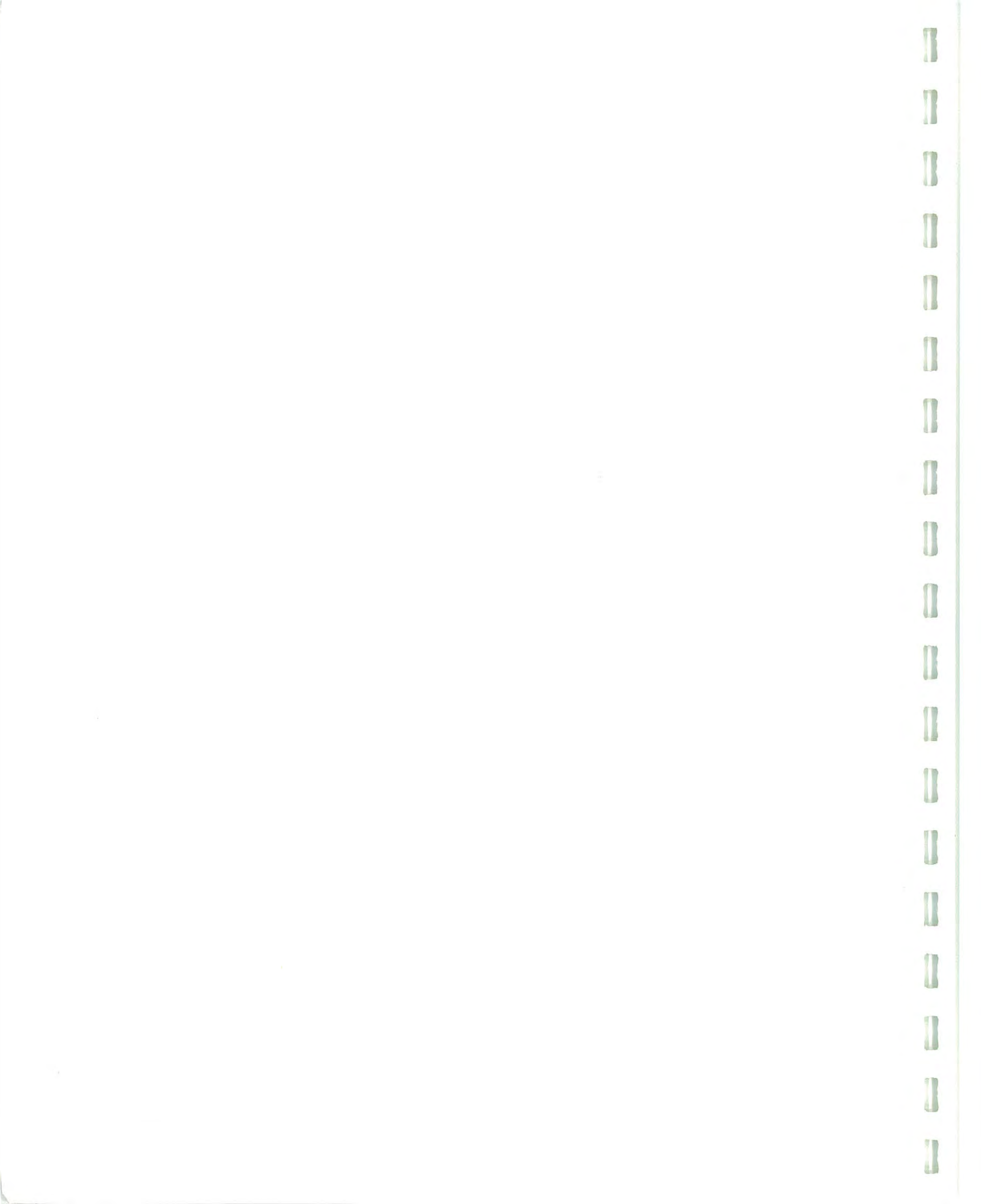
Fiscal Plan

Volume I: Executive Summary

UNDERSTANDING THE BUDGET



Prince William County,
Virginia



Understanding the Budget

FACTS ABOUT THE BUDGET

Glossary

A glossary of terms can be found at the end of both Volume I and Volume II.

Development of the Annual Budget

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

As required by the code of Virginia, Sections 15.1-160 and 15.1-602, the County Executive must submit to the Board of County Supervisors a proposed fiscal plan on or before April 1 of each year for the fiscal year beginning July 1. After an extensive budget review and deliberation process and two public hearings to receive citizen input, the Board of County Supervisors makes its decisions on the Adopted Fiscal Plan. The fiscal plan must be adopted on or before May 1 of each year per the code of Virginia Section 22.1-93. A calendar of events for budget development activities for Fiscal Year 03 (July 1, 2002 - June 30, 2003) is included on the following page to describe the budget development process in greater detail.

Understanding the Budget

Fiscal Year 03 Budget Development Process

Calendar of Events

- | | | |
|-----------------------------|-----|---|
| July-August | 1. | Phase I: Agencies report to Office of Executive Management on prior fiscal year performance in achieving adopted agency outcomes and service levels |
| September 21 | 2. | Agencies submit Capital Improvements Program (CIP) updates and new project requests to Office of Executive Management for review, analysis, and recommendations |
| September-October | 3. | Department Directors/Department Budget Contacts meet with Budget Director/Budget Staff to review prior fiscal year performance and upcoming fiscal year goals, objectives, activities, outcomes, and service levels |
| November 20 | 4. | Phase II: Budget instructions and performance budget targets, including outcomes, service levels, revenues, expenditures, and County tax support, are distributed to agencies by Office of Executive Management |
| December 13 | 5. | Agencies submit Phase II budget increase requests and responses to performance budget targets to Office of Executive Management for review, analysis, and recommendations |
| December-January | 6. | Office of Executive Management meets with agencies to discuss Phase II budget issues and recommendations |
| February 26 | 7. | County Executive presents Proposed Fiscal Plan to the Board of County Supervisors |
| Early March-
Early April | 8. | Board of County Supervisors conducts community meeting with the public and budget work sessions with County government staff to review and deliberate the budget |
| March 2 | 9. | Office of Executive Management briefs Citizen Budget Committees regarding upcoming fiscal year budget and CIP |
| March 9 | 10. | Board of County Supervisors authorizes the advertisement of proposed tax and levy rates |
| March 18 and 20 | 11. | Board of County Supervisors conducts two public hearings regarding the proposed budget and tax and levy rates |
| April 16 | 12. | Board of County Supervisors adopts the Fiscal Plan and CIP |
| July 1 | 13. | Fiscal year and execution of agency budgets begin |

Understanding the Budget

The Budget in General

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

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

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

The Relationship between the Capital Improvements Program and The Budget

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

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

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

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

Understanding the Budget

Amending the Budget

The County provides for amendment of the adopted budget in two ways. First, the budget for any fund, agency, program, or project can be increased or decreased by formal Board of County Supervisors action (budget and appropriation resolution). Any budget amendment which involves an amount exceeding the lesser of one percent of the total revenue shown in the current adopted budget or \$500,000 may not be enacted without first advertising and then conducting a public hearing. The advertisement must be published once in a newspaper with general County circulation at least 7 days prior to the public hearing. After obtaining input from citizens at the public hearing, the Board of County Supervisors may then amend the budget by formal action.

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

BUDGET TRANSFER MATRIX

Transfers Within Subfund, Department, and Character		
Transfer Category	Department Head Approval	BOCS Approval
Within Character	\$1 +	—
Transfers Within Subfund and Department Between Characters		
Transfer Category	Department Head Approval	BOCS Approval
All	\$1 To \$19,999	\$20,000 +
Transfers Within Subfund Between Departments		
Transfer Category	Department Head Approval	BOCS Approval
All	\$1 To \$19,999	\$20,000 +
Transfers Between Funds and Subfunds		
Transfer Category	Director of Finance Approval	BOCS Approval
All	\$1 To \$19,999	\$20,000 +

Understanding the Budget

PRINCE WILLIAM COUNTY ACCOUNTING SYSTEM

I. BASIS OF BUDGETING

The County's governmental functions and accounting system are organized and controlled on a fund basis. Accounts are maintained on the modified accrual basis of accounting for governmental, expendable trust, and agency funds. Revenues are recognized when measurable and available as current assets. Expenditures are generally recognized when the related services or goods are received and the liability is incurred, except compensated absences which are recognized on the cash basis. Proprietary funds are accounted for on the full accrual basis of accounting, which requires that revenues be recognized in the period in which service is given; and that expenses be recorded in the period in which the benefit is received, except compensated absences which are recognized on the cash basis. Depreciation, in the Proprietary funds, is not a budgeted item, however, capital outlay is included as a budgeted item. Depreciation, while not a budgeted item, is an expense when recognized; capital outlay, a budgeted item, is not an expense when recognized. The basis of budgeting for each of these funds is the same as the basis of accounting for each of these funds.

II. GOVERNMENTAL FUND TYPES

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

A. General Fund

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

B. Special Revenue Funds

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

C. Capital Projects Fund

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

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

Understanding the Budget

III. **PROPRIETARY FUNDTYPES**

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

A. **Enterprise Funds**

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

B. **Internal Service Funds**

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

IV. **FIDUCIARY FUNDTYPES - TRUST AND AGENCY FUNDS**

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

Understanding the Budget

Users Guide: How to Read the Budget Document

The agency detail section of the budget document consists of the following elements of information that describe each agency's organization, budget, and service delivery for Fiscal Year 2003.

- I. **Agency Organization Chart** - The chart presents the agency's organizational structure and the agency's relationship to the County government organization as a whole.
- II. **Mission Statement** - The mission statement is a brief description of the purpose and functions of the agency.
- III. **Agency Locator** - The text indicates the agency's location within the budget's functional areas.
- IV. **Expenditure and Revenue Summary** - The revenue and expenditure summary provides historical and estimated expenditure and revenue information for each agency. Four types of information are summarized for each fiscal year displayed:
 - A. **Expenditure by Program**: These figures represent the amounts appropriated or expended for each program within the agency.
 - B. **Expenditure by Classification**: All County agency expenditures are grouped into eight major categories shown in this summary.
 1. **Personal Services**: salaries for all full-time, part-time and temporary employees, including overtime, Sunday and holiday pay, shift differentials, and per diem compensation for members of certain boards and commissions.
 2. **Fringe Benefits**: compensatory payments on behalf of agency employees including social security, health and life insurance, and retirement benefits.
 3. **Contractual Services**: payments for products and services procured by the agency from contractors.
 4. **Internal Services**: payments for certain goods and services provided by one agency of County government to other agencies; an example is data processing services.
 5. **Other Services**: expenditures to supply, equip, and train employees to deliver agency services; certain Social Services public assistance and service payments and contributions to outside organizations are also included under this classification.
 6. **Capital Outlay**: expenditures for tangible goods valued at \$5,000 or greater.
 7. **Leases and Rentals**: payments for leases and rentals of goods, equipment, and property.
 8. **Transfers (Out)**: operating transfers of monies from the agency to another agency, fund, or subfund.
 - C. **Funding Sources (revenues)**: County agency revenues are grouped into as many as nine major categories shown in this summary.
 1. **Permits, Privilege Fees, and Regulatory Licenses**: revenues received from entities or persons engaged in an activity or enterprise which is regulated by the County government to ensure the public's health, safety, or welfare.
 2. **Fines and Forfeitures**: revenues received from persons guilty of infractions of the law.
 3. **Revenue from Use of Money and Property**: monies received from interest income or proceeds from the sale, lease, or rental of an agency's property.
 4. **Charges for Services**: fees that agencies charge the users of their products or services to recover some or all of the cost of the product or service rendered by the agency.
 5. **Miscellaneous Revenue**: various recovered costs, expenditure reimbursements, and gifts and donations.

Understanding the Budget

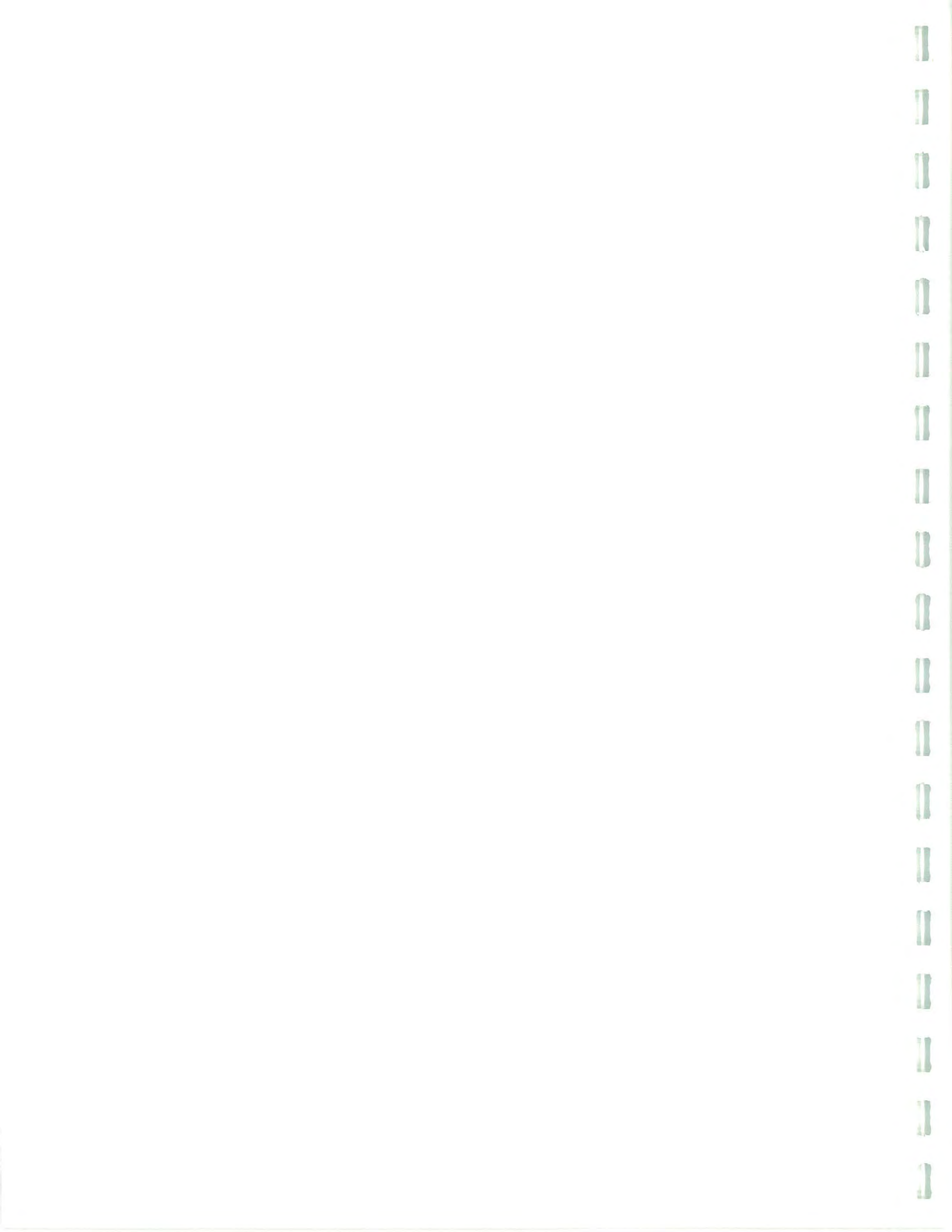
6. Revenue from Other Localities: funds received from other units of local government.
 7. Revenue from the Commonwealth: funds received from the State of Virginia.
 8. Revenue from the Federal Government: funds received from the government of the United States of America.
 9. Transfers (In): operating transfers of monies to the agency from another agency, fund, or subfund.
- D. Net General County Tax Support: the operating subsidy received by the agency; this amount is calculated by subtracting total agency funding sources (revenues) from total agency expenditures for each fiscal year.

For historical reference, final budget (appropriated) and actual expenditures and revenues are reported for FY 01 to allow comparisons. Adopted budget information is displayed for FY 02. The FY 02 and FY 03 budgets are compared in the final column, which calculates the percentage change between those two fiscal years.

- V. Major Issues – Narrative discussion summarizing major FY 2003 base budget changes and other issues for the agency as a whole.
- VI. Budget Additions – Narrative discussion of increases to the FY 03 base budget. Discussion includes a description of the item and its cost, its relevance to the 2001-2005 Strategic Plan, and the outcome and service level impacts of its implementation.
- VII. Agency Expenditure Budget History Graph - Bar and line graph display of the agency's adopted expenditure budget amounts for each fiscal year from FY 99 to FY 2003. Unless otherwise noted, the amounts of net tax support and other funding sources which support each year's adopted expenditure budget are displayed within the bar representing each year's adopted expenditure budget.
- VIII. Agency Staff - Total authorized full-time and part-time positions for FY 01, FY 02, and FY 03 are summarized for each agency by program. Values are expressed in FTEs (full-time equivalents). One FTE is equal to one full-time position.
- IX. Agency Staff History Graph - Bar and line graph display of the total authorized full-time and part-time positions for FY 99 through FY 2003 for each agency as a whole. Values are expressed in FTEs (full-time equivalents). One FTE is equal to one full-time position.
- X. Program Budget Summary - Each agency program has a box displayed under the title of the program that summarizes the program's expenditure budget and authorized staffing for FY 02 and FY 03. The dollar change and percent change between these two fiscal years' expenditure budgets are also shown. In addition, the change in the number of authorized FTEs between fiscal years is displayed.
- XI. Strategic Goal – Statements of public policy adopted by the Board of County Supervisors through the 2001-2005 Strategic Plan. There are six County strategic goals: one each for Economic Development Quality of Life, Education, Effective Government, Human Services, Public Safety/Safe Community, and Transportation.
- XII. Goal – General statements of public policy purpose and intent. Although not included in the Strategic Plan, these goals provide overall direction to County agencies and programs.
- XIII. Program Locator – The text indicates the program's location within the budget's functional areas and the agency's other programs.

Understanding the Budget

- XIV. **Desired Strategic Plan Community Outcomes by 2005** – Key outcomes with targets that demonstrate how the community or individual will benefit or change based on achieving the goal. Community outcomes are adopted by the Board of County Supervisors in the strategic plan, taken from the annual citizen telephone survey, or developed by agencies based on their mission and goals.
- XV. **Outcome Targets/Trends** – Multi-year trends for the community and program outcomes. The unit of measure is stated and the numerical targets shown for FY 01, FY 02 and FY 03 as adopted by the Board of County Supervisors. Actual results are shown for FY 00 and FY 01.
- XVI. **Activities** – Measurable statements describing the jobs performed by each program to achieve the stated objectives.
- XVII. **Activity Costs** – The cost for each activity is shown for FY 01, FY 02 and FY 03 as adopted by the Board of County Supervisors. Actual costs are shown for FY 00 and FY 01.
- XVIII. **Service Level Trends Table** – Performance measures are displayed for each activity. Service level targets represent agency performance objectives for the year. The unit of measure is stated and the numerical targets shown for FY 01, FY 02 and FY 03 as adopted by the Board of County Supervisors. Actual costs are shown for FY 00 and FY 01.



FY 2003

Fiscal Plan

Volume I: Executive Summary

STRATEGIC-BASED
OUTCOME BUDGET PROCESS

Prince William County,
Virginia



Prince William County Strategic-Based Outcome Budget Process

I. Prince William Financial and Program Planning Ordinance

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

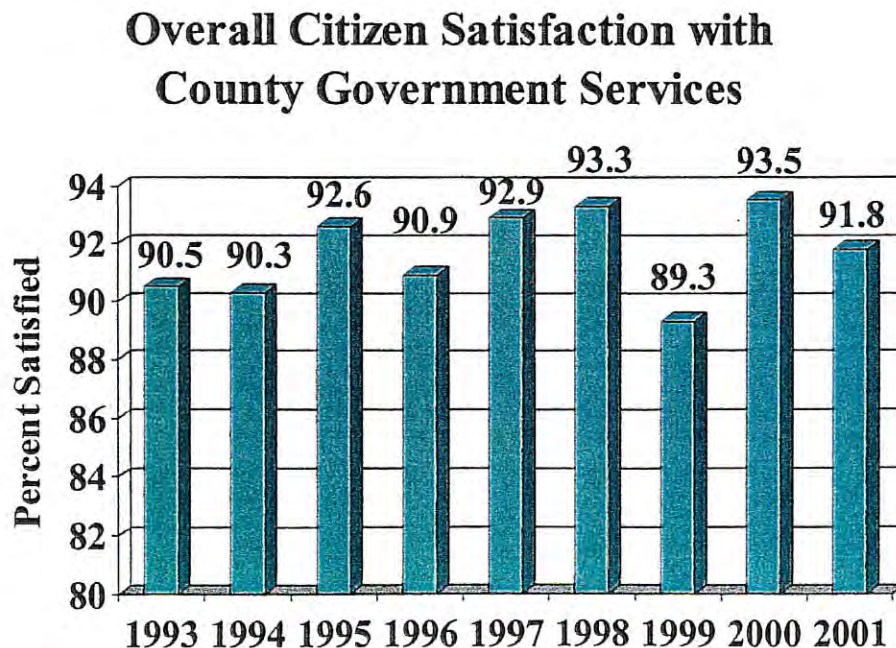
II. Community Vision and Values

A. The Future Report

In 1989, the Prince William Board of County Supervisors approved a process to involve the community in envisioning the physical and aesthetic characteristics of life as well as the amenities and opportunities that should exist in Prince William in the year 2010. The Board appointed fifteen citizens to the County's Commission on the Future to oversee this process. When completed, this visioning process involved over 3,000 citizens. The Future Report covers nearly every aspect of life in Prince William and contains hundreds of vision statements.

B. The Annual Citizen Survey

A formal visioning process is only one way the County gauges citizens' views on vision and values. Every spring, the University of Virginia conducts a citizen survey for Prince William County that asks citizens to rate their satisfaction both with overall County Government and with various County services and facilities. This survey provides valuable information to the Board of County Supervisors and to staff and ties directly into agencies' service level targets. Every four years, the County expands the use of this survey to include not only satisfaction with current services, but also citizens' views on issues and problems facing the County. The graph below shows citizen satisfaction with County government services from 1993-2001.



Prince William County Strategic-Based Outcome Budget Process

C. On-going Community Dialogue

The County's Strategic Plan is a community-based plan. This is a key reason why the Plan has been so successful in achieving the County's future vision and in guiding resource allocation decisions. The Board consistently encourages citizen input and participation throughout the planning and budget processes. In addition to the annual citizen survey, this includes:

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

III. Prince William County Strategic Plan

A. Strategic Planning Process

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

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

The Board of County Supervisors adopted the County's first Strategic Plan in October 1992. The 1992-1996 Strategic Plan guided the development of the FY 94-97 Fiscal Plans. The second Strategic Plan was adopted in January 1997. The 1996-2000 Strategic Plan guided the FY 98-01 Fiscal Plans. On April 3, 2001, the Board of County Supervisors adopted the county's third Strategic Plan. The 2001-2005 Strategic Plan will guide the development of the FY 2002-2006 budgets.

B. Strategic Plan Elements

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

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

Prince William County Strategic-Based Outcome Budget Process

C. 2001-2005 Strategic Goals

The five Strategic Goals are the service delivery areas in which Prince William County will place its emphasis over the next several years - particularly in its annual budget and capital improvements program. Prince William County's 2001-2005 Strategic Goals are as follows:

Economic Development

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

Education

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

Human Services

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

Public Safety

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

Transportation

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

D. Strategic Plan Accomplishments

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

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

Prince William County Strategic-Based Outcome Budget Process

IV. Measuring Performance

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

A. Strategic Plan Community Outcomes

Performance measurement was taken one step further, when the Board of County Supervisors incorporated community outcome measures into the 1996-2000 Strategic Plan. The 1992-1996 Strategic Plan did not contain these outcomes because of a lack of measurement experience. These community outcomes are adopted for each strategic goal area and are the essential measures of success which tell the County whether or not it achieved its strategic goals. In addition, these outcomes show how the community will benefit or change based on achieving the strategic goal. Not all community outcomes have numeric targets due to a lack of base data. Keeping with the concept of community-based planning, these community outcome measures were recommended by citizens. The community outcomes for each goal identified in the 2001-2005 Strategic Plan are as follows:

1. Economic Development Community Outcomes:

- Increase economic development capital investment by 400 million dollars from the attraction of new businesses. (non-retail)
- Increase economic development capital investment by 40 million dollars from the expansion of existing businesses. (non-retail)
- Add or expand 75 targeted businesses to Prince William County.
- Add 5,000 new jobs from attraction of new and expansion of existing businesses. (non-retail)
- Increase the average wage per employee by 12% at the end of four years as measured in constant dollars.

2. Education Community Outcomes:

- 90% of targeted industry are satisfied with the work force preparedness provided by Prince William County educational service providers.
- 100% of targeted industries have enough qualified workers, 70% of which are Prince William County residents.
- 85% of citizens report that they have easy access to adult learning opportunities in Prince William County.
- 90% of citizens are satisfied with opportunities for life-long learning in the community.
- 95% of those who graduate from General Educational Development get a job, go on to further their education or meet stated personal objectives.
- 90% of those enrolled in literacy programs can read at levels above the national standard upon leaving the program.

3. Human Services Community Outcomes:

- Decrease the number of substantiated cases of abuse, neglect and exploitation of children, adults and the elderly by 25% each (children and adult/elderly) per 1,000 population.
- Reduce the number of at-risk youth to no more than three out of every 1,000 youth who enter juvenile correctional facilities, State psychiatric hospitals or out-of-county residential facilities each year.

Prince William County Strategic-Based Outcome Budget Process

3. Human Services Community Outcomes (continued):

- Help 20% more low income families secure assisted living units and affordable housing units.
- Ensure 80% of elderly and persons with disabilities identified as being at-risk receive services to enhance their ability to remain independent.
- Decrease the number of adult drug and alcohol arrests by 10% to 5.38 and 15.62 per 1,000 adult population and the number of juvenile drug and alcohol arrests to 1.33 and 1.90 per 1,000 youth population.
- Reduce juvenile arrests per 1,000 youth population to less than 23.
- Decrease the number of homeless residents in the County by 15%.
- Ensure outstanding customer service by County employees so that all Human Services agencies have at least 90% of clients rating their service as favorable.

4. Public Safety Community Outcomes:

- Hold residential fire-related deaths to less than two per year.
- Reduce fire injuries from 13.3 to 11 per 100,000 per year.
- Attain a cardiac arrest survival rate of 8% or greater.
- Advanced Life Support (ALS) response times will improve by four percentage points.
- Basic Life Support (BLS) response times will improve by five percentage points.
- Fire suppression response times will improve by five percentage points.
- Prince William will rank in the lowest third of the COG Region Crime Rate Index with a Part I crime rate of less than 27 per 1,000 population.
- Attain a police emergency response time of seven minutes or less.
- Juvenile arrests per 1,000 youth population will be less than 23 per year.
- Juvenile violent crime arrests per 1,000 youth population will be less than one per year.
- Prince William County will attain a closure rate of 23% for Part I crimes.
- Reduce property damage, injuries and fatalities by maintaining the number of preventable vehicular accidents to less than 4,600 per year.

5. Transportation Community Outcomes:

- Further reduce the number of traffic accidents (vehicular and pedestrian) at critical intersections by 5%.
- Achieve 6.6 million passenger trips through multi-modal means.
- Continue to meet regional EPA attainment goals for air quality standards.
- Increase the base of citizens telecommuting by 3%.
- 62.9% of citizens are satisfied with their ease of getting around.

B. Goals, Objectives and Activities

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

1. **Strategic Goals** – Statements of public policy adopted by the Board of County Supervisors through the 2001-2005 Strategic Plan. There are five County strategic goal areas: Economic Development, Education, Human Services, Public Safety and Transportation.

Prince William County Strategic-Based Outcome Budget Process

B. Goals, Objectives and Activities (continued)

2. **Goal** – General statements of the public policy mission and intent of each program. These are not included in the Prince William County 2001-2005 Strategic Plan.
3. **Desired Community Outcomes by 2005** – Key outcomes with targets that demonstrate how the community or individual will benefit or change based on achieving the goal. Community outcomes are adopted by the Board of County Supervisors in the strategic plan, taken from the annual citizen telephone survey, or developed by agencies based on their mission and goals.
4. **Outcome Trends** – Multi-year trends for the community and program outcomes. The unit of measure is stated and the numerical targets shown for FY 01, FY 02 and FY 2003 as adopted by the Board of County Supervisors. Actual data is shown for FY 00 and FY 01.
5. **Objectives** – Measurable statements of what the program will accomplish during the fiscal year to achieve the larger goal and community outcomes targets.
6. **Activities** – Measurable statements describing the jobs performed in order to achieve the objectives.
7. **Activity Costs** - Statement of the expenditure budget for each activity.
8. **Service Levels** – Performance measures are displayed for each program and activity. Service level targets represent agency performance objectives for the year. The unit of measure is stated and the numerical targets shown for FY 01, FY 02 and FY 2003 as adopted by the Board of County Supervisors. Actual data is reported for FY 00 and FY 01.

C. Service Efforts and Accomplishments Report

Prince William takes performance measurement one step further with the production of Service Efforts and Accomplishments (SEA) reports for various aspects of County government. These reports contain cost, workload and performance measures as benchmarked against performance in prior years and similar measures in other jurisdictions. Thus, in developing the SEA, the County decided to measure success not only against its own performance but against other similar jurisdictions. The areas that were reported in the 2001 SEA include:

1. Criminal Justice Services
2. Library
3. Planning
4. Pre and Post Dispositional Youth Residential Services
5. Solid Waste
6. Stormwater Infrastructure Management

D. Performance Measurement Accomplishments

1. Community outcomes recommended by citizens are incorporated into each Strategic Goal area in the adopted 2001-2005 Strategic Plan.
2. Each program of County government reports its fiscal year goals in the form of service level targets and reports actual performance against these targets.
3. The County benchmarks its services against similar services in other jurisdictions in annual Service Efforts and Accomplishments (SEA) reports.
4. The National Association of Counties (NACO) presented a 1993 Achievement Award for the County's Performance Measurement System.
5. The County has been selected by the International City and County Manager's Association (ICMA) to participate along with 50 other jurisdictions in their Performance Measurement Consortium. Its purpose is to develop measures that can be used by all jurisdictions, thus facilitating benchmarking one jurisdiction with another. The County is sharing its expertise in developing measures in the following categories: Police services, Fire and Rescue services, Neighborhood services (parks, recreation, planning and zoning) and Administrative services.

Prince William County Strategic-Based Outcome Budget Process

D. Performance Measurement Accomplishments (continued)

6. The ICMA has recently published an interactive CD-ROM that teaches jurisdictions how to develop a performance measurement system. Prince William County is featured extensively in the CD-ROM.

V. Resource Allocation

A. From Line Item Budgeting to Outcome Budgeting

Over the course of several years, Prince William County changed the way it creates budgets - from developing traditional line-item budgets to developing outcome budgets. In line-item budgets, performance and accountability are measured by whether or not an agency spent what it said it would spend on supplies, personnel, travel, etc. Outcome budgets, on the other hand, measure accountability by whether or not an agency achieved the outcomes it said it would. This enables decision-makers to make budget decisions based on the desired community outcomes (contained in the Strategic Plan) and service level targets found in agency program budgets. Outcome budgets also allow citizens to see the County's future direction and, most importantly, what their tax dollars are really buying.

B. An Outcome Budgeting Example

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

C. Measuring Outcome Budget Success

The County has had much success in recent years in minimizing the cost of government. Outcome budgeting has assisted in this effort by shifting resources to strategic goal areas. Taxpayers are paying only \$60 more a year per capita for general County services than they did in 1992 when adjusted for inflation. In 1992, the general budgeted cost per capita for County services (including schools) was \$1,350. The FY 2003 adopted budget's cost per capita is \$1,410, adjusted for inflation.

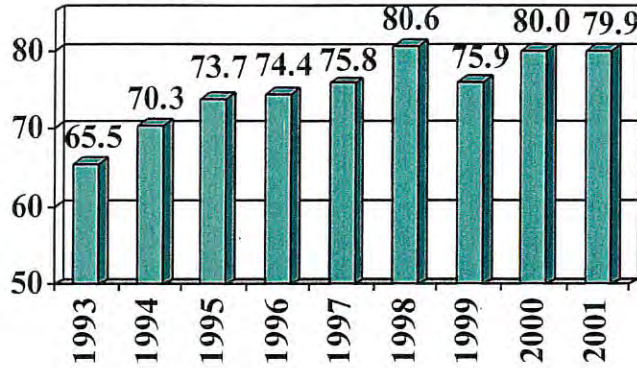
D. Citizen Satisfaction

The County is also constantly receiving input from its citizens on what services are appropriate for government to provide. This input is received through the County's strategic planning process and through the County's annual citizen survey. In 2001, the citizen survey showed that 91.8% of County residents were satisfied or very satisfied with the services provided by Prince William County Government. Also in 2001, citizen satisfaction with the value for their tax dollar was 79.9%, up from 65.5% in 1993.

Prince William County Strategic-Based Outcome Budget Process

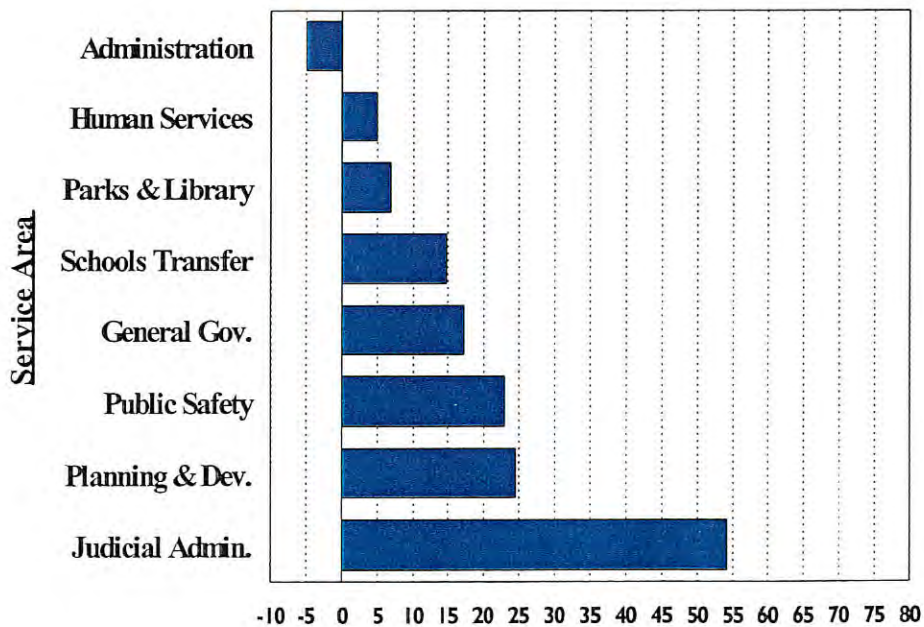
D. Citizen Satisfaction (continued)

Citizen Satisfaction with the Value of County Tax Dollars



The success of linking Strategic Planning to resource allocation can also be seen in the following graph which shows the change in cost per capita by service area. Stated simply, those areas of government considered Strategic gain resources and those service areas considered non-strategic lose resources.

Fiscal Year 1997-2003 Percent Change In Cost Per Capita by Service Area (Adjusted for Inflation)



Prince William County Strategic-Based Outcome Budget Process

1. The Strategic Plan has guided resource allocation in the County. Shifting resources to strategic service areas and away from those services areas considered to be non-strategic. (See chart showing impact of implementing Strategic Plan in Fiscal Years 1992-2003 shown above)
2. The Strategic Plan guides the development of the Capital Improvements Program (CIP); 60% of the projects in the County's CIP support strategies and objectives in the Strategic Plan.
3. Prince William County has received the Certificate of Achievement of Distinguished Budget Presentation from the Government Finance Officers' Association (GFOA) for every budget year from FY87 through FY02. This is the highest form of recognition in governmental budgeting. In FY98 and again in FY01, the County received an upgraded award when the GFOA recognized the Prince William County Fiscal Plan as an "Outstanding Operations Guide". Also in FY01, the GFOA recognized the County's Fiscal Plan as an "Outstanding Policy Document."
4. The National Association of Counties (NACO) presented a 1995 Achievement Award to the County for Prince William's budgeting process which focuses on outcomes (Budgeting for Results).

VI. Principles of Sound Financial Management

A. Basis for Sound Financial Management

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

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

B. County Bond Rating

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

C. Adopted Policies

The Principles of Sound Financial Management include the following:

Prince William County Strategic-Based Outcome Budget Process

1. **Annual Fiscal Plan**
 - Limit current expenditures to current revenues plus projected turnback;
 - Establish a Contingency Appropriation not to exceed 1% of the adopted County budget, excluding transfers;
 - Prepare annual five year projection of General Fund revenues and expenditures;
 - Implement a formal budget review process to monitor the status of the current year's fiscal plan;
 - Integrate performance measurement and production indicators where possible within the annual budget process;
 - Replace capital assets on a cost effective and scheduled basis; and
 - Prepare annual budget consistent with guidelines established by the Government Finance Officers Association.

2. **Revenues**
 - Maintain a diversified and stable revenue system;
 - Recognize the full cost of services provided when establishing user charges and services; and
 - Pursue intergovernmental aid for only those programs or activities that address recognized needs and are consistent with the County's long-term objectives.

3. **Capital Improvement Program**
 - Adopt annually an updated comprehensive multi-year capital improvement program; and
 - Dedicate annually a minimum of 3% of General Fund revenues allocated to capital improvements.

4. **Debt Management**
 - Limit debt outstanding to a maximum 3% of the estimated market value of all taxable property; and
 - Limit debt service expenditures to a maximum 10% of revenues.

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

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

7. **Property Tax Collection**
 - Collect current taxes, delinquent taxes and late penalties at a rate in excess of the current tax levy; and
 - Increase tax collection ratios by taking advantage of all available legal enforcement powers.

8. **Procurement**
 - Achieve economies through the central purchasing of quality goods and services; and
 - Maintain a procurement process that guards against fraud, waste and favoritism in the purchase of goods and services

9. **Risk Management**
 - Maintain a strong risk management program; and

Prince William County Strategic-Based Outcome Budget Process

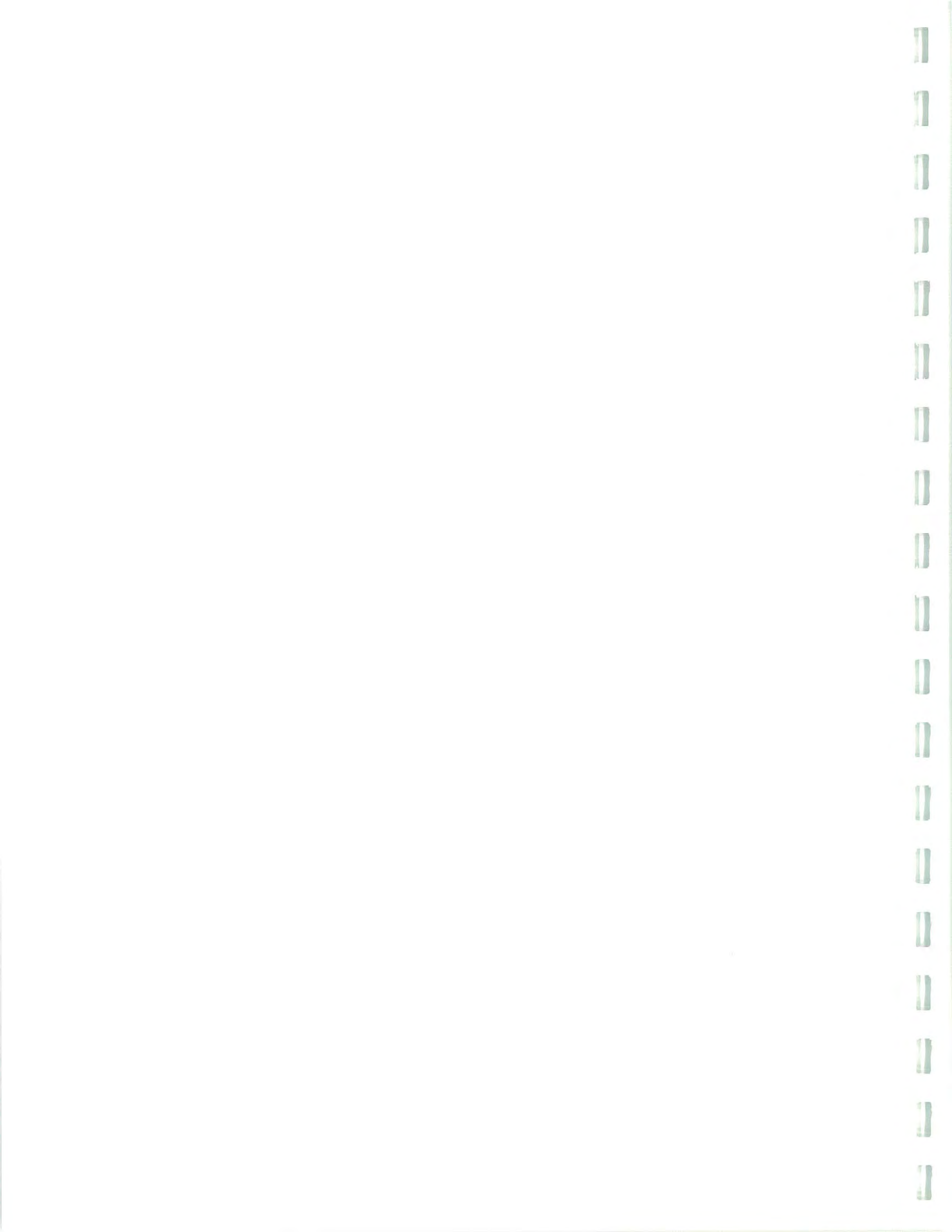
C. Adopted Policies (continued)

-Establish and maintain an actuarially determined fund for self-insured loss exposures.

10. Revenues

-Establish and maintain a minimum General Fund Balance equal to 5% of the average annual General Fund revenues over the preceding five years; and

-Limit the use of this General Fund Balance to nonrecurring operating expenditures of an emergency nature.



FY 2003

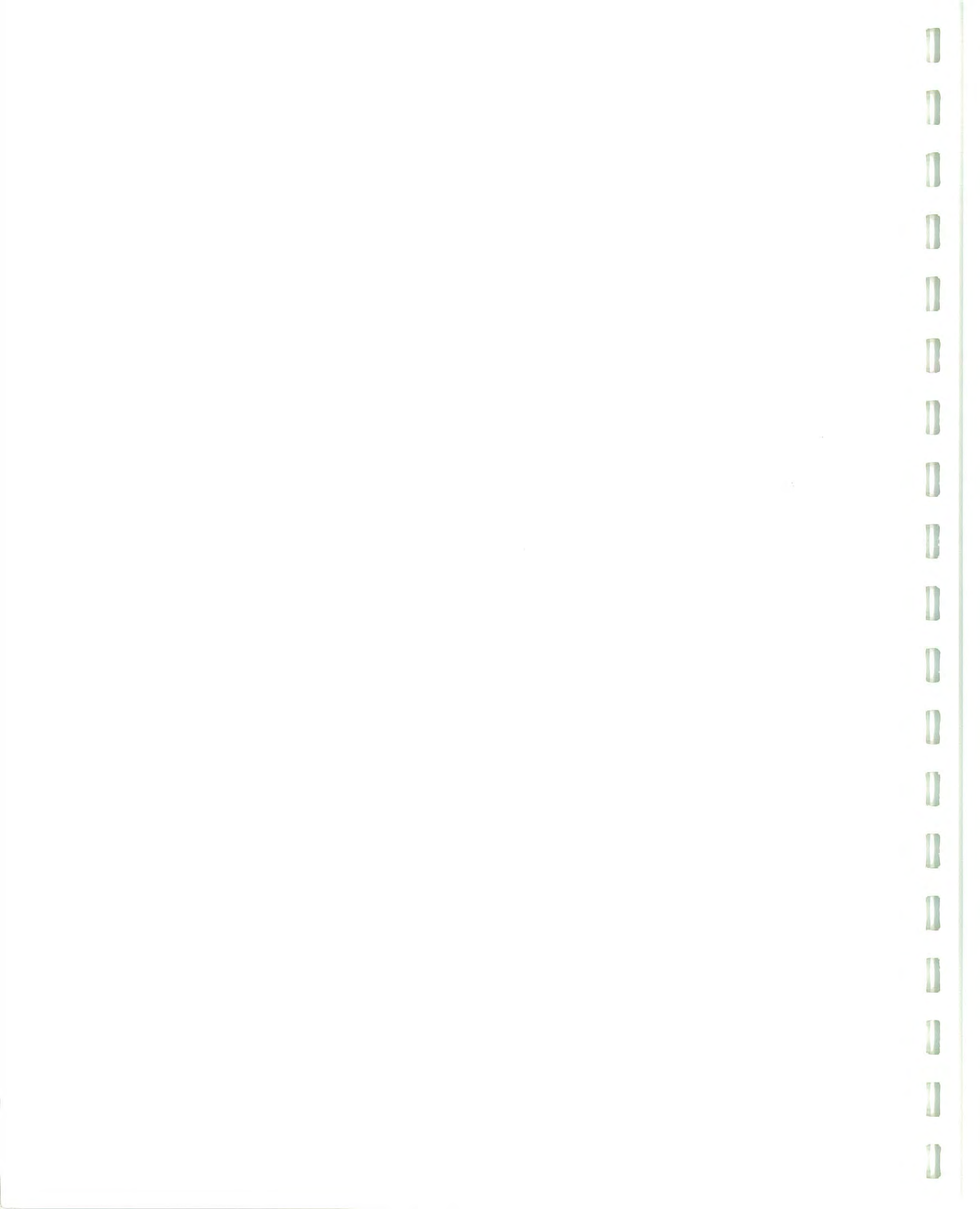
Fiscal Plan

Volume I: Executive Summary



EXPENDITURE SUMMARY

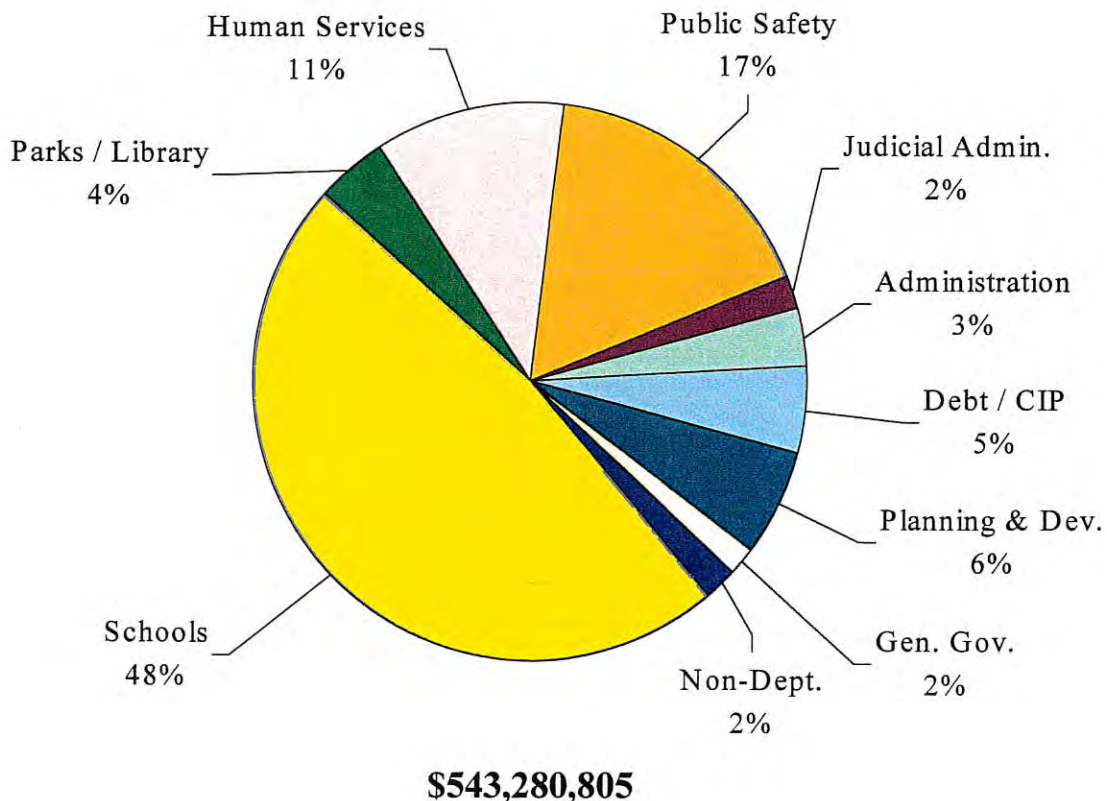
Prince William County,
Virginia



Expenditure Summary

The total FY 2003 Adopted General Fund budget is \$543.3 million within the ten functional categories shown here. This pie chart indicates which services County revenues buy for the citizens of Prince William County. The largest single slice of this pie (48%) goes towards funding the Prince William County School System. The next largest categories are Public Safety at 17% and Human Services at 11%. These three categories make up over three-quarters of the total Prince William County budget (76%).

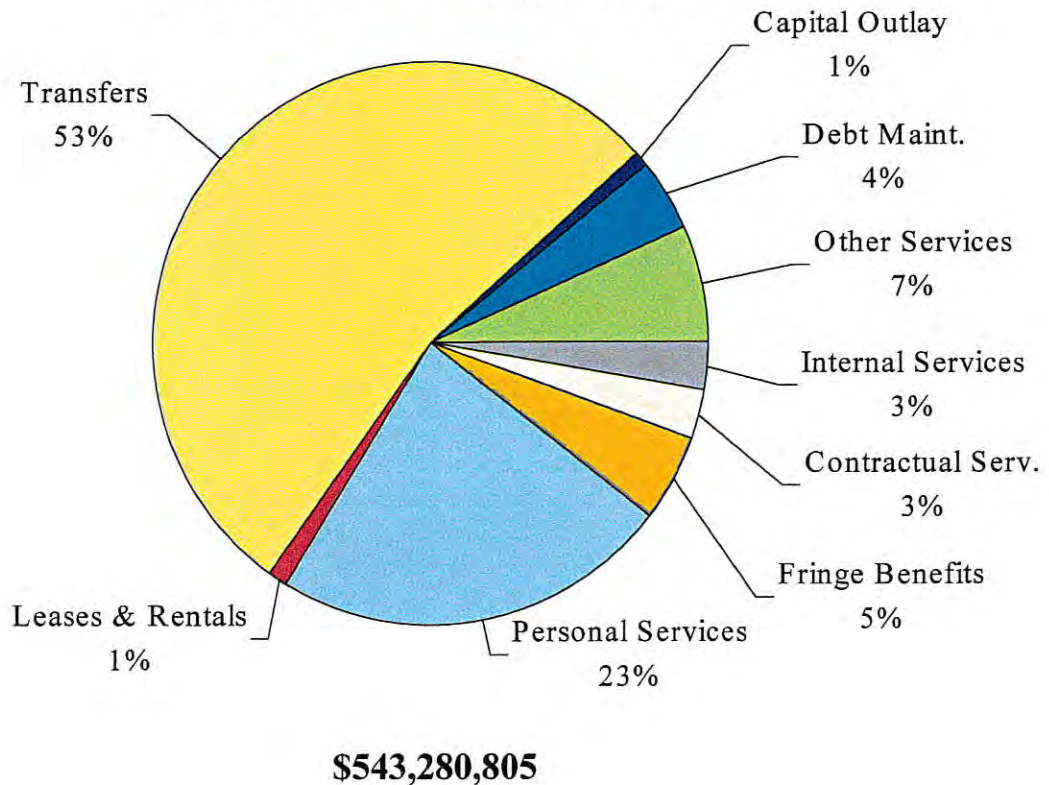
Fiscal Year 2003 General Fund Budget By Functional Categories (Includes School Transfer Budget)



Expenditure Summary

This pie chart shows the Adopted Fiscal 2003 General Fund Budget by expenditure categories. All General Fund Expenditures (totaling \$543.3 million) are grouped into nine categories of expenditures. The largest slice of this pie (53%) is Transfers which includes transfers to the Prince William County School System, Park Authority, Construction Fund, Potomac and Rappahanock Transportation Commission, Convention and Visitors Bureau and the Adult Detention Center. The largest of these transfers is the Prince William County School System budget totaling \$258.8 million. The next largest category of expenditures (23%) is Personal Services which contains salaries for all full-time, part-time and temporary County employees. Combined with fringe benefits (5%), compensation for County employees totals 28% of total General Fund expenditures. Other Services is the next largest category at 7%. This category contains the operating budgets for County agencies. Together, these four categories make up 88% of the total General Fund expenditure budget.

Fiscal Year 2003 General Fund Budget By Category of Expenditure (Includes School Transfer Budget)



Expenditure Summary

Department / Agency	FY 1999		FY 2000		% Change 99 To 00		FY 2001		% Change 00 To 01		FY 2002		% Change 01 To 02		FY 2003		% Change 02 To 03	
	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget
SECTION ONE: GENERAL FUND EXPENDITURE SUMMARY:																		
General Governmental:																		
Board Of County Supervisors	\$895,259		\$1,017,699		13.68%		\$1,095,506		7.65%		\$1,126,577		2.84%		\$1,165,766		3.48%	
Office Of Executive Management	\$3,504,493		\$3,805,180		8.58%		\$4,062,214		6.75%		\$4,632,505		14.04%		\$5,192,027		12.08%	
County Attorney	\$1,541,763		\$1,637,050		6.18%		\$1,763,705		7.74%		\$1,883,539		6.79%		\$2,318,819		23.11%	
Sub Total	\$5,941,515		\$6,459,929		8.73%		\$6,921,425		7.14%		\$7,642,621		10.42%		\$8,676,612		13.53%	
Administration:																		
Board Of Equalization	\$41,729		\$41,729		0.00%		\$41,729		0.00%		\$41,729		0.00%		\$41,729		0.00%	
Contingency Reserve	\$574,067		\$408,067		-28.92%		\$408,067		0.00%		\$408,067		0.00%		\$408,067		0.00%	
Finance	\$7,881,103		\$8,358,564		6.06%		\$8,590,709		2.78%		\$8,896,457		3.56%		\$9,450,063		6.22%	
Human Rights Office	\$312,255		\$396,614		27.02%		\$367,676		-7.30%		\$401,543		9.21%		\$389,938		-2.89%	
Off Of Information Technology	\$3,886,584		\$3,961,002		1.91%		\$4,450,587		12.36%		\$4,974,293		11.77%		\$5,642,808		13.44%	
General Registrar	\$754,803		\$818,064		8.38%		\$846,125		3.43%		\$844,970		11.68%		\$895,485		-5.24%	
Property & Misc. Insurance	\$406,050		\$406,050		0.00%		\$406,050		0.00%		\$406,050		0.00%		\$1,212,475		198.60%	
Unemployment Insurance Reserve	\$60,000		\$60,000		0.00%		\$60,000		0.00%		\$60,000		0.00%		\$60,000		0.00%	
Sub Total	\$13,916,591		\$14,450,090		3.83%		\$15,170,943		4.99%		\$16,133,109		6.34%		\$18,100,565		12.20%	
Judicial Administration:																		
Clerk Of The Court (A)	\$2,816,645		\$3,169,325		12.52%		\$3,270,777		3.20%		\$3,604,129		10.19%		\$4,043,887		12.20%	
Circuit Court Judges (A)	\$0		\$0		---		\$0		---		\$0		0.00%		\$529,808		0.00%	
Commonwealth's Attorney	\$2,229,787		\$2,332,547		4.61%		\$2,513,344		7.75%		\$2,765,820		10.05%		\$2,950,698		6.68%	
Criminal Justice Services	\$979,198		\$1,072,932		9.57%		\$1,243,851		15.93%		\$1,625,254		30.66%		\$1,703,011		4.78%	
Juvenile Court Service Unit	\$81,191		\$187,554		131.00%		\$223,427		19.13%		\$320,186		43.31%		\$447,342		39.71%	
General District Court	\$145,168		\$153,599		5.81%		\$162,080		5.52%		\$184,054		13.56%		\$186,343		1.24%	
Juvenile & Domestic Relations Court	\$50,265		\$95,265		89.53%		\$53,465		-43.88%		\$101,481		89.81%		\$62,027		-38.88%	
Law Library	\$169,677		\$194,484		14.62%		\$197,414		1.51%		\$113,819		-42.35%		\$118,513		4.12%	
Magistrates	\$26,147		\$30,965		18.43%		\$47,621		53.79%		\$83,324		74.97%		\$104,732		25.69%	
Sub Total	\$6,498,078		\$7,236,671		11.37%		\$7,711,979		6.57%		\$8,798,067		14.08%		\$10,146,361		15.32%	
Planning And Development:																		
Economic Development	\$1,298,753		\$1,336,559		2.91%		\$1,577,478		18.03%		\$1,767,293		12.03%		\$1,855,319		4.98%	
Planning	\$3,518,651		\$3,795,521		7.87%		\$3,532,560		-6.93%		\$4,035,416		14.23%		\$4,582,214		13.55%	
Tran. To Conven. & Visitors Bureau	\$0		\$0		---		\$0		---		\$831,386		0.00%		\$1,104,761		32.88%	
Transfer To Transportation Fund	\$1,613,768		\$1,713,768		6.20%		\$1,713,768		0.00%		\$1,813,768		5.84%		\$1,913,768		5.51%	
Transfer To Litter Control (B)	\$69,325		\$69,325		0.00%		\$0		-100.00%		\$0		0.00%		\$0		0.00%	
Public Works	\$18,119,714		\$18,949,540		4.58%		\$20,146,309		6.32%		\$21,282,904		5.64%		\$24,848,912		16.76%	
Sub Total	\$24,620,211		\$25,864,713		5.05%		\$26,970,115		4.27%		\$29,730,767		10.24%		\$34,304,974		15.39%	

Expenditure Summary

Department / Agency	FY 1999		FY 2000		99 To 00		FY 2001		00 To 01		FY 2002		01 To 02		FY 2003		% Change		
	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	02 To 03
Public Safety:																			
Fire And Rescue	\$14,582,131		\$16,500,587		13.16%		\$17,770,276		7.69%		\$20,863,406		17.41%		\$24,663,593		18.21%		
Public Safety Communications	\$4,432,257		\$4,897,925		10.51%		\$5,561,230		13.54%		\$5,862,732		5.42%		\$6,385,436		8.92%		
Sheriff	\$3,466,321		\$3,873,296		11.74%		\$4,284,449		10.62%		\$4,253,514		-0.72%		\$4,980,821		17.10%		
Transfer To Jail	\$5,776,582		\$6,081,064		5.27%		\$6,661,638		9.55%		\$7,882,513		18.33%		\$11,418,435		44.86%		
Police	\$30,326,947		\$33,157,215		9.33%		\$36,091,827		8.85%		\$39,468,295		9.36%		\$44,001,710		11.49%		
Sub Total	\$58,584,238		\$64,510,087		10.12%		\$70,369,420		9.08%		\$78,330,460		11.31%		\$91,449,995		16.75%		
Human Services:																			
Community Services Board	\$13,693,249		\$14,244,370		4.02%		\$15,857,015		11.32%		\$17,301,334		9.11%		\$18,796,881		8.64%		
Extension & Continuing Ed.	\$654,893		\$733,491		12.00%		\$783,525		6.82%		\$932,800		19.05%		\$1,090,710		16.93%		
Office For Women	\$53,962		\$64,508		19.54%		\$68,609		6.36%		\$0		-100.00%		\$0		0.00%		
Office On Youth	\$113,022		\$114,624		1.42%		\$272,982		138.15%		\$275,878		1.06%		\$188,458		-31.69%		
School Age Care	\$243,001		\$241,300		-0.70%		\$264,836		9.75%		\$293,437		10.80%		\$292,971		-0.16%		
Area Agency On Aging	\$1,718,446		\$2,048,151		19.19%		\$2,258,938		10.29%		\$2,468,908		9.30%		\$2,729,690		10.56%		
At Risk Youth And Family Services	\$3,384,707		\$3,909,286		15.50%		\$4,234,403		8.32%		\$4,357,547		2.91%		\$5,595,183		28.40%		
Public Health (C)	\$3,432,729		\$3,517,866		2.48%		\$3,678,622		4.57%		\$3,462,951		-5.86%		\$3,742,650		8.08%		
Social Services	\$21,734,627		\$24,090,062		10.84%		\$25,803,050		7.11%		\$27,478,998		6.50%		\$28,734,622		4.57%		
Sub Total	\$45,028,636		\$48,963,658		8.74%		\$53,221,980		8.70%		\$56,571,853		6.29%		\$61,171,165		8.13%		
Parks And Library:																			
Contributions (Stafford Airport)(D)	\$7,029		\$10,943		55.68%		\$0		-100.00%		\$0		0.00%		\$0		0.00%		
Library	\$9,886,209		\$10,384,847		5.04%		\$11,087,499		6.77%		\$11,497,142		3.69%		\$11,752,520		2.22%		
Park Auth. Local Contribution	\$8,123,051		\$8,852,955		8.99%		\$8,701,386		-1.71%		\$10,312,979		18.52%		\$11,567,397		12.16%		
Sub Total	\$18,016,289		\$19,248,745		6.84%		\$19,788,885		2.81%		\$21,810,121		10.21%		\$23,319,917		6.92%		
Debt / CIP:																			
CIP (Manassas Airport)(D)	\$100,000		\$30,000		-70.00%		\$0		-100.00%		\$0		0.00%		\$0		0.00%		
Trans To Construction Funds	\$2,802,221		\$4,076,628		45.48%		\$3,865,642		-5.18%		\$5,533,632		43.15%		\$5,042,673		-8.87%		
General Debt	\$19,317,463		\$18,579,701		-3.82%		\$18,297,833		-1.52%		\$17,990,854		-1.68%		\$21,021,220		16.84%		
UOSA Expansion	\$677,000		\$677,000		0.00%		\$677,000		0.00%		\$677,000		0.00%		\$677,000		0.00%		
Sub Total	\$22,896,684		\$23,363,329		2.04%		\$22,840,475		-2.24%		\$24,201,486		5.96%		\$26,740,893		10.49%		
Non-Departmental:																			
Unclassified Administrative	\$4,895,312		\$5,614,667		14.69%		\$7,597,546		35.32%		\$8,187,442		7.76%		\$10,551,733		28.88%		
Sub Total	\$4,895,312		\$5,614,667		14.69%		\$7,597,546		35.32%		\$8,187,442		7.76%		\$10,551,733		28.88%		
Total Without School Transfer																			
Transfer To Schools	\$200,397,554		\$215,711,889		7.64%		\$230,592,768		6.90%		\$251,405,926		9.03%		\$284,462,215		13.15%		
Total With School Transfer	\$179,683,065		\$190,097,405		5.80%		\$205,040,086		7.86%		\$225,236,210		9.85%		\$258,818,590		14.91%		
Total	\$380,080,619		\$405,809,294		6.77%		\$435,632,854		7.35%		\$476,642,136		9.41%		\$543,280,805		13.98%		

Expenditure Summary

Department / Agency	FY 1999		FY 2000		% Change 99 To 00		FY 2001		% Change 00 To 01		FY 2002		% Change 01 To 02		FY 2003		% Change 02 To 03	
	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget
SECTION TWO: NON GENERAL FUND EXPENDITURE SUMMARY:																		
Special Revenue Funds:																		
Trans. To P.R.T.C.	\$1,613,768		\$1,713,768		6.20%		\$1,713,768		0.00%		\$1,813,768		5.84%		\$1,913,768		5.51%	
Commuter Rail Station Parking	\$101,823		\$101,823		0.00%		\$101,823		0.00%		\$101,823		0.00%		\$101,823		0.00%	
Comm. parking lease rev bond debt	\$1,587,285		\$1,586,815		-0.03%		\$1,516,346		-4.44%		\$1,516,453		0.01%		\$1,523,846		0.49%	
Adult Detention Center	\$14,030,317		\$14,653,031		4.44%		\$15,724,257		7.31%		\$17,158,687		9.12%		\$19,756,303		15.14%	
Lake Jackson Service Dist.	\$53,000		\$53,000		0.00%		\$53,000		0.00%		\$53,000		0.00%		\$55,000		3.77%	
Woodbine Forest Service District	\$4,876		\$4,886		0.21%		\$5,057		3.50%		\$5,544		9.63%		\$3,462		-37.55%	
Foremost Court Service District	\$6,204		\$6,400		3.16%		\$3,864		-39.63%		\$4,232		9.52%		\$4,577		8.15%	
Spc tax dist;Gypsy Moth/Mosq ctrl	\$430,438		\$435,011		1.06%		\$451,405		3.77%		\$784,037		73.69%		\$685,605		-12.55%	
P. W. Parkway Trans Imprv Dst.	\$900,000		\$946,649		5.18%		\$900,000		-4.93%		\$1,100,000		22.22%		\$1,190,000		8.18%	
234 Bypass Trans Imprv Dst	\$70,000		\$47,157		-32.63%		\$46,000		-2.45%		\$60,000		30.43%		\$70,000		16.67%	
Stormwater Management	\$4,240,543		\$3,894,247		-8.17%		\$4,181,080		7.37%		\$4,847,782		15.95%		\$5,012,634		3.40%	
Housing & Community Dev.	\$2,793,489		\$2,924,356		4.68%		\$3,652,208		24.89%		\$4,047,494		10.82%		\$16,598,749		310.10%	
Total Special Revenue Funds	\$25,831,743		\$26,367,143		2.07%		\$28,348,808		7.52%		\$31,492,820		11.09%		\$46,915,767		48.97%	

Capital Projects Fund:																		
Capital Improvement Projects	\$25,981,662		\$101,351,672		290.09%		\$30,342,984		-70.06%		\$21,217,115		-30.08%		\$22,865,452		7.77%	
Total Capital Projects Fund	\$25,981,662		\$101,351,672		290.09%		\$30,342,984		-70.06%		\$21,217,115		-30.08%		\$22,865,452		7.77%	
Enterprise Fund:																		
Public Works; Solid Waste	\$13,580,512		\$10,238,040		-24.61%		\$10,383,590		1.42%		\$12,488,983		20.28%		\$11,237,529		-10.02%	
Bull Run Mountain Serv. Dist.	\$67,500		\$67,500		0.00%		\$67,500		0.00%		\$67,500		0.00%		\$75,000		11.11%	
Innovation @ Prince William	\$582,500		\$582,500		0.00%		\$544,572		-6.51%		\$424,099		-22.12%		\$122,482		-71.12%	
Ocoquan Forest Sanitary Dist.	\$178,463		\$181,688		1.81%		\$193,725		6.63%		\$198,475		2.45%		\$0		-100.00%	
Total Enterprise Fund	\$14,408,975		\$11,069,728		-23.17%		\$11,189,387		1.08%		\$13,179,057		17.78%		\$11,435,011		-13.23%	
Internal Service Funds:																		
Public Works; Fleet Management	\$2,545,026		\$2,688,929		5.65%		\$2,868,738		6.69%		\$3,290,307		14.70%		\$3,410,934		3.67%	
OIT; Data Processing	\$4,458,983		\$6,799,463		52.49%		\$6,772,742		-0.39%		\$9,032,437		33.36%		\$11,425,587		26.50%	
Medical Insurance	\$0		\$0		---		\$0		---		\$0		---		\$14,218,000		0.00%	
Public Works; Small Proj. Const.	\$1,414,134		\$1,443,806		2.10%		\$1,633,794		13.16%		\$1,725,563		5.62%		\$1,757,849		1.87%	
Total Internal Service Funds	\$8,418,143		\$10,932,198		29.86%		\$11,275,274		3.14%		\$14,048,307		24.59%		\$30,812,370		119.33%	

Expenditure Summary

Department / Agency	FY 1999		% Change 99 To 00		FY 2001		% Change 00 To 01		FY 2002		% Change 01 To 02		FY 2003		% Change 02 To 03	
	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget
Fire And Rescue Levy Funds:																
Buckhall	\$565,940	\$420,900	-25.63%	\$480,200	14.09%	\$540,300	12.52%	\$776,800	43.77%							
Coles	\$453,236	\$499,835	10.28%	\$501,600	0.35%	\$596,150	18.85%	\$600,150	0.67%							
Dumfries Triangle Fire	\$907,758	\$967,110	6.54%	\$1,065,288	10.15%	\$1,069,198	0.37%	\$1,240,714	16.04%							
Dumfries Triangle Rescue	\$645,200	\$673,588	4.40%	\$798,966	18.61%	\$765,000	-4.25%	\$1,221,373	59.66%							
Evergreen	\$368,792	\$393,900	6.81%	\$718,783	82.48%	\$413,200	-42.51%	\$520,918	26.07%							
Gainesville	\$357,635	\$455,900	27.48%	\$762,400	67.23%	\$585,100	-23.26%	\$585,100	0.00%							
Lake Jackson	\$600,187	\$576,187	-4.00%	\$577,060	0.15%	\$545,660	-5.44%	\$566,200	3.76%							
Neabsco	\$1,916,533	\$1,990,030	3.83%	\$1,990,030	0.00%	\$2,308,030	15.98%	\$2,767,779	19.92%							
Nokesville	\$289,275	\$299,200	3.43%	\$402,960	34.68%	\$486,760	20.80%	\$790,112	62.32%							
O.W.L. Fire	\$1,977,375	\$2,099,893	6.20%	\$2,232,199	6.30%	\$2,262,372	1.35%	\$3,257,622	43.99%							
Stonewall Jackson	\$552,500	\$582,500	5.43%	\$632,500	8.58%	\$632,500	0.00%	\$632,500	0.00%							
Wellington	\$35,000	\$35,000	0.00%	\$0	-100.00%	\$0	0.00%	\$0	0.00%							
Yorkshire	\$287,000	\$376,000	31.01%	\$366,000	-2.66%	\$289,200	-20.98%	\$396,973	37.27%							
Capital Fund	\$0	\$0	---	\$0	---	\$0	0.00%	\$3,471,650	0.00%							
800 MHz / MDT Fund	\$0	\$0	---	\$0	---	\$2,409,325	0.00%	\$1,061,029	-55.96%							
Total Fire & Rescue Levy Funds	\$8,956,431	\$9,370,043	4.62%	\$10,527,986	12.36%	\$12,902,795	22.56%	\$17,888,920	38.64%							
Schools:																
Operating Fund	\$329,453,482	\$361,783,334	9.81%	\$392,329,706	8.44%	\$416,627,748	6.19%	\$467,912,755	12.31%							
School Debt Service Fund	\$21,650,757	\$21,831,188	0.83%	\$26,578,581	21.75%	\$29,323,092	10.33%	\$33,407,009	13.93%							
Construction Fund	\$28,021,250	\$77,621,063	177.01%	\$68,893,316	-11.24%	\$120,944,600	75.55%	\$77,764,668	-35.70%							
Food Service Fund	\$11,810,771	\$12,559,959	6.34%	\$14,200,275	13.06%	\$16,004,105	12.70%	\$17,669,206	10.40%							
Warehouse	\$2,200,000	\$2,200,000	0.00%	\$2,600,000	18.18%	\$3,125,000	20.19%	\$3,125,000	0.00%							
Facilities Use Fund	\$314,279	\$328,925	4.66%	\$386,577	17.53%	\$408,402	5.65%	\$466,471	14.22%							
Self Insurance Fund	\$3,798,006	\$3,921,416	3.25%	\$4,086,647	4.21%	\$4,199,412	2.76%	\$4,585,397	9.19%							
Health Insurance Fund	\$18,630,990	\$17,027,627	-8.61%	\$19,142,863	12.42%	\$22,762,612	18.91%	\$24,897,608	9.38%							
Regional School Fund	\$10,738,674	\$12,256,507	14.13%	\$13,446,459	9.71%	\$15,004,397	11.59%	\$18,760,167	25.03%							
Total Schools	\$426,618,209	\$509,530,019	19.43%	\$541,664,424	6.31%	\$628,399,368	16.01%	\$648,588,281	3.21%							
Grand Total All Funds	\$890,295,782	\$1,074,430,097	20.68%	\$1,068,981,717	-0.51%	\$1,197,881,598	12.06%	\$1,321,786,606	10.34%							

Notes:

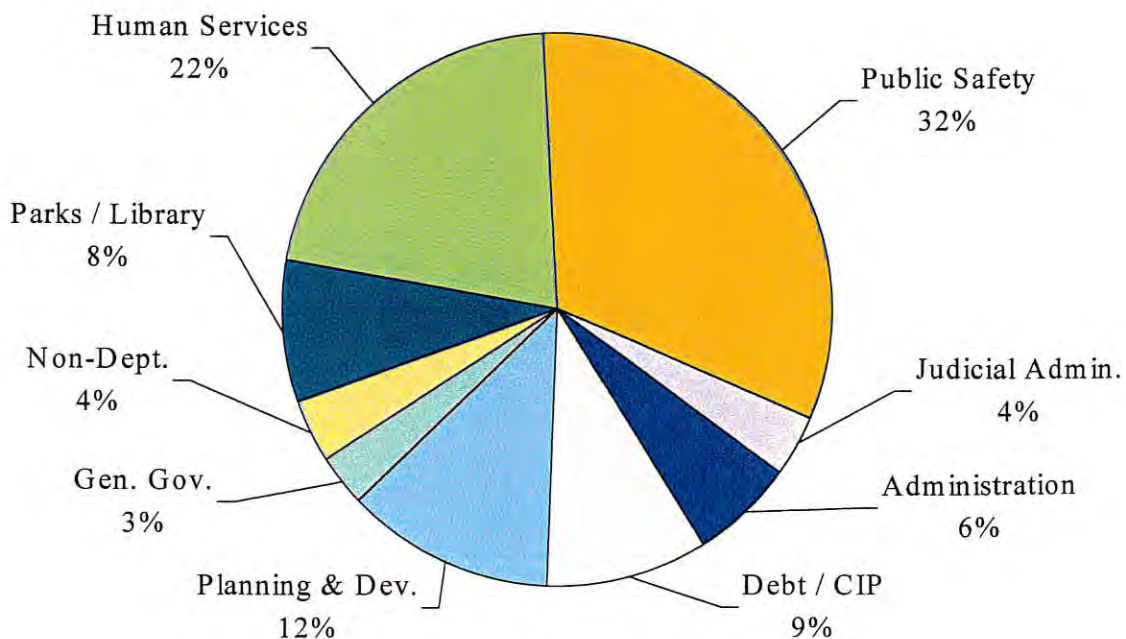
- All Budget Amounts Are Adopted. As Such, They Exclude Carryovers Of Funds From Prior Fiscal Years And Any Budget Amendments Which Occurred After Adoption.
- (A) The Circuit Court Judges budget was transferred from the Clerk of The Court budget as of FY 2003.
- (B) The Transfer to Litter Control was transferred to the Public Works Department in the General Fund for the FY 2001 Budget. There is no funding reduction.
- (C) The Public Health Expenditure Budget Represents The County-Held Portion Of The Total Public Health Budget Displayed In The Agency Summary Of Expenditures And Revenues.
- (D) The County Contributions to Manassas and Stafford Airports were transferred to and will be paid from the Planning budget as of the FY 2001 Budget. There is no funding reduction.

Expenditure Summary

The total FY 2003 Adopted General Fund Budget excluding the Prince William County School Transfer Budget is \$284.5 million within nine functional categories. The various categories are shown in this pie chart. As in FY 2002, Public Safety continues to receive the largest commitment of County funds with 32% of the total budget. This category funds: Police, Fire and Rescue, Public Safety Communications, Sheriff, and the Adult Detention Center. Again as in FY 2002, Human Services is the second largest category with 22% of the total budget. This category contains funding for such departments as: Social Services, Community Services Board, Aging, Cooperative Extension, At-Risk Youth, and Health. Taken together, these two categories command over half (54%) of the total Prince William County budget. The remainder of the budget is broken into the following categories:

- Administration (6%) funds financial, support and community activities such as: the Finance Department; the Office of Information Technology, Human Rights and the General Registrar;
- Debt/Capital Improvements Program (CIP) (9%) funds debt payments for such projects as road construction and the projects contained in the County's FY 2003-2008 Capital Improvements Program;
- Parks and Library (8%) contains funding for Prince William's library system, and the Park Authority;
- Planning and Development (12%) contains funding for Public Works, Economic Development, the Planning Office, and Potomac and Rappahanock Transportation Commission /Transit;
- Non-Departmental (4%) contains funding for the Counties Self-Insurance program and General Fund support for Data Processing and Fleet.
- Judicial Administration (4%) contains funding for Criminal Justice and all Court services.
- General Governmental (3%) contains funding for the Board of County Supervisors, the County Attorney, and the Office of Executive Management.

Fiscal Year 2003 General Fund Budget By Functional Categories (Excludes School Transfer Budget)



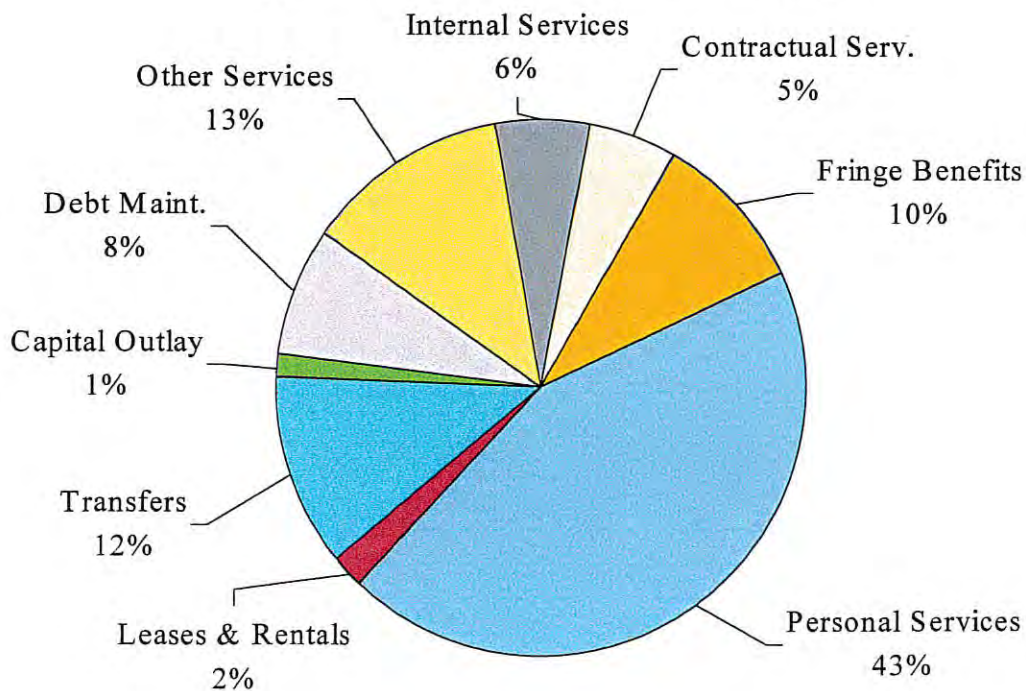
\$284,462,215

Expenditure Summary

This pie chart shows the FY 2003 Adopted General Fund Base Budget by expenditure categories excluding the Prince William County School Budget transfer (a total of \$284.5 million). These General Fund expenditures relate only to the County government portion of the budget. The largest slice of this pie (43%) is Personal Services. Combined with Fringe Benefits (10%), compensation for all County employees accounts for over one-half (53%) of total General Fund expenditures. The remainder of the budget is broken into the following categories:

- Other Services (13%) contains funds to supply, equip and train employees to perform their jobs;
- Debt Maintenance (8%) pays the debt service on capital projects such as roads and other construction;
- Transfers (12%) contains funds transferred out of the General Fund to the Park Authority, Potomac and Rappahanock Transportation Commission, Convention and Visitors Bureau, Adult Detention Center and the Construction Fund;
- Contractual Services (5%) contains funds to pay for products and services contracted out by the County;
- Internal Services (6%) contains funds to account for financing of goods or services provided by one department of the County to other departments. An example is data processing services;
- Leases and Rentals (2%) contains funds to pay for leases and rentals on goods and property;
- Capital Outlay (1%) pays for capital items, e.g., vehicles purchased by County departments.

Fiscal Year 2003 General Fund Budget By Category of Expenditure (Excludes School Transfer Budget)

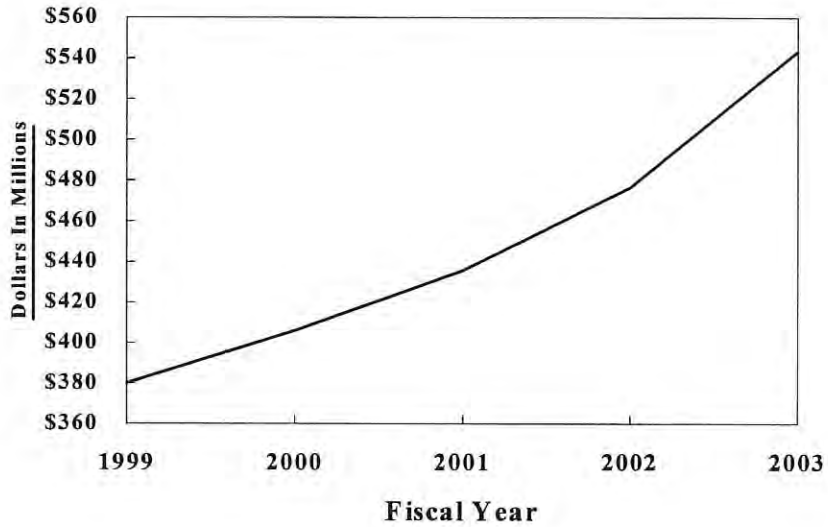


\$284,462,215

Expenditure Summary

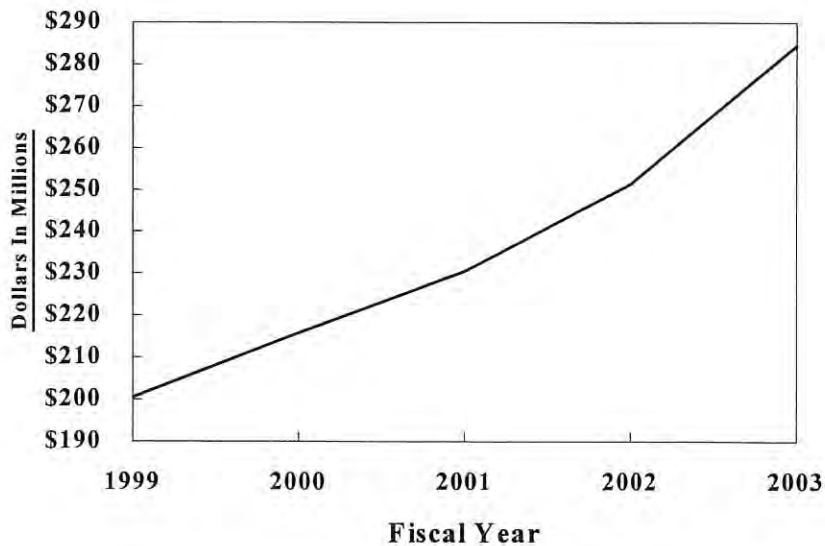
The following graphs show the General Fund Budget history both including and excluding the Prince William County School Transfer Budget. With the Prince William County School budget included, total expenditures have increased 42.9% from FY 1999 Adopted to FY 2003 Adopted (from \$380.1 million to \$543.3 million). Excluding the Prince William County School budget, total expenditures have increased 42.0% over the same period (from \$200.4 million to \$284.5 million).

General Fund Expenditure Budget History (INCLUDES SCHOOL TRANSFER BUDGET)



Note: All Years Adopted

General Fund Expenditure Budget History (EXCLUDES SCHOOL TRANSFER BUDGET)

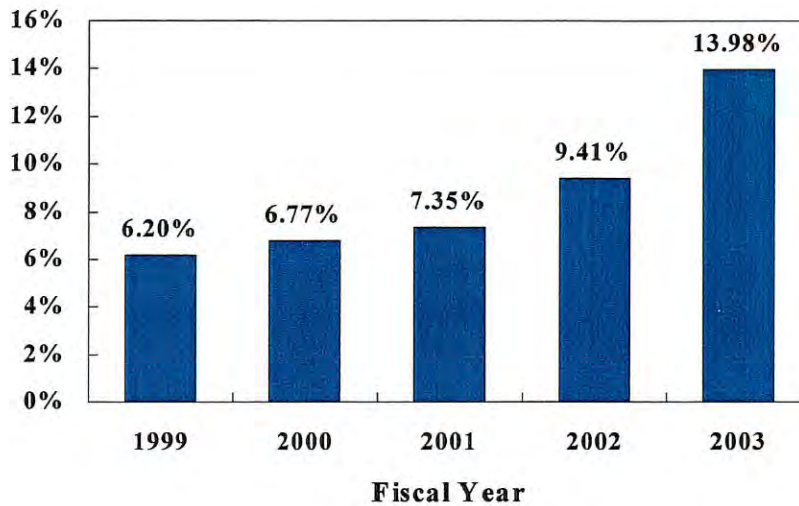


Note: All Years Adopted

Expenditure Summary

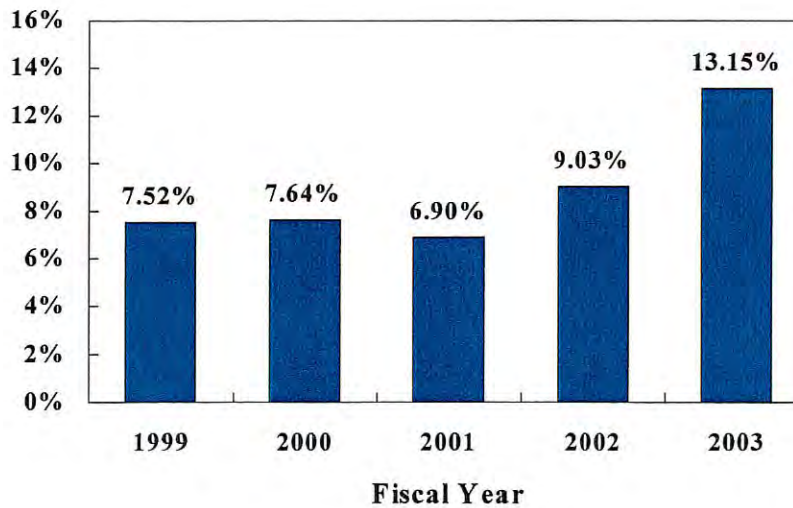
As the following graphs show, General Fund Expenditure Budgets from FY 1999 to FY 2003 Adopted including the Prince William County School Transfer Budget has increased an average of 8.74% per year. Excluding the Prince William County School Budget Transfer, total General Fund Expenditures have increased an average of 8.85% per year.

General Fund Expenditure Budget History
Percent Change: Fiscal Year 1999 to 2003
(Includes School Transfer Budget)



Note: All Years Adopted

General Fund Expenditure Budget History
Percent Change: Fiscal Year 1999 to 2003
(Excludes School Transfer Budget)



Note: All Years Adopted

FY 2003

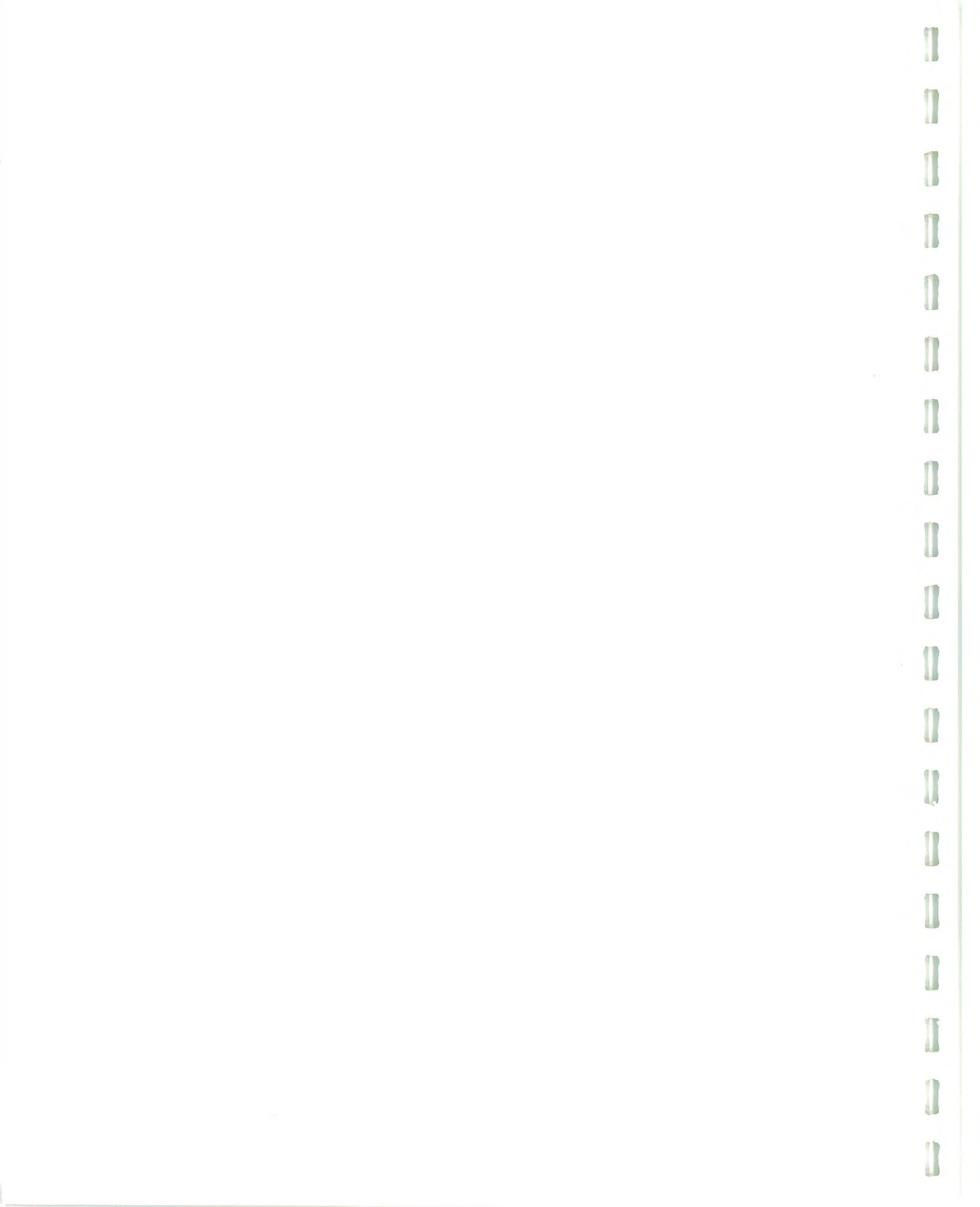
Fiscal Plan

Volume I: Executive Summary



REVENUE SUMMARY

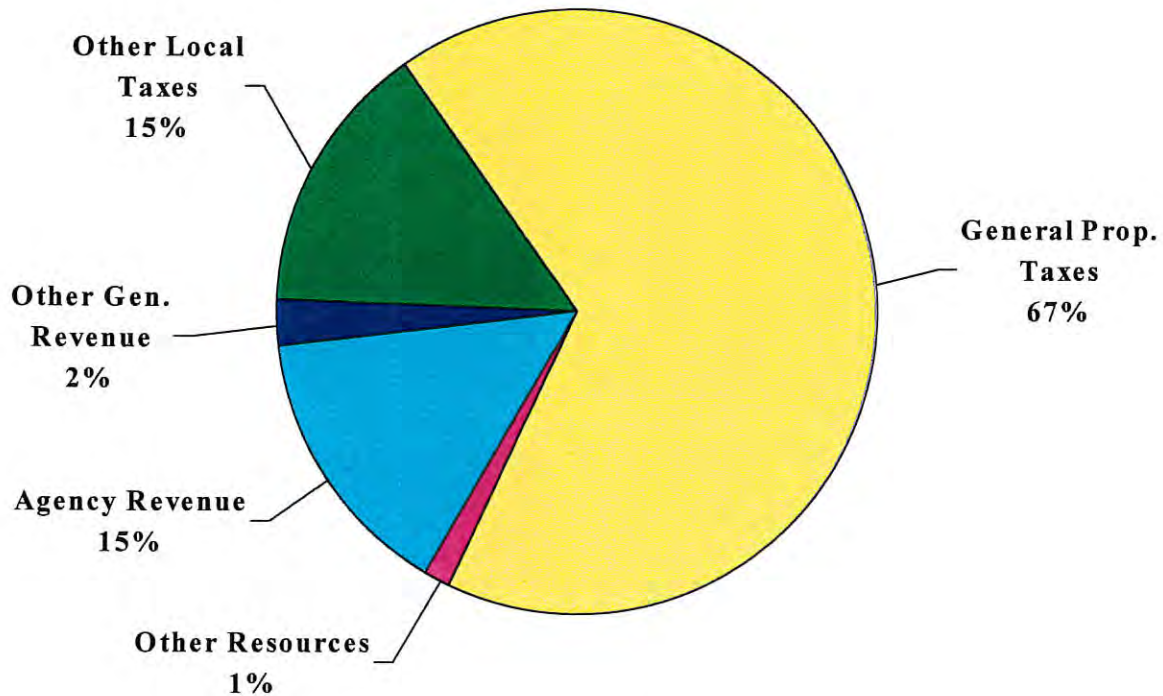
Prince William County,
Virginia



Revenue Summary

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 2003 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 (67%) comes from General Property Taxes. This source contains revenues received from the County's real estate and personal property taxes. The next largest sources (15%) are Other Local Taxes and Agency Revenue. Other Local Taxes contains revenues from such sources as: Sales Tax, Business, Professional & Occupational License, Public Utility Gross Receipts Tax, Consumer Utility Tax, and the Transient Occupancy Tax. Agency Revenue (15%) contains revenues that are collected by individual County agencies. These revenues most typically come from Federal and State grants as well as private sector sources. These three pieces of the pie, when added together, make up 97% of total funding sources in the General Fund.

Fiscal Year 2003 Funding Sources General Fund



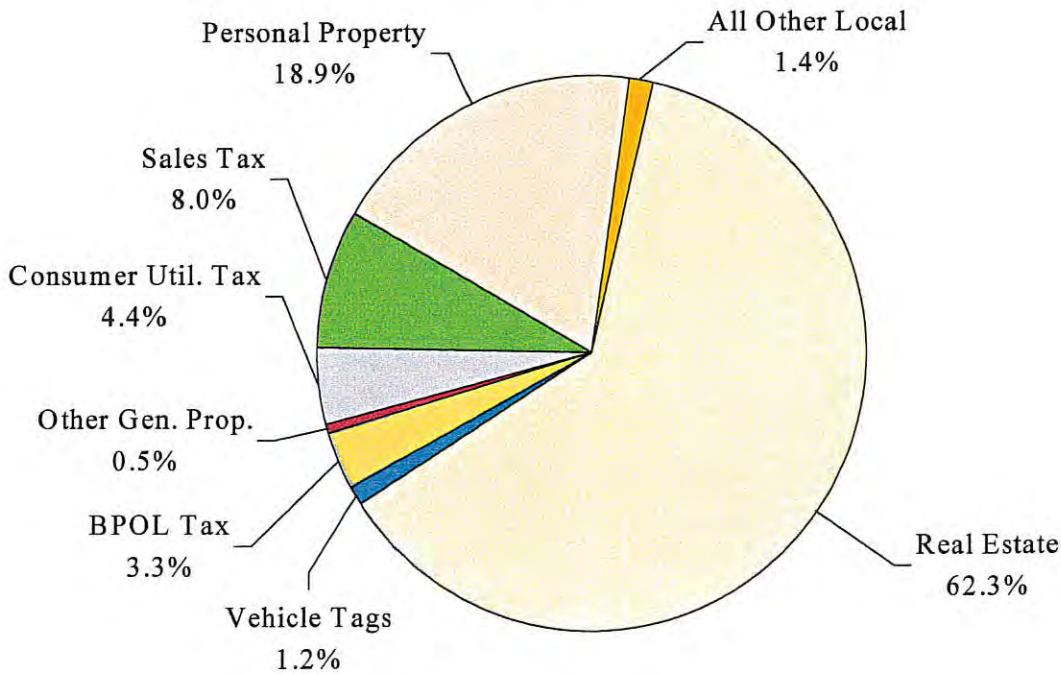
\$543,280,805

Revenue Summary

This pie chart provides detail regarding the County's FY 2003 Adopted local tax sources. These taxes make up a majority of the funding sources contained in the County's General Fund. The largest source of local tax dollars (62.3%) comes from the real estate tax (\$1.23 per \$100 of assessed value) assessed on citizen's homes and real estate properties. The next largest source (18.9%) is Personal Property Taxes (\$3.70 per \$100 of assessed value) assessed on individual and business personal property. The next source (8%) 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 89.2% of total local tax dollars coming into the County. The smaller sources of tax dollars include:

- Vehicle Tags (1.2%) received from the annual sale of automobile decals;
- All Other Local (1.4%) include miscellaneous tax sources such as Transient Occupancy Tax and Recordation Taxes;
- Other General Property (0.5%) is interest earned on all taxes;
- Business, Professional, Occupational License tax (3.3%) levied on the gross receipts of County businesses;
- Consumer Utility Tax (4.4%) levied on the consumers of telephone, electric and natural gas.

Detail of Fiscal Year 2003 Local Tax Sources

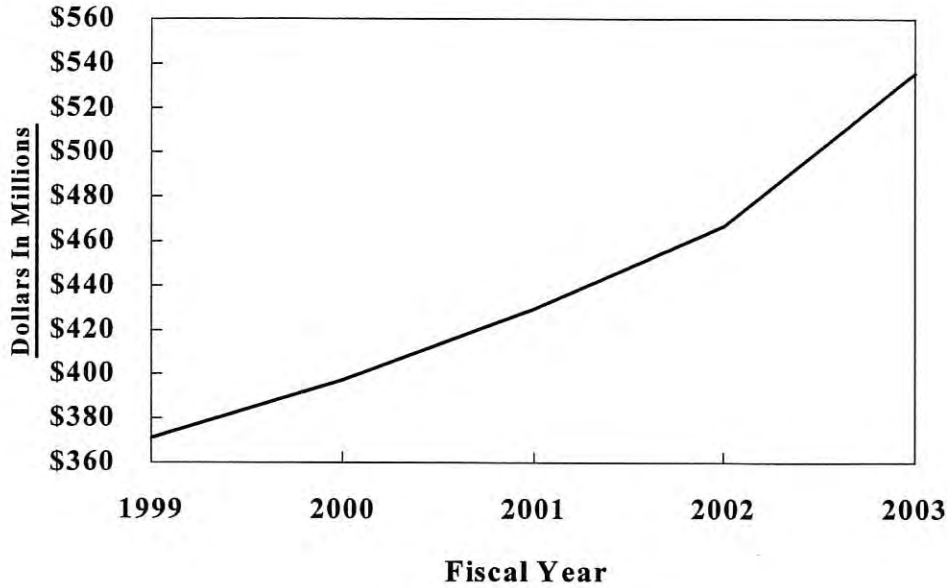


\$442,560,000

Revenue Summary

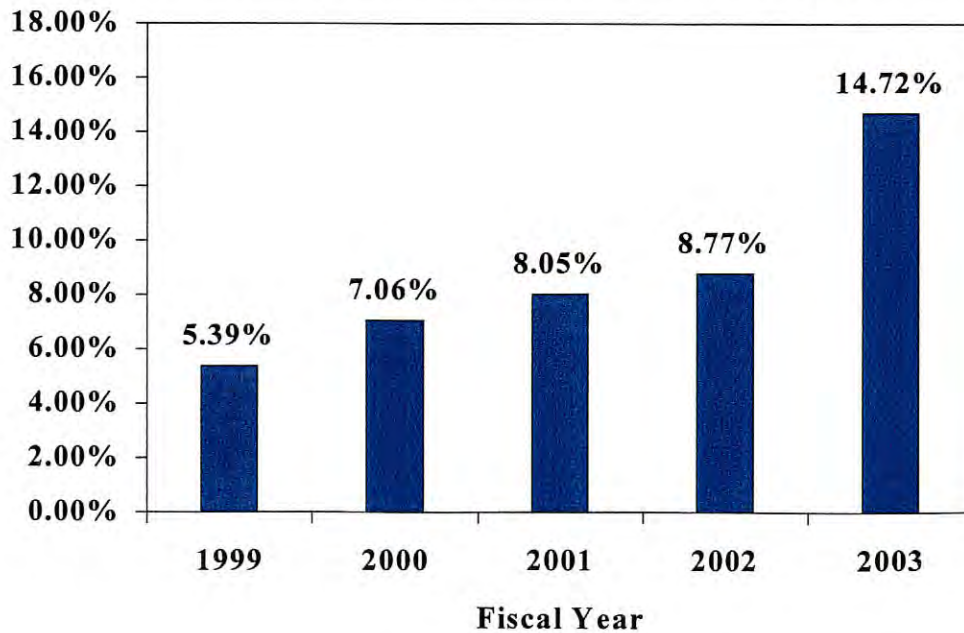
As the following graphs show, total Prince William County General Fund Revenues have increased 44.3% from FY 1999 Adopted to FY 2003 Adopted (from \$371.3 million to \$535.9 million).

General Fund Revenue History Fiscal Year 1999 to 2003



Note: All Years Adopted

General Fund Revenue Summary Percent Change: Fiscal Year 1999 to 2003



Note: All Years Adopted

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Table 1. Revenue Estimates by Category

Acct. Code	General Revenue Source	FY2003 Adopted	FY2004 Estimate	FY2005 Estimate	FY2006 Estimate	FY2007 Estimate
0010	Real Estate Taxes	\$265,171,000	\$295,658,000	\$319,034,000	\$341,993,000	\$369,344,000
0020	Real Estate Tax Exonerations	(2,652,000)	(2,956,000)	(3,190,000)	(3,419,000)	(3,693,000)
	Subtotal	262,519,000	292,702,000	315,844,000	338,574,000	365,651,000
0041	R/E Taxes – Public Service	11,100,000	11,009,000	11,230,000	11,249,000	11,361,000
0021	Real Estate Tax Deferral	200,000	200,000	200,000	200,000	200,000
0025	Land Redemption	979,000	869,000	801,000	760,000	736,000
0160	Real Estate Penalties	939,000	1,046,000	1,129,000	1,210,000	1,307,000
	Total Real Estate	275,737,000	305,826,000	329,204,000	351,993,000	379,255,000
	Personal Property Taxes-Ind.	68,156,000	73,863,000	80,153,000	87,081,000	94,709,000
	Business Tangible	10,349,000	10,763,000	11,193,000	11,641,000	12,106,000
	AOL, Both Tangible & C&P	2,293,000	5,626,000	4,500,000	4,500,000	4,500,000
0071	Subtotal	80,798,000	90,252,000	95,846,000	103,222,000	111,315,000
0072	P/P – Prior Year	74,000	75,000	75,000	75,000	75,000
0081	P/P Tax Deferral	1,583,000	(1,384,000)	(1,366,000)	(1,366,000)	(1,366,000)
0170	P/P Penalties	1,374,000	1,534,000	1,629,000	1,755,000	1,892,000
	Total Personal Property	83,829,000	90,477,000	96,184,000	103,686,000	111,916,000
0210	Local Sales Tax	35,529,000	37,613,000	39,973,000	42,404,000	44,946,000
0220	Consumer Utility Tax	19,609,000	21,042,000	22,963,000	25,232,000	27,936,000
0235	BPOL Taxes	13,730,000	14,563,000	15,463,000	16,397,000	17,380,000
0510	Investment Income	8,573,000	9,983,000	10,727,000	10,917,000	11,126,000
0140	Interest On Taxes	2,060,000	2,298,000	2,470,000	2,651,000	2,862,000
0250	Vehicle Decals – Regular	5,148,000	5,453,000	5,777,000	6,119,000	6,482,000
0260	Recordation Tax	3,315,000	3,524,000	3,745,000	3,980,000	4,230,000
0390	Cable TV Fees	3,262,000	3,474,000	3,686,000	3,907,000	4,138,000
	All Other Revenue Over \$1.5mm	13,785,000	14,749,000	15,678,000	16,657,000	17,712,000
0215	Daily Equipment Rental Tax	187,000	195,000	205,000	215,000	226,000
0230	Bank Franchise Tax	520,000	545,000	571,000	599,000	627,000
0236	BPOL Taxes – Public Service	831,000	871,000	914,000	956,000	1,002,000
0261	Additional Tax On Deeds	1,000,000	937,000	735,000	664,000	664,000
0270	Transient Occupancy Tax	1,065,000	1,185,000	1,314,000	1,498,000	1,654,000
0520	Interest Paid To Vendors	(210,000)	(220,000)	(230,000)	(241,000)	(253,000)
0521	Interest Paid On Refunds	0	0	0	0	0
1301	ABC Profits	637,000	669,000	702,000	737,000	774,000
1302	State Wine Tax	351,000	369,000	387,000	406,000	426,000
1303	Rolling Stock Tax	89,000	93,000	98,000	103,000	108,000
1304	Passenger Car Rental Tax	683,000	717,000	753,000	791,000	831,000
1305	Mobile Home Titling Tax	108,000	113,000	119,000	125,000	131,000
1700	Fed Payment In Lieu Of Taxes	15,000	15,000	15,000	15,000	15,000
Misc.	All Other General Revenue					
	All Other Revenue Under \$1.5mm	5,276,000	5,489,000	5,583,000	5,868,000	6,205,000
	Total All Other Revenue	19,061,000	20,238,000	21,261,000	22,525,000	23,917,000
	Total General Revenue	\$ 456,068,000	\$ 499,742,000	\$ 535,775,000	\$ 573,154,000	\$ 616,476,000

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

GENERAL FUND

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

REAL ESTATE REVENUE

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

Real Estate Taxes - 010/020

The real estate tax is the single largest revenue source for the County. 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 General Assembly. The revenue summary for the general real estate tax applies only to real property assessed locally which includes residential, commercial and industrial, and agricultural and resource land property types. The following tables show a ten-year history of this revenue source and the five-year revenue forecast:

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

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

Revenue History	Tax Rate ¹	Actual Revenue	Percent Change
FY1993	\$ 1.36	\$ 161,257,993	(2.2%)
FY1994	1.36	155,555,991	(3.5%)
FY1995	1.36	157,513,081	1.3%
FY1996	1.36	162,035,845	2.9%
FY1997	1.36	166,236,961	2.6%
FY1998	1.36	173,689,320	4.5%
FY1999	1.36	182,632,874	5.2%
FY2000	1.36	193,691,695	6.1%
FY2001	1.34	208,663,095	7.7%
Current Estimate	Tax Rate	Adopted/Revised Revenue	Percent Change
FY2002 (adopted budget)	\$ 1.30	\$ 224,750,700	6.5%
FY2002 (revised estimate)	1.30	229,857,835	10.2%
Forecast Revenue	Tax Rate	Revenue Estimate	Percent Change
FY2003	\$1.23	\$262,519,000	14.2%
FY2004	1.22	292,702,000	11.5%
FY2005	1.22	315,844,000	7.9%
FY2006	1.21	338,574,000	7.2%
FY2007	1.21	365,651,000	8.0%

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.

Residential Real Estate

The year 2000 produced the healthiest residential real estate market of the last decade in Northern Virginia jurisdictions as well as throughout the nation. Housing values across the country rose faster this year than at any time in the past 12 years. The housing market is reflecting its continued resilience supported by low interest rates, consumer confidence and store of value concerns. Further, declining housing inventories are pushing prices higher. The month's housing supply in January 2002 was the lowest since January of 2001.²

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.

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

1987 - \$1.42

1988 - \$1.30

1989 - 1990 - \$1.38

² Commentary on NAR report, <http://Briefing.com>, Feb. 1, 2002.

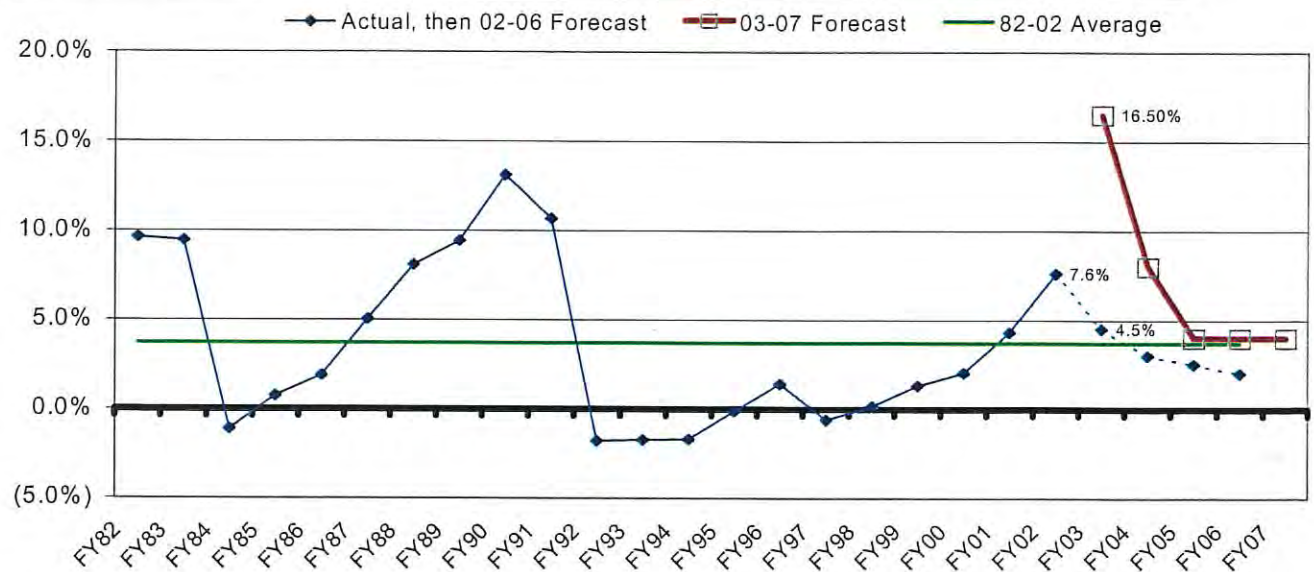
Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Residential Market Value Changes

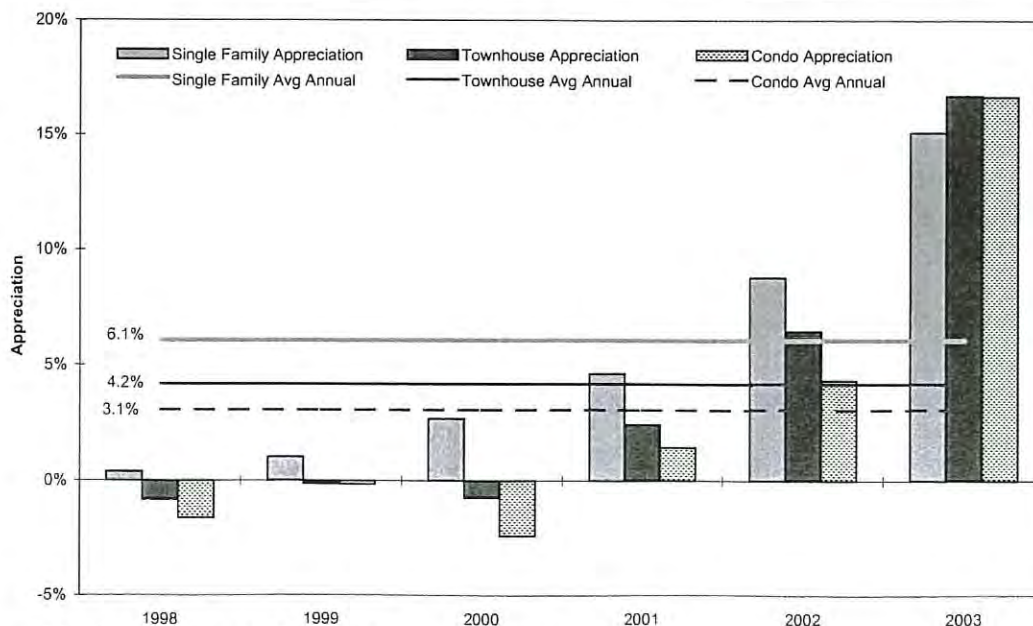
The following chart shows a history of actual residential appreciation (excluding rental apartments) from fiscal year 1982 through fiscal year 2002 and the Committee's estimates thereafter. The actual average from 1982 through 2002 is also reflected:

Figure 1. Overall Residential Appreciation, 1982 - 2007



Appreciation by type of residential unit from calendar year 1996 (realized in FY98 revenue) through calendar year 2001 (realized in FY03 revenue) is shown below:

Figure 2. Residential Appreciation by Unit Type, 1998 - 2003



Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

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

Table 3. Residential Market Value Changes

	Single-Family, Townhouse, and Condominium	Apartments
FY2003	16.5%	12.0%
FY2004	8.0%	4.5%
FY2005	4.0%	3.0%
FY2006	4.0%	3.0%
FY2007	4.0%	3.0%

The regional real estate market had another banner year during 2001. Both sale prices and the volume of sales exceeded prior year levels. Despite the national recessionary economic climate, average monthly sale prices consistently increased during 2001 - even after the terrorist attacks on September 11. In fact, seasonally a slight slowdown of monthly appreciation typically occurring in the third quarter of the calendar year, as in 1999 and 2000, yet is clearly absent in 2001. Most real estate industry experts hardly expected 2001 activity to surpass market activity during 2000. The question remains: when will it end? Stephen Fuller concludes that the Washington-Metro area has a chronic need for housing that is not being met for various reasons, notwithstanding transportation issues. Simply, in the Washington-Metro area the demand for homes exceeds the supply.³

Residential properties in Prince William County appreciated 16.5% overall from the prior year with a range of 8% to 25% within different market areas. Single family, townhouse, and condominium properties all showed average appreciation between 15% and 17% county-wide. This is a significant departure from prior years when townhouse and condominium appreciation lagged significantly behind single family homes. Not only are sale prices higher, but the number of sale transactions is greater. According to the Northern Virginia Association of Realtors, sales volume increased in the County by 16% during calendar year 2001, while the average number of days on the market decreased from an average of 41 days in 2000 to 29 days in 2001.

The residential appreciation of 16.5% in Prince William County is consistent with other Northern Virginia jurisdictions where the expected average appreciation rates range from 10% to 25%:

³ Stephen R. Fuller, *Forecasting the Greater Washington Economy: 2002*, The Mason Enterprise Center and The Center for Regional Analysis, January 24, 2002.

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Table 4. Comparison of Estimated Residential Market Value Changes from 2001 to 2002

	Prince William County	Stafford County	Fairfax County	Loudoun County ⁴
All Residential, excluding apartments	16.5%	15.0%	15.0%	10.0% to 25.0%

The forecast for residential appreciation beyond fiscal year 2002 reflects these market insights. Appreciation is expected to moderate to a rate of 8% in fiscal year 2004 and 4% per year in fiscal years 2005 through 2007. The Revenue Committee expects demands for homes to continue, but not at levels equal to those in fiscal year 2003: rather, appreciation will gradually decline to levels that resemble long-range annual averages.

Apartments Market Value Change

The Real Estate Assessments Office estimates that the favorable conditions in the County's apartment market translate into an average increase in market value of approximately 12% for fiscal year 2003. This increase is largely attributable to higher apartment rents. Taking into consideration the expected small increases in vacancy beyond calendar 2001, appreciation is estimated to continue at a lesser rate of approximately 4.5% in fiscal year 2004, and 3% per year in fiscal years 2005 through 2007.

Residential New Construction Units

Growth is defined as the change in assessed value due to the subdivision of land and the construction of new residential units. Construction taking place in one calendar year affects real estate revenues two fiscal years later. For example, construction that occurs in calendar year 2001 affects revenues beginning in fiscal year 2003. The following table summarizes the expected number of newly constructed residential units during the forecast period, and the previous three year's activity:

⁴ County of Loudoun News Release, 2002 Real Property Assessments Being Finalized; Notices Redesigned. Dec. 14, 2001

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Table 5. Residential Growth – Number of Units

	Total Residential and Apartments	Single- Family	Townhouse	Condominium	Apartments
FY2000(a)	3,133	1,536	889	182	526
FY2001(a)	3,086	2,162	848	76	0
FY2002(a)	3,659	2,315	1,086	18	240
FY2003	4,883	3,020	928	35	900
FY2004	3,575	2,500	800	25	250
FY2005	3,305	2,300	700	25	100
FY2006	3,275	2,300	700	25	250
FY2007	3,275	2,300	700	25	250

(a) - actual

Construction of approximately 4,000 new owner-occupied residential units was completed during calendar year 2001 which will generate new revenues in fiscal year 2003, as shown above. In addition to the greatest number of residential units completed in 10 years, other trends have become evident. The number of new townhouses completed was lower than the previous year, while the number of single family homes completed was significantly greater. This shift is attributed to the current development trend toward small-lot village style detached units (single family detached homes on townhouse sized lots). In addition, fewer condominium units have been constructed in recent years, while the number of apartment units completed has increased significantly to 900 units completed in 2001. These trends are expected to continue throughout the forecast period.

Residential Values Per New Unit

In December 2001, the average sale price of a home in the greater Northern Virginia region was \$288,127, according to statistics compiled by the Northern Virginia Association of Realtors. That figure includes Fairfax, Arlington, Prince William, Loudoun and Fauquier Counties, the cities of Alexandria, Falls Church and Fairfax, and the towns of Vienna, Herndon and Clifton.⁵ Calendar year 2001 activity for the County shows an average sale price of a new home to be \$284,347.

The forecast for residential appreciation of new units is based on FY03 value increased at the same rate of appreciation as existing units.

⁵ "Program to make buying first home more affordable", *Fairfax Journal*, Jan. 23, 2002, p.4.

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Table 6. New Residential Assessed Value per New Unit

	Overall Residential (Excluding Apts.)	Single- Family	Townhouse	Condominium	Apartment
FY2000(a)	\$181,000	\$223,000	\$126,000	\$100,000	\$50,000
FY2001(a)	209,062	237,970	143,776	115,178	60,000
FY2002(a)	232,577	268,562	157,537	131,916	64,300
FY2003	284,347	314,109	192,196	159,574	61,700
FY2004	306,282	339,200	207,600	172,300	64,500
FY2005	301,732	352,800	215,900	179,200	66,400
FY2006	332,456	366,900	224,500	186,400	68,400
FY2007	345,778	381,600	233,500	193,900	70,500

(a) - actual

Commercial Real Estate

Nationally, the commercial real estate boom of 2000 is decelerating, but unlike past slowdowns, this one is “looking like a ride along a plateau”.⁶ During calendar year 2001 in Prince William County, each of the commercial sectors experienced overall higher rental rates and stabilized vacancy rates. The average change in commercial assessed value is forecast at 6.8% in fiscal year 2003, 5% in fiscal year 2004 and 3% per year in fiscal years 2005 to 2007. Average assessed values per square foot in fiscal year 2003 are determined based on the added building value resulting from new construction that was completed during calendar year 2001.⁷ These unit values are then adjusted to reflect the general appreciation of commercial properties during the remainder of the forecast period.

Table 7. Commercial Market Value Changes

	Commercial
FY2000(a)	2.1%
FY2001(a)	1.8%
FY2002(a)	9.7%
FY2003	6.8%
FY2004	5.0%
FY2005	3.0%
FY2006	3.0%
FY2007	3.0%

(a) - actual

Commercial properties are categorized into five property types: retail, office, hotel, industrial, and technology services. In fiscal year 2003, growth of more than 1.4 million square feet of commercial/industrial space is estimated—a 77% increase in square footage completed in the

⁶ “Commercial Real Estate Boom Cools”, *The Wall Street Journal*, June 22, 2000, p.A-2.

⁷ 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.

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

previous year. In later years of the forecast growth is estimated between 800,000 and 1 million square feet. Approximately one third of commercial/industrial square feet completed during 2001 was within the retail sector.

Retail

A large portion of retail growth was the completion of the new IKEA store at Potomac Mills Mall which added approximately 300,800 square feet. Approximately half of the commercial/industrial tax base is within the retail sector showing average appreciation rates up to 16%. Approximately half of retail value is comprised of shopping centers which appreciated on average approximately 10%.

The value per square foot of technology services properties is expected to remain essentially flat during the forecast period.

Table 8. Commercial New Construction Value per Square Foot

	Retail	Office	Hotel	Industrial	Technology Services
FY2000(a)	\$ 49	\$66	n/a	\$37	n/a
FY2001(a)	118	84	11	44	351
FY2002(a)	90	66	80	46	195
FY2003	75	72	91	41	293
FY2004	82	79	100	45	295
FY2005	88	84	107	48	295
FY2006	92	89	112	50	295
FY2007	95	91	115	52	295

Table 9. New Commercial Construction Square Footage

	Total Commercial	Retail	Office	Hotel	Industrial	Technology Services
FY2000(a)	635,175	475,680	50,995	0	108,500	0
FY2001(a)	1,354,470	573,618	63,664	59,904	429,819	227,465
FY2002(a)	790,294	137,778	199,213	195,085	258,218	0
FY2003	1,401,298	448,838	95,849	96,610	512,448	247,553
FY2004	989,800	400,000	200,000	80,000	200,000	109,800
FY2005	830,000	400,000	200,000	80,000	150,000	0
FY2006	916,400	400,000	200,000	80,000	150,000	86,400
FY2007	1,000,000	400,000	200,000	250,000	150,000	0

(a) - actual

Industrial

Industrial growth added over 500,000 square feet to the commercial/industrial base. Within the industrial category, approximately three quarters of the square footage added was for warehouse use. One self-storage facility was completed containing 57,600 square feet. Again during 2001, the supply of industrial land was being absorbed with new construction concentrated in the western part of the county and driving up market prices. Approximately

Revenue Summary

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half of the commercial/industrial tax base was within the retail sector showing average appreciation rates up to 16%.

Hotels

Two new hotels were completed during 2001. The 56 room Sleep Inn is located on Route 1 in Dumfries and Comfort Suites containing 138 rooms is located on Williamson Blvd. in Manassas.

The hotel/motel sector showed moderate levels of appreciation during 2001 as daily room rates continued to increase. Although occupancy levels generally decreased around the time of the terrorist attacks, the mid-range and economy class hotels within the County were impacted to a lesser degree than most luxury and full-service hotels located throughout Northern Virginia.

The increase in hotel growth in fiscal year 2007 is attributable to the proposed hotel and conference center planned at Belmont Town Center.

Office Buildings

Five new office buildings were completed in 2001 for a total of 95,849 square feet. The four new low-rise office buildings range in size from 20,000 to 46,000 square feet. One new medical office building located at Tackett's Mill in Woodbridge contains 8,560 square feet. Appreciation within the office building sector is largely attributed to higher rents and very low vacancy rates.

Technology Services

"Spillover effects" from increased federal expenditures in the technology sector are forecast for the Washington-Metro area, thereby creating about 20,000 net new jobs. There are effective options for those outplaced in the IT&T sector in the large federal contract and professional services industries. The Biotech sector of technology is forecast to have the largest growth at 2%. The Washington-Metro minimally attracts this sector when compared with other regions and the Nation.⁸ However, the Economic Development Department did succeed in bringing a Biotech firm to a 1,000 square foot office in Tackett's Mill.

In Prince William County, market values of technology services properties remained constant for fiscal year 2003. The forecast for growth in this category is based on actual information in the Finance Department. Two new technology services buildings were completed in 2001: AOL II containing 227,465 square feet, located on Linton Hall Road. Secondly, New Skies Network containing 20,088 square feet, located in Gainsford Industrial Park in Gainesville.

⁸ Forecasting the Greater Washington Economy: 2002, The Mason Enterprise Center and The Center for Regional Analysis, p. 57 and Figure 13.

Revenue Summary

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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, the forecast revenue in table 7.

Exonerations are decreases in revenue due to reductions in the assessments, changes in tax liability, or tax relief programs. Reductions in the assessments are typically caused by appeals of the 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 for the Elderly and Disabled Program. For the past three years (FY99 through FY01), the average real estate exonerations rate as a percent of the gross billings was 1.01%, and therefore the forecast for exonerations is 1.0% of gross billings.

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.

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Table 10. Revenue Summary – Public Services Taxes – 041

Revenue History	Tax Rate	Actual Revenue	Percent Change
FY1993	\$1.36	\$10,620,707	5.6%
FY1994	1.36	10,860,738	2.3%
FY1995	1.36	11,328,276	4.3%
FY1996	1.36	11,358,462	0.3%
FY1997	1.36	11,229,547	(1.1%)
FY1998	1.36	11,293,854	0.6%
FY1999	1.36	11,804,605	4.5%
FY2000	1.36	11,857,804	0.4%
FY2001	1.34	11,762,173	0.8%
Current Estimate		Adopted/Revised Revenue	Percent Change
FY2002 (adopted budget)	\$1.31	\$11,751,000	(0.09%)
FY2002 (revised estimate)	1.30	11,537,836	(1.9%)
Forecast Revenue		Revenue Estimate	Percent Change
FY2003	\$1.23	\$11,100,000	(3.8%)
FY2004	1.22	11,009,000	(0.8%)
FY2005	1.22	11,230,000	2.0%
FY2006	1.21	11,249,000	0.2%
FY2007	1.21	11,361,000	1.0%

Historically, all market value changes within the Public Service classification have been attributable to new construction (growth). Growth is forecast to be minimal, thus the increase in value is forecast at 0%. Revenue, however, will decrease as the tax rate reductions are effected. Public service market values are not subject to the same changes as other real estate properites.

Dominion Generation plans to complete construction of a combined-cycle electric generation unit in May 2003 at its Possum Point Power Station. The new environmentally cleaner, higher efficiency unit will replace two coal burning units and two fuel burning units. The estimated cost of the project is \$280 million. The 2000 assessed value of the existing generating equipment is \$230 million. At this time, it is not known how much of the \$280 million cost will be attributable to real property or personal property. If completed in May 2003, this project would add assessable value for FY05 revenue year. The completion of the Dominion Generation project is forecast to bring an increase of 2% in FY05.

Table 11. Public Service – Changes in Assessed Value

	FY03	FY04	FY05	FY06	FY07
Public Service Growth	0.0%	0.0%	2.0%	1.0%	1.0%

Revenue Summary
General Fund Non-Agency Revenue FY 03 through FY 07
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 in unpaid real estate taxes is recorded as revenue in real estate tax deferral.

If the 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 in unpaid real estate taxes is recorded as negative revenue in real estate tax deferrals. Real estate taxes collected after becoming more than three years delinquent are accounted for as land redemption revenue.

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

Revenue History	Actual Revenue	Percent Change
FY1993	\$ 1,773,208	127.8%
FY1994	1,168,780	(34.1%)
FY1995	1,644,285	40.7%
FY1996	(176,381)	(110.7%)
FY1997	150,000	185.0%
FY1998	440,000	780.0%
FY1999	(1,421,000)	(273.7%)
FY2000	928,212	141.0%
FY2001	1,467,386	58.0%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2002 (adopted budget)	\$ 200,000	(86.0%)
FY2002 (revised estimate)	200,000	(86.0%)
Forecast Revenue	Revenue Estimate	Percent Change
FY2003	\$ 200,000	0%
FY2004	200,000	0%
FY2005	200,000	0%
FY2006	200,000	0%
FY2007	200,000	0%

The forecast includes the initiative approved by the Board of County Supervisors on December 10, 1996 to decrease the percentage of unpaid property taxes at fiscal year 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 unpaid property tax as percent of the levy was revised to 5.5% by FY 2005. At the end of FY 2001, the percentage of unpaid property taxes compared to the FY 2001 levy was 7.7%.

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

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

Revenue Summary
General Fund Non-Agency Revenue FY 03 through FY 07
Land Redemption – 025

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

Table 13. Revenue Summary - Land Redemption – 025

Revenue History	Actual Revenue	Percent Change
FY1993	\$ 231,080	185.1%
FY1994	430,826	86.4%
FY1995	1,241,860	188.3%
FY1996	992,773	(20.1%)
FY1997	1,647,446	65.9%
FY1998	696,355	(57.7%)
FY1999	2,012,300	188.9%
FY2000	1,278,836	(36.4%)
FY2001	718,462	(44.0%)
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2002 (adopted budget)	\$1,300,000	81.0%
FY2002 (revised estimate)	1,000,000	39.0%
Forecast Revenue	Revenue Estimate	Percent Change
FY2003	\$ 979,000	(2.1%)
FY2004	869,000	(11.3%)
FY2005	801,000	(7.7%)
FY2006	760,000	(5.1%)
FY2007	736,000	(3.2%)

This revenue category varies depending on the amount of unpaid taxes three years and older, and the level of success in foreclosure efforts. Because many of these taxes will not be paid until the property sells, future estimates depend on the successful completion of a number of outstanding and projected new tax foreclosure actions. For fiscal year 2003 to fiscal year 2007, the estimate assumes the successful completion of tax foreclosure sales for properties as they become eligible for this collection method with 40% of the prior year's unpaid land redemption taxes collected annually. Unpaid land redemption taxes, at the end of each fiscal year, are as follows:

Table 14. Unpaid Land Redemption Taxes

FY2002	\$2,448,000
FY2003	2,169,000
FY2004	2,001,000
FY2005	1,901,000
FY2006	1,840,000

Revenue Summary
General Fund Non-Agency Revenue FY 03 through FY 07
Real Estate Penalties – 160

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

Table 15. Revenue Summary - Real Estate Penalties – 160

Revenue History	Actual Revenue	Percent Change
FY1993	\$1,527,219	(14.7%)
FY1994	1,154,055	(24.4%)
FY1995	879,717	(23.8%)
FY1996	774,921	(11.9%)
FY1997	819,867	5.8%
FY1998	931,469	13.6%
FY1999	1,044,940	12.2%
FY2000	1,012,047	(3.1%)
FY2001	767,409	(24.0%)
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2002 (adopted budget)	\$1,115,000	45.0%
FY2002 (revised estimate)	800,000	4.2%
Forecast Revenue	Revenue Estimate	Percent Change
FY2003	\$ 939,000	17.4%
FY2004	1,046,000	11.4%
FY2005	1,129,000	7.9%
FY2006	1,210,000	7.2%
FY2007	1,307,000	8.0%

Revenue is estimated by applying a fixed percentage based on average experience over the past few years with real estate penalties.

Revenue Summary

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PERSONAL PROPERTY REVENUE

The personal property tax is assessed on vehicles, mobile homes and business personal property. Motor vehicles, trucks and motorcycles generate 82% of personal property tax revenue. Trailers and motor homes generate 1% of personal property tax revenue. The remaining 17% is received from taxes levied on business equipment.

Certain classifications of property do not generate a tax bill because of their extremely low rate, such as farm equipment, vehicles that qualify for elderly tax relief, vanpool vans, handicapped-equipped vehicles, and vehicles used by volunteers to answer fire and rescue 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.

Personal Property Tax on Vehicles - 071/079/1308

The tax on motor vehicles is prorated by the number of months the vehicle is located within the County. Generally, the assessed value of taxable vehicles is obtained from standard pricing guides. The County uses the trade-in value published in the National Automobile Dealers Association (NADA) value guide for new and older vehicles.⁹

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

Revenue History	Actual Revenue	Percent Change
FY1993	\$ 30,548,000	(3.0%)
FY1994	33,293,078	9.0%
FY1995	37,788,732	13.5%
FY1996	42,975,207	13.7%
FY1997	48,272,222	12.3%
FY1998	50,295,580	4.2%
FY1999	53,148,925	5.7%
FY2000	58,599,068	10.3%
FY2001	63,330,776	8.0%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2002 (adopted budget)	\$ 71,010,400	12.1%
FY2002 (revised estimate)	74,500,000	17.6%
Forecast Revenue	Revenue Estimate	Percent Change
FY2003	\$ 80,798,000	8.5%
FY2004	90,252,000	11.7%
FY2005	95,846,000	6.2%
FY2006	103,222,000	7.7%
FY2007	111,315,000	7.8%

⁹ NADA appraisal guides have been used for over 67 years. Values are derived from the sales records collected for each vehicle. Once this data is processed, NADA editors analyze current market conditions pertaining to each vehicle to determine accurate fair market values. NADA works independently of any third party special interest group to arrive at the most accurate, reliable, unbiased vehicle values in the industry. All localities in Virginia use NADA as their primary valuation guide for cars and SUV's. (1999 Tax Rates, Weldon Cooper Center for Public Service, University of Virginia, 18th ed., p. 92).

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Individual Personal Property Tax

A portion of the tax due on most personal use vehicles is paid directly to the County under the Personal Property Tax Relief Act (PPTRA). In the tax year 2001, the state paid the County 70% of the tax due on the first \$20,000 of assessed value for qualified vehicles. When the taxpayer has paid his portion of the tax in full, the County submits a request to the state for the balance of the tax bill. Since PPTRA simply splits the payment of the tax between the individual taxpayer and the state, it has no direct effect on the estimate of personal property taxes.

The estimate for personal property tax revenue from vehicles is based on two drivers:

1. The percentage increase in the average assessed value per vehicle, and
2. The percentage change in the number of units billed.

Percentage Increase in the Average Assessed Value per Vehicle

The average assessed value per vehicle increased by 4.5% between fiscal year 2001 and fiscal year 2002. The basis for the FY 2003 forecast is 5.5%, the average of the past two years. The economic characteristics that influenced the growth in the last two years are expected to continue into fiscal year 2003:

- Strong auto sales due to incentive offers
- higher than average growth in housing units in the County
- a trend toward higher-valued new home construction whose residents tend to own higher valued vehicles.

Auto sales are not expected to continue at the record breaking pace of calendar year 1999, 2000, and 2001.

In fiscal years 2004 through 2007, the forecast uses the lowest value of the three-year trend since the overall economic trend is expected to remain stable. However, the low value is still a fairly robust increase driven not so much by continuing near-record auto sales, but more by the forecast of at least 3,000 new housing units each year. As shown in table 8, the new residential units have been of an increasingly higher value, and a higher value than the existing housing unit average. These new units are bringing more vehicles per unit at higher values than the average for existing housing units.

Change in Number of Vehicles Billed

The average percentage change in the number of units billed increased by 5.93% between fiscal year 2001 and fiscal year 2002. Over the prior three years, the increase has averaged 7.16%, ranging from a low of 5.93% to a high of 8.86%. The low of this range is used as the basis for the forecast. The average of 7.16% includes the record breaking auto sales year of

Revenue Summary

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2000. Eliminating this anomaly, the two remaining years in the three year trend are fairly close together.

Table 17. Percent Increase in Average Assessed Value per Vehicle

FY2000(a)	3.6%
FY2001(a)	6.3%
FY2002(a)	4.5%
FY2003	5.5%
FY2004	3.6%
FY2005	3.6%
FY2006	3.6%
FY2007	3.6%

(a) - actual

Table 18. Percent Change in Number of Billed Vehicles

FY2000(a)	6.7%
FY2001(a)	8.9%
FY2002(a)	5.9%
FY2003	5.9%
FY2004	5.9%
FY2005	5.9%
FY2006	5.9%
FY2007	5.9%

(a) - actual

Housing Units

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

Table 19. Housing Units

	Units
FY2003	102,372
FY2004	105,947
FY2005	109,252
FY2006	112,527
FY2007	115,802

Business Personal Property Tax

The business portion of the personal property tax is levied on all general office furniture and equipment, machinery and tools, equipment used for research and development, heavy construction equipment, and computer equipment located in the County as of January 1st of

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

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 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 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, 40% the second year, 30% the third year, 20% the fourth year, and 10% the fifth and subsequent years.

General business equipment and heavy equipment account for 64% and 16% of taxes on business equipment respectively.

Each of the three categories of business equipment grew in taxable value between fiscal years 2001 and 2002. Heavy equipment grew only slightly in taxable value, while general business equipment grew by nearly 11%. The taxable value of computer equipment grew substantially, increasing by over 500%.

Computer equipment represented 4% of taxes levied on business equipment in fiscal year 2001. Computer equipment currently accounts for 20% of all taxes levied on business equipment. The change is due to the location of AOL's technology center facility in the County. The computer assets located in the facility were first taxable in fiscal year 2002.

For the forecast period taxes from business equipment are expected to increase by 4.14%: the average increase for the three prior years.

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.

Revenue Summary

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Table 20. Revenue Forecast - Personal Property Prior Year – 072

Forecast Revenue	Revenue Estimate	Percent Change
FY2003	\$74,000	(26.0%)
FY2004	75,000	1.0%
FY2005	75,000	0%
FY2006	75,000	0%
FY2007	75,000	0%

Personal Property Deferrals – 081

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

If the 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 in unpaid personal property taxes is recorded as negative revenue in personal property tax deferrals.

Table 21. Revenue Summary - Personal Property Deferrals – 081

Revenue History	Actual Revenue	Percent Change
FY1993	\$ (715,496)	35.4%
FY1994	(313,000)	56.3%
FY1995	(1,132,000)	(261.7%)
FY1996	176,000	115.5%
FY1997	(1,150,000)	(753.4%)
FY1998	1,160,000	212.2%
FY1999	(1,805,000)	40.0%
FY2000	(15,000)	(99.1%)
FY2001	2,027,000	134.0%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2002 (adopted budget)	\$ 1,800,000	(11.0%)
FY2002 (revised estimate)	1,800,000	4.0%
Forecast Revenue	Revenue Estimate	Percent Change
FY2003	\$ 1,583,000	(12.1%)
FY2004	(1,384,000)	(187.4%)
FY2005	(1,366,000)	(1.3%)
FY2006	(1,366,000)	0%
FY2007	(1,366,000)	0%

The forecast includes the initiative approved by the Board of County Supervisors on December 10, 1996 to decrease the percentage of unpaid property taxes at fiscal year as compared to the current year levy from 11% in FY 1996 to 6% in FY 2003. With the adoption

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

of the FY 2002 budget, additional collection resources were provided to the Finance Department and the unpaid property tax as percent of the levy was revised to 5.5% by FY 2005. At the end of FY 2001, the percentage of unpaid property taxes compared to the FY 2001 levy was 7.7%.

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 end of one year compared to previous year due to:

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

Personal Property Penalties - Current Year – 170

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

Table 22. Revenue Summary - Personal Property Penalties - Current Year – 170

Revenue History	Actual Revenue	Percent Change
FY1993	\$ 912,517	(10.2%)
FY1994	914,986	0.3%
FY1995	1,072,323	17.2%
FY1996	1,205,980	12.5%
FY1997	1,465,331	21.5%
FY1998	1,437,635	(1.9%)
FY1999	1,088,512	(24.3%)
FY2000	1,167,455	7.2%
FY2001	1,327,065	13.7%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2002 (adopted budget)	\$1,223,100	(8.0%)
FY2002 (revised estimate)	1,500,000	13.0%
Forecast Revenue	Revenue Estimate	Percent Change
FY2003	\$1,374,000	(8.4%)
FY2004	1,534,000	11.6%
FY2005	1,629,000	6.2%
FY2006	1,755,000	7.7%
FY2007	1,892,000	7.8%

Personal property penalties have averaged 2.6% of the estimated gross personal property tax revenue (071/079). Personal property penalties as a percent of gross personal property revenue is expected to drop to 2.0% in fiscal year 2002 and 1.7% for fiscal year 2003 and the remaining forecast period.

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The reduction is from the impact of the Personal Property Tax Relief Act. As the percentage of tax relief increased over the prior 3 years, the percent of bills paid on time increased as well. The result is that penalty revenue as a percent of taxes billed has decreased.

LOCAL SALES TAX REVENUE

Local Sales Tax - 210

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

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

The four incorporated towns in the County share in the local sales tax based on the ratio of school age population in the towns to the school age population of the entire County, from the latest state-wide school census. The current formula deducts 1.23% from the County's gross tax to be sent to the four towns. Thus, the County realizes 98.77% of the monthly sales taxes collected.

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Table 23. Revenue Summary - Local Sales Tax – 210

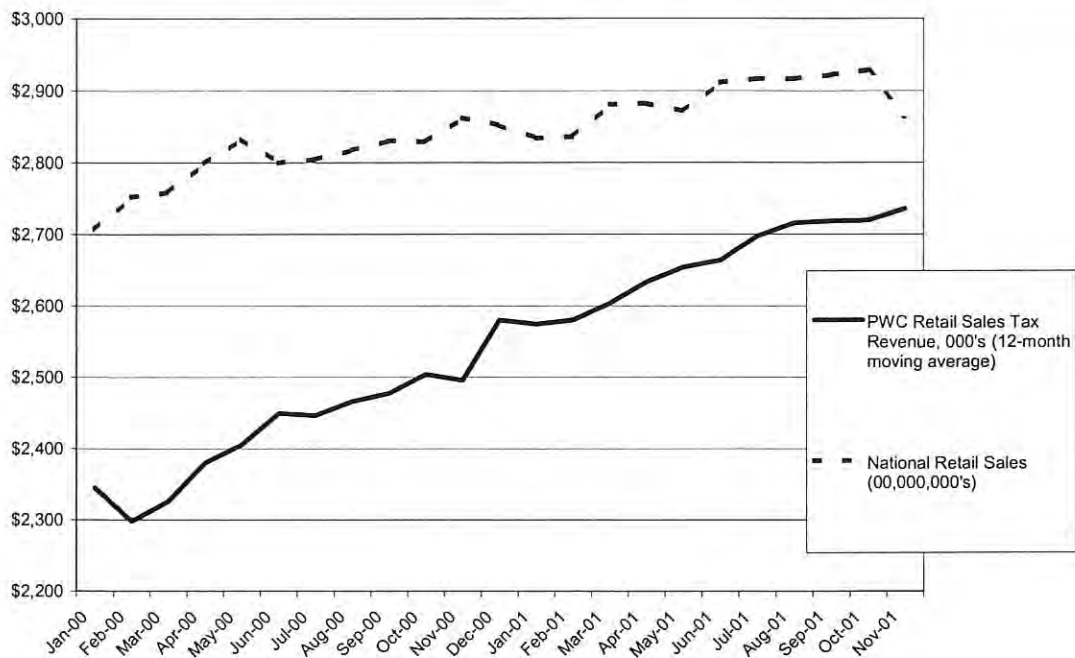
Revenue History	Actual Revenue	Percent Change
FY1993	\$17,427,177	8.3%
FY1994	19,829,867	13.8%
FY1995	21,547,645	8.7%
FY1996	21,913,545	1.7%
FY1997	23,496,367	7.2%
FY1998	24,569,784	4.6%
FY1999	26,498,998	7.9%
FY2000	29,036,130	9.5%
FY2001	31,603,038	8.8%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2002 (adopted budget)	\$31,387,000	(1.0%)
FY2002 (revised estimate)	33,721,154	6.7%
Forecast Revenue	Revenue Estimate	Percent Change
FY2003	\$35,529,000	5.4%
FY2004	37,613,000	5.9%
FY2005	39,973,000	6.3%
FY2006	42,404,000	6.1%
FY2007	44,946,000	6.0%

Prince William County's recent experience with sales tax has been different than that of the nation, as shown in the following chart:

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Figure 3. Sales Tax Revenue as Compared to the Nation¹⁰



Prince William County's experience with sales tax has also been different from that of other nearby local governments. During this period of recession, and especially since the September terrorist attacks, many of the surrounding jurisdictions have experienced decreased sales tax revenues. For example: Fairfax County's sales tax revenue from July through November was 7.4% lower than the same period in the prior year, and their November 2001 receipts were 13% lower than in November 2000. Other Northern Virginia jurisdictions' sales tax from June through September were all lower by these percentages compare to the same period in the prior year:

Table 24. Sales Tax Decrease in Neighboring Jurisdictions¹¹

	Increase/(Decrease)
Fairfax County	(7.7%)
Alexandria	(1.6%)
Arlington	(8.6%)
Fairfax City	(11.8%)
Loudoun County	(3.1%)

Prince William County is the only Northern Virginia jurisdiction with positive growth in sales tax receipts in the first half of FY2002. Further, to date, the County's sales tax is growing at an average of 7% over the prior year. Information to date shows the Christmas season for the County to be about 8% over the prior season, again, defying national trends.

¹⁰ <http://www.census.gov/mrts/www/data/html/nsa101.htm>, Feb. 1, 2002.

¹¹ Virginia Department of Taxation, Sales Tax Report, <http://www.tax.state.va.us/publications.htm>

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

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

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

Several of the other nearby jurisdictions' sales tax revenues are believed to have been affected by:

- the "crash" in the high tech sector during the past year,
- travel and tourism related business activities such as hotels and restaurants, heavily damaged by the effects on peoples' travel activities after the terrorist attacks, and
- economic uncertainties generated by many independent factors.

In the FY2003 forecast, retail sales tax revenue was increased over the prior year by the increase in population growth, plus the increase in inflation. Consumer Confidence was subjectively considered, but not part of the forecast equation. Population is determined by the increase in housing units for the forecast period.

Consumer Price Index - Rate of Change

The Consumer Price Index, or CPI, is the most widely used measure of inflation. Generally, the CPI represents change in the price of all goods and services purchased for consumption by urban households.

CPI is an indicator of the effectiveness of government policy, including monetary policy and Federal Reserve Board actions.¹² Setting the right monetary policy ensures that enough capital is available to sustain economic growth without inflation.¹³ In addition, business executives, labor leaders and other private citizens use the index as a guide in making economic decisions. CPI is used as a deflator of other data in order to see the real value of a good or service.¹⁴

The following is a history of the change in CPI by fiscal year including the projections in the Revenue Forecast:

¹² Ibid.

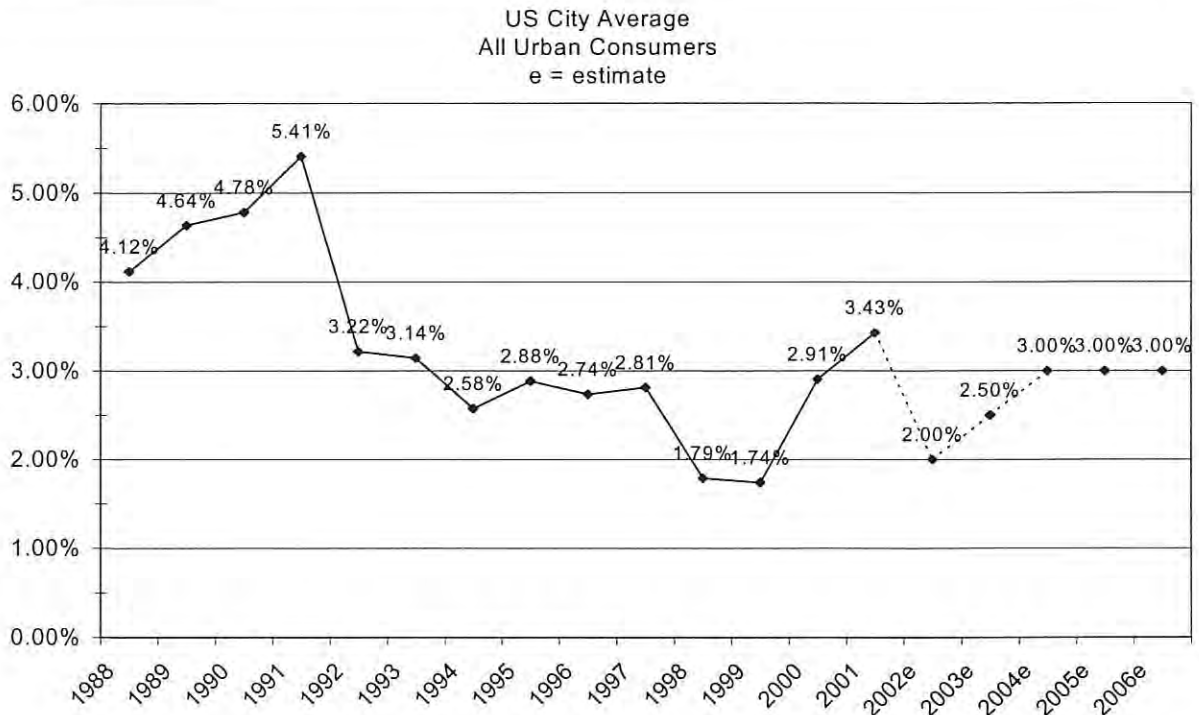
¹³ Federal Reserve Bank of Richmond website, [<http://www.rich.frb.org/generalinfo/system/>], Jan 20, 2001.

¹⁴ Bureau of Labor and Statistics website, [<http://stats.bls.gov/cpihome.htm>], Jan. 20, 2001.

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Figure 4. Change in CPI by Fiscal Year from 1988 – 2006¹⁵



The Federal Reserve's monetary policies have clearly demonstrated the central bank's resolve and success keeping upward price pressures in check. The CPI decreased in 2001 as a result of the Federal Reserve's actions to hold interest rates and inflation to low levels and as a result of manufacturers cutting prices to drop inventories during the recession period.

Once beyond this mild recession, consumer prices should resume their trend of modest, restrained growth throughout the five-year forecast period. This forecast is consistent with economic research firms forecasting inflation. The FY2003 forecast projects CPI rates at approximately 2.0% and 2.5% in FY2002 and FY2003 respectively, with rates gradually increasing to 3% and remaining there over the balance of the five year period. The later year's estimate of CPI at 3% is based on an expectation of gradual steady economic improvement in the remaining period. As this is written, energy costs are at much lower levels than during the prior year, the stock market is uncertain but appears to be stabilizing, war conditions persist, and consumer and business spending patterns are changing, all of which are factors that could affect the future CPI levels.

¹⁵ Bureau of Labor and Statistics, <http://stats.bls.gov/cpihome.htm>, Jan. 31, 2002. Monthly data retrieved and calculated on a fiscal year basis in the PWC Finance Department.

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Population Growth

The other factor included in the retail sales tax estimate base is the change in the population in the County. The five year projection includes population increases ranging from approximately 9,990 to 14,685 new residents in each year of the projection period (population changes are expected to decline slowly over the five year period as new units are added, but at a lower rate). This is a significant level of growth and has a definite impact on sales tax growth.

Table 25. Population Growth

Fiscal Year	Population Growth	Percent Change
FY2003	14,685	5.36%
FY2004	11,252	5.87%
FY2005	9,990	6.28%
FY2006	10,290	6.08%
FY2007	10,290	5.99%

CONSUMER UTILITY REVENUE

Consumer Utility Tax - 220

The County levies a consumer utility tax on wired telephone service, electric, and natural gas utilities (the County does not tax water/sewer usage). The Code of Virginia, as amended in 2000, requires the County to amend its existing ordinance effective January 1, 2001 to convert its existing tax on purchasers of natural gas and electricity from a dollar-based tax to a consumption-based tax. The tax rate should maintain annual revenues being received by localities from such tax at the time of conversion from a dollar-based tax to consumption-based tax.

The levy for electricity consumption based on kilowatt hours (kWh)¹⁶ 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)¹⁷ is:

¹⁶ 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.

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

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

The County also levies a consumer utility tax on mobile telephone service: The rate for both residential and commercial customers is 10% on the first \$30 per month of each customer's gross billing; with a maximum charge of \$3 per month.

Since consumer utility taxes are capped, inflation is not considered a driver in the model.

Table 26. Revenue Summary – Consumer Utility Tax – 220

Revenue History	Actual Revenue	Percent Change
FY1993	\$10,856,244	4.0%
FY1994	11,467,271	5.6%
FY1995	11,983,462	4.5%
FY1996	12,394,172	3.4%
FY1997	13,780,132	11.2%
FY1998	14,170,595	2.8%
FY1999	14,702,407	3.8%
FY2000	16,210,493	10.3%
FY2001	17,806,197	9.8%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2002 (adopted budget)	\$16,857,000	(5.3%)
FY2002 (revised estimate)	18,500,000	3.9%
Forecast Revenue	Revenue Estimate	Percent Change
FY2003	\$19,609,000	6.0%
FY2004	21,042,000	7.3%
FY2005	22,963,000	9.1%
FY2006	25,232,000	9.9%
FY2007	27,936,000	10.7%

Previously, consumer utility tax revenue was solely forecast based on anticipated changes in housing units. To estimate residential consumer utility tax revenue, the expected number of housing units for the forecast year is multiplied by the actual amount of revenue per home in the previous year (based on actual data). Occasionally, a percentage increase was included to consider other factors contributing to an increase in revenue not directly attributable to number of housing units. The forecast methodology was reconsidered and revised.

By categorizing four years of gas and electricity receipts into residential and commercial, about 55% of gas and electric payments are from residences and 45% are from businesses. Therefore, the new methodology incorporates four components: (1) a residential component, (2) a commercial component, (3) wired telephones, and (4) wireless phone service.

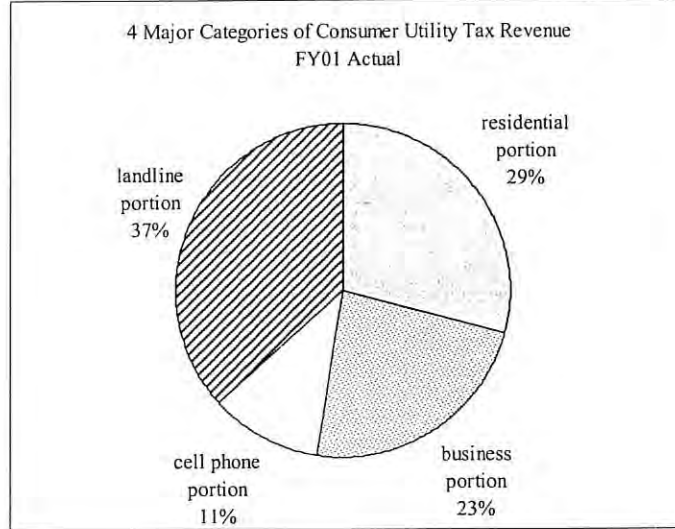
¹⁷ CCF means the volume of gas at standard pressure and temperature in units of 100 cubic feet.

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

The following is a chart showing the relationship between the four major categories of Consumer Utility Tax Revenue:

Figure 5. Major Categories of Consumer Utility Tax



Housing Units

The change in the residential component is based on the number of residential units completed, including apartments. The expected number of housing units for the forecast year is multiplied by the actual amount of revenue per household in the previous year (based on actual data):

Table 27. Housing Units

	Total Units
FY2003	105,947
FY2004	109,252
FY2005	112,527
FY2006	115,802
FY2007	118,927

Number of Businesses

The change in commercial component is based on the 4-year historical average of change in number of businesses as derived from BPOL filings. The filings are provided on a calendar year and therefore adjustments were made to provide fiscal year information for the forecasting model. The following is the number of businesses and percent change over a four-year time period and the 5-year forecast:

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Table 28. Change in Number of Businesses

	Number of Businesses	Change
FY1998(a)	5,416	10.0%
FY1999(a)	5,940	12.0%
FY2000(a)	6,679	4.0%
FY2001(a)	6,913	7.0%
FY2002	7,477	8.0%
FY2003	8,087	8.0%
FY2004	8,746	8.0%
FY2005	9,460	8.0%
FY2006	10,231	8.0%
FY2007	11,066	8.0%

(a) - actual

Percent Change in Wired Revenue

Consumer utility tax forecast also considers two components of telephone tax revenue: (1) wired and (2) wireless. Throughout the 1990's, second phone lines were the rage as more homes added internet access, fax machines and separate phones for work or individual family members. According to the Federal Communications Commission, about 29% of households had second phone lines in 1999, compared to only about 3% in 1988.¹⁸ A 3-year analysis is the basis for the 5-year forecast. Conservative growth at about the rate of increased housing units is utilized in the forecast, versus the historical average:

Table 29. Change in Wired Revenue Activity

	Change
FY1999(a)	8.0%
FY2000(a)	13.0%
FY2001(a)	5.0%
FY2002	(3.0%)
FY2003	5.0%
FY2004	5.0%
FY2005	5.0%
FY2006	5.0%
FY2007	5.0%

(a) - actual

¹⁸ "Callers Cut Off Second Phone Lines for Cellphones and Cable Modems", *The Wall Street Journal*, Nov. 15, 2001, p. C-1.

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Percent Change in Cellular Phone Revenue

A 3-year analysis forms the basis for the 5-year forecast. As the outlook is for a slowdown of growth in the near term and recovery into the future, a conservative estimate of 10% was utilized for FY03, and then increasing 10% a year to 30% as follows:

	Change
FY1999(a)	10.5%
FY2000(a)	43.6%
FY2001(a)	34.7%
FY2002	35.0%
FY2003	10.0%
FY2004	20.0%
FY2005	30.0%
FY2006	30.0%
FY2007	30.0%

(a) – actual

BPOL REVENUE

BPOL Tax Revenue - 235

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

Information for fiscal year 2002 will not be available until April 2002, after our renewal period. The basis for fiscal year 2002 is gross receipts from calendar year 2001. Consequently, forecasting for 2002 gross receipts (FY03) has a one-year lag in which actual prior year figures on which to base an estimate are unavailable.

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Table 31. Revenue Summary - BPOL Tax Revenue – 235

Revenue History	Actual Revenue	Percent Change
FY1993	\$ 5,965,581	12.8%
FY1994	6,412,238	7.5%
FY1995	7,028,822	9.6%
FY1996	7,352,176	4.6%
FY1997	7,250,478	(1.4%)
FY1998	7,952,716	9.7%
FY1999	8,594,470	8.1%
FY2000	10,283,757	19.6%
FY2001	11,806,197	14.8%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2002 (adopted budget)	\$11,126,000	(6%)
FY2002 (revised estimate)	13,000,000	10.1%
Forecast Revenue	Revenue Estimate	Percent Change
FY2003	\$13,730,000	5.6%
FY2004	14,563,000	6.1%
FY2005	15,463,000	6.2%
FY2006	16,397,000	6.0%
FY2007	17,380,000	6.0%

Building and retail represent 70% of business license revenue. Retailers account for 47% and contractors represent 23%. The conditions that affect local sales tax revenue also affect BPOL revenue. Therefore, as in prior years, the forecasted BPOL revenue is increased by the percent increase in local sales tax revenue. Contractors/Developers must purchase building materials and furnishings for homes and commercial buildings in which sales tax is added. As a result of the healthy building and retail sectors for fiscal year 2001, the revenue estimates are higher than in the prior year forecast. The healthy residential market directly affects this estimate.

Revenue Summary
General Fund Non-Agency Revenue FY 03 through FY 07
INVESTMENT INCOME

Investment Income - 0510

Investment income represents interest receipts, interest accrual, and gains or losses from the sale of investments for the County's share of earnings on the "general" cash investment portfolio. The general portfolio consists of those funds that are not restricted. The general fund available cash constitutes approximately 68% of the total pooled investments. All funds are invested in accordance with the County's investment guidelines of legality, safety, liquidity and yield.

Table 32. Revenue Summary - Investment Income – 510

Revenue History	Actual Revenue	Percent Change
FY1993	\$ 7,074,673	0.6%
FY1994	5,709,804	(19.3%)
FY1995	6,545,320	14.6%
FY1996	8,077,038	23.4%
FY1997	7,642,069	(5.4%)
FY1998	8,364,953	9.5%
FY1999	6,788,336	(18.8%)
FY2000	9,479,253	39.6%
FY2001	11,809,529	24.9%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2002(adopted budget)	\$ 8,240,400	(30.0%)
FY2002(revised estimate)	6,900,000	(42.0%)
Forecast Revenue	Revenue Estimate	Percent Change
FY2003	\$ 8,573,000	25.0%
FY2004	9,983,000	16.0%
FY2005	10,727,000	7.0%
FY2006	10,917,000	2.0%
FY2007	11,126,000	2.0%

To forecast investment income, the average portfolio yield is projected, and the current or estimated year's investment revenue is adjusted for the percentage change in the portfolio yield compared to the prior year and the revenue estimate is adjusted for the percentage change in the average portfolio size.

Portfolio Yield

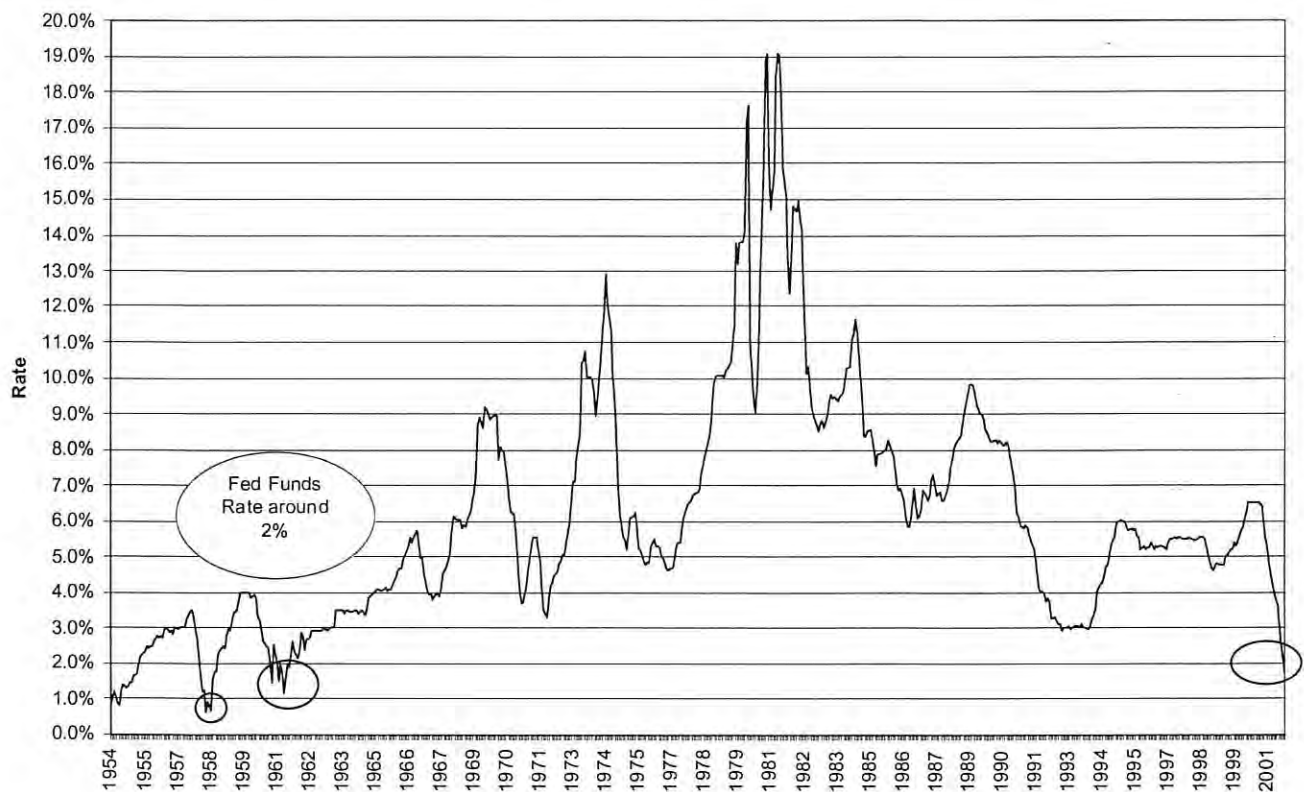
"The Fed's monetary policy was in an exceptionally aggressive easing mode throughout 2001, as an undesired economic recession unfolded, led by a plunge in business profits and capital spending. The Fed began easing quite quickly after forecasts for US GDP for 2001 started moving down significantly. The first rate reduction was a surprise inter-meeting cut of 50 basis points on January 3, 2001. Chairman Greenspan and the FOMC slashed rates 11 times

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

by a total of 475 basis points to 1.75% by mid-December. This was the steepest one year drop in the money-market target rate since the early 1980's, when the absolute level of rates was far higher than today. The Fed's easing last year had two distinct phases. Between early January and mid-August, the FOMC slashed rates to 3.5% from 6.5%, but by summer it had begun to slow the pace of reduction to 25-basis point increments in July and August and some production indicators began to stabilize. After the 9/11 terror attacks, the easing once again turned aggressive, with three separate half-percent cuts over less than eight weeks and a final quarter point trimming in early December."¹⁹ The following is a history of the fed funds rate back to 1954, when the Fed Funds rate was as low as it is currently:

Figure 6. History of Fed Funds Rate by Month



According to Goldman-Sachs, the primary task for the Fed in 2002 is to forestall a fresh slide in consumer and business confidence should the recovery process prove difficult or be aborted for any reason. In a period where the private sector broadly faces strong pressure for higher saving, external demands are problematic and fresh fiscal stimulus may be unavailable.²⁰

¹⁹ "Central Banks Unlikely to Tighten Soon", *Global Economics Weekly*, Jan. 16, 2002., pp. 3-4.

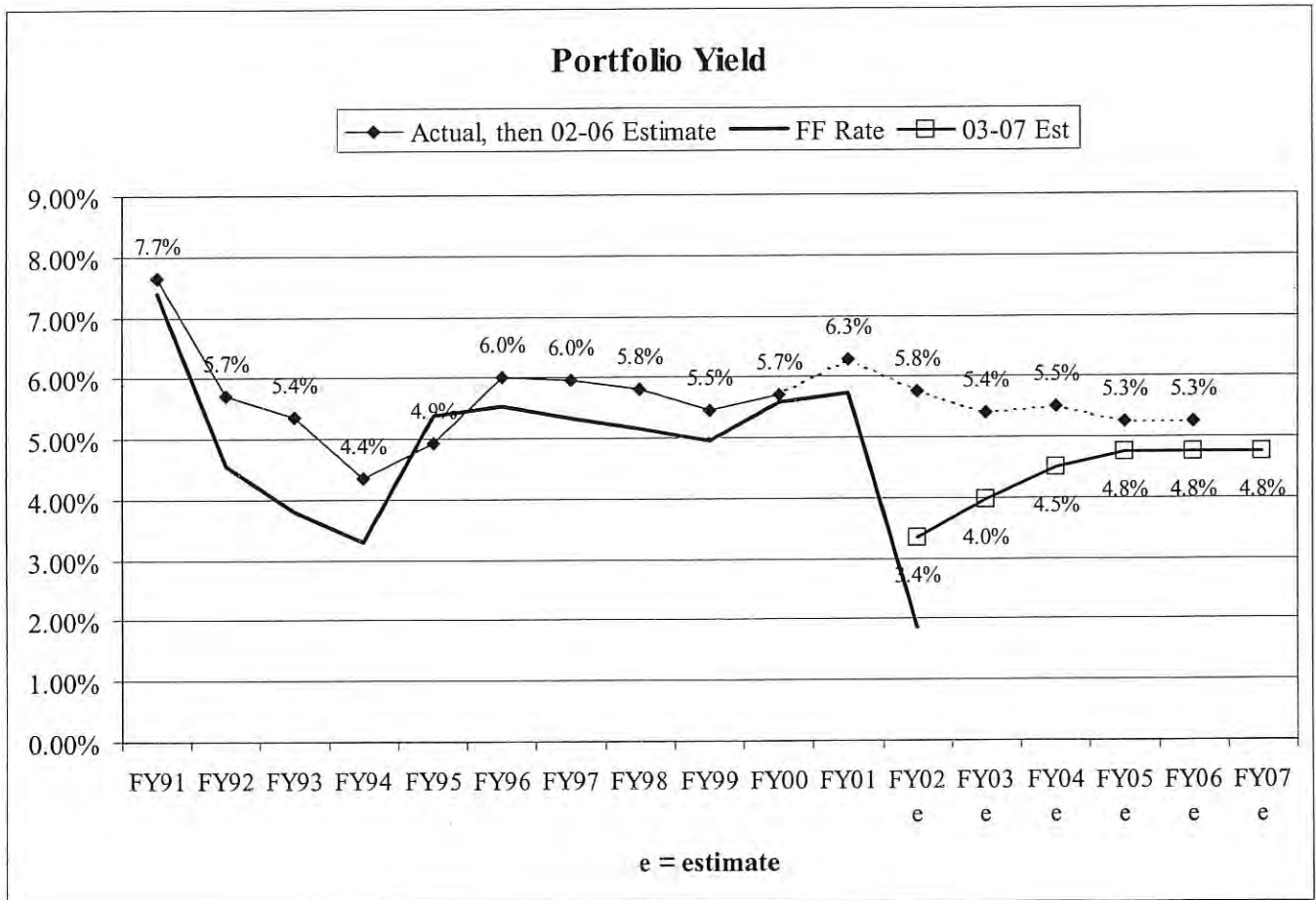
²⁰ *Ibid*, pp. 6-7.

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

The trends of the discount rate and the Fed Funds rate have a lagging relationship to the average yield of the portfolio. The portfolio yield is determined primarily by the timing of purchases, cash flow requirements, and the general interest rate environment at the time of purchase of securities and the securities' duration. 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 purchase. The County's yield does not change rapidly with swings in the market except to reflect the replacement of maturing securities at current market conditions. State laws and the County's adopted investment policy govern the investment process which determine how funds can be invested, and what securities can be purchased. The following is a history of the County's portfolio yield and the projected yield for FY02-07 and the prevailing Fed Funds rate:

Figure 7. Portfolio Yield



Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Most of the forecasting sources provide information up to four quarters beyond current dates. Therefore, the final half of FY2003 is an estimate without authoritative source data as a basis for projection. The County's portfolio yield projection for the final half of fiscal 2002 and beyond is based on reasonable expectations that the Fed Funds rate will remain between 1.75% and 2.0% for the next 6-12 months as the economy recovers. Current economic forecasts look for an additional cut in the Fed Funds Rate in the first quarter of calendar year 2002 and almost no potential for a rise in the Fed Funds before the end of calendar year 2002. The forecast for fiscal 2003 and beyond is based on the assumption that the Fed Funds rate will be increased over time as the Federal Reserve Board takes action to control growth and inflation in the economy.

Portfolio Size

The average total dollar value of the portfolio is affected by the increase in revenues. Therefore, the revenue forecast itself becomes a key determinate of interest income. The percentage growth in the size of the portfolio is based on 25% of the percentage increase in all general revenues, since a portion of the revenue increase is spent during the year and is not available to invest. The following tables show the forecasted growth rate of revenues and 25% of that growth as the determining factor for the growth rate of the portfolio size.

Table 33. Portfolio Size

	Value
FY2003	\$315,000,000
FY2004	322,438,000
FY2005	328,246,000
FY2006	334,058,000
FY2007	340,462,000

Table 34. Growth Rate of Revenues and 25% Thereof for the Portfolio

	Growth Rate	25% of Growth Rate
FY2003	10.3%	2.57%
FY2004	9.4%	2.36%
FY2005	7.2%	1.80%
FY2006	7.1%	1.77%
FY2007	7.7%	1.92%

Revenue Summary
General Fund Non-Agency Revenue FY 03 through FY 07
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 Tables 4 and 5.

REVENUE SOURCES OVER \$1.5 MILLION

Interest on Taxes - 140

Delinquent personal property and real estate tax accounts incur interest at the rate of 10% of the unpaid amount the first year, and subsequent years at 10% or the IRS delinquent tax rate, whichever is greater.

Table 35. Revenue Summary - Interest on Taxes - 140

Revenue History	Actual Revenue	Percent Change
FY1993	\$1,991,010	72.2%
FY1994	1,936,259	(2.7%)
FY1995	1,785,008	(7.8%)
FY1996	1,640,921	(8.1%)
FY1997	2,013,275	22.7%
FY1998	1,761,208	(12.5%)
FY1999	2,302,737	30.8%
FY2000	2,310,126	0.3%
FY2001	2,027,000	12.2%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2002 (adopted budget)	\$1,783,100	(12.0%)
FY2002 (revised estimate)	1,798,884	(11.2%)
Forecast Revenue	Revenue Estimate	Percent Change
FY2003	\$2,060,000	14.5%
FY2004	2,298,000	11.6%
FY2005	2,470,000	7.5%
FY2006	2,651,000	7.3%
FY2007	2,862,000	8.0%

The revenue estimate is computed by multiplying the fixed percentage of 0.6% by the combined estimate for gross current year real estate tax revenue and personal property tax revenue (excluding public service revenue). The percentage is based on a historical average of 0.70% and the forecast assumes collections will increase and therefore the estimate should be closer to 0.6%.

Revenue Summary
General Fund Non-Agency Revenue FY 03 through FY 07
Vehicle Decals - 250 / 259

The County levies a vehicle license fee of \$24 per year for each vehicle normally garaged or parked in the County. The decal must be renewed by October 5th and must be displayed no later than November 15th. Multiplying the decal fee by 90% of the estimated billable units in the County produces the revenue estimate for each fiscal year. About 10% of the billable units are eligible for a free decal.

Table 36. Revenue Summary - Vehicle Decals – 250/259

Revenue History	Actual Revenue	Percent Change
FY1993	\$3,343,916	2.4%
FY1994	3,434,450	2.7%
FY1995	3,543,969	3.2%
FY1996	3,683,004	3.9%
FY1997	3,837,958	4.2%
FY1998	3,980,974	3.8%
FY1999	2,260,107	(43.2%)
FY2000	4,066,086	79.9%
FY2001	4,686,385	15.2%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2002 (adopted budget)	\$4,462,400	(4.7%)
FY2002 (revised estimate)	4,866,000	9.0%
Forecast Revenue	Revenue Estimate	Percent Change
FY2003	\$5,148,000	5.8%
FY2004	5,453,000	5.9%
FY2005	5,777,000	5.9%
FY2006	6,119,000	5.9%
FY2007	6,482,000	5.9%

The fee vehicle decals dropped 43% in FY99 due to the change in the decal due date and a \$10.00 decrease in the decal fee for FY99. After the transition period ended in FY 99, the decal fee reverted back to \$24 in FY00. The revenue has returned to previous years' levels and will continue to increase in conjunction with the projected growth in vehicles in the County. That number is reduced by 2.5% to account for the number of decals issued at no cost to residents moving to Prince William County who have a current decal from another Virginia jurisdiction.

Revenue Summary
General Fund Non-Agency Revenue FY 03 through FY 07
Recordation Tax - 260

The recordation tax, also referred to as the grantee tax, is based on the recording of deeds, deeds of trust, and related instruments with the Clerk of the Circuit Court. When a legal instrument regarding real property is recorded, a recordation tax is levied. This tax is charged for transfers in ownership of property, deeds of trust, and refinances. Refinances generally do not transfer ownership. The recordation tax rate is \$2 per \$1,000 of value. The State receives 75% of the revenue generated by this tax, while each locality receives 25% (equal to \$0.50 per \$1,000 of value).

Table 37. Revenue Summary - Recordation Tax – 260

Revenue History	Actual Revenue	Percent Change
FY1993	\$1,389,060	17.1%
FY1994	1,606,175	15.6%
FY1995	1,161,164	(27.7%)
FY1996	1,305,225	12.4%
FY1997	1,353,238	3.7%
FY1998	1,733,097	28.1%
FY1999	2,033,815	17.4%
FY2000	2,119,681	4.2%
FY2001	2,815,940	32.8%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2002 (adopted budget)	\$2,365,100	(16.1%)
FY2002 (revised estimate)	4,000,000	42.0%
Forecast Revenue	Revenue Estimate	Percent Change
FY2003	\$3,315,000	(17.1%)
FY2004	3,524,000	6.3%
FY2005	3,745,000	6.3%
FY2006	3,980,000	6.3%
FY2007	4,230,000	6.3%

Revenues for recordation tax are based on a weighted average of the most recent three years of revenues, under the assumption that the most current revenues are more indicative of the forecast period than earlier history.

Revenue Summary
General Fund Non-Agency Revenue FY 03 through FY 07
Cable TV Fees – 390

The cable franchise fee is a tax based on gross receipts of cable companies. This fee is not a regulatory fee, but a general revenue tax specifically authorized by Congress in 1984. The Board of County Supervisors enacted a 3% franchise fee for cable television with the adoption of the FY97 budget, effective July 1, 1996. The County is authorized to adopt by ordinance a franchise fee at a maximum rate of 5%. The Board of County Supervisors approved an increase from 3% to 5% effective July 1, 1997.

Table 38. Revenue Summary - Cable TV Fees - 390

Revenue History	Actual Revenue	Percent Change
FY1993	N/A	--
FY1994	N/A	--
FY1995	N/A	--
FY1996	N/A	--
FY1997	\$ 921,998	100.0%
FY1998	1,698,796	84.3%
FY1999	1,770,700	4.2%
FY2000	1,945,980	9.9%
FY2001	2,243,491	15.3%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2002 (adopted budget)	\$2,114,000	(5.8%)
FY2002 (revised estimate)	3,020,000	34.5%
Forecast Revenue	Revenue Estimate	Percent Change
FY2003	\$3,262,000	8.0%
FY2004	3,474,000	6.5%
FY2005	3,686,000	6.1%
FY2006	3,907,000	6.0%
FY2007	4,138,000	5.9%

Growth in revenue is increased at the rate of increase of new housing units. For this forecast year, information provided by Comcast Cable Company to PWC shows revenues increasing about 10% a year, although the forecast is based on the percent increase of housing units and 3% growth for increases in services and rates.

Table 39. Growth in New Housing Units

	Percent Change
FY2003	5.0%
FY2004	3.5%
FY2005	3.1%
FY2006	3.0%
FY2007	2.9%

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

REVENUE SOURCES UNDER \$1.5 MILLION

Listed below are several general county revenue sources of the County, 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 would have an insignificant impact on revenues throughout the forecast period. For fiscal year 2003, most revenue categories are increased 5% over the fiscal year 2002 revised estimate. The forecast and a description of each revenue source follows.

Table 40. Miscellaneous Revenue Sources

Revenue Source	Actual FY1999	Actual FY2000	Actual FY2001	Revised Estimate FY2002	Estimated 2003
Daily Rental Equipment Tax - 215	\$ 146,553	\$ 162,516	\$ 127,719	\$ 178,500	\$ 187,000
Bank Franchise Tax – 230	525,631	452,101	502,873	496,400	520,000
BPOL Taxes- Public Service–236	412,585	463,335	932,755	1,149,000	831,000
Additional Tax on Deeds – 261	735,280	936,541	1,183,922	1,476,000	1,000,000
Transient Occupancy Tax – 270	566,755	698,232	867,013	960,971	1,065,000
Misc. Business Licenses - 380	5,800	6,800	5,600	0	0
Interest Paid to Vendors – 520	(85,119)	(52,234)	(202,578)	(200,000)	(210,000)
Interest Paid on Refunds – 521	(83,129)	(46,504)	(25,909)	(26,000)	0
ABC Profits – 1301	607,131	648,009	575,525	606,400	637,000
State Wine Tax – 1302	297,185	318,311	341,184	334,000	351,000
Rolling Stock Tax – 1303	107,840	66,291	87,721	84,300	89,000
Passenger Car Rental Tax – 1304	505,437	579,213	557,113	650,000	683,000
Mobile Home Titling Tax – 1305	85,563	115,584	93,901	103,000	108,000
Federal Pymt in Lieu of Taxes - 1700	14,137	44,604	40,273	15,000	15,000
Other Revenue – 1150, 514	13,701	1,689	3,690	3,000	0
Total Miscellaneous Revenue	\$3,855,350	\$4,394,488	\$5,090,802	\$5,830,571	\$5,276,000

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

Daily Rental Equipment Tax - 215

The County levies a daily rental tax of 1% on certified short-term rental businesses. Businesses such as bowling alleys, video rental stores, hardware stores, equipment rental stores, and other businesses who rent items held by the user for less than 91 consecutive days are required to collect 1% of the daily rent as a daily rental tax 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 8/10th of 1% of the net capital multiplied by the percentage of deposits on hand at that branch compared to its statewide deposits. The State Department of Taxation audits the tax.

BPOL Taxes - Public Service – 236

The Business, Professional and Occupational License (BPOL) tax is imposed on public utility companies that operate in the County. The tax of \$0.29/\$100 of assessed value is identical to the County's BPOL tax on other businesses, but is authorized under separate statutes. The Commonwealth has repealed the state and local gross receipts tax statutes for electric companies, and replaced them with the Corporate Net Income Tax and the Declining Consumption Tax. The State has set the latter at a maximum of \$0.50/\$100 of assessed value. If a locality is below this maximum, the State will receive the difference. Therefore, the Board of County Supervisors has 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.

Additional Tax on Deeds – 261

The additional tax on deeds (also known as the grantor's tax) is imposed on the recording of deeds of conveyance for real estate only (not deeds of trust) with the Clerk of the Circuit Court. When property changes ownership, or is conveyed in any manner, the additional tax on deeds is levied, or when a legal instrument is recorded with a transfer amount. The tax 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).

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07 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 the hotels, motels and campgrounds operating in the County. Shown is the general revenue share of this tax, which is 40%. The County considers the remaining 60% as budgeted for the Convention Visitors' Bureau (CVB), upon Board appropriation based on requirements submitted by the CVB.

Transient Occupancy tax is based on forecast for number of rooms in the County, occupancy rate and room rate (by fiscal year). The number of rooms is forecast simultaneously with the hotel square footage added each year (see page 29). Despite economic turmoil resulting from 9/11/01, transient occupancy receipts to date demonstrate little if any impact on hotel receipts. Therefore, the forecast for occupancy rates is based on the historical average of 72%. The forecast for average daily room rate is based on a historical average of 5.8%. As hotel operators are expecting room rates to remain flat in calendar year 2002, the increase in room rates for FY02 and FY03 is 3.0% and 3.5% respectively.

Miscellaneous Business Licenses - 380

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

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, at the rate of delinquent taxes, that were erroneously assessed. This interest is recorded as negative revenue.

ABC Profits - 1301

Two-thirds of the profits of the Alcohol Beverage Control Commission (ABC) stores are distributed quarterly to counties, cities, and towns based on the locality percentage of total

Revenue Summary

General Fund Non-Agency Revenue FY 03 through FY 07

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.

State Wine Tax – 1302

The State wine tax is a tax levied on each bottle of wine sold in ABC stores and through all retail outlets. The tax rate is \$0.40 per liter. Forty-four percent of the wine tax collected is kept by the State, twelve percent is kept by ABC, and forty-four percent is distributed quarterly, to counties, cities and towns based on the localities percentage of total State population from the latest census.

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 and distributed to counties, cities, and incorporated towns based on a percentage of miles of track located in the locality versus the total or vehicle miles operated by a carrier in the locality versus the 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 short-term from leasing companies located in the County and remits to the County four percent of the rental fee for passenger cars rented for less than twelve months.

Mobile Home Titling Tax - 1305

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

Federal Payment in Lieu of Taxes – 1700

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

All Funds Revenue Summary

Department / Agency	FY 2001 Adopted Revenue Bud.	FY 2002 Adopted Revenue Bud.	% Change FY 01 to FY 02	FY 2003 Adopted Revenue Bud.	% Change FY 02 to FY 03
SECTION ONE: GENERAL FUND REVENUE SUMMARY:					
General Governmental:					
County Attorney	\$166,686	\$144,186	-13.50%	\$244,186	69.35%
Sub Total	\$166,686	\$144,186	-13.50%	\$244,186	69.35%
Administration:					
Finance	\$767,350	\$1,102,350	43.66%	\$1,020,323	-7.44%
Human Rights Office	\$25,000	\$25,000	0.00%	\$25,000	0.00%
Off Of Information Technology	\$114,400	\$132,400	15.73%	\$132,400	0.00%
General Registrar	\$90,523	\$90,523	0.00%	\$83,773	-7.46%
Sub Total	\$997,273	\$1,350,273	35.40%	\$1,261,496	-6.57%
Judicial Administration:					
Clerk Of The Court	\$2,666,778	\$2,735,852	2.59%	\$3,127,366	14.31%
Commonwealth's Attorney	\$1,432,684	\$1,538,396	7.38%	\$1,600,702	4.05%
Criminal Justice Services	\$854,310	\$1,112,484	30.22%	\$1,119,602	0.64%
Juvenile Court Service Unit	\$77,269	\$77,269	0.00%	\$93,145	20.55%
General District Court	\$1,428,500	\$1,434,500	0.42%	\$1,584,500	10.46%
Juvenile & Domestic Relations Court	\$129,700	\$63,000	-51.43%	\$63,000	0.00%
Law Library	\$154,417	\$110,806	-28.24%	\$110,806	0.00%
Sub Total	\$6,743,658	\$7,072,307	4.87%	\$7,699,121	8.86%
Planning And Development:					
Economic Development	\$14,130	\$14,130	0.00%	\$14,130	0.00%
Planning	\$1,660,100	\$2,261,547	36.23%	\$2,375,901	5.06%
Public Works	\$6,728,602	\$7,628,545	13.37%	\$8,901,431	16.69%
Sub Total	\$8,402,832	\$9,904,222	17.87%	\$11,291,462	14.01%
Public Safety:					
Fire And Rescue	\$394,312	\$476,072	20.73%	\$587,520	23.41%
Public Safety Communications	\$2,260,321	\$2,394,321	5.93%	\$3,882,839	62.17%
Sheriff	\$1,974,974	\$2,042,526	3.42%	\$2,256,283	10.47%
Police	\$8,083,432	\$8,331,208	3.07%	\$8,402,936	0.86%
Sub Total	\$12,713,039	\$13,244,127	4.18%	\$15,129,578	14.24%
Human Services:					
Community Services Board	\$9,657,866	\$10,439,127	8.09%	\$11,123,421	6.56%
Extension & Continuing Ed.	\$332,960	\$367,502	10.37%	\$414,484	12.78%
Office On Youth	\$107,410	\$107,410	0.00%	\$5,000	-95.34%
School Age Care	\$259,623	\$280,281	7.96%	\$288,481	2.93%
Area Agency On Aging	\$989,595	\$1,067,574	7.88%	\$1,168,869	9.49%
At Risk Youth And Family Services	\$3,023,310	\$3,085,993	2.07%	\$3,833,773	24.23%
Public Health	\$695,256	\$215,619	-68.99%	\$243,873	13.10%
Social Services	\$18,748,081	\$19,053,007	1.63%	\$19,884,510	4.36%
Sub Total	\$33,814,101	\$34,616,513	2.37%	\$36,962,411	6.78%
Library:					
Library	\$2,759,193	\$2,885,012	4.56%	\$2,873,778	-0.39%
Sub Total	\$2,759,193	\$2,885,012	4.56%	\$2,873,778	-0.39%

All Funds Revenue Summary

Department / Agency	FY 2001 Adopted Revenue Bud.	FY 2002 Adopted Revenue Bud.	% Change FY 01 to FY 02	FY 2003 Adopted Revenue Bud.	% Change FY 02 to FY 03
Debt / CIP:					
General Debt	\$917,727	\$858,004	-6.51%	\$1,002,137	16.80%
Sub Total	\$917,727	\$858,004	-6.51%	\$1,002,137	16.80%
Non-Departmental:					
Unclassified Administrative	\$1,674,578	\$1,946,736	16.25%	\$3,339,934	71.57%
General Revenues	\$361,304,116	\$395,086,000	9.35%	\$456,068,000	15.44%
Transfers In	\$2,650,204	\$3,247,673	22.54%	\$3,568,726	9.89%
Sub Total	\$365,628,898	\$400,280,409	9.49%	\$462,976,660	15.66%
Total General Fund Revenue	\$432,143,407	\$470,355,053	8.84%	\$539,440,829	14.69%

SECTION TWO: NON GENERAL FUND REVENUE SUMMARY:

Special Revenue Funds:

Trans. To P.R.T.C.	\$1,713,768	\$1,813,768	5.84%	\$1,913,768	5.51%
Commuter Rail Station Parking	\$101,823	\$101,823	0.00%	\$101,823	0.00%
Comm. parking lease rev bond debt	\$1,516,346	\$1,516,453	0.01%	\$1,523,846	0.49%
Adult Detention Center	\$15,724,257	\$17,058,687	8.49%	\$20,162,467	18.19%
Lake Jackson Service Dist.	\$53,000	\$53,000	0.00%	\$55,000	3.77%
Woodbine Forest Service District	\$5,057	\$5,544	9.63%	\$3,462	-37.55%
Foremost Court Service District	\$3,864	\$4,232	9.52%	\$4,577	8.15%
Spc tax dist;Gypsy Moth/Mosq ctrl	\$460,000	\$809,880	76.06%	\$810,000	0.01%
P. W. Parkway Trans Imprv Dst.	\$905,880	\$971,940	7.29%	\$1,102,160	13.40%
234 Bypass Trans Imprv Dst	\$46,392	\$52,846	13.91%	\$61,654	16.67%
Stormwater Management	\$4,269,036	\$5,069,820	18.76%	\$5,325,364	5.04%
Housing & Community Dev.	\$3,652,208	\$4,047,494	10.82%	\$16,598,749	310.10%
Total Special Revenue Funds	\$28,451,631	\$31,505,487	10.73%	\$47,662,870	51.28%

Capital Projects Fund:

Capital Improvement Projects	\$29,842,984	\$20,217,115	-32.26%	\$21,865,452	8.15%
Total Capital Projects Fund	\$29,842,984	\$20,217,115	-32.26%	\$21,865,452	8.15%

Enterprise Fund:

Public Works; Solid Waste	\$10,603,480	\$11,071,000	4.41%	\$11,302,200	2.09%
Bull Run Mountain Serv. Dist.	\$67,500	\$67,500	0.00%	\$75,000	11.11%
Innovation @ Prince William	\$391,500	\$330,750	-15.52%	\$10,000	-96.98%
Occoquan Forest Sanitary Dist.	\$221,485	\$238,848	7.84%	\$0	-100.00%
Total Enterprise Fund	\$11,283,965	\$11,708,098	3.76%	\$11,387,200	-2.74%

Internal Service Funds:

Public Works; Fleet Management	\$2,868,738	\$3,290,307	14.70%	\$3,410,934	3.67%
OIT; Data Processing	\$6,772,742	\$9,032,437	33.36%	\$11,425,587	26.50%
Medical Insurance	\$0	\$0	---	\$14,218,000	---
Public Works; Small Proj. Const.	\$1,633,795	\$1,725,563	5.62%	\$1,757,849	1.87%
Total Internal Service Funds	\$11,275,275	\$14,048,307	24.59%	\$30,812,370	119.33%

Fire And Rescue Levy Funds:

Fire and Rescue Levy Total	\$10,731,250	\$12,902,795	20.24%	\$16,330,925	26.57%
Total Fire & Rescue Levy Funds	\$10,731,250	\$12,902,795	20.24%	\$16,330,925	26.57%

All Funds Revenue Summary

Department / Agency	FY 2001 Adopted Revenue Bud.	FY 2002 Adopted Revenue Bud.	% Change FY 01 to FY 02	FY 2003 Adopted Revenue Bud.	% Change FY 02 to FY 03
Schools:					
Operating Fund	\$387,329,706	\$411,982,748	6.36%	\$461,221,755	11.95%
School Debt Service Fund	\$26,253,581	\$28,273,092	7.69%	\$33,139,009	17.21%
Construction Fund	\$49,581,686	\$59,129,000	19.26%	\$95,640,000	61.75%
Food Service Fund	\$13,523,779	\$15,234,432	12.65%	\$17,048,744	11.91%
Warehouse	\$2,600,000	\$3,125,000	20.19%	\$3,125,000	0.00%
Facilities Use Fund	\$321,898	\$346,671	7.70%	\$467,404	34.83%
Self Insurance Fund	\$3,169,940	\$3,211,810	1.32%	\$4,135,081	28.75%
Health Insurance Fund	\$17,180,146	\$23,171,499	34.87%	\$24,761,814	6.86%
Regional School Fund	\$13,475,874	\$14,883,664	10.45%	\$18,760,155	26.05%
Total Schools	<u>\$513,436,610</u>	<u>\$559,357,916</u>	<u>8.94%</u>	<u>\$658,298,962</u>	<u>17.69%</u>
Grand Total All Funds	<u><u>\$1,037,165,122</u></u>	<u><u>\$1,120,094,771</u></u>	<u><u>8.00%</u></u>	<u><u>\$1,325,798,608</u></u>	<u><u>18.36%</u></u>

FY 2003

Fiscal Plan

Volume I: Executive Summary



Prince William County,
Virginia

BACKGROUND & SUPPLEMENTAL
STATISTICAL INFORMATION



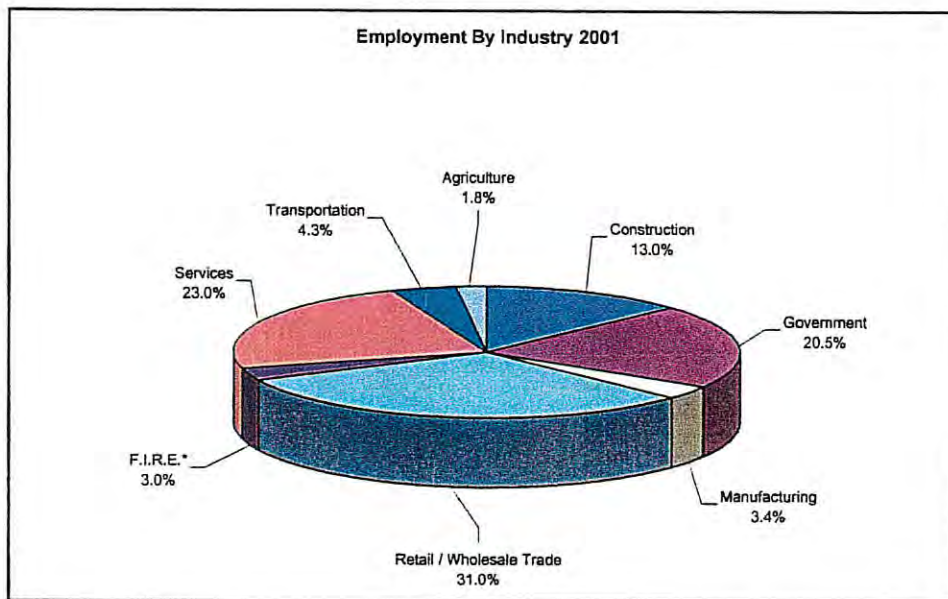
Background and Supplemental Statistical Information

ECONOMIC INDICATORS:

EMPLOYMENT:

Prince William County's average annual 2001 unemployment rate was 2.4%. The unemployment rate continues to remain below national and state averages. The annual average unemployment rate in Virginia in 2001 was 3.5%, and in the United States, the overall rate was 4.8%.

Retail outlets, government agencies, and the services sector are the greatest source of employment within Prince William County. Employment in the retail/wholesale industry represents 31%. The services sector has shown the greatest rate of increase moving from 15% of the labor market in 1986 to 23% in 2001. While government is one of the leading sources of employment, this sector showed the greatest percentage decrease. Employment in this sector shifted from 26% in 1986 to 20.5% in 2001.



UNEMPLOYMENT RATES			
YEAR	PWC	VIRGINIA	U.S.
1990	2.3%	4.3%	5.6%
1991	4.0%	5.9%	6.8%
1992	4.8%	6.4%	7.5%
1993	3.5%	5.1%	6.9%
1994	3.3%	4.9%	6.1%
1995	3.3%	4.5%	5.6%
1996	2.8%	4.4%	5.4%
1997	2.7%	4.0%	4.9%
1998	2.0%	2.9%	4.5%
1999	2.0%	2.8%	4.2%
2000	1.5%	2.2%	4.0%
2001	2.4%	3.5%	4.8%

Source: Virginia Employment Commission Labor Market Information; Data are annual averages

EMPLOYMENT BY INDUSTRY				
INDUSTRY	2001	1999	1991	1986
Construction	13.0%	10.8%	10.0%	13.0%
Government	20.5%	22.2%	24.0%	26.0%
Manufacturing	3.4%	3.8%	5.0%	5.0%
Retail / Wholesale Trade	31.0%	32.6%	33.0%	33.0%
F.I.R.E.*	3.0%	2.9%	4.0%	3.0%
Services	23.0%	21.9%	18.0%	15.0%
Transportation	4.3%	4.0%	6.0%	5.0%
Agriculture	1.8%	1.8%	n/d	n/d
	100.0%	100.0%	100.0%	100.0%

* F.I.R.E. = Finance, Insurance, and Real Estate
 Source: Virginia Employment Commission ES-202
 Employment Data; Data are annual averages

Background and Supplemental Statistical Information

REAL ESTATE DEVELOPMENT:

The total inventory of commercial and industrial space (excluding hotels) is approximately 35.0 million square feet. The make-up of the commercial and industrial space in Prince William is 22.2% retail, 53.6% industrial and 24.2% office. Industrial space in the County shows the strongest growth. Table 1 shows new office, industrial, and retail space construction from 1990 through 2001.

Calendar Year	Office	Industrial	Retail	Total
Before 1990	4,996,608	7,750,276	10,319,368	23,066,252
1990	306,222	461,345	1,071,688	1,839,255
1991	25,331	133,887	552,428	711,646
1992	141,464	79,598	765,374	986,436
1993	62,760	32,460	1,145,925	1,241,145
1994	34,323	36,796	166,089	237,208
1995	12,826	128,260	822,584	963,670
1996	35,277	16,175	580,266	631,718
1997	77,806	64,400	556,700	698,906
1998	65,334	128,498	958,953	1,152,785
1999	494,480	30,263	322,083	846,826
2000	808,478	261,301	642,983	1,712,762
2001	242,582	537,834	222,921	1,003,337
Total	7,303,491	9,661,093	18,127,362	35,091,946

Source: Prince William County Department of Public Works

Background and Supplemental Statistical Information

REAL ESTATE TAX BASE:

Between 2001 and 2002, the total valuation of real estate increased 21.27%. This overall increase was the net result of a 4.54% increase in average value of existing commercial and residential property and a 6.72% increase from new residential and commercial construction and rezoning. New housing units constructed in 2001 included 78% valued at over \$200,000. The total real estate assessments in Prince William County increased from \$18.5 billion in tax year 2001 to \$22.4 billion in tax year 2002.

The FY 2003 estimate for current real estate taxes uses the \$1.23 per \$100 of assessed value real estate tax adopted by the Board of County Supervisors. Each penny on the rate generates \$ 2.2 million in real estate revenue in FY 2003.

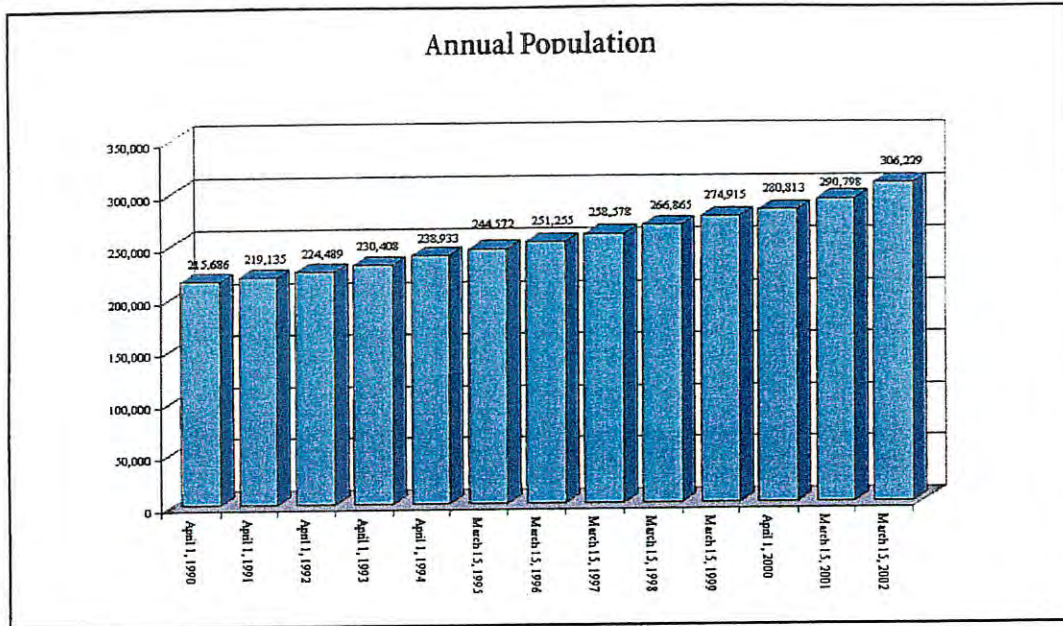
Prince William County continues to have a heavy reliance on residential real estate. In 2001, the commercial property represented 17.9% of the real estate tax base. However, through the County's economic development plan and its on-going aggressive implementation of that plan, the County anticipates the expansion and diversification of its economic base. Expansion and further diversification of the tax base through commercial and industrial development will provide further employment stability, reduce the tax burden on individual taxpayers, and reduce the County's reliance on real estate tax revenue.

Table 2: 2001-2002 Tax Year Comparisons

	2001	2002
Commercial Property as a % of Total Real Estate Tax Base	19.80%	17.90%
Average Assessed Value Residential Property (includes growth)	\$160,116	\$189,296
Average Real Estate Tax Residential Property at \$1.30 Tax Rate (includes growth) for tax year 2001; tax year 2002 rate is \$1.23.	\$2,082	\$2,277
Average Change Existing Residential Property Value	7.64%	16.00%
Average Change Existing Commercial Property Value	7.12%	6.70%

Source: Prince William County Assessments Office

POPULATION CHARACTERISTICS:



SOURCE: PRINCE WILLIAM COUNTY OFFICE OF INFORMATION TECHNOLOGY

<u>Date</u>	<u>Population</u>	<u>Approximate Annual Growth¹</u>
April 1, 1990	215,686	N/A
April 1, 1991	219,135	3,449
April 1, 1992	224,489	5,354
April 1, 1993	230,408	5,919
April 1, 1994	238,933	8,525
March 15, 1995	244,572	5,874
March 15, 1996	251,255	6,683
March 15, 1997	258,578	7,323
March 15, 1998	266,865	8,287
March 15, 1999	274,915	8,050
April 1, 2000	280,813	5,652
March 15, 2001	290,798	10,401
March 15, 2002	306,229	15,431

Sources: U.S. Bureau of the Census, *1990 Census STF1A*.
 U.S. Bureau of the Census, *Census 2000 Summary File 1*.
 Prince William County OIT.

¹ The 1990 and 2000 figures are actual counts from the U.S. Decennial Census. The remaining figures are estimates by PWC OIT. There is not exact continuity between these figures. Therefore there may be unexpected rises or falls in the approximate annual growth figures when comparing estimates and Census counts. Because of the different reference dates (i.e., March 15 vs. April 1), an attempt was made to annualize the figures.

Background and Supplemental Statistical Information

POPULATION GROWTH:

The County has experienced one of the most rapid population growths in the nation for the last quarter century. As of the 2000 Census, Prince William had the third largest population of any jurisdiction in Virginia. Between the 1990 and 2000 Censuses, the County grew 30% from 215,686 to 280,813 (population figures as of April 1, 2000). The current estimated population is 306,229.

According to the 2000 Census, approximately 30% of Prince William County's population is less than 18 years old. Of the 30% below the age of 18, a total of 55,139 students were registered in Prince William County Public Schools in the 2000/2001 school year. A total of 57,823 students were registered in the 2001/2002 school year, an increase of 4.87% or 2,684 students. The current number of students for the 2002/2003 school year is estimated to be 59,916, an increase of 3.62% or 2,093 students.

County residents comprise one of the best educated and most highly skilled work forces in the nation. According to the 2000 Citizens Survey, 72.6% of County workers have some college, while 43.4% have a college degree, and 14.9% have advanced degrees.

MEDIAN INCOME:

According to the U.S. Census Bureau's model based income estimates for 2000, the median household income for Prince William County was \$68,667. That figure is 39% higher than the 1990 Census showing an actual median income of \$49,370. The new estimate is more than double the median income earned by residents as observed in the 1980 Census. The median household income for Prince William County is higher than the median income for the Commonwealth of Virginia. The U.S. Census Bureau's model based income estimate for the Commonwealth of Virginia in 1999 was \$46,791.

Background and Supplemental Statistical Information

INDICATORS OF FINANCIAL CONDITION:

The County's financial condition has remained sound in spite of the leveling of growth in real estate revenues and continued growth in population and school enrollment. A few indicators of financial condition are presented in Table 3. More detailed financial information is available in the Comprehensive Annual Financial Report (CAFR) and the FITNIS, or Financial Trends Report, available from the Finance Department.

One key financial factor is the amount of funds unexpended and available to finance future operations, or to provide for unforeseen expenditures. There are restrictions on all of these funds except the undesignated fund balance. The County's FY 01 undesignated general fund balance has increased significantly to 5.9% as a percent of general fund revenues.

A second measure of financial condition is the County's debt ratios. The measure shown in Table 3 is the amount of debt service as a percent of annual revenues. Debt service as a percent of revenue has been declining since FY95. County policies require that the amount of debt service not exceed 10% annual revenues. The ratio of actual revenues to revenue estimates highlights the accuracy of the County's revenue estimates. Accurate estimates enable the County to better plan its expenditures and provide consistent services to its citizens.

The bond rating is reflective of the commercial financial marketplace's perception of the economic, administrative and character strengths of the County. The County received a bond rating upgrade in Fiscal Year 2000 to AA+/Aa1.

Table 3: Trends in Selected Financial Indicators

	Ratio of Debt Service to Revenues (1)	Undesignated Fund Balances as a Percent of Revenue (2)	Actual Revenues as a Percent of Revenue Estimate (3)	Bond Rating (Fitch/Moody's/ Standard and Poors) (4)
FY 93	7.6%	4.5%	106.5%	AA/Aa/AA
FY 94	7.2%	4.7%	100.4%	AA/Aa/AA
FY 95	7.9%	4.9%	100.9%	AA/Aa/AA
FY 96	7.0%	4.7%	98.5%	AA/Aa/AA
FY 97	6.7%	4.6%	100.6%	Aa/Aa2/AA
FY 98	6.5%	4.6%	101.4%	Aa/Aa2
FY 99	6.5%	4.5%	99.5%	AA/Aa2
FY 00	6.3%	4.8%	103.9%	AA+/Aa1
FY 01	6.1%	5.9%	105.9%	AA+/Aa1

1 - Department of Finance, Fiscal Year 2001 CAFR, Table 9

2 - Department of Finance, Fiscal Year 2001 FITNIS Report

3 - Department of Finance, General County Revenues

4 - Department of Finance, Fiscal Services Division

Background and Supplemental Statistical Information

PAST TRENDS IN COUNTY SERVICE EFFORTS:

Spending Adjustment for Inflation

It is widely recognized that inflation reduces the purchasing power of a dollar and growth in the population of a community increases demands for services. Table 4 illustrates the per capita less inflation expenditures between FY 1995 and FY 2003 for the General Fund.

Table 4: FY 1995-2003 Cost Per Capita General Fund

	<u>Capita Less Inflation</u>	<u>Cost per Capita</u>
FY 95	\$1,242	\$1,154
FY 96	\$1,307	\$1,194
FY 97	\$1,317	\$1,163
FY 98	\$1,331	\$1,153
FY 99	\$1,370	\$1,167
FY 00	\$1,419	\$1,173
FY 01	\$1,478	\$1,176
FY 02	\$1,570	\$1,206
FY 03	\$1,740	\$1,288

From FY 1997 to FY 2003, budgeted expenditures per capita increased in all major service areas except administration, which experienced approximately a 5% decrease in per capita spending. Overall budgeted expenditures per capita, adjusted for inflation, increased 15.60% between FY 1997 and FY 2003.

Spending Per Capita by Major Service Area General Fund (Adjusted for Inflation)

General Government	17.30%
Planning and Development	24.57%
Administration	-4.84%
Judicial Administration	54.18%
Public Safety	22.96%
Human Services	5.06%
Parks and Library	6.93%
Other	105.72%
School Transfer	14.84%
Total	15.60%

Background and Supplemental Statistical Information

GENERAL COUNTY GOVERNMENT STAFFING:

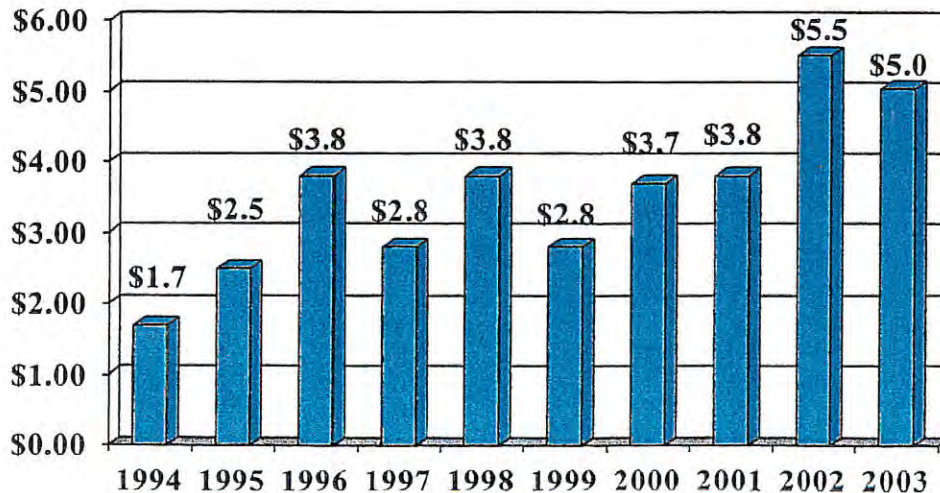
Employees per 1,000 residents declined in the mid- and late 1990s due to County population rising much faster than staffing. Prince William County has 9.75 employees per 1,000 residents for FY2003, bringing the ratio closer to the reported figures when the decline started in FY1994. Staffing, however, has been increasing since FY2000, due in large part to public safety initiatives. Between FY1994 and FY2003 the number of employees increased from 2,349.10 to 3,043.33.

Authorized Staffing and Employees per 1,000 Residents		
	Staffing	Employees Per 1,000 Residents
FY 94	2,349.10	9.78
FY 95	2,332.29	9.46
FY 96	2,411.60	9.51
FY 97	2,469.21	9.49
FY 98	2,536.30	9.43
FY 99	2,631.69	9.49
FY 00	2,729.86	9.54
FY 01	2,829.04	9.60
FY 02	2,928.88	9.65
FY 03	3,043.33	9.75

CAPITAL IMPROVEMENTS PROGRAM:

The County has continued to invest in Capital Improvements. General Fund Capital Improvement Program cash to capital expenditures have steadily increased since FY1994, peaking in FY2002 at \$5.5 million.

**Capital Improvements Program General Fund
Expenditures (in Millions)**

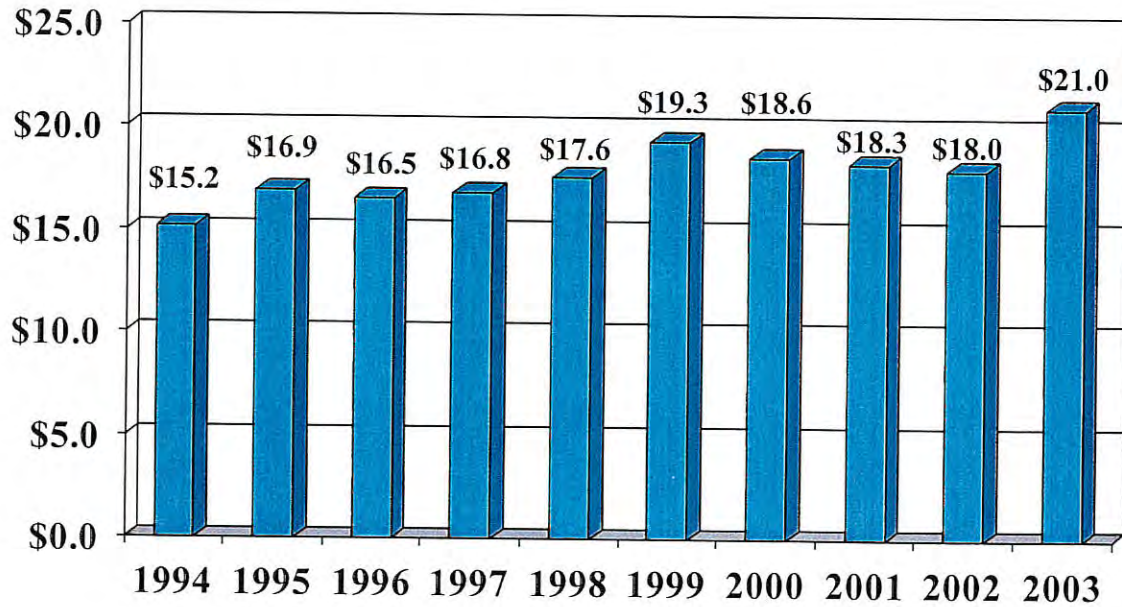


Background and Supplemental Statistical Information

GENERAL DEBT SERVICE:

As a result of various investments in capital projects, total general debt service rose steadily from FY 1994 through FY 1999, slowly decreased from FY 2000 through FY 2002, and rose again sharply in FY 2003.

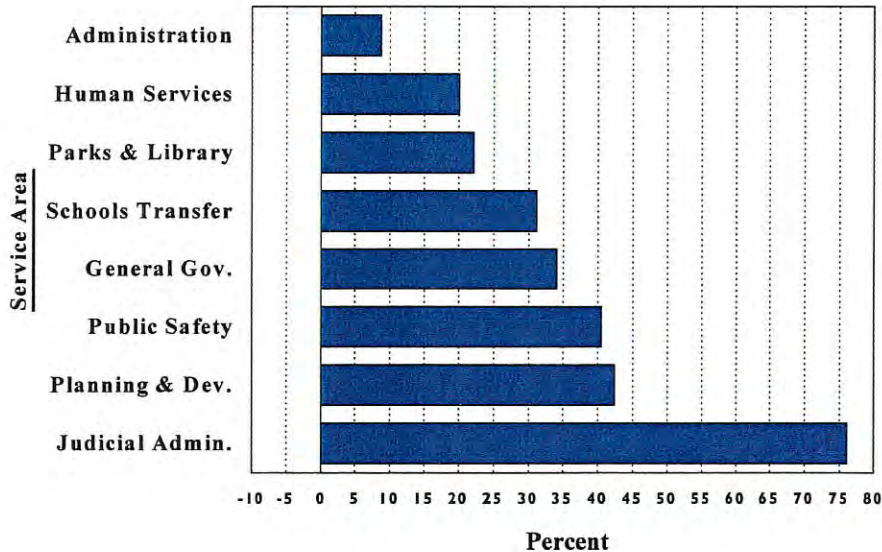
**Total General Debt Service per Fiscal Year in Millions
(Excludes Schools)**



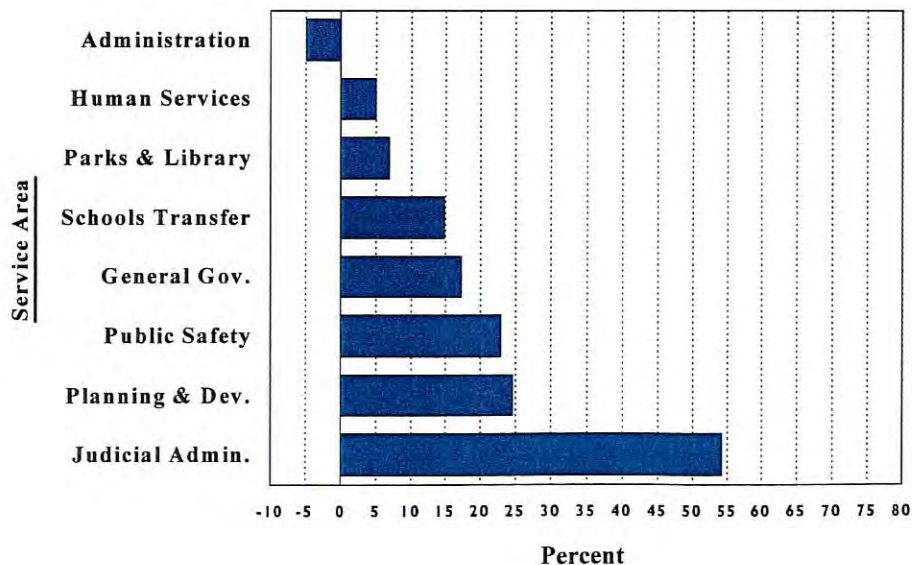
Background and Supplemental Statistical Information

The following graphs show the change in cost per capita between the FY1997 Adopted and FY2003 Adopted Budgets by County service area. The first graph shows these changes not adjusted for inflation, the second graph shows the same information with the numbers adjusted for inflation.

**Fiscal Year 1997 to 2003 Percent Change
In Cost Per Capita by Service Area
(Not Adjusted for Inflation)**



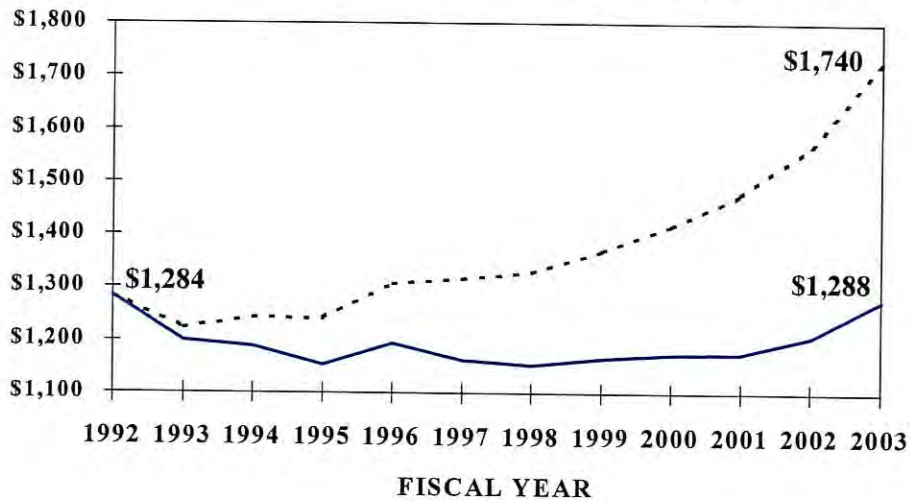
**Fiscal Year 1997 to 2003 Percent Change
In Cost Per Capita by Service Area
(Adjusted for Inflation)**



Background and Supplemental Statistical Information

The following graphs show the cost per capita of government for FY 2003 when adjusted for inflation is approximately the same level as the cost per capita in FY 1992. The General Fund Budgets have increased from \$1,284 to \$1,288 (an increase of 0.3%) and the County Budgets have increased from \$1,350 to \$1,410 (an increase of 4.4%) over the eleven year period.

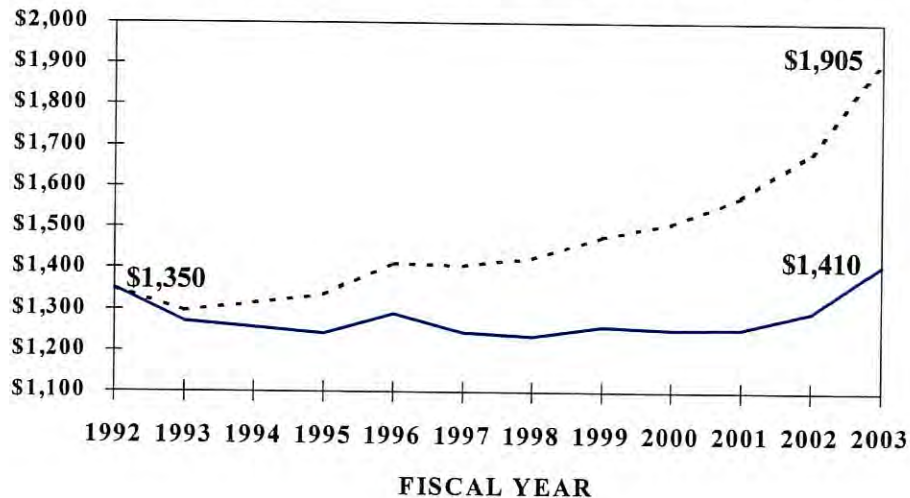
COST PER CAPITA OF GENERAL FUND BUDGETS



- - - Actual — Adj. for inflation

Note: All Years Adopted

COST PER CAPITA OF COUNTY BUDGETS



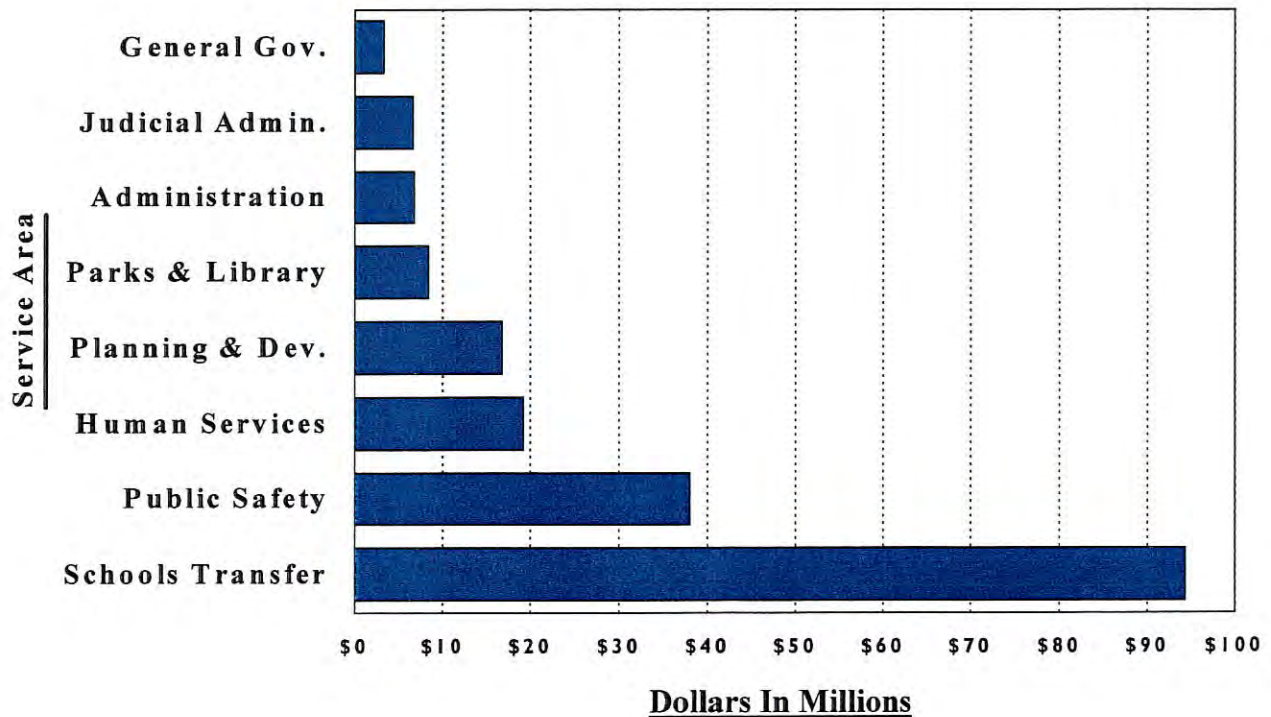
- - - Actual — Adj. for inflation

Note: All Years Adopted

Background and Supplemental Statistical Information

The following graph shows the actual dollar change by County service area from FY1997 through the FY 2003 Adopted Budget. These figures are not adjusted for inflation. The largest growth areas correspond directly with the County's adopted Strategic Goals: Economic Development, Transportation (these two areas are represented primarily in increases in Planning and Development), Public Safety, Human Services and Schools, which has experienced the largest growth over this time period.

**Fiscal Year 1997 to 2003
Dollar Change by Service Area
(Not Adjusted For Inflation)**



FY 2003

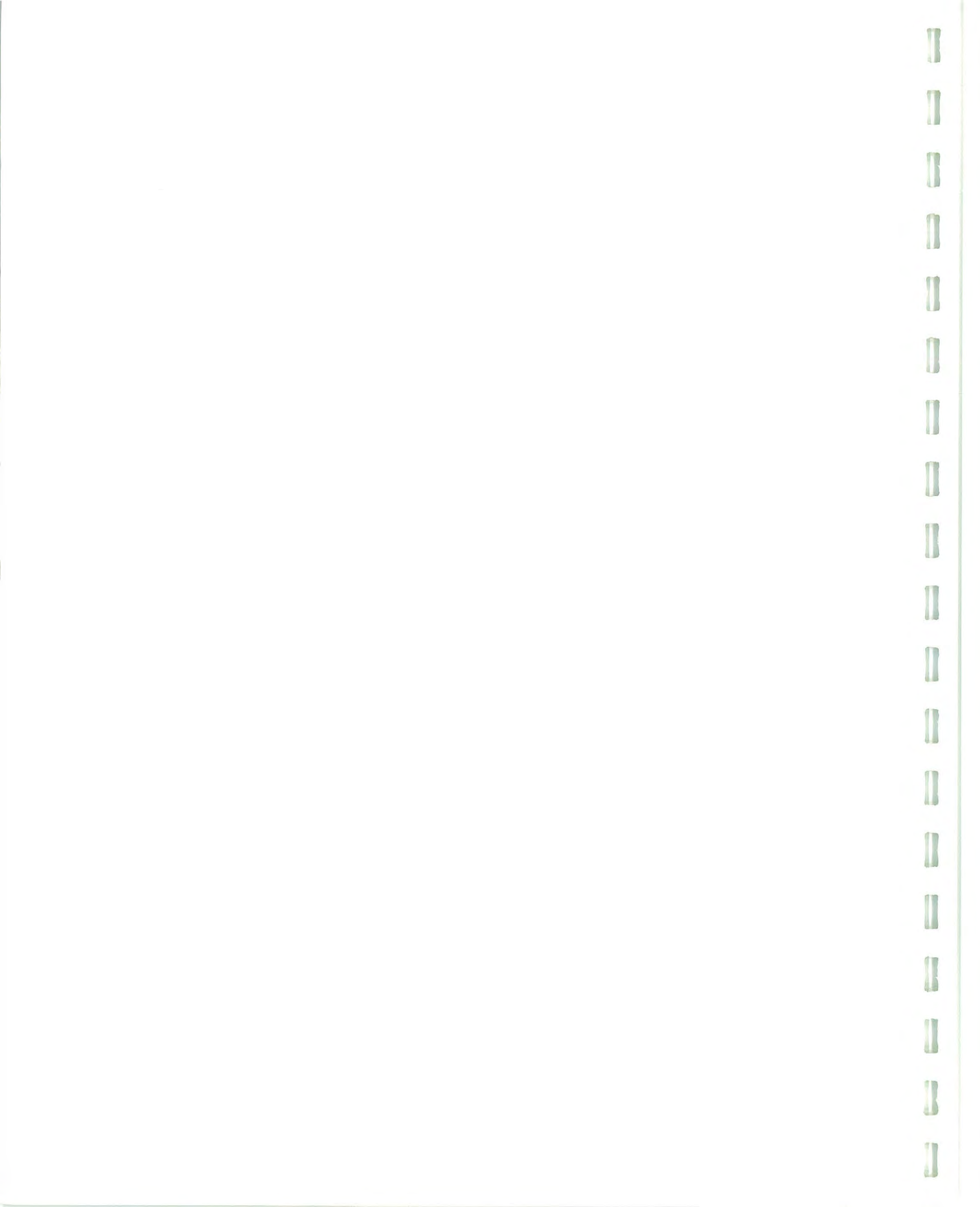
Fiscal Plan

Volume I: Executive Summary

APPENDIX



Prince William County,
Virginia



Glossary

401(a) Plan: Prince William County Money Purchase Retirement Plan.

456 Review: Pertains to Section 15.1-1-456 of the Code of Virginia; this is a necessary hearing before the Planning Commission whenever publicly owned land is under review for rezoning to determine compliance with the Comprehensive Plan.

457 Plan: Prince William County Deferred Compensation Plan.

AA: Bond rating.

AALL: American Association of Law Libraries.

Accrual Basis of Accounting: Under the accrual basis of accounting, revenues are recognized when service is given and expenses are recognized when the benefit is received. All County proprietary funds use the accrual basis of accounting.

ACR: Adult Care Residence – a State licensed residential facility for indigent, often disabled, adults. The District Home is an ACR.

Activity: A specific and distinguishable line of work performed within a program; the most basic component of service delivery for each County agency and its budget.

ACTS: Action in the Community through Service – a community-based for non-profit human services agency.

ADA: Americans with Disabilities Act.

ADC: Adult Day Care.

ADC: Adult Detention Center.

A-D Income: Levels of income accepted for the eligibility for certain services provided by Public Health.

Administrative Procedures Manual: Document that sets forth the process applicants must follow in gaining site development plan approval as well as constructing land improvements on land parcels in Prince William County.

ADP: Average daily population.

Ad Valorem: Imposed at a rate percent of the value.

Agency: A separate organizational unit of County government established to deliver services to citizens.

ALS: Advanced Life Support.

AIDS: Acquired Immune Deficiency Syndrome.

Appropriation: An amount of money in the budget, authorized by the Board of County Supervisors, for expenditure by departments for specific purposes. For example, General Fund appropriations are for operating and general purposes while Capital Improvement Projects Fund appropriations are for major improvements such as roads and public facilities.

APS: Adult Protective Services.

ARC: Association for Retarded Citizens - a community-based non-profit human services agency.

Assess: To place a value on property for tax purposes.

Assessed Valuation: The assessed value of property within the boundaries of Prince William County for purposes of taxation.

Assets: Resources owned or held by Prince William County which have a monetary value.

ATCC: American Type Culture Collection – a private sector biotechnology firm.

Auditor of Public Accounts: A State agency that oversees accounting, financial reporting, and audit requirements for units of local government in the State of Virginia.

BAN: Bond anticipation note – a form of public debt.

Base Budget: The same level of agency funding as in the current year adopted budget with adjustments for: one-time costs; agency revenue reductions; current fiscal year merit pay roll-forward adjustments; current year personnel actions as of October 15th; FICA, VRS, and group life fringe benefit cost changes; full year funding for current year partial year funded positions; approved budget shifts; Board of County Supervisors actions approved during the current year; and any related outcome and service level target revisions.

Base Budget Analysis: A process that evaluates departmental base budgets in order to determine whether or not an activity should continue to be funded at the current level.

Glossary

BLS: Basic Life Support

BMP: Best Management Practices.

BOCS: Board of County Supervisors.

Bonding Power: The power of government to borrow money.

Bond Rating: The rating of bonds as a statement of a locality's economic, financial, and managerial condition. It represents the business community's assessment of the investment quality of a local government. Highly rated bonds attract more competition in the marketplace, thereby lowering interest costs paid by County residents.

BPOL Tax: Business Professional & Occupational License Tax - a tax that is levied upon the privilege of doing business or engaging in a profession, trade, or occupation in the County. The tax base includes all phases of the business, profession, trade, or occupation, whether conducted in the County or not.

Budget Transfers: Budget transfers shift previously budgeted funds from one item of expenditure to another. Transfers may occur throughout the course of the fiscal year as needed for County government operations.

Capital Projects Fund: This fund is used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Fund Types). The Capital Projects Fund accounts for construction projects including improvements to schools, roads, and various other projects.

CAD: Computer Assisted Dispatch.

CAFR: Comprehensive Annual Financial Report.

Carryovers: Carryovers extend previously approved appropriations from one fiscal year to the next.

Cash Basis of Accounting: Revenues are not recorded until cash is received; expenditures are recorded only when cash is disbursed. No Prince William County funds are accounted for under this basis of accounting.

CBLAD: Chesapeake Bay Local Assistance Department – a State agency.

CCJB: Community Criminal Justice Board.

CDBG: Community Development Block Grant – a Federal grant program administered by the U.S. Department of Housing and Urban Development.

CEM: Code Enforcement Module.

Character: Major categories of expenditures, such as personal services and contractual services, and revenues, such as charges for services and revenue from the Federal government.

CID: Criminal Investigations Division – an organizational unit of the Police Department.

CIP: Capital Improvements Program.

Citizen Budget Committees: Groups of citizens selected by each individual member of the Board of County Supervisors to review and provide feedback concerning the County's budget.

CMAQ: Congestion Mitigation and Air Quality.

COG: Council of Governments – a regional organization of units of local government in the Washington, D.C. metropolitan area.

Community Outcomes: Key outcomes with targets that demonstrate how the community or individual will benefit or change based on achieving the goal. Community outcomes are adopted by the Board of County Supervisors in the Strategic Plan, taken from the annual citizen telephone survey results, or developed by agencies based on their mission and goals.

Comprehensive Plan: The plan that guides and implements coordinated, adjusted, and harmonious land development that best promotes the health, safety, and general welfare of County citizens. It contains long-range recommendations for land use, transportation systems, community services, historic resources, environmental resources, and other facilities, services, and resources.

Congregate Meals: Meals served by the Area Agency on Aging's Nutrition Program to senior citizens who eat together at the senior centers.

Glossary

Contingency Reserve: The Contingency Reserve is an amount of funding maintained in the General Fund to cover unanticipated expenditures and/or shortfalls in revenues collected. For example, if State and Federal support for local programs are reduced after local budgets have been established and programs put into operation, the Contingency Reserve may be used as a source of stopgap funding to prevent or minimize disruption in the level of services delivered to the public.

Contingent Funding: Funds/revenues that are undetermined at a given date and are dependent upon decisions and/or conditions outside of the agency or department's control.

Contingent Liabilities: Items which may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending lawsuits, judgments under appeal, unsettled disputed claims, unfilled purchase orders, and uncompleted contracts.

CPI: Consumer Price Index.

CPR: Cardiac pulmonary resuscitation.

CPS: Child Protective Services.

CSA: Comprehensive Services Act for At-Risk Youth and Families – The State law governing the funding and provision of services to youth and families requiring foster care or special education services or involved with the Juvenile and Domestic Relations Court.

CSB: Community Services Board.

CSW: Community Service Work.

CXO: County Executive.

DADS: Discharge Assistance and Diversion Services – State funding received by the Community Services Board to discharge or divert seriously mentally ill citizens from the Northern Virginia Mental Health Institute.

DCJS: Department of Criminal Justice Services – a State agency.

Debt: An obligation resulting from the borrowing of money.

Debt Service: Payment of interest and principal amounts on loans to the County such as bonds.

DEQ: Department of Environmental Quality – a State agency.

Directives: Board of County Supervisors' requests made at Supervisors Time at a Board of County Supervisors meeting for County staff to provide information and/or take action.

DMHMRSAS: Department of Mental Health, Mental Retardation, and Substance Abuse Services – a State agency.

DMV: Department of Motor Vehicles – a State agency.

DORM: Drug Offender Rehabilitation Module – An Adult Detention Center dormitory that provides substance abuse treatment services to inmates.

DSS: Department of Social Services.

EEOC: Equal Employment Opportunity Commission – a Federal agency.

Efficiency: A measurable relationship of resources required to goods and services produced, such as cost per unit of service.

EIAP: Early Intervention Alternative Program.

EM: Electronic Monitoring - A system that uses high technology and staff supervision to detain persons in their home in lieu of incarceration in a secure facility.

EMS: Emergency Medical Services.

Encumbrances: Obligations incurred in the form of purchase orders, contracts, and similar items that will become payable when goods are delivered or services rendered.

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

Glossary

ESI: Engineers and Surveyors Institute.

Expenditure: An amount of money disbursed for the purchase of goods and services.

FAPT: Family Assessment and Planning Team – A group of community representatives, including human services professionals and parents, who develop service plans for at-risk youth and families.

Feasibility: Capability of accomplishment or completion.

FICA: Social Security contributions – an employee fringe benefit.

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

Fiscal Plan: The annual budget.

Fiscal Year: The time frame to which the budget applies. For Prince William County, this is the period from July 1 through June 30 each year.

FITNIS: Financial Trending System – a system that tracks key financial, economic, and demographic trend information used for financial planning and evaluation purposes.

FOIA: Freedom of Information Act.

FRA: Fire and Rescue Association.

FSS: Family Self-Sufficiency.

FTE: Full-Time Equivalent positions

Full Service Library: Aside from having a much larger collection of volumes, this type of library includes a reference book collection, programming and information space, and on-line user services.

Five Year Plan: The County's projected expenditures and revenues for the next five fiscal years beginning with the adopted budget fiscal year. The Board of County Supervisors adopts the Five-Year Plan each year in concert with the adopted budget. The first year of each Five-Year Plan is synonymous with the adopted budget.

Fund: A financial entity to account for money or other resources, such as taxes, charges, and fees, established for conducting specified operations for attaining certain objectives, frequently under specific limitations.

Fund Balance: The excess of the assets of a fund over its liabilities.

GDC: General District Court.

GDP: Gross Domestic Product.

GED: General Equivalency Diploma.

General Fund: This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, State and Federal distributions, licenses, permits, charges for services, and interest income. A significant part of the General Fund's revenues are transferred to other funds to finance the operations of the County Public Schools, the Park Authority and the Regional Adult Detention Center.

GFOA: Government Finance Officers Association.

GIS: Geographic Information System.

Goal: General statements of public policy purpose and intent. Although not included in the Strategic Plan, these Countywide goal statements also provide direction to County agencies and programs.

Governmental Fund Types: Most of the County's governmental functions are accounted for in Governmental Funds. These funds measure changes in financial position, rather than net income. Governmental fund types include the General Fund, Special Revenue Funds, and the Capital Projects Fund.

Grant: A payment by one governmental unit to another unit. These payments are intended to support a specified function such as health care, housing, street repair, or construction.

Glossary

GypsES: A computerized decision support system developed by the USDA Forest Service to assist programs involved in Federal, State, and local gypsy moth suppression efforts.

HAZMAT: Hazardous Materials.

HOA: Homeowners Association.

HIDTA: High Intensity Drug Trafficking Area.

HIV: Human Immunodeficiency Virus.

HOME: Home Investment Partnerships – a Federal grant program administered by the U.S. Department of Housing and Urban Development.

HOPWA: Housing Opportunities for Persons with AIDS.

HOV: High Occupancy Vehicle.

HUD: Housing and Urban Development – a Federal agency.

HVAC: Heating, Ventilation, and Air Conditioning.

ICMA: International City/County Management Association.

ICAP: Inventory for Client and Agency Planning – a functional assessment tool for clients with mental retardation.

IDA: Industrial Development Authority.

IEP: Individualized Educational Plan.

IFB: Invitation for Bid.

IFSP: Individualized Family Service Plan.

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

IRM: Information Resource Management.

ISDN: Integrated Services Digital Network – a high-speed data telecommunications line.

ISN: Information Systems Network.

IT Plan: The County's Information Technology Strategic Plan adopted by the Board of County Supervisors.

JCSU: Juvenile Court Services Unit.

JDRC: Juvenile and Domestic Relations Court.

LEOS: Law Enforcement Officers' Supplement – a supplementary retirement system.

LEPC: Local Emergency Planning Commission.

Liabilities: Obligations incurred in past or current transactions requiring present or future settlement.

License and Permit Fees: Fees paid by citizens or businesses in exchange for legal permission to engage in specific activities. Examples include building permits and swimming pool licenses.

Line Item: Detailed expenditure classification established to budget and account for specific goods and services.

LIS: Land Information System.

LPG: Liquid Propane Gas.

LOSOA: Volunteer retirement Length Of Service Awards Program.

MDT: Mobile Data Terminal.

MH: Mental Health

MHz: Megahertz.

Mission Statement: A brief description of the purpose and functions of an agency.

Modified Accrual: Under the modified accrual basis of accounting, revenues are recognized when measurable and available as current assets. Expenditures are generally recognized when the related services or goods are received and the liability is incurred. All County governmental and fiduciary funds use the modified accrual basis of accounting.

MPTC: Multi-Purpose Transit Center.

MR: Mental Retardation.

Glossary

N/A: Not available.

NACO: National Association of Counties

NADA: National Automobile Dealers Association.

NFPA: National Fire Protection Association.

NPDES: National Pollutant Discharge Elimination System.

N/R: Not reported.

NVFS: Northern Virginia Family Service - a community based non-profit human services agency.

NVPDC: Northern Virginia Planning District Commission – a regional organization comprised of units of local government in the Northern Virginia area.

NVRA: National Voter Registration Act.

Object Classification: A grouping of line items on the basis of the type of goods or services purchased; for example, personal services, materials, supplies and equipment.

Obligation: A future expenditure requirement incurred by voluntary agreement or legal action.

OCJS: Office of Criminal Justice Services.

OEM: Office of Executive Management.

Off-Cycle: A term that characterizes budget adjustments approved by the Board of County Supervisors outside of the annual budget process.

OIT: Office of Information Technology.

Ordinance: A law or regulation enacted by the Board of County Supervisors.

OSHA: Occupational Safety and Health Administration – a Federal agency.

OTD: Outreach to Detention - A service that uses home visits to supervise persons in their homes in lieu of incarceration in a secure facility.

Outcome Trends: Multi-year trend information for community and program outcome measures.

Output: Unit of goods or services produced by an agency activity.

PAF: Personnel Action Form - form used to change the status of an employee.

Performance Series: Computer software used to prepare the annual budget and manage County government financial activity.

Phase I (of the Budget Process): The initial phase of the annual budget process whereby agencies report to the Office of Executive Management on prior fiscal year performance and upcoming fiscal year goals, objectives, activities, outcomes, and service levels.

Phase II (of the Budget Process): The phase of the annual budget process whereby agencies submit budget increase requests and responses to performance budget targets issued by the Office of Executive Management.

Policy: A definite course or method of action selected from among alternatives and in light of given conditions to guide and determine present and future decisions.

POMS: Performance Outcome Measurement System - A performance measurement system administered by the State Department of Mental Health, Mental Retardation, and Substance Abuse Services in conjunction with local Community Services Boards.

PPD Test: Purified Protein Derivative Test - A medical screening procedure that determines whether an individual has been exposed to tuberculosis.

Proffers: Contributions of land, capital improvements, and funding from developers to address the demand for community services created by new development.

Program: One or more related agency activities that work together for a particular purpose and function for which the County is responsible.

Program Outcomes: Key outcomes that demonstrate how the community or individual will benefit or change based on achieving the goal, but are more specific to each individual agency and program than community outcomes.

Property Tax Rate: The rate of taxes levied against real or personal property expressed as dollars per \$100 of equalized assessed valuation of the property taxed.

Glossary

Proprietary Fund Types: Proprietary Funds account for County activities, which are similar to private sector businesses. These funds measure net income, financial position and changes in financial position. Proprietary fund types include enterprise and internal service funds.

PRTC: Potomac and Rappahannock Transportation Commission.

PSFM: Principles of Sound Financial Management – guidelines approved by the Board of County Supervisors to foster financial strength and stability and achieve financial goals.

PUP: Provisional Use Permits.

PWC: Prince William County.

PWC-INFO: Telephone information system for County citizens to access information about County Government.

PWSIG: Prince William Self-Insurance Group.

QPR: Quarterly Project Report – a progress report submitted to the Board of County Supervisors concerning the status of capital and other significant projects.

Resources: The actual assets of a governmental unit, such as cash, taxes, receivables, land and buildings, including estimated revenues applying to the current fiscal year and bonds authorized and unissued.

Revenue: Income generated by taxes, notes, bonds, investment income, land rental, user charges, and Federal and State grants.

REZ: Rezoning pertaining to land use.

RFP: Request for Proposal.

SA: Substance Abuse.

Salary Lapse: A budgeted reduction in estimated salary and fringe benefit expenditures due to estimated position vacancy savings anticipated for the fiscal year.

SAVAS: Sexual Assault Victims Advocacy Service.

SCNEP: Smart Choices Nutrition Education Program.

SEA Report: Service Efforts and Accomplishments Report – annual reports which represent service level and outcome information for general County government service areas (such as Public Welfare and Building Development). These reports compare (benchmark) the performance of County government services between different fiscal years and to the performance of other local government jurisdictions.

Self-Insurance Pool: A cash reserve used to provide stable and cost effective loss funding on a self-insured basis rather than using a private insurance company.

SERVE: Securing Emergency Resources through Volunteer Efforts - a community-based non-profit human services agency.

Service Levels: Quantified measures of goods and services (outputs) produced by agency activities, the relationship of resources required to outputs produced (efficiency), and the degree of excellence characterizing the outputs (service quality).

Service Quality: The measureable degree of excellence with which goods and services are produced, including customer satisfaction.

SMI/SED Seriously Mentally II/Seriously Emotionally Disturbed.

SODC: Set-off-debt collection.

SOP4104: State compliance inspection standards for adult detention facility operations.

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

SSI: Supplemental Security Income - a Federal entitlement benefit.

STEP: Systematic Training for Effective Parenting.

STD: Sexually Transmitted Disease.

Strategic-Based Outcome Budget Process: The budget process employed by Prince William County, which directs available resources towards the achievement of community outcomes approved in the County's Strategic Plan.

Glossary

Strategic Plan: A four-year plan adopted by the Board of County Supervisors which establishes a County government mission statement, a limited number of high priority strategic goals, measurable community outcomes which indicate success accomplishing these goals, and specific strategies and objectives required to achieve the goals.

SUP: Special Use Permit.

Supplemental Appropriations Where sufficient justification exists, supplemental appropriations by the Board of County Supervisors may occur outside of the annual budget process. Such appropriations shall reflect unanticipated emergency requirements subject to serious time constraints that a normal resource allocation mechanism, such as the annual budget process, cannot accommodate.

Supplemental Budget: Changes to the base budget recommended by the County Executive as part of the Proposed Fiscal Plan. Supplemental budget increases and decreases approved by the Board of County Supervisors are shown as fiscal year Budget Adjustments in the agency detail section of the (Adopted) Fiscal Plan document.

SWM: Storm Water Management.

TANF: Temporary Assistance to Needy Families.

Targeted Industry: Industries that reflect the investment and employment goals of Prince William County's economic development program. These industries are generally in the fields of information technology, biotechnology, corporate facilities, destination-based tourism, and other technology related areas such as physics-based research and development and laboratories intended for basic and applied research.

Tax Base: The part of the economy against which a tax is levied.

Taxes: Mandatory charge levied by a governmental unit for the purpose of financing services performed for the common benefit.

TB: Tuberculosis.

TBD: To be determined.

Tracker: Board of County Supervisors, County Executive, or Deputy County Executive's request for action by County staff. Progress on the item is tracked by the County Executive's Office until its successful completion.

TRAN: Tax revenue anticipation note – a form of public debt.

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

USDA: United States Department of Agriculture.

User Fees: User fees are charges for services, such as the use of public property and parking, paid by those actually benefiting from the service.

UVA: University of Virginia.

VAC: Voluntary Action Center.

VACO: Virginia Association of Counties.

VDOT: Virginia Department of Transportation – a State agency.

VHDA: Virginia Housing Development Authority – a State agency.

VIEW: Virginia Initiative for Employment not Welfare – the State's welfare-to-work program.

Vision: A long-term desired end state.

VJCCCA: Virginia Juvenile Community Crime Control Act.

VML: Virginia Municipal League.

VOA: Volunteers Of America – the contractor that operates the Homeless Prevention Center.

VRA: Virginia Resources Authority.

Glossary

VRE: Virginia Railway Express.

VRS: Virginia Retirement System.

Watershed: A region or area bounded peripherally by a water parting and draining ultimately to a particular watercourse or body of water.

WIC: Women, Infants, and Children – a Federal health and nutrition grant program.

WINTEX: State funding received by the Community Services Board to discharge or divert seriously mentally ill citizens from the Northern Virginia Mental Health Institute.

Y2K: Year 2000.

WMATA: Washington Metropolitan Area Transit Authority.

Glossary



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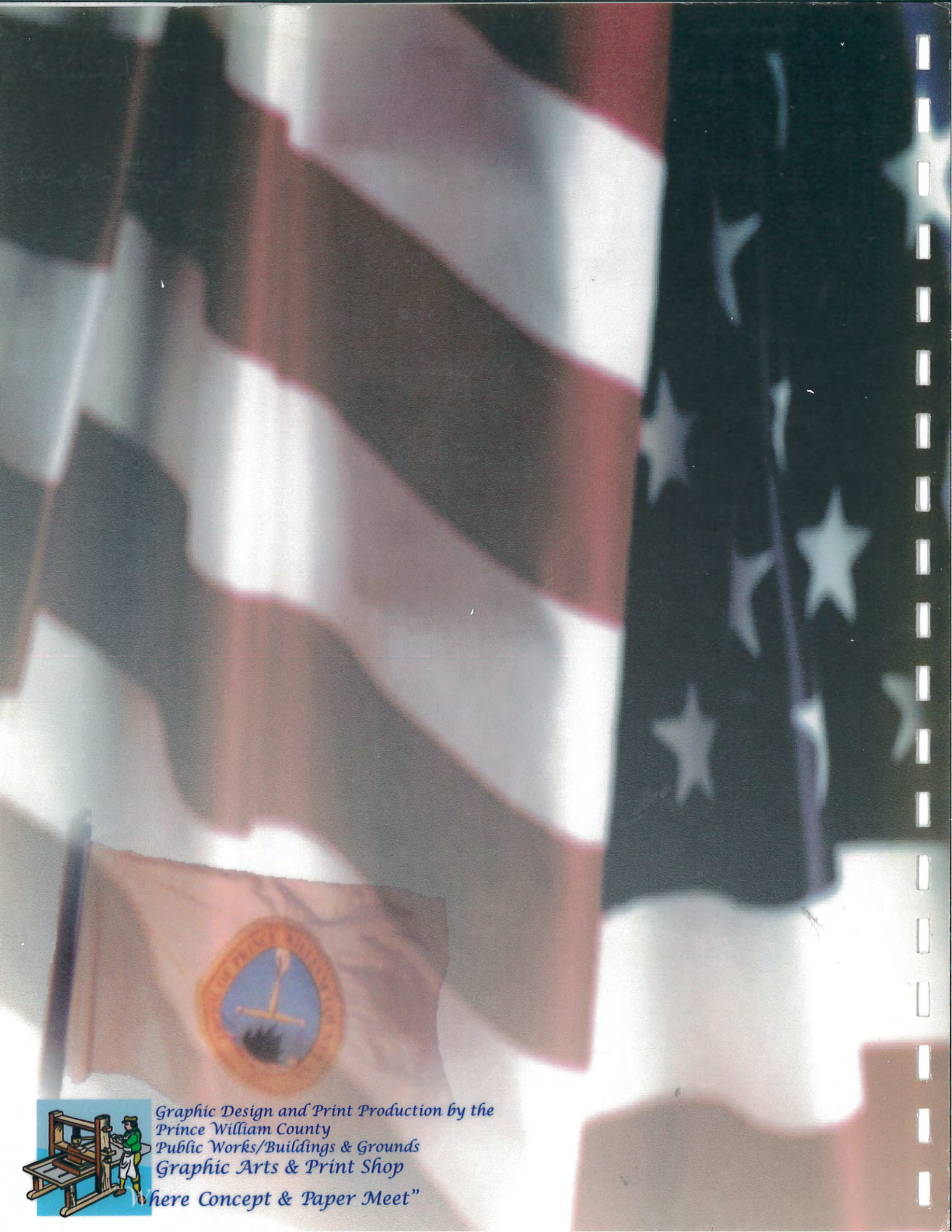
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