

PRINCE WILLIAM — COUNTY

Revenue and Expenditures Report



FY 2021

3rd Quarter

Published 5/15/21

PRINCE WILLIAM COUNTY

3rd Quarter FY 2021 Revenues

Section 2.09 of the ***Principles of Sound Financial Management*** requires quarterly updates to the Board of County Supervisors (BOCS) within 45 days of the end of each quarter on the County's General Fund budget and trends with revenue projections through the end of the fiscal year.

The FY 2021 Adopted Budget estimates general revenues to be \$1.09 billion.

As of the third quarter, general revenues are expected to produce a surplus of \$10.8 million from the adopted FY 2021 budget by June 30, 2021.

General Revenue Sources	Prior Year FY 2020	Current Year FY 2021					
	Year-End	Adopted	Q1 Revised	Q2 Revised	Q3 Revised	\$ Change Q3/ Adopted	% Change Q3/ Adopted
Real Property Tax	\$698,789,300	\$722,258,000	\$722,258,000	\$722,258,000	\$722,258,000	\$ -	0.00%
Personal Property Tax	210,474,881	220,440,000	220,440,000	220,440,000	220,440,000	-	0.00%
Local Sales Tax	72,320,380	65,130,000	65,130,000	72,000,000	75,000,000	9,870,000	15.15%
Consumer Utility Tax	14,407,996	14,700,000	14,700,000	14,700,000	13,900,000	(800,000)	-5.44%
Communications Sales and Use Tax	14,914,152	14,530,000	14,530,000	14,530,000	13,700,000	(830,000)	-5.71%
BPOL Tax	28,236,279	24,375,000	24,375,000	24,375,000	26,000,000	1,625,000	6.67%
Investment Income	11,180,034	8,050,000	5,000,000	5,000,000	7,500,000	(550,000)	-6.83%
All Other Revenue	22,327,535	25,210,000	24,710,000	25,570,000	26,731,000	1,521,000	6.03%
TOTAL GENERAL REVENUES	\$1,072,650,557	\$1,094,693,000	\$1,091,143,000	\$1,098,873,000	\$1,105,529,000	\$10,836,000	0.99%

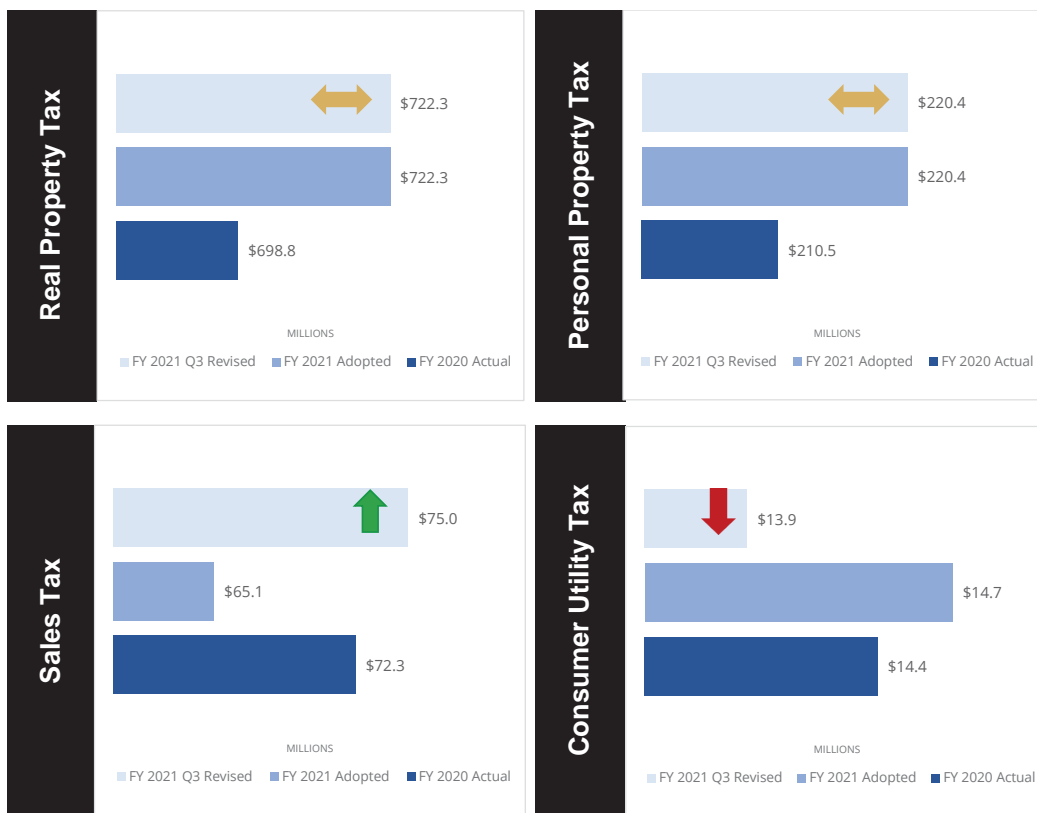
Revenues At-A-Glance

Variances from the FY 2021 Adopted Budget are as follows:

Real Property & Personal Property Tax collected through the third quarter of FY 2021 are on course to meet the adopted forecast for each revenue stream. Specific components within these revenue sources, such as deferrals (unpaid taxes) and tax relief associated with Real Property, are being closely monitored to determine if future adjustments are warranted.

Sales Tax revenue received through the third quarter of the current fiscal year was \$58.9 million, 90.5% of the FY 2021 adopted forecast of \$65.1 million. The established pace of monthly receipts positions this revenue stream on a track to eclipse the adopted forecast by approximately 120% through the final quarter of FY 2021. Based on the current trajectory of revenue collections and evidence of building consumer demand for goods and services, the sales tax forecast for FY 2021 has been revised to \$75 million, an approximate \$9.9 million surplus.

Consumer Utility Tax revenue received through the third quarter of the current fiscal year was \$10.4 million, 70.8% of the FY 2021 adopted forecast of \$14.7 million. Monthly receipts have been extremely uneven throughout FY 2021, which potentially reflect the hardship imposed by the pandemic on customers' ability to make timely payments. Based on the current track of collections, the FY 2021 forecast has been revised to \$13.9 million, an \$800 thousand shortfall.



Dollar amounts expressed in millions

Communications Tax revenue received through the third quarter of the current fiscal year was \$10.3 million, 70.7% of the FY 2021 adopted forecast of \$14.5 million. Gravitation to mobile technology has produced a steady decline in land-line usage. The presence of this trend is anticipated to continue, which will likely cause collections to drift down over time. Given the current pace of incoming revenue, the FY 2021 forecast has been revised to \$13.7 million, a shortfall of \$830 thousand.

Business, Professional and Occupational License (BPOL) Tax revenue received through the third quarter of the current fiscal year was \$22.6 million, 92.7% of the FY 2021 adopted forecast of \$24.4 million. Currently, staff projects additional collections to increase BPOL tax revenue to \$26 million, an approximate \$1.6 million surplus.

Investment Income generated by the County's General Portfolio through the third quarter of FY 2021 was \$6.1 million. The reduction of investment income to \$5 million in early FY 2021 from the adopted forecast of \$8 million was a preemptive measure intended to reflect the potential affect a further decline of interest rates could have on future cash flows. Furthermore, roll-off of higher than current market rate bonds, and subsequent reinvestment of available funds into lower yielding assets, placed additional pressure on investment income. Since the beginning of January interest rates steadily increased through the quarter, mitigating the risk of further cash flow deterioration leading into the end of FY 2021. Currently, investment income is projected to be \$7.5 million for FY 2021, a shortfall of \$550 thousand.

All Other Revenue is comprised of fifteen revenue sources. Recordation and Tax on Deeds continue to benefit from residential home price appreciation. A surplus of \$1.6 million and \$470 thousand, respectively, is currently projected for these two revenue sources. Additional revenue streams forecast to deliver a surplus are as follows: Rental Car and Passenger Car Tax - \$200 thousand, Bank Franchise Tax - \$100 thousand, and Daily Rental Equipment Tax - \$81 thousand. Motor Vehicle License Tax and Transient Occupancy Tax are projected to recognize shortfalls of \$840 thousand and \$80 thousand, respectively. At an aggregate level, a surplus of approximately \$1.5 million is forecast for the All Other Revenue category.



Dollar amounts expressed in millions

Looking Ahead

Economy At-A-Glance

Indicator	Prior ¹ 12/31/2020	Current ¹ 03/31/2021	Trend					Notes
General								
Consumer Price Index (CPI)	1.4%	2.6%	●	●	●	●	●	Measures prices paid by consumers for a basket of goods and services.
Gross Domestic Product (GDP)	4.0%	6.4%	●	●	●	●	●	Measures the final market price for goods and services produced within the U.S.
Federal Funds Rate	0.09%	0.06%	●	●	●	●	●	Target interest rate set by the Federal Open Market Committee (FOMC). Establishes baseline lending rates and short term rates of return.
S&P 500 Index	3,756	3,973	●	●	●	●	●	Considered the best single gauge of large-cap U.S. equities. The index contains 500 leading companies and captures approximately 80% of available market capitalization.
Unemployment Rate								
National	6.7%	6.0%	●	●	●	●	●	Tracks the number of unemployed persons as a percentage of the total U.S. labor force.
Virginia	5.6% (R)	5.1% (P)	●	●	●	●	●	Tracks the number of unemployed persons as a percentage of the total VA labor force.
Prince William County	5.9% (R)	5.2% (P)	●	●	●	●	●	Tracks the number of unemployed persons as a percentage of the total PWC labor force.
Average Weekly Wages ²								
National	\$1,188	\$1,173	●	●	●	●	●	Tracks the average weekly monetary compensation paid to an employee in the U.S. Excludes bonus payments.
Virginia	\$1,218	\$1,201	●	●	●	●	●	Tracks the average weekly monetary compensation paid to an employee in VA. Excludes bonus payments.
Prince William County	\$1,048	\$1,054	●	●	●	●	●	Tracks the average weekly monetary compensation paid to an employee in PWC. Excludes bonus payments.
Employment Establishments ³								
Virginia	283,318	285,723	●	●	●	●	●	Tracks the total number of physical locations where business, services, or industrial operations are performed in Virginia.
Region	92,404	92,339	●	●	●	●	●	Tracks the total number of physical locations where business, services, or industrial operations are performed in Northern Virginia.
Prince William County	9,671	9,690	●	●	●	●	●	Tracks the total number of physical locations where business, services, or industrial operations are performed in Prince William County.
Revenue								
Retail Sales: National	-0.70%	9.80%	●	●	●	●	●	Retail sales tracks the resale of new and used goods to the general public for personal or household consumption.
Sales and Use Tax: Virginia	6.7%	6.9%	●	●	●	●	●	Tracks the percentage of state collections for sales and use tax.
Sales and Use Tax: Prince William County	7.1%	7.3%	●	●	●	●	●	Tracks the percentage of collections for sales and use tax in Prince William County. Current sales tax rate is 6.0%.
Revenue Collections: Virginia	7.8%	9.0%	●	●	●	●	●	Approximately 88% of Virginia's revenue consists of net individual income tax and sales tax.
Vehicles								
National Automobile Sales	14.37 M	16.81 M	●	●	●	●	●	Tracks the total number of year-to-date light-vehicle sales in the U.S. on a Seasonally Adjusted Annual Rate basis.
Real Estate Market: Prince William County								
Average Sales Price	\$456,968	\$486,639	●	●	●	●	●	Reflects the average sold price for a home.
Closed Sales	717	652	●	●	●	●	●	Reflects the number of closed home sales.
Average Days on Market	13	6	●	●	●	●	●	Reflects the average time a home is on the market from listing to closing.
Ratio of Homes on the Market to Homes Sold	0.30	0.34	●	●	●	●	●	A ratio > 1 suggests supply of homes on the market exceeds current demand. A ratio < 1 suggests supply of homes on the market is below current demand.
Occupancy Permits Issued	320	311	●	●	●	●	●	Establishes that a property is suitable for habitation after meeting the requirements of the Uniformed Statewide Building Code.
Building Permits Issued	280	487	●	●	●	●	●	Tracks the number of new building permits issued for residential dwellings.
Commercial Vacancy Rate	5.5%	6.0%	●	●	●	●	●	Tracks the percentage of vacant store front property by square feet.

¹ Reflects data available as of the date displayed
² Average Weekly Wages lags current and prior period by 2 quarters
³ Employment Establishments lags current and prior period by 2 quarters
 (R): Revised
 (P): Preliminary



National, State, and Local Trends

National Cautious optimism began to permeate in the early weeks of the new year as our nation's enduring struggle to contain the pandemic was met with the prospect of widespread vaccinations illuminating a path forward. Though new COVID-19 cases persisted through the first three months of 2021, the acceleration of vaccine distribution within the U.S., accompanied by a general decline in hospitalizations and deaths since mid-January, have provided a foundation for moderate improvement of economic conditions in the months ahead. Further support came on March 11, 2021 when President Biden signed a \$1.9 trillion relief package known as the American Rescue Plan Act (ARPA) of 2021. ARPA marked the fifth round of legislated federal funds committed over a one-year time frame to combat the hardship levied by COVID-19. During March, the U.S. Treasury Department issued over \$300 billion in stimulus money, more than double the approximate \$130 billion received by Americans in January.

Notwithstanding the Federal Government's unwavering fiscal and monetary support, believing the arc of the U.S. economic recovery in 2021 and beyond exists in a vacuum would be naïve. While dependency on the pace of the labor market's recuperation will be essential to drive scalable progress, a resurgence and sustained level of U.S. economic output will also be reliant on the global community's ability to recover from the pandemic.

The Consumer Price Index (CPI), a measurement of the change in prices paid by consumers for goods and services, displayed a widely expected upturn in March of 2.6% as the year-over-year comparison included price weakness from 2020 when the economy began to enter a large-scale lockdown during the first wave of the pandemic. Currently, and in the months ahead, discerning a meaningful interpretation of the inflation trend will be challenging when comparing a nation that has been showered with fiscal stimulus to an economy that not only experienced a deep recession one year ago, but also struggled to gain consistent forward momentum throughout 2020. Furthermore, the rising cost of energy appears to be dramatically distorting the inflation profile. Since June 2020, energy prices have significantly outpaced overall inflation by approximately 25%. Gasoline prices alone increased 11% during March, contributing 0.3% to the change in total inflation. Core inflation (excludes food & energy) rose 1.6% from the previous year, likely reflecting the impact from broader re-openings throughout the economy and the mass distribution of stimulus checks in the month of March. While the March report pointed to signs of budding economic momentum, the scale of price increases in some core services categories still lags recent labor market indicators showing a more dynamic rebound. Still, signs of stabilization, specifically within categories related to travel and leisure and hospitality, have begun to emerge. Public transportation rose 0.7%, recreation was up 0.4%, and lodging away from home recorded one of the strongest gains of 3.8%.

Gross Domestic Product (GDP), the broadest measure of economic activity, accelerated in the first quarter of 2021, led by a surge in consumer spending. GDP expanded at a 6.4% annualized rate, while personal consumption, the largest component of the economy, rose to an annualized pace of 10.7%. The Bureau of Economic Analysis report revealed the highest gains in consumer spending occurred in durable goods (41.4%) and non-durable goods (14.4%), whereas spending on services posted a modest pickup of 4.6%. Given the slow vaccination rollout at the beginning of the year, accompanied by easing virus containment measures late in the quarter, the modest increase in service sector spending is not surprising. Furthermore, if not for a steep drawdown of inventories created by a shortage of materials and supply chain disruptions, economic output stood to advance further. The inability of sellers to consistently meet demand for goods and services shaved approximately 2.6% off the growth calculation. Until bottlenecks ease, depleted inventories stand to be a drag on overall growth and may continue to fuel pockets of pricing pressure.

In the wake of January's disappointing employment report, the U.S. labor market gained momentum through the remainder of the quarter as non-farm payrolls increased by 468 thousand in February

and 916 thousand in March. The unemployment rate fell to 6.0% and the labor participation rate, a key metric the Federal Reserve is expected to utilize to assess labor market health in the months ahead, rose to 61.5% in March from 61.4% the previous month. In contrast to February, when re-openings in the leisure and hospitality space underpinned a majority of hiring, March payroll gains covered a wider range of sectors. Details of the March report disclosed not only signs of a rebound in pandemic sensitive industries, but strong hiring gains among traditionally more stable segments as well. Leisure and hospitality added 280 thousand jobs, while overall payrolls most susceptible to activity restrictions absorbed 440 thousand new workers. Less vulnerable sectors added 476 thousand jobs, led by professional and business services (66 thousand) and educational services (64 thousand). In addition, hiring in manufacturing (53 thousand) and social assistance (36 thousand) suggest further labor market healing. Despite substantial job creation progress, total employment remains well below pre-pandemic levels. The jobs deficit stands at approximately 8.4 million. The incomplete recovery of non-farm payrolls serves as a stark reminder of profound cavities that still exist in industries such as leisure & hospitality, government, education & health, and professional & business services.

U.S. consumers leveraged a wave of stimulus money issued by the Federal Government to propel retail sales to gains of 7.6% and 9.8% in January and March, respectively. While February retail sales declined -2.7%, inclement weather in various regions of the country and a lofty January print suggest the impact was tied to anomalies rather than outright weakness in consumer spending behavior. Without question, the issuance of stimulus checks in January and March provided crucial income support to many households, but the composition of retail sales in both months imply those funds also drove a surge in discretionary spending. Though all major expenditure categories showed increases during March, specific areas of strength in discretionary outlays were recorded in sporting goods (23.5%), clothing (18.3%), autos (15.1%), restaurants/bars (13.4%), department stores (13.0%), and electronics (10.5%). Discretionary spending results for January displayed a similar level of strength in numerous categories, albeit the aggregate was not able to eclipse the results produced in March. Notwithstanding spirited consumer activity, one area of concern has continued to be the escalation of gasoline prices. Since the beginning of the year fuel prices have risen 21%. A proliferation of this trend will essentially impose a gas tax on consumers, potentially causing a reallocation of disposable income.

The National Automobile Dealers Association (NADA) reported Seasonally Adjusted Annual Rate (SAAR) light-vehicle sales of 16.81 million units for the first three months of 2021, up 13.7% from the same period last year. The same theme established by overall retail sales activity for the quarter can be applied to the automobile sector – solid January sales, a decline in units sold for February, followed by a sharp rebound in sales during March. The SAAR of units sold for March was 17.75 million, the second highest tally on record for the month of March. According to NADA, manufacturers have shifted production priority to the most popular, and profitable, segments for retail customers to manage ailing supply of microchips and resins utilized in auto parts assembly. Manufacturing bottlenecks are believed to have shrunk North American new inventory by more than 300,000 units from the beginning of the year. The microchip shortage has been a significant pain point for vehicle makers and is expected to weigh on production during the second quarter of 2021. The presence of tight new-vehicle inventory has driven used vehicle prices higher, leading to consumers receiving generous trade in values. J.D. Power estimates the combination of healthy trade in prices and low financing rates has translated to an average monthly payment of \$595 in March 2021, a modest increase of approximately \$5. Despite expectations for production disruptions and lean inventory over the foreseeable future, NADA has increased its projection of new-vehicles sales for 2021 to 16.3 million units, supported by a backdrop of strong consumer demand.

State The Commonwealth reported General Fund revenue collections in March grew 18.5% from the same time last year, propelled primarily by an additional payroll withholding during the month. Measured on a fiscal year-to-date basis, total revenue collections advanced 9.0%, exceeding the annual forecast of 3.0% growth. Additional revenue collection highlights for March include year-over-year sales

tax (based on February receipts) growth of 8.1% and a 58.3% spike in recordation tax revenue. The final quarter of the fiscal year are considerable tax collection months for the Commonwealth as estimated and final payments for corporations and individuals are due. Governor Northam shared his view of the Commonwealth's revenue profile leading into the final quarter of FY 2021, declaring "Virginia's solid revenue picture is yet another sign that we are emerging very strong from the pandemic and continue to address its impacts on our economy." "Together with the General Assembly, we have worked to ensure these gains will translate into additional relief to families and businesses and the targeted investments we need for a broad-based, equitable recovery." struck an upbeat tone upon release of the December report, saying "Our diligence in following our long-term financial plan has put Virginia in a stronger position to weather this health crisis and ensure a sustainable recovery." "As we look ahead to a post-pandemic world, this continued solid revenue performance gives us confidence that we can meet our budget priorities, enhance our cash reserves, and provide relief to Virginians who need it."

Virginia's seasonally adjusted unemployment rate fell 0.1% in March to 5.1% from the previous month and currently stands 2.5 percentage points above the rate from March 2020. The Virginia Employment Commission's March report disclosed Virginia's labor force rose by 1,618 to 4,238,239. Furthermore, the Commission reported employment increased in five of eleven major sectors. Following national trends, the Commonwealth recognized payroll gains in professional and business services (2,300) and manufacturing (2,000). The trade, transportation, and utilities sector recognized the largest job loss during March, decreasing by 2,200 jobs. Initial claims for unemployment insurance exhibited a downward trend from the beginning of January (19,530) through the end of February (12,155), before climbing to 28,244 claims for the final reporting week of March.

Local Prince William's County's labor market exhibited modest improvement as measured by a decline in the March unemployment rate to 5.2% from 5.9% in December. Initial unemployment insurance claims mirrored Virginia's trend line throughout the first quarter of 2021. Initial claims for the first week of January were 718, declined to 346 in the final week of February, before rising to 822 for the last week of March. Over the course of the pandemic, Prince William County Government has persistently served the community by seeking available avenues to disburse the County's \$82 million allocation of Coronavirus Aid, Relief, and Economic Security (CARES) Act funds. Roughly \$77 million has been distributed to local businesses and various resident services throughout the community, as well as the school division. On May 10, 2021, the U.S Treasury Department released the Interim Final Rule (IFR) and launched the funding portal for the \$350 billion Coronavirus State and Local Fiscal Recovery Fund, as created and directed by ARPA. Through ARPA, the County anticipates receipt of approximately \$45 million in May, followed by an additional approximately \$45 million in 2022. County staff will conduct a thorough review to identify permissible funding options that can be utilized to assist residents and the business community of Prince William County in the recovery process.

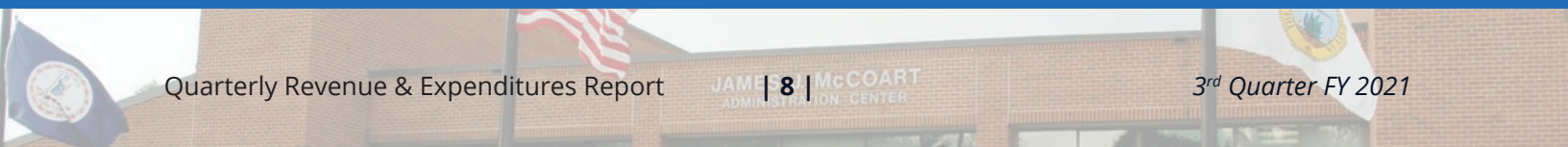
Prince William County Real Estate Market

Residential Sales Activity The following highlights are based on Metropolitan Regional Information Systems (MRIS) data for the quarters ended March 2021 and March 2020.

Category	March 2021	March 2020	Increase/(Decrease)
Median Sold Price	\$445,000	\$408,250	9.0%
Units Sold	652	589	10.7%
Active Listings	223	592	(62.3%)
Average Days on Market	6	22	(72.3%)
New Listings	935	972	(3.8%)

According to Freddie Mac’s Primary Mortgage Market Survey released on April 22, 2021, the average 30-year fixed rate mortgage was 2.97%, a 30 basis points increase from the quarter ended December 31, 2020. Despite the recent surge in interest rates over the past several months, mortgage rates continue to be low on a historical basis. Favorable interest rates for borrowers, tight housing supply, and flexible work arrangements offered by employers continue to fuel residential home price appreciation in Prince William County and other regions throughout the United States.

Commercial Sector For the quarter ending March 2021, Costar Realty Group (Costar) reported the County’s commercial inventory included 50.2 million occupied square feet (sq. ft.) of space in 2,141 buildings with 3.0 million sq. ft. of vacant space. While the residential market is thriving, retail construction has been hard-hit in the state. Lisa Sturtevant, chief economist for Virginia Realtors, states “the bright spot has been the industrial market, as the online market has expanded. There have been a lot of fulfillment centers and, at the same time, a tremendous amount of construction of data centers.”



PRINCE WILLIAM COUNTY

3rd Quarter FY 2021 Expenditures

General Information

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

The County's fiscal year runs from July 1 to June 30. The BOCS adopted a FY 2021 general fund budget of \$1.29 billion.

- \$625.3 million adopted School transfer, in accordance with the County-Schools revenue sharing agreement.
- \$659.9 million adopted County government general fund budget, including transfers.

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

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

Third Quarter Summary

1. *General Fund Reporting* – This report includes only unrestricted general fund expenditures. It does not include restricted funds within the general fund such as Transient Occupancy Tax mandated for tourism, proffers, grants, or criminal forfeitures.
2. *Revised FY 2021 Budget* – As of March 31, 2021, the revised County government unrestricted general fund budget, excluding transfers, was \$627.8 million.
3. *Third Quarter General Fund Expenditures* – As of March 31, 2021, 74.0% of the expenditure budget was spent. Excluding Non-Departmental and Debt Service, which are not indicators of direct County agency operations and have a disproportionate share of expenditures during the beginning of the fiscal year, agencies spent 71.6% of the operating expenditure budget. **Current projections indicate 96.5% of the County government’s general fund expenditure budget will be expended by year-end. Projected expenditure savings at the end of the fiscal year are estimated at approximately \$22.0 million.**

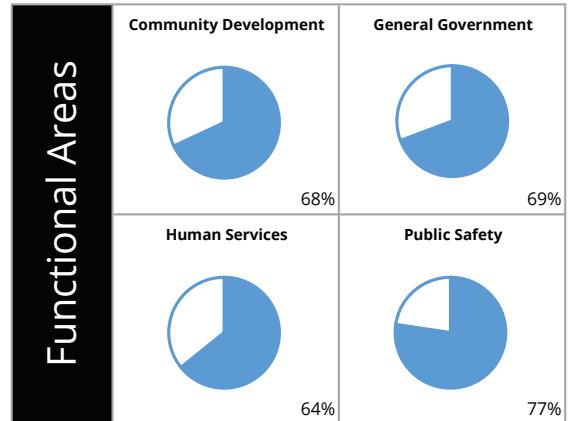
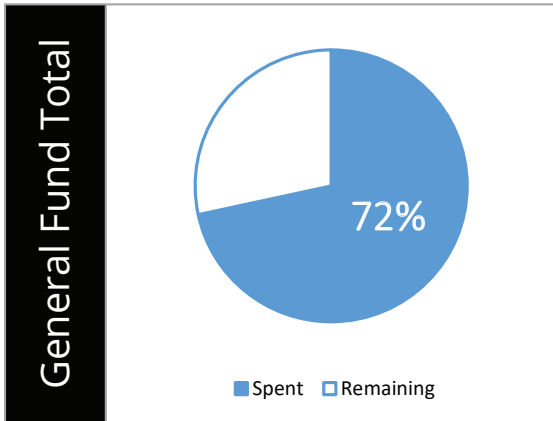
Percent of Budget Spent (Including Debt Service & Non-Departmental)	Percent of Budget Spent (Excluding Debt Service & Non-Departmental)
74.0%	71.6%

4. *Pay Periods per Quarter* - The number of pay periods differ by quarter. The first two quarters each included an additional two-week pay period. The additional payrolls meant agencies had higher salary and benefit actuals in the first half of the year. Additionally, \$2.4 million in retiree health benefit costs were charged for the entire fiscal year in the first quarter.
5. *Information Technology Charges* - Information technology costs for the entire fiscal year (approximately \$29 million) were billed to County agencies in the first quarter. Therefore, Internal Services expenditures are higher than normally anticipated, as well as overall general fund expenditures. **After accounting for full-year internal services costs, County agencies spent 69.9% of their expenditure budget.**

Percent of Budget Spent (Excluding Debt Service, Non-Departmental, & Internal Services)
69.9%

6. *COVID-19 Pandemic Impact on Agency Revenue* – The COVID-19 pandemic has impacted agency revenue as many Parks, Recreation & Tourism facilities operated at reduced service hours and capacity throughout the first three quarters of the year. In addition, fines and forfeitures collected by the Courts, Sheriff, and Library were all at reduced levels. Social Services special education private day school placement reimbursements are also projected at reduced levels due to the challenges of providing services in a remote environment. **General fund agency revenue is projected to be \$13 million below budget.**
7. *COVID-19 Pandemic and CARES Act* - The COVID-19 pandemic presents challenges for Prince William County with medium and long-term factors that cannot be fully predicted. The County has expedited a constantly evolving and multi-faceted response to the pandemic, emphasizing community-level response for those individuals, families, and businesses most impacted, as well as ensuring the health and safety of county employees. Discretionary spending within the County continues to be strictly monitored.

8. *Agency Variances* – Notable variances are reported based on the ‘Spent %’ column on the following pages. Encumbrances are not included in the agency detailed tables and charts.




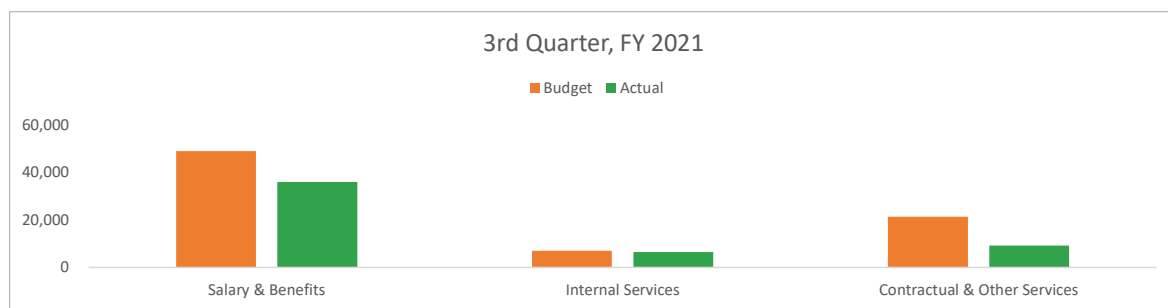
Community Development Functional Area

(Dollar amounts expressed in thousands)

Departments & Agencies

- Economic Development
- Library
- Parks, Recreation & Tourism
- Planning
- Public Works
- Transportation

Functional Area	Spending Category	Budget	Actual	Spent %
Community Development	Salary & Benefits	48,944.29	35,995.20	
	Internal Services	7,005.63	6,528.80	
	Contractual & Other Services	21,418.00	9,216.15	
	Reserves & Contingencies	(3,475.36)	(1,435.54)	
	73,892.55	50,304.60	68.08%	




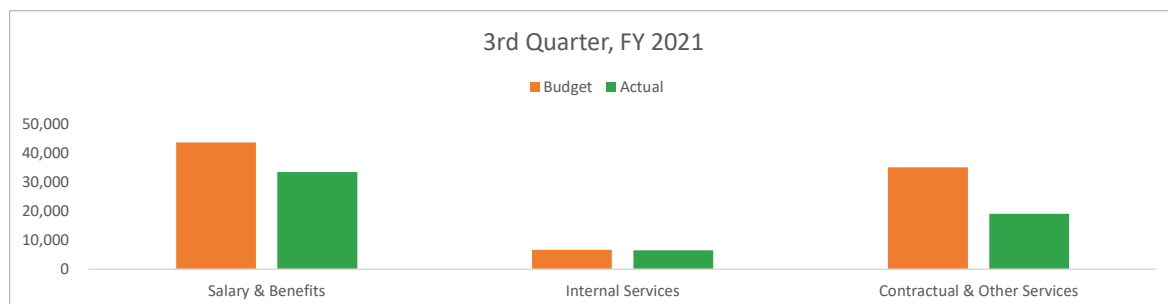
General Government Functional Area

(Dollar amounts expressed in thousands)

Departments & Agencies

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

Functional Area	Spending Category	Budget	Actual	Spent %
General Government	Salary & Benefits	43,597.63	33,431.80	
	Internal Services	6,687.82	6,518.47	
	Contractual & Other Services	35,119.06	19,080.63	
	Reserves & Contingencies	(3,973.44)	(2,610.16)	
	81,431.06	56,420.74	69.29%	




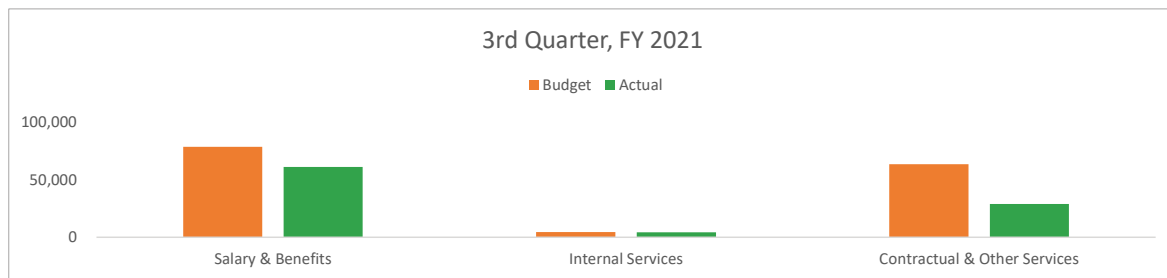
Human Services Functional Area

(Dollar amounts expressed in thousands)

Departments & Agencies

- Aging
- Community Services
- Cooperative Extension Service
- Public Health
- Social Services

Functional Area	Spending Category	Budget	Actual	Spent %
Human Services	Salary & Benefits	78,654.40	61,020.12	
	Internal Services	4,569.02	4,319.61	
	Contractual & Other Services	63,532.06	28,935.80	
	Reserves & Contingencies	0.00	0.00	
		146,755.47	94,275.53	




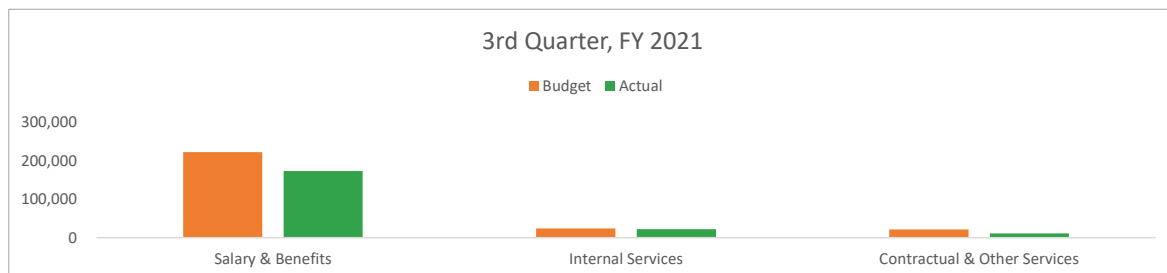
Public Safety Functional Area

(Dollar amounts expressed in thousands)

Departments & Agencies







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

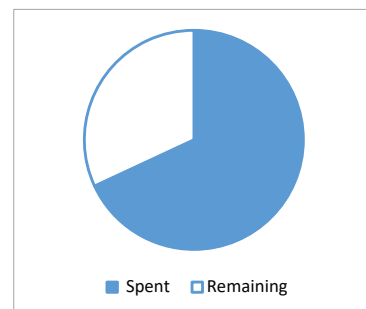
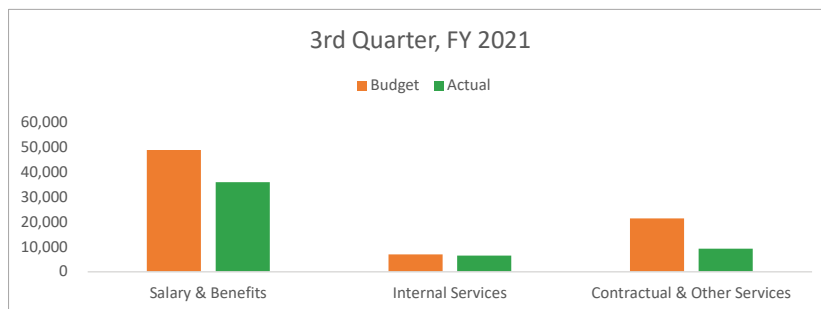
Functional Area	Spending Category	Budget	Actual	Spent %
Public Safety	Salary & Benefits	222,443.63	173,719.43	
	Internal Services	24,190.45	21,966.29	
	Contractual & Other Services	20,819.56	11,247.02	
	Reserves & Contingencies	0.00	(49.30)	
		267,453.64	206,883.44	



Community Development Functional Area

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Economic Development	Salary & Benefits	2,371.87	1,752.23	
	Internal Services	83.76	76.11	
	Contractual & Other Services	1,746.34	767.66	
	Reserves & Contingencies	0.00	0.00	
		4,201.97	2,596.00	61.78%
Library	Salary & Benefits	14,965.57	10,371.71	
	Internal Services	1,170.58	1,150.95	
	Contractual & Other Services	3,114.81	1,495.60	
	Reserves & Contingencies	0.00	0.00	
		19,250.96	13,018.26	67.62%
Parks, Recreation & Tourism	Salary & Benefits	23,278.80	16,615.04	
	Internal Services	2,530.18	2,236.51	
	Contractual & Other Services	11,535.71	4,257.33	
	Reserves & Contingencies	(154.00)	(0.10)	
		37,190.70	23,108.78	62.14%
Planning	Salary & Benefits	1,274.04	991.13	
	Internal Services	2,281.41	2,275.15	
	Contractual & Other Services	1,243.97	660.95	
	Reserves & Contingencies	0.00	0.00	
		4,799.41	3,927.23	81.83%
Public Works	Salary & Benefits	3,479.74	2,745.48	
	Internal Services	738.90	611.20	
	Contractual & Other Services	1,109.05	614.91	
	Reserves & Contingencies	(168.49)	(82.19)	
		5,159.20	3,889.40	75.39%
Transportation	Salary & Benefits	3,574.27	3,519.61	
	Internal Services	200.79	178.88	
	Contractual & Other Services	2,668.12	1,419.69	
	Reserves & Contingencies	(3,152.87)	(1,353.25)	
		3,290.31	3,764.93	114.42%



Notable Variances

- Economic Development** - Salary & Benefits is underspent due to vacancy savings. Community partner payments for small business development services will not occur until the fourth quarter.
- Library** - Salary & Benefits is underspent due to vacancy savings and use of CARES Act funding.
- Parks, Recreation & Tourism** - Salaries & Benefits is underspent due to impacts of the COVID-19 pandemic. Contractual & Other Services expenditures are underspent due to managing projected agency revenue shortfalls. However, fourth quarter expenses are anticipated to increase due to preparations for camps and pool operations this summer.
- Planning** - A disproportionate amount of the Planning budget is in the Internal Services series due to being the countywide host for the Geographic Information System (GIS). These DoIT services have been billed for the entire year. Additionally, Council of Governments (COG)









Community Development Functional Area *(Continued)*

membership dues of \$0.6 million were paid for the entire fiscal year. After adjusting for these expenses, the percent spent would be 54.85%.

5. **Transportation** - Most personnel costs are cost-recovered from capital projects. FY 2021 cost recovery has been processed through November 2020.


General Government Functional Area

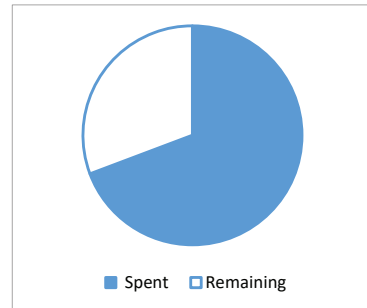
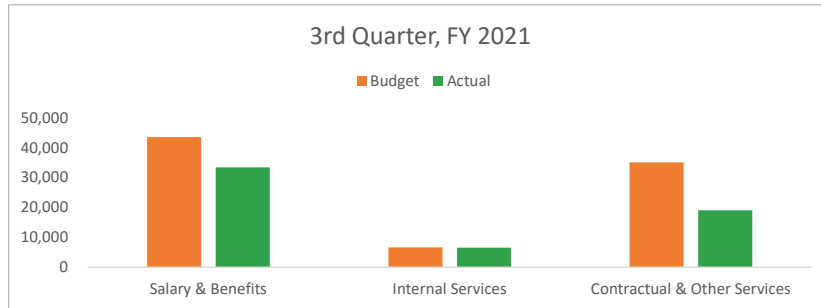
(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Board of County Supervisors	Salary & Benefits	3,193.71	2,171.72	
	Internal Services	127.89	127.54	
	Contractual & Other Services	2,135.82	1,013.84	
	Reserves & Contingencies	0.00	0.00	
		5,457.42	3,313.11	
County Attorney	Salary & Benefits	3,983.26	3,001.31	
	Internal Services	104.75	104.30	
	Contractual & Other Services	188.14	(82.91)	
	Reserves & Contingencies	(176.93)	(25.77)	
		4,099.23	2,996.93	
Elections	Salary & Benefits	2,025.65	1,587.06	
	Internal Services	96.62	100.91	
	Contractual & Other Services	1,711.15	1,188.91	
	Reserves & Contingencies	0.00	0.00	
		3,833.42	2,876.88	
Executive Management	Salary & Benefits	3,391.78	2,481.91	
	Internal Services	136.15	129.04	
	Contractual & Other Services	487.68	174.47	
	Reserves & Contingencies	0.00	0.00	
		4,015.61	2,785.42	
Facilities & Fleet Management	Salary & Benefits	8,922.52	7,368.71	
	Internal Services	824.52	699.56	
	Contractual & Other Services	25,614.40	14,911.37	
	Reserves & Contingencies	(2,583.76)	(1,488.31)	
		32,777.69	21,491.34	
Finance	Salary & Benefits	16,292.16	12,578.97	
	Internal Services	4,703.11	4,684.02	
	Contractual & Other Services	4,434.27	1,577.08	
	Reserves & Contingencies	(523.31)	(595.68)	
		24,906.23	18,244.39	
Human Resources	Salary & Benefits	3,534.26	2,594.42	
	Internal Services	595.57	595.57	
	Contractual & Other Services	373.31	277.59	
	Reserves & Contingencies	(689.46)	(500.40)	
		3,813.68	2,967.18	
Human Rights Office	Salary & Benefits	821.21	592.19	
	Internal Services	30.92	30.92	
	Contractual & Other Services	98.77	5.63	
	Reserves & Contingencies	0.00	0.00	
		950.91	628.74	

General Government Functional Area *(Continued)*

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Management & Budget	Salary & Benefits	1,433.08	1,055.51	
	Internal Services	68.29	46.62	
	Contractual & Other Services	75.50	14.64	
	Reserves & Contingencies	0.00	0.00	
			1,576.87	








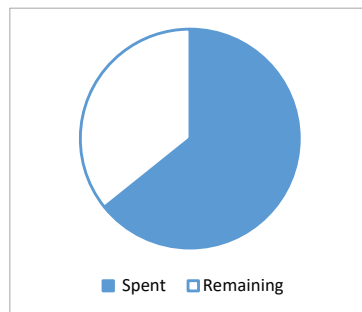
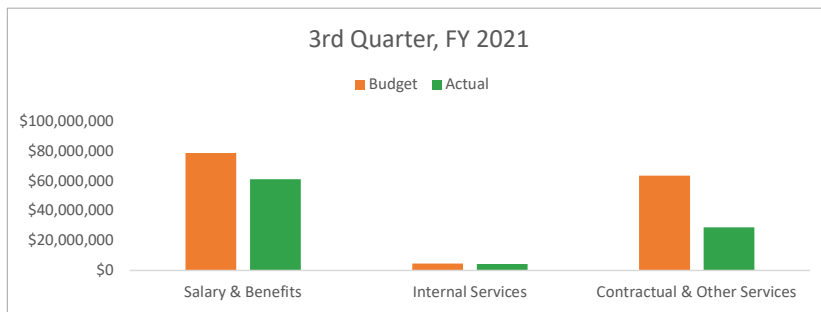
Notable Variances

- Board of County Supervisors** - The Audit Services program has encumbered funds for internal audit activities that are planned to be paid in the last quarter of FY 2021.
- Facilities & Fleet Management** - Utility costs are under budget due to a mild winter and 40% of staff teleworking. Additionally, Property Management is performing many repairs in house, saving contractual labor costs. Finally, funds of \$7.3M have been encumbered and are anticipated to be spent in the fourth quarter. Encumbrances include scheduled construction projects, including McCoart hoteling, leases, and Fleet upfitting currently in process for Police and Sheriff vehicles.
- Human Rights** - Salary & Benefits is underspent due to vacancy savings. Contractual & Other Services is underspent in travel and education as a result of COVID restrictions. Additionally, \$30K in budgeted revenue will not be received from Housing & Community Development; therefore, the corresponding budgeted expenses for fair housing testing will not be spent.

Human Services Functional Area

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Aging	Salary & Benefits	2,935.52	2,626.87	
	Internal Services	203.76	178.95	
	Contractual & Other Services	5,241.04	3,254.77	
	Reserves & Contingencies	0.00	0.00	
	8,380.33	6,060.60	72.32%	
Community Services	Salary & Benefits	38,822.02	29,586.11	
	Internal Services	2,355.49	2,288.54	
	Contractual & Other Services	14,778.57	5,075.90	
	Reserves & Contingencies	0.00	0.00	
	55,956.08	36,950.55	66.03%	
Cooperative Extension Service	Salary & Benefits	1,033.49	740.22	
	Internal Services	85.83	85.85	
	Contractual & Other Services	41.39	7.76	
	Reserves & Contingencies	0.00	0.00	
	1,160.72	833.83	71.84%	
Public Health	Salary & Benefits	642.92	226.26	
	Internal Services	46.60	37.23	
	Contractual & Other Services	3,070.86	2,440.42	
	Reserves & Contingencies	0.00	0.00	
	3,760.38	2,703.92	71.91%	
Social Services	Salary & Benefits	35,220.44	27,840.66	
	Internal Services	1,877.33	1,729.03	
	Contractual & Other Services	40,400.19	18,156.95	
	Reserves & Contingencies	0.00	0.00	
	77,497.96	47,726.64	61.58%	












Notable Variances

- Community Services** - Contractual & Other Services is underspent due to COVID-19 necessitating more telehealth services instead of face to face services.
- Social Services** - The budget includes approximately \$3.1M in multi-year grants. Adjusting for these grant dollars, the percent spent is 64.1%. Children Services Act (CSA) expenditures are down due to COVID-19 and the associated impact on remote learning. Expenditure savings is projected at \$8.0M due to CSA services provided at reduced capacity, which negatively impacts revenue received from the Commonwealth by \$5.0M.




Public Safety Functional Area

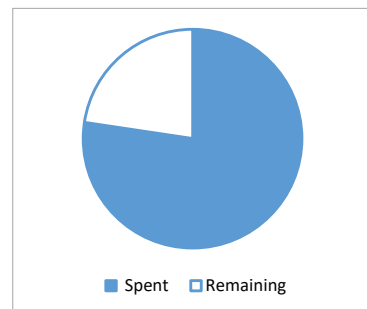
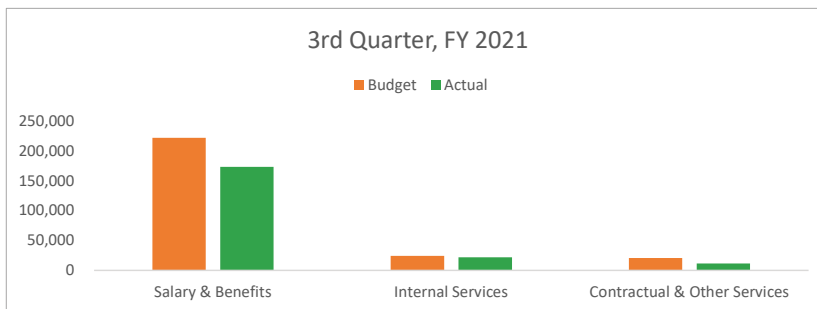
(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Circuit Court Judges	Salary & Benefits	922.92	792.49	
	Internal Services	36.32	36.32	
	Contractual & Other Services	35.80	48.49	
	Reserves & Contingencies	0.00	0.00	
	995.05	877.29	88.17%	
Clerk of the Court	Salary & Benefits	3,718.06	2,941.10	
	Internal Services	216.00	168.21	
	Contractual & Other Services	545.33	267.80	
	Reserves & Contingencies	0.00	0.00	
	4,479.40	3,377.12	75.39%	
Commonwealth Attorney	Salary & Benefits	5,841.12	4,557.90	
	Internal Services	227.20	221.80	
	Contractual & Other Services	204.89	130.26	
	Reserves & Contingencies	0.00	0.00	
	6,273.21	4,909.96	78.27%	
Criminal Justice Services	Salary & Benefits	4,571.23	3,369.27	
	Internal Services	219.98	199.18	
	Contractual & Other Services	556.52	257.16	
	Reserves & Contingencies	0.00	0.00	
	5,347.73	3,825.61	71.54%	
Fire & Rescue	Salary & Benefits	89,550.35	70,740.94	
	Internal Services	8,226.28	7,998.04	
	Contractual & Other Services	6,878.60	2,534.72	
	Reserves & Contingencies	0.00	0.00	
	104,655.23	81,273.70	77.66%	
General District Court	Salary & Benefits	546.83	302.92	
	Internal Services	36.16	36.16	
	Contractual & Other Services	192.47	58.13	
	Reserves & Contingencies	0.00	0.00	
	775.46	397.21	51.22%	
Juvenile & Domestic Relations Ct	Salary & Benefits	135.30	101.76	
	Internal Services	30.30	30.30	
	Contractual & Other Services	93.03	61.10	
	Reserves & Contingencies	0.00	0.00	
	258.63	193.16	74.68%	
Juvenile Court Services Unit	Salary & Benefits	636.14	402.61	
	Internal Services	89.82	81.01	
	Contractual & Other Services	373.35	209.89	
	Reserves & Contingencies	0.00	0.00	
	1,099.32	693.50	63.08%	
Magistrates	Salary & Benefits	88.73	68.26	
	Internal Services	18.23	18.23	
	Contractual & Other Services	7.62	5.17	
	Reserves & Contingencies	0.00	0.00	
	114.58	91.66	80.00%	

Public Safety Functional Area (Continued)

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Police	Salary & Benefits	94,128.45	72,687.47	
	Internal Services	13,785.91	12,044.15	
	Contractual & Other Services	9,125.89	5,871.86	
	Reserves & Contingencies	0.00	0.00	
	117,040.25	90,603.48	77.41%	
Public Safety Communications	Salary & Benefits	10,727.70	8,120.36	
	Internal Services	404.50	390.64	
	Contractual & Other Services	1,965.62	1,262.79	
	Reserves & Contingencies	0.00	0.00	
	13,097.82	9,773.79	74.62%	
Sheriff	Salary & Benefits	11,576.78	9,634.36	
	Internal Services	899.74	742.24	
	Contractual & Other Services	840.46	539.64	
	Reserves & Contingencies	0.00	(49.30)	
	13,316.98	10,866.95	81.60%	




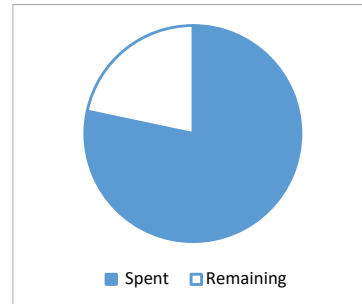
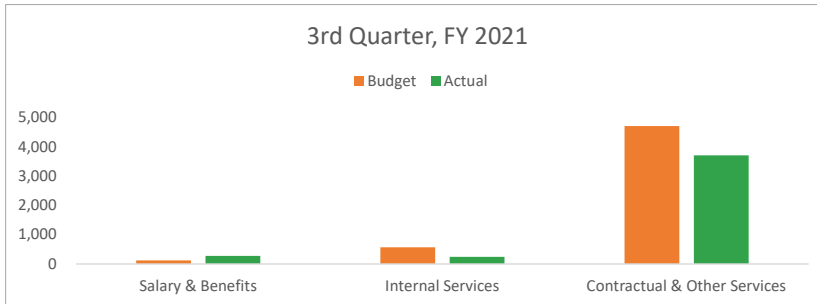
Notable Variances

- Circuit Court Judges** - Salary & Benefits is over spent due to a six week overlap of law clerk interns.
- Commonwealth Attorney** - The first three quarters of the fiscal year included 20 of 26 pay periods, or 76.9% of the pay periods. Adjusting for this, the percent spent is 76.3%.
- Fire & Rescue** - Salary & Benefits is higher due to two additional pay periods incurred during the first half of the fiscal year. Discounting for the extra pay periods and a full year of Internal Service charges posted in the first quarter, the percent spent is 76%.
- General District Court** - Salary & Benefits is underspent due to vacancy savings.
- Juvenile Court Services Unit** - Salary & Benefits is underspent due to vacancy savings.
- Magistrate** - DoIT internal service charges have been billed for the entire year. After adjusting for these expenditures, the percent spent is 76.2%.
- Police** - Salary & Benefits is higher due to two additional pay periods incurred during the first half of the fiscal year. Discounting for the extra pay periods and a full year of Internal Services charges posted in the first quarter, the percent spent is 76%.
- Sheriff** - Salary & Benefits is projected to be higher than budget due to overtime pay, part-time salaries, and language stipends.

Non-Departmental

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Non-Departmental	Salary & Benefits	115.17	273.67	
	Internal Services	565.00	245.53	
	Contractual & Other Services	4,715.52	3,707.76	
	Reserves & Contingencies	0.00	0.00	
			5,395.69	




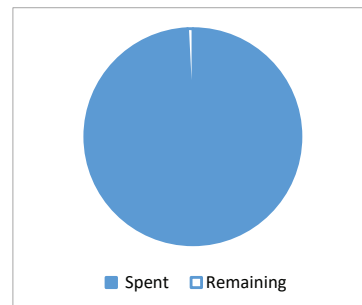
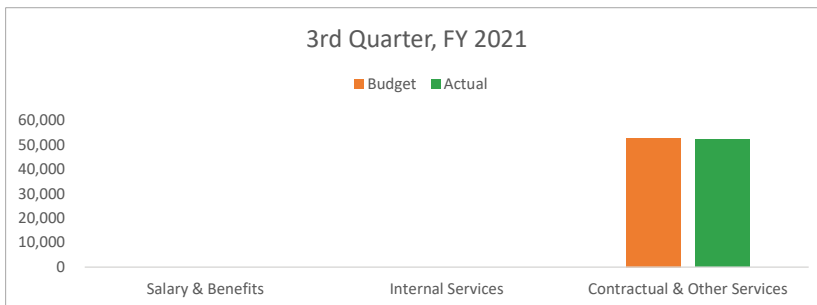
Notable Variances

- Non-Departmental** - The following payments have been made during the fiscal year: Fleet Insurance Repair (\$0.2M), Property and Miscellaneous Insurance Premiums (\$0.4M), Unemployment Insurance, Medical Insurance & Contingency (\$0.6M), Northern Virginia Community College Contribution (\$1.1M), and Hylton Performing Arts Center Contribution (\$1.9M).

Debt Service

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Debt Service	Salary & Benefits	0.00	0.00	
	Internal Services	0.00	0.00	
	Contractual & Other Services	52,914.38	52,493.74	
	Reserves & Contingencies	0.00	0.00	
			52,914.38	



Notable Variances

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



PRINCE WILLIAM — COUNTY

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