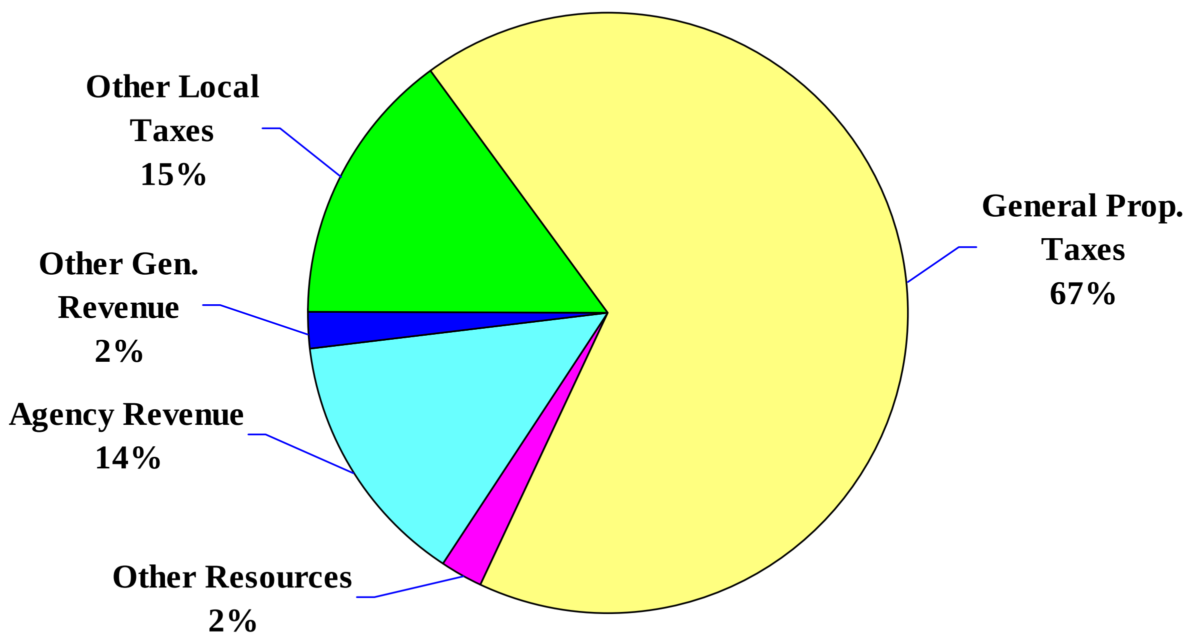
The General Fund accounts for all financial transactions and resources in Prince William County other than those required to be accounted for in another Fund. Thus, the General Fund is the largest and most important fund used by the County. The General Fund is divided into revenues and expenditures. This pie chart shows all FY 04 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 are Other Local Taxes (15%) and Agency Revenue (14%). 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 (14%) 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 96% of total funding sources in the General Fund.

FY 04 Funding Sources
General Fund

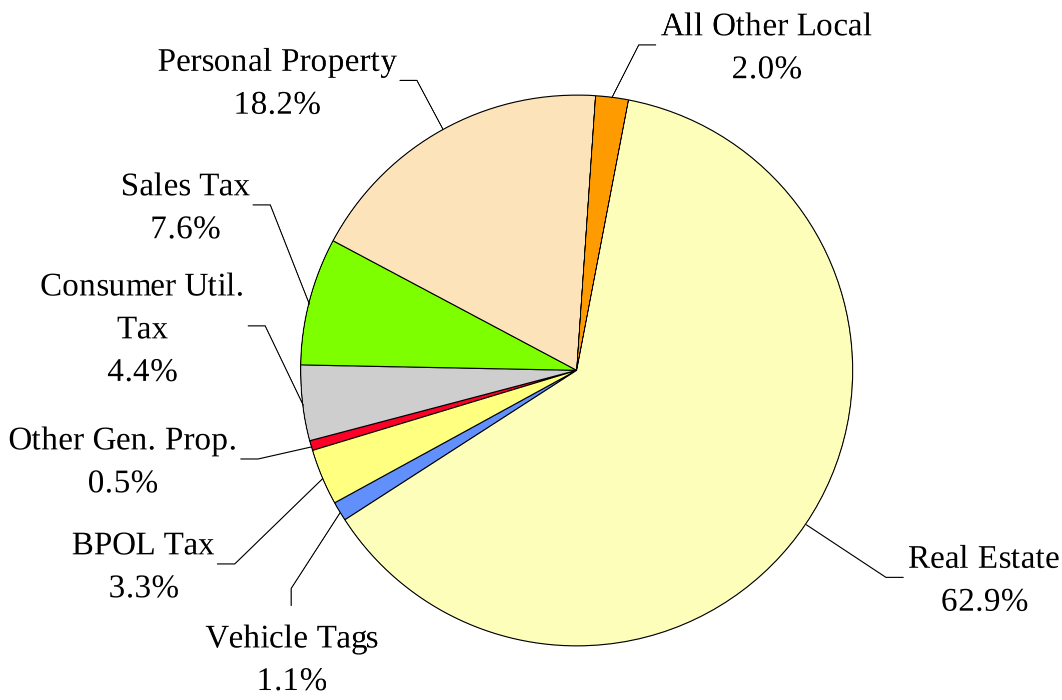


$611,088,978

This pie chart provides detail regarding the County's FY 04 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 (62.9%) comes from the real estate tax ($1.16 per $100 of assessed value) assessed on citizen's homes and real estate properties. The next largest source (18.2%) is Personal Property Taxes ($3.70 per $100 of assessed value) assessed on individual and business personal property. The next source (7.6%) 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 88.7% of total local tax dollars coming into the County. The smaller sources of tax dollars include:

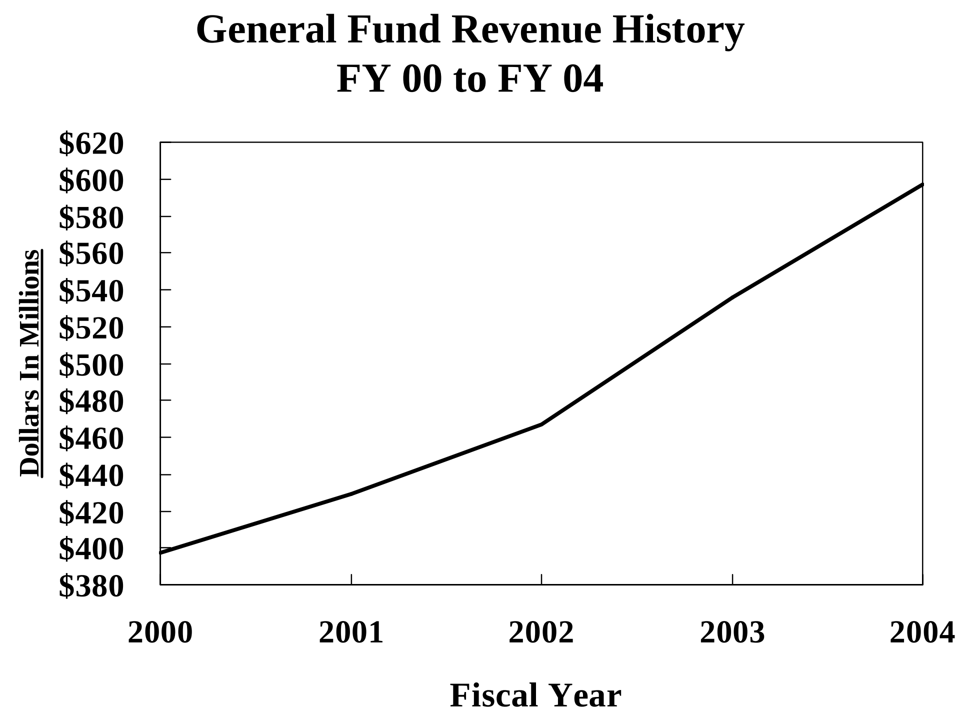
- Vehicle Tags (1.1%) received from the annual sale of automobile decals;
- All Other Local (2.0%) include miscellaneous tax sources such as Transient Occupancy Tax and Recordation Taxes;
- Other General Property (0.5%) is interest earned on all taxes;
- Business, Professional, Occupational License tax (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 FY 04
Local Tax Sources

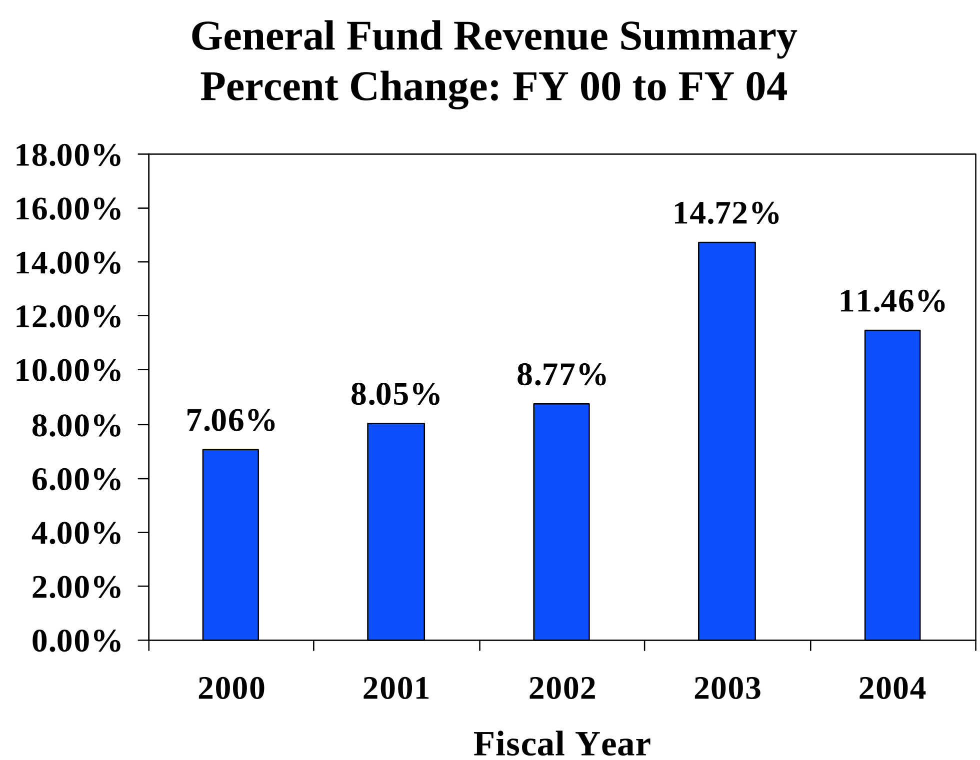


$501,249,493

As the following graphs show, total Prince William County General Fund Revenues have increased 50.3% from FY 00 Adopted to FY 04 Adopted (from $397.5 million to $597.3 million).



Note: All Years Adopted



Note: All Years Adopted

Revenue Projections - General Fund Non-Agency Revenue

Table 1. Revenue Estimates by Category

Acct. Code	GENERAL REVENUE SOURCE	FY2004 ESTIMATE	FY2005 ESTIMATE	FY2006 ESTIMATE	FY2007 ESTIMATE	FY2008 ESTIMATE
0010	REAL ESTATE TAXES	$307,131,000	$346,140,000	$373,975,000	$402,834,000	$433,120,000
	ROLLBACK SUPPLEMENT	1,200,000	750,000	500,000	250,000	250,000
0020	REAL ESTATE TAX EXONERATIONS	(5,191,000)	(4,500,000)	(4,488,000)	(4,431,000)	(4,331,000)
	SUBTOTAL	303,140,000	342,390,000	369,987,000	398,653,000	429,039,000
0041	R/E TAXES - PUBLIC SERVICE	10,558,000	10,822,000	10,931,000	11,040,000	11,371,000
0021	REAL ESTATE TAX DEFERRAL	(350,000)	(275,000)	(250,000)	(325,000)	(325,000)
0025	LAND REDEMPTION	852,640	791,584	754,950	732,970	719,782
0160	REAL ESTATE PENALTIES	1,084,000	1,224,000	1,323,000	1,425,000	1,534,000
TOTAL - - REAL ESTATE		**315,284,640**	**354,952,584**	**382,745,950**	**411,525,970**	**442,338,782**
0071	PERSONAL PROPERTY TAXES	90,877,000	100,757,268	111,129,768	121,440,818	133,472,518
0072	P/P - PRIOR YEAR	74,000	75,000	75,000	75,000	75,000
0081	P/P TAX DEFERRAL	($1,550,000)	($1,025,000)	($1,200,000)	($1,375,000)	($1,375,000)
0170	P/P PENALTIES	1,545,000	1,713,000	1,889,000	2,064,000	2,269,000
TOTAL - - PERSONAL PROPERTY		**90,946,000**	**101,520,268**	**111,893,768**	**122,204,818**	**134,441,518**
0210	**LOCAL SALES TAX**	**38,095,500**	**40,144,000**	**42,552,000**	**45,105,000**	**47,812,000**
0220	**CONSUMER UTILITY TAX**	**22,245,000**	**24,599,000**	**27,396,000**	**30,813,000**	**35,053,000**
0235	**BPOL TAXES - LOCAL BUSINESSES**	**15,639,761**	**16,480,755**	**17,469,337**	**18,517,448**	**19,628,782**
0510	**INVESTMENT INCOME**	**7,256,000**	**10,016,000**	**11,504,000**	**11,726,000**	**11,922,000**
0140	INTEREST ON TAXES	2,364,102	2,658,884	2,886,701	3,120,563	3,375,069
0250	VEHICLE DECALS - REGULAR	5,692,000	5,960,504	6,320,226	6,701,662	7,106,110
0260	RECORDATION TAX	5,700,000	5,049,412	5,390,393	5,754,400	6,142,988
0261	ADDITIONAL TAX ON DEEDS	2,300,000	1,836,150	1,960,143	2,092,509	2,233,814
0390	CABLE TV FEES	3,513,000	3,769,000	4,001,000	4,233,000	4,475,000
All OTHER REVENUE OVER $1.5 MILLION		**19,569,102**	**19,273,950**	**20,558,463**	**21,902,134**	**23,332,981**
0215	DAILY EQUIPMENT RENTAL TAX	200,090	214,096	229,083	245,119	262,277
0230	BANK FRANCHISE TAX	556,400	595,348	637,022	681,614	729,327
0236	BPOL TAXES - PUBLIC SERVICE	963,000	1,030,410	1,102,539	1,179,716	1,262,297
0270	TRANSIENT OCCUPANCY TAX	1,263,000	1,316,000	1,453,000	1,602,000	1,765,000
0520	INTEREST PAID TO VENDORS	(224,700)	(240,429)	(257,259)	(275,267)	(294,536)
0521	INTEREST PAID ON REFUNDS	(80,374)	(86,000)	(92,021)	(98,462)	(105,354)
1301	ABC PROFITS	411,950	440,787	471,642	504,656	539,982
1302	STATE WINE TAX	187,785	200,930	214,995	230,045	246,148
1303	ROLLING STOCK TAX	47,615	50,948	54,514	58,330	62,414
1304	PASSENGER CAR RENTAL TAX	588,500	629,695	673,774	720,938	771,403
1305	MOBILE HOME TITLING TAX	115,560	123,649	132,305	141,566	151,476
1700	FED PAYMENT IN LIEU OF TAXES	48,150	51,521	55,127	58,986	63,115
MISC.	ALL OTHER GENERAL REVENUE	11,093	11,869	12,700	13,589	14,541
ALL OTHER REVENUE UNDER $1.5 MILLION		**4,088,069**	**4,338,823**	**4,687,421**	**5,062,830**	**5,468,089**
TOTAL GENERAL REVENUE		**$513,124,072**	**$571,325,379**	**$618,806,939**	**$666,857,201**	**$719,997,153**

Prepared by Department of Finance

General Fund

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

Real Estate Revenue

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

Real Estate Taxes - 010/020

The real estate tax is the single largest revenue source for the County contributing approximately 61% of general revenues. 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 Virginia 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:

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

Revenue History	**Tax Rate**[1]	**Actual Revenue**	**Percent Change**
FY 1994	$1.36	$155,555,991	(3.5%)
FY 1995	1.36	157,513,081	1.3%
FY 1996	1.36	162,035,845	2.9%
FY 1997	1.36	166,236,961	2.6%
FY 1998	1.36	173,689,320	4.5%
FY 1999	1.36	182,632,874	5.2%
FY 2000	1.36	193,691,695	6.1%
FY 2001	1.34	208,663,095	7.7%
FY 2002	1.30	230,638,558	10.5%
Current Estimate	**Tax Rate**	**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$1.23	$262,519,000	13.8%
FY 2003 (revised estimate)	1.23	267,000,000	15.8%
Forecast Revenue	**Tax Rate**	**Revenue Estimate**	**Percent Change**
FY 2004	$1.16	$303,140,000	13.5%
FY 2005	1.16	342,390,000	12.9%
FY 2006	1.16	369,987,000	8.1%
FY 2007	1.16	398,653,000	7.7%
FY 2008	1.16	429,039,000	7.6%

[1] The real estate tax rate in prior years is as follows:
1987 - $1.42
1988 - $1.30
1989-1990 - $1.38
1991-1993 - $1.36

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

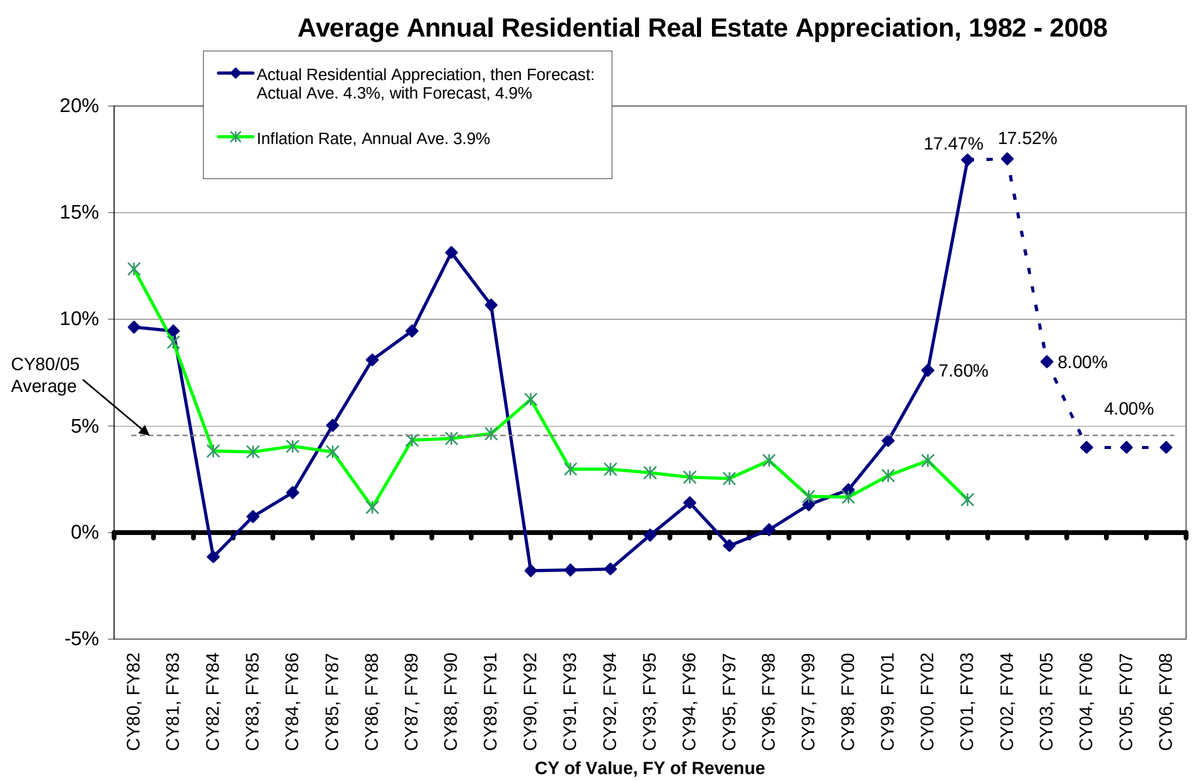
The residential real estate market continued at a healthy pace in Prince William County during 2002. Housing prices continued to rise across Northern Virginia and nationwide despite the national recessionary economic climate. Low interest rates, consumer confidence, and investment potential attracted many buyers and sellers to the real estate market. Short supply and high demand continues to push prices higher. Although the volume of sales transactions was slightly less in 2002 than in 2001, sale prices continued to rise beyond the expectations of most housing experts. The question remains: when will it end?

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

Residential Market Value Changes

The following chart shows a history of actual residential appreciation (excluding rental apartments) from fiscal year 1982 through fiscal year 2003 and the Committee's estimates thereafter. The actual average from 1982 through 2003 is also reflected:

Figure 1. Average Annual Residential Real Estate Appreciation, 1982-2008



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

Table 3. Residential Market Value Changes

Revenue Year	Single-Family, Townhouse, and Condominium	Apartments
FY 2004	17.52%	12.3%
FY 2005	8.00%	6.0%
FY 2006	4.00%	3.0%
FY 2007	4.00%	3.0%
FY 2008	4.00%	3.0%

Residential properties in Prince William County appreciated an overall average of 17.52%. Single family and townhouse properties each showed strong appreciation gains county-wide during 2002. Condominium properties showed slightly higher rates of appreciation throughout Northern Virginia. This is a significant departure from prior years when townhouse and condominium appreciation lagged significantly behind single family homes.

The residential appreciation of 17.52% in Prince William County is consistent with other Northern Virginia jurisdictions where the expected average appreciation rates range from 8% to 25%:

Table 4. Comparison of Estimated Residential Market Value Changes from 2002 to 2003

	Prince William County	Loudoun County	Fairfax County	City of Alexandria	Arlington County
All Residential (Excluding Rental Apartments)	17.52%	8%	14%	25%	17%

The forecast for residential appreciation beyond fiscal year 2004 reflects these market insights. Appreciation is expected to moderate to a rate of 8% in fiscal year 2005 and 4% per year in fiscal years 2006 through 2008. The Revenue Committee expects demand for homes to continue, but not at levels equal to those in fiscal year 2004; rather, appreciation will gradually decline to levels that resemble long-range annual averages.

Apartments Market Value Change

Favorable conditions in the County's apartment market translate into an average increase in market value of approximately 12.3% for fiscal year 2004. This increase is largely attributable to higher apartment rents. Demand for apartment units was strong during 2002, but the low supply of available units and long waiting lists found during calendar year 2001 dissipated as the apartment market returned to offering traditional rental incentives and concessions during 2002. Taking into consideration the expected small increases in vacancy beyond calendar year 2002, appreciation is estimated to continue at a lesser rate of approximately 6.0% in fiscal year 2005, and 3% per year in fiscal years 2006 through 2008.

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 2002 affects revenues beginning in fiscal year 2004. The following table summarizes the expected number of newly constructed residential units during the forecast period, and the previous four year's activity:

Table 5. Residential Growth - Number of Units

Revenue Year	Single-Family	Townhouse	Condominium	Apartments
FY 2000(a)	1,536	889	182	526
FY 2001(a)	2,162	848	76	0
FY 2002(a)	2,315	1,086	18	240
FY 2003	3,059	941	43	1,008
FY 2004	3,166	1,297	111	250
FY 2005	3,000	900	160	536
FY 2004	2,500	800	25	218
FY 2007	2,300	700	25	200
FY 2008	2,300	700	25	200

(a) - actual

Construction of 4,574 new residential units and 25 apartment units was completed during calendar year 2002 which will generate new revenues for fiscal year 2004. The number of single family homes completed for fiscal year 2004 was only slightly higher than those completed for fiscal 2003. The number of townhouse units completed for fiscal year 2004 rose to 1,297 making up for a decline in townhouse units completed for fiscal year 2003. The development trend toward small-lot village style detached units (single family detached homes on townhouse sized lots) continues in fiscal year 2004 and is expected to continue throughout the forecast period. Two mid-rise condominium properties totaling approximately 160 units are expected to be completed for fiscal year 2005. Over 1,000 apartment units were completed for fiscal year 2004. These trends are expected to continue throughout the forecast period.

Residential Values Per New Unit

The average assessed value of a new home constructed during 2001 was $287,903. Assessed values on average for new homes constructed during 2002 for fiscal year 2004 revenues are expected to increase 8.58% to $312,615. The forecast for residential appreciation of new units in fiscal years 2005 through 2008 is estimated at the same rate of appreciation as existing units.

The assessed value of apartment units decreased in fiscal year 2004 due to the mix of new apartment units constructed. The apartment units completed for fiscal year 2004 are smaller one and two bedroom units which pull down the average assessed value.

Table 6. New Residential Assessed Value per New Unit

Revenue Year	Overall Residential (Excluding Apts.)	Single-Family	Townhouse	Condominium	Apartment
FY 2000(a)	$181,000	$223,000	$126,000	$100,000	$50,000
FY 2001(a)	209,062	237,970	143,776	115,178	60,000
FY 2002(a)	232,577	268,562	157,537	131,916	64,300
FY 2003	287,903	318,832	192,801	168,769	68,026
FY 2004	312,615	355,835	215,572	213,807	139,505
FY 2005	344,677	384,302	232,818	230,912	147,875
FY 2006	360,569	399,674	242,130	240,148	152,312
FY 2007	376,375	415,661	251,816	249,754	156,881
FY 2008	391,430	432,287	261,888	259,744	161,587

(a) - actual

Commercial Real Estate

During calendar year 2001 in Prince William County, each of the commercial sectors experienced overall higher rental rates and stabilized vacancy rates. The same holds true for market activity during 2002 with the exception of special purpose properties. Moderate increases in retail, office, hotel, and industrial properties were offset by significant decreases in special purpose properties. The average change in commercial assessed value is forecast at 3.8% in fiscal year 2004 and 3% per year in fiscal years 2005 through 2008. Average assessed values per square foot in fiscal year 2004 are determined based on the added building value resulting from new construction that was completed during calendar year 2002[2]. These unit values are then adjusted to reflect the general appreciation of commercial properties during the remainder of the forecast period.

Table 7. Commercial Market Value Changes

	Commercial
FY 2001(a)	1.8%
FY 2002(a)	9.7%
FY 2003	6.7%
FY 2004	3.8%
FY 2005	3.0%
FY 2006	3.0%
FY 2007	3.0%
FY 2008	3.0%

(a) - actual

Commercial properties are categorized into five property types: retail, office, hotel, industrial, and special purpose. In fiscal year 2004, less than a half million square feet of commercial space was completed. This is a significant decrease from the prior year with nearly 1.4 million square feet completed. Growth is expected to increase to approximately 690,000 square feet in fiscal year 2005 then return to approximately 1 million square feet in fiscal years 2006 to 2008.

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

Retail

New construction in the retail sector accounted for 33% of all commercial/industrial growth. One shopping center, Cheshire Station, was completed along with several general retail properties. Approximately half of the commercial/industrial tax base is within the retail sector showing moderate appreciation rates. Approximately half of retail value is comprised of shopping centers which showed slight increases in appreciation.

Industrial

More than half of the growth within the commercial base for fiscal year 2004 occurred within the industrial sector with approximately 240,000 square feet. More than half of the industrial growth occurred within the mini-storage market segment with the remainder of growth in warehouse properties. Again during 2002, the supply of industrial land was being absorbed with new construction concentrated in the western part of the county and driving up market prices. Growth within the industrial sector is expected to remain stable with approximately 200,000 square feet completed per year during fiscal years 2005 to 2008.

Hotels

There were no new hotels completed during 2002. Several hotels are under construction or approved for development which will be reflected in fiscal years 2005 to 2008. Economy and mid-range hotels within Prince William County showed slight increases in average daily room rates while occupancy levels remained stable. Appreciation for fiscal year 2004 will be low to moderate for economy and mid-range hotels. Other Northern Virginia jurisdictions report that their hotel markets are showing declines in value over the last year due to decreasing occupancy levels in high-end and luxury hotels. Prince William County is not impacted by these decreases in value due to its lack of high-end hotel properties.

Office Buildings

Two new office buildings were completed in 2002 for a total of 61,250 square feet. The three-story Parkway Professional Building containing 40,950 square feet is located at the intersection of Prince William Parkway and Ridgefield Road. Two Mercury Center is a one-story, 20,300 square foot office building located in Battlefield Business Park. Moderate overall increases in assessed value within the office building sector are largely attributed to higher rents and very low vacancy rates.

Growth within the office building sector is expected to remain strong during fiscal years 2005 to 2008 with the addition of between 100,000 and 150,000 square feet per year. Several of the planned office building projects include County Center, Heritage Center, Potomac Office Park, Quantico Center, and The Glen.

Special Purpose

Properties within the special purpose category through fiscal year 2003 were limited to high-technology properties such as America Online I and II, New Skies Networks, and the partially completed Cyberfortress. This sector will be expanded during the forecast period to include other high-technology properties such as Eli Lilly's insulin manufacturing facility.

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

Table 8. Commercial New Construction Value per Square Foot

	Retail	Office	Hotel	Industrial	Special Use Properties
FY 2000(a)	$ 49	$66	n/a	$37	n/a
FY 2001(a)	118	84	$ 11	44	$351
FY 2002(a)	90	66	80	46	195
FY 2003	74	75	91	39	291
FY 2004	124	174	n/a	80	n/a
FY 2005	128	179	96	82	200
FY 2006	132	185	99	85	125
FY 2007	136	190	102	87	140
FY 2008	140	196	105	90	125

(a) - actual

Table 9. New Commercial Construction Square Footage

	Total Commercial	Retail	Office	Hotel	Industrial	Special Use Properties
FY 2000(a)	635,175	475,680	50,995	0	108,500	0
FY 2001(a)	1,354,470	573,618	63,664	59,904	429,819	227,465
FY 2002(a)	790,294	137,778	199,213	195,085	258,218	0
FY 2003	1,391,510	475,668	106,916	96,610	464,763	247,553
FY 2004	491,590	147,059	61,250	0	283,281	0
FY 2005	688,816	200,000	150,000	26,016	200,000	109,800
FY 2006	910,000	350,000	100,000	60,000	200,000	200,000
FY 2007	1,046,400	350,000	150,000	60,000	200,000	286,400
FY 2008	910,000	350,000	100,000	60,000	200,000	200,000

(a) - actual

Exonerations

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

Exonerations are decreases in revenue due to 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 Program for the Elderly and Disabled Program. Prince William County amended this program in January 2003 to increase the income limit to allow more County citizens to participate. The Finance Department estimates that the change will provide additional tax relief equivalent to at least $0.01 cent in terms of the County real estate tax rate.

Public Service Taxes - 041

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

Table 10. Revenue Summary - Public Services Taxes - 041

Revenue History	Tax Rate	Actual Revenue	Percent Change
FY 1993	$1.36	$10,620,707	5.6%
FY 1994	1.36	10,860,738	2.3%
FY 1995	1.36	11,328,276	4.3%
FY 1996	1.36	11,358,462	0.3%
FY 1997	1.36	11,229,547	(1.1%)
FY 1998	1.36	11,293,854	0.6%
FY 1999	1.36	11,804,605	4.5%
FY 2000	1.36	11,857,804	0.4%
FY 2001	1.34	11,762,173	0.8%
FY 2002	1.30	11,537,837	(1.9%)
Current Estimate		**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$1.23	$11,100,000	(3.8%)
FY 2003 (revised estimate)	1.23	11,100,000	(3.8%)
Forecast Revenue		**Revenue Estimate**	**Percent Change**
FY 2004	$1.16	$10,558,000	(4.9%)
FY 2005	1.16	10,822,000	2.5%
FY 2006	1.16	10,931,000	1.0%
FY 2007	1.16	11,040,000	1.0%
FY 2008	1.16	11,371,000	3.0%

Historically, all market value changes within the Public Service classification have been attributable to new construction (growth). Growth is forecast to be minimal. 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 properties.

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 calendar year 2000, the latest currently available, 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 FY 05 revenue year. The completion of the Dominion Generation project is forecast to bring an increase of 2% in FY 05.

Table 11. Public Service – Changes in Assessed Value

	FY 04	FY 05	FY 06	FY 07	FY 08
Public Service Growth	1.0%	2.5%	1.0%	1.0%	3.0%

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 deferrals.

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
FY 1994	$ 1,168,780	(34.1%)
FY 1995	1,644,285	40.7%
FY 1996	(176,381)	(110.7%)
FY 1997	150,000	185.0%
FY 1998	440,000	193.3%
FY 1999	(1,421,000)	(423.0%)
FY 2000	928,212	165.3%
FY 2001	1,467,386	58.1%
FY 2002	1,072,000	(26.9%)
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$ 200,000	(81.3%)
FY 2003 (revised estimate)	(350,000)	(132.6%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2004	$ (350,000)	0%
FY 2005	(275,000)	21.4%
FY 2006	(250,000)	9.1%
FY 2007	(325,000)	(30.0%)
FY 2008	(325,000)	0%

The forecast reflects the initiative approved by the Board of County Supervisors on December 10, 1996 to decrease the percentage of unpaid property taxes at fiscal year end as compared to the current year levy from 11% in 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 2002, the percentage of unpaid property taxes compared to the FY 2002 levy was 6.7%.

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.

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
FY 1994	$ 430,826	86.4%
FY 1995	1,241,860	188.3%
FY 1996	992,773	(20.1%)
FY 1997	1,647,446	65.9%
FY 1998	696,355	(57.7%)
FY 1999	2,012,300	188.9%
FY 2000	1,278,836	(36.4%)
FY 2001	718,462	(43.8%)
FY 2002	818,871	14.0%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$ 979,000	19.6%
FY 2003 (revised estimate)	979,000	19.6%
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2004	$ 852,640	(12.9%)
FY 2005	791,584	(7.2%)
FY 2006	754,950	(4.6%)
FY 2007	732,970	(2.9%)
FY 2008	719,782	(1.8%)

This revenue category varies depending on the amount of unpaid taxes three years and older, and the level of success in collecting these past due amounts. For fiscal year 2004 to fiscal year 2008, the estimate assumes 40% of the prior year's unpaid land redemption taxes collected annually. 40% is approximately equal to the percentage collected in the past four fiscal years. A variety of methods are used to enforce collection of those taxes, including the filing suit to force the sale of the property for unpaid taxes. Unpaid land redemption taxes, at the end of each fiscal year, are estimated as follows:

Table 14. Unpaid Land Redemption Taxes

FY 2002	$2,386,000
FY 2003	2,132,000
FY 2004	1,979,000
FY 2005	1,887,000
FY 2006	1,832,000
FY 2007	1,799,000
FY 2008	1,799,000

Real Estate Penalties - 160

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

Table 15. Revenue Summary - Real Estate Penalties - 160

Revenue History	Actual Revenue	Percent Change
FY 1994	$1,154,055	(24.4%)
FY 1995	879,717	(23.8%)
FY 1996	774,921	(11.9%)
FY 1997	819,867	5.8%
FY 1998	931,469	13.6%
FY 1999	1,044,940	12.2%
FY 2000	1,012,047	(3.1%)
FY 2001	767,409	(24.2%)
FY 2002	1,026,456	33.8%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$ 939,000	(8.5%)
FY 2003 (revised estimate)	1,000,000	(2.6%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2004	$1,084,000	8.4%
FY 2005	1,224,000	12.9%
FY 2006	1,323,000	8.1%
FY 2007	1,425,000	7.7%
FY 2008	1,534,000	7.6%

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

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 tax 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.[3]

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

Revenue History	Actual Revenue	Percent Change
FY 1993	$ 30,548,000	(3.0%)
FY 1994	33,293,078	9.0%
FY 1995	37,788,732	13.5%
FY 1996	42,975,207	13.7%
FY 1997	48,272,222	12.3%
FY 1998	50,295,580	4.2%
FY 1999	53,148,925	5.7%
FY 2000	58,599,068	10.3%
FY 2001	63,330,776	8.0%
FY 2002	75,804,001	25.7%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$ 80,798,000	6.6%
FY 2003 (revised estimate)	84,800,000	11.9%
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2004	$ 90,877,000	7.2%
FY 2005	100,757,268	10.9%
FY 2006	111,129,768	10.3%
FY 2007	121,440,818	9.3%
FY 2008	133,472,518	9.9%

[3] 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, light trucks, and SUV's.

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). Beginning 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 located in the County increased by 1.5% in fiscal year 2003 (calendar year 2001). The FY 2004 (calendar year 2002) forecast is a 0.0% change in the average assessed value per vehicle (as seen in Table 21). The economic characteristics that influenced the growth in prior years did not continue into fiscal year 2004 (calendar year 2002). That is because both new and used vehicle prices fell at a faster rate in calendar year 2002 than in 2001. For calendar year 2002, new vehicle prices fell 2% as compared to a decrease of 0.1% for 2001. The change was even more dramatic for used vehicles, with prices falling 5.5% during calendar year 2002 as compared to a decrease of 1.9% for 2001.

Though prices are falling at a faster rate for existing vehicles, record new construction (of higher valued homes whose residents tend to own higher valued vehicles), and strong new car sales are expected to keep the percentage change in the overall average assessed value at the same level as in fiscal year 2004 as in fiscal year 2003.

In fiscal years 2005 through 2008, the forecast uses the lowest value of the prior four-year trend for FY 2004 and the low of the FY 2000-2002 for FY 2005 and beyond, since the overall economic trend is expected to increase moderately. However, the low value in these years 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.

Percentage Change in Number of Vehicles Billed

The average percentage change in the number of units billed increased by 6.5% between fiscal year 2002 and fiscal year 2003 (as seen in Table 21). Over the prior four years, the increase has averaged 6.9%, ranging from a low of 6.0% to a high of 8.6%. For FY 2004, the estimate assumes an increase of 7.1%. This is due to the forecast of continuing record levels of new housing units being completed in the current calendar year. The average of 6.9% includes the record breaking auto sales year of 2000. Eliminating this anomaly, the two remaining years in the three year trend are fairly close together. The low of this range is used as the basis for the forecast for FY 2005 and beyond.

Table 17. Average Assessed Value per Vehicle

	Percent Increase	Dollar Value
FY 2000(a)	4.9%	$7,275
FY 2001(a)	6.5%	7,750
FY 2002(a)	5.4%	8,169
FY 2003	1.5%	8,290
FY 2004	0.0%	8,290
FY 2005	1.5%	8,413
FY 2006	4.9%	8,825
FY 2007	4.9%	9,258
FY 2008	4.9%	9,718

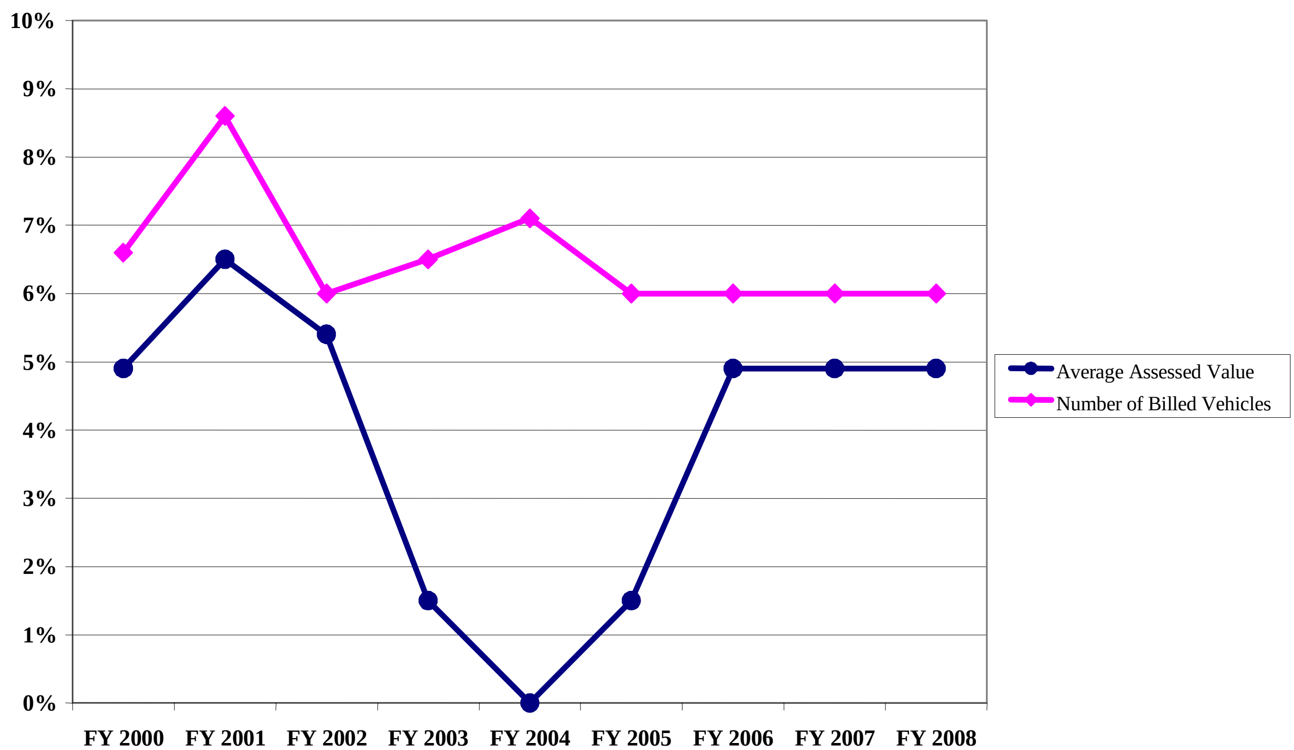
(a) - actual

Table 18. Percent Change in Number of Billed Vehicles

FY 2000(a)	6.6%
FY 2001(a)	8.6%
FY 2002(a)	6.0%
FY 2003	6.5%
FY 2004	7.1%
FY 2005	6.0%
FY 2006	6.0%
FY 2007	6.0%
FY 2008	6.0%

(a) - actual

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



Housing Units

Increase in housing units has a direct effect on the number of vehicles in the County, and a one-year lag on personal property tax revenue. The projected increase in owner-occupied and rental units for the prior fiscal year is multiplied by the projected average value of personal property per housing unit for revenue in the current fiscal year. (Refer to Table 30)

Business Personal Property Tax

The business portion of the personal property tax is levied on all general office furniture and equipment, machinery and tools, equipment used for research and development, heavy construction equipment, and computer equipment located in the County as of January 1st of each year. Each business is required to file a return annually declaring the item, its original cost, and year of purchase. Therefore, the assessed value is determined from 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, 35% the second year, 20% the third year, 10% the fourth year, and 5% the fifth and subsequent years.

General business equipment and heavy equipment account for 62% and 15% of taxes on business equipment respectively. Taxes on computer equipment comprise the remaining 23%.

Each of the three categories of business equipment grew in taxable value between fiscal years 2001 and 2002. Heavy equipment grew 32% in taxable value, while general business equipment grew by nearly 9%. The taxable value of computer equipment grew substantially, increasing by approximately 75%.

Computer equipment represented 4% of taxes levied on business equipment in fiscal year 2001. Computer equipment currently accounts for 23% 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 6.4%: the average increase for the period FY 00-FY 02.

Personal Property Prior Year - 072

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

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

Forecast Revenue	Revenue Estimate	Percent Change
FY 2004	$74,000	0%
FY 2005	75,000	1.4%
FY 2006	75,000	0%
FY 2007	75,000	0%
FY 2008	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 deferrals.

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 20. Revenue Summary - Personal Property Deferrals - 081

Revenue History	Actual Revenue	Percent Change
FY 1994	$ (313,000)	56.3%
FY 1995	(1,132,000)	(261.7%)
FY 1996	176,000	115.5%
FY 1997	(1,150,000)	(753.4%)
FY 1998	1,160,000	200.9%
FY 1999	(1,805,000)	(255.6%)
FY 2000	(15,000)	99.2%
FY 2001	2,027,000	13,613.3%
FY 2002	2,275,000	12.2%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$ 1,583,000	(30.4%)
FY 2003 (revised estimate)	(275,000)	(112.1%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2004	$(1,550,000)	(463.6%)
FY 2005	(1,025,000)	33.9%
FY 2006	(1,200,000)	(17.1%)
FY 2007	(1,375,000)	(14.6%)
FY 2008	(1,375,000)	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 end as compared to the current year levy from 11% in FY 1996 to 6% in FY 2003. With the adoption of the FY 2002 budget, additional collection resources were provided to the Finance Department and the unpaid property tax as percent of the levy was revised to 5.5% by FY 2005. At the end of FY 2002, the percentage of unpaid property taxes compared to the FY 2002 levy was 6.1%.

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

Revenue History	Actual Revenue	Percent Change
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	7.3%
FY2001	1,327,065	13.7%
FY2002	1,339,702	1.0%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY2003 (adopted budget)	$1,374,000	2.6%
FY2003 (revised estimate)	1,374,000	2.6%
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY2004	$1,545,000	12.4%
FY2005	1,713,000	10.9%
FY2006	1,889,000	10.3%
FY2007	2,064,000	9.3%
FY2008	2,269,000	9.9%

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.

Table 22. Revenue Summary - Local Sales Tax - 210

Revenue History	Actual Revenue	Percent Change
FY 1994	$19,829,867	13.8%
FY 1995	21,547,645	8.7%
FY 1996	21,913,545	1.7%
FY 1997	23,496,367	7.2%
FY 1998	24,569,784	4.6%
FY 1999	26,498,998	7.9%
FY 2000	29,036,130	9.5%
FY 2001	31,603,038	8.8%
FY 2002	33,443,678	5.8%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$35,529,000	6.2%
FY 2003 (revised estimate)	36,050,000	7.8%
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2004	$38,095,500	5.7%
FY 2005	40,144,000	5.4%
FY 2006	42,552,000	6.0%
FY 2007	45,105,000	6.0%
FY 2008	47,812,000	6.0%

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 over the past two fiscal years, many of the surrounding jurisdictions have experienced weakened sales tax revenues. For example: Fairfax County's sales tax revenue from January through September 2002 ranged from 96-102% of sales tax revenues generated during the same period in the prior year. Other Northern Virginia jurisdictions' sales tax in Calendar 2002 all displayed little growth, and in some cases a decrease, when compared to the same period in the prior year:

Table 23. Percent of Sales Tax Change in Neighboring Jurisdictions, Compared to Same Period in Prior Year[4]

	2002		
	QTR 1	**QTR 2**	**QTR 3**
Fairfax County	98.9%	95.3%	102.6%
Alexandria	101.2%	96.1%	102.3%
Arlington	95.4%	91.7%	101.2%
Prince William County	111.0%	101.3%	107.3%

Prince William County is the only Northern Virginia jurisdiction with significant positive growth in sales tax receipts in both the calendar and the fiscal year 2002. Further, in calendar year 2002, the County's sales tax revenue grew 6.7% compared to 2001.

Some of the factors believed to contribute to the County's consistent positive sales tax growth are:
- fewer "high-end retail" businesses,
- proportionately more discount retailers,
- continued strong construction of homes and businesses,
- low unemployment, and
- high levels of job stability.

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 2 years,
- 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 FY 2004 forecast, retail sales tax revenue was increased over the prior year by the increase in population growth, plus the increase in inflation. Population is determined by the increase in housing units for the forecast period.

[4] Virginia Department of Taxation, Sales Tax Report, http://www.tax.state.va.us/publications.htm

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 10,190 to 14,592 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 24. Population Growth

Fiscal Year	Population Change	Estimated Population	Percent Change
FY 2001		294,798	
FY 2002	14,553	309,351	4.9%
FY 2003	11,249	320,600	3.6%
FY 2004	11,900	332,500	3.7%
FY 2005	13,799	346,299	4.2%
FY 2006	10,977	357,276	3.2%
FY 2007	10,004	367,280	2.8%
FY 2008	9,990	377,270	2.7%

Consumer Utility Revenue

Consumer Utility Tax - 220

The County levies a consumer utility tax on wired and cellular telephone service, and electric and natural gas utilities (the County does not tax water/sewer usage). The Code of Virginia, as amended in 2000, required 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 new consumption-based tax rate should be revenue neutral with respect to the previous dollar-based tax rate.

The levy for electricity consumption based on kilowatt hours (kWh)[5] 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)[6] is:

> **Residential consumers:** $1.60 minimum billing charge plus the rate of $0.06 on each CCF delivered monthly to residential consumers, not to exceed $3.00 per month.
>
> **Commercial consumers:** $3.35 minimum billing charge plus the rate of $0.085 on each CCF delivered monthly to commercial consumers, not to exceed $100.00 monthly.

---

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

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

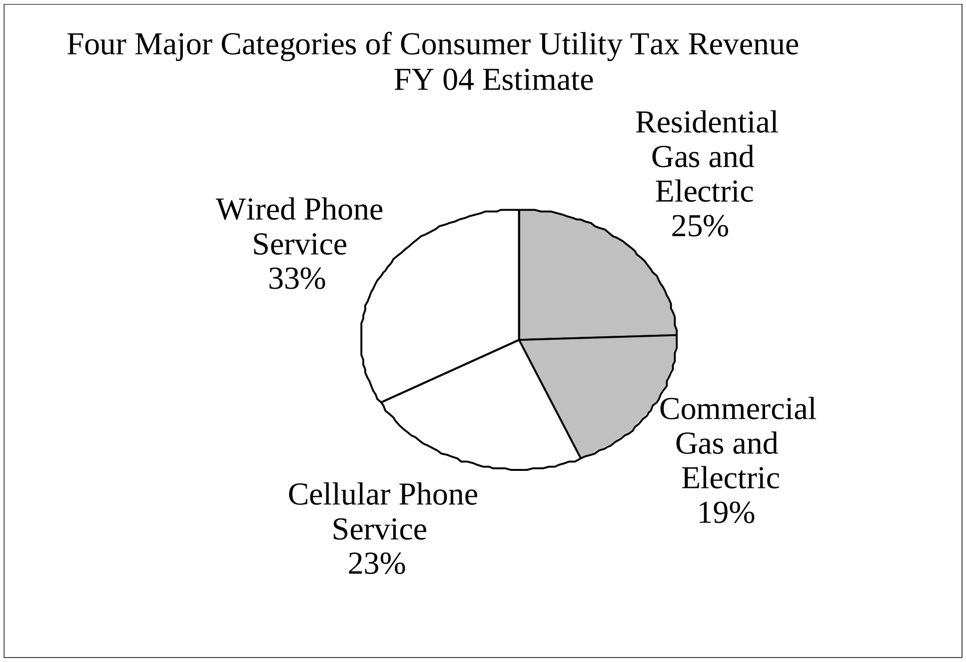
Since consumer utility taxes are capped, inflation is not considered a driver in the model.

Table 25. Revenue Summary - Consumer Utility Tax - 220

Revenue History	Actual Revenue	Percent Change
FY 1994	$11,467,271	5.6%
FY 1995	11,983,462	4.5%
FY 1996	12,394,172	3.4%
FY 1997	13,780,132	11.2%
FY 1998	14,170,595	2.8%
FY 1999	14,702,407	3.8%
FY 2000	16,210,493	10.3%
FY 2001	17,806,197	9.8%
FY 2002	19,246,918	8.1%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$19,609,000	1.9%
FY 2003 (revised estimate)	20,400,000	6.0%
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2004	$22,245,000	9.0%
FY 2005	24,599,000	10.6%
FY 2006	27,396,000	11.4%
FY 2007	30,813,000	12.5%
FY 2008	35,053,000	13.8%

The forecast is comprised of four components: (1) residential gas and electric, (2) commercial gas and electric, (3) wired telephones, and (4) wireless phone service. The following chart shows the projected breakdown of the four components of Consumer Utility Tax Revenue for fiscal year 2004:

Figure 3. Four Major Categories of Consumer Utility Tax Revenue



Housing Units

Residential consumer utility tax revenue is forecasted by multiplying the expected number of housing units, including apartments, for the forecast year by the estimated amount of revenue per home.

Table 26. Housing Units

	Total Units
FY 2004	107,169
FY 2005	111,765
FY 2006	115,308
FY 2007	118,533
FY 2008	121,758

Number of Businesses

The change in the commercial component is based on the number of businesses based on BPOL filings and a projected rate of business growth based on actual recent annual changes in the number of businesses. The projected number of businesses is multiplied by an estimate of the average amount of taxes paid by each business. The following is the projected number of businesses and percent changes over the 5-year forecast:

Table 27. Projected Change in Number of Business

	Number of Businesses	Change
FY 2004	7,707	3.69%
FY 2005	7,991	3.69%
FY 2006	8,286	3.69%
FY 2007	8,592	3.69%
FY 2008	8,909	3.69%

Percent Change in Wired Revenue

The consumer utility tax forecast also considers two components of telephone tax revenue: (1) wired and (2) wireless. Throughout the 1990's, second phone lines were 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.[7] A multi-year trend analysis is the basis for the 5-year forecast. As many homes now have added the new lines they want, future growth is likely to slow. Therefore, an approximate historical average growth rate is used in the forecast rather than an accelerating growth rate.

Table 28. Change in Wired Revenue Activity

	Change
FY 2000(a)	12.52%
FY 2001(a)	6.41%
FY 2002(a)	0.38%
FY 2003(est.)	1.88%
FY 2004	5.5%
FY 2005	5.5%
FY 2006	5.5%
FY 2007	5.5%
FY 2008	5.5%

(a) – actual

[7] "Callers Cut Off Second Phone Lines for Cell Phones and Cable Modems", *The Wall Street Journal*, Nov. 15, 2001, p. C-1.

Cellular Phone Revenue

A five-year analysis of County revenue from taxes on cell phones shows that the rate of growth has slowed. It is uncertain if this slowdown reflects a permanent trend based on market saturation or other temporary factors. The forecast for the next five fiscal years is thus based on an approximate average of the rates of growth of tax revenue during the past five years.

Table 29. Change in Cellular Phone Revenue Activity

	Change
FY 2000(a)	43.60%
FY 2001(a)	50.64%
FY 2002(a)	66.89%
FY 2003(est.)	22.20%
FY 2004	30.0%
FY 2005	30.0%
FY 2006	30.0%
FY 2007	30.0%
FY 2008	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.

The basis for fiscal year 2003 is gross receipts from calendar year 2002. Consequently, forecasting for 2003 gross receipts (FY 04) has a one-year lag in which actual prior year figures on which to base an estimate are unavailable.

Table 30. Revenue Summary - BPOL Tax Revenue - 235

Revenue History	Actual Revenue	Percent Change
FY 1994	$ 6,412,238	7.5%
FY 1995	7,028,822	9.6%
FY 1996	7,352,176	4.6%
FY 1997	7,250,478	(1.4%)
FY 1998	7,952,716	9.7%
FY 1999	8,594,470	8.1%
FY 2000	10,283,757	19.7%
FY 2001	11,806,197	14.8%
FY 2002	13,384,468	13.4%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$13,730,000	2.6%
FY 2003 (revised estimate)	14,800,000	10.6%
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2004	$15,639,761	5.7%
FY 2005	16,480,755	5.4%
FY 2006	17,469,337	6.0%
FY 2007	18,517,448	6.0%
FY 2008	19,628,782	6.0%

Building and retailing represent approximately 70% of business license revenue. Contractors and developers must purchase building materials and furnishings for homes and commercial buildings on which sales tax is paid. Therefore, as in prior years, the forecasted BPOL revenue is based closely on projected local retail sales tax revenue.

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 63% of the total pooled investments. All funds are invested in accordance with the County's investment guidelines of legality, safety, liquidity and yield.

Table 31. Revenue Summary - Investment Income - 510

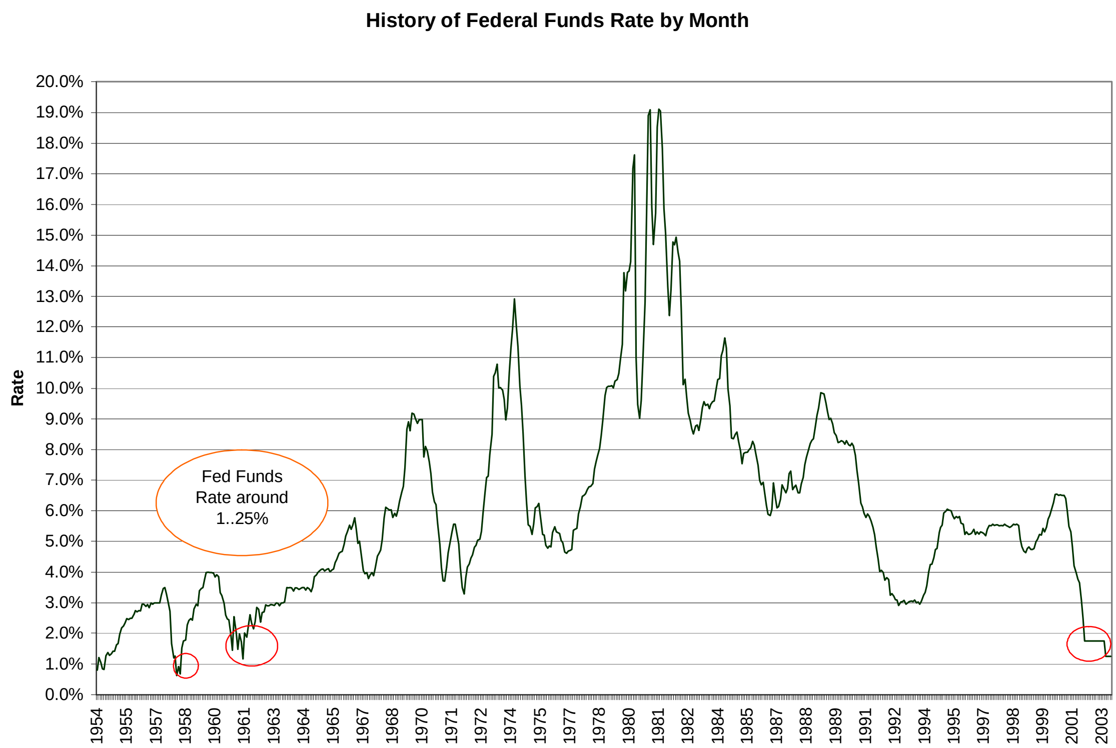
Revenue History	Actual Revenue	Percent Change
FY 1994	$5,709,804	-19.30%
FY 1995	6,545,320	14.60%
FY 1996	8,077,038	23.40%
FY 1997	7,642,069	-5.40%
FY 1998	8,364,953	9.50%
FY 1999	6,788,336	-18.80%
FY 2000	9,479,253	39.60%
FY 2001	11,809,529	24.90%
FY 2002	7,442,158	24.90%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$8,573,000	15.20%
FY 2003 (revised estimate)	5,400,000	-27.44%
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2004	$ 7,256,000	34.4%
FY 2005	10,016,000	38.0%
FY 2006	11,504,000	14.9%
FY 2007	11,726,000	1.9%
FY 2008	11,926,000	1.7%

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

Portfolio Yield

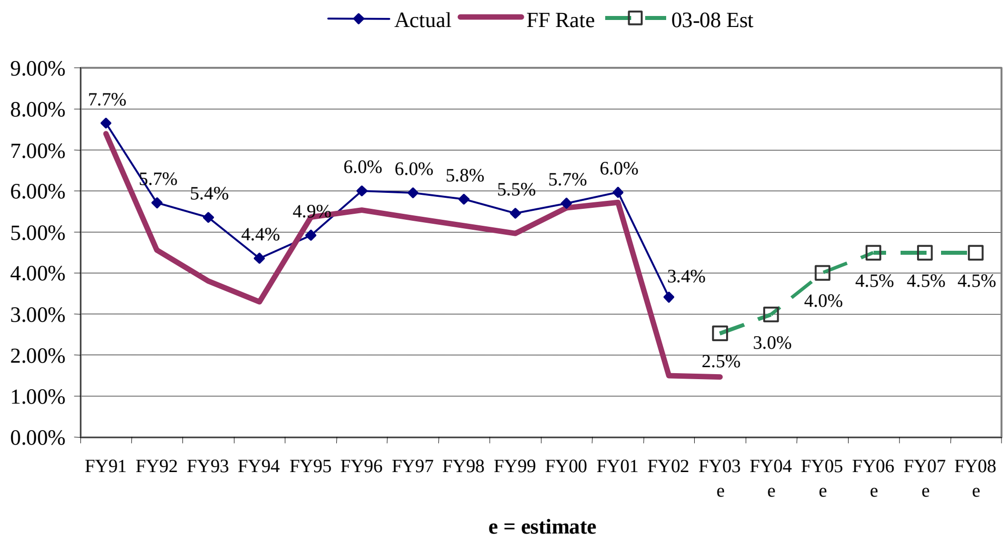
The Federal Reserve Board (Fed) pursued an exceptionally aggressive monetary policy throughout 2001 as a recession unfolded, which was led by plunges in business profits and capital spending. The Fed began by dropping its Federal Funds rate target by 475 basis points in 2001. It then held the rate surprisingly stable at 1.75 percent for the first ten months of 2002. The Fed then lowered its Federal Funds rate target by 50 basis points to 1.25 percent in November 2002. The rate cuts in 2001 represented the steepest one-year drop in the money market target rate since the early 1980's. The last easing by the Fed in November 2002 brought the Federal Funds rate target to its lowest level since 1958. The following graph presents a history of the Federal Funds rate target since 1954, when the rate stood at record lows:

Figure 4. History of the Federal Funds Rate Target



The Federal Funds rate trend has a leading relationship to the average yield of Prince William County's portfolio. The timing of securities purchases, cash flow requirements, the general interest rate environment at the time of purchase of securities, and the securities' duration primarily determine the portfolio's yield. The County's general portfolio carries an asset mix that is held over a period of time based on yields that were available at the time of the purchases. The County's portfolio yield does not change rapidly with swings in the market except to reflect the replacement of maturing securities at current market conditions. State laws and the County's adopted investment policy govern the investment process, how funds can be invested, and which securities can be purchased. The following graph presents a history of the County's portfolio yield and the projected yield for FY 04-08 juxtaposed against the Federal Funds rate target:

Figure 5. Prince William County's Portfolio Yield



Most of the forecasting sources provide information up to four quarters beyond current dates. Therefore, the final half of FY 2004 is an estimate without authoritative source data as a basis for projection. The County's portfolio yield projection for the final half of FY 2003 and beyond is based on reasonable expectations that the Federal Funds rate will remain between 1.25 and 2.00 percent for the next 6 to 12 months as the economy recovers. Current economic forecasts indicate that the Federal Funds rate will remain stable through the third quarter of calendar 2003. The forecast for FY 2004 and beyond is based on the assumption that the Federal Reserve Board will increase its Federal Funds rate target over time to avert inflationary growth.

Portfolio Size

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

Table 32. Portfolio Size

	Value
FY 2004	$375,000,000
FY 2005	385,218,750
FY 2006	393,308,344
FY 2007	400,879,529
FY 2008	407,594,261

Table 33. Growth Rate of Revenues and 25% Thereof for the Portfolio

	Growth Rate	25% of Growth Rate
FY 2004	11.2%	2.80%
FY 2005	10.7%	2.68%
FY 2006	7.9%	1.98%
FY 2007	7.8%	1.95%
FY 2008	7.5%	1.88%

All Other Revenue Sources

All Other Revenue is detailed as follows in “Revenues Over $1.5 Million” and “Revenues Under $1.5 Million.”

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 34. Revenue Summary - Interest on Taxes - 140

Revenue History	Actual Revenue	Percent Change
FY 1994	$1,936,259	(2.7%)
FY 1995	1,785,008	(7.8%)
FY 1996	1,640,921	(8.1%)
FY 1997	2,013,275	22.7%
FY 1998	1,761,208	(12.5%)
FY 1999	2,302,737	30.7%
FY 2000	2,310,126	0.3%
FY 2001	2,027,000	(12.3%)
FY 2002	2,049,420	1.1%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$2,060,000	0.5%
FY 2003 (revised estimate)	2,060,000	0.5%
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2004	$2,364,102	14.8%
FY 2005	2,658,884	12.5%
FY 2006	2,886,701	8.6%
FY 2007	3,120,563	8.1%
FY 2008	3,375,069	8.2%

The revenue estimate is computed by multiplying the fixed percentage of 0.6 percent by the combined estimate for gross current year real estate tax revenue and personal property tax revenue (excluding public service revenue). The historical average is 0.70 percent but the forecast assumes collections will increase. Therefore, the estimate should be closer to 0.60 percent.

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 35. Revenue Summary - Vehicle Decals - 250/259

Revenue History	Actual Revenue	Percent Change
FY 1994	$3,434,450	2.7%
FY 1995	3,543,969	3.2%
FY 1996	3,683,004	3.9%
FY 1997	3,837,958	4.2%
FY 1998	3,980,974	3.7%
FY 1999	2,260,107	(43.2%)
FY 2000	4,066,086	79.9%
FY 2001	4,686,385	15.3%
FY 2002	5,141,812	9.7%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$5,148,000	0.1%
FY 2003 (revised estimate)	5,500,000	7.0%
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2004	$5,692,000	3.5%
FY 2005	5,960,504	4.7%
FY 2006	6,320,226	6.0%
FY 2007	6,701,662	6.0%
FY 2008	7,106,110	6.0%

The vehicle decal fees dropped 43% in FY 99 due to the change in the decal due date and a $10.00 decrease in the decal fee for FY 99. After the transition period ended in FY 99, the decal fee reverted back to $24 in FY 00. The revenue has returned to previous years' levels and will continue to increase in conjunction with the projected growth in vehicles in the County. The number of vehicles is reduced slightly to account for the number of decals issued at no cost to residents moving to Prince William County who have a current decal from another Virginia jurisdiction.

Recordation Tax - 260

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 mortgage refinancings. 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 36. Revenue Summary - Recordation Tax - 260

Revenue History	Actual Revenue	Percent Change
FY 1994	$1,606,175	15.6%
FY 1995	1,161,164	(27.7%)
FY 1996	1,305,225	12.4%
FY 1997	1,353,238	3.7%
FY 1998	1,733,097	28.1%
FY 1999	2,033,815	17.4%
FY 2000	2,119,681	4.2%
FY 2001	2,815,940	32.8%
FY 2002	4,272,952	51.7%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$3,315,000	(22.4%)
FY 2003 (revised estimate)	5,700,000	33.4%
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2004	$5,700,000	0.0%
FY 2005	5,049,412	(11.4%)
FY 2006	5,390,393	6.8%
FY 2007	5,754,400	6.8%
FY 2008	6,142,988	6.8%

Revenues for recordation tax have soared since fiscal year 2002 because of robust housing sales and mortgage refinancings. Low mortgage rates drove much of this activity. Mortgage rates are not likely to decline substantially more next year and will likely even increase in the next year or two. Therefore, the forecast anticipates recordation tax revenues to hold constant in FY 2004 and to decline somewhat in FY 2005. Thereafter, revenues are projected to grow at 6.8 percent, which is the long-term average annual rate of growth prior to FY 2002.

The recent surge in mortgage refinancing has not only generated additional recordation tax revenue for Prince William County but has also provided cash for County consumers. Many homeowners refinance to "cash out" some of their equity and then use the funds for various purposes. This activity will also likely level off or even decline when mortgage interest rates bottom out. The Mortgage Bankers Association of America forecasts that mortgage originations of $694 billion (60 percent of which were refinancings) in the third quarter of 2002 will decline to $318 billion (25 percent of which is expected to be refinancings) by the fourth quarter of 2003.[8]

[8] Mortgage Finance Forecast, January 7, 2003, Mortgage Bankers Association of America.

Tax on Deeds - 261

The 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).

The strength in the residential housing market, brought about largely by low interest rates, has caused this revenue to surge in recent years. This strength will likely continue through fiscal year 2004 with a strong housing market in the County and mortgage interest rates likely remaining low. However, in later years interest rates will probably creep back up somewhat and slow the growth of tax revenue the County receives from the recording of deeds.

Table 37. Revenue Summary - Tax on Deeds - 261

Revenue History	Actual Revenue	Percent Change
FY 1999	$ 735,280	
FY 2000	936,541	27.4%
FY 2001	1,183,922	26.4%
FY 2002	1,581,489	33.6%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$1,000,000	(36.8%)
FY 2003 (revised estimate)	2,300,000	45.4%
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2004	$2,300,000	0%
FY 2005	1,836,150	(20.2%)
FY 2006	1,960,143	6.8%
FY 2007	2,092,509	6.8%
FY 2008	2,233,814	6.8%

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 FY 97 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
FY 1994	N/A	--
FY 1995	N/A	--
FY 1996	N/A	--
FY 1997	$ 921,998	--
FY 1998	1,698,796	84.3%
FY 1999	1,770,700	4.2%
FY 2000	1,945,980	9.9%
FY 2001	2,243,491	15.3%
FY 2002	3,149,770	40.4%
Current Estimate	**Adopted/Revised Revenue**	**Percent Change**
FY 2003 (adopted budget)	$3,262,000	3.6%
FY 2003 (revised estimate)	2,800,000	(11.1%)
Forecast Revenue	**Revenue Estimate**	**Percent Change**
FY 2004	$3,513,000	25.5%
FY 2005	3,769,000	7.3%
FY 2006	4,001,000	6.2%
FY 2007	4,233,000	5.8%
FY 2008	4,475,000	5.7%

Growth in revenue is projected based on the expected increases of new housing units and an estimated 3% annual growth rate of cable TV services and rates. Revenue in FY2003 was down approximately $500,000 because of Federal Government action resulting in the loss of fees charged by the cable service providers on internet access charges.

Revenue Sources Under $1.5 Million

Listed below are several general 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 years 2004 – 2008 most revenue categories are increased annually except as noted in the individual revenue sources. The forecast and a description of each revenue source follows.

Table 39. Miscellaneous Revenue Sources

Revenue Source	Actual FY 2000	Actual FY 2001	Actual FY 2002	Revised Estimate FY 2003	Estimated 2004
Daily Rental Equipment Tax - 215	$ 162,516	$127,719	$ 233,398	$ 187,000	$200,090
Bank Franchise Tax - 230	452,101	502,873	530,610	520,000	556,400
BPOL Taxes- Public Service - 236	463,335	932,755	852,364	900,000	963,000
Transient Occupancy Tax - 270	698,232	867,013	854,149	1,065,000	1,263,000
Misc. Business Licenses - 380	6,800	5,600	4,800	0	5,496
Interest Paid to Vendors - 520	(52,234)	(202,578)	(218,872)	(210,000)	(224,700)
Interest Paid on Refunds - 521	(46,504)	(25,909)	(70,202)	0	(80,374)
ABC Profits - 1301	648,009	575,525	743,942	770,000	411,950*
State Wine Tax - 1302	318,311	341,184	385,761	351,000	187,785*
Rolling Stock Tax - 1303	66,291	87,721	81,764	89,000	47,615*
Passenger Car Rental Tax - 1304	579,213	557,113	557,898	550,000	588,500
Mobile Home Titling Tax - 1305	115,584	93,901	86,484	108,000	115,560
Federal Pymt in Lieu of Taxes - 1700	44,604	40,273	76,622	45,000	48,150
Other Revenue - 1150, 514	1,689	3,690	4,889	0	5,597
Total Miscellaneous Revenue	$3,457,947	$3,906,880	$4,123,607	$4,375,000	$3,440,719

*See following description

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 that 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 Virginia Department of Taxation audits the tax.

BPOL Taxes - Public Service - 236

The Business, Professional and Occupational License (BPOL) tax is imposed on public utility companies that operate in the County. The tax of $0.29/$100 of assessed value was identical to the County's BPOL tax on other businesses, but is authorized under separate statutes. The Commonwealth 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.

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 forecasts for number of rooms in the County, occupancy rate and room rate (by fiscal the year).

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 other revenue.

Interest Paid to Vendors - 520

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

Interest Paid on Refunds - 521

The County must pay interest on taxpayer refunds, based on the 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 State population from the latest census. Three subtractions are made from ABC profits before distribution: (i) costs of care and rehabilitation, (ii) payments to the State for its provision of general fund services, and (iii) warehouse costs. During FY 2003 the State reduced the locality share of this tax by 50% because of State revenue shortfalls.

State Wine Tax - 1302

The State wine tax is a tax levied on each bottle of wine sold in ABC stores and through all retail outlets. The tax rate is $0.40 per liter. Sixty-six percent of the wine tax collected is kept by the State, twelve percent is kept by ABC, and twenty-two percent is distributed quarterly, to counties, cities and towns based on the localities percentage of total State population from the latest census. (The State reduced the localities' share of this tax by 50% in FY 2003 because of State revenue shortfalls.)

Rolling Stock Tax - 1303

The rolling stock of railroads, freight car companies and certified vehicle carriers doing business in the state is taxed at the rate of $1.00 on each $100 of assessed value. This tax is levied in lieu of the personal property tax 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. (The State reduced the localities' share of this tax by 50% in FY 2003 because of State revenue shortfalls.)

Passenger Car Rental Tax - 1304

Automobiles rented on a daily basis are often moved from location to location and have no fixed sites for personal property taxation. In lieu of the local personal property tax, the Department of Motor Vehicles collects a tax for short-term rentals from leasing companies located in the County 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 00 Adopted Revenue Bud.	FY 01 Adopted Revenue Bud.	FY 02 Adopted Revenue Bud.	FY 03 Adopted Revenue Bud.	FY 04 Adopted Revenue Bud.	% Change FY 03 to FY 04
SECTION ONE: GENERAL FUND REVENUE SUMMARY:						
General Governmental:						
County Attorney	$166,686	$166,686	$144,186	$244,186	$195,186	-20.07%
Sub Total	$166,686	$166,686	$144,186	$244,186	$195,186	-20.07%
Administration:						
Finance	$787,506	$767,350	$1,102,350	$1,020,323	$1,086,099	6.45%
Human Rights Office	$50,000	$25,000	$25,000	$25,000	$61,000	144.00%
Off Of Information Technology	$114,400	$114,400	$132,400	$132,400	$132,400	0.00%
General Registrar	$80,850	$90,523	$90,523	$83,773	$71,092	-15.14%
Sub Total	$1,032,756	$997,273	$1,350,273	$1,261,496	$1,350,591	7.06%
Judicial Administration:						
Clerk Of The Court	$2,644,419	$2,666,778	$2,735,852	$3,127,366	$3,685,841	17.86%
Commonwealth's Attorney	$1,415,775	$1,432,684	$1,538,396	$1,600,702	$1,599,089	-0.10%
Criminal Justice Services	$748,670	$854,310	$1,112,484	$1,119,602	$982,197	-12.27%
Juvenile Court Service Unit	$48,779	$77,269	$77,269	$93,145	$94,189	1.12%
General District Court	$1,178,500	$1,428,500	$1,434,500	$1,584,500	$1,584,500	0.00%
Juvenile & Domestic Relations Court	$74,700	$129,700	$63,000	$63,000	$51,943	-17.55%
Law Library	$138,828	$154,417	$110,806	$110,806	$110,806	0.00%
Sub Total	$6,249,671	$6,743,658	$7,072,307	$7,699,121	$8,108,565	5.32%
Planning And Development:						
Economic Development	$61,554	$14,130	$14,130	$14,130	$14,130	0.00%
Planning	$1,835,278	$1,660,100	$2,261,547	$2,375,901	$2,543,254	7.04%
Public Works	$6,416,806	$6,728,602	$7,628,545	$8,901,431	$10,550,292	18.52%
Sub Total	$8,313,638	$8,402,832	$9,904,222	$11,291,462	$13,107,676	16.08%
Public Safety:						
Fire And Rescue	$411,312	$394,312	$476,072	$587,520	$527,572	-10.20%
Public Safety Communications	$2,046,159	$2,260,321	$2,394,321	$3,882,839	$3,841,359	-1.07%
Sheriff	$1,842,164	$1,974,974	$2,042,526	$2,256,283	$2,315,686	2.63%
Police	$6,995,012	$8,083,432	$8,331,208	$8,402,936	$8,695,487	3.48%
Sub Total	$11,294,647	$12,713,039	$13,244,127	$15,129,578	$15,380,104	1.66%
Human Services:						
Community Services Board	$8,765,435	$9,657,866	$10,439,127	$11,123,421	$10,563,610	-5.03%
Extension & Continuing Ed.	$327,836	$332,960	$367,502	$414,484	$479,858	15.77%
Office On Youth	$27,410	$107,410	$107,410	$5,000	$5,000	0.00%
School Age Care	$241,818	$259,623	$280,281	$288,481	$292,181	1.28%
Area Agency On Aging	$925,164	$989,595	$1,067,574	$1,168,869	$1,126,031	-3.66%
At Risk Youth And Family Services	$2,795,793	$3,023,310	$3,085,993	$3,833,773	$4,538,941	18.39%
Public Health	$678,125	$695,256	$215,619	$243,873	$261,870	7.38%
Social Services	$17,302,276	$18,748,081	$19,053,007	$19,884,510	$19,467,875	-2.10%
Sub Total	$31,063,857	$33,814,101	$34,616,513	$36,962,411	$36,735,366	-0.61%
Library:						
Library	$2,652,531	$2,759,193	$2,885,012	$2,873,778	$2,760,530	-3.94%
Sub Total	$2,652,531	$2,759,193	$2,885,012	$2,873,778	$2,760,530	-3.94%

All Funds Revenue Summary (continued)

Department / Agency	FY 00 Adopted Revenue Bud.	FY 01 Adopted Revenue Bud.	FY 02 Adopted Revenue Bud.	FY 03 Adopted Revenue Bud.	FY 04 Adopted Revenue Bud.	% Change FY 03 to FY 04
Debt / CIP:						
General Debt	$764,655	$917,727	$858,004	$1,002,137	$1,901,132	89.71%
Sub Total	$764,655	$917,727	$858,004	$1,002,137	$1,901,132	89.71%
Non-Departmental:						
Unclassified Administrative	$976,400	$1,674,578	$1,946,736	$3,339,934	$4,637,358	38.85%
General Revenues	$334,973,400	$361,304,116	$395,086,000	$456,068,000	$513,124,072	12.51%
Transfers In	$3,312,957	$2,650,204	$3,247,673	$3,568,726	$6,157,996	72.55%
Sub Total	$339,262,757	$365,628,898	$400,280,409	$462,976,660	$523,919,426	13.16%
Total General Fund Revenue	**$400,801,198**	**$432,143,407**	**$470,355,053**	**$539,440,829**	**$603,458,576**	**11.87%**
SECTION TWO: NON GENERAL FUND REVENUE SUMMARY:						
Special Revenue Funds:						
Trans. To P.R.T.C.	$1,713,768	$1,713,768	$1,813,768	$1,913,768	$2,417,808	26.34%
Commuter Rail Station Parking	$101,823	$101,823	$101,823	$101,823	$101,823	0.00%
Comm. parking lease rev bond debt	$1,586,815	$1,516,346	$1,516,453	$1,523,846	$1,518,023	-0.38%
Adult Detention Center	$14,653,031	$15,724,257	$17,058,687	$20,162,467	$21,576,582	7.01%
Lake Jackson Service Dist.	$53,000	$53,000	$53,000	$55,000	$60,550	10.09%
Woodbine Forest Service District	$4,886	$5,057	$5,544	$3,462	$0	-100.00%
Foremost Court Service District	$6,400	$3,864	$4,232	$4,577	$5,346	16.80%
Circuit Court Service District	$0	$0	$0	$0	$5,728	---
Spc tax dist;Gypsy Moth/Mosq ctrl	$460,000	$460,000	$809,880	$810,000	$1,107,534	36.73%
P. W. Parkway Trans Imprv Dst.	$852,200	$905,880	$971,940	$1,102,160	$1,151,420	4.47%
234 Bypass Trans Imprv Dst	$45,562	$46,392	$52,846	$61,654	$73,474	19.17%
Stormwater Management	$3,718,981	$4,269,036	$5,069,820	$5,325,364	$6,494,880	21.96%
Housing & Community Dev.	$2,924,356	$3,652,208	$4,047,494	$16,598,749	$20,875,539	25.77%
Total Special Revenue Funds	$26,120,822	$28,451,631	$31,505,487	$47,662,870	$55,388,707	16.21%
Capital Projects Fund:						
Capital Improvement Projects	$100,351,692	$29,842,984	$20,217,115	$21,865,452	$149,506,389	583.76%
Total Capital Projects Fund	$100,351,692	$29,842,984	$20,217,115	$21,865,452	$149,506,389	583.76%
Enterprise Fund:						
Public Works; Solid Waste	$11,969,655	$10,603,480	$11,071,000	$11,302,200	$11,911,000	5.39%
Bull Run Mountain Serv. Dist.	$67,500	$67,500	$67,500	$75,000	$83,500	11.33%
Innovation @ Prince William	$582,500	$391,500	$330,750	$10,000	$0	-100.00%
Occoquan Forest Sanitary Dist.	$195,652	$221,485	$238,848	$0	$0	---
Total Enterprise Fund	$12,815,307	$11,283,965	$11,708,098	$11,387,200	$11,994,500	5.33%
Internal Service Funds:						
Public Works; Fleet Management	$2,688,929	$2,868,738	$3,290,307	$3,410,934	$3,750,838	9.97%
OIT; Data Processing	$6,799,463	$6,772,742	$9,032,437	$11,425,587	$12,200,659	6.78%
Medical Insurance	$0	$0	$0	$14,218,000	$17,343,000	21.98%
Public Works; Small Proj. Const.	$1,443,807	$1,633,795	$1,725,563	$1,757,849	$1,832,345	4.24%
Total Internal Service Funds	$10,932,199	$11,275,275	$14,048,307	$30,812,370	$35,126,842	14.00%
Fire And Rescue Levy Funds:						
Fire and Rescue Levy Total	$9,789,125	$10,731,250	$12,902,795	$16,330,925	$19,320,516	18.31%
Total Fire & Rescue Levy Funds	$9,789,125	$10,731,250	$12,902,795	$16,330,925	$19,320,516	18.31%

All Funds Revenue Summary (continued)

Department / Agency	FY 00 Adopted Revenue Bud.	FY 01 Adopted Revenue Bud.	FY 02 Adopted Revenue Bud.	FY 03 Adopted Revenue Bud.	FY 04 Adopted Revenue Bud.	% Change FY 03 to FY 04
Schools:						
Operating Fund	$361,630,239	$387,329,706	$411,982,748	$461,221,755	$510,105,909	10.60%
School Debt Service Fund	$21,831,188	$26,253,581	$28,273,092	$33,139,009	$38,127,720	15.05%
Construction Fund	$43,099,063	$49,581,686	$59,129,000	$95,640,000	$96,285,000	0.67%
Food Service Fund	$12,373,939	$13,523,779	$15,234,432	$17,048,744	$18,478,722	8.39%
Warehouse	$2,200,000	$2,600,000	$3,125,000	$3,125,000	$3,600,000	15.20%
Facilities Use Fund	$323,925	$321,898	$346,671	$467,404	$510,331	9.18%
Self Insurance Fund	$2,550,434	$3,169,940	$3,211,810	$4,135,081	$3,362,504	-18.68%
Health Insurance Fund	$16,076,783	$17,180,146	$23,171,499	$24,761,814	$34,485,421	39.27%
Regional School Fund	$12,256,507	$13,475,874	$14,883,664	$18,760,155	$19,936,393	6.27%
Total Schools	$472,342,078	$513,436,610	$559,357,916	$658,298,962	$724,892,000	10.12%
Grand Total All Funds	**$1,033,152,421**	**$1,037,165,122**	**$1,120,094,771**	**$1,325,798,608**	**$1,599,687,530**	**20.66%**