



**PRINCE
WILLIAM**
— COUNTY

3rd Quarter

FY 2020

Revenue and Expenditures
Report





3rd Quarter FY 2020 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 2020 Adopted Budget estimates general revenues to be \$1.06 billion.

As the COVID-19 pandemic continues to impact our economy in a unique unprecedented manner, we are facing many unknowns while awaiting actual data. As stated by Governor Northam in the Commonwealth's most recent Revenue Report, "April revenues will begin to reveal the effects of COVID-19 on revenue collections." Under the current conditions where the worst-case scenarios have not yet materialized, staff will continue to monitor information as it becomes available and navigate through these challenging times of economic uncertainty.

This report includes a revised presentation element to illustrate both optimistic and pessimistic scenario estimates. The general revenue forecast under a pessimistic scenario could see a shortfall of \$4.8 million and under an optimistic scenario produce a surplus of \$2.6 million from the adopted FY 2020 budget by June 30, 2020, as follows:

Category of General Revenues	Prior Year	FY 2020						
	FY 2019	Adopted	Q1 Revised	Q2 Revised	Q3		Q3	
	Year-End				Pessimistic Scenario	\$Change from Adopted	Optimistic Scenario	\$Change from Adopted
Real Property Taxes	\$662,834,584	\$694,102,000	\$694,102,000	\$694,387,503	\$695,663,000	\$1,561,000	\$696,675,000	\$2,573,000
Personal Property Taxes	197,558,029	207,180,000	207,180,000	211,880,000	212,320,000	5,140,000	213,070,000	5,890,000
Sales Tax	68,699,741	68,176,000	68,176,000	71,448,000	64,000,000	(4,176,000)	66,800,000	(1,376,000)
Consumer Utility Tax	14,443,344	14,590,000	14,590,000	14,590,000	14,000,000	(590,000)	14,590,000	0
Communications Tax	15,289,789	15,500,000	15,500,000	14,900,000	14,500,000	(1,000,000)	14,900,000	(600,000)
BPOL Tax	26,945,229	28,000,000	28,000,000	27,600,000	26,615,000	(1,385,000)	26,615,000	(1,385,000)
Investment Income	11,893,648	13,940,000	13,940,000	11,200,000	11,000,000	(2,940,000)	11,200,000	(2,740,000)
All Other	22,433,190	21,646,000	21,646,000	22,827,000	20,208,000	(1,438,000)	21,943,000	297,000
Total General Revenues	\$1,020,097,554	\$1,063,134,000	\$1,063,134,000	\$1,068,832,503	\$1,058,306,000	(\$4,828,000)	\$1,065,793,000	\$2,659,000

Revenues At-A-Glance

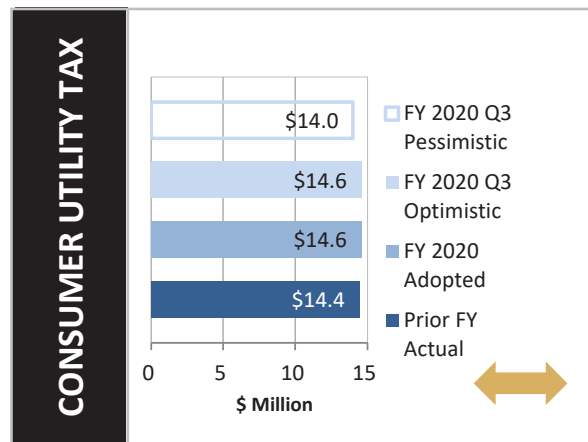
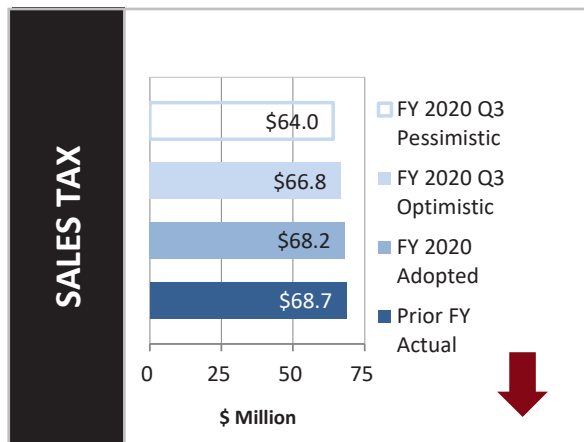
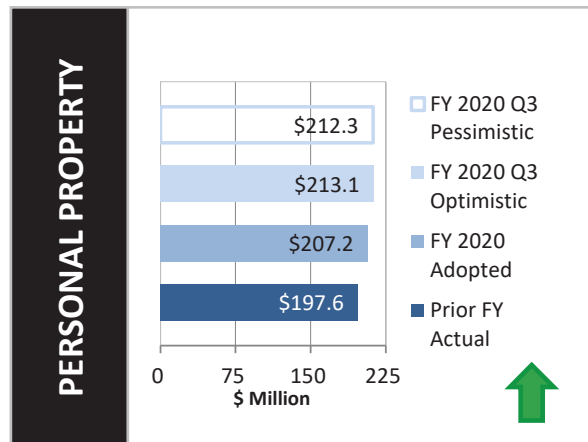
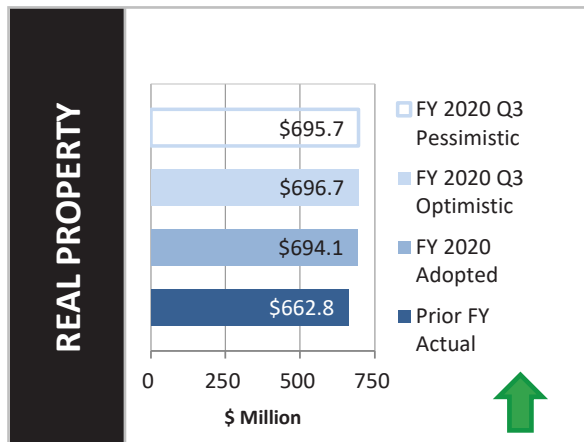
Variances from the FY 2020 Adopted Budget are as follows:

Real Property Tax is expected to produce a revenue surplus between \$1.5 and \$2.5 million due to an increase in gross billings (supplemental billings and rollbacks).

Personal Property Tax is expected to generate a revenue surplus between \$5.1 and \$5.8 million. The surplus is attributable to increases in new taxable business tangible property, mainly from data centers and new vehicle billings.

Sales Tax revenue remained strong pre-COVID-19, bolstered by internet sales. This revenue source has a two-month lag, therefore monthly sales receipts are not received by localities until two months later (i.e., February sales are received in April). The Commonwealth provided businesses impacted by COVID-19 the ability to defer the payment of sales tax for 30 days, however, they would still be required to file by April 20, 2020. It is expected that March sales may remain in a normal range as stay-at-home orders became effective mid-March and households began to stockpile groceries and household goods. The impact to future sales tax revenue remains uncertain and is currently forecasted to decline in the last three months of the fiscal year; with the potential to produce a deficit of \$1.3 to \$4.1 million.

Consumer Utility Tax is expected to produce a revenue deficit of \$590 thousand that has been incorporated into the forecast due to possible impacts on household budgets from job losses/furloughs as well as the shift of the normal workplace to homes instead of office buildings.



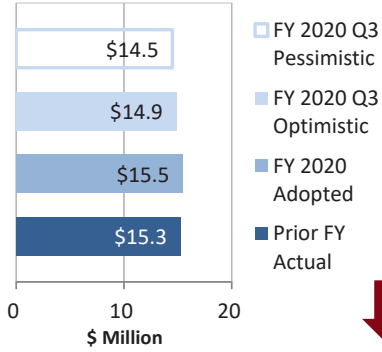
Communications Sales Tax revenue continues to decline as the number of American homes with only wireless telephones continues to grow. In addition, the forecast reflects a provision for revenue reduction due to possible impacts on household budgets from job losses/furloughs. This revenue source is expected to experience a revenue shortfall between \$600 thousand and \$1 million.

BPOL Tax revenue collections through the third quarter stand at \$26.6 million. It is a known fact that COVID-19 is negatively impacting many businesses, especially that of retailers and restaurants which was a core strength during the previous recession, due to closures and stay-at-home orders. For this reason, the BPOL Tax estimate has been revised downward by \$1.3 million to reflect only the collections-to-date.

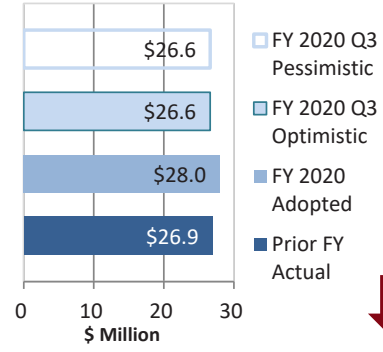
Investment Income is expected to experience a shortfall of \$2.7 million for FY 2020. In response to the perceived impact of COVID-19, the Federal Open Market Committee (FOMC) cut the Federal Funds Rate twice during March 2020 by 150 basis points to a target range of 0.00% to 0.25%. The action taken by the FOMC, coupled with an average interest rate decline of 136 basis points spanning the County's investment horizon, will create downward pressure on interest income earned over the foreseeable future.

All Other Revenue is comprised of fifteen revenue sources estimated to be less than \$5 million each. Revenues that are most impacted by COVID-19 include Recordation Tax, Tax on Deeds, Transient Occupancy Tax (TOT) and Motor Vehicle License Fees. Low mortgage interest rates typically lead to an increase in Recordation Tax and Tax on Deeds as homebuying and home refinancing activities rise. However, given the economic uncertainty during the COVID-19 pandemic, the revised forecast assumes some of this real estate activity may cease. Due to stay-at-home orders, travel bans and the cancellation of functions and events, the tourism industry is suffering, with hotels/motels reporting only 10 to 15 percent occupancy. For this reason, the Transient Occupancy Tax revenue forecast has been lowered. Finally, the forecast assumes Motor Vehicle License Fees may decline due to consumer sentiment and constrained household budgets resulting in fewer vehicle purchases. In total, the All Other Revenues category could produce a net deficit of \$1.4 million to a net surplus slightly under \$300 thousand.

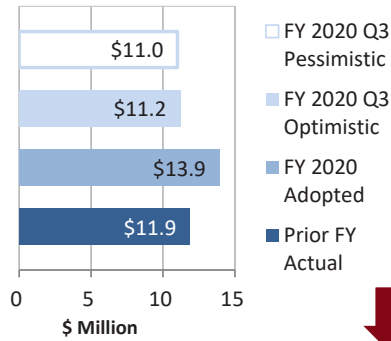
COMMUNICATIONS TAX



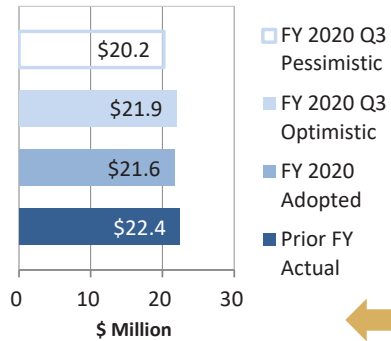
BPOL TAX



INVESTMENT INCOME












ALL OTHER REVENUE



Looking Ahead

Economy At-A-Glance

The charts that follow identify some of the key indicators for the national, regional and local economies and show trends year-over-year (Y-O-Y). A “green” symbol stands for a positive trend, a “yellow” symbol signals a cautionary or neutral trend and a “red” symbol represents a negative trend.

Indicator			Explanation	Trend (Y-O-Y)
CPI (Inflation) (unadjusted year/year)	1.5% <i>(Mar 2020)</i>	1.9% <i>(Mar 2019)</i>	Reflects changes in the purchasing power per unit of money	
GDP (Gross Domestic Product)	-4.8% <i>(Q1 2020)</i>	3.2% <i>(Q1 2019)</i>	Indicator of the overall health of the U.S. economy	
Stock Market:				
S&P 500	2,584.59 <i>(03/31/20)</i>	2,834.40 <i>(03/31/19)</i>	Indicator of the overall health of the U.S. stock market	
Dow Jones	21,917.16 <i>(03/31/20)</i>	25,928.68 <i>(03/31/19)</i>	Indicator of the overall health of the U.S. stock market	
Federal Funds Rate	0.08% <i>(03/31/20)</i>	2.43% <i>(03/31/19)</i>	Indicator of return on investments	
Unemployment Rate :				
National (seasonally adjusted)	4.4% <i>(Mar 2020)</i>	3.8% <i>(Mar 2019)</i>	Indicator of overall health of U.S. job market	
State (seasonally adjusted)	3.3% <i>(Mar 2020)</i>	2.9% <i>(Mar 2019)</i>	Indicator of overall health of VA job market	
Region (not seasonally adjusted)	3.4% <i>(Mar 2020)</i>	3.3% <i>(Mar 2019)</i>	Indicator of overall health of NoVA job market	
Prince William County (not seasonally adjusted)	3.0% <i>(Mar 2020)</i>	2.8% <i>(Mar 2019)</i>	Indicator of overall health PWC of job market	

Bureau of Labor Statistics - U3

Indicator			Explanation	Trend (Y-O-Y)
National Retail Sales	-8.7% <i>(M/M Mar 2020)</i>	1.6% <i>(M/M Mar 2019)</i>	Indicator of relative health of U.S. economy	
# Employment Establishments:				
State	279,643 (+2.7%) <i>(Q3 2019)</i>	272,163 <i>(Q3 2018)</i>	Indicator of overall health of VA	
Region	90,664 (-0.4%) <i>(Q3 2019)</i>	91,051 <i>(Q3 2018)</i>	Indicator of overall health of NoVA economy, businesses & job market	
Prince William County	9,553 (+3.3%) <i>(Q3 2019)</i>	9,252 <i>(Q3 2018)</i>	Indicator of overall health of PWC economy, businesses & job market	
Sales Tax Growth:				
State	+8.4% <i>(FYTD Mar 2020)</i>	+3.5% <i>(FYTD Mar 2019)</i>	Indicator of relative health of VA	
Prince William County	+5.7% <i>(FYTD Mar 2020)</i>	+6.2% <i>(FYTD Mar 2019)</i>	Indicator of relative health of PWC economy	
State Revenue Collections	+6.6% <i>(FYTD Mar 2020)</i>	+3.0% <i>(FYTD Mar 2019)</i>	Indicator of relative health of VA economy	
National Automobile Sales	14.79M <i>(Jan-Mar 2020)</i>	16.94M <i>(Jan-Mar 2019)</i>	Indicator of consumer purchasing power	
Commercial Vacancy Rates:				
Prince William County	5.6% <i>(Q1 2020)</i>	5.4% <i>(Q1 2019)</i>	Indicator of overall health of PWC businesses and commercial market	

National, State, and Local Trends

National Entering 2020, consensus projections pointed to the U.S. economy producing a modest growth rate of approximately 1.9%. Those forecasts quickly evaporated as confirmed cases of COVID-19 spread throughout the United States during the month of March. The FOMC has responded aggressively by cutting the Federal Funds Rate by 1.50% to a range of 0.00% - 0.25% and implementing various programs to ease liquidity pressures within the financial system. Complimenting the Federal Reserve's monetary policy initiatives, President Trump signed a \$2.2 trillion fiscal stimulus package on March 27th known as the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

FOMC members acknowledged the erosion of economic and financial conditions caused by COVID-19 through a statement following the Committee's meeting on March 15, 2020. The Committee opined that "the coronavirus outbreak has harmed communities and disrupted economic activity in many countries, including the United States" and "global financial conditions have also been significantly affected."

The Consumer Price Index (CPI), a measurement of the change in prices paid by consumers for goods and services, fell 0.4 percent during March, below market expectations of a 0.3 percent decrease. Sharp decay in sectors such as travel and hospitality, energy, and apparel were primary drivers behind the index's decline. Core CPI (excludes food & energy) fell 0.1 percent in March. The last time a decrease in monthly Core CPI had been registered was January 2010. Year-over-year, CPI for the month ending March 2020 was 1.5 percent compared to 1.9 percent in March 2019.

Gross Domestic Product (GDP), the broadest measure of economic activity, fell to a rate of -4.8 percent in the first quarter according to an advance estimate issued by the Bureau of Economic Analysis. This marks the steepest decline seen since 2008 and the end to a record-long U.S. expansion that spanned nearly 11 years. Leading the way was a reduction in consumer spending of -7.6 percent and business fixed investment of -8.6 percent. The reductions in consumer spending and business fixed investment were the largest contractions since 1980 and 2009, respectively.

Over the last two weeks of March, the impact of COVID-19 began to exact a heavy toll on the U.S. labor market. On an NSA (not seasonally adjusted) basis, the U.S. Bureau of Labor Statistics reported initial unemployment claims of 6.0 million and 2.9 million for the weeks ending March 20th and March 27th, respectively. Job losses tied to the leisure and hospitality sector played a substantial role in pushing the unemployment rate up to 4.4 percent from 3.5 percent. The 0.9 percent increase represented the largest over-the-month increase since January 1975.

Led by a steep decline in automobile purchases, the Commerce Department reported a reduction in retail sales of -8.4 percent for the month of March. Excluding automobiles, sales activity was down -4.2 percent. In total dollars, U.S. consumers spent \$44.4 billion less during March versus February. The food and beverage sector posted the only meaningful increase (25.6%) as Americans stocked up on essential goods. Moving forward, retail sales should continue to be under considerable pressure entering the second quarter as many businesses will remain shuttered, and Americans' appetite to spend on non-essential items curtailed because of job losses and the stigma surrounding COVID-19.

According to NADA, new light-vehicle sales fell dramatically during the month of March to 11.4 million units. This represented a 34 percent decrease in sales compared to March 2019 and the lowest seasonally adjusted annual rate since January 2010. Despite solid sales figures in January and February, first quarter 2020 vehicle purchases were off 12.3 percent versus the first quarter of 2019. With new vehicle sales operations suspended, scaled down, or limited to online transactions, J.D. Power forecasts new vehicle sales to plummet by 80 percent in April and between 40-70 percent during May.

State Total general fund revenues rose 10.8 percent in March, buoyed by the issuance of fewer refunds. On a fiscal year-to-date basis, total revenue collections rose 6.6 percent through March which is ahead of the annual growth rate forecast of 3.2 percent. In addition, The Commonwealth realized a 7.9 percent sales and use tax increase affiliated solely with Wayfair-related use tax dealers.

The Commonwealth's seasonally adjusted unemployment rate rose to 3.3 percent in March, which is 0.4 percent above the rate from a year ago. While Virginia's labor force fared slightly better than many other states, it was not immune to the impact of COVID-19. Initial jobless claims were 46,277 and 112,497 for the weeks ending March 21st and March 28th, respectively. As of March 31st, Virginia's seasonally adjusted unemployment rate was below the national rate of 4.4 percent.

Governor Northam acknowledged the challenges ahead for Virginians through the following statement released on April 14th: "While March collections reflected our strong economy, April revenues will begin to reveal the effects of COVID-19 on payroll withholding and retail sales tax collections." "The most important thing to focus on right now is the health and safety of all Virginians, and we expect the April results will be disappointing."

Local Despite the current economic climate, Prince William County's residential real estate market posted a 4.1 percent year-over-year increase of homes sold during March, accompanied by median per unit price growth to \$408,250 from \$365,000. Aiding buyers were 30-year fixed mortgage rates that fell to 3.50 percent from 3.72 percent since the beginning of 2020 according to Freddie Mac's Primary Mortgage Market Survey. Although, tempering those results were year-over-year reductions in the number of under contract homes of -12.8 percent and new listings of -5.5 percent. As is the case in many major metropolitan areas, lack of housing supply continues to be problematic.

The County was not exempt from labor market headwinds afflicting most of the nation. Unemployment surged to 3 percent as of quarter end from 2.2 percent the previous quarter.

Prince William County Real Estate Market At-A-Glance

The chart below presents some of the key indicators for the local real estate market and shows trends year-over-year (Y-O-Y).

Residential Sales Activity According to the Metropolitan Regional Information Systems (MRIS) sales data for March 2020, the average residential sales price of \$432,656 is a 9.9 percent increase over March 2019. The number of sales for the same period totaled 589 units, an increase of 4.1 percent when compared to March 2019 (566 units sold). The County's residential market experienced a decrease in active listings, down 27.9 percent, when compared to the same period in 2019. On average, units are 22 days on the market, a decrease from 32 days the same period last year. According to the March Virginia Home Sales Report, challenges with mortgage liquidity have led to higher rates and stricter lending standards for some borrowers and strong sales and price growth in March were tempered by a drop in pending sales and a slowdown in new listings. However, strong economic fundamentals in Virginia should help the Commonwealth weather the COVID-19 pandemic better than some other places.

Commercial Sector For the quarter ending March 2020, according to Costar Realty Group (Costar), the County's commercial inventory included 48.2 million occupied square feet (sq. ft.) of space in 2,122 buildings with 2.6 million sq. ft. of vacant space.

Indicator			Explanation	Trend (Y-O-Y)
Average Sales Price (MRIS)	\$432,656 (+9.9%) (Mar 2020)	\$393,699 (Mar 2019)	Indicator of relative health of housing market	
# of Homes Sold	589 (+4.1%) (Mar 2020)	566 (Mar 2019)	Indicator of relative health of housing market	
Average # of Days on Market	22 (-31.3%) (Mar 2020)	32 (Mar 2019)	Indicator of relative health of housing market	
# of Occupancy Permits Issued	1,171 (-12.9%) (CY 2019)	1,344 (CY 2018)	Indicator of relative health of housing market	
# of Building Permits Issued	1,177(-3.2%) (CY 2019)	1,216 (CY 2018)	Indicator of relative health of housing market	
Ratio of Homes on the Market to Homes Sold	1.01 (-30.3%) (Mar 2020)	1.45 (Mar 2019)	Indicator of relative health of housing market	



3rd Quarter FY 2020

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 2020 general fund budget of \$1.24 billion.

- \$607.3 million adopted School transfer, in accordance with the County-Schools revenue sharing agreement.
- \$631.9 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.

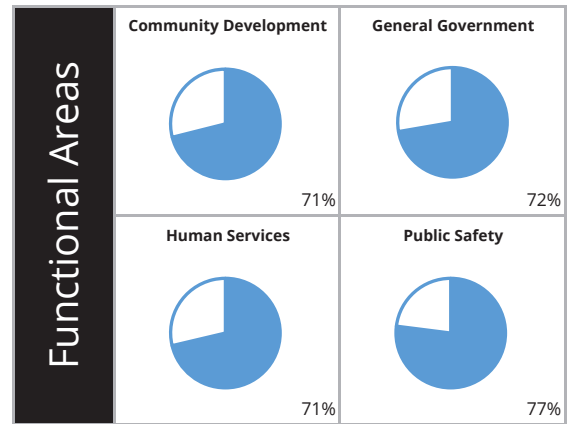
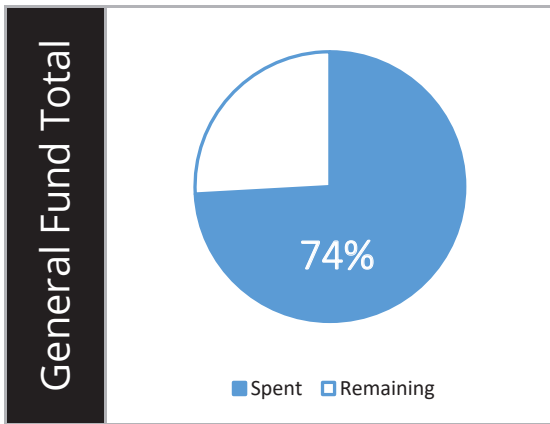
Third Quarter Summary

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 2020 Budget** – As of March 31, 2020, the revised County government unrestricted general fund budget, excluding transfers, was \$587.5 million.
3. **COVID-19 Pandemic Economic Impact on Agency Revenue** – The COVID-19 pandemic has had a profound impact on County general revenue and agency revenue projections. Agency revenue is projected to be \$5-7 million below budget as most Parks, Recreation & Tourism facilities remain closed and fines and forfeitures are projected at reduced levels.
4. **Fiscal Year 2020 Year-end Financial Requirements** – Sufficient general fund expenditure savings are required at the end of the fiscal to compensate for projected general revenue and agency revenue shortfalls and make the following contributions to general fund reserves as required by the County's adopted Principles of Sound Financial Management:
 - Maintain unassigned general fund balance at 7.5% of general fund revenue;
 - Maintain the revenue stabilization fund reserve at 2.0% of general fund revenue;
 - Replenish the Economic Development Opportunity Fund to a minimum balance of \$3.0 million.
5. **County Executive Directives to Agencies** – On March 23, 2020, the County Executive implemented a hiring freeze, authorized only agency mission critical expenditures, and suspended capital projects not already under contract in an effort to preserve cash liquidity and generate budget savings for aforementioned FY 2020 year-end financial requirements. These expenditure saving efforts will not be noticeable in the third quarter report which reflects financial data as of March 31, 2020.
6. **Third Quarter General Fund Expenditures and Projections** – As of March 31, 2020, 76.2% of the expenditure budget was spent. Excluding Non-Departmental and Debt Service, which are not indicators of direct County agency operations, agencies spent 74.1% of the operating expenditure budget. However, due to the current hiring freeze and elimination of non-mission essential agency expenditures, current projections indicate 97.0%-97.5% of the County government's general fund expenditure budget will be expended by year-end.

Percent of Budget Spent (Including Non-Departmental and Debt Service)	Percent of Budget Spent (Excluding Non-Departmental and Debt Service)
76.2%	74.1%

7. **Pay Periods Per Quarter** – The number of pay periods differ by quarter. The first and third quarters included additional two-week pay periods. The additional payroll means agencies will have salary and benefit actuals that are higher than expected through the third quarter.
8. **Information Technology Charges** – Information technology costs for the entire fiscal year were billed in the second quarter. Therefore, Internal Services expenditures will be higher than normally anticipated, as well as overall general fund expenditures.
9. **Retiree Health Benefit** – Retiree health benefit costs of \$2.1 million were charged for the entire fiscal year in the first quarter.
10. **Classification and Compensation Study/Position Reclassifications** – On November 19, 2019, the BOCs approved a new position classification and pay plan for general County employees. The study findings will be implemented in two phases. Phase 1 was implemented on January 11, 2020 whereby administrative pay increases were provided for existing employees with salaries lower than the starting salary of their newly assigned position classification's pay band. The Phase 1 half-year cost (approximately \$3.2 million) will be absorbed within agency's existing FY 2020 budgets.

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




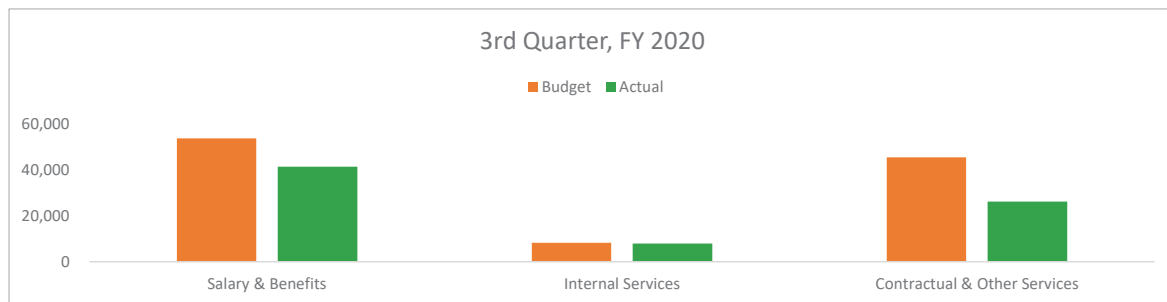
Community Development Functional Area

(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	53,779.91	41,450.29	
	Internal Services	8,252.94	7,917.24	
	Contractual & Other Services	45,480.53	26,166.31	
	Reserves & Contingencies	(6,702.52)	(3,907.11)	
	100,810.87	71,626.74	71.05%	




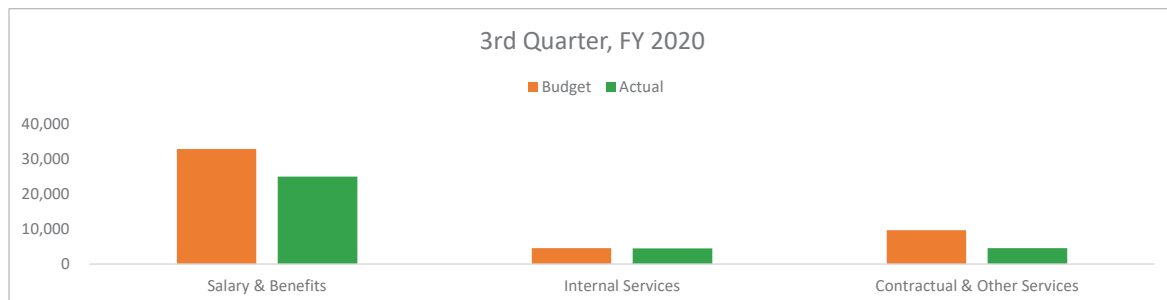
General Government Functional Area

(Dollar amounts expressed in thousands)

Departments & Agencies

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

Functional Area	Spending Category	Budget	Actual	Spent %
General Government	Salary & Benefits	32,813.92	24,944.41	
	Internal Services	4,572.25	4,480.10	
	Contractual & Other Services	9,660.33	4,563.63	
	Reserves & Contingencies	(1,562.30)	(1,116.08)	
	45,484.19	32,872.06	72.27%	




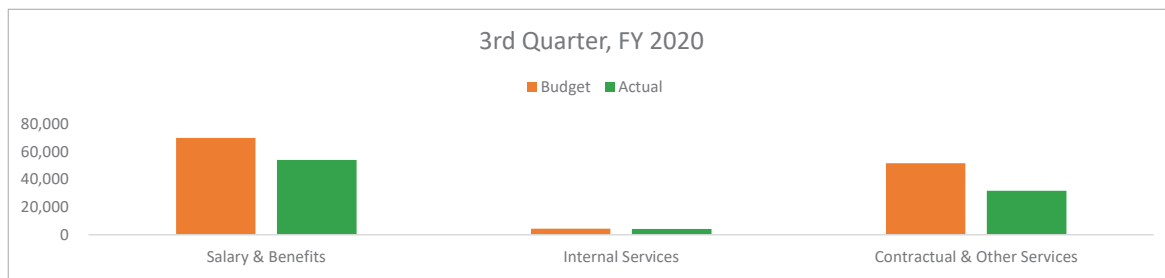
Human Services Functional Area

(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	70,081.92	54,089.04	
	Internal Services	4,326.44	4,113.91	
	Contractual & Other Services	51,870.98	31,816.08	
	Reserves & Contingencies	0.00	0.00	
	Total		126,279.35	




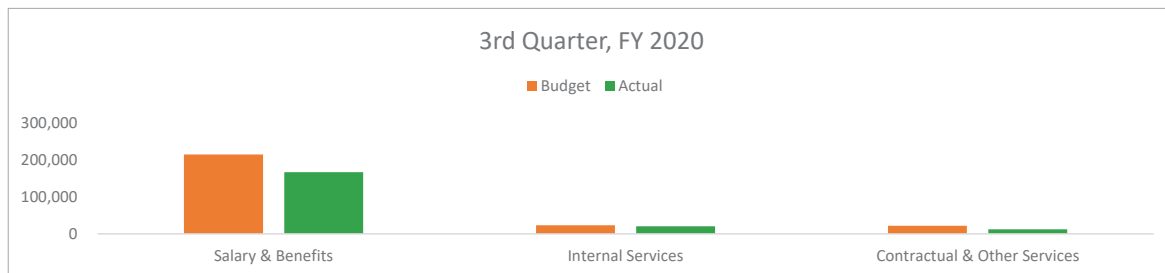
Public Safety Functional Area

(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

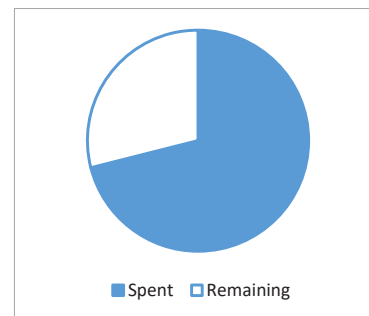
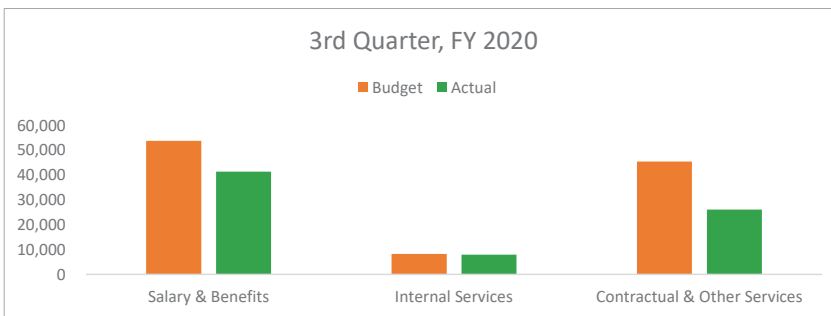
Functional Area	Spending Category	Budget	Actual	Spent %
Public Safety	Salary & Benefits	215,455.68	167,405.02	
	Internal Services	23,099.55	20,609.56	
	Contractual & Other Services	21,819.45	12,511.91	
	Reserves & Contingencies	0.00	0.00	
	Total		260,374.69	



Community Development Functional Area

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Economic Development	Salary & Benefits	2,023.71	1,282.62	
	Internal Services	82.71	81.87	
	Contractual & Other Services	1,253.11	525.28	
	Reserves & Contingencies	0.00	0.00	
		3,359.53	1,889.77	
Library	Salary & Benefits	13,562.44	10,035.52	
	Internal Services	1,181.90	1,161.00	
	Contractual & Other Services	3,414.94	2,058.90	
	Reserves & Contingencies	0.00	0.00	
		18,159.28	13,255.41	
Parks, Recreation & Tourism	Salary & Benefits	20,747.46	16,428.73	
	Internal Services	2,601.19	2,514.37	
	Contractual & Other Services	11,858.49	6,065.65	
	Reserves & Contingencies	(154.00)	(6.60)	
		35,053.14	25,002.14	
Planning	Salary & Benefits	1,236.30	908.82	
	Internal Services	2,538.08	2,533.79	
	Contractual & Other Services	1,039.29	840.58	
	Reserves & Contingencies	0.00	0.00	
		4,813.67	4,283.19	
Public Works	Salary & Benefits	12,719.08	9,589.88	
	Internal Services	1,641.83	1,418.25	
	Contractual & Other Services	25,348.13	15,222.32	
	Reserves & Contingencies	(3,480.77)	(2,252.88)	
		36,228.26	23,977.57	
Transportation	Salary & Benefits	3,490.92	3,204.73	
	Internal Services	207.24	207.96	
	Contractual & Other Services	2,566.57	1,453.59	
	Reserves & Contingencies	(3,067.74)	(1,647.63)	
		3,197.00	3,218.65	



Notable Variances

- Economic Development** - Salary & Benefits is under budget due to several extended vacancies. Additionally, contract payments for small business development services will not occur until the 4th quarter.
- Parks, Recreation & Tourism** - The department has \$3 million in outstanding encumbrances that are not included in the Actual total. These encumbrances are primarily for utilities, repairs and maintenance, and capitalized equipment.
- Planning** - The department has a disproportionate amount of its budget in the Internal Services series due to being the countywide host for the Geographic Information System (GIS). The entire year has been billed for Internal Services.
- Public Works** - The department has \$7 million in outstanding encumbrances that are not included in the Actual total. The significant




Community Development Functional Area *(Continued)*

encumbrances include: utilities, Buildings & Grounds and Property Management repairs and maintenance, existing leased office space, and motor vehicle orders that were placed in October.

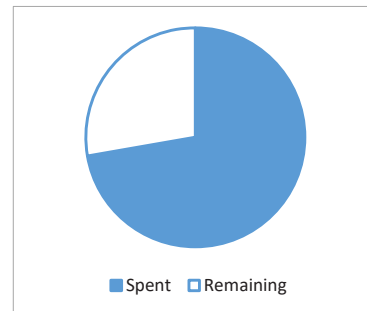
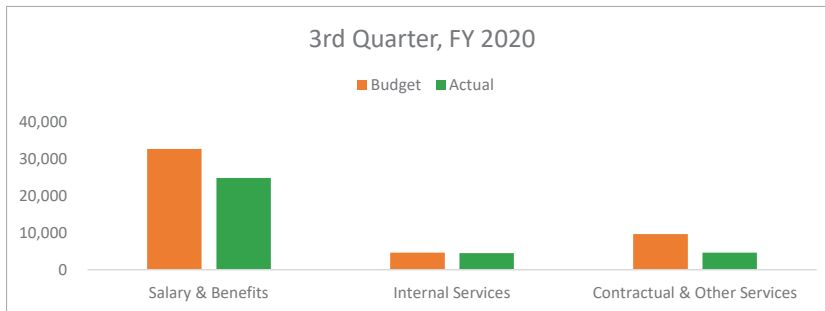
5. **Transportation** - Most personnel costs are cost-recovered from capital projects. First and second quarter has been billed to capital projects. Third quarter cost recovery has not yet been billed to capital projects.

General Government Functional Area

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Board of County Supervisors	Salary & Benefits	2,954.23	2,300.66	
	Internal Services	133.04	128.86	
	Contractual & Other Services	2,373.12	1,176.78	
	Reserves & Contingencies	0.00	0.00	
		5,460.39	3,606.30	
County Attorney	Salary & Benefits	3,977.16	2,960.21	
	Internal Services	106.22	105.76	
	Contractual & Other Services	187.54	170.99	
	Reserves & Contingencies	(237.91)	(113.39)	
		4,033.01	3,123.57	
Elections	Salary & Benefits	1,343.29	1,084.95	
	Internal Services	92.03	98.74	
	Contractual & Other Services	1,219.00	825.17	
	Reserves & Contingencies	0.00	0.00	
		2,654.32	2,008.86	
Executive Management	Salary & Benefits	3,631.17	2,856.45	
	Internal Services	221.17	143.73	
	Contractual & Other Services	597.57	340.40	
	Reserves & Contingencies	0.00	0.00	
		4,449.90	3,340.58	
Finance	Salary & Benefits	15,357.52	11,746.76	
	Internal Services	3,355.15	3,338.54	
	Contractual & Other Services	4,714.44	1,735.63	
	Reserves & Contingencies	(719.86)	(512.84)	
		22,707.24	16,308.09	
Human Resources	Salary & Benefits	3,289.87	2,343.21	
	Internal Services	591.54	591.58	
	Contractual & Other Services	405.87	272.96	
	Reserves & Contingencies	(599.59)	(489.84)	
		3,687.70	2,717.91	
Human Rights Office	Salary & Benefits	758.00	514.29	
	Internal Services	25.66	25.66	
	Contractual & Other Services	113.21	26.90	
	Reserves & Contingencies	0.00	0.00	
		896.86	566.85	
Management & Budget	Salary & Benefits	1,502.70	1,137.88	
	Internal Services	47.45	47.24	
	Contractual & Other Services	49.58	14.79	
	Reserves & Contingencies	(4.95)	0.00	
		1,594.77	1,199.90	

General Government Functional Area *(Continued)*



Notable Variances

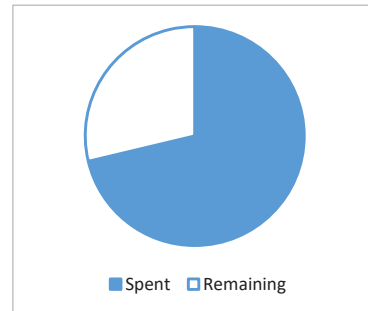
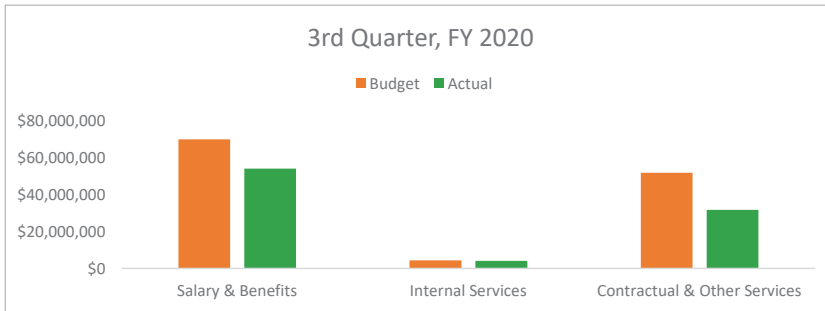
- Board of County Supervisors** - The Audit program has \$734,000 in outstanding encumbrances that are not included in the Actual total. These encumbered funds will be used for Countywide audits.
- Human Rights** - Revised budget generated vacancy savings.

Human Services Functional Area

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Aging	Salary & Benefits	2,507.16	2,024.58	
	Internal Services	204.47	183.62	
	Contractual & Other Services	4,197.72	3,102.55	
	Reserves & Contingencies	0.00	0.00	
	Total	6,909.35	5,310.75	
Community Services	Salary & Benefits	34,990.22	26,463.11	
	Internal Services	2,210.47	2,083.19	
	Contractual & Other Services	13,825.11	6,775.45	
	Reserves & Contingencies	0.00	0.00	
	Total	51,025.80	35,321.75	
Cooperative Extension Service	Salary & Benefits	876.57	637.50	
	Internal Services	86.18	86.18	
	Contractual & Other Services	92.49	62.24	
	Reserves & Contingencies	0.00	0.00	
	Total	1,055.24	785.93	
Public Health	Salary & Benefits	271.63	142.49	
	Internal Services	47.19	42.80	
	Contractual & Other Services	3,059.72	3,057.59	
	Reserves & Contingencies	0.00	0.00	
	Total	3,378.54	3,242.89	
Social Services	Salary & Benefits	31,436.34	24,821.36	
	Internal Services	1,778.13	1,718.11	
	Contractual & Other Services	30,695.95	18,818.25	
	Reserves & Contingencies	0.00	0.00	
	Total	63,910.42	45,357.72	

Human Services Functional Area *(Continued)*



Notable Variances

- Aging** - Expenditures are higher due to full year costs associated with Birmingham Green (\$2.0 million) paid in the first quarter.
- Community Services** - The department has \$3.8 million in outstanding encumbrances that are not included in the Actual total.
The significant encumbrances include funds for contracted services for mental health crisis stabilization, intensive residential, intellectual development and supported employment, and therapy and educational services.
- Public Health** - The State payments and Community Partner payments were made for the entire fiscal year.








Public Safety Functional Area

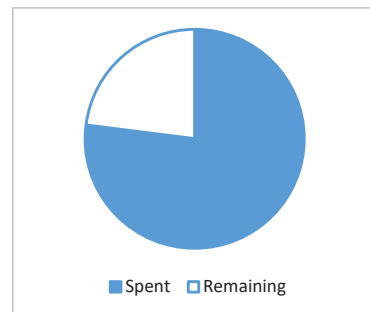
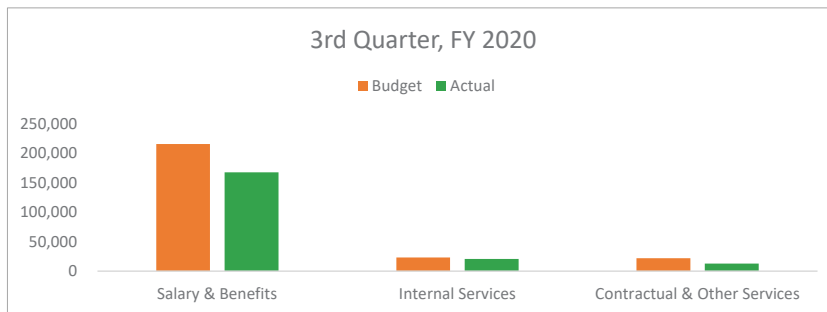
(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Circuit Court Judges	Salary & Benefits	896.41	717.62	
	Internal Services	36.32	33.59	
	Contractual & Other Services	226.06	64.45	
	Reserves & Contingencies	0.00	0.00	
	Total	1,158.79	815.66	
Clerk of the Court	Salary & Benefits	3,501.51	2,785.82	
	Internal Services	169.52	169.52	
	Contractual & Other Services	623.32	283.13	
	Reserves & Contingencies	0.00	0.00	
	Total	4,294.34	3,238.47	
Commonwealth Attorney	Salary & Benefits	5,840.10	4,392.96	
	Internal Services	187.86	180.06	
	Contractual & Other Services	216.56	107.55	
	Reserves & Contingencies	0.00	0.00	
	Total	6,244.52	4,680.56	
Criminal Justice Services	Salary & Benefits	3,867.17	2,913.65	
	Internal Services	200.50	191.46	
	Contractual & Other Services	535.78	272.81	
	Reserves & Contingencies	0.00	0.00	
	Total	4,603.45	3,377.91	
Fire & Rescue	Salary & Benefits	87,420.59	70,079.33	
	Internal Services	7,748.51	7,212.78	
	Contractual & Other Services	7,542.86	3,928.19	
	Reserves & Contingencies	0.00	0.00	
	Total	102,711.96	81,220.29	

Public Safety Functional Area *(Continued)*

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
General District Court	Salary & Benefits	181.58	112.10	
	Internal Services	34.90	34.90	
	Contractual & Other Services	473.21	84.20	
	Reserves & Contingencies	0.00	0.00	
	689.69	231.19	33.52%	
Juvenile & Domestic Relations Ct	Salary & Benefits	111.93	72.44	
	Internal Services	30.30	30.30	
	Contractual & Other Services	286.18	58.62	
	Reserves & Contingencies	0.00	0.00	
	428.41	161.36	37.66%	
Juvenile Court Services Unit	Salary & Benefits	577.47	400.88	
	Internal Services	92.16	88.25	
	Contractual & Other Services	374.49	197.44	
	Reserves & Contingencies	0.00	0.00	
	1,044.11	686.57	65.76%	
Magistrates	Salary & Benefits	85.50	68.26	
	Internal Services	15.35	15.35	
	Contractual & Other Services	16.83	4.43	
	Reserves & Contingencies	0.00	0.00	
	117.68	88.04	74.81%	
Police	Salary & Benefits	92,537.23	70,137.11	
	Internal Services	13,323.27	11,517.42	
	Contractual & Other Services	8,798.60	6,107.70	
	Reserves & Contingencies	0.00	0.00	
	114,659.10	87,762.24	76.54%	
Public Safety Communications	Salary & Benefits	9,879.44	6,904.60	
	Internal Services	352.18	347.79	
	Contractual & Other Services	1,852.94	954.29	
	Reserves & Contingencies	0.00	0.00	
	12,084.55	8,206.68	67.91%	
Sheriff	Salary & Benefits	10,556.75	8,820.26	
	Internal Services	908.68	788.15	
	Contractual & Other Services	872.63	449.10	
	Reserves & Contingencies	0.00	0.00	
	12,338.07	10,057.51	81.52%	




Public Safety Functional Area *(Continued)*

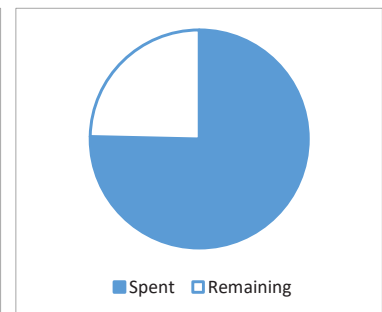
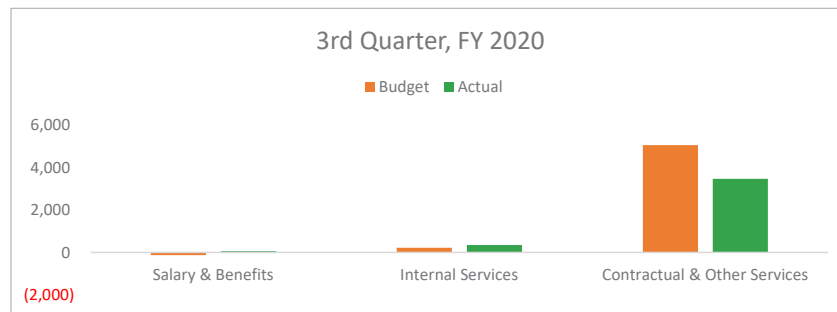
Notable Variances

- Circuit Court Judges** - All space projects have been suspended, resulting in unspent Contractual & Other Services funds.
- Fire & Rescue** -Fiscal year-to-date overtime actuals exceed overtime budget by 17.2%.
- General District Court** - All space projects have been suspended, resulting in unspent Contractual & Other Services funds. Onboarding of new staff was delayed.
- Juvenile and Domestic Relations Court** - All space projects have been suspended, resulting in unspent Contractual & Other Services funds. Onboarding of new staff was delayed.
- Juvenile Court Services Unit** - Community Partner funds of approximately \$65,000 have not yet been distributed to Northern Virginia Family Service for the Intervention, Prevention and Education program. Finally, the department has experienced vacancies contributing to a lower Salary & Benefits expense.
- Public Safety Communications** - Salary & Benefits is below budget due to multiple vacancies. Contractual & Other Services is below budget due to subscription costs associated with Next Generation 911, projected to be implemented summer or fall of next fiscal year.
- Sheriff** - Salary & Benefits is higher due to implementation of Public Safety Retention and Recruitment Phase 2.

Non-Departmental


(Dollar amounts expressed in thousands)

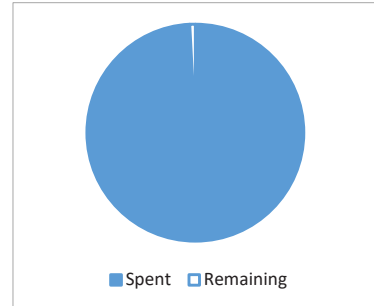
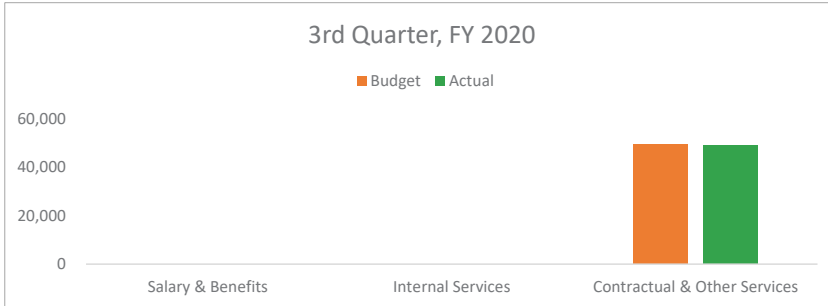
Department	Spending Category	Budget	Actual	Spent %
Non-Departmental	Salary & Benefits	(127.36)	66.63	
	Internal Services	218.81	346.53	
	Contractual & Other Services	5,062.92	3,471.35	
	Reserves & Contingencies	0.00	0.00	
			5,154.38	3,884.51



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	49,430.32	49,018.84	
	Reserves & Contingencies	0.00	0.00	
		49,430.32	49,018.84	



Notable Variances

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



Prince William County
Department of Finance
Office of Management and Budget
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Prince William, VA 22192
www.pwcgov.org

