

FY 2001 Fiscal Plan

Volume I: Executive Summary

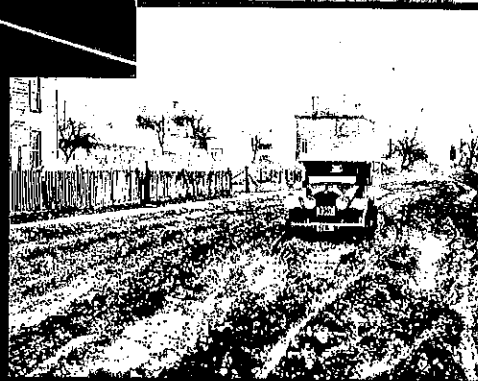
The mission of Prince William County Government is to provide the necessary services to protect the health, safety, welfare, and environment of citizens consistent with the community's values and priorities. This mission is accomplished by:

encouraging citizen input and involvement;

preserving the County's fiscal stability; producing effective and efficient government programs;

managing the County's resources; planning for the future;

and representing citizens' needs and desires to other levels of government.



Prince William County, Virginia

1 Splashdown Water Park

2 Didlake Photo (Birchfield)

3 Cardinal Drive - Phase 1

4 Richmond/Washington Highway, Dumfries, VA - 1919 in front of
Dumfries Hotel [Stagecoach Inn/Loves Tavern/Williams Ordinary] (Allen Ferguson)

5 Kids Section - Bull Run Library

6 Library Bus - Bookmobile (Churchill 1953)

2001 Fiscal Plan

Volume I

Prince William County, Virginia

Board of County Supervisors

Chairman – Sean T. Connaughton

Vice-Chairman – Mary K. Hill – Coles District

Hilda M. Barg – Woodbridge District

Maureen S. Caddigan – Dumfries District

Ruth T. Griggs – Occoquan District

John D. Jenkins – Neabsco District

L. Ben Thompson - Brentsville District

Edgar S. Wilbourn, III – Gainesville District

County Executive – Craig S. Gerhart

Deputy County Executive

Pierce Homer

Assistant County Executive

Melissa S. Peacor

Budget Technical Manager

Ed Strickhouser

Budget Staff

Dolores Adams

Jessamyn Dowd

Rodney Follin

Bob Leibbrandt

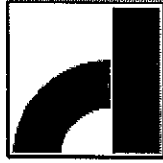
Andrea Pettis

Leslie Sibick

Dave Sinclair

Crystal Slade

Mandy Smith

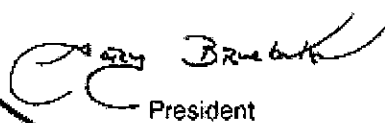


GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

**PRESENTED TO
Prince William County,
Virginia**

**For the Fiscal Year Beginning
July 1, 1999**


President


Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to Prince William County for its annual budget for the fiscal year beginning July 1, 1999.

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

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

FY2001 Fiscal Plan

Table of Contents

Budget Summary

Understanding the Budget

**Strategic-Based
Outcome Budget Process**

Expenditure Summary

Revenue Summary

**Background and
Supplemental Statistical
Information**

Glossary

TABLE OF CONTENTS

FY 2001

FISCAL PLAN

Map of Prince William County	I
Brief History of Prince William County	II
Organization Chart	IV
Transmittal Letter	V

Budget Summary

General Fund Expenditures	1
FY 2001 Fiscal Plan Initiatives	2
Capital Improvements Program/Debt Service	10
General Fund Revenue and Resource Summary	11
Revenues	14
Five Year Budget Plan	27
Revenue vs. Expenditure Comparison	29
Combined Statement of Projected Revenues, Budgeted Expenditures and Projected Changes in Fund Balance	30
General Fund Expenditure and Resource Comparison	31
Revenue Projections – General Fund Non-Agency Revenues	32
Operating Funds	33
Five-Year Staffing Level History	35
Percent Share of Total General County Budget	37
Revenue and Expenditure Comparison by Fund Areas	39

Understanding the Budget

Facts about the Budget	51
Calendar of Events	52
General Budget Requirements	53
Amending the Budget	54
Prince William County Accounting System	55
Basis of Budgeting	55
User's Guide - How to Read This Budget Document	57

Strategic-Based Outcome Budget Process

Prince William Financial and Program Planning Ordinance	60
Community Vision and Values	60
Prince William County Strategic Plan	61
Measuring Performance	63
Resource Allocation	67
Principles of Sound Financial Management	69

Expenditure Summary

General Fund Budget by Functional Category – graph	71
General Fund Budget by Category of Expenditure – graph.....	72
Expenditure Summary.....	73
General Fund Budget by Functional Category, excludes School Transfer – graph.....	77
General Fund Budget by Category of Expenditure, excludes School Transfer – graph.....	78
General Fund Expenditure Budget History – graph	79
General Fund Expenditure Budget History, excludes School Transfer – graph.....	79
General Fund Expenditure Budget History Percent Change – graph	80
General Fund Expenditure Budget History Percent Change, excludes School Transfer – graph.....	80

Revenue Summary

General Fund Funding Sources – graph.....	81
Local Tax Sources – graph	82
General Fund Revenue History – graph	83
General Fund Revenue Summary of Percent Change, excludes School Transfer – graph.....	83
Revenue Projections	84

Background and Supplemental Statistical Information

Economic Indicators	117
Real Estate Development.....	118
Real Estate Tax Base	119
Population Characteristics.....	120
Indicators of Financial Conditions.....	121
Past Trends in County Service Efforts	122
General County Government Staffing	123
Capital Improvements Program.....	123
General Debt Service	124
Percent Change in Cost per Capita by Service Area – not adjusted for inflation graph.....	125
Percent Change in Cost per Capita by Service Area, – graph.....	125
Dollar Change by Service Area, not adjusted for inflation – graph	126

Glossary	127
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Index	136
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Volume II

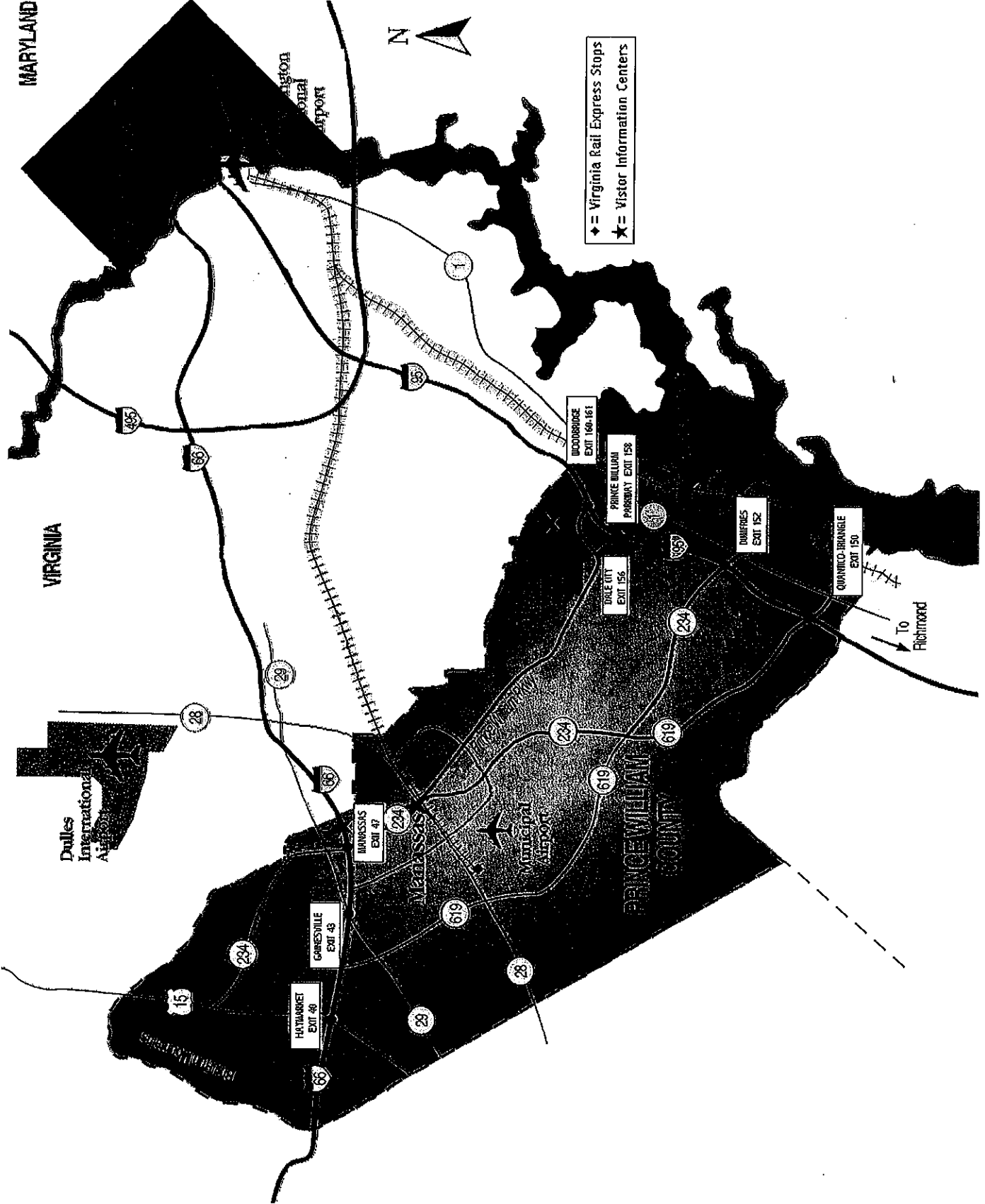
Agency Detail

MARYLAND

VIRGINIA



- ◆ = Virginia Rail Express Stops
- ★ = Visitor Information Centers



History and Description of the Government of Prince William County



HISTORY

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

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

Economic and political displeasure with the British government reached the breaking point for Prince William colonists in 1773. Pro-Colony groups such as The Prince William Resolvers voiced their protest against the erosion of colonial liberties. As England had ordered all colonial governors to cease granting lands, except to veterans of the French and Indian War. Further financial strains were wrought against the colonies through taxation, including the infamous Tea Act and Stamp Act. The Independent Company of Prince William, under the leadership of Captains William Grayson and Philip Richard Francis Lee, was a volunteer unit comprised of 40 plus infantrymen. Many troops from the Independent Company of Prince William joined others from around the state to form two [State] regiments sanctioned by the third Virginia Convention in 1775. After the start of the Revolutionary War, the remaining troops of the "Company" became known as The Prince William District Battalion in 1776. Later in June of that year, Captain Grayson was appointed Assistant Secretary to General George Washington. The war ended and news of the ratification of The Treaty of Paris between the United States and Great Britain reached Virginia on February 3, 1784.

Before the Civil War, the population of Prince William County reached 11,000. Haymarket emerged as a large population center in 1799, with Occoquan following in 1804 and Brentsville in 1822. The County thrived through the early and mid 1800's. The railroad era began in Virginia around 1811 and in 1851 the railroad reached Manassas. Manassas Junction brought a new form of shipping and travel to the area. The first threat to the railroad junction was the Battle at Blackburn's Ford after Virginia seceded from the Union in 1861. Although the Battle at Blackburn's Ford was short lived, it was a prelude to the First Manassas Battle three days later. First Manassas at Bull Run was the first major land battle of Union and Confederate Armies in Virginia after the Confederate takeover of Fort Sumter in South Carolina.

History and Description of the Government of Prince William County

Manassas became a town in 1873. Later, in 1892, Manassas became the County Seat for Prince William. The Quantico Marine Base became an official training facility for the Navy before World War I, and was one of the first Marine training centers not housed on a Naval base. The Town of Quantico, surrounded by the training center was incorporated in 1927.

After two World Wars and the incorporation of The Cities of Manassas and Manassas Park in 1975, present day Prince William County is a thriving and diverse community. The County has a population of 283,533 people and boasts a median household income of \$55,276 as of 1995. It is also a "young" County with 32% of its population below eighteen years of age.

REGIONAL PERSPECTIVE

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

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

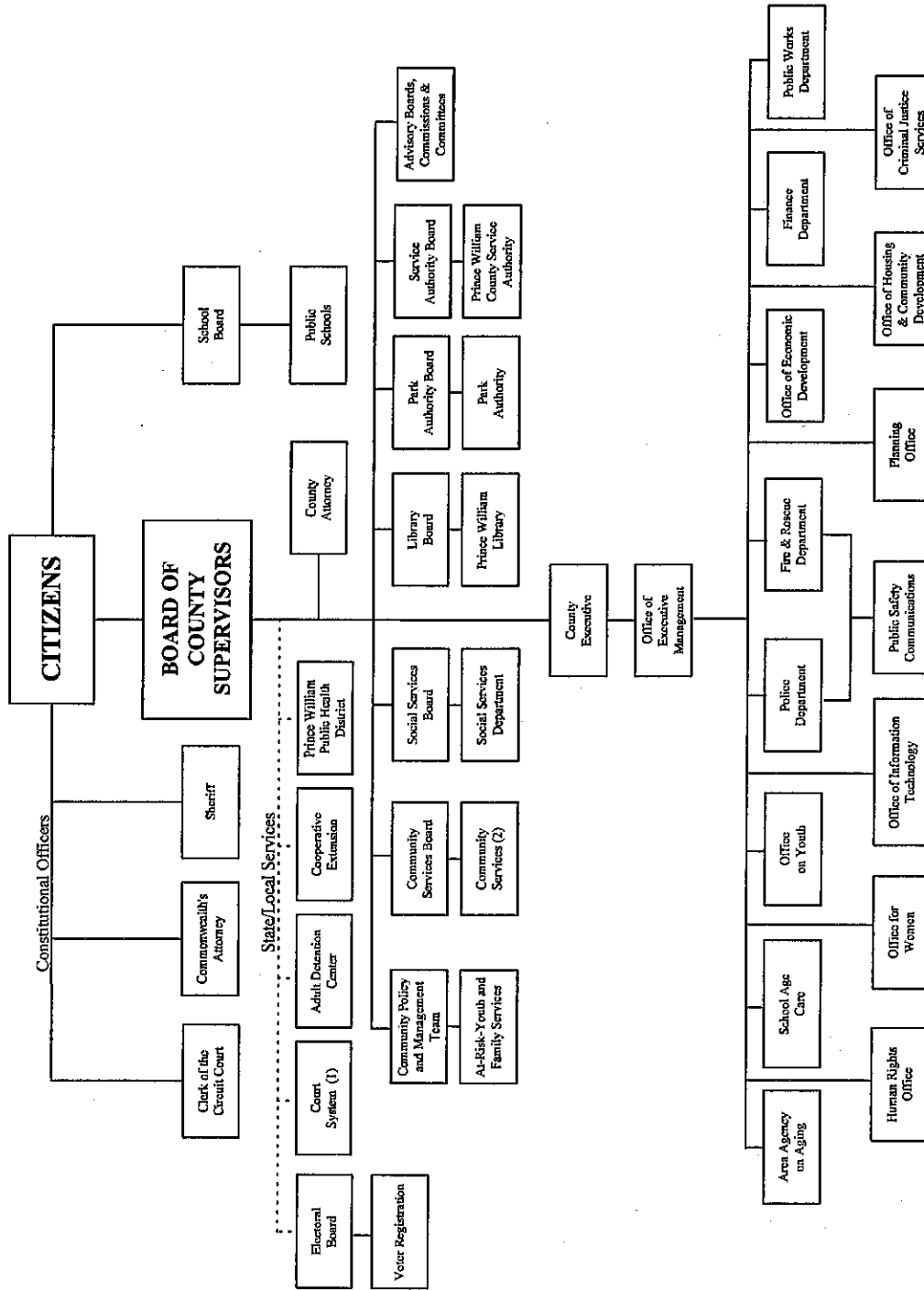
The County has a number of rail service alternatives available to its citizens and businesses. These include both freight and passenger service and provide easy access for County residents traveling to Washington, D.C. and to other points along the Eastern seaboard. A number of different rail companies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

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

LOCAL GOVERNMENT

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

Prince William County Government Organizational Chart



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



Craig S. Gerhart
County Executive

COUNTY OF PRINCE WILLIAM

OFFICE OF EXECUTIVE MANAGEMENT

1 County Complex Court, Prince William, Virginia 22192-9201
(703) 792-6600 Metro 631-1703 FAX: (703) 792-7484

BOARD OF COUNTY SUPERVISORS

Sean T. Connaughton, Chairman
Mary K. Hill, Vice Chairman
Hilda M. Barg
Maureen S. Caddigan
Ruth T. Griggs
John D. Jenkins
L. Ben Thompson
Edgar S. Wilbourn, III

July 1, 2000

Mr. Chairman and Members of the Board:

On behalf of Prince William County Government staff, I am pleased to present the Adopted FY2001 Prince William County Fiscal Plan. In legal terms, this document fulfills statutory requirements and my administrative responsibilities under the County Executive form of government. In fiscal terms, this fiscal plan takes significant steps to honor commitments made by the Board of County Supervisors and the County government on behalf of our residents, our businesses and our County employees.

The General Fund budget totals \$435.6 million, including the school transfer. This is an increase of 7.35 percent over FY2000. The total County government budget, with all funds and excluding schools, is \$230.6 million or a 6.9 percent increase over FY2000.

The FY2001 adopted budget is based on several key principles:

- Fulfilling the community's Strategic Plan and the Board's adopted policies;
- Continuing to provide high-quality public services and facilities for Prince William County residents and businesses;
- Employing the County's economic success to reduce the real estate tax rate while maintaining the government's long-term fiscal health;
- Providing the "hard" infrastructure of local government—public safety services, roads, public facilities—while building a stronger identity and sense of place for the County through historic preservation, tourism and quality of life initiatives; and
- Implementing the Board's directive to develop alternatives to improve the compensation package for Prince William County Government employees.

Economic Environment

Financial analysts say we are living in exceptional economic times. The United States is experiencing the longest peacetime expansion ever, besting 107 months of continuous growth in the 1960's. Consumer confidence has reached the highest level in 32 years. Housing starts continue to exceed expectations and set records. Like other localities, Prince William County is heavily impacted by these economic trends.

Economic Development Activity

- During 1999, Prince William County witnessed dramatic growth in the location or expansion of targeted companies in our community. Twenty-six targeted companies

announced plans to lease, build or buy 775,000 square feet of commercial space; employ 2,400 workers; and invest more than \$600 million in the County. Prince William County's targeted job growth was greater in 1999 than during the previous five years combined. Our new investment value was 600 percent higher than the previous five years combined.

Real Estate Activity

- Both the volume and value of construction increased in Prince William County during the past year. In 1999, the County issued 3,207 residential building permits, the largest number in five years.
- Assessed values of single-family, townhouse, and condominium properties increased by approximately 4.3 percent between January 1999 and January 2000. The average assessed value of a new home completed in 1999 was \$209,050, compared with \$144,853, which is the average assessed value for all Prince William County homes. Overall, more than half of the new housing units completed in 1999 were assessed at over \$200,000.
- The County's success in attracting new technology companies during 1999 reflects the strength of the industrial market. In fact, technology service properties are assessed as much as \$300 per square foot, which is significantly higher than industrial or retail properties.

County Revenues

- County revenues have benefited from the strong economy and local real estate market. The County's real estate revenues totaled about \$184 million in FY1999, with revenues estimated at \$195 million for FY2000 (a 5.9% increase) and \$206 million for FY2001 (a 5.6% increase).
- Sales tax revenues are expected to increase by \$2.0 million from FY1999 to FY2000, and the sales tax forecast for FY2001 is \$1.4 million higher than the prior year's forecast.

Policy Environment

During the past decade, the Board of County Supervisors and our citizenry have maintained an unwavering commitment to manage the County government in a strategic manner. From the Strategic Plan to the Principles of Sound Financial Management and the adopted revenue agreement with the School Board, the Board has been disciplined and deliberate in its fiscal approach to governance. This has allowed the County government and the schools to plan their fiscal and capital programs on a five-year basis, enhancing the stability and predictability of the public budget process.

This policy discipline is as important during good economic times as it is in a sluggish economy. As noted, the County, the Commonwealth and the country are in the midst of unprecedented economic growth. We know from the 1990s that this will not always be the case. We will again experience economic downturns or, at the very least, a decrease in the pace of economic growth. The FY2001 adopted budget attempts to strike a healthy balance between utilizing our economic growth and maintaining our long-term fiscal health. This balance is illustrated through the budget initiatives that follow.

Fiscal Year 2001 Budget Initiatives

Through the Strategic Plan and other adopted policies, the Board of County Supervisors has provided the policy guidance and framework for the County's budget. The FY2001 fiscal plan is

designed to honor the Board's policies, priorities and commitments through the following initiatives:

- Reduce the real estate tax rate for our residents and businesses;
- Maintain the County's momentum in economic development;
- Ensure that Prince William County is a safe community to live and work;
- Provide a basic array of human services that advances self-sufficiency for all residents;
- Provide an efficient and effective government which utilizes advanced technology, maintains efficient usage of public facilities, and offers a competitive employee compensation package; and
- Create a community with an enviable quality of life.

Tax Trigger Plan Implementation – On April 14, 1999, the Board of County Supervisors adopted a Tax Reduction Revenue Trigger Plan. The goal of this plan is to reduce the County's real estate tax rate by 8 cents over 10 years. Under this plan, general revenue increases that exceed our revenue forecasts and are not accompanied by additional costs provide a "trigger" to reduce the real estate tax rate. In FY2001, the County's economic successes will allow the Board of Supervisors to implement the first step in its revenue trigger plan.

The FY2001 adopted fiscal plan includes a 2 cents reduction in the real estate tax rate from \$1.36 per \$100 of assessed value to \$1.34. As part of the balanced five-year budget plan, an additional one cent real estate tax rate reduction to \$1.33 occurs in FY2002. A commitment to reduce the real estate tax rate was made to our citizens during the last budget process, and this budget is the first step in fulfilling that promise.

Economic Development Momentum – Prince William County has experienced tremendous success in economic development during the past few years. The FY2001 budget builds on this momentum by continuing to fund infrastructure improvements at INNOVATION, increasing the Economic Development Opportunity Fund, and implementing specific development fee reductions and plan review process improvements. In terms of tourism, which is one of Prince William County's targeted industries, the budget includes funds for the acquisition of Rippon Lodge, the oldest home in Northern Virginia. The budget also indicates the Board's recent action to create a 501(c)4 tourism entity, which will be established during FY2001.

Safe Community Initiative – Public safety initiatives in the FY2001 fiscal plan include continuation of the police staffing plan, with funds to hire 19 sworn and 6 civilian personnel, as well as continuation of the extended hours staffing plan for fire and rescue. This year's budget also funds a new tanker unit at Evergreen Station to improve fire suppression in the County's far western communities. The fiscal plan also provides for significant safety and security improvements at the Judicial Center. Public safety communications system enhancements include operating funds to purchase new radios for the 800 megahertz system and Capital Improvement Program funding for mobile data terminals in police vehicles.

Human Services Initiatives – In the last year, the Board adopted human services as the sixth goal area in the Strategic Plan. In addition to significant base budget increases for several human service agencies, the FY2001 budget includes numerous human service program improvements. Additional funding is recommended for the at-risk youth program, second-year funding to establish a long-term care unit, increases for Department of Social Services child care programs, and major

improvements to the Community Services Board's management information system. Funds are included in the Capital Improvement Program to expand the Woodbridge Senior Center facility.

Efficient and Effective Government – The FY2001 budget continues implementation of the County's Information Technology Strategic Plan, which is designed to increase citizens' access to local government through the use of technology. This budget also begins to address the County government's critical need for additional administrative space. The FY2001 budget will pay for the reconfiguration of existing space at the McCoart and Owens buildings, and expand the Owens Building for public safety communications and information technology staff.

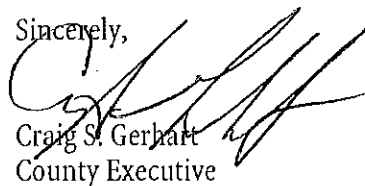
A qualified, dedicated work force is critical to our ability to ensure an efficient and effective County government. During last year's budget deliberations, the Board directed staff to explore potential improvements to the County's employee compensation package. The FY2001 budget takes several steps to implement the Board's direction. The FY2001 fiscal plan includes a 3 percent pay plan adjustment for all County employees, maintains the merit pay plan program, increases the County's 401a plan to 1.25%, pays for the County's share of increases in the health insurance program, initiates participation in a VRS retiree health insurance credit program, funds a stand-alone employee dental program, makes the County's holiday pay policy consistent for all agencies, and increases the pay supplement for Advanced Life Support providers. The County has reinvested rate savings from the Virginia Retirement System and implemented new plan designs for our health insurance program to help fund these compensation package improvements.

Quality of Life Enhancements – The FY2001 fiscal plan also implements numerous projects that enhance the County's quality of life and community identity. These include renovations to the Old Courthouse, computer upgrades for the Public Library System, and operating costs for the Valley View park project and BMX facility. Funds are also included to hire additional Public Works staff who will assist the Police Department with the inoperable vehicle program, effectively doubling the number of vehicles which can be removed, and a construction crew for the drainage maintenance program to protect local water quality.

In closing, we note that this is the last budget cycle under the existing Strategic Plan. The FY2001 budget continues or completes many significant efforts to implement the 1996-2000 Strategic Plan addressing the community's priorities. In addition, we believe this budget continues the Board's and community's commitment to provide high-quality services and facilities for Prince William County residents and businesses while maintaining the fiscal health of the County.

We look forward to implementing the FY2001 budget with you and the citizens during the next year as Prince William County continues its commitment to provide efficient and effective services that meet the needs of our citizens.

Sincerely,



Craig S. Gerhart
County Executive

FY2001 Fiscal Plan

Table of Contents

Budget Summary

Understanding the Budget

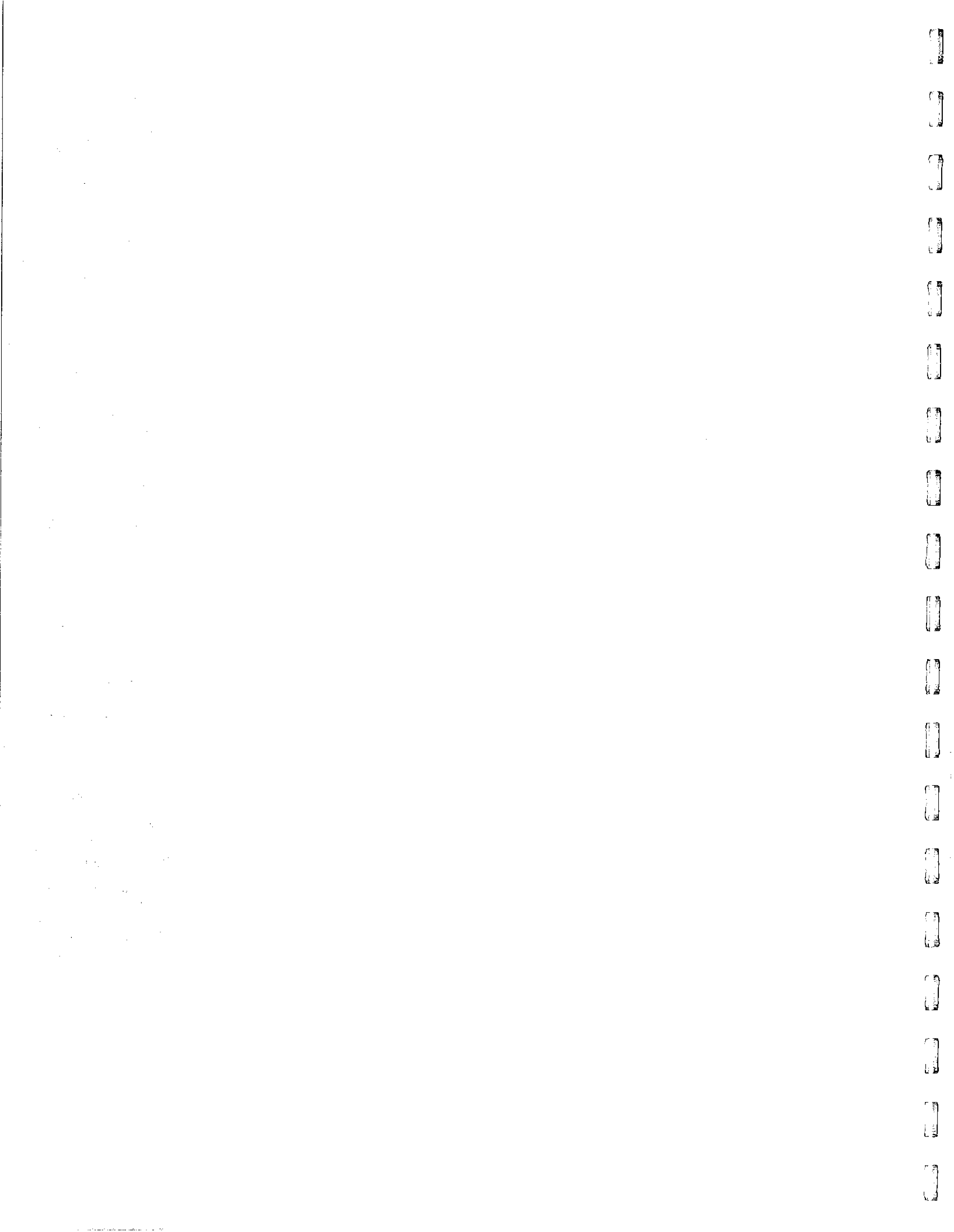
Strategic-Based
Outcome Budget Process

Expenditure Summary

Revenue Summary

Background and
Supplemental Statistical
Information

Glossary



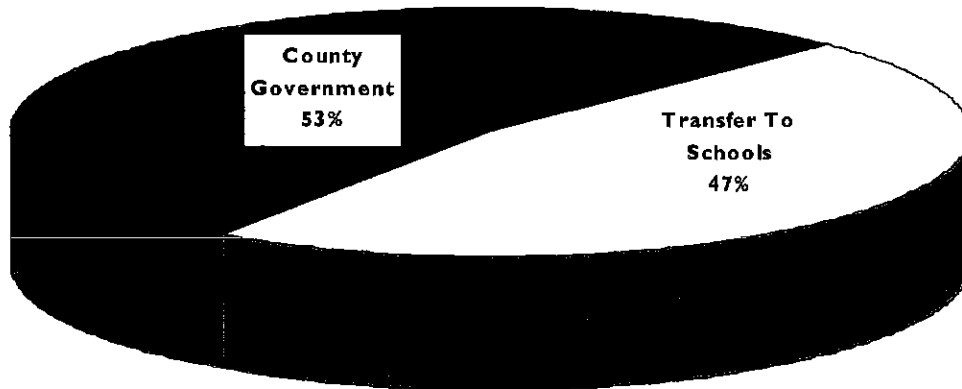
General Fund Expenditures

The two major components of General Fund expenditures are the Prince William County Government and the local share of the Prince William County Schools System's budget. Following are the expenditure levels adopted for FY 2000 and for FY 2001 for these two areas.

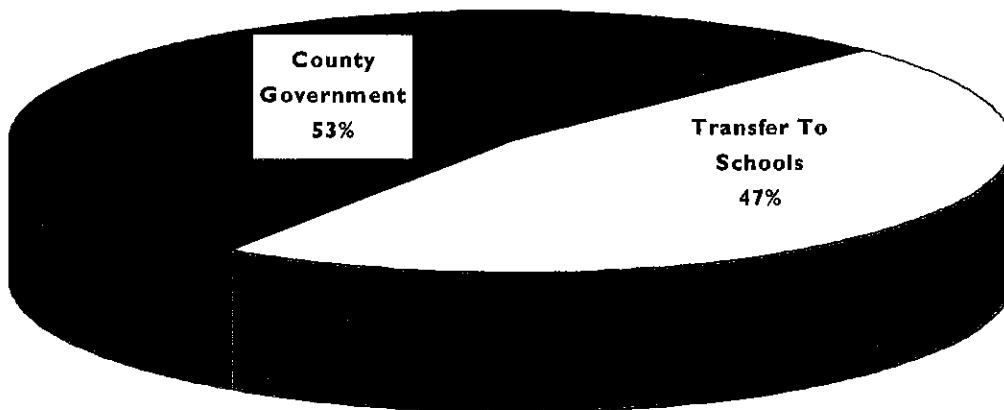
General Fund Expenditures

	<u>FY 2000 Adopted</u>	<u>FY 2001 Adopted</u>	<u>Dollar Change FY 00/01</u>	<u>Percent Change FY 00/01</u>
County Government	\$215,711,889	\$230,592,768	\$14,880,879	6.90%
Transfer To Schools	\$190,097,405	\$205,040,086	\$14,942,681	7.86%
Total General Fund	\$405,809,294	\$435,632,854	\$29,823,560	7.35%

Fiscal Year 2000 Adopted General Fund Budget



Fiscal Year 2001 Adopted General Fund Budget



FY 2001 Fiscal Plan Initiatives

I. Economic Development/Quality Growth Initiative - \$1,380,451

The FY 2001 adopted budget continues the County's efforts to achieve the 1996-2000 Economic Development Strategic Goal which calls for attracting capital investment and quality jobs to Prince William County. These budget initiatives support targeted economic development efforts County-wide from INNOVATION @ Prince William to supporting existing business and tourism industries/attractions.

Several of the additions in the Economic Development/Quality Growth Initiative are aimed at streamlining the planning and zoning review process to encourage targeted business development. These initiatives address recommendations made by the Commercial Development Task Force appointed by the Board of Supervisors. This Task Force recommended both improved processing and lower development fees.

Base budget changes and supplemental budget initiatives to support Economic Development/ Quality Growth are as follows:

A. Base Budget Increases:

Debt Service - INNOVATION Loop Road	\$118,849
Debt Service - Wellington Station Road	\$64,720
Debt Service - ATCC	<u>\$2,460</u>
Total Econ Dev/Quality Growth Base Budget Increases	<u>\$186,029</u>

B. Supplemental Budget Initiatives:

INNOVATION Infrastructure	\$316,277
Economic Development Opportunity Fund	\$141,749
Public Works - Watershed Inspections	\$190,614
Public Works - Building Inspection Improvements	\$151,723
Tourism - Acquisition of Rippon Lodge	\$129,592
Flory Small Business Center Contribution	\$100,000
Planning - Plan Review Processing	\$99,546
Public Works - Historic Property Maintenance	\$36,800
Economic Development - Secretary	\$26,703
Planning - Stafford Regional Airport Contribution	\$714
Planning - Membership Dues	\$704
Planning/Public Works Development Fee Reduction Set-Aside	--
Total Econ Dev/Quality Growth Supplemental Proposals	<u>\$1,194,422</u>

TOTAL ECON DEV/QUALITY GROWTH ADDITIONS	<u>\$1,380,451</u>
--	---------------------------

FY 2001 Fiscal Plan Initiatives

II. Safe Community Initiative - \$3,972,230

Maintaining a safe community has long been a priority for citizens as expressed in the County's 1992-1996 and 1996-2000 Strategic Plan. The Fiscal 2001 Safe Community Initiatives continue commitments made by the Board of Supervisors to provide funds for increased staffing, facilities and technology for public safety agencies. These initiatives place additional police officers into the community, provide a tanker unit at Station 15 (Evergreen), and increase fire and rescue extended hours staffing of current units. In addition, the implementation of the public safety radio system and mobile data terminals begins in FY01, which will improve the efficiency and effectiveness of police and fire and rescue services.

These initiatives contribute towards the achievement of the public safety community outcomes: ensuring adequate emergency response, reduced fire injuries, and most important, citizens who feel safe in the County's neighborhoods and businesses. In addition, these additions contribute towards the overall quality of life for Prince William residents and towards a community that can attract and retain quality economic development. Base budget additions and supplemental budget initiatives for a Safe Community include:

A. Base Budget Increases:

CIP - Juvenile Detention Home Expansion Phase II	\$132,828
Criminal Justice - Post-Trial Offender Supervision	\$75,874
Adult Detention Center- Peumansend Regional Jail	\$43,245
Criminal Justice - Pre-Trial Defendant Supervision	\$17,143
Criminal Justice - Probation Increased Revenue	<u>\$12,623</u>
Total Safe Community Base Budget Increases	<u>\$281,713</u>

B. Supplemental Budget Initiatives:

Police - Staffing Plan	\$1,667,896
CIP - Mobile Data Terminals	\$567,061
CIP - Public Safety Radio System Operating Costs	\$277,273
Sheriff - Courthouse Security Upgrades	\$197,932
Fire and Rescue - Tanker Unit at Station 15	\$167,085
Sheriff - Courthouse Security Staffing	\$161,371
Fire and Rescue - Extended hours staffing	\$159,584
Public Works - Fleet - Gasoline Cost Increases	\$122,224
Public Safety - Computer Aided Dispatch Enhancements	\$75,000
Public Safety Communications - Increased 911 Costs	\$48,576
Public Safety Communications - Overtime Funds	\$40,000
Public Works - Streetlight Costs	\$31,600
Fire and Rescue - Breathing Apparatus	\$30,997
Fire and Rescue Association Budget	\$30,000
Commonwealth Attorney - Automation/Operating Costs	\$24,500
Law Library - Automation and collection upgrades	\$15,589
Commonwealth's Attorney - Sexual Assault Victim's Advocacy Service Contribution	\$20,000

FY 2001 Fiscal Plan Initiatives

II. Safe Community Initiative (continued)

B. Supplemental Budget Initiatives: (continued)

Sheriff - Firearm Upgrades	\$14,200
Public Safety Communications - Computer Replacements	\$14,035
Sheriff - Training Academy Fee Increase	\$12,400
General District Court - Attorney fees and Operating Costs	\$6,204
Clerk of the Court - Automation/Operating Costs	\$4,965
Sheriff - Salary Increase	<u>\$2,025</u>
Total Safe Community Supplemental Proposals	<u>\$3,690,517</u>

TOTAL SAFE COMMUNITY ADDITIONS **\$3,972,230**

III. Quality of Life Initiative - \$1,773,736

The Quality of Life Initiative funds additions which address a variety of needs in the County – from the Transportation Strategic Goal to environmental issues and improved cultural and recreational opportunities for citizens.

Beginning with the Transportation Strategic Goal, the FY2001 budget contains debt service for several 1998 road bond projects including the Prince William Parkway extension to Route 1, Spriggs Road improvements, and Ridgefield Road. Environmental initiatives, such as the Cooperative Extension's Water Quality and Master Gardner Program improve stormwater management and water quality education, both of which have direct impacts on water quality in Prince William.

In the area of recreational and cultural activities, there are initiatives that fund operating costs for Park Authority projects such as Valley View Park, the BMX facility, recreation fields and the Freedom Recreation Center. In addition, the FY2001 budget funds Park Authority capital equipment replacement which improves their ability to provide a wide-range of recreational programming. Computer upgrades and furniture replacements for the Library contribute towards citizen use and appreciation of those facilities. In the area of community maintenance, a position for inoperable vehicle removal is funded which will double the number of inoperable vehicles removed from County neighborhoods.

These quality of life initiatives make Prince William a better place to live, work and play and should improve the percentage of citizens who look at Prince William as both a good place to live and a good place to invest in a home –both measured in the annual citizen survey. Base budget additions and supplemental budget initiatives for Quality of Life include:

FY 2001 Fiscal Plan Initiatives

III. Quality of Life Initiative (continued)

A. Base Budget Increases:

Debt Service- PW Parkway Extension	\$138,386
Debt Service - Spriggs Road	\$63,861
Debt Service- Ridgefield Road	\$60,029
Debt Service - Old Bridge Road	\$15,814
Debt Service - Valley View Park Fields	\$22,843
Debt Service - BMX Facility	\$10,965
Debt Servie - Chinn Acquatics Center	\$4,054
Debt Service - Field Enhancements	\$3,655
Debt Service - Gainesville/Haymarket Land	<u>\$3,655</u>
Total Quality of Life Base Budget Increases	<u>\$323,262</u>

B. Supplemental Budget Initiatives:

Library - Computer Upgrade	\$257,000
CIP - Old Manassas Courthouse Renovation	\$247,395
Park Authority - Capital Equipment Purchase/Replacement	\$200,000
Park Authority - Valley View Operating Costs	\$165,375
Public Works - Stormwater Management	\$151,601
Public Works - Inoperable Vehicle Removal	\$62,538
Park Authority - Capital Maintenance	\$50,000
Library - Furniture Replacement	\$50,000
Public Works - Landscaping	\$42,000
Park Authority - BMX Operating Costs	\$31,920
Park Authority - Center for the Arts	\$30,000
Cooperative Extension - Water Quality Program	\$25,999
Park Authority - Recreation Field Operating Costs	\$23,400
Registrar - Voting Operating Costs	\$20,673
BOCS - Western End Boys and Girls Club Contribution	\$20,000
Park Authority - Weems/Botts Museum Contribution	\$20,000
Park Authority - Arts Grants	\$20,000
Cooperative Extension - Master Gardner Program	\$15,997
Park Authority - Freedom Rec Center Subsidy Increase	\$14,236
Cooperative Extension - No. VA Community College Increase	<u>\$2,340</u>
Total Quality of Life Supplemental Proposals	<u>\$1,450,474</u>

TOTAL QUALITY OF LIFE ADDITIONS

\$1,773,736

FY 2001 Fiscal Plan Initiatives

IV. Effective and Efficient Government Initiative - \$1,861,482

The main focus of this year's Effective and Efficient Government Initiative is on continuing efforts to improve County technology and proposals to address County office space needs.

In the area of information technology, the County is in the third year of implementing the IT Strategic Plan. FY2001 efforts will: continue the upgrade of the County's wide-area network, automate County workflow systems, develop an automated purchasing system and complete the integration of the hand-held remote inspection system with the County's Land Information System (LIS). The goal of these technology initiatives is to improve the efficiency and effectiveness of County employees resulting in higher citizen satisfaction.

Also included are initiatives to increase both the amount and the efficiency of County administrative space. Over the past decade, the need for additional office space has grown. A new CIP project funds the reconfiguration of existing office space for County employees and their customers. New office space will be provided with the expansion of the Owens Building at the McCoart complex and the completion of the Old Courthouse renovation in Manassas (see Quality of Life Initiative). The update of the County's Facility Master Plan, funded in FY2000, will provide further data and recommendations on County space needs. Base budget additions and supplemental budget initiatives for an Effective and Efficient Government include:

A. Base Budget Increases:

Debt Service- Ferlazzo Building	<u>\$93,445</u>
Total Effective and Efficient Govt Base Budget Increases	<u>\$93,445</u>

B. Supplemental Budget Initiatives:

CIP - Space Reconfigurations	\$715,426
OIT - Information Technology Strategic Plan Implementation	\$416,570
CIP - Owens Expansion	\$196,573
Public Works - Increased lease costs	\$146,216
Finance - GASB 34 Consultant	\$135,000
Public Works - Utility Budget Increase	\$45,141
OEM - Clerk to the Board Secretary	\$33,736
Library - Microfilming	\$20,000
County Attorney - Increased operating costs	\$17,170
Public Works - Relocate Dispute Resolution Space	\$15,295
OEM - Legislative Consultant Cost Increase	\$10,000
OEM - Dues for Regional Organizations	\$6,910
OEM - Citizen Survey Increased Costs	\$5,000
BOCS - Chairman's Office Budget Increase	<u>\$5,000</u>
Total Effective and Efficient Govt Supplemental Initiatives	<u>\$1,768,037</u>

TOTAL EFFECTIVE AND EFFICIENT GOVT ADDITIONS	<u>\$1,861,482</u>
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FY 2001 Fiscal Plan Initiatives

V. Human Services Initiative - \$3,559,236

The Board's commitment towards implementing its newly adopted Human Services Strategic Goal is reinforced by increases to the human services agencies' base budgets and supplemental budget initiatives.

The FY2001 budget initiatives provide new and enhanced services to many groups targeted by the Human Services Goal strategies including: at-risk youth, elderly, youth and adults needing substance abuse treatment, low-income families, and the mentally and physically disabled. In addition, technology to improve the delivery of services is provided. Overall, these initiatives support and build strong families and individuals. Base budget additions and supplemental initiatives in the Human Services area include:

A. Base Budget Increases:

DSS- Daycare payments and administration	\$423,722
CSB - Mental Health residential services	\$214,321
CSB - Drug Offender Recovery Services	\$123,811
DSS - Supportive Services	\$107,979
CSB - Pregnant and Post-Partum Substance Abuse Services	\$105,781
DSS - Child Protective Services Family Treatment	\$46,604
CSB - Adult Substance Abuse Services	\$40,016
CSB - State Performance and Outcome Measurement System	\$40,000
Aging - Senior Tour Bus Driver	\$35,222
CSB - Home-Based Youth and Family Mental Health Services	\$32,655
DSS - Foster Care Services and Parent Training	\$37,313
CSB - New Horizons Youth In-Home Substance Abuse Treatment	\$29,455
DSS - Juvenile Detention Home Operating Costs	\$29,450
Juvenile Court Services Unit - Family Reunification Services	\$28,490
At-Risk Youth - Administration Allocation Increase	\$25,000
DSS - Kids Care Health Insurance Outreach	\$23,072
CSB - Homelessness Transition	\$20,930
CSB - Adult Substance Abuse Services - Operating	\$17,000
DSS - At-Risk Youth Administration Contract	\$16,150
DSS - Adult Companion Services	\$14,464
DSS - Family Preservation and Support Services	\$14,236
DSS - Fraud Investigations	\$8,715
Youth - Teen Pregnancy Prevention Grant	\$5,000
DSS - Adoption Positon	\$3,893
DSS - Homeless Intervention Program Staff Reconfiguration	<u>\$123</u>
Total Human Services Base Budget Increases	<u>\$1,443,402</u>

FY 2001 Fiscal Plan Initiatives

V. Human Services Initiative (continued)

B. Supplemental Budget Initiatives:

At-Risk Youth - Foster care, residential and community svcs	\$285,881
CIP - Aging - Woodbridge Senior Center Expansion	\$204,470
DSS - Head Start Day Care and Homeless Child Care	\$180,250
CSB - Management Information System Software	\$166,000
CSB - Mental Health Townhouse Services	\$127,820
DSS - Program Operating Cost Increases	\$127,030
Human Services Contractor Increases	\$114,232
Aging - Long-Term Care Initiative Part II	\$110,906
Youth - Turn Off the Violence Grant	\$100,000
DSS - Welfare Reform (VIEW) Day Care	\$100,000
CSB - New Horizons	\$95,749
CSB - Day Support Services	\$69,272
DSS - Supportive Services	\$59,895
CSB - Mental Retardation Transition Services	\$49,335
OEM - Legal Services of Northern Virginia Contribution Increase	\$45,000
Youth - Youth Specialist	\$42,887
DSS -Child Welfare Social Worker	\$40,457
DSS - Healthy Families	\$40,000
Aging - Program Increases: meals, senior centers, tours	\$26,539
DSS - Contractual Training Services/Employee Evaluation Software	\$26,000
DSS - Outreach to Detention Office Assistant	\$25,324
DSS - Full-Time Social Worker (formerly part-time)	\$24,047
CSB - Early Intervention Services	\$19,597
DSS - Day Reporting	\$10,000
SAC - Client Scholarships	\$10,000
SAC - Funding for Services to Two New Elementary Schools	\$7,805
CSB - Mental Health Individual Living Services Reconfiguration	\$7,338
Total Human Services Supplemental Initiatives	<u>\$2,115,834</u>

TOTAL HUMAN SERVICES ADDITIONS **\$3,559,236**

VI. Employee Compensation Initiative - \$10,236,827

Improvements to employee compensation were one of the Board's goals for the FY2001 budget. Decreases in VRS rates and changes in health insurance plan co-pays provide funds to improve employee compensation in several areas. The largest of the employee compensation additions is a 3% pay plan adjustment for employees. This initiative helps meet the Board's adopted compensation policy which calls for the County to have competitive salaries with surrounding jurisdictions.

FY 2001 Fiscal Plan Initiatives

VI. Employee Compensation Initiative (continued)

Initiatives include health insurance improvements in addition to a new dental program which has more participating dentists in Prince William. It also increases the County's contribution to the 401a Money Purchase Plan from 0.75% to 1.25%. In addition, for the first time in FY01, retiree health insurance benefits are offered through County participation in a Virginia Retirement System program. Base budget additions and supplemental initiatives in the Employee Compensation Initiative include:

A. Base Budget Increases:

Merit roll-over and personnel actions taken in FY99	\$1,092,697
Group Life Insurance Rate Increase	\$765,245
Park Authority - merit rollover	\$153,000
Adult Detention Center Compensation Roll-Over	\$28,397
Public Health - Merit Pay Roll-Over	\$26,452
BOCS - Full-Year Cost of Salary Increase	<u>\$22,212</u>
Total Employee Compensation Base Budget Increases	<u>\$2,088,003</u>

B. Supplemental Budget Initiatives:

3% Pay Plan Adjustment	\$4,140,000
Merit Pay Increase	\$1,510,000
Health Insurance Increases	\$510,000
Compensation Plan Changes	\$491,402
401a Money Purchase Plan Increase	\$440,100
Dental Program	\$390,000
VRS Retiree Health Benefits	\$335,000
Holiday Pay	\$118,000
Increased Advanced Life Support Premium Pay	\$118,000
Shift Differential Increase for Public Safety Employees	<u>\$96,322</u>
Total Employee Compensation Supplemental Initiatives	<u>\$8,148,824</u>

TOTAL EMPLOYEE COMPENSATION ADDITIONS	<u>\$10,236,827</u>
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Capital Improvements Program

The FY 2001-2006 Capital Improvement Program was adopted by the Board on April 11, 2000. Adequate debt service expenditures have been included in the adopted budget to allow continuation of all currently approved capital projects. A summary of these currently approved projects is included in the the capital improvement program in Volume II.

Debt Service

The total outstanding debt of the County on June 30, 2000 will be \$485,228,863. The major categories are as follows:

General County Debt Service	\$227,639,258
Prince William County Schools Debt Service	\$223,500,002
Solid Waste Funds	\$34,089,603

The total amount of debt service required annually to amortize all outstanding long-term liabilities is detailed in the schedule attached. For FY 2001, the total debt service required by funding source is as follows:

General Fund	\$17,380,106
Prince William County Schools (includes Literary Fund)	\$26,578,581
Transportation Fund	\$1,516,346
Sanitary District Funds	\$67,125
Equipment Leases	\$30,000
Rent from American Type Culture Collection	685,042
Solid Waste Fund	\$3,013,273
INNOVATION @ Prince William Enterprise Fund	\$544,572
Volunteer Fire and Rescue Fund	\$357,236
Total	\$50,172,281

General Fund Revenue & Resource Summary

Title	FY 2000 Adopted Budget	FY 2001 Adopted Budget	Dollar Change FY 00 to FY 01 Adopted	% Change FY 00 to FY 01 Adopted
Real Estate - Current Year	\$194,349,200	\$209,151,500	\$14,802,300	7.62%
Real Estate Tax Refunds	(\$2,624,000)	(\$2,803,000)	(\$179,000)	6.82%
Tax Deferrals	\$200,000	\$200,000	\$0	0.00%
Land Redemption	\$1,300,000	\$1,300,000	\$0	0.00%
Real Estate Taxes- Public Service	\$12,024,000	\$11,917,000	(\$107,000)	-0.89%
Real Estate Penalties- Current Year	\$965,000	\$1,031,700	\$66,700	6.91%
All Real Estate Taxes	\$206,214,200	\$220,797,200	\$14,583,000	7.07%
Personal Property	\$60,275,000	\$65,480,300	\$5,205,300	8.64%
Public Service Pers. Prop	\$93,900	\$110,400	\$16,500	17.57%
Personal Property - Prior Year	\$82,400	\$82,500	\$100	0.12%
Personal Property Exonerations	(\$5,300,000)	(\$6,548,000)	(\$1,248,000)	23.55%
Personal Property Tax Deferrals	\$2,300,000	\$2,000,000	(\$300,000)	-13.04%
Personal Property Penalty-Current Year	\$796,000	\$766,100	(\$29,900)	-3.76%
All Personal Property Taxes	\$58,247,300	\$61,891,300	\$3,644,000	6.26%
Interest On All Taxes	\$1,510,500	\$1,591,700	\$81,200	5.38%
Subtotal General Property Taxes	\$265,972,000	\$284,280,200	\$18,308,200	6.88%
Local Sales Tax	\$26,900,000	\$29,917,200	\$3,017,200	11.22%
Sales Tax On Daily Rental	\$159,700	\$167,300	\$7,600	4.76%
Consumer's Utility Tax	\$15,300,000	\$16,233,700	\$933,700	6.10%
Bank Stock Tax	\$464,200	\$486,400	\$22,200	4.78%
Bpol Taxes- Local Businesses	\$8,700,000	\$9,641,700	\$941,700	10.82%
Bpol Taxes- Public Service	\$449,200	\$770,700	\$321,500	71.57%
Motor Vehicles-Regular	\$4,164,000	\$4,314,000	\$150,000	3.60%
Motor Vehicles-Duplicate	\$7,000	\$0	(\$7,000)	-100.00%
Motor Vehic.-Motorcycles	\$36,000	\$0	(\$36,000)	-100.00%
Motor Vehicles-Refunds	(\$28,000)	\$0	\$28,000	-100.00%
Recordation Taxes	\$2,126,000	\$2,152,000	\$26,000	1.22%
Additional Taxes On Deeds	\$777,000	\$985,000	\$208,000	26.77%
Transient Occupancy Tax	\$617,600	\$647,200	\$29,600	4.79%
Subtotal Other Local Taxes	\$59,672,700	\$65,315,200	\$5,642,500	9.46%
Total Local Tax Sources	\$325,644,700	\$349,595,400	\$23,950,700	7.35%
Use Of Property	\$6,393,700	\$7,924,700	\$1,531,000	23.95%
Cable T.V. Franchise Fee	\$1,800,000	\$2,068,000	\$268,000	14.89%
Misc Revenue	\$7,700	\$8,016	\$316	4.10%
State Revenue	\$1,112,300	\$1,693,000	\$580,700	52.21%
Federal Revenue	\$15,000	\$15,000	\$0	0.00%
Total Non-Agency Revenue	\$334,973,400	\$361,304,116	\$26,330,716	7.86%

General Fund Revenue & Resource Summary

Title	FY 2000 Adopted Budget	FY 2001 Adopted Budget	Dollar Change FY 00 to FY 01 Adopted	% Change FY 00 to FY 01 Adopted
Agency Revenue:				
Area Agency on Aging	\$925,164	\$989,595	\$64,431	6.96%
At Risk Youth	\$2,795,793	\$3,023,310	\$227,517	8.14%
Clerk Of Court	\$2,644,419	\$2,666,778	\$22,359	0.85%
Commonwealth's Attorney	\$1,415,775	\$1,432,684	\$16,909	1.19%
Community Service Board	\$8,765,435	\$9,657,866	\$892,431	10.18%
Cooperative Extension Service	\$327,836	\$332,960	\$5,124	1.56%
County Attorney	\$166,686	\$166,686	\$0	0.00%
Criminal Justice Services	\$748,670	\$854,310	\$105,640	14.11%
Economic Dev	\$61,554	\$14,130	(\$47,424)	-77.04%
Finance	\$787,506	\$767,350	(\$20,156)	-2.56%
Fire Services	\$411,312	\$394,312	(\$17,000)	-4.13%
General Debt	\$764,655	\$917,727	\$153,072	20.02%
General District Court	\$1,178,500	\$1,428,500	\$250,000	21.21%
Human Rights Office	\$50,000	\$25,000	(\$25,000)	-50.00%
Juvenile & Domestic Relations Court	\$74,700	\$129,700	\$55,000	73.63%
Juvenile Court Service Unit	\$48,779	\$77,269	\$28,490	58.41%
Law Library	\$138,828	\$154,417	\$15,589	11.23%
Library	\$2,652,531	\$2,759,193	\$106,662	4.02%
Office Of Information Technology	\$114,400	\$114,400	\$0	0.00%
Office On Youth	\$27,410	\$107,410	\$80,000	291.86%
Planning	\$1,835,278	\$1,660,100	(\$175,178)	-9.55%
Police	\$6,995,012	\$8,083,432	\$1,088,420	15.56%
Public Health	\$678,125	\$695,256	\$17,131	2.53%
Public Safety Communications	\$2,046,159	\$2,260,321	\$214,162	10.47%
Public Works	\$6,416,806	\$6,728,602	\$311,796	4.86%
Registrar	\$80,850	\$90,523	\$9,673	11.96%
School Age Care	\$241,818	\$259,623	\$17,805	7.36%
Sheriff	\$1,842,164	\$1,974,974	\$132,810	7.21%
Social Services	\$17,302,276	\$18,748,081	\$1,445,805	8.36%
Unclassified Non-Departmental	\$976,400	\$1,674,578	\$698,178	71.51%
Total Agency Revenue	\$62,514,841	\$68,189,087	\$5,674,246	9.08%
Total General Fund	\$397,488,241	\$429,493,203	\$32,004,962	8.05%

General Fund Revenue & Resource Summary

Title	FY 2000 Adopted Budget	FY 2001 Adopted Budget	Dollar Change FY 00 to FY 01 Adopted	% Change FY 00 to FY 01 Adopted
General Fund Total	\$190,097,405	\$205,040,086	\$14,942,681	7.86%
Transferred To Schools				
County Share Of General Fund Total	\$207,390,836	\$224,453,117	\$17,062,281	8.23%
<u>Other County Resources:</u>				
General Turnback	\$3,053,776	\$3,310,140	\$256,364	8.39%
Year End FY00 Support For 401a	\$0	\$400,000	\$400,000	---
Capital Reserve / One Time	\$1,000,000	\$500,000	(\$500,000)	-50.00%
Self Insurance Dividend / One Time	\$1,900,000	\$0	(\$1,900,000)	-100.00%
Planning/Public Works	\$0	\$250,000	\$250,000	---
Fee Replacement Fund				
Revenue Stabilization Fund Contribution	\$0	(\$470,693)	(\$470,693)	---
Indirect Cost Transfers:				
From Solid Waste	\$561,217	\$581,268	\$20,051	3.57%
From Stormwater Management	\$607,934	\$572,936	(\$34,998)	-5.76%
Special Taxing District Debt Support	\$993,806	\$946,000	(\$47,806)	-4.81%
Transfer Proffers to Park Authority	\$50,000	\$50,000	\$0	0.00%
Use Of Sub Fund Balance:				
Law Library	\$54,320	\$0	(\$54,320)	-100.00%
Stormwater Mgmt. Reimbursement of Gen. Fund Development Support	\$100,000	\$0	(\$100,000)	-100.00%
Total Other County Resources	\$8,321,053	\$6,139,651	(\$2,181,402)	-26.22%
Total County Resources	\$215,711,889	\$230,592,768	\$14,880,879	6.90%
Grand Total Revenue & Resources	\$405,809,294	\$435,632,854	\$29,823,560	7.35%

Revenues

The following is an analysis of the principal assumptions and factors used to develop the County's revenue estimates for FY 01-FY05.

I. GENERAL FUND

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

A. Real Estate Taxes - \$220,797,200

The residential real estate market consists of three main property types: single-family homes, townhouses, and residential condominiums. The apartment market consists of rental apartment communities and apartment buildings with five or more units. The following table shows the expected change in market value for residential and apartment properties.

Residential Market Value Changes		
	Single-Family, Townhouse, and Condominium	Apartments
FY2001	4.0%	3.2%
FY2002	2.5%	1.5%
FY2003	2.0%	1.5%
FY2004	2.0%	1.5%
FY2005	2.0%	1.5%

Assessed values of single-family, townhouse, and condominium properties are expected to increase by approximately 4% overall as of January 1, 2000. This appreciation is attributable to a favorable interest rate environment and general health of the economy which has stimulated activity in the real estate market over the past year. On a national basis, the National Association of Realtors ("NAR") predicted existing-home sales to set a record for the fourth year running. "Demand is strong in both the entry-level and trade-up segments of the market," said Dennis R. Cronk, president of the NAR. "Home buyers continue to enjoy a variety of factors, such as wage growth and low inflation, that make it easier for them to afford a home."

Increasing demand for residential property is not expected to continue at this rate indefinitely. Realtors expect this cycle to end, but they are not sure when. Robert Van Order, Chief Economist at Freddie Mac is quoted in the Washington Post saying, "The last three years have been one record after another, particularly in housing sales. It has to slow down; the question is whether there will be a soft landing." In light of these market insights, the Revenue Committee expects the residential market to appreciate by 2.5% in fiscal year 2002 and 2.0% in fiscal years 2003 through 2005.

Revenues

Apartments Market Value Change

Market activity during the past several years indicates that apartment rents have increased at a slow but steady rate especially in the Manassas area. As rental rates increase at a higher rate than operating expenses, apartments continue to be a desirable investment. Demand remains strong as new apartment units built during 1998 are being occupied. The increased supply of apartment units in recent years does not appear to have negatively impacted rental rates of competing apartments.

These market conditions translate into higher assessed values. The market value of rental apartments is expected to increase by approximately 3.2% in fiscal year 2001 and approximately 1.5% annually in fiscal years 2002 through 2005.

1. 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 the landbook portion of revenue two fiscal years later. For example, construction that occurs in calendar year 1999 affects landbook revenues beginning in fiscal year 2001. The following table summarizes the expected number of newly constructed residential units during the forecast period.

Residential Growth – Number of Units

	Total Residential and Apartments	Single-Family	Townhouse	Condominium	Apartments
FY2001	3,085	2,161	848	76	0
FY2002	2,883	1,850	800	100	133
FY2003	2,900	1,794	702	104	300
FY2004	2,900	1,794	702	104	300
FY2005	2,900	1,794	702	104	300

Strong building permit activity suggests that fiscal years 2001 and 2002 of the forecast period will experience stronger growth than expected in prior forecasts. The Revenue Committee heard from many sources stating that demand for single-family dwellings is higher than in past years. PWC Building Division reports that building permit statistics reflect this demand, although builders are not fully keeping pace with demand because of the tight labor market.

In addition to stronger demand, there is a shift in the distribution of residential units as compared with previous years' estimates. In the prior year's forecast, the fiscal year 2001 estimate was for 2,600 units. This estimate was not itemized by type. In this forecast, the expected

Revenues

proportions are 69% single-family, 29% townhouses, and 2% condominium.

Last year's forecast was 100 new apartment units per year. There were no new apartments units added in the fiscal year 2001 forecast. The fiscal year 2002 estimate of 133 new units is based on construction activity that has already been planned. The Revenue Committee revised the current forecast to reflect 300 units per year based on the expectation that demand would increase during those years and information on rental permits issued from PWC Building Division and site plans in the Real Estate Assessments Office.

Residential Values Per New Unit

Residential properties are classified into single-family detached dwellings, townhouses, and condominiums. Apartments are estimated separately. The average assessed values per unit type are developed from the most recent year's activity, and are adjusted in the later years of the forecast by the residential market value change.

Residential Assessed Value per New Unit

	Overall Residential (Excluding Apts.)	Single-Family	Townhouse	Condominium	Apartment
FY2001	\$ 209,050	\$237,966	\$ 143,766	\$ 115,178	\$ 60,000
FY2002	211,253	243,900	147,400	118,100	60,900
FY2003	217,073	248,800	150,300	120,500	61,814
FY2004	221,429	253,800	153,300	122,900	62,741
FY2005	225,885	258,900	156,400	125,400	63,682

2. Commercial Market Value Changes

Commercial properties are categorized into five property types including retail, office, hotel, industrial, and technology services. The average change in assessed value is forecast at 2.3% in fiscal year 2001. The changes in assessed value for these property types will vary during the remainder of the forecast period resulting in overall appreciation of 1% per year from fiscal year 2002 through fiscal year 2005.

Shopping center properties: Two retail establishments were constructed on the west-end of the County. Centers in the Manassas and Potomac Mills areas continue to appreciate at a steady rate resulting from a healthy economy, lower vacancy rates, and slight overall increases in rents. Some of the shopping centers in mature commercial areas are not experiencing the same rate of appreciation as the newer centers. Overall,

Revenues

shopping center values are expected to remain stable throughout the forecast period.

Office building properties: Office buildings have maintained low vacancy rates and slight increases in rents. Industry experts have been predicting an increase in demand for office space for several years. With the supply of office space dramatically low, an increase in demand would drive assessed values upward and stimulate the construction of speculative office space. However, these increases in demand and assessed value have not occurred as expected, as shown in the 1999 activity for FY01. The Revenue Committee expects the market to be to fill the demand for office space during the forecast period.

Hotel properties: Hotels have been increasing in value at a slow but steady rate for several years. Occupancy rates and average daily room rates continue to gradually increase. Two hotel properties were constructed in 99. Four new hotels and motels are under construction in the County. This additional supply is expected to be absorbed during the forecast period, but it is possible that the additional supply could cause assessed values to stabilize during later years of the forecast.

Industrial properties: The industrial sector is also showing low vacancies with slight upward trends in rents. According to real estate experts representing the industrial sector, the strongest market segment continues to be the ready-to-occupy industrial market. This was reflected in the 1999 activity. Assessed values should remain stable overall during the forecast period, but higher rates of appreciation could occur along the major industrial corridors in the western part of the County.

Technology Services: Market information relating to commercial properties within the technology services category is very limited due to the fact that there are only a few of these properties in Prince William County. Since construction of the state-of-the-art America Online facility in Prince William County was completed during calendar year 1999, the assessed value of this property is classified as growth for fiscal year 2001, not appreciation. If the economy remains strong during the forecast period, technology services properties are expected to appreciate at a rate of 1% per year in fiscal years 2002 through 2005.

3. Commercial Growth

New commercial structures are expected to contribute additional square footage to the tax base during the forecast period as shown in the following table.

Revenues

New Commercial Construction Square Footage

	Total Commercial	Retail	Office	Hotel	Industrial	Technology Services
FY2001	1,354,470	573,618	63,664	59,904	429,819	227,465
FY2002	950,000	350,000	200,000	100,000	100,000	200,000
FY2003	830,000	300,000	200,000	40,000	140,000	150,000
FY2004	800,000	300,000	200,000	40,000	140,000	120,000
FY2005	800,000	300,000	200,000	40,000	160,000	100,000

Square footage estimates for fiscal year 2001 are based on new commercial construction completed during 1999. Estimates for fiscal years 2002 through 2005 are based on judgment made by the Revenue Committee.

B. Personal Property Taxes - \$61,891,300

The personal property tax is assessed on both individual and business personal property. Generally, an item is assessed at 85% of its original cost in the year acquired. This is the assessed value against which the tax rate is applied. Thereafter, it loses value at a rate of 10% per year. If still held after eight years, its assessed value will remain constant at 10% of original cost.

1. Personal Property Tax from Vehicles

The average assessed value of personal property per housing unit increased by 2.7% in fiscal year 2000 compared to fiscal year 1999, and 5.9% in fiscal year 1999 compared to fiscal year 1998. We expect fiscal year 2001 to be a 2.3% increase and then 2.0% in fiscal year 2002 through fiscal year 2005. The growth projected for fiscal year 2001 is based on the information currently available from personal property billings for six months in fiscal year 2001. A record 16,800,000 units were sold in 1999, according to the National Association for Business Economics. A slowing in the number of new housing units and vehicles coming off lease will precipitate the very slight decline in the growth rate. Auto registrations are currently providing no warning signs of slower growth. Consumer optimism remains high. The consumer confidence index for January, 2000 is a record 144.7.

Revenues

2. Business Personal Property Tax

General business equipment is expected to increase at the rate as do retail sales. Business personal property revenue is expected to account for approximately 13% of FY 01 overall personal property tax billings. This 13% is composed of the following tax classes for FY 01:

- General business classification (retail, services, professional, real estate and financial) represent approximately 80%,
- Heavy equipment category represent approximately 13%,
- Computer/peripherals represent 4.4%, and
- Machinery and tools category represent approximately 2.1%.

Due to the addition of the assets of high-technology companies, the computer/peripherals revenue category is expected to increase to 12% in FY 02, and to approximately 16% in FY 02 through FY 05.

C. Other Local Taxes – \$65,315,200

This category is made up of: sales tax, consumer utility tax, utility tax, Business Professional and Occupational License Tax, Public Utilities Gross Receipts Tax, Recordation Taxes, Additional Taxes on Deeds, Motor Vehicle Decals and the Transient Occupancy Tax. The major sources of revenues include:

1. Sales Tax:

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 of organizations that have received tax exemption.

In prior forecasts, retail sales tax revenue was increased over the prior year by the increase in population growth plus the increase in inflation. Consumer Confidence was subjectively considered, but not part of the forecast equation. This year, the retail sales tax revenue is forecasted by using a formula derived through econometric analysis that defines a regression equation. This forecast utilizes rate of inflation, index of consumer confidence, and population. Population is determined by the increase in housing units for the forecast period.

Consumer Price Index - Rate of Change

Revenues

Consumer prices should continue its trend of modest, restrained growth throughout the five-year forecast period. Despite the strong growth in consumer spending, which is driven by increased wealth in both real estate and the stock market among other factors, global capacity currently remains adequate to accommodate the additional demand for goods and services. Moreover, the Federal Reserve's monetary policies have clearly demonstrated the central bank's resolve to keep upward price pressures in check.

Consumer Price Index - Rate of Change

	Change
FY2001	2.3%
FY2002	2.5%
FY2003	2.5%
FY2004	2.5%
FY2005	2.5%

Consumer Confidence Index

This index is based on a scientific survey designed to measure consumers' attitudes about current and expected future economic conditions. The measure is frequently used as an indicator of overall economic health. The index is relative to economic conditions and consumer sentiments in 1985. That base year value is 100. Values greater than 100 indicate confidence levels higher than in the base year and values lower than 100 indicate levels lower than in that year.

Consumer Confidence Index

	Index
FY2001	131
FY2002	125
FY2003	120
FY2004	110
FY2005	110

Consumer confidence is highly correlated with the business cycle. As this graph illustrates, the index hovered around 35 to 50 during the early 1970s "stagflationary" period. This period was characterized by high inflation and unemployment, and stagnant or declining real GDP. Consumer confidence peaked just before the recessions of 1980 and 1990, falling precipitously from the lofty levels it had reached prior to those economic downturns. Since last hitting a trough at about 60 in 1992 it has risen solidly to reach its current historic level. Consumer confidence ranged from 119 to 128 during the prior year forecast.

Revenues

The 1999 Christmas shopping season was perhaps the strongest season of the decade. A sharp rise in personal income helped bolster consumer confidence to 141.7. In January of 2000, consumer confidence reached 144.7, the highest level in the 32-year history of the series.

Retail sales tax revenue is projected to increase of 6.4% in fiscal year 2000 over fiscal year 1999. Consumer confidence is expected to remain strong throughout the forecast period but to descend gradually from its current record levels. The index value of 110 estimated for FY 04-05 still reflects a strong economy.

2. Business Professional and Occupational License (BPOL) Taxes

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.

Income information for tax year 1999 will not be available until April 2000, our renewal period. Gross receipts from year 2000 (FY 01) would not be available until February 2001. Consequently, forecasting for 2000 gross receipts (FY01) has a two-year lag in which actual figures are unavailable for the prior two years.

Growth of BPOL Tax Revenue

	Percent Change
FY2001	4.8%
FY2002	2.3%
FY2003	2.1%
FY2004	1.1%
FY2005	3.0%

As a result of the healthy building and retail sectors for fiscal year 2000, the revenue estimates are higher than in the prior year forecast. Building and retail represent 70% of business license revenue. Retailers account for 52% and contractors represented 19%. Contractors/Developers must purchase building materials and furnishings for homes and commercial buildings in which sales tax is added. The conditions that affect local sales tax revenue also affect BPOL revenue. Therefore, as in prior years, the forecasted BPOL revenue is increased by the percent increase in local sales tax revenue.

Revenues

3. Consumers Utility Tax

The County levies a consumer utility tax on wired telephone service, electric, and natural gas utilities (the County does not tax water/sewer usage). Residential users pay 20% of the first \$15 per month, per utility billed; with a maximum tax of \$3 per utility billed, per month. Commercial users pay 20% of the first \$500 per month, per utility billed; with a maximum tax of \$100 per utility billed, per month. The County also levies a consumer utility tax on mobile telephone service. The rate for both residential and commercial customers is 10% on the first \$30 per month of each customer's gross billing; with a maximum charge of \$3 per month.

Consumer utility tax revenue is forecast based on anticipated changes in housing units (described in the "Real Estate Tax Revenue" section). To estimate residential consumer utility tax revenue, the expected number of housing units for the forecast year is multiplied by the actual amount of revenue per home in the previous year (based on actual data).

Residential Units Completed

Since consumer utility taxes are capped inflation is not considered a driver in the model. The deregulation of electric utilities will have no impact on consumer utility tax revenue as the utility tax reform act is expected to be revenue neutral.

Residential Units Completed

	Total Units
FY2001	3,085
FY2002	2,883
FY2003	2,900
FY2004	2,900
FY2005	2,900

4. Vehicle Decals

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. The typical housing unit is estimated to pay \$45.89 for decals for fiscal year 2000. Multiplying the decal revenue per housing unit by the estimate of total housing units in the County produces the revenue estimate for each fiscal year.

Revenues

D. Agency Revenue - \$68,189,087

Agency revenues are made up of the various revenues that are collected by individual County agencies. These revenues come from: Federal and State grants, other local funding (Cities of Manassas and Manassas Park) charges for services, and private sector sources. One of these revenue sources is the E-911 fee which is \$1.18 per month per telephone line.

II. SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for services provided to specific County districts. Revenues are primarily derived from special tax levies and charges for services.

A. Schools Operating Fund

The Prince William County School Board is a component unit of Prince William County. The School Board derives revenues from the Commonwealth of Virginia, transfers from the County and charges for services. FY 01 revenues are projected at \$430,028,964.

B. Adult Detention Center

The Adult Detention Center is a component unit of Prince William County. The Adult Detention Center derives revenues from the Commonwealth of Virginia, transfers from the County and charges for services. FY 01 revenues are projected at \$15,724,237 sufficient to cover the Detention Center's expenditure budget.

C. Transportation Fund

The Transportation Fund receives its revenue from a 2% motor fuels tax, State and Federal grants and transfers from other funds. The revenues are used primarily to pay debt service for transportation facilities. FY 01 revenues are projected at \$3,331,937.

D. Fire and Rescue Levy Fund

The Fire and Rescue Levy exists to provide a special service to a specific County district. In this case the special service that is provided is fire and rescue. Revenues are derived from the fire levies for each district. FY 01 revenues are projected at \$10,731,250.

E. Special Levy Fund

The Special Levy Fund exists to provide a special service to a specific County district. In this case the special services that are provided are primarily storm water Management and Gypsy Moth/Mosquito control. Revenues are principally derived from special levies and charges for services. FY 01 revenues are projected at \$5,743,229.

Revenues

F. Housing Fund

The Housing Fund receives its revenue primarily from Federal Housing and Community Development grants that are used to develop affordable housing opportunities for County residents and other Community Development initiatives. FY 01 revenues are projected at \$3,652,208.

III. Proprietary Funds

A. Enterprise Funds are used to account for operations where the cost (expenses including depreciation) of providing goods and services to the general public on a continuing basis is financed or recovered primarily through user charges similar to private business enterprises.

1. **Landfill (Solid Waste)** This enterprise fund is for the Prince William County Landfill which provides refuse disposal. In FY 01 revenues are projected at \$10,603,480.

2. **Sanitary District (Special Tax District)** The Prince William County Sanitary District provides water to residents of Bull Run and Occoquan Forest. FY 01 revenues are projected at \$288,985.

3. **INNOVATION @ Prince William** This Enterprise Fund account has been set up to account for debt service payments and land sales at INNOVATION @ Prince William. FY 01 revenues are projected at \$391,500.

B. Internal Service Funds are used to account for the financing of goods or services provided on a cost-reimbursement basis by one department or agency to other departments or agencies of the County or to other governments. FY 01 revenues are projected at \$11,275,274.

IV. CAPITAL PROJECTS FUNDS

Capital Project funds are used to account for financial resources to be used for acquisition of major capital facilities (other than those financed by proprietary funds). The primary sources of revenues to the Capital Projects Funds are the proceeds of bond issues, capital lease participation certificates and interest earnings. FY 01 revenues are projected at \$79,424,670.

More detailed graphical data on revenue and expenditures comparisons for these funds is found in Exhibit IX in this section.

Revenues

V. INVESTMENTS

A. Investment Income

Investment income represents interest receipts, interest accrual, premium or discount amortization, 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 various funds—with general fund available cash constituting approximately 70 to 71% of the total—which are pooled, and invested to maximize safety, liquidity and yield.

In prior years, the forecasting model utilized two basic variables for each fiscal year: the average portfolio yield and the average total dollar value of the portfolio. To calculate investment income, the average yield is calculated, and the current or estimated year revenue is adjusted for the percentage change in the portfolio yield compared to the prior year and the percentage change in the average portfolio size.

The average total dollar value of the portfolio is affected by the increase in revenues. Therefore, this year's revenue forecast itself becomes a key determinate of interest income.

Portfolio Yield

The trends of interest rates in general and the Fed Funds rate have only an indirect and lagging relationship to the average yield of the portfolio. The portfolio yield is determined primarily by the timing of purchases, cash flow requirements, and the general interest rate environment at the time of purchase of securities and the security duration. The County's general portfolio carries an asset mix that is held over a period of time, based on yields that were available at the time of purchase. The County's yield does not change rapidly with swings in the market except to reflect maturities and replacement of securities at current market conditions. State laws and the County's adopted investment policy govern the investment process which determine how funds can be invested, and what securities can be purchased.

Most of the forecasting sources provide information up to four quarters beyond current dates. Therefore, the final half of the period is an estimate without authoritative source data as a basis for projection. The Prince William County Portfolio Yield projection for the final half of fiscal 2001 and beyond is based on reasonable expectations that the Fed rate will return to a 5.0% to 5.5% level based on the previous five years historic average.

Revenues

Portfolio Yield

	Percent Change
FY2001	5.9%
FY2002	5.7%
FY2003	5.6%
FY2004	5.6%
FY2005	5.6%

Portfolio Size

The growth in the size of the portfolio is based on 25% of the increase in all general revenues. The base size of the portfolio, and therefore investment income, will increase as overall revenue increases. The following tables show the rate of growth of revenues and 25% of that growth as the growth rate of the portfolio size.

Portfolio Size

	Value
FY2001	\$ 203,052,755
FY2002	205,883,128
FY2003	208,398,000
FY2004	210,470,876
FY2005	212,939,480

Growth Rate of Revenues and 25% Thereof for the Portfolio

	Growth Rate	25% of Growth Rate
FY2001	6.6%	1.5%
FY2002	5.4%	1.4%
FY2003	4.8%	1.2%
FY2004	3.9%	1.0%
FY2005	4.6%	1.2%

More detail on Prince William revenue projections can be found in the "Revenues" section of this book.

Five Year Budget Plan

In 1988, the Board of County Supervisors adopted a Financial and Program Planning Ordinance. A major focus of this ordinance is to present to the Board five year revenue and expenditure projections during the annual budget process. This projection process helps the Board gauge the multi-year impacts of fiscal decisions, and weigh the corresponding implications of tax rates and other revenue sources. For Fiscal 2001 a five-year budget plan prepared by the Prince William County Schools is combined with the five-year budget plan prepared by Prince William County to give a total picture of the General Fund requirements from Fiscal 2001 to Fiscal 2005. This five year budget forecast is shown below:

General Fund Resource And Expenditure Projection

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
<u>Revenue and Resources:</u>					
General Revenue	\$361,304,116	\$381,133,492	\$399,209,636	\$414,830,670	\$433,980,568
Agency Revenue	\$68,189,087	\$71,309,338	\$74,511,984	\$77,812,565	\$81,254,089
County Resources	\$6,139,651	\$8,540,430	\$9,647,831	\$10,852,812	\$14,425,514
Total Revenue & Resources Available	<u>\$435,632,854</u>	<u>\$460,983,260</u>	<u>\$483,369,451</u>	<u>\$503,496,046</u>	<u>\$529,660,171</u>
<u>Expenditures:</u>					
County Government	\$230,592,768	\$244,690,003	\$256,817,982	\$268,079,641	\$283,376,198
Transfer To Schools	\$205,040,086	\$216,293,257	\$226,551,468	\$235,416,405	\$246,283,972
Total Expenditures	<u>\$435,632,854</u>	<u>\$460,983,260</u>	<u>\$483,369,451</u>	<u>\$503,496,046</u>	<u>\$529,660,170</u>
Resources Over/ (Under) Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

This forecast will shape fiscal decisions over these five years.

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

Revenue Projections

Revenue forecasting begins with the work of the County's revenue committee. For non-agency revenues, the committee provides a five year forecast based on historical trends, current economic conditions, and assumptions about future trends. These projections are refined throughout the fall and winter, and finalized in a report used during the budget process. For additional detail concerning non-agency revenues, see the pages in the Revenue Summary section titled General Fund Non-Agency Revenues FY 01 through FY 05.

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

Expenditure Projections

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

Five Year Budget Plan

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

- 1) General fund support for capital projects
- 2) Capital improvements operating costs
- 3) General debt (capital improvements projects)
- 4) Merit pay plan adjustments
- 5) Pay plan market adjustments
- 6) Benefit adjustments
- 7) Self insurance
- 8) Five Year costs of Fiscal 2001 budget initiatives.

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

Prince William County

- Funds annual merit pay
- Funds the following pay plan market adjustments;
FY 01- 3%, FY 02- 2%, FY 03- 2%, FY 04- 1%, FY 05- 2%
- Adds 122 Police positions from Fiscal 1999 -2005
- Adds 84 Fire and Rescue positions from Fiscal 1999-2005 and opens new stations
- Funds annual inflation of operating supplies
- Funds the adopted Capital Improvements Program
- Holds non-public safety operations at Fiscal 2001 funding levels

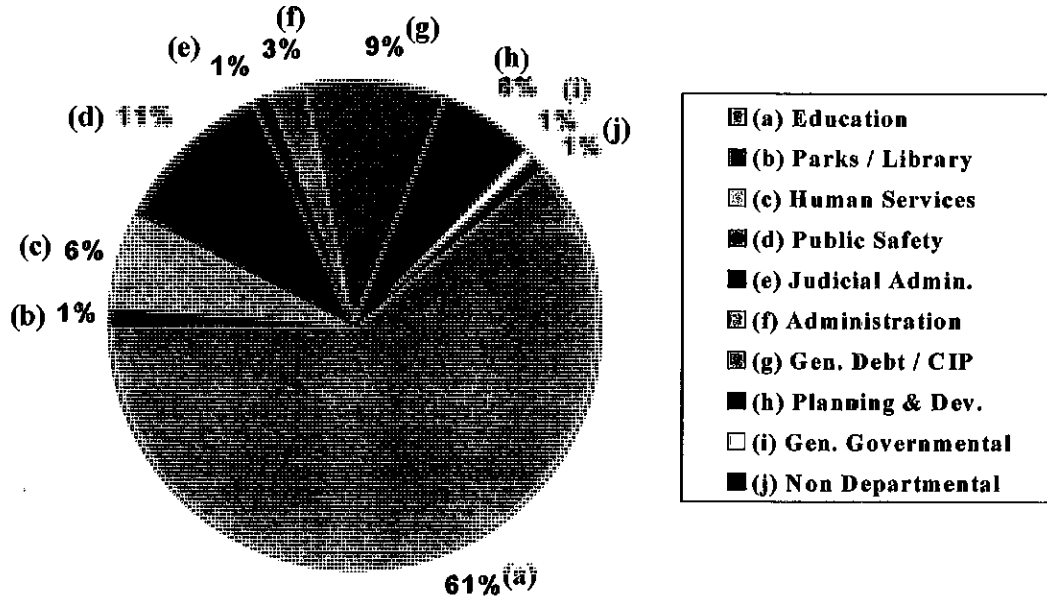
Prince William County School

- Funds annual step increases
- Funds 3.75% salary scale adjustment in Fiscal 2001
- Funds 2.0% salary scale adjustment from Fiscal 2002-2005
- Funds annual adjustment for inflation in supplies and materials
- Maintains all academic, support and extra curricular programs
- Funds all critical repair projects
- Funds new Capital Improvements Program debt service
- Builds five elementary schools, three middle schools and three high schools

Revenue vs. Expenditure Comparison

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

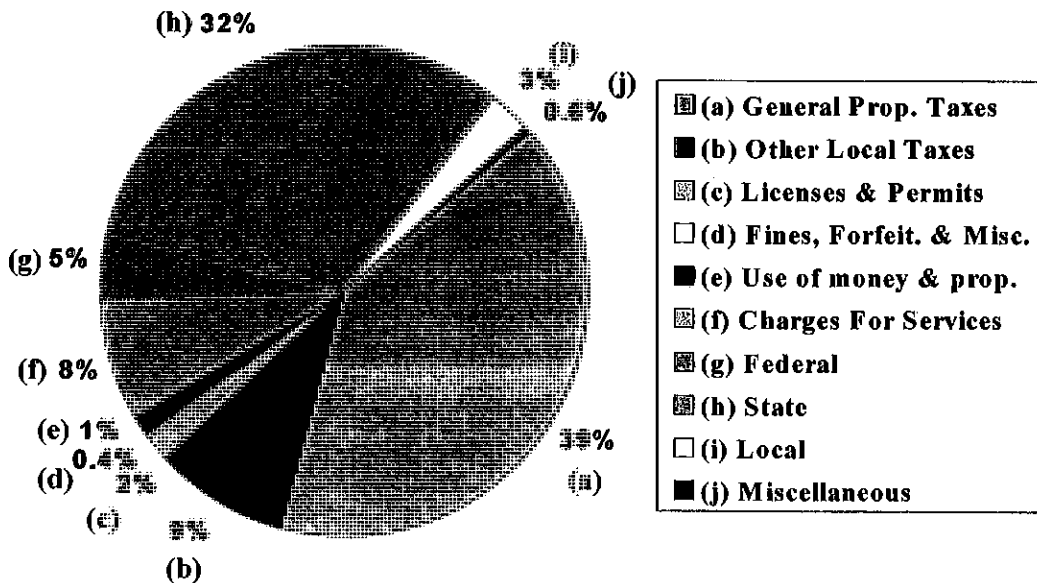
Fiscal Year 2001 Total County Budget By Functional Categories



\$824,748,338

(Note: Excludes Operating Transfers Out)

Fiscal Year 2001 Total County Revenue Sources



\$738,662,228

(Note: Excludes Operating Transfers In)

Combined Statement Of Projected Revenues, Budgeted Expenditures And Projected Changes In Fund Balance For The FY 2001 Adopted Fiscal Plan

	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Type	Total FY 2001 Adopted
	General Fund	Capital Projects Fund	Special Revenue Fund	Enterprise Fund	Internal Service Fund		
Projected Revenues:							
General Property Taxes	\$284,280,200		\$12,168,816	\$145,185	\$0	\$0	\$296,594,201
Other Local Taxes	\$66,371,192		\$0	\$0	\$0	\$0	\$66,371,192
Licenses And Permits	\$9,637,742		\$1,969,036	\$5,000	\$0	\$0	\$11,611,778
Fines And Forfeitures	\$2,052,700		\$0	\$0	\$0	\$0	\$2,052,700
Rev. From Use Of Money & Property	\$8,826,932		\$451,627	\$604,000	\$700,000	\$0	\$10,582,559
Charges For Services	\$6,812,728		\$14,479,456	\$10,138,280	\$28,005,420	\$0	\$59,435,884
Miscellaneous	\$613,614	\$1,333,080	\$1,057,000	\$0	\$808,369	\$0	\$3,812,063
Intergovernmental Revenue - Federal	\$13,856,210	\$280,000	\$19,214,685	\$0	\$0	\$0	\$33,350,895
Intergovernmental Revenue - State	\$31,132,273	\$550,000	\$203,155,456	\$0	\$0	\$0	\$234,837,729
Intergovernmental Revenue - Local	\$4,237,096		\$2,300,257	\$0	\$0	\$13,475,874	\$20,013,227
Total Revenues	\$427,820,687	\$2,163,080	\$254,796,333	\$10,892,465	\$29,513,789	\$13,475,874	\$738,662,228
Budgeted Expenditures:							
General Governmental Administration	\$6,921,425		\$0	\$0	\$0	\$0	\$6,921,425
Judicial Administration	\$15,170,943		\$0	\$391,500	\$6,772,742	\$0	\$22,335,185
Public Safety	\$7,711,979		\$0	\$0	\$0	\$0	\$7,711,979
Planning And Development	\$62,903,541		\$25,683,637	\$0	\$0	\$0	\$88,587,178
Human Services	\$25,186,347		\$10,627,394	\$10,063,547	\$4,502,532	\$0	\$50,379,820
Parks And Library	\$52,871,721		\$0	\$0	\$0	\$0	\$52,871,721
Education	\$10,161,099	\$67,893,316	\$398,608,202	\$0	\$23,229,510	\$13,446,459	\$503,177,487
Debt / C.I.P.	\$18,583,333	\$29,842,984	\$26,578,581	\$0	\$0	\$0	\$75,004,898
Non-Departmental	\$7,597,546		\$0	\$0	\$0	\$0	\$7,597,546
Total Expenditures	\$207,107,934	\$97,736,300	\$461,497,814	\$10,455,047	\$34,504,784	\$13,446,459	\$824,748,338
Excess (Deficiency) Of Revenues Over Expenditures	\$220,712,753	(\$95,573,220)	(\$206,701,481)	\$437,418	(\$4,990,995)	\$29,415	(\$86,086,110)
Other Financing Sources (Uses):							
Operating Transfers In	\$4,322,720	\$13,364,290	\$214,415,492	\$10,019,286	\$2,111,571	\$0	\$244,233,359
Operating Transfers Out	(\$228,524,920)	(\$1,500,000)	(\$13,474,099)	(\$734,340)	\$0	\$0	(\$244,233,359)
Proceeds From Loans And Bonds		\$63,897,300	\$0	\$0	\$0	\$0	\$63,897,300
Total Other Financing Sources (Uses)	(\$224,202,200)	\$75,761,590	\$200,941,393	\$9,284,946	\$2,111,571	\$0	\$63,897,300
Excess (Deficiency) Of Revenues Over Expenditures & Other Sources (Uses)	(\$3,489,447)	(\$19,811,630)	(\$5,760,088)	\$9,722,364	(\$2,879,424)	\$29,415	(\$22,188,810)
Projected Fund Balance, Beginning	\$6,858,639	(\$60,377,997)	\$51,384,873	\$0	\$8,458,552	\$0	\$6,324,067
Fund Balance Reserve:							
Encumbrances	\$10,360,166	\$26,115,686	\$1,019,027	\$2,704,859	\$2,606,561	\$25,567	\$42,831,866
Designated For Future Years	\$16,824,217	\$1,456,143	\$10,052,355	\$127,169	\$125,418	\$32,104	\$28,617,406
Other	\$3,950,177	\$63,227,811	\$16,419,936	\$0	\$190,000	\$46,492	\$83,834,416
Projected Fund Balance, Ending	\$34,503,752	\$10,610,013	\$73,116,103	\$12,554,392	\$8,501,107	\$133,578	\$139,418,945

GENERAL FUND EXPENDITURE AND RESOURCE COMPARISON

	FY 1999 Approp.	FY 1999 Actual	FY 2000 Adopted	FY 2001 Adopted	% Change FY 00 To FY 01
<u>Expenditure By Classification:</u>					
Personal Services	\$87,323,123	\$87,859,493	\$93,578,999	\$101,588,775	8.56%
Fringe Benefits	\$20,808,312	\$19,655,933	\$22,605,620	\$24,405,542	7.96%
Contractual Services	\$12,448,128	\$11,410,917	\$11,492,381	\$12,056,029	4.90%
Internal Services	\$9,384,921	\$9,312,576	\$11,107,546	\$11,341,011	2.10%
Other Services	\$29,210,360	\$27,931,790	\$29,585,134	\$32,185,940	8.79%
Debt Maintenance	\$18,949,119	\$18,649,614	\$18,125,520	\$18,255,112	0.71%
Capital Outlay	\$2,804,493	\$2,660,610	\$2,936,456	\$2,421,588	-17.53%
Leases and Rentals	\$4,753,034	\$4,659,709	\$4,568,085	\$4,853,937	6.26%
Transfers Out*	\$205,286,338	\$204,443,687	\$211,809,553	\$228,524,920	7.89%
Total General Fund Expenditures	\$390,967,827	\$386,584,329	\$405,809,294	\$435,632,854	7.35%
<u>Funding Sources:</u>					
General Property Taxes	\$252,337,000	\$250,073,263	\$265,972,000	\$284,280,200	6.88%
Other Local Taxes	\$56,859,000	\$57,295,430	\$60,599,100	\$66,371,192	9.53%
Permits, Priv. Fees and Reg. Lic.	\$8,453,940	\$9,816,855	\$9,311,841	\$9,637,742	3.50%
Fines and Forfeitures	\$1,536,500	\$1,963,521	\$1,748,700	\$2,052,700	17.38%
Use of Money and Property	\$8,590,282	\$7,602,891	\$7,289,732	\$8,826,932	21.09%
Charges for Services	\$5,923,646	\$6,524,479	\$6,545,485	\$6,812,728	4.08%
Miscellaneous Revenue	\$3,101,762	\$3,685,750	\$412,659	\$478,914	16.06%
Revenue from Other Localities	\$3,890,225	\$3,857,338	\$4,249,286	\$4,237,096	-0.29%
Rev. from the Comm. of Va.	\$23,036,520	\$23,434,656	\$27,683,686	\$31,132,273	12.46%
Revenue from the Federal Gov.	\$13,500,700	\$13,708,904	\$12,595,573	\$13,856,210	10.01%
Non-Revenue Receipts	\$96,540	\$229,247	\$96,540	\$134,700	39.53%
Transfers In*	\$6,863,157	\$6,863,157	\$983,639	\$1,672,516	70.03%
Total General Fund Revenue	\$384,189,272	\$385,055,492	\$397,488,241	\$429,493,203	8.05%
Other Resources	\$6,778,555	\$1,528,838	\$8,321,053	\$6,139,651	-26.22%
Total General Fund Revenue And Other Resources	\$390,967,827	\$386,584,330	\$405,809,294	\$435,632,854	7.35%
Revenue and Other Resources Over / (Under) Expenditures	\$0	\$0	\$0	\$0	--

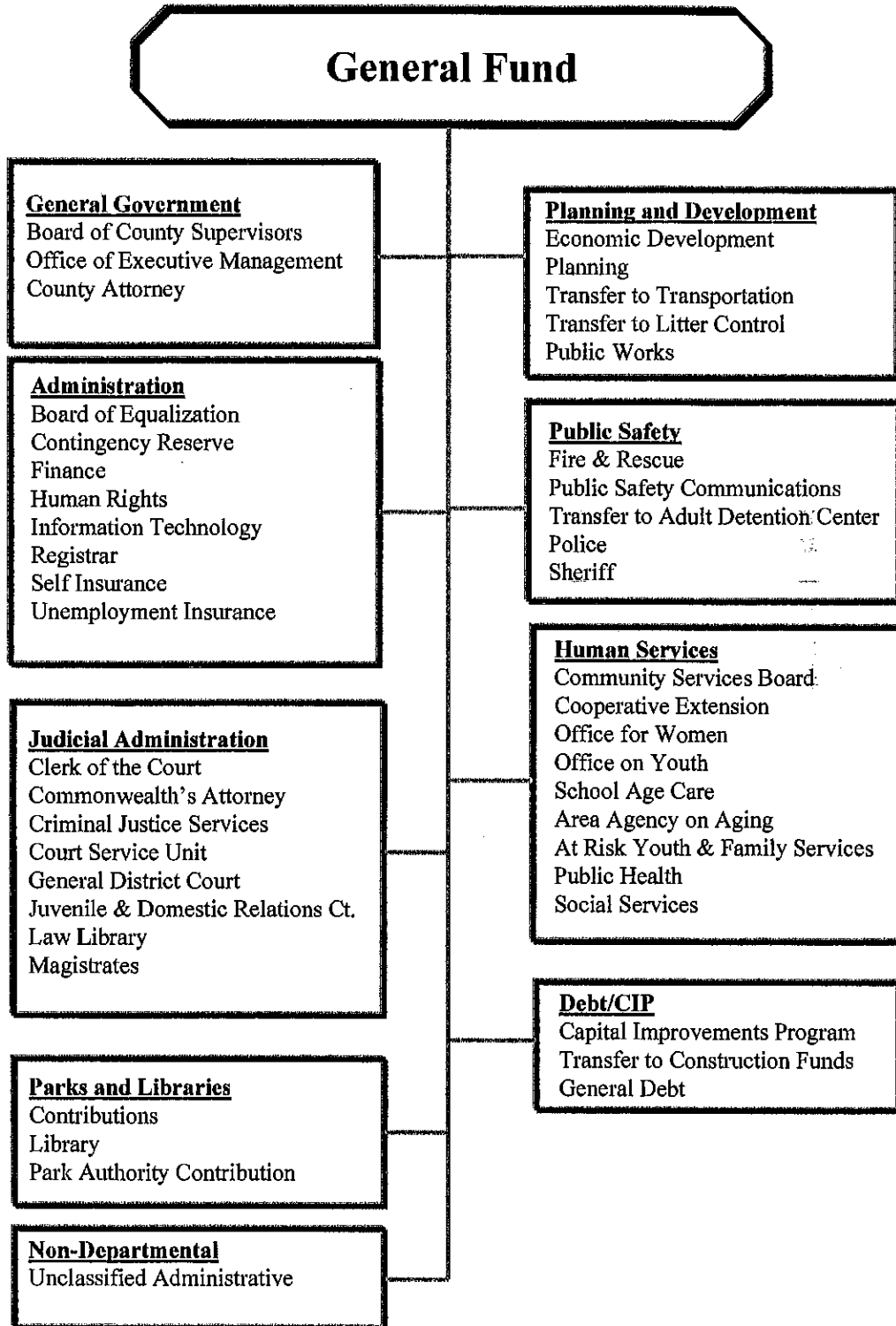
* Note: Excludes Transfers Within The General Fund.

General Fund Non-Agency Revenues FY 2001 – FY 2005

GENERAL REVENUE SOURCE	FY 2001 ESTIMATE	FY2002 ESTIMATE	FY2003 ESTIMATE	FY2004 ESTIMATE	FY2005 ESTIMATE
REAL ESTATE TAXES	\$209,151,500	\$ 221,157,700	\$ 233,987,600	\$ 247,152,300	\$ 260,688,800
REAL ESTATE TAX EXONERATIONS	(2,803,000)	(2,941,000)	(3,089,000)	(3,262,000)	(3,441,000)
SUBTOTAL	206,348,500	218,216,700	230,898,600	243,890,300	257,247,800
R/E TAXES - PUBLIC SERVICE	11,917,000	12,065,000	12,185,000	12,307,000	12,430,000
REAL ESTATE TAX DEFERRAL	200,000	200,000	200,000	200,000	200,000
LAND REDEMPTION	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
REAL ESTATE PENALTIES	1,032,000	1,091,000	1,154,000	1,219,000	1,286,000
TOTAL - REAL ESTATE	\$ 220,797,200	\$ 232,872,800	\$ 245,738,100	\$ 258,916,800	\$ 272,464,000
PERSONAL PROPERTY TAXES					
INDIVIDUALS	\$ 59,370,000	\$ 62,418,000	\$ 65,575,500	\$ 68,834,300	\$ 72,197,200
GENERAL BUSINESS EQUIP	58,716,700	10,490,300	10,492,500	10,405,800	10,497,000
COMPUTER EQUIP/PERIPH.	0	998,000	1,796,000	2,394,000	2,394,000
TOTAL BILLED	68,086,700	73,905,800	77,863,500	81,634,100	85,088,200
NET AFTER COLLECTION	65,480,300	71,076,700	74,882,900	78,509,100	81,831,000
P/P TAX EXONERATIONS	(6,548,000)	(6,752,300)	(6,739,500)	(6,673,300)	(6,955,600)
SUBTOTAL	58,932,300	64,324,400	68,143,400	71,835,800	74,875,400
P/P – PUBLIC SERVICE	110,400	116,400	122,900	129,500	136,200
P/P – PRIOR YEAR	82,500	90,000	95,400	100,600	104,800
P/P TAX DEFERRAL	2,000,000	2,100,000	1,583,000	(1,384,000)	(1,366,000)
P/P PENALTIES	766,100	836,200	885,900	933,900	973,400
TOTAL - PERSONAL PROPERTY	\$ 61,891,000	\$ 67,467,000	\$ 70,830,600	\$ 71,615,800	\$ 74,723,800
INTEREST ON TAXES	1,591,700	1,695,200	1,794,200	1,894,400	1,992,700
TOTAL GENERAL PROPERTY TAXES	\$284,280,200	\$ 302,035,000	\$ 318,362,900	\$ 332,427,000	\$ 349,180,500
LOCAL SALES TAX	\$ 29,917,200	\$ 30,607,200	\$ 31,249,800	\$ 31,587,000	\$ 32,534,900
DAILY EQUIP. RENTAL TAX	167,300	175,400	183,800	192,600	201,800
CONSUMER UTILITY TAX	16,233,700	16,732,500	17,234,300	17,736,000	18,237,800
BANK FRANCHISE TAX	486,400	509,700	534,200	559,700	586,500
BPOL TAXES – LOCAL BUS.	9,641,700	9,864,000	10,071,100	10,179,800	10,485,300
BPOL TAXES – ELECTRIC COS.	300,000	640,000	645,000	650,000	656,000
BPOL TAXES - PUBLIC SERVICE	470,700	493,300	516,900	541,600	567,600
VEHICLE DECALS – REGULAR	4,314,000	4,446,700	4,580,100	4,713,600	4,847,200
VEHICLE DECALS – REFUNDS	(29,000)	(31,000)	(32,000)	(34,000)	(35,000)
RECORDATION TAX	2,152,000	2,238,900	2,329,400	2,423,500	2,521,400
ADDITIONAL TAX ON DEEDS	985,000	1,032,200	1,081,600	1,133,500	1,187,800
TRANSIENT OCCUPANCY TAX	647,200	678,200	710,700	744,700	780,400
OTHER LOCAL TAXES	\$ 65,315,200	\$ 67,418,100	\$ 69,136,900	\$ 70,462,000	\$ 72,606,700
CABLE TV FEES	2,068,000	2,131,500	2,195,500	2,259,400	2,323,300
INVESTMENT INCOME	8,386,100	8,215,000	8,096,300	8,176,800	8,272,700
INTEREST PAID TO VENDORS	(111,400)	(116,700)	(122,300)	(128,200)	(134,300)
INTEREST PAID ON REFUNDS	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
REV FROM MONEY & PROPERTY	\$7,924,700	\$ 7,748,300	\$ 7,624,000	\$ 7,698,600	\$ 7,788,400
ABC PROFITS	577,500	606,400	636,700	668,500	701,900
STATE WINE TAX	318,400	334,300	351,000	368,600	387,000
ROLLING STOCK TAX	80,300	84,300	88,500	92,900	97,600
PASSENGER CAR RENTAL TAX	618,800	649,700	682,100	716,200	752,000
MOBILE HOME TITLING TAX	98,000	102,900	108,000	113,400	119,100
REV FROM THE COMMONWEALTH	\$ 1,693,000	\$ 1,777,600	\$ 1,866,300	\$ 1,959,600	\$ 2,057,600
FED PAYMENT IN LIEU OF TAXES	15,000	15,000	15,000	15,000	15,000
REV FROM THE FEDERAL GOVT	15,000	15,000	15,000	15,000	15,000
OTHER REVENUE	8,016	7,992	9,036	9,070	9,068
TOTAL GENERAL REVENUE	\$361,304,116	\$ 381,133,492	\$ 399,209,636	\$ 414,830,670	\$ 433,980,568

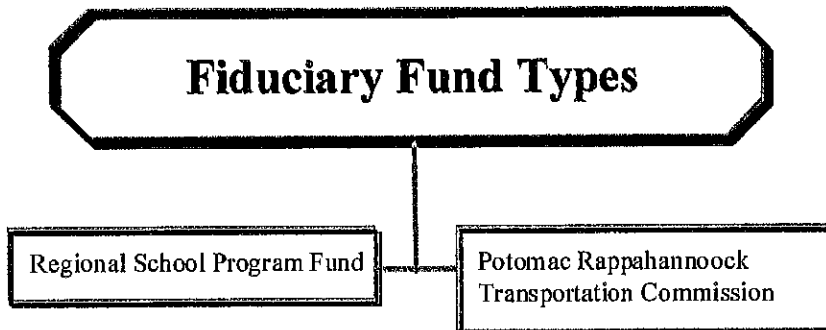
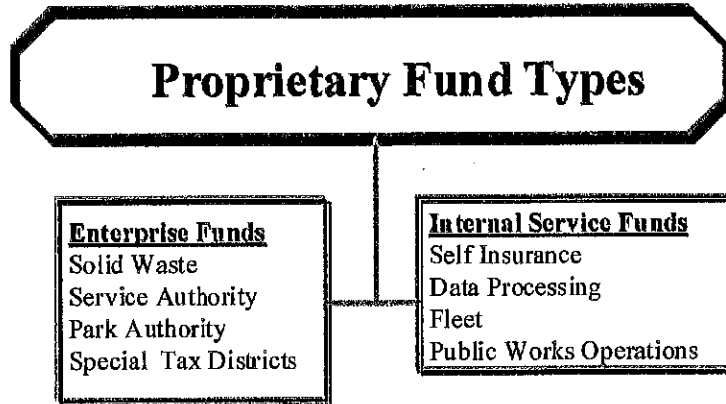
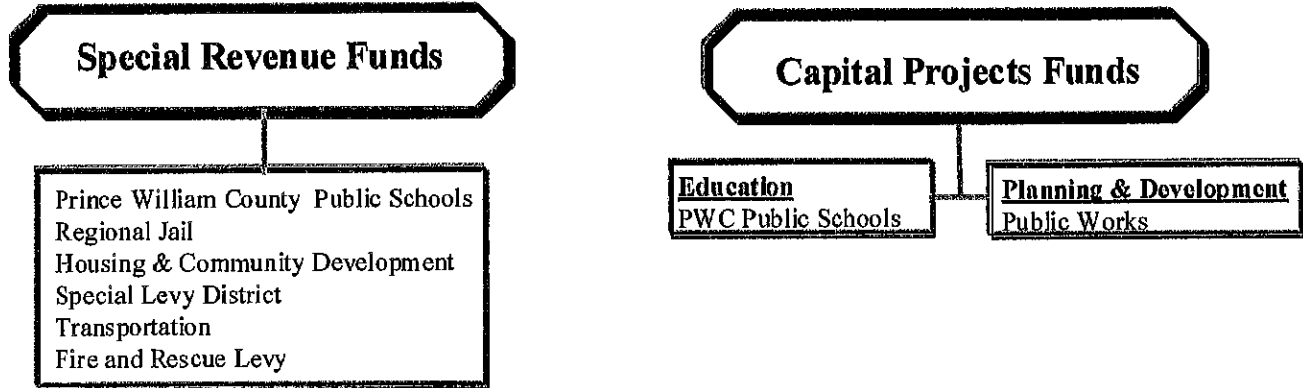
Operating Funds

Governmental Fund Types



Operating Funds

Governmental Fund Types (continued)



Position Summary of Full Time Equivalent Positions (FTE)

Department / Agency	FY 1997 Adopted FTE Positions	FY 1998 Adopted FTE Positions	FY 1999 Adopted FTE Positions	FY 2000 Adopted FTE Positions	FY 2001 Adopted FTE Positions	Position Change FY 00 to FY 01	Percent Change FY 00 to FY 01
General Governmental:							
Board Of County Supervisors	9.00	9.00	9.00	12.12	12.12	0.00	0.00%
Office Of Executive Management	38.50	39.50	43.39	46.56	47.90	1.34	2.88%
County Attorney	17.00	18.00	20.00	20.00	20.00	0.00	0.00%
Sub Total	64.50	66.50	72.39	78.68	80.02	1.34	1.70%
Planning And Development:							
Economic Development	9.03	9.53	9.53	9.53	11.00	1.47	15.42%
Planning	48.00	48.00	50.00	50.00	44.00	-6.00	(12.00%)
Public Works	135.94	204.66	218.30	225.72	241.61	15.89	7.04%
Sub Total	192.97	262.19	277.83	285.25	296.61	11.36	3.98%
Administration:							
Finance	105.80	110.80	117.80	124.33	122.33	-2.00	(1.61%)
Human Rights Office	5.00	5.00	5.00	6.80	5.80	-1.00	(14.71%)
Off. Of Tech. & Fac. Support Serv.	103.70	0.00	0.00	0.00	0.00	0.00	0.00%
Off. Of Information Technology	0.00	42.53	46.53	41.98	43.20	1.22	2.91%
Registration & Elections	10.00	11.00	11.00	11.00	11.00	0.00	0.00%
Sub Total	224.50	169.33	180.33	184.11	182.33	-1.78	(0.97%)
Judicial Administration:							
Clerk Of The Court	60.03	59.03	60.03	56.70	56.70	0.00	0.00%
Commonwealth's Attorney	28.00	28.00	35.00	36.00	36.00	0.00	0.00%
Criminal Justice Services	15.41	15.41	17.41	19.91	20.65	0.74	3.72%
General District Court	1.00	1.00	1.00	1.00	1.00	0.00	0.00%
Juvenile Court Services	2.00	1.00	1.00	2.00	2.00	0.00	0.00%
Law Library	1.00	1.00	1.00	1.00	1.50	0.50	50.00%
Sub Total	107.44	105.44	115.44	116.61	117.85	1.24	1.06%
Public Safety:							
Fire And Rescue	219.00	224.00	233.00	253.00	259.00	6.00	2.37%
Police	454.07	490.07	506.07	528.07	558.67	30.60	5.79%
Sheriff	60.59	61.59	60.65	65.65	69.00	3.35	5.10%
Public Safety Communications	69.00	82.20	82.20	86.20	87.20	1.00	1.16%
Sub Total	802.66	857.86	881.92	932.92	973.87	40.95	4.39%
Human Services:							
Community Services Board	199.40	188.62	194.37	204.00	227.03	23.03	11.29%
Extension & Continuing Ed.	4.90	5.91	5.78	8.30	8.32	0.02	0.24%
Office For Women	1.10	1.10	1.10	1.10	1.10	0.00	0.00%
Office On Youth	1.67	2.00	2.00	2.00	3.00	1.00	50.00%
School Age Care	3.53	3.60	4.80	5.00	5.00	0.00	0.00%
Area Agency On Aging	28.89	33.23	33.84	36.39	41.57	5.18	14.23%
Public Health	14.17	14.49	14.49	14.96	14.96	0.00	0.00%
Social Services	255.19	259.48	283.91	289.85	297.80	7.95	2.74%
Sub Total	508.85	508.43	540.29	561.60	598.78	37.18	6.62%

Position Summary of Full Time Equivalent Positions (FTE)

Department / Agency	FY 1997 Adopted FTE Positions	FY 1998 Adopted FTE Positions	FY 1999 Adopted FTE Positions	FY 2000 Adopted FTE Positions	FY 2001 Adopted FTE Positions	Position Change FY 00 to FY 01	Percent Change FY 00 to FY 01
Parks And Library:							
Library	191.96	189.50	189.44	192.31	192.31	0.00	0.00%
Sub Total	191.96	189.50	189.44	192.31	192.31	0.00	0.00%
Special Revenue Fund:							
Adult Detention Center	213.53	217.00	217.00	217.00	217.00	0.00	0.00%
Housing & Community Dev.	17.80	19.60	19.60	19.60	26.60	7.00	35.71%
Sub Total	231.33	236.60	236.60	236.60	243.60	7.00	2.96%
Enterprise Fund:							
Public Works; Solid Waste	53.37	52.71	52.71	46.38	45.71	-0.67	(1.44%)
Sub Total	53.37	52.71	52.71	46.38	45.71	-0.67	(1.44%)
Internal Service Fund:							
Public Works; Fleet Management	27.88	27.88	27.88	30.08	30.08	0.00	0.00%
OTFSS; Data Processing	38.00	0.00	0.00	0.00	0.00	0.00	0.00%
Off. Of Info. Tech.; Data Processing	0.00	38.00	35.00	41.55	45.33	3.78	9.10%
Public Works; Small Proj. Const.	25.75	21.86	21.86	23.77	22.55	-1.22	(5.13%)
Sub Total	91.63	87.74	84.74	95.40	97.96	2.56	2.68%
Total FTE Positions	2,469.21	2,536.30	2,631.69	2,729.86	2,829.04	99.18	3.63%

Percent Share of Total General County Budget

Department / Agency	FY 1997 Adopted % Of Budget	FY 1998 Adopted % Of Budget	FY 1999 Adopted % Of Budget	FY 2000 Adopted % Of Budget	FY 2001 Adopted % Of Budget
<u>General Governmental:</u>					
Board Of County Supervisors	0.473%	0.467%	0.447%	0.472%	0.475%
Office Of Executive Management	1.801%	1.652%	1.749%	1.764%	1.762%
County Attorney	0.751%	0.763%	0.769%	0.759%	0.765%
Sub Total	3.024%	2.883%	2.965%	2.995%	3.002%
<u>Administration:</u>					
Board Of Equalization	0.023%	0.022%	0.021%	0.019%	0.018%
Contingency Reserve	0.229%	0.219%	0.286%	0.189%	0.177%
Finance	3.660%	3.776%	3.933%	3.875%	3.725%
Human Rights Office	0.180%	0.175%	0.156%	0.184%	0.159%
Off Of Tech & Fac. Support Serv	7.778%	0.000%	0.000%	0.000%	0.000%
Off Of Information Technology	0.000%	1.782%	1.939%	1.836%	1.930%
General Registrar	0.411%	0.402%	0.377%	0.379%	0.367%
Property & Misc. Insurance	0.312%	0.218%	0.203%	0.188%	0.176%
Unemployment Insurance Reserve	0.034%	0.032%	0.030%	0.028%	0.026%
Sub Total	12.627%	6.626%	6.944%	6.699%	6.579%
<u>Judicial Administration:</u>					
Clerk Of The Court	1.454%	1.443%	1.406%	1.469%	1.418%
Commonwealth's Attorney	1.001%	1.013%	1.113%	1.081%	1.090%
Criminal Justice Services	0.458%	0.461%	0.489%	0.497%	0.539%
Juvenile Court Service Unit	0.036%	0.043%	0.041%	0.087%	0.097%
General District Court	0.078%	0.068%	0.072%	0.071%	0.070%
Juvenile & Domestic Relations	0.032%	0.055%	0.025%	0.044%	0.023%
Law Library	0.068%	0.083%	0.085%	0.090%	0.086%
Magistrates	0.010%	0.012%	0.013%	0.014%	0.021%
Sub Total	3.136%	3.177%	3.243%	3.355%	3.344%
<u>Planning And Development:</u>					
Economic Development	0.683%	0.714%	0.648%	0.620%	0.684%
Planning	1.704%	1.679%	1.756%	1.760%	1.532%
Transfer To Transportation Fund	0.849%	0.812%	0.805%	0.794%	0.743%
Transfer To Litter Control	0.039%	0.037%	0.035%	0.032%	0.000%
Public Works	3.549%	9.681%	9.042%	8.785%	8.737%
Sub Total	6.823%	12.924%	12.286%	11.990%	11.696%
<u>Public Safety:</u>					
Fire And Rescue	7.009%	6.971%	7.277%	7.649%	7.706%
Public Safety Communications	1.961%	2.283%	2.212%	2.271%	2.412%
Sheriff	1.909%	1.745%	1.730%	1.796%	1.858%
Transfer To Jail	2.966%	2.769%	2.883%	2.819%	2.889%
Police	14.589%	15.162%	15.133%	15.371%	15.652%
Sub Total	28.435%	28.929%	29.234%	29.906%	30.517%

Percent Share of Total General County Budget

Department / Agency	FY 1997 Adopted % Of Budget	FY 1998 Adopted % Of Budget	FY 1999 Adopted % Of Budget	FY 2000 Adopted % Of Budget	FY 2001 Adopted % Of Budget
<u>Human Services:</u>					
Community Services Board	7.753%	7.047%	6.833%	6.603%	6.877%
Extension & Continuing Education	0.335%	0.342%	0.327%	0.340%	0.340%
Office For Women	0.026%	0.026%	0.027%	0.030%	0.030%
Office On Youth	0.052%	0.061%	0.056%	0.053%	0.118%
School Age Care	0.098%	0.099%	0.121%	0.112%	0.115%
Area Agency On Aging	0.788%	0.874%	0.858%	0.949%	0.980%
At Risk Youth And Family Services	1.797%	1.774%	1.689%	1.812%	1.836%
Public Health	1.834%	1.800%	1.713%	1.631%	1.595%
Social Services	11.060%	10.726%	10.846%	11.168%	11.190%
Sub Total	23.743%	22.749%	22.470%	22.699%	23.081%
<u>Parks And Library:</u>					
Contributions	0.004%	0.004%	0.004%	0.005%	0.000%
Library	5.426%	5.215%	4.933%	4.814%	4.808%
Park Authority Local Contribution	3.293%	3.417%	4.053%	4.104%	3.773%
Sub Total	8.723%	8.636%	8.990%	8.923%	8.582%
<u>Debt / CIP:</u>					
Capital Improv Prog	0.014%	0.052%	0.050%	0.014%	0.000%
Trans To Construction Funds	1.559%	1.920%	1.398%	1.890%	1.676%
General Debt	9.440%	9.443%	9.640%	8.613%	7.935%
UOSA Expansion	0.379%	0.363%	0.338%	0.314%	0.294%
Sub Total	11.392%	11.778%	11.426%	10.831%	9.905%
<u>Non-Departmental:</u>					
Unclassified Administrative	2.097%	2.297%	2.443%	2.603%	3.295%
Sub Total	2.097%	2.297%	2.443%	2.603%	3.295%
Total	100.000%	100.000%	100.000%	100.000%	100.000%

REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

I. GOVERNMENTAL FUND TYPES

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

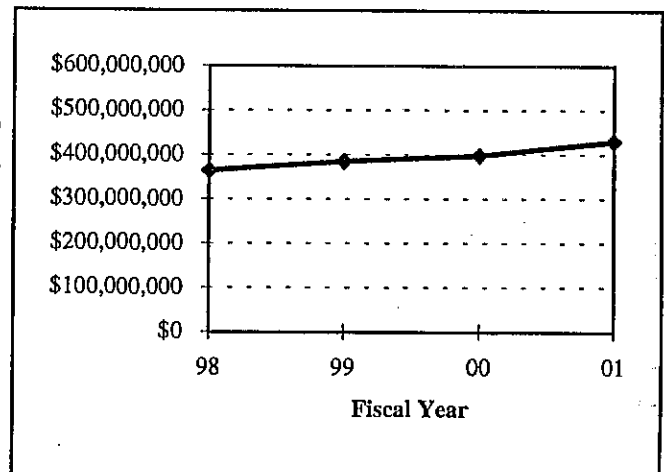
A. General Fund:

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

Revenue Summary:

	----- Actual -----	
Fiscal Year 1998		\$363,813,410
Fiscal Year 1999		\$385,055,492
	----- Estimate -----	
Fiscal Year 2000		\$397,488,241
Fiscal Year 2001		\$429,493,203
Change FY 00 to FY 01		\$32,004,962

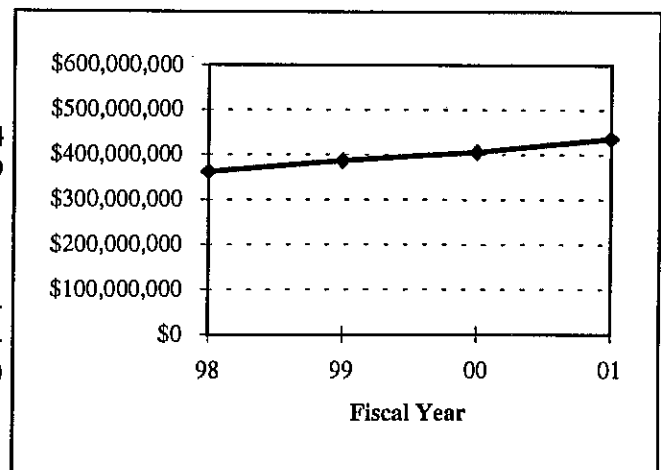
(Note: Excludes Other Resources and transfers within the General Fund)



Expenditure Summary:

	----- Actual -----	
Fiscal Year 1998		\$361,936,934
Fiscal Year 1999		\$386,584,329
	----- Estimate -----	
Fiscal Year 2000		\$405,809,294
Fiscal Year 2001		\$435,632,854
Change FY 00 to FY 01		\$29,823,560

(Note: Excludes transfers within the General Fund)



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

B. Special Revenue Funds:

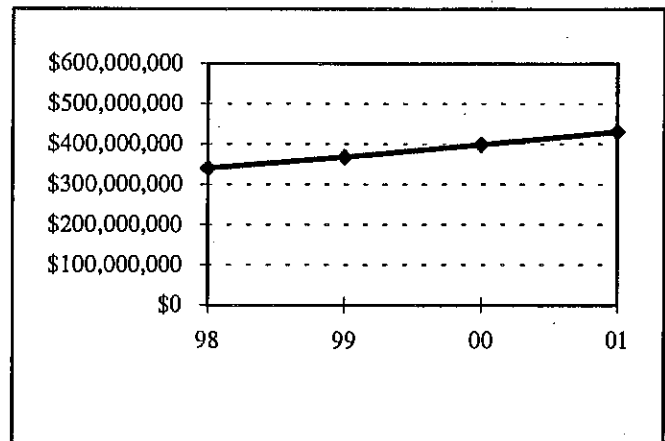
Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds are used to account for volunteer fire and rescue, levies, school operations,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

I. Schools- Operating Fund

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

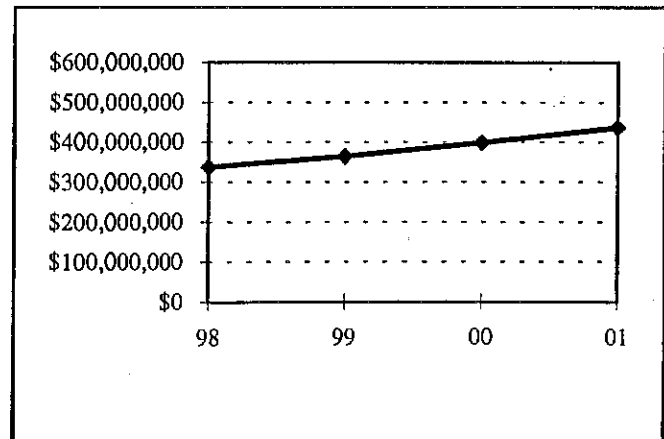
Revenue Summary:

	----- Actual -----	
Fiscal Year 1998		\$339,789,402
Fiscal Year 1999		\$367,838,069
	----- Estimate -----	
Fiscal Year 2000		\$398,359,291
Fiscal Year 2001		\$430,028,964
Change FY 00 to FY 01		\$31,669,673



Expenditure Summary:

	----- Actual -----	
Fiscal Year 1998		\$337,838,055
Fiscal Year 1999		\$364,515,023
	----- Estimate -----	
Fiscal Year 2000		\$398,703,406
Fiscal Year 2001		\$436,095,139
Change FY 00 to FY 01		\$37,391,733



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

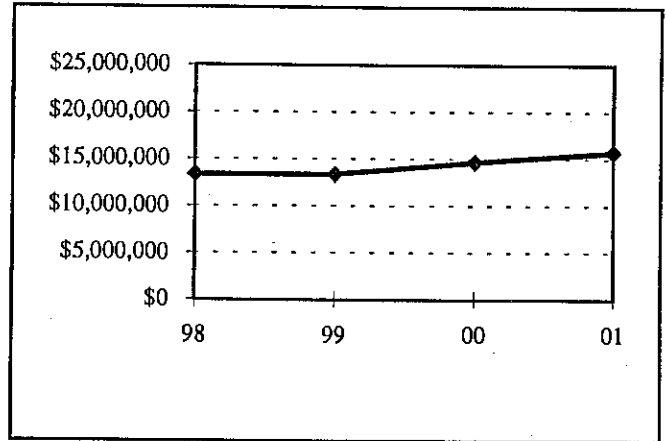
B. Special Revenue Funds (continued):

2. Adult Detention Center

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

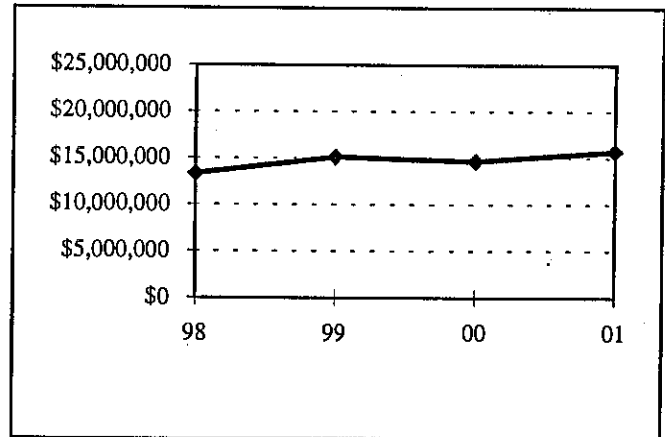
Revenue Summary:

	----- Actual -----	
Fiscal Year 1998		\$13,346,430
Fiscal Year 1999		\$13,350,563
	----- Estimate -----	
Fiscal Year 2000		\$14,653,031
Fiscal Year 2001		\$15,724,237
Change FY 00 to FY 01		\$1,071,206



Expenditure Summary:

	----- Actual -----	
Fiscal Year 1998		\$13,312,821
Fiscal Year 1999		\$15,117,199
	----- Estimate -----	
Fiscal Year 2000		\$14,653,031
Fiscal Year 2001		\$15,724,237
Change FY 00 to FY 01		\$1,071,206



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

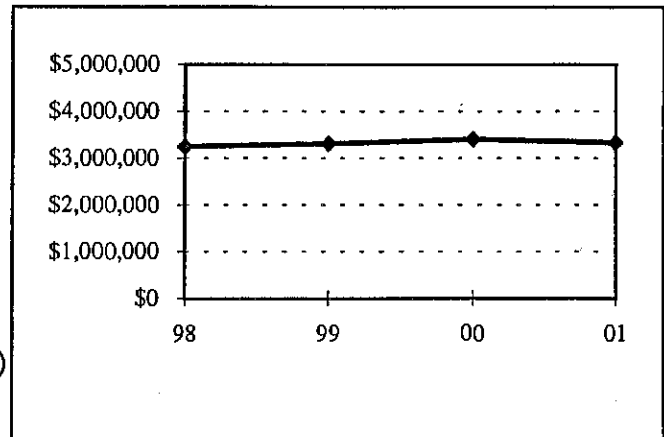
B. Special Revenue Funds (continued):

3. Transportation Fund

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

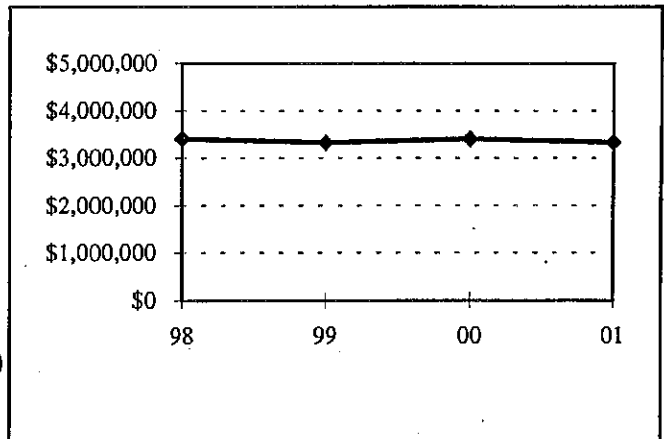
Revenue Summary:

	----- Actual -----	
Fiscal Year 1998		\$3,245,100
Fiscal Year 1999		\$3,307,339
	----- Estimate -----	
Fiscal Year 2000		\$3,402,406
Fiscal Year 2001		\$3,331,937
Change FY 00 to FY 01		(\$70,469)



Expenditure Summary:

	----- Actual -----	
Fiscal Year 1998		\$3,402,301
Fiscal Year 1999		\$3,321,612
	----- Estimate -----	
Fiscal Year 2000		\$3,402,406
Fiscal Year 2001		\$3,331,937
Change FY 00 to FY 01		(\$70,469)



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

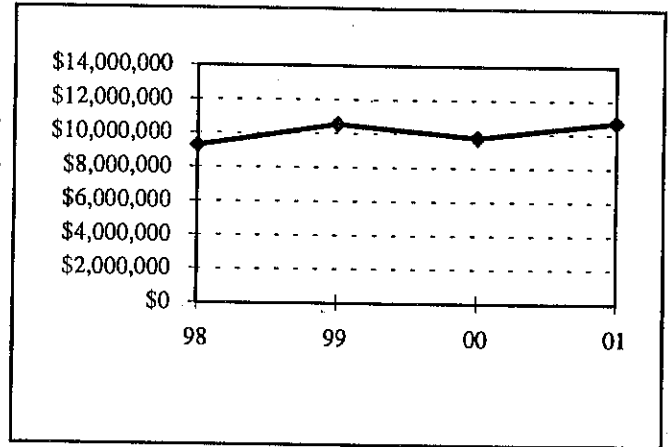
B. Special Revenue Funds (continued):

4. Fire And Rescue Levy Fund

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

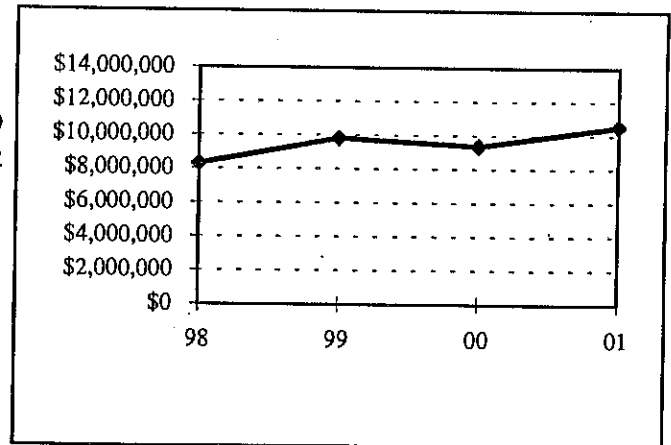
Revenue Summary:

	----- Actual -----	
Fiscal Year 1998		\$9,278,839
Fiscal Year 1999		\$10,544,082
	----- Estimate -----	
Fiscal Year 2000		\$9,789,125
Fiscal Year 2001		\$10,731,250
Change FY 00 to FY 01		\$942,125



Expenditure Summary:

	----- Actual -----	
Fiscal Year 1998		\$8,290,519
Fiscal Year 1999		\$9,813,032
	----- Estimate -----	
Fiscal Year 2000		\$9,370,043
Fiscal Year 2001		\$10,527,986
Change FY 00 to FY 01		\$1,157,943



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

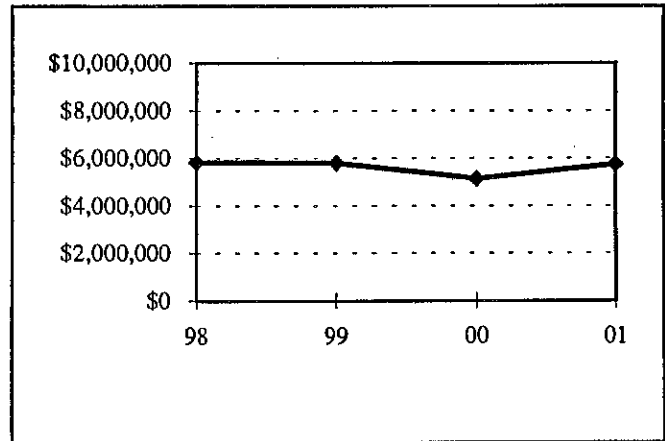
B. Special Revenue Funds (continued):

5. Special Levy Fund

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

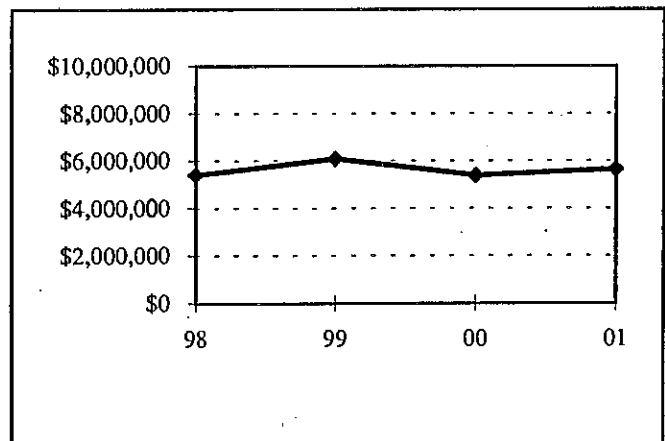
Revenue Summary:

	----- Actual -----	
Fiscal Year 1998		\$5,829,552
Fiscal Year 1999		\$5,805,463
	----- Estimate -----	
Fiscal Year 2000		\$5,141,029
Fiscal Year 2001		\$5,743,229
Change FY 00 to FY 01		\$602,200



Expenditure Summary:

	----- Actual -----	
Fiscal Year 1998		\$5,401,794
Fiscal Year 1999		\$6,089,922
	----- Estimate -----	
Fiscal Year 2000		\$5,387,351
Fiscal Year 2001		\$5,640,406
Change FY 00 to FY 01		\$253,055



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

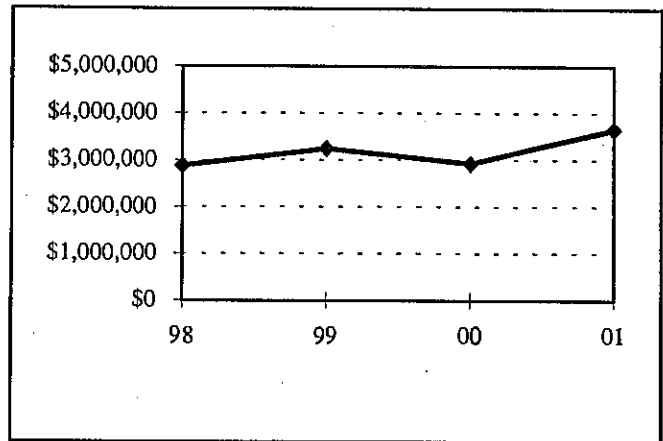
B. Special Revenue Funds (continued):

6. Housing Fund

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

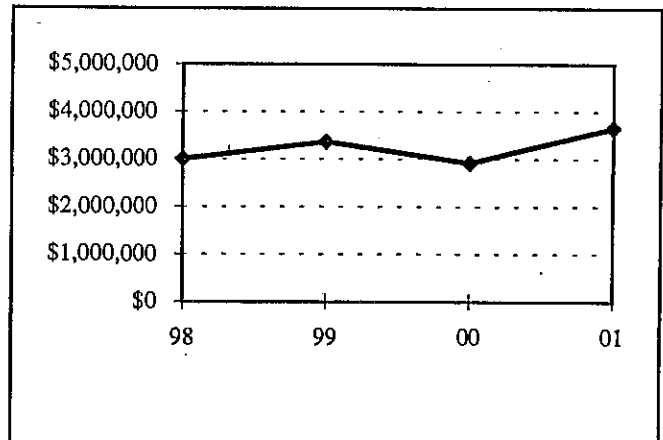
Revenue Summary:

	----- Actual -----	
Fiscal Year 1998		\$2,876,682
Fiscal Year 1999		\$3,237,756
	----- Estimate -----	
Fiscal Year 2000		\$2,924,356
Fiscal Year 2001		\$3,652,208
Change FY 00 to FY 01		\$727,852



Expenditure Summary:

	----- Actual -----	
Fiscal Year 1998		\$3,003,325
Fiscal Year 1999		\$3,365,973
	----- Estimate -----	
Fiscal Year 2000		\$2,924,356
Fiscal Year 2001		\$3,652,208
Change FY 00 to FY 01		\$727,852



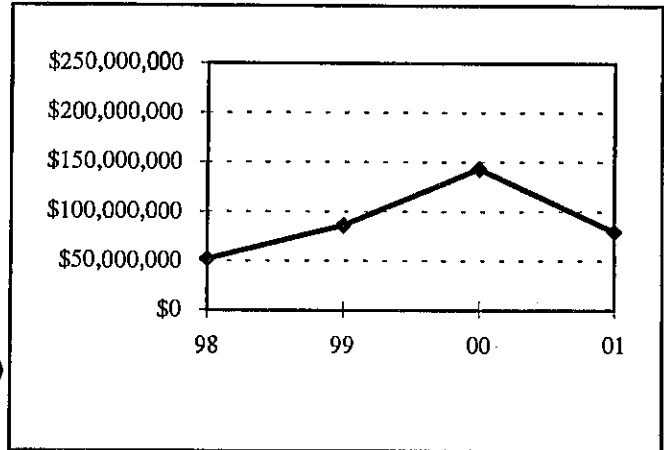
REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

C. Capital Projects Funds:

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

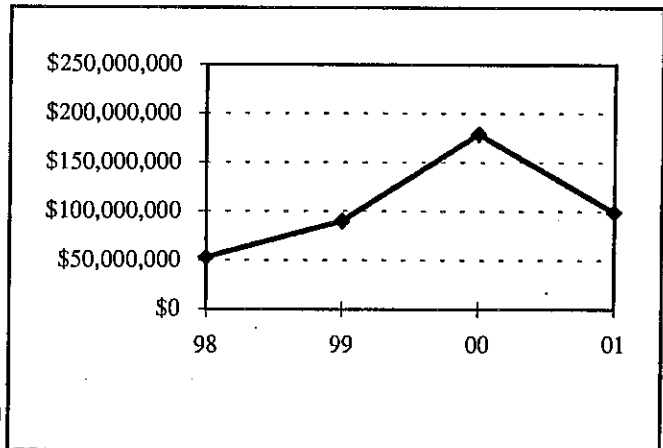
Revenue Summary:

	----- Actual -----	
Fiscal Year 1998		\$51,968,003
Fiscal Year 1999		\$86,055,309
	----- Estimate -----	
Fiscal Year 2000		\$143,450,755
Fiscal Year 2001		\$79,424,670
Change FY 00 to FY 01		(\$64,026,085)



Expenditure Summary:

	----- Actual -----	
Fiscal Year 1998		\$52,736,988
Fiscal Year 1999		\$89,850,678
	----- Estimate -----	
Fiscal Year 2000		\$178,972,735
Fiscal Year 2001		\$99,236,300
Change FY 00 to FY 01		(\$79,736,435)



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

II. PROPRIETARY FUND TYPES:

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

A. Enterprise Funds:

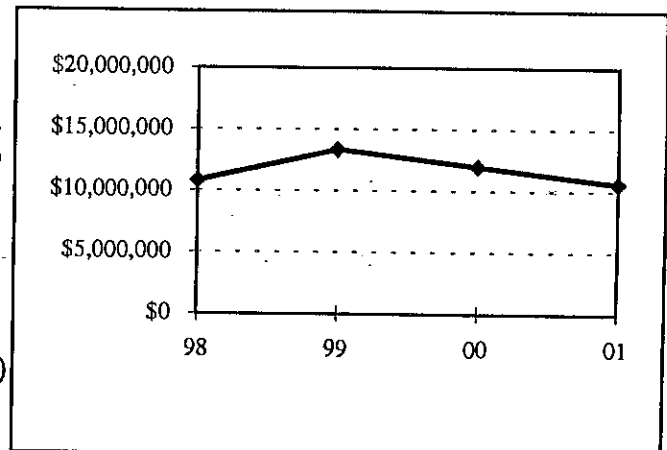
These funds are used to account for operations that are: (a) financed and operated in a manner similar to private business enterprises - where the intent of the Board of County Supervisors is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing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

I. Landfill (Solid Waste)

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

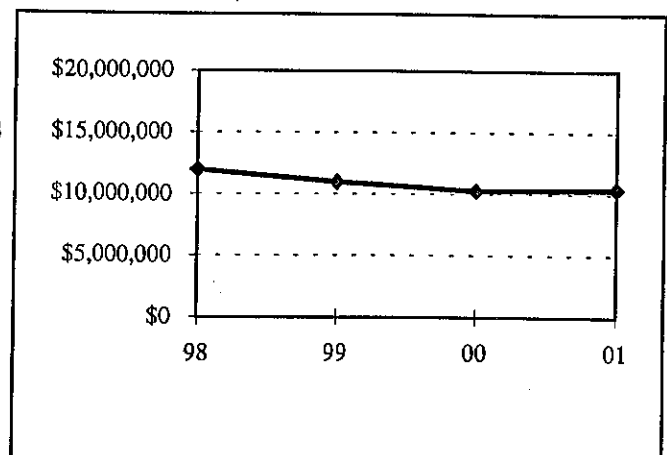
Revenue Summary:

	----- Actual -----	
Fiscal Year 1998		\$10,802,545
Fiscal Year 1999		\$13,340,150
	----- Estimate -----	
Fiscal Year 2000		\$11,969,655
Fiscal Year 2001		\$10,603,480
Change FY 00 to FY 01		(\$1,366,175)



Expenditure Summary:

	----- Actual -----	
Fiscal Year 1998		\$11,954,838
Fiscal Year 1999		\$10,962,591
	----- Estimate -----	
Fiscal Year 2000		\$10,238,040
Fiscal Year 2001		\$10,383,590
Change FY 00 to FY 01		\$145,550



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

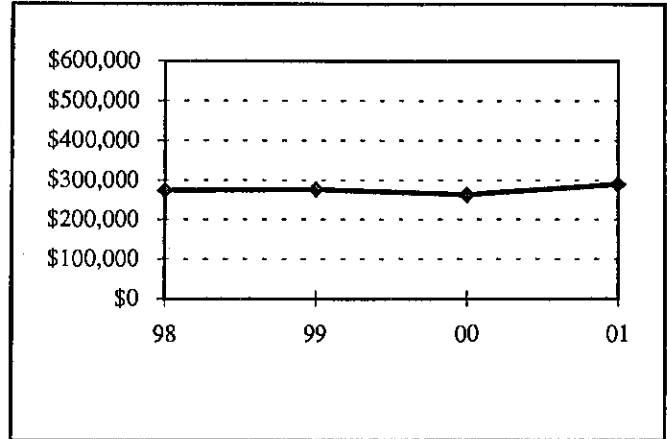
A. Enterprise Funds (continued):

2. Sanitary District (Special Tax District)

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

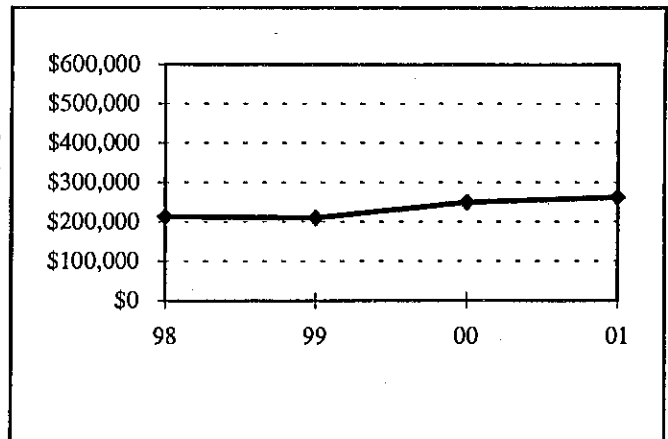
Revenue Summary:

	----- Actual -----	
Fiscal Year 1998		\$273,640
Fiscal Year 1999		\$276,475
	----- Estimate -----	
Fiscal Year 2000		\$263,152
Fiscal Year 2001		\$288,985
Change FY 00 to FY 01		\$25,833



Expenditure Summary:

	----- Actual -----	
Fiscal Year 1998		\$212,796
Fiscal Year 1999		\$209,644
	----- Estimate -----	
Fiscal Year 2000		\$249,188
Fiscal Year 2001		\$261,225
Change FY 00 to FY 01		\$12,037



REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

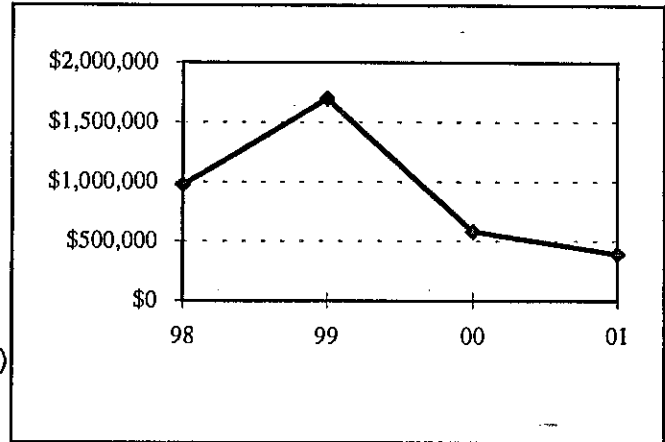
A. Enterprise Funds (continued):

3. INNOVATION @ Prince William

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

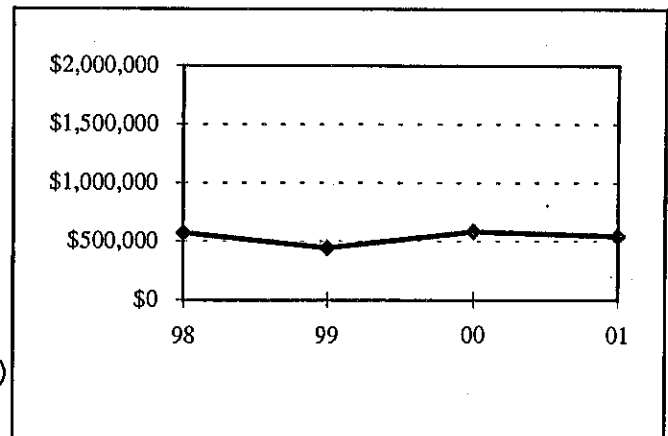
Revenue Summary:

----- Actual -----	
Fiscal Year 1998	\$975,250
Fiscal Year 1999	\$1,694,723
----- Estimate -----	
Fiscal Year 2000	\$582,500
Fiscal Year 2001	\$391,500
Change FY 00 to FY 01	(\$191,000)



Expenditure Summary:

----- Actual -----	
Fiscal Year 1998	\$572,388
Fiscal Year 1999	\$444,023
----- Estimate -----	
Fiscal Year 2000	\$582,500
Fiscal Year 2001	\$544,572
Change FY 00 to FY 01	(\$37,928)



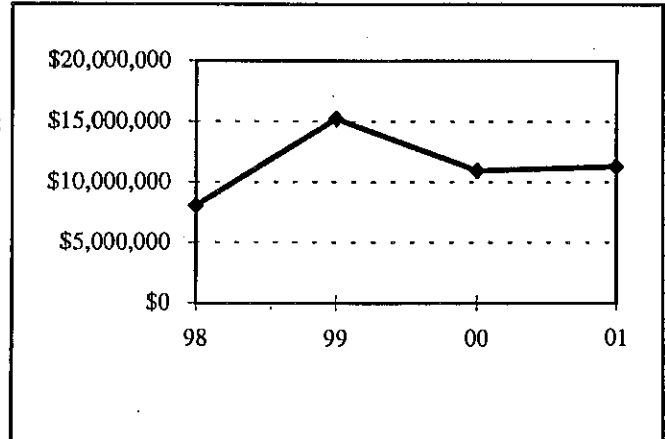
REVENUE AND EXPENDITURE COMPARISON BY FUND AREAS

B. Internal Service Funds:

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

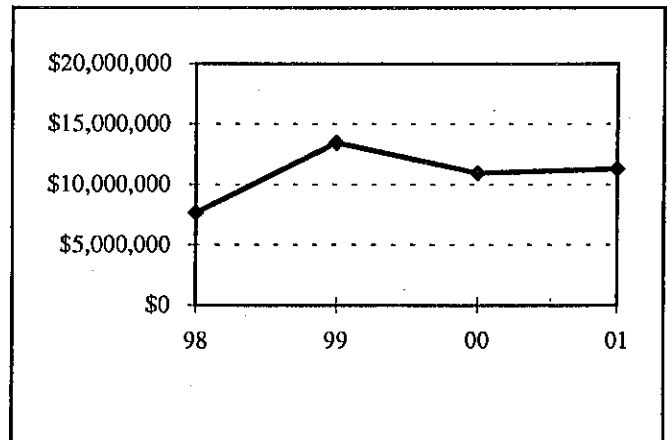
Revenue Summary:

	----- Actual -----	
Fiscal Year 1998		\$8,052,048
Fiscal Year 1999		\$15,211,795
	----- Estimate -----	
Fiscal Year 2000		\$10,932,198
Fiscal Year 2001		\$11,275,275
Change FY 00 to FY 01		\$343,077



Expenditure Summary:

	----- Actual -----	
Fiscal Year 1998		\$7,661,879
Fiscal Year 1999		\$13,447,519
	----- Estimate -----	
Fiscal Year 2000		\$10,932,198
Fiscal Year 2001		\$11,275,275
Change FY 00 to FY 01		\$343,077



FY2001 Fiscal Plan

Table of Contents

Budget Summary

Understanding the Budget

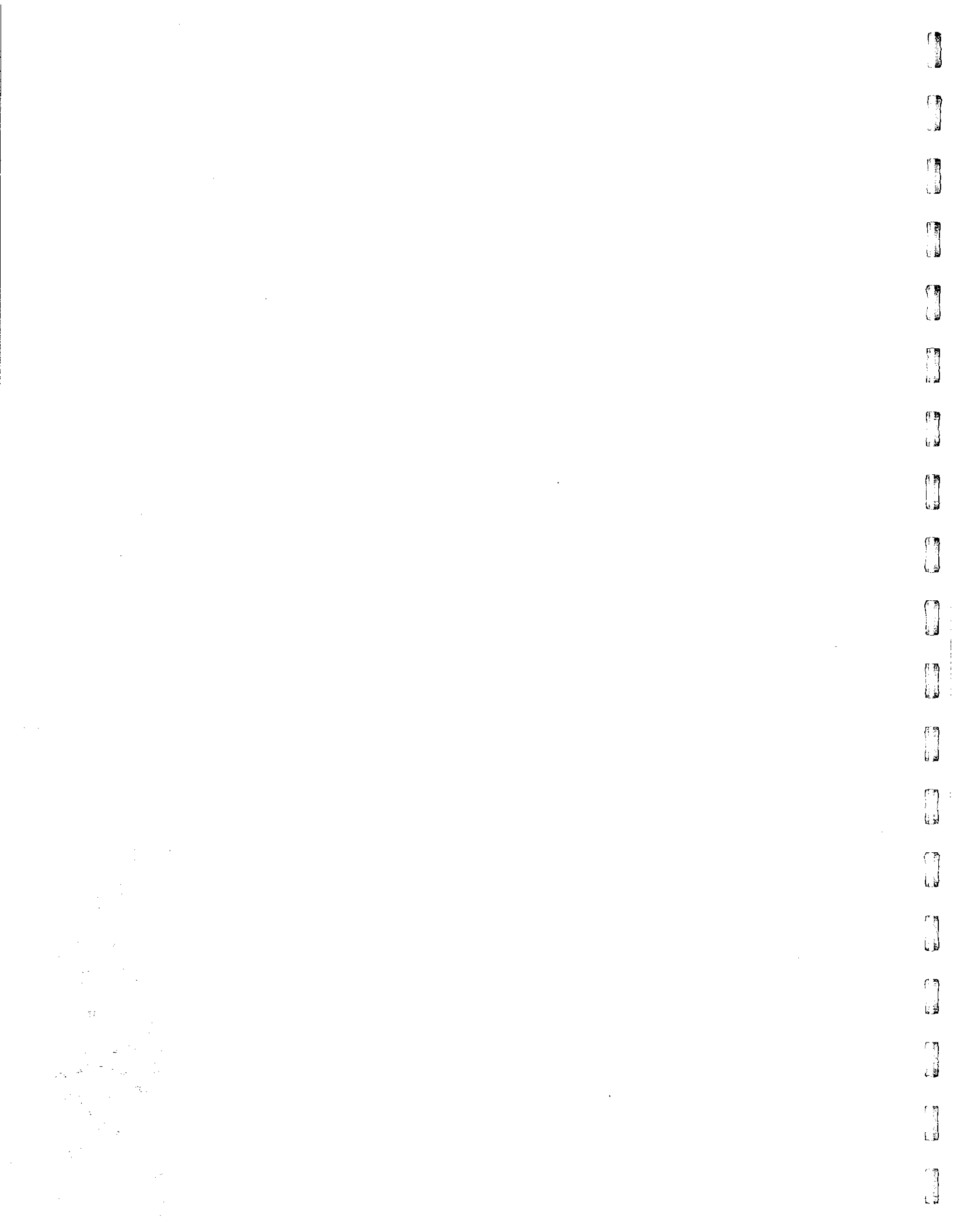
Strategic-Based
Outcome Budget Process

Expenditure Summary

Revenue Summary

Background and
Supplemental Statistical
Information

Glossary



Understanding the Budget

FACTS ABOUT THE BUDGET

Glossary

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

Development of the Annual Budget

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

As required by the code of Virginia, Sections 15.1-160 and 15.1-602, the County Executive must submit to the Board of County Supervisors a proposed fiscal plan on or before April 1 of each year for the fiscal year beginning July 1. After an extensive budget review and deliberation process and two public hearings to receive citizen input, the Board of County Supervisors makes its decisions on the Adopted Fiscal Plan. The fiscal plan must be adopted on or before May 1 of each year per the code of Virginia Section 22.1-93. A calendar of events for budget development activities for Fiscal Year 01 (July 1, 2000 - June 30, 2001) is included on the following page to describe the budget development process in greater detail.

Understanding the Budget

Fiscal Year 01 Budget Development Process

Calendar of Events

- | | | |
|-----------------------------|-----|---|
| July-August | 1. | Phase I: Agencies report to Office of Executive Management on prior fiscal year performance in achieving adopted agency outcomes and service levels |
| September-October | 2. | Executive Staff meets with agencies to review prior fiscal year performance and upcoming fiscal year goals, objectives, activities, outcomes, and service levels |
| October 22 | 3. | Phase II: Budget instructions and performance budget targets, including outcomes, service levels, revenues, expenditures, and County tax support, are distributed to agencies by Office of Executive Management |
| November 22 | 4. | Agencies submit Phase II budget increase requests and responses to performance budget targets to Office of Executive Management for review, analysis, and recommendations |
| December 1 | 5. | Agencies submit Capital Improvements Program (CIP) updates and new project requests to Office of Executive Management for review, analysis, and recommendations |
| December-January | 6. | Office of Executive Management meets with agencies to discuss Phase II budget issues and recommendations |
| February 29 | 7. | County Executive presents Proposed Fiscal Plan to the Board of County Supervisors |
| Early March-
Early April | 8. | Board of County Supervisors conducts community meeting with the public and budget work sessions with County government staff to review and deliberate the budget |
| March 4 | 9. | Office of Executive Management briefs Citizen Budget Committees regarding upcoming fiscal year budget and CIP |
| March 7 | 10. | Board of County Supervisors authorizes the advertisement of proposed tax and levy rates |
| March 20 and 22 | 11. | Board of County Supervisors conducts two public hearings regarding the proposed budget and tax and levy rates |
| April 11 | 12. | Board of County Supervisors adopts the Fiscal Plan and CIP |
| July 1 | 13. | Fiscal year and execution of agency budgets begin |

Understanding the Budget

The Budget in General

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

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

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

The Relationship between the Capital Improvements Program and The Budget

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

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

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

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

Understanding the Budget

Amending the Budget

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

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

BUDGET TRANSFER MATRIX

Transfers Within Subfund, Department, and Character

Transfer Category	Department Head Approval	BOCS Approval
Within Character	\$1 +	—

Transfers Within Subfund and Department Between Characters

Transfer Category	Department Head Approval	BOCS Approval
All	\$1 To \$19,999	\$20,000 +

Transfers Within Subfund Between Departments

Transfer Category	Department Head Approval	BOCS Approval
All	\$1 To \$19,999	\$20,000 +

Transfers Between Funds and Subfunds

Transfer Category	Director of Finance Approval	BOCS Approval
All	\$1 To \$19,999	\$20,000 +

Understanding the Budget

PRINCEWILLIAM COUNTY ACCOUNTING SYSTEM

I. BASIS OF BUDGETING

The County's governmental functions and accounting system are organized and controlled on a fund basis. Accounts are maintained on the modified accrual basis of accounting for governmental, expendable trust, and agency funds. Revenues are recognized when measurable and available as current assets. Expenditures are generally recognized when the related services or goods are received and the liability is incurred. Proprietary funds are accounted for on the full accrual basis of accounting, which requires that revenues be recognized in the period in which the service is given and that expenses be recorded in the period in which the benefit is received. The basis of budgeting for each of these funds is the same as the basis of accounting for each of these funds.

II. GOVERNMENTAL FUND TYPES

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

A. General Fund

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

B. Special Revenue Funds

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

C. Capital Projects Fund

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

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

Understanding the Budget

III. PROPRIETARY FUND TYPES

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

A. Enterprise Funds

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

B. Internal Service Funds

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

IV. FIDUCIARY FUND TYPES - TRUST AND AGENCY FUNDS

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

Understanding the Budget

Users Guide: How to Read the Budget Document

The agency detail section of the budget document consists of the following elements of information that describe each agency's organization, budget, and service delivery for Fiscal Year 2001.

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

Understanding the Budget

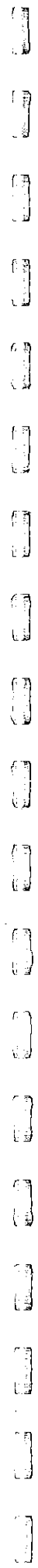
4. Charges for Services: fees that agencies charge the users of their products or services to recover some or all of the cost of the product or service rendered by the agency.
 5. Miscellaneous Revenue: various recovered costs, expenditure reimbursements, and gifts and donations.
 6. Revenue from Other Localities: funds received from other units of local government.
 7. Revenue from the Commonwealth: funds received from the State of Virginia.
 8. Revenue from the Federal Government: funds received from the government of the United States of America.
 9. Transfers (In): operating transfers of monies to the agency from another agency, fund, or subfund.
- D. Net General County Tax Support: the operating subsidy received by the agency; this amount is calculated by subtracting total agency funding sources (revenues) from total agency expenditures for each fiscal year.

For historical reference, final budget (appropriated) and actual expenditures and revenues are reported for FY 99 to allow comparisons. Adopted budget information is displayed for FY 00. The FY 00 and FY 01 budgets are compared in the final column, which calculates the percentage change between those two fiscal years.

- V. Major Issues – Narrative discussion summarizing major FY 2001 base budget changes and other issues for the agency as a whole.
- VI. FY 2001 Budget Additions – Narrative discussion of increases to the FY 01 base budget. Discussion includes a description of the item and its cost, its relevance to the 1996-2000 Strategic Plan, and the outcome and service level impacts of its implementation.
- VII. Agency Expenditure Budget History Graph - Bar and line graph display of the agency's adopted expenditure budget amounts for each fiscal year from FY 97 to FY 2001. Unless otherwise noted, the amounts of net tax support and other funding sources which support each year's adopted expenditure budget are displayed within the bar representing each year's adopted expenditure budget.
- VIII. Agency Staff - Total authorized full-time and part-time positions for FY 99, FY 00, and FY 01 are summarized for each agency by program. Values are expressed in FTEs (full-time equivalents). One FTE is equal to one full-time position.
- IX. Agency Staff History Graph - Bar and line graph display of the total authorized full-time and part-time positions for FY 97 through FY 2001 for each agency as a whole. Values are expressed in FTEs (full-time equivalents). One FTE is equal to one full-time position.
- X. Program Budget Summary - Each agency program has a box displayed under the title of the program that summarizes the program's expenditure budget and authorized staffing for FY 00 and FY 01. The dollar change and percent change between these two fiscal years' expenditure budgets are also shown. In addition, the change in the number of authorized FTEs between fiscal years is displayed.

Understanding the Budget

- XI. **Strategic Goal** – Statements of public policy adopted by the Board of County Supervisors through the 1996-2000 Strategic Plan. There are six County strategic goals: one each for Economic Development/ Quality of Life, Education, Effective Government, Human Services, Public Safety/Safe Community, and Transportation.
- XII. **Goal** – General statements of public policy purpose and intent. Although not included in the 1996-2000 Strategic Plan, these goals provide overall direction to County agencies and programs.
- XIII. **Program Locator** – The text indicates the program's location within the budget's functional areas and the agency's other programs.
- XIV. **Desired Community Outcomes by 2001** – Key outcomes with targets that demonstrate how the community or individual will benefit or change based on achieving the goal. Community outcomes are adopted by the Board of County Supervisors in the strategic plan, taken from the annual citizen telephone survey, or developed by agencies based on their mission and goals.
- XV. **Desired Program Outcomes by 2001** – Key outcomes that demonstrate how the community or individual will benefit or change based on achieving the goal, but are some specific to each individual agency and program than community outcomes.
- XVI. **Outcome Trends** – Multi-year trends for the community and program outcomes. The unit of measure is stated and the numerical targets shown for FY 99, FY 00 and FY 01 as adopted by the Board of County Supervisors. Actual results are shown for FY 98 and FY 99.
- XVII. **Fiscal 2001 Objectives** – Measurable statements of what the program will accomplish during FY 01 to achieve the larger goal and desired community outcomes.
- XVIII. **Activities** – Measurable statements describing the jobs performed by each program to achieve the stated objectives.
- XIX. **Activity Costs** – Statements of the adopted expenditure budget for each activity. The expenditure budget amounts are provided for FY 00 and FY 01.
- XX. **Service Level Trends Table** – Performance measures are displayed for each activity. Service level targets represent agency performance objectives for the year. The unit of measure is stated and the numerical targets shown for FY 99, FY 00, and FY 01 as adopted by the Board of County Supervisors. Actual results are reported for FY 98 and FY 99.



FY2001 Fiscal Plan

Table of Contents

Budget Summary

Understanding the Budget

**Strategic-Based
Outcome Budget Process**

Expenditure Summary

Revenue Summary

Background and
Supplemental Statistical
Information

Glossary



Prince William County Strategic-Based Outcome Budget Process

I. Prince William Financial and Program Planning Ordinance

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

II. Community Vision and Values

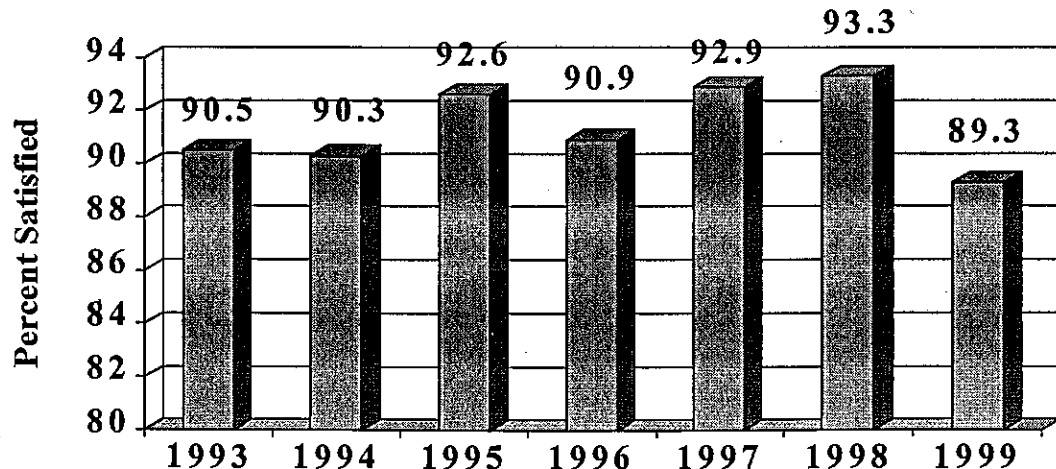
A. The Future Report

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

B. The Annual Citizen Survey

A formal visioning process is only one way the County gauges citizen's views on vision and values. Every spring, the University of Virginia conducts a citizen survey for Prince William County that asks citizens to rate their satisfaction both with overall County Government and with various County services and facilities. This survey provides valuable information to the Board of County Supervisors and to staff and ties directly into agencies' service level targets. Every four years, the County expands the use of this survey to include not only satisfaction with current services, but also citizens' views on issues and problems facing the County. The graph below shows citizen satisfaction with County government services from 1993-1999.

**Overall Citizen Satisfaction with
County Government Services**



Prince William County Strategic-Based Outcome Budget Process

C. On-going Community Dialogue

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

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

III. Prince William County Strategic Plan

A. Strategic Planning Process

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

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

The Board of County Supervisors adopted the County's first Strategic Plan in October 1992. The 1992-1996 Strategic Plan guided the development of the FY 94-97 Fiscal Plans. The second Strategic Plan was adopted in January 1997. The 1996-2000 Strategic Plan will guide the FY 98-01 Fiscal Plans. The County is currently in the process of developing the 2001-2005 Strategic Plan which will guide the development of the FY 2002-2006 budgets.

B. Strategic Plan Elements

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

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

Prince William County Strategic-Based Outcome Budget Process

C. 1996-2000 Strategic Goals

The six Strategic Goals are the service delivery areas in which Prince William County will place its emphasis over the next several years - particularly in its annual budget and capital improvements program.

Economic Development/Quality Growth

The County will focus its economic development efforts on providing quality jobs and increasing the commercial tax base through the attraction of companies and the expansion of existing businesses.

Education

The County will provide a quality educational environment which enables the School Board, in partnership with the higher education community and the private sector, to provide students with job readiness skills and/or the academic background for post-secondary education.

Effective Government

The County will provide an accountable, responsive government with demonstrated effectiveness and efficiency.

Human Services

The County will value all of its citizens and will provide an efficient, effective, integrated, easily accessible delivery of human services that supports individual and family efforts to achieve independence, self-sufficiency and a desirable quality of life.

Public Safety

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

Transportation

The County will provide a transportation system that gets people to jobs, improves safety, reduces congestion, reduces travel time, supports economic development, and facilitates intra/inter County movement.

D. Strategic Plan Accomplishments

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

1. The National Association of Counties (NACO) presented a 1992 Achievement Award for the County's Strategic Plan.
2. Over 1,300 citizens were involved in developing the 1996-2000 Strategic Plan.

Prince William County Strategic-Based Outcome Budget Process

IV. Measuring Performance

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

A. Strategic Plan Community Outcomes

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

1. Economic Development/Quality Growth Community Outcomes:

- Increase the Commercial Tax Base to 25%.
- Add or expand 40 targeted businesses to Prince William County.
- Increase the average wage per employee by 12% at the end of 5 years as measured in constant dollars.
- Increase the ratio of County residents who work in the County by at least 8% by the year 2001.
- Increase economic development capital investment by \$88 million from the addition of new and expansion of existing businesses (non-retail).
- Add 2,800 new jobs from attraction of new and expansion of existing businesses (non-retail).
- Increase the ratio of employment to population (jobs per capita) to .32.

2. Education Community Outcomes:

- All students will demonstrate proficiency on Prince William County School Division tests administered to students in Grades 3, 5, 7 and 10.
- All students will pass all three Literacy Passport tests within three testing opportunities.
- 80% of all 6th grade students will pass all three Literacy Passport Tests in the first testing opportunity.
- All students in grades 5 and 8 enrolled in the Prince William County public schools for a minimum of three prior consecutive years will read at or above grade level.
- The percent of students who take the Virginia Assessment Program standardized tests under standard conditions whose composite scores are above the national 25th percentile will exceed the State average.
- The percent of students who take the Virginia Assessment Program standardized tests under standard conditions whose composite scores are above the national 75th percentile will exceed the state average.
- The percent of eleventh and twelfth grade students who take the Scholastic Aptitude Test will exceed the state and national averages.
- The percent of eleventh and twelfth grade students taking the Scholastic Aptitude Test who score at or above 1,100 will exceed the state and national averages.
- The mean score of eleventh and twelfth grade students taking the Scholastic Aptitude Test will exceed the state and national averages.

Prince William County Strategic-Based Outcome Budget Process

2. Education Community Outcomes (continued):

- The percent of eleventh and twelfth grade students taking advanced placement courses who score three or more on the advanced placement tests will exceed state averages.
- The percent of high school graduates who earn the advanced studies diploma will exceed the state average.
- The percent of students in Grades 7-12 who drop out of school will be less than the state average.
- The percent of students in Grades K-12 who were absent ten days or fewer from school will be greater than the state average.
- Increase the percentage of graduates who are registered voters.
- Increase the percentage of graduates who are satisfied with the skills and knowledge acquired while attending Prince William County public schools.
- All tenth grade students will qualify for the Prince William County Proficiency Diploma.
- All eleventh grade students will successfully complete the Prince William County Research Project requirement.
- 80% of parents, students, staff, and members of the community will rate their overall level of satisfaction with the schools and the school division as good or excellent.
- Incidents of physical and verbal violence in schools will decrease from 19.2 per 1000 to 18 per 1000.

3. Effective Government Community Outcomes:

- Achieve AAA bond rating.
- 80% of citizens are satisfied with the value of County tax dollars for services.
- 75% of citizens are satisfied with the mix of County government services.
- 70% of citizens trust County government.
- 67% of citizens trust the School system.
- 90% of citizens trust the Park Authority.
- 88% of citizens trust the Service Authority.
- 92% of citizens are satisfied with overall County government.
- 89% of citizens are satisfied with the efficiency and effectiveness of County government.
- The number of adopted County program outcomes achieved will increase by 10% each year.

4. Human Services Community Outcomes:

- Decrease the number of substantiated cases of abuse, neglect and exploitation of children, adults and the elderly by 25%.
- Increase the program capacity of community based programs for at-risk youth by 15% so that not more than two out of every thousand youth will enter juvenile correctional facilities, State psychiatric hospitals or out-of County residential facilities each year.
- Help 10% more low-income families by increasing the number of assisted living units and affordable housing units.
- Ensure that 100% of all elderly and persons with disabilities identified as being at-risk receive services to maximize their opportunity to remain independent.
- Increase substance abuse services by 20% so that not less than 90% of identified substance abusers receive services within 5 days.
- Decrease self-admitted substance abuse by middle and high school students by 10% as measured by student surveys of at-risk behavior.
- Expand the capacity and variety of after school and summer programs for middle school age children by 30% so that juvenile crime arrests as a percent of all arrests will decrease by 10%.

Prince William County Strategic-Based Outcome Budget Process

4. Human Services Community Outcomes (continued):

- Decrease the number of homeless residents in the County by 15%.
- Ensure that 85% of all County families are satisfied with the availability and quality of programs designed to promote strong families.
- Ensure that 100% of all County human service agencies will operate using a networked consumer database for intake and referral.

5. Public Safety Community Outcomes:

- Reduce fire injuries from 14.8/100,000 to 13/100,000.
- Improve response time for Advanced Life Support (ALS) by 4%.
- Improve response time for Basic Life Support (BLS) by 5%.
- Improve response time for Fire service by 5%.
- Prince William will rank in the lowest third of the COG Region Crime Rate Index with a crime rate of less than 37 per 1,000 population.
- Juvenile crime arrests as a percent of all arrests will decrease by 2%.
- Violent juvenile crime arrests as percent of all violent crime arrests will decrease by 2%.
- Reduce police emergency response time from 8.3 minutes to 7.3 minutes.
- Prince William County will attain a closure rate equal to or greater than the national average of 21%.

6. Transportation Community Outcomes:

- 53% of citizens say their commute time has decreased.
- 75% of citizens are satisfied with ease of travel time in the County.
- Reduce the number of traffic accidents at critical intersections by 5%.
- Improve travel time based on VDOT levels of service.

B. Goals, Objectives and Activities

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

1. **Strategic Goals** – Statements of public policy adopted by the Board of County Supervisors through the 1996-2000 Strategic Plan. There are six County strategic goal areas: Economic Development/Quality of Life, Education, Effective Government, Human Services, Public Safety/Safe Community and Transportation.
2. **Goal** – General statements of the public policy mission and intent of each program. These are not included in the Prince William County 1996-2000 Strategic Plan.
3. **Desired Community Outcomes by 2001** – Key outcomes with targets that demonstrate how the community or individual will benefit or change based on achieving the goal. Community outcomes are adopted by the Board of County Supervisors in the strategic plan, taken from the annual citizen telephone survey, or developed by agencies based on their mission and goals.
4. **Desired Program Outcomes by 2001** – Key outcomes that also demonstrate how the community or individual will benefit or change based on achieving the goal, but these outcomes are more specific to each individual agency and program than are community outcomes.
5. **Outcome Trends** – Multi-year trends for the community and program outcomes. The unit of measure is stated and the numerical targets shown for FY 99, FY 00 and FY 2001 as adopted by the Board of County Supervisors. Actual data is shown for FY 98 and FY 99.

Prince William County Strategic-Based Outcome Budget Process

B. Goals, Objectives and Activities (continued)

6. **Objectives** – Measurable statements of what the program will accomplish during the fiscal year to achieve the larger goal and community outcomes targets.
7. **Activities** – Measurable statements describing the jobs performed in order to achieve the objectives.
8. **Activity Costs** - Statement of the expenditure budget for each activity.
9. **Service Levels** – Performance measures are displayed for each program and activity. Service level targets represent agency performance objectives for the year. The unit of measure is stated and the numerical targets shown for FY 99, FY 00 and FY 2001 as adopted by the Board of County Supervisors. Actual data is reported for FY 98 and FY 99.

C. Service Efforts and Accomplishments Report

Prince William takes performance measurement one step further with the production of Service Efforts and Accomplishments (SEA) reports for various aspects of County government. These reports contain cost, workload and performance measures as benchmarked against performance in prior years and similar measures in other jurisdictions. Thus, in developing the SEA, the County decided to measure success not only against its own performance but against other similar jurisdictions. The areas that were reported in the 1999 SEA include:

1. Police
2. Libraries
3. Public Welfare
4. Fire and Rescue
5. Community Services Board (Mental Health, Mental Retardation and Substance Abuse Services)
6. Adult Detention Center
7. Sheriff
8. Building Development
9. Planning
10. Solid Waste
11. Public Health
12. Pre/Post Dispositional Youth Residential Services
13. Real Estate Assessments

D. Performance Measurement Accomplishments

1. Community outcomes recommended by citizens are incorporated into each Strategic Goal area in the adopted 1996-2000 Strategic Plan.
2. Each program of County government reports its fiscal year goals in the form of service level targets and reports actual performance against these targets.
3. The County benchmarks its services against similar services in other jurisdictions in annual Service Efforts and Accomplishments (SEA) reports.
4. The National Association of Counties (NACO) presented a 1993 Achievement Award for the County's Performance Measurement System.
5. The County has been selected by the International City and County Manager's Association (ICMA) to participate along with 50 other jurisdictions in their Performance Measurement Consortium. Its purpose is to develop measures that can be used by all jurisdictions, thus facilitating benchmarking one jurisdiction with another. The County is sharing its expertise in developing measures in the following categories: Police services, Fire and Rescue services, Neighborhood services (parks, recreation, planning and zoning) and Administrative services.
6. The ICMA has recently published an interactive CD-ROM that teaches jurisdictions how to develop a performance measurement system. Prince William County is featured extensively in the CD-ROM.

Prince William County Strategic-Based Outcome Budget Process

V. Resource Allocation

A. From Line Item Budgeting to Outcome Budgeting

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

B. An Outcome Budgeting Example

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

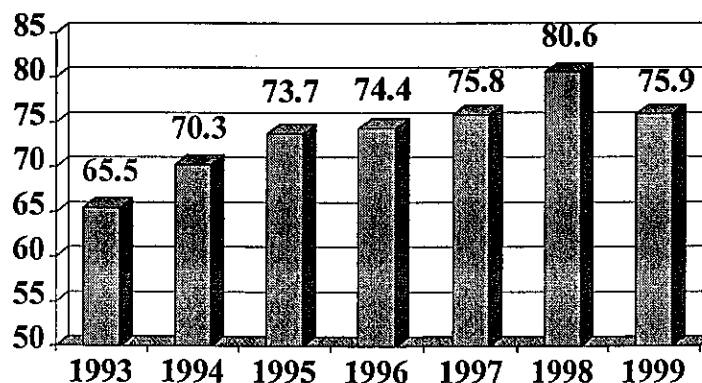
C. Measuring Outcome Budget Success

Two measures of success in outcome budgeting in recent years has been the decline in the overall cost of government and the shifting of resources to strategic goal areas. The County has had much success in recent years in minimizing the cost of government. Taxpayers are paying \$73 a year less per capita for general County services than they did in 1992 when adjusted for inflation. In 1992, the general budgeted cost per capita for County services (including schools) was \$1,369. The FY 2001 adopted budget's cost per capita is \$1,296, adjusted for inflation.

D. Citizen Satisfaction

The County is also constantly receiving input from its citizens on what services are appropriate for government to provide. This input is received through the County's strategic planning process and through the County's annual citizen survey. In 1999, the citizen survey showed that 89.3% of County residents were satisfied or very satisfied with the services provided by Prince William County Government. Also in 1999, citizen satisfaction with the value for their tax dollar was 75.9%, up from 65.5% in 1993.

**Citizen Satisfaction with the Value
of County Tax Dollars**

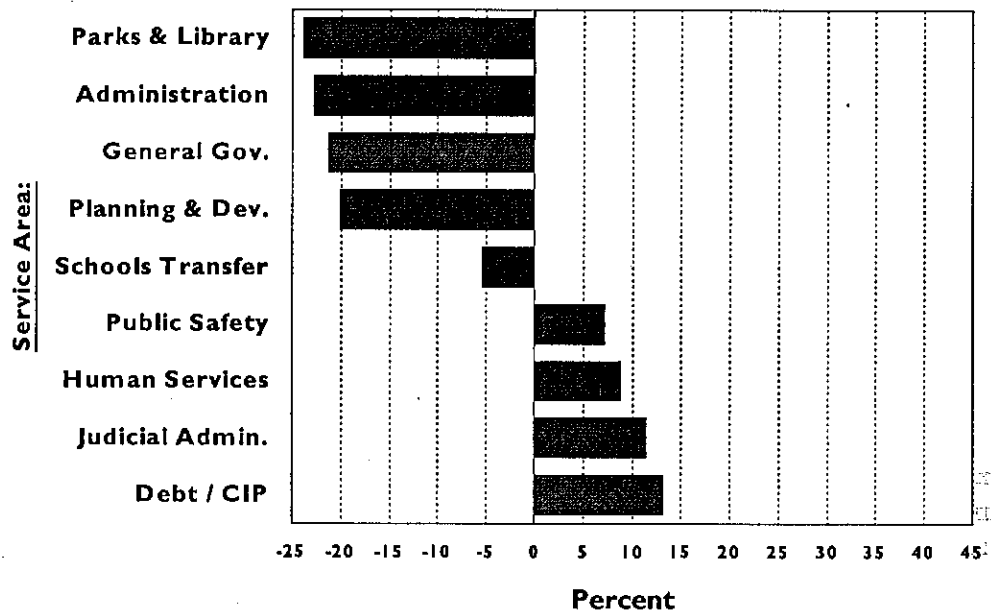


Prince William County Strategic-Based Outcome Budget Process

D. Citizen Satisfaction (continued)

The success of linking Strategic Planning to resource allocation can also be seen in the following graph which shows the change in cost per capita by service area. Stated simply, those areas of government considered Strategic gain resources and those service areas considered not strategic lose resources.

**Fiscal Year 1992 to 2001 Percent Change
In Cost Per Capita by Service Area
(Adjusted for Inflation)**



E. Resource Allocation Accomplishments

1. The Strategic Plan has guided resource allocation in the County. Shifting resources to strategic service areas and away from those services areas considered to be non-strategic. (See chart showing impact of implementing 1992-2000 Strategic Plan shown above)
2. The Strategic Plan guides the development of the Capital Improvements Program (CIP); 60% of the projects in the County's CIP support strategies and objectives in the Strategic Plan.
3. Prince William County has received the Certificate of Achievement of Distinguished Budget Presentation from the Government Finance Officers' Association (GFOA) for every budget year from FY87 through FY00. This is the highest form of recognition in governmental budgeting. In FY98 and again in FY00, the County received an upgraded award when the GFOA recognized the Prince William County Fiscal Plan as an "Outstanding Operations Guide".
4. The National Association of Counties (NACO) presented a 1995 Achievement Award to the County for Prince William's budgeting process which focuses on outcomes (Budgeting for Results).

Prince William County Strategic-Based Outcome Budget Process

VI. Principles of Sound Financial Management

A. Basis for Sound Financial Management

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

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

B. County Bond Rating

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

C. Adopted Policies

The Principles of Sound Financial Management include the following:

1. Annual Fiscal Plan

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

2. Revenues

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

Prince William County Strategic-Based Outcome Budget Process

C. Adopted Policies (continued)

3. Capital Improvement Program

- Adopt annually an updated comprehensive multi-year capital improvement program; and
- Dedicate annually a minimum of 3% of General Fund revenues allocated to the County's operating budget.

4. Debt Management

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

5. Cash Management

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

6. Assessments

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

7. Property Tax Collection

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

8. Procurement

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

9. Risk Management

- Maintain a strong risk management program; and
- Establish and maintain an actuarially determined fund for self-insured loss exposures.

10. Revenues

- Establish and maintain a minimum General Fund Balance equal to 5% of the average annual General Fund revenues over the preceding five years; and
- Limit the use of this General Fund Balance to nonrecurring operating expenditures of an emergency nature.

FY2001 Fiscal Plan

Table of Contents

Budget Summary

Understanding the Budget

Strategic-Based
Outcome Budget Process

Expenditure Summary

Revenue Summary

Background and
Supplemental Statistical
Information

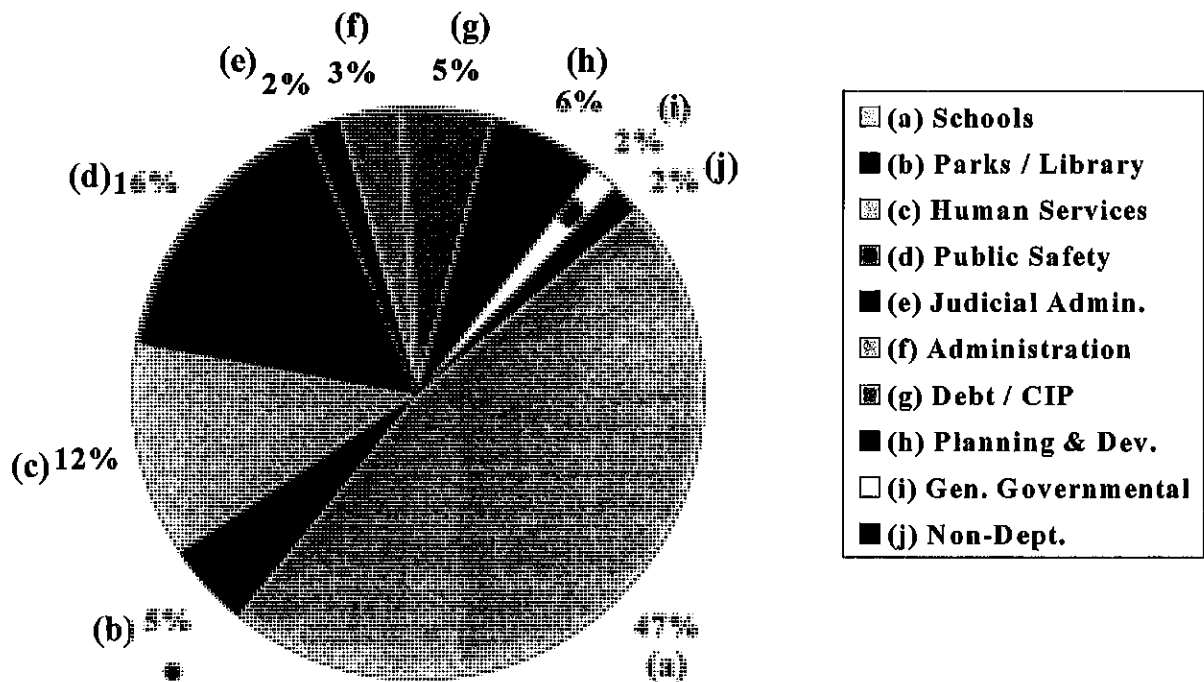
Glossary



Expenditure Summary

The total FY 2001 Adopted General Fund budget is \$435.6 million within the ten functional categories shown here. This pie chart indicates which services County revenues buy for the citizens of Prince William County. The largest single slice of this pie (47%) goes towards funding the Prince William County School System. The next largest categories are Public Safety at 16% and Human Services at 12%. These three categories make up three-quarters of the total Prince William County budget (75%).

Fiscal Year 2001 General Fund Budget By Functional Categories (Includes School Transfer Budget)

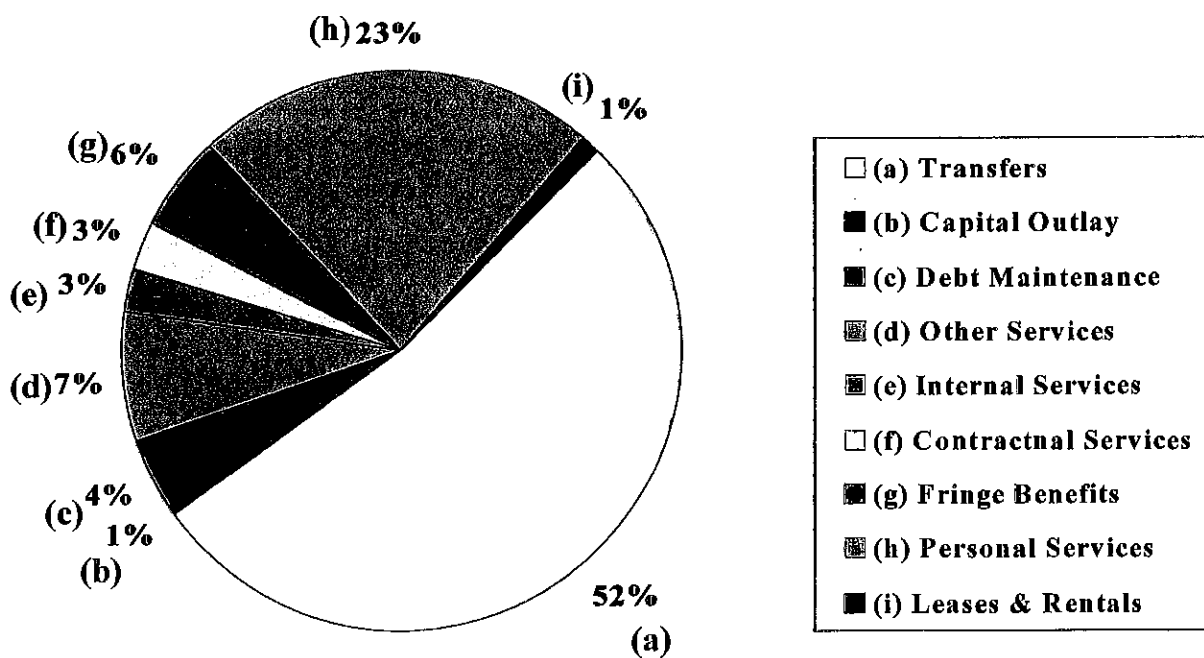


\$435,632,854

Expenditure Summary

This pie chart shows the Adopted Fiscal 2001 General Fund Budget by expenditure categories. All General Fund Expenditures (totaling \$435.6 million) are grouped into nine categories of expenditures. The largest slice of this pie (52%) is Transfers (a) which includes transfers to the Prince William County School System, Park Authority, Construction Fund, Potomac and Rappahanock Transportation Commission and the Adult Detention Center. The largest of these transfers is the Prince William County School System budget totaling \$205 million. The next largest category of expenditures (23%) is Personal Services (h) which contains salaries for all full-time, part-time and temporary County employees. Combined with fringe benefits (g), compensation for County employees totals 29% of total General Fund expenditures. Other Services (d) is the next largest category at 7%. This category contains the operating budgets for County agencies. Together, these four categories make up 88% of the total General Fund expenditure budget.

Fiscal Year 2001 General Fund Budget By Category of Expenditure (Includes School Transfer Budget)



\$435,632,854

Expenditure Summary

Department / Agency	FY 1997		FY 1998		% Change 97 To 98		FY 1999		% Change 98 To 99		FY 2000		% Change 99 To 00		FY 2001		% Change 00 To 01	
	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget
SECTION ONE: GENERAL FUND EXPENDITURE SUMMARY:																		
General Governmental:																		
Board Of County Supervisors	\$842,947		\$871,261		3.36%		\$895,259		2.75%		\$1,017,699		13.68%		\$1,095,506		7.65%	
Office Of Executive Management	\$3,213,178		\$3,079,935		-4.15%		\$3,504,493		13.78%		\$3,805,180		8.58%		\$4,062,214		6.75%	
County Attorney	\$1,339,022		\$1,422,696		6.25%		\$1,541,763		8.37%		\$1,637,050		6.18%		\$1,763,705		7.74%	
Sub Total	\$5,395,147		\$5,373,892		-0.39%		\$5,941,515		10.56%		\$6,459,929		8.73%		\$6,921,425		7.14%	
Administration:																		
Board Of Equalization	\$41,729		\$41,729		0.00%		\$41,729		0.00%		\$41,729		0.00%		\$41,729		0.00%	
Contingency Reserve	\$408,067		\$408,067		0.00%		\$574,067		40.68%		\$408,067		-28.92%		\$408,067		0.00%	
Finance	\$6,529,279		\$7,037,668		7.79%		\$7,881,103		11.98%		\$8,358,564		6.06%		\$8,590,709		2.78%	
Human Rights Office	\$321,613		\$326,239		1.44%		\$312,255		-4.29%		\$396,614		27.02%		\$367,676		-7.30%	
Off Of Information Technology	\$0		\$3,321,450		---		\$3,886,584		17.01%		\$3,961,002		1.91%		\$4,450,587		12.36%	
General Registrar	\$733,031		\$749,344		2.23%		\$754,803		0.73%		\$818,064		8.38%		\$846,125		3.43%	
Property & Misc. Insurance	\$556,050		\$406,050		-26.98%		\$406,050		0.00%		\$406,050		0.00%		\$406,050		0.00%	
Unemployment Insurance Reserve	\$60,000		\$60,000		0.00%		\$60,000		0.00%		\$60,000		0.00%		\$60,000		0.00%	
Sub Total	\$22,525,608		\$12,350,547		-45.17%		\$13,916,591		12.68%		\$14,450,090		3.83%		\$15,170,943		4.99%	
Judicial Administration:																		
Clerk Of The Court	\$2,593,068		\$2,688,880		3.69%		\$2,816,645		4.75%		\$3,169,325		12.52%		\$3,270,777		3.20%	
Commonwealth's Attorney	\$1,786,389		\$1,887,869		5.68%		\$2,229,787		18.11%		\$2,332,547		4.61%		\$2,513,344		7.75%	
Criminal Justice Services	\$816,748		\$859,983		5.29%		\$979,198		13.86%		\$1,072,932		9.57%		\$1,243,851		15.93%	
Juvenile Court Service Unit	\$63,527		\$80,460		26.65%		\$81,191		0.91%		\$187,554		131.00%		\$223,427		19.13%	
General District Court	\$140,034		\$126,639		-9.57%		\$145,168		14.63%		\$153,599		5.81%		\$162,080		5.52%	
Juvenile & Domestic Relations Court	\$57,303		\$102,488		78.85%		\$50,265		-50.96%		\$95,265		89.53%		\$53,465		-43.88%	
Law Library	\$121,046		\$154,098		27.31%		\$169,677		10.11%		\$194,484		14.62%		\$197,414		1.51%	
Magistrates	\$17,228		\$21,490		24.74%		\$26,147		21.67%		\$30,965		18.43%		\$47,621		53.79%	
Sub Total	\$5,595,343		\$5,921,907		5.84%		\$6,498,078		9.73%		\$7,236,671		11.37%		\$7,711,979		6.57%	
Planning And Development:																		
Economic Development	\$1,217,935		\$1,330,959		9.28%		\$1,298,753		-2.42%		\$1,336,559		2.91%		\$1,577,478		18.03%	
Planning	\$3,039,947		\$3,130,275		2.97%		\$3,518,651		12.41%		\$3,795,521		7.87%		\$3,532,560		-6.93%	
Transfer To Transportation Fund	\$1,513,768		\$1,513,768		0.00%		\$1,613,768		6.61%		\$1,713,768		6.20%		\$1,713,768		0.00%	
Transfer To Litter Control (A)	\$69,226		\$69,325		0.14%		\$69,325		0.00%		\$69,325		0.00%		\$0		-100.00%	
Public Works	\$6,330,925		\$18,044,643		185.02%		\$18,119,714		0.42%		\$18,949,540		4.58%		\$20,146,309		6.37%	
Sub Total	\$12,171,801		\$24,088,970		97.91%		\$24,620,211		2.21%		\$25,864,713		5.05%		\$26,970,115		4.27%	

Expenditure Summary

Department / Agency	FY 1997		FY 1998		FY 1999		FY 2000		FY 2001	
	Adopted Budget	% Change 97 To 98 Adopted	Adopted Budget	% Change 98 To 99 Adopted	Adopted Budget	% Change 99 To 00 Adopted	Adopted Budget	% Change 00 To 01 Adopted		
Public Safety:										
Fire And Rescue	\$12,504,607	3.91%	\$12,993,182	12.23%	\$14,582,131	13.16%	\$16,500,587	13.16%	\$17,770,276	7.69%
Public Safety Communications	\$3,498,566	21.61%	\$4,254,662	4.17%	\$4,432,257	10.51%	\$4,897,925	10.51%	\$5,561,230	13.54%
Sheriff	\$3,405,557	-4.51%	\$3,252,022	6.59%	\$3,466,321	11.74%	\$3,873,296	11.74%	\$4,284,449	10.62%
Transfer To Jail	\$5,292,175	-2.49%	\$5,160,375	11.94%	\$5,776,582	5.27%	\$6,081,064	5.27%	\$6,661,638	9.55%
Police	\$26,026,758	8.58%	\$28,259,773	7.31%	\$30,326,947	9.33%	\$33,157,215	9.33%	\$36,091,827	8.85%
Sub Total	\$50,727,663	6.29%	\$53,920,014	8.65%	\$58,584,238	10.12%	\$64,510,087	10.12%	\$70,369,420	9.08%
Human Services:										
Community Services Board	\$13,830,639	-5.04%	\$13,134,228	4.26%	\$13,693,249	4.02%	\$14,244,370	4.02%	\$15,857,015	11.32%
Extension & Continuing Ed.	\$598,320	6.41%	\$636,682	2.86%	\$654,893	12.00%	\$733,491	12.00%	\$783,525	6.82%
Office For Women	\$46,516	5.18%	\$48,924	10.30%	\$53,962	19.54%	\$64,508	19.54%	\$68,609	6.36%
Office On Youth	\$92,411	23.46%	\$114,090	-0.94%	\$113,022	1.42%	\$114,624	1.42%	\$272,982	138.15%
School Age Care	\$174,840	5.09%	\$183,735	32.26%	\$243,001	-0.70%	\$241,300	-0.70%	\$264,836	9.75%
Area Agency On Aging	\$1,405,285	15.94%	\$1,629,228	5.48%	\$1,718,446	19.19%	\$2,048,151	15.50%	\$2,258,938	10.29%
At Risk Youth And Family Services	\$3,205,905	3.15%	\$3,306,807	2.36%	\$3,384,707	2.48%	\$3,909,286	2.48%	\$4,234,403	8.32%
Public Health (B)	\$3,271,857	2.55%	\$3,355,383	8.72%	\$3,432,729	10.84%	\$3,517,866	10.84%	\$3,678,622	4.57%
Social Services	\$19,730,969	1.32%	\$19,991,082	6.20%	\$21,734,627	8.74%	\$24,090,062	8.74%	\$25,803,050	7.11%
Sub Total	\$42,356,742	0.10%	\$42,400,159	6.20%	\$45,028,636	8.74%	\$48,963,658	8.74%	\$53,221,980	8.70%
Parks And Library:										
Contributions (Stafford Airport)(C)	\$7,003	-3.10%	\$6,786	3.58%	\$7,029	55.68%	\$10,943	55.68%	\$0	-100.00%
Library	\$9,680,587	0.41%	\$9,720,490	1.70%	\$9,886,209	5.04%	\$10,384,847	5.04%	\$11,087,499	6.77%
Park Auth. Local Contribution	\$5,874,844	8.42%	\$6,369,570	27.53%	\$8,123,051	8.99%	\$8,852,955	8.99%	\$8,701,386	-1.71%
Sub Total	\$15,562,434	3.43%	\$16,096,846	11.92%	\$18,016,289	6.84%	\$19,248,745	6.84%	\$19,788,885	2.81%
Debt / CIP:										
CIP (Manassas Airport)(C)	\$25,000	288.00%	\$97,000	3.09%	\$100,000	-70.00%	\$30,000	-70.00%	\$0	-100.00%
Trans To Construction Funds	\$2,780,391	28.70%	\$3,578,270	-21.69%	\$2,802,221	45.48%	\$4,076,628	45.48%	\$3,865,642	-5.18%
General Debt	\$16,841,079	4.51%	\$17,600,900	9.75%	\$19,317,463	-3.82%	\$18,579,701	-3.82%	\$18,297,833	-1.52%
UOSA Expansion	\$677,000	0.00%	\$677,000	0.00%	\$677,000	0.00%	\$677,000	0.00%	\$677,000	0.00%
Sub Total	\$20,323,470	8.02%	\$21,953,170	4.30%	\$22,896,684	2.04%	\$23,363,329	2.04%	\$22,840,475	-2.24%
Non-Departmental:										
Unclassified Administrative	\$3,741,184	14.42%	\$4,280,768	14.36%	\$4,895,312	14.69%	\$5,614,667	14.69%	\$7,597,546	35.32%
Sub Total	\$3,741,184	14.42%	\$4,280,768	14.36%	\$4,895,312	14.69%	\$5,614,667	14.69%	\$7,597,546	35.32%
Total Without School Transfer	\$178,399,392	4.48%	\$186,386,273	7.52%	\$200,397,554	5.80%	\$215,711,889	7.64%	\$230,592,768	6.90%
Transfer To Schools	\$164,383,160	4.34%	\$171,520,105	4.76%	\$179,683,065	6.77%	\$190,997,405	6.77%	\$205,040,086	7.86%
Total With School Transfer	\$342,782,552	4.41%	\$357,906,378	6.20%	\$380,080,619	6.20%	\$405,809,294	6.20%	\$435,632,854	7.35%

Expenditure Summary

Department / Agency	FY 1997		FY 1998		FY 1999		FY 2000		FY 2001		% Change	
	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	Adopted	Budget	99 To 00	00 To 01
Special Revenue Funds:												
Trans. To P.R.T.C.	\$1,513,768	\$1,513,768	0.00%		\$1,613,768	\$1,613,768	6.61%	\$1,713,768	\$1,713,768	6.20%	6.20%	0.00%
Commuter Rail Station Parking	\$325,275	\$325,275	0.00%		\$101,823	\$101,823	-68.70%	\$101,823	\$101,823	0.00%	0.00%	0.00%
Comm. parking lease rev bond debt	\$647,285	\$1,589,815	145.61%		\$1,587,285	\$1,586,815	-0.16%	\$1,586,815	\$1,516,346	-0.03%	-4.44%	-4.44%
Adult Detention Center	\$12,656,934	\$12,745,515	0.70%		\$14,030,317	\$14,653,031	10.08%	\$14,653,031	\$15,724,257	4.44%	7.31%	7.31%
Lake Jackson Service Dist.	\$44,000	\$44,000	0.00%		\$53,000	\$53,000	20.45%	\$53,000	\$53,000	0.00%	0.00%	0.00%
Woodbine Forest Service District	--	--	--		\$4,876	\$4,886	---	\$4,886	\$5,057	0.21%	3.50%	3.50%
Foremost Court Service District	--	--	--		\$6,204	\$6,400	---	\$6,400	\$3,864	3.16%	-39.63%	-39.63%
Spc tax dist;Gypsy Moth/Mosq ctrl	\$461,528	\$552,561	19.72%		\$430,438	\$435,011	-22.10%	\$435,011	\$451,405	1.06%	3.77%	3.77%
P. W. Parkway Trans Imprv Dst.	\$684,000	\$730,000	6.73%		\$900,000	\$946,649	23.29%	\$946,649	\$900,000	5.18%	-4.93%	-4.93%
234 Bypass Trans Imprv Dst	\$60,000	\$100,000	66.67%		\$70,000	\$47,157	-30.00%	\$47,157	\$46,000	-32.63%	-2.45%	-2.45%
Stormwater Management	\$3,270,992	\$3,642,399	11.35%		\$4,240,543	\$3,894,247	16.42%	\$3,894,247	\$4,181,080	-8.17%	7.37%	7.37%
Housing & Community Dev.	\$2,822,351	\$2,726,548	-3.39%		\$2,793,489	\$2,924,356	2.46%	\$2,924,356	\$3,652,208	4.68%	24.89%	24.89%
Total Special Revenue Funds	\$23,861,320	\$23,969,881	0.45%		\$25,831,743	\$26,367,143	7.77%	\$26,367,143	\$28,348,808	2.07%	7.52%	7.52%

Capital Projects Fund:												
Capital Improvement Projects	\$28,784,841	\$11,012,172	-61.74%		\$25,981,662	\$101,351,672	135.94%	\$101,351,672	\$30,342,984	290.09%	-70.06%	-70.06%
Total Capital Projects Fund	\$28,784,841	\$11,012,172	-61.74%		\$25,981,662	\$101,351,672	135.94%	\$101,351,672	\$30,342,984	290.09%	-70.06%	-70.06%

Enterprise Fund:												
Public Works; Solid Waste	\$9,514,835	\$10,568,290	11.07%		\$13,580,512	\$10,238,040	28.50%	\$10,238,040	\$10,383,590	-24.61%	1.42%	1.42%
Bull Run Mountain Serv. Dist	\$54,000	\$54,000	0.00%		\$67,500	\$67,500	25.00%	\$67,500	\$67,500	0.00%	0.00%	0.00%
Innovation @ Prince William	\$0	\$573,750	---		\$582,500	\$582,500	1.53%	\$582,500	\$544,572	0.00%	-6.51%	-6.51%
Occoquan Forest Sanitary Dist.	\$164,550	\$179,250	8.93%		\$178,463	\$181,688	-0.44%	\$181,688	\$193,725	1.81%	6.63%	6.63%
Total Enterprise Fund	\$9,945,865	\$11,375,290	14.37%		\$14,408,975	\$11,069,728	26.67%	\$11,069,728	\$11,189,387	-23.17%	1.08%	1.08%

Internal Service Funds:												
Public Works; Fleet Management	\$2,390,367	\$2,516,460	5.28%		\$2,545,026	\$2,688,929	1.14%	\$2,688,929	\$2,868,738	5.65%	6.69%	6.69%
OIT; Data Processing	\$3,782,642	\$3,795,025	0.33%		\$4,458,983	\$6,799,463	17.50%	\$6,799,463	\$6,772,742	52.49%	-0.39%	-0.39%
Public Works; Small Proj. Const.	\$1,402,328	\$1,346,498	-3.98%		\$1,414,134	\$1,443,806	5.02%	\$1,443,806	\$1,633,794	2.10%	13.16%	13.16%
Total Internal Service Funds	\$7,575,337	\$7,657,983	1.09%		\$8,418,143	\$10,932,198	9.93%	\$10,932,198	\$11,275,274	29.86%	3.14%	3.14%

Expenditure Summary

Department / Agency	FY 1997		FY 1998		FY 1999		FY 2000		FY 2001	
	Adopted Budget	% Change 97 To 98	Adopted Budget	% Change 98 To 99	Adopted Budget	% Change 99 To 00	Adopted Budget	% Change 00 To 01		
Fire And Rescue Levy Funds:										
Nokesville	\$278,079	0.94%	\$280,681	3.06%	\$289,275	3.43%	\$299,200	3.43%	\$402,960	34.68%
Dumfries										
Fire	\$882,590	-3.40%	\$852,590	6.47%	\$907,758	6.54%	\$967,110	6.54%	\$1,065,288	10.15%
Rescue	\$642,000	0.00%	\$642,000	0.50%	\$645,200	0.50%	\$673,588	4.40%	\$798,966	18.61%
O.W.L.	\$1,710,890	14.97%	\$1,967,089	0.52%	\$1,977,375	0.52%	\$2,099,893	6.20%	\$2,232,199	6.30%
Neabsco	\$1,385,382	7.84%	\$1,493,965	28.28%	\$1,916,533	18.45%	\$1,990,030	3.83%	\$1,990,030	0.00%
Stonewall	\$552,500	22.62%	\$677,500	-18.45%	\$552,500	5.43%	\$582,500	5.43%	\$632,500	8.58%
Coles	\$407,250	3.62%	\$422,000	7.40%	\$453,236	10.28%	\$499,835	10.28%	\$501,600	0.35%
Yorkshire	\$309,400	0.00%	\$309,400	-7.24%	\$287,000	31.01%	\$376,000	31.01%	\$366,000	-2.66%
Lake Jackson	\$420,087	0.05%	\$420,287	42.80%	\$600,187	-4.00%	\$576,187	-4.00%	\$577,060	0.15%
Gainesville	\$347,730	2.88%	\$357,730	-0.03%	\$357,635	27.48%	\$455,900	27.48%	\$762,400	67.23%
Evergreen	\$370,890	7.84%	\$399,972	-7.80%	\$368,792	6.81%	\$393,900	6.81%	\$718,783	82.48%
Buckhall	\$377,940	0.00%	\$377,940	49.74%	\$565,940	-25.63%	\$420,900	-25.63%	\$480,200	14.09%
Wellington	\$0		\$35,000	0.00%	\$35,000	0.00%	\$35,000	0.00%	\$0	-100.00%
Montclair	\$0		\$0		\$0		\$0		\$0	
Total Fire & Rescue Levy Funds	\$7,684,738	7.18%	\$8,236,154	8.75%	\$8,956,431	4.62%	\$9,370,043	4.62%	\$10,527,986	12.36%

Department / Agency	FY 1997		FY 1998		FY 1999		FY 2000		FY 2001	
	Adopted Budget	% Change 97 To 98	Adopted Budget	% Change 98 To 99	Adopted Budget	% Change 99 To 00	Adopted Budget	% Change 00 To 01		
Schools:										
Operating Fund	\$290,273,209	5.06%	\$304,950,332	8.04%	\$329,453,482	9.81%	\$361,783,334	9.81%	\$392,329,706	8.44%
School Debt Service Fund	\$17,390,776	11.64%	\$19,415,000	11.52%	\$21,650,757	0.83%	\$21,831,188	0.83%	\$26,578,581	21.75%
Construction Fund	\$37,035,182	121.29%	\$81,957,000	-65.81%	\$28,021,250	177.01%	\$77,621,063	177.01%	\$68,893,316	-11.24%
Food Service Fund	\$10,557,928	5.36%	\$11,124,207	6.17%	\$11,810,771	6.34%	\$12,559,959	6.34%	\$14,200,275	13.06%
Warehouse	\$2,000,000	0.00%	\$2,000,000	10.00%	\$2,200,000	0.00%	\$2,200,000	0.00%	\$2,600,000	18.18%
Facilities Use Fund	\$304,497	-1.86%	\$298,845	5.16%	\$314,279	4.66%	\$328,925	4.66%	\$386,577	17.53%
Self Insurance Fund	\$3,268,947	13.59%	\$3,713,265	2.28%	\$3,798,006	3.25%	\$3,921,416	3.25%	\$4,086,647	4.21%
Health Insurance Fund	\$13,442,248	22.09%	\$16,411,913	13.52%	\$18,630,990	-8.61%	\$17,027,627	-8.61%	\$19,142,863	12.42%
Regional School Fund	\$8,175,875	22.39%	\$10,006,776	7.31%	\$10,738,674	14.13%	\$12,256,507	14.13%	\$13,446,459	9.71%
Total Schools	\$382,448,662	17.63%	\$449,877,338	-5.17%	\$426,618,209	19.43%	\$509,530,019	19.43%	\$541,664,424	6.31%

Note: All Prior Year Budget Amounts Are Adopted Budget Amounts. As Such, They Exclude Carryovers Of Funds From Prior Fiscal Years And Any Budget Amendments Which Occurred After Adoption Of The Fiscal Years Budget.

(A) The Transfer to Litter Control was transferred to the Public Works County Beautification Program in the General Fund for the FY 2001 Budget. There is no funding reduction.

(B) The Public Health Expenditure Budget Represents The County-Held Portion Of The Total Public Health Budget Displayed In The Agency Summary Of Expenditures And Revenues.

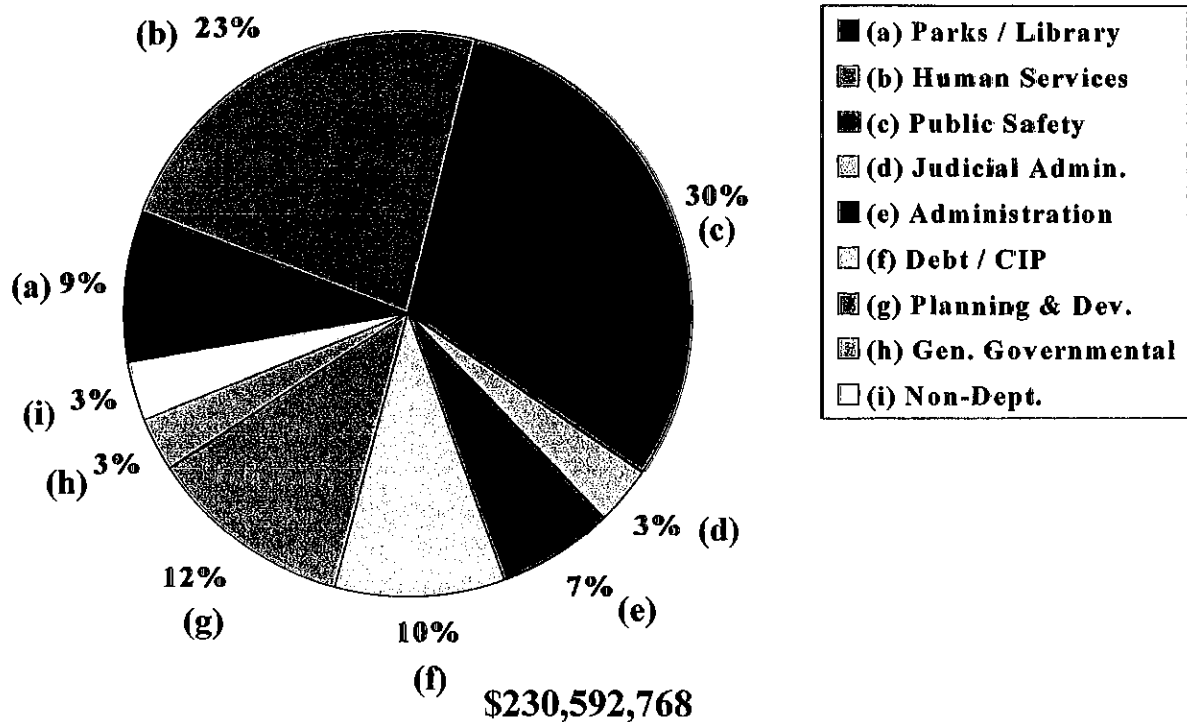
(C) The County Contributions to Manassas and Stafford Airports were transferred to and will be paid from the Planning budget in the FY 2001 Budget. There is no funding reduction.

Expenditure Summary

The total FY 2001 Adopted General Fund Budget excluding the Prince William County School Transfer Budget is \$230.6 million within nine functional categories. The various categories are shown in this pie chart. As in FY 2000, Public Safety continues to receive the largest commitment of County funds with 30% of the total budget. This category funds: Police, Fire and Rescue, Public Safety Communications, Sheriff, and the Adult Detention Center. Again as in FY 2000, Human Services is the second largest category with 23% of the total budget. This category contains funding for such departments as: Social Services, Community Services Board, Aging, Cooperative Extension, At-Risk Youth, and Health. Taken together, these two categories command over half (53%) of the total Prince William County budget. The remainder of the budget is broken into the following categories:

- Administration (7%) funds financial, support and community activities such as: the Finance Department; the Office of Information Technology, Human Rights and the General Registrar;
- Debt/Capital Improvements Program (CIP) (10%) funds debt payments for such projects as road construction and the projects contained in the County's FY 2001-2006 Capital Improvements Program;
- Parks and Library (9%) contains funding for Prince William's library system, and the Park Authority;
- Planning and Development (12%) contains funding for Public Works, Economic Development, the Planning Office, and Potomac and Rappahanock Transportation Commission /Transit;
- Non-Departmental (3%) contains funding for such areas as the Counties Self-Insurance program and General Fund support for Data Processing and Fleet.
- Judicial Administration (3%) contains funding for Criminal Justice and all Court services;
- General Governmental (3%) contains funding for the Board of County Supervisors, the County Attorney, and the Office of Executive Management.

Fiscal Year 2001 General Fund Budget By Functional Categories (Excludes School Transfer Budget)

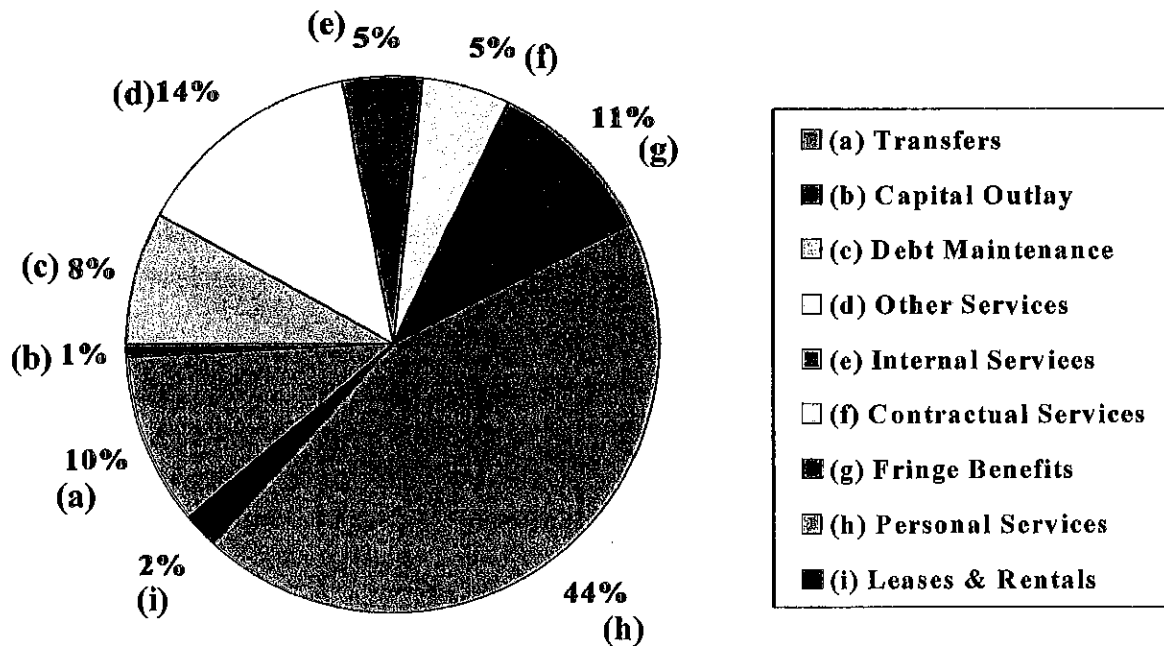


Expenditure Summary

This pie chart shows the FY 2001 Adopted General Fund Budget by expenditure categories excluding the Prince William County School Budget transfer (a total of \$230.6 million). These General Fund expenditures relate only to the County government portion of the budget. The largest slice of this pie (44%) is Personal Services (h). Combined with Fringe Benefits (11%) (g), compensation for all County employees accounts for over one-half (55%) of total General Fund expenditures. The remainder of the budget is broken into the following categories:

- Other Services (14%) contains funds to supply, equip and train employees to perform their jobs;
- Debt Maintenance (8%) pays the debt service on capital projects such as roads and other construction;
- Transfers (10%) contains funds transferred out of the General Fund to the Park Authority, Potomac and Rappahanock Transportation Commission, Adult Detention Center and the Construction Fund;
- Contractual Services (5%) contains funds to pay for products and services contracted out by the County;
- Internal Services (5%) contains funds to account for financing of goods or services provided by one department of the County to other departments. An example is data processing services;
- Leases and Rentals (2%) contains funds to pay for leases and rentals on goods and property;
- Capital Outlay (1%) pays for capital items, e.g., vehicles purchased by County departments.

Fiscal Year 2001 General Fund Budget By Category of Expenditure (Excludes School Transfer Budget)

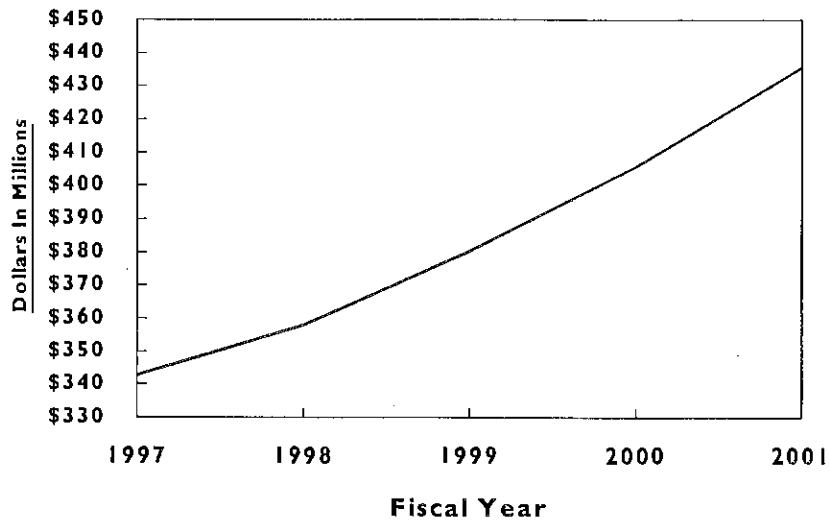


\$230,592,768

Expenditure Summary

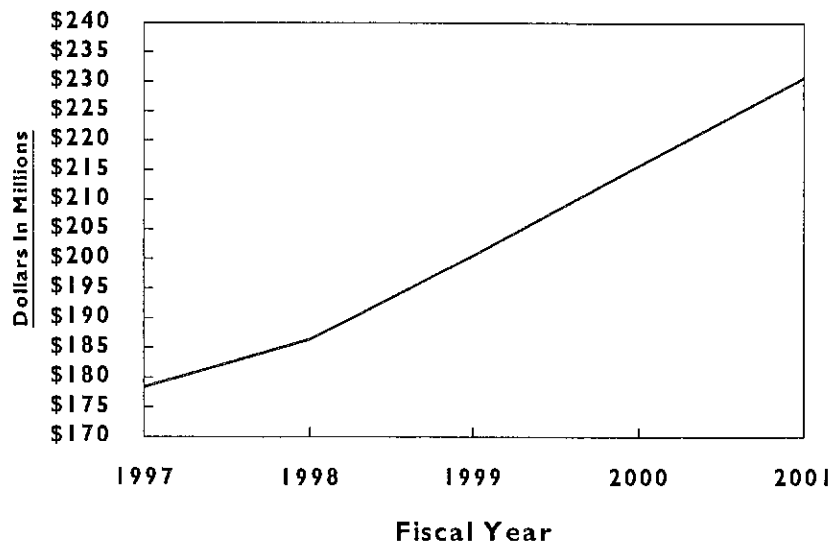
The following graphs show the General Fund Budget history both including and excluding the Prince William County School Transfer Budget. With the Prince William County School budget included, total expenditures have increased 27.1% from FY 1997 Adopted to FY 2001 Adopted (from \$342.8 million to \$435.6 million). Excluding the Prince William County School budget, total expenditures have increased 29.3% over the same period (from \$178.4 million to \$230.6 million).

General Fund Expenditure Budget History (INCLUDES SCHOOL TRANSFER BUDGET)



Note: All Years Adopted

General Fund Expenditure Budget History (EXCLUDES SCHOOL TRANSFER BUDGET)

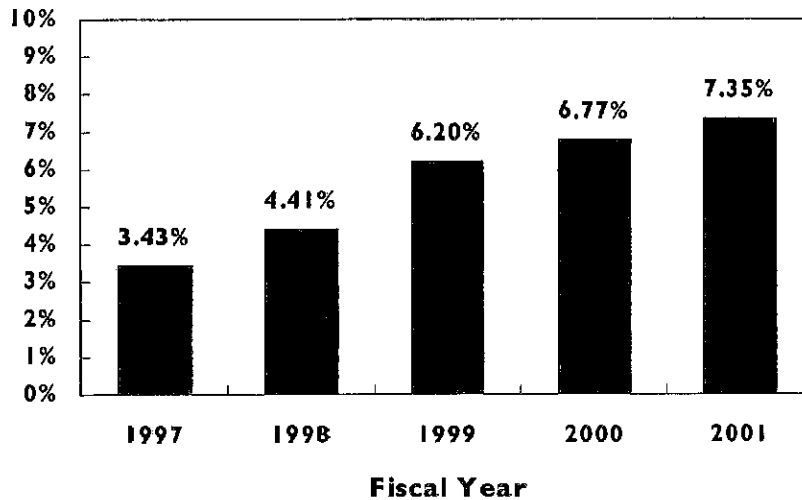


Note: All Years Adopted

Expenditure Summary

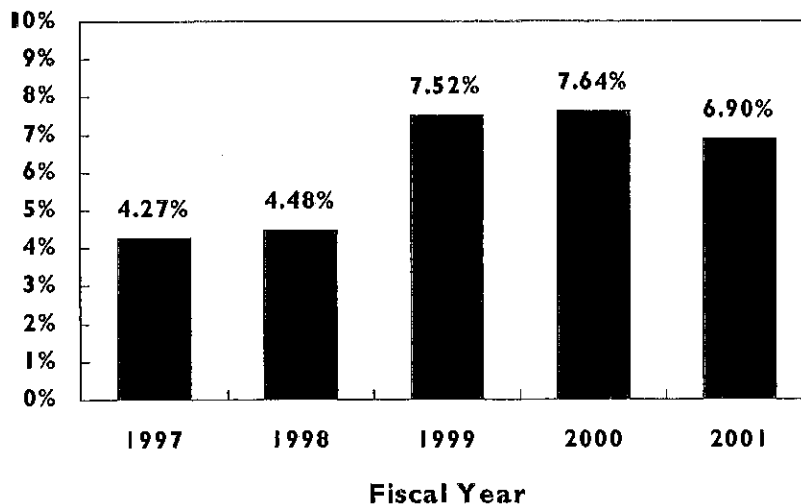
As the following graphs show, General Fund Expenditure Budgets from FY 1997 Adopted to FY 2001 Adopted including the Prince William County School Transfer Budget has increased an average of 5.63% per year. Excluding the Prince William County School Budget Transfer, total General Fund Expenditures have increased an average of 6.16% per year.

General Fund Expenditure Budget History
Percent Change: Fiscal Year 1997 to 2001
(Includes School Transfer Budget)



Note: All Years Adopted

General Fund Expenditure Budget History
Percent Change: Fiscal Year 1997 to 2001
(Excludes School Transfer Budget)



Note: All Years Adopted

FY2001 Fiscal Plan

Table of Contents

Budget Summary

Understanding the Budget

Strategic-Based
Outcome Budget Process

Expenditure Summary

Revenue Summary

Background and
Supplemental Statistical
Information

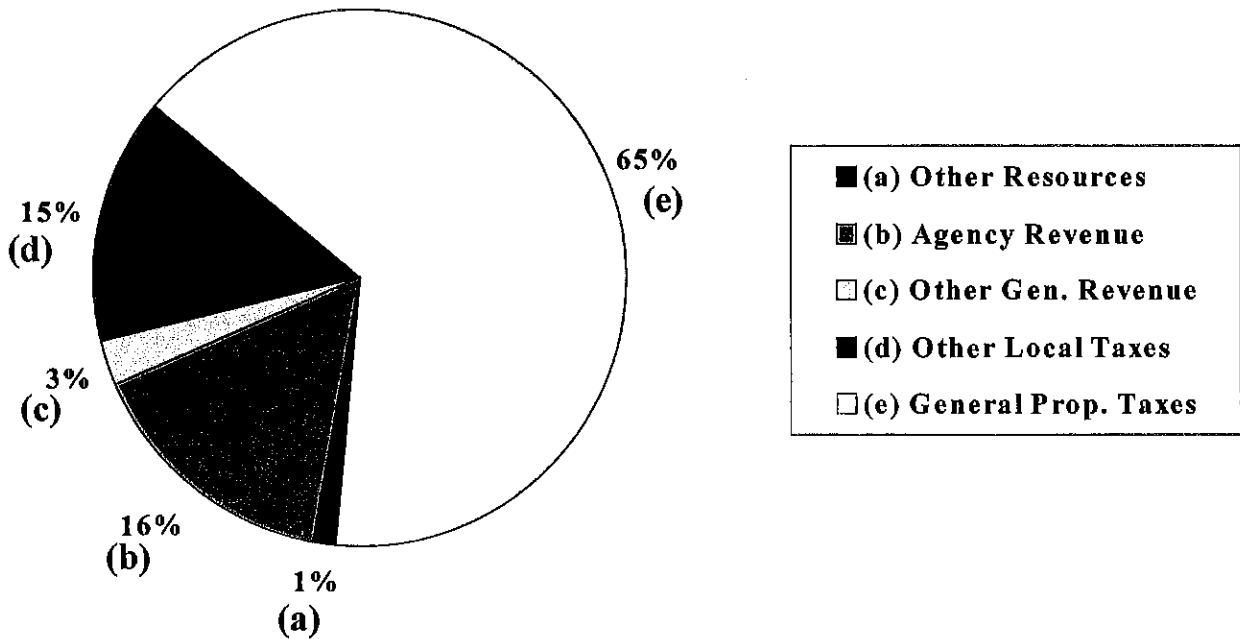
Glossary



Revenue Summary

The General Fund accounts for all financial transactions and resources in Prince William County other than those required to be accounted for in another Fund. Thus, the General Fund is the largest and most important fund used by the County. The General Fund is divided into revenues and expenditures. This pie chart shows all FY 2001 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 (65%) comes from General Property Taxes. This source contains revenues received from the County's real estate and personal property taxes. The next largest source Agency Revenue (16%), 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. The next source, (15%) is Other Local Taxes which 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. These three pieces of the pie, when added together, make up 96% of total funding sources in the General Fund.

Fiscal Year 2001 Funding Sources General Fund



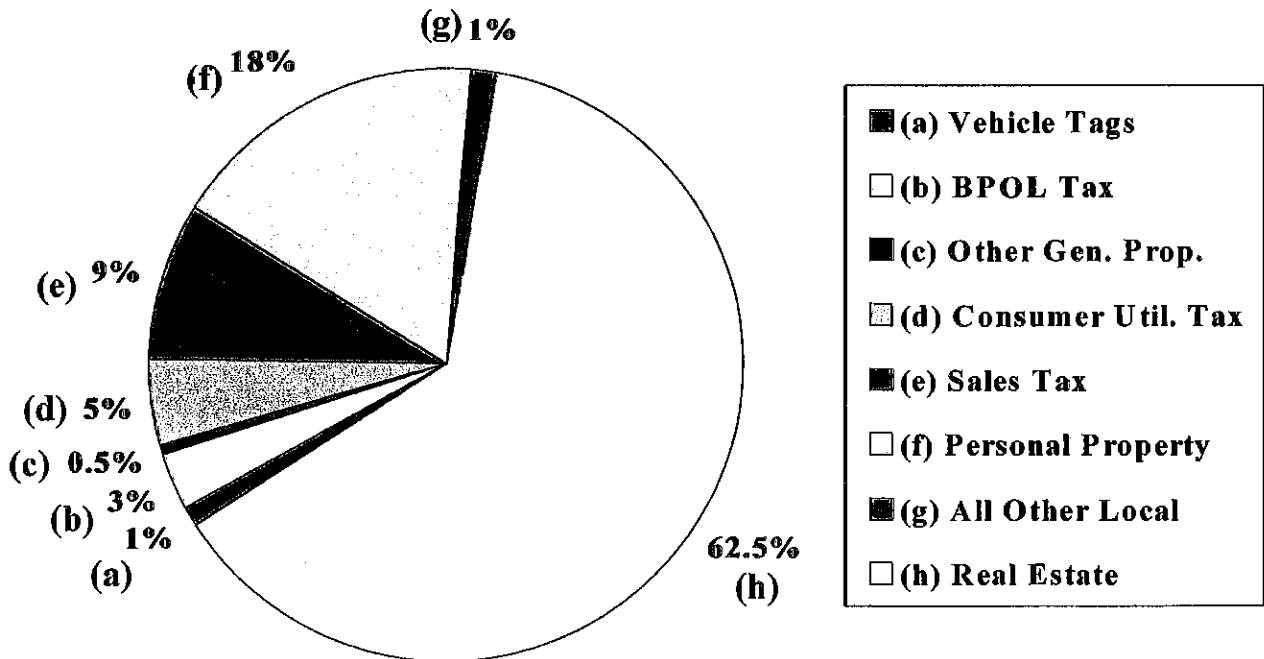
\$435,632,854

Revenue Summary

This pie chart provides detail regarding the County's FY 2001 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 (62.5%) comes from the real estate tax (\$1.34 per \$100 of assessed value) assessed on citizen's homes and real estate properties. The next largest source (18%) is Personal Property Taxes (\$3.70 per \$100 of assessed value) assessed on individual and business personal property. The next source (9%) is Sales Tax (a tax rate of 1%) levied on the retail sale or rent of most tangible property. These three tax sources taken together provide 89.5% of total local tax dollars coming into the County. The smaller sources of tax dollars include:

- Vehicle Tags (1%) received from the annual sale of automobile decals;
- All Other Local (1%) 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%) levied on the gross receipts of County businesses;
- Consumer Utility Tax (5%) levied on the consumers of telephone, electric and natural gas.

Detail of Fiscal Year 2001 Local Tax Sources

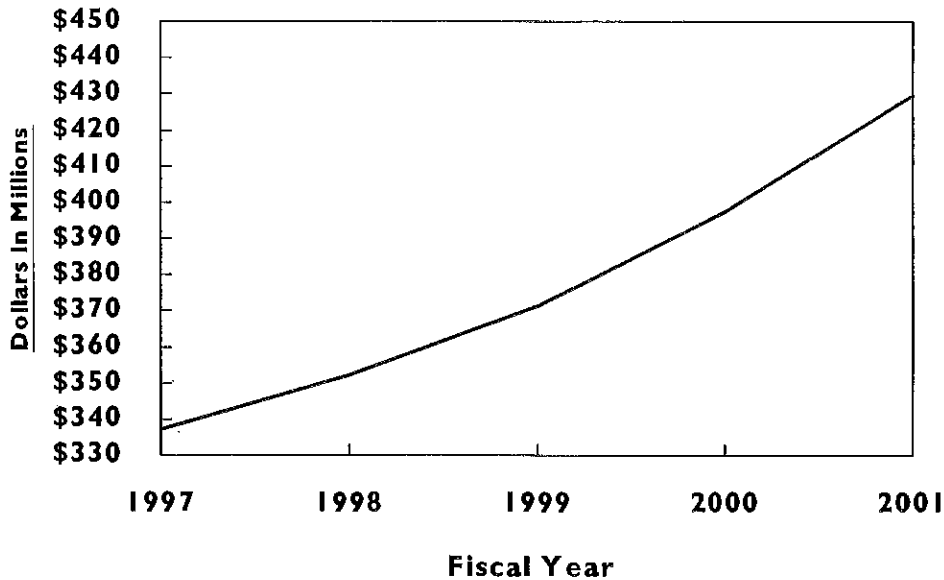


\$349,595,400

Revenue Summary

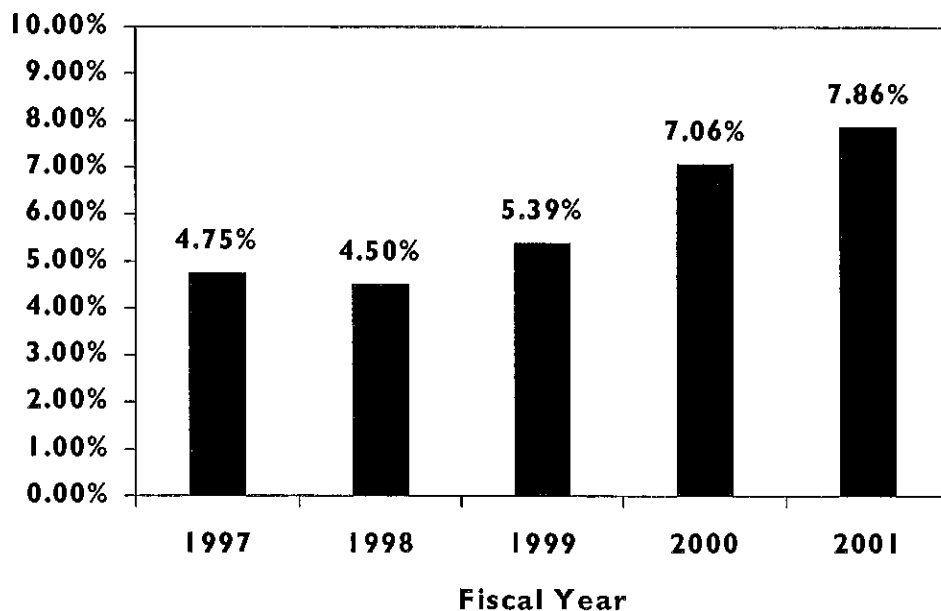
As the following graphs show, total Prince William County General Fund Revenues have increased 27.4% from FY 1997 Adopted to FY 2001 Adopted (from \$337.1 million to \$429.5 million) or an average of 5.91% per year.

General Fund Revenue History Fiscal Year 1997 to 2001



Note: All Years Adopted

General Fund Revenue Summary Percent Change: Fiscal Year 1997 to 2001



Note: All Years Adopted

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

REAL ESTATE REVENUE

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

Real Estate Taxes - 010/020

The real estate tax is the single largest revenue source for the County. It is levied on all land, improvements, and leasehold interests on land or improvements (collectively called "real property") except that which has been legally exempted from taxation by the General Assembly. The revenue summary for the general real estate tax applies only to real property assessed locally which includes residential, commercial and industrial, and agricultural and resource land property types. The following tables show a ten-year history of this revenue source through fiscal year 2000. The five-year revenue forecast is also shown.

Revenue Summary - Real Estate Taxes - 010/020		
Revenue History	Actual Revenue	Percent Change
FY1991	\$ 162,649,012	15.9%
FY1992	164,801,705	1.3%
FY1993	161,257,993	(2.2)%
FY1994	155,555,991	(3.5)%
FY1995	157,513,081	1.3%
FY1996	162,035,845	2.9%
FY1997	166,236,961	2.6%
FY1998	173,689,320	4.5%
FY1999	182,632,874	5.2%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 191,725,000	5.0%
FY2000 (revised estimate)	193,337,000	5.9%
Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 206,348,500	6.7%
FY2002	218,216,700	5.7%
FY2003	230,898,600	5.8%
FY2004	243,890,300	5.6%
FY2005	257,247,800	5.5%

Note:

1991 - 2000 are at a real estate tax rate of \$1.36 / \$100 of assessed value.

2001 is at a real estate tax rate of \$1.34 / \$100 of assessed value.

2002 - 2005 is at a real estate tax rate of \$1.33 / \$100 of assessed value.

Note that public service properties including railroads, utilities, etc. are not assessed locally. Rather, they are assessed by the State Corporation Commission and the Virginia Department of Taxation. This revenue source is discussed in the following section.

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Residential Market Value Change

The residential real estate market consists of three main property types: single-family homes, townhouses, and residential condominiums. The apartment market consists of rental apartment communities and apartment buildings with five or more units. The following table shows the expected change in market value for residential and apartment properties.

Residential Market Value Changes		
	Single-Family, Townhouse, and Condominium	Apartments
FY2001	4.0%	3.2%
FY2002	2.5%	1.5%
FY2003	2.0%	1.5%
FY2004	2.0%	1.5%
FY2005	2.0%	1.5%

Assessed values of single-family, townhouse, and condominium properties increased by approximately 4% overall as of January 1, 2000. This appreciation is attributable to a favorable interest rate environment and general health of the economy which has stimulated activity in the real estate market over the past year. On a national basis, the National Association of Realtors ("NAR") predicted existing-home sales to set a record for the fourth year running.¹ "Demand is strong in both the entry-level and trade-up segments of the market," said Dennis R. Cronk, president of the NAR. "Home buyers continue to enjoy a variety of factors, such as wage growth and low inflation, that make it easier for them to afford a home."²

Increasing demand for residential property is not expected to continue at this rate indefinitely. Realtors expect this cycle to end, but they are not sure when. Robert Van Order, Chief Economist at Freddie Mac is quoted in the Washington Post saying, "The last three years have been one record after another, particularly in housing sales. It has to slow down; the question is whether there will be a soft landing."³ In light of these market insights, the Revenue Committee expects the residential market to appreciate by 2.5% in fiscal year 2002 and 2.0% in fiscal years 2003 through 2005.

Apartments Market Value Change

Market activity during the past several years indicates that apartment rents have increased at a slow but steady rate especially in the Manassas area. As rental rates increase at a higher rate than operating expenses, apartments continue to be a desirable investment. Demand remains

¹"Existing-Home Sales Drop". *CNN Financial Network*, Nov. 29, 1999.

² Zuckerman, Gregory. "Homes Sales Drop 6.6% on Rising Interest Rates." *The Wall Street Journal*, Nov. 30, 1999, p. A2.

³ Haggerty, Maryann, "Predictions: 1999." *The Washington Post*, Jan. 2., 1999, p. E1.

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

strong as new apartment units built during 1998 are being occupied. The increased supply of apartment units in recent years does not appear to have negatively impacted rental rates of competing apartments.

These market conditions translate into higher assessed values. The market value of rental apartments is expected to increase by approximately 3.2% in fiscal year 2001 and approximately 1.5% annually in fiscal years 2002 through 2005.

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 the landbook portion of revenue two fiscal years later. For example, construction that occurs in calendar year 1999 affects landbook revenues beginning in fiscal year 2001. The following table summarizes the expected number of newly constructed residential units during the forecast period.

Residential Growth – Number of Units					
	Total Residential and Apartments	Single-Family	Townhouse	Condominium	Apartments
FY2001	3,085	2,161	848	76	0
FY2002	2,883	1,850	800	100	133
FY2003	2,900	1,794	702	104	300
FY2004	2,900	1,794	702	104	300
FY2005	2,900	1,794	702	104	300

Strong building permit activity suggests that fiscal years 2001 and 2002 of the forecast period will experience stronger growth than expected in prior forecasts. The Revenue Committee heard from many sources stating that demand for single-family dwellings is higher than in past years. PWC Building Division reports that building permit statistics reflect this demand, although builders are not fully keeping pace with demand because of the tight labor market.

In addition to stronger demand, there is a shift in the distribution of residential units as compared with previous years' estimates. In the prior year's forecast, the fiscal year 2001 estimate was for 2,600 units. This estimate was not itemized by type. In this forecast, the expected proportions are 69% single-family, 29% townhouses, and 2% condominium.

Last year's forecast was 100 new apartment units per year. There were no new apartment units added in the fiscal year 2001 forecast. The fiscal year 2002 estimate of 133 new units is based on construction activity that has already been planned. The Revenue Committee revised the current forecast to reflect 300 units per year based on the expectation that demand would increase during those years and information on rental permits issued from PWC Building Division and site plans in the Real Estate Assessments Office.

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Residential Values Per New Unit

Residential properties are classified into single-family detached dwellings, townhouses, and condominiums. Apartments are estimated separately. The average assessed values per unit type are developed from the most recent year's activity, and are adjusted in the later years of the forecast by the residential market value change.

Residential Assessed Value per New Unit					
	Overall Residential (Excluding Apts.)	Single- Family	Townhouse	Condominium	Apartment
FY2001	\$ 209,050	\$ 237,966	\$ 143,766	\$ 115,178	\$ 60,000
FY2002	211,253	243,900	147,400	118,100	60,900
FY2003	217,073	248,800	150,300	120,500	61,814
FY2004	221,429	253,800	153,300	122,900	62,741
FY2005	225,885	258,900	156,400	125,400	63,682

Commercial Market Value Changes

Commercial properties are categorized into five property types including retail, office, hotel, industrial, and technology services. The average change in assessed value is forecast at 2.3% in fiscal year 2001. The changes in assessed value for these property types will vary during the remainder of the forecast period resulting in overall appreciation of 1% per year as shown below.

Commercial Market Value Changes	
	Commercial
FY2001	2.3%
FY2002	1.0%
FY2003	1.0%
FY2004	1.0%
FY2005	1.0%

Shopping center properties: Two retail establishments were constructed on the west-end of the County. Centers in the Manassas and Potomac Mills areas continue to appreciate at a steady rate resulting from a healthy economy, lower vacancy rates, and slight overall increases in rents. Some of the shopping centers in mature commercial areas are not experiencing the same rate of appreciation as the newer centers. Overall, shopping center values are expected to remain stable throughout the forecast period.

Office building properties: Office buildings have maintained low vacancy rates and slight increases in rents. Industry experts have been predicting an increase in demand for office space for several years. With the supply of office space dramatically low, an increase in demand would drive assessed values upward and stimulate the construction of speculative office space. However, these increases in demand and assessed value have not occurred as

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

expected, as shown in the 1999 activity for FY01. The Revenue Committee expects the market to fill the demand for office space during the forecast period.

Hotel properties: Hotels have been increasing in value at a slow but steady rate for several years. Occupancy rates and average daily room rates continue to gradually increase. Two hotel properties were constructed in 99. Four new hotels and motels are under construction in the County. This additional supply is expected to be absorbed during the forecast period, but it is possible that the additional supply could cause assessed values to stabilize during later years of the forecast.

Industrial properties: The industrial sector is also showing low vacancies with slight upward trends in rents. According to real estate experts representing the industrial sector, the strongest market segment continues to be the ready-to-occupy industrial market. This was reflected in the 1999 activity. Assessed values should remain stable overall during the forecast period, but higher rates of appreciation could occur along the major industrial corridors in the western part of the County.

Technology Services: Market information relating to commercial properties within the technology services category is very limited due to the fact that there are only a few of these properties in Prince William County. Since construction of the state-of-the-art America Online facility in Prince William County was completed during calendar year 1999, the assessed value of this property is classified as growth for fiscal year 2001, not appreciation. If the economy remains strong during the forecast period, technology services properties are expected to appreciate at a rate of 1% per year in fiscal years 2002 through 2005.

Commercial Growth

New commercial structures are expected to contribute additional square footage to the tax base during the forecast period as shown in the following table.

New Commercial Construction Square Footage						
	Total Commercial	Retail	Office	Hotel	Industrial	Technology Services
FY2001	1,354,470	573,618	63,664	59,904	429,819	227,465
FY2002	950,000	350,000	200,000	100,000	100,000	200,000
FY2003	830,000	300,000	200,000	40,000	140,000	150,000
FY2004	800,000	300,000	200,000	40,000	140,000	120,000
FY2005	800,000	300,000	200,000	40,000	160,000	100,000

Square footage estimates for fiscal year 2001 are based on new commercial construction completed during 1999. Estimates for fiscal years 2002 through 2005 are based on judgment made by the Revenue Committee.

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Commercial Values Per Square Foot

Average assessed values per square foot in fiscal year 2001 are determined based on the total assessed value (land plus buildings) of commercial construction that was completed during calendar year 1999. These unit values are then adjusted to reflect the 1% general appreciation of commercial properties during the remainder of the forecast period, with the exception of technology services.

Commercial New Construction Value per Square Foot					
	Retail	Office	Hotel	Industrial	Technology Services
FY2001	\$ 118	\$ 84	\$ 111	\$ 44	\$ 351
FY2002	119	85	112	45	201
FY2003	120	86	114	45	203
FY2004	121	87	115	46	205
FY2005	122	88	116	46	207

Assessed values of commercial properties vary widely, even within the same commercial property type. For example, the assessed value per square foot of a fast food restaurant is significantly greater than the assessed value per square foot for a regional shopping center while each of these properties are considered within the retail category. The actual value per square foot in FY 01 is not indicative of future assessed values for technology services. The Revenue Committee estimates \$200/square foot for all other years, increased at the general 1% appreciation rate.

A new commercial category was created for technology services. These properties could generally be categorized with industrial properties, but the costs to construct these high technology buildings are significantly higher than typical industrial or flex buildings because of the quality and quantity of materials used. Each building constructed is for a unique purpose. Examples of the higher quality materials include fiber optic cabling and reinforced structure members to resist high winds or earthquakes. Many of the systems in these buildings have more powerful cooling systems because of the type of equipment contained in the building. This type of building also employs "individual zoning". Individual system zones prevent total shutdown of the facility should systems within one of the zones fail.

Public Service Taxes - 041

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

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

The assessments developed by the Virginia Department of Taxation and the State Corporation Commission are adjusted to the prevailing level of assessment for each local jurisdiction.

Revenue Summary - Public Service Taxes - 041

Revenue History	Actual Revenue	Percent Change
FY1991	\$ 9,478,090	18.1%
FY1992	10,059,822	6.1%
FY1993	10,620,707	5.6%
FY1994	10,860,738	2.3%
FY1995	11,328,276	4.3%
FY1996	11,358,462	0.3%
FY1997	11,229,547	(1.1)%
FY1998	11,293,854	0.6%
FY1999	11,804,605	4.5%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 12,024,000	1.9%
FY2000 (revised estimate)	11,824,000	0.2%
Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 11,917,000	0.8%
FY2002	12,065,000	1.2%
FY2003	12,185,000	1.0%
FY2004	12,307,000	1.0%
FY2005	12,430,000	1.0%

Note:

1991 - 2000 are at a real estate tax rate of \$1.36 / \$100 of assessed value.

2001 is at a real estate tax rate of \$1.34 / \$100 of assessed value.

2002 - 2005 is at a real estate tax rate of \$1.33 / \$100 of assessed value.

Assessed value changes to public service properties are assumed to appreciate based on commercial appreciation (1% in the forecast period), and grow at a rate of 1% annually. The rate of increase was reduced to 1% in FY 03-05 due to the uncertainty from the effects of the electricity deregulation.

Real Estate Tax Deferrals - 021

Real estate taxes that are not collected within sixty days after the end of the fiscal year, but may be collectable within three years, are accounted for as negative entries in this account. Taxes that are collected from any of the prior three years are accounted for as positive entries in this account. Real estate taxes collected after being more than three years delinquent are accounted for as land redemption ("Land Redemption" page 19).

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Revenue Summary - Real Estate Tax Deferrals - 021

Revenue History	Actual Revenue	Percent Change
FY1991	\$ (5,713,000)	(541.5)%
FY1992	(6,368,929)	11.5%
FY1993	1,773,208	127.8%
FY1994	1,168,780	(34.1)%
FY1995	1,644,285	40.7%
FY1996	(176,381)	(110.7)%
FY1997	150,000	185.0%
FY1998	1,320,000	780.0%
FY1999	(2,292,915)	(273.7)%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 200,000	108.7%
FY2000 (revised estimate)	200,000	108.7%
Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 200,000	0%
FY2002	200,000	0%
FY2003	200,000	0%
FY2004	200,000	0%
FY2005	200,000	0%

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.

There has been improvement since the early 1990's with the exception of FY99. Collection resources were redirected to a concentrated customer service effort during the 1999 personal property tax season. The forecast assumes a successful collection program continuing to reduce unpaid taxes as a percentage of the taxes levied.

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.

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Revenue Summary - Land Redemption - 025

Revenue History	Actual Revenue	Percent Change
FY1991	\$ 125,267	(22.7)%
FY1992	81,055	(35.3)%
FY1993	231,080	185.1%
FY1994	430,826	86.4%
FY1995	1,241,860	188.3%
FY1996	992,773	(20.1)%
FY1997	1,647,446	65.9%
FY1998	696,355	(57.7)%
FY1999	2,012,300	188.9%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 1,300,000	(35.4)%
FY2000 (revised estimate)	1,300,000	(35.4)%
Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 1,300,000	0.0%
FY2002	1,300,000	0.0%
FY2003	1,300,000	0.0%
FY2004	1,300,000	0.0%
FY2005	1,300,000	0.0%

This revenue category varies depending on the amount of unpaid taxes three years and older, and the level of success in foreclosure efforts. Because many of these taxes will not be paid until the property sells, future estimates depend on the successful completion of a number of outstanding and projected new tax foreclosure actions. For fiscal year 2001 to fiscal year 2005, the estimate assumes the successful completion of tax foreclosure sales for properties as they become eligible for this collection method.

Real Estate Penalties - 160

The County assesses a 10% penalty on the late payment of real estate taxes. The penalty is applied to both the first and second half real estate taxes and on all supplemental real estate assessments, as they become delinquent.

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Revenue Summary - Real Estate Penalties – 160

Revenue History	Actual Revenue	Percent Change
FY1991	\$1,693,137	115.0%
FY1992	1,790,936	5.8%
FY1993	1,527,219	(14.7)%
FY1994	1,154,055	(24.4)%
FY1995	879,717	(23.8)%
FY1996	774,921	(11.9)%
FY1997	819,867	5.8%
FY1998	931,469	13.6%
FY1999	1,044,940	12.2%

Revenue Summary - Real Estate Penalties – 160

Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 965,000	(7.7)%
FY2000 (revised estimate)	965,000	(7.7)%

Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$1,031,700	6.9%
FY2002	1,091,100	5.8%
FY2003	1,154,500	5.8%
FY2004	1,219,500	5.6%
FY2005	1,286,200	5.5%

Revenue is estimated by applying the fixed percentage of 0.5%, based on a 5-year historical average of 0.525%, to the real estate tax (010/020) for that year.

PERSONAL PROPERTY REVENUE

The personal property tax is assessed on both individual and business personal property. Generally, an item is assessed at 85% of its original cost in the year acquired. This is the assessed value against which the tax rate is applied. Thereafter, it loses value at a rate of 10% per year. If still held after eight years, its assessed value will remain constant at 10% of original cost.

Personal Property Tax - 071/079

The individual portion of the personal property tax is levied on automobiles, trucks, motorcycles, trailers, farm vehicles, and mobile homes. Certain classifications of property do not generate a tax bill due to their extremely low rate such as farm equipment, vanpool vans, vehicles equipped for the handicapped, and vehicles used by volunteers to answer fire and

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

rescue calls. Unlike business personal property, the tax on certain classes of individual personal property (motor vehicles and trailers) is prorated using the number of months the item is located within the County. The assessed value of property items is obtained from standard pricing guides or calculated based on cost.

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 on January 1st of each year. Each business is required to file a return annually declaring the item, its original cost, and year of purchase. The assessed value is determined by taking into consideration the original cost, year of purchase and use of the equipment.

The Personal Property Tax Relief Act will have no impact on local revenue. Upon payment in full of the personal property tax bill, the County can expect a reimbursement from the Commonwealth of Virginia.

The five-year revenue projections include the tax rate reduction for targeted categories of business personal property effected in fiscal year 2000. The purpose is twofold: (1) to make Prince William County more attractive to targeted businesses, and (2) to provide tax relief for many of our existing businesses. Any known significant increases in business personal property, such as AOL, are added to the estimate.

Revenue Summary – Personal Property Tax - 071/079		
Revenue History	Actual Revenue	Percent Change
FY1991	\$ 32,743,735	9.2%
FY1992	31,501,813	(3.8)%
FY1993	30,548,000	(3.0)%
FY1994	33,293,078	9.0%
FY1995	37,788,732	13.5%
FY1996	42,975,207	13.7%
FY1997	48,272,222	27.7%
FY1998	50,295,580	4.2%
FY1999	53,148,925	5.7%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 55,100,000	3.7%
FY2000 (revised estimate)	\$ 55,100,000	3.7%
Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 58,932,300	7.0%
FY2002	64,324,400	9.2%
FY2003	68,143,400	5.9%
FY2004	71,835,800	5.4%
FY2005	74,875,400	4.2%

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

The estimate of non-business personal property tax revenue is based on three drivers:

1. the total number of housing units (see page 13),
2. the percentage increase in assessed personal property value per housing unit, and
3. the exoneration rate.

Personal Property Growth in Prorated Assessed Value per Unit

The average assessed value of personal property per housing unit increased by 2.7% in fiscal year 2000 compared to fiscal year 1999, and 5.9% in fiscal year 1999 compared to fiscal year 1998. We expect fiscal year 2001 to be a 2.3% increase and then 2.0% in fiscal year 2002 through fiscal year 2005. The growth projected for fiscal year 2001 is based on the information currently available from personal property billings for six months in fiscal year 2001. A record 16,800,000 units were sold in 1999, according to the National Association for Business Economics. A slowing in the number of new housing units and vehicles coming off lease will precipitate the very slight decline in the growth rate. Auto registrations are currently providing no warning signs of slower growth. Consumer optimism remains high. The consumer confidence index for January, 2000 is a record 144.7.

Personal Property Change in Prorated Assessed Value per Unit	
	Growth
FY2001	2.3%
FY2002	2.0%
FY2003	2.0%
FY2004	2.0%
FY2005	2.0%

Personal Property Exoneration Rate

Previously, Prince William County based the exoneration rate on all reductions in assessed value averaged over the past five years. The exoneration rate is expected to decrease at an annual rate of 0.5% through fiscal year 2004. This reduction is primarily based on the installation of Tax Administration's new computer system in July 1998 and implementing a customer service program in 1999 to actively increase the accuracy of the personal property tax database. The County's previous system and processes did not bill as accurately as Tax Administration's new processes and computer system. These new processes and system increase the accuracy of the bill files which reduces the amount of exonerated items, as reflected in the projected exoneration rate.

The "Tag & Tell" program has notably improved the accuracy of the Tax Administration database and therefore the personal property tax bills. This widely advertised program directs citizens to contact the Finance Department when they purchase or dispose of a vehicle. Citizens are encouraged to contact the Tax Administration Call Center whenever they change vehicles. "Tag & Tell" will contribute to reducing the exoneration rate in the forecast period.

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Personal Property Exoneration Rate

	Growth
FY2001	10.0%
FY2002	9.5%
FY2003	9.0%
FY2004	8.5%
FY2005	8.5%

General Business Equipment Growth Rate

General business equipment is expected to increase at the rate as do retail sales. Business personal property revenue is expected to account for approximately 13% of FY 01 overall personal property tax billings. This 13% is composed of the following tax classes for FY 01:

- General business classification (retail, services, professional, real estate and financial) represent approximately 80%,
- Heavy equipment category represent approximately 13%,
- Computer/peripherals represent 4.4%, and
- Machinery and tools category represents approximately 2.1%.

Due to the addition of the assets of high-technology companies, the computer/peripherals revenue category is expected to increase to 12% in FY 02, and to approximately 16% in FY 02 through FY 05.

General Business Equipment Growth Rate

	Growth
FY2001	4.8%
FY2002	2.3%
FY2003	2.1%
FY2004	1.1%
FY2005	3.0%

Therefore, revenue from business personal property is expected to increase annually at rates between 1 and 4.6 percent.

Personal Property Public Service - 051

The State Corporation Commission and the Department of Taxation assess all automobiles and trucks owned by public corporations in the County for local personal property taxation. By law, the machinery, and equipment of public service corporations is taxed as real estate

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

rather than personal property. The tax rate is the same rate as for other personal property in the County.

Revenue Forecast - Personal Property Public Service - 051

Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 110,400	17.6%
FY2002	116,400	5.4%
FY2003	122,900	5.6%
FY2004	129,500	5.4%
FY2005	136,200	5.2%

This category is estimated at 0.05% of the real estate taxes for public service. These revenues are approximately \$100,000 a year, and are therefore not addressed in as much the detail as the major revenue sources

Personal Property Prior Year - 072

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

Revenue Forecast - Personal Property Prior Year - 072

Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 82,500	0.1%
FY2002	90,000	9.0%
FY2003	95,400	6.0%
FY2004	100,600	5.5%
FY2005	104,800	4.2%

This category is estimated at 0.05% of the real estate taxes for public service. These revenues are approximately \$100,000 a year, and are therefore not addressed in as much the detail as the major revenue sources.

Personal Property Deferrals - 081

Personal property taxes that are not collected within sixty days after the end of the fiscal year, but may be collectable within five years, are accounted for as negative entries in this account. Taxes that are collected from any of the prior five years are accounted for as positive entries in this account. The *Code of Virginia* allows the County to pursue the collection of delinquent personal property taxes for five years.

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Revenue Summary - Personal Property Deferrals - 081

Revenue History	Actual Revenue	Percent Change
FY1991	\$(1,941,000)	(1,060.9)%
FY1992	(1,106,851)	43.0%
FY1993	(715,496)	35.4%
FY1994	(313,000)	56.3%
FY1995	(1,132,000)	(261.7)%
FY1996	176,000	115.5%
FY1997	(1,150,000)	(753.4)%
FY1998	1,290,000	212.2%
FY1999	1,805,000	40%

Table 1. Revenue Summary - Personal Property Deferrals - 081

Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 2,300,000	27.4%
FY2000 (revised estimate)	2,300,000	27.4%

Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 2,000,000	(13.0)%
FY2002	2,100,000	5.0%
FY2003	1,583,000	(24.6)%
FY2004	(1,384,000)	(187.4)%
FY2005	(1,366,000)	1.3%

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.

The forecast assumes a successful collection program that continues to reduce unpaid taxes as a percentage of the taxes levied.

Personal Property Penalties - Current Year - 170

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

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Revenue Summary - Personal Property Penalties - Current Year - 170

Revenue History	Actual Revenue	Percent Change
FY1991	\$ 863,454	94.1%
FY1992	1,016,721	17.8%
FY1993	912,517	(10.2)%
FY1994	914,986	0.3%
FY1995	1,072,323	17.2%
FY1996	1,205,980	12.5%
FY1997	1,465,331	21.5%
FY1998	1,437,635	(1.9)%
FY1999	1,088,512	(24.3)%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 796,000	(26.9)%
FY2000 (revised estimate)	1,200,000	10.3%

Revenue Summary - Personal Property Penalties - Current Year - 170

Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 766,100	(36.2)%
FY2002	836,200	9.2%
FY2003	885,900	5.9%
FY2004	933,900	5.4%
FY2005	973,400	4.2%

As part of the re-engineering of the Personal Property Tax process, the decal renewal date was moved to coincide with the Personal Property Tax due date of October 5. Since decals will be issued as the receipt for payment, Tax Administration anticipates timely current year payments. Personal property penalties have averaged 2.6% of the estimated gross personal property tax revenue (071/079). Personal property penalties are expected to drop. Therefore, the revenue estimate for personal property penalties is computed by multiplying the fixed percentage of 1.3% by the estimated gross personal property tax revenue (071/079).

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 of organizations that have received tax exemption.

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

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.

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

Revenue Summary - Local Sales Tax - 210		
Revenue History	Actual Revenue	Percent Change
FY1991	\$ 15,539,728	(4.5)%
FY1992	16,085,297	3.5%
FY1993	17,427,177	8.3%
FY1994	19,829,867	13.8%
FY1995	21,547,645	8.7%
FY1996	21,913,545	1.7%
FY1997	23,496,367	7.2%
FY1998	24,569,784	4.6%
FY1999	26,498,998	7.9%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 26,900,000	1.5%
FY2000 (revised estimate)	28,500,000	7.6%
Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 29,917,200	5.0%
FY2002	30,607,200	2.3%
FY2003	31,249,800	2.1%
FY2004	31,587,000	1.1%
FY2005	32,534,900	3.0%

In prior forecasts, retail sales tax revenue was increased over the prior year by the increase in population growth plus the increase in inflation. Consumer Confidence was subjectively considered, but not part of the forecast equation. This year, the retail sales tax revenue is forecasted by using a formula derived through econometric analysis that defines a regression equation. This forecast utilizes rate of inflation, index of consumer confidence, and population. Population is determined by the increase in housing units for the forecast period.

Consumer Price Index - Rate of Change

Consumer prices should continue its trend of modest, restrained growth throughout the five-year forecast period. Despite the strong growth in consumer spending, which is driven by increased wealth in both real estate and the stock market among other factors, global capacity

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

currently remains adequate to accommodate the additional demand for goods and services. Moreover, the Federal Reserve's monetary policies have clearly demonstrated the central bank's resolve to keep upward price pressures in check.

Consumer Price Index - Rate of Change

	Change
FY2001	2.3%
FY2002	2.5%
FY2003	2.5%
FY2004	2.5%
FY2005	2.5%

Consumer Confidence Index

This index is based on a scientific survey designed to measure consumers' attitudes about current and expected future economic conditions. The measure is frequently used as an indicator of overall economic health. The index is relative to economic conditions and consumer sentiments in 1985. That base year value is 100. Values greater than 100 indicate confidence levels higher than in the base year and values lower than 100 indicate levels lower than in that year.

Consumer Confidence Index

	Index
FY2001	131
FY2002	125
FY2003	120
FY2004	110
FY2005	110

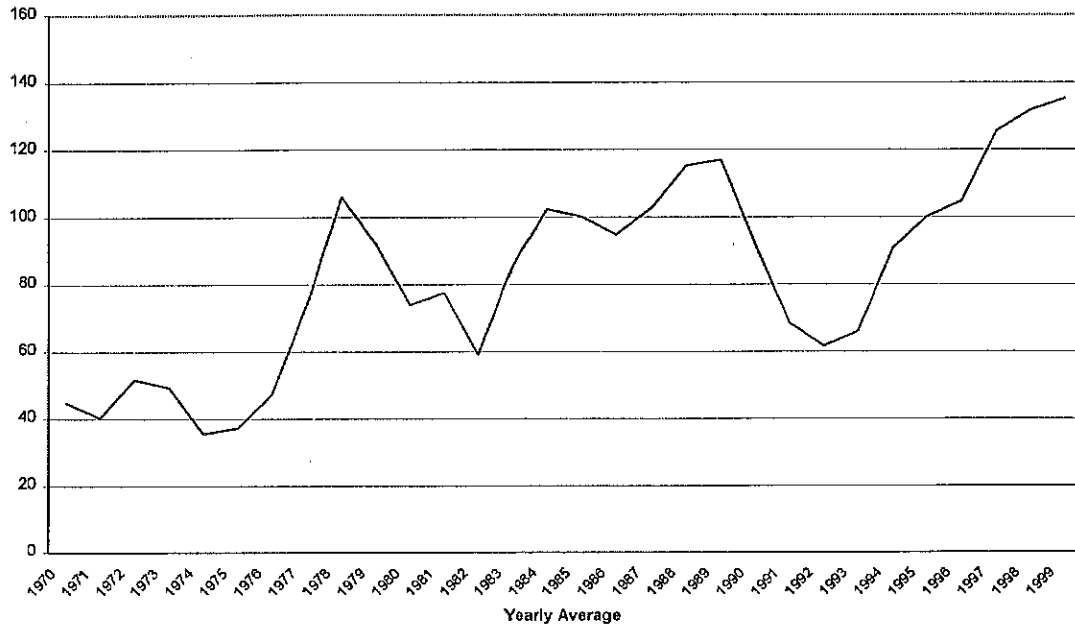
Consumer confidence is highly correlated with the business cycle. As this graph illustrates, the index hovered around 35 to 50 during the early 1970s "stagflationary" period. This period was characterized by high inflation and unemployment, and stagnant or declining real GDP. Consumer confidence peaked just before the recessions of 1980 and 1990, falling precipitously from the lofty levels it had reached prior to those economic downturns. Since last hitting a trough at about 60 in 1992 it has risen solidly to reach its current historic level. Consumer confidence ranged from 119 to 128 during the prior year forecast.

Consumer Confidence Index from 1970 - 1999

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Consumer Confidence Index
1970 - 1999



The 1999 Christmas shopping season was perhaps the strongest season of the decade.⁴ A sharp rise in personal income helped bolster consumer confidence to 141.7.⁵ In January of 2000, consumer confidence reached 144.7, the highest level in the 32-year history of the series.

Retail sales tax revenue is projected to increase of 6.4% in fiscal year 2000 over fiscal year 1999. Consumer confidence is expected to remain strong throughout the forecast period but to descend gradually from its current record levels. The index value of 110 estimated for FY 04-05 still reflects a strong economy.

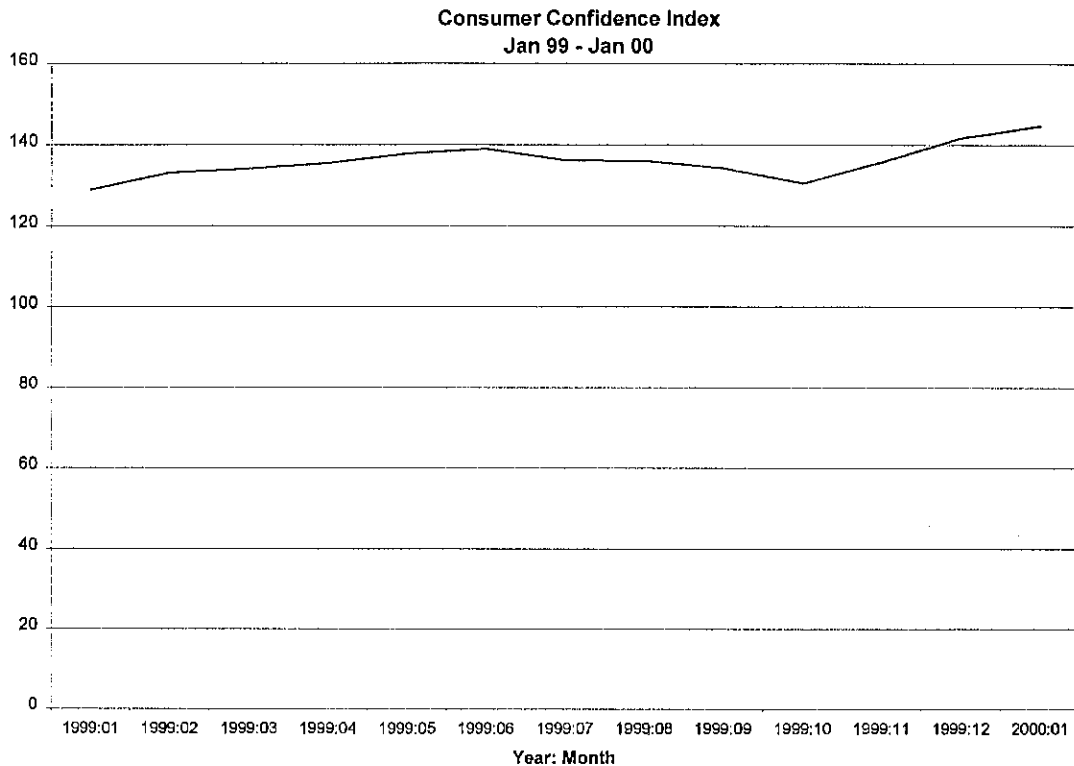
Consumer Confidence Jan. 1999 – Jan. 2000

⁴ Lueck, Sarah. "Outlays Show A White-Hot Christmas Season", *The Wall Street Journal*, Dec. 27, 1999, p. A2.

⁵ McKinnon, John. "Consumers Head Into Holiday Shopping With Plenty of Cash in Hand, Data Shows", *Wall Street Journal*, Nov. 29, 1999, pg. A2.

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05



CONSUMER UTILITY REVENUE

Consumer Utility Tax - 220

The County levies a consumer utility tax on wired telephone service, electric, and natural gas utilities (the County does not tax water/sewer usage). Residential users pay 20% of the first \$15 per month, per utility billed; with a maximum tax of \$3 per utility billed, per month. Commercial users pay 20% of the first \$500 per month, per utility billed; with a maximum tax of \$100 per utility billed, per month. The County also levies a consumer utility tax on mobile telephone service. The rate for both residential and commercial customers is 10% on the first \$30 per month of each customer's gross billing; with a maximum charge of \$3 per month.

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Revenue Summary - Consumer Utility Tax - 220

Revenue History	Actual Revenue	Percent Change
FY1991	\$ 10,358,803	4.5%
FY1992	10,438,902	0.8%
FY1993	10,856,244	4.0%
FY1994	11,467,271	5.6%
FY1995	11,983,462	4.5%
FY1996	12,394,172	3.4%
FY1997	13,780,132	11.2%
FY1998	14,170,595	2.8%
FY1999	14,702,407	3.8%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 15,300,000	4.1%
FY2000 (revised estimate)	15,700,000	6.8%
Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 16,233,700	3.4%
FY2002	16,732,500	3.1%
FY2003	17,234,300	3.0%
FY2004	17,736,000	2.9%
FY2005	18,237,800	2.8%

Consumer utility tax revenue is forecast based on anticipated changes in housing units (described in the "Real Estate Tax Revenue" section). To estimate residential consumer utility tax revenue, the expected number of housing units for the forecast year is multiplied by the actual amount of revenue per home in the previous year (based on actual data).

Residential Units Completed

Since consumer utility taxes are capped inflation is not considered a driver in the model. The deregulation of electric utilities will have no impact on consumer utility tax revenue as the utility tax reform act is expected to be revenue neutral.

Residential Units Completed	
	Total Units
FY2001	3,085
FY2002	2,883
FY2003	2,900
FY2004	2,900
FY2005	2,900

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

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.

Income information for tax year 1999 will not be available until April 2000, our renewal period. Gross receipts from year 2000 (FY 01) would not be available until February 2001. Consequently, forecasting for 2000 gross receipts (FY01) has a two-year lag in which actual figures are unavailable for the prior two years.

Revenue Summary - BPOL Tax Revenue - 235		
Revenue History	Actual Revenue	Percent Change
FY1991	\$ 5,370,874	(1.4)%
FY1992	5,288,246	(1.5)%
FY1993	5,965,581	12.8%
FY1994	6,412,238	7.5%
FY1995	7,028,822	9.6%
FY1996	7,352,176	4.6%
FY1997	7,250,478	(1.4)%
FY1998	7,952,716	9.7%
FY1999	8,594,470	8.1%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 8,700,000	1.2%
FY2000 (revised estimate)	9,200,000	7.0%
Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 9,641,700	17.6%
FY2002	9,864,000	2.3%
FY2003	10,071,100	2.1%
FY2004	10,179,800	1.1%
FY2005	10,485,000	3.0%

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Growth of BPOL Tax Revenue

	Percent Change
FY2001	4.8%
FY2002	2.3%
FY2003	2.1%
FY2004	1.1%
FY2005	3.0%

As a result of the healthy building and retail sectors for fiscal year 2000, the revenue estimates are higher than in the prior year forecast. Building and retail represent 70% of business license revenue. Retailers account for 52% and contractors represented 19%.

Contractors/Developers must purchase building materials and furnishings for homes and commercial buildings in which sales tax is added. The conditions that affect local sales tax revenue also affect BPOL revenue. Therefore, as in prior years, the forecasted BPOL revenue is increased by the percent increase in local sales tax revenue.

INVESTMENT INCOME

Investment Income - 0510

Investment income represents interest receipts, interest accrual, premium or discount amortization, 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 various funds—with general fund available cash constituting approximately 70 to 71% of the total—which are pooled, and invested to maximize safety, liquidity and yield.

Revenue Summary - Investment Income - 510

Revenue History	Actual Revenue	Percent Change
FY1991	\$ 8,412,202	17.3%
FY1992	7,033,121	(16.4)%
FY1993	7,074,673	0.6%
FY1994	5,709,804	(19.3)%
FY1995	6,545,320	14.6%
FY1996	8,077,038	23.4%
FY1997	7,642,069	(5.4)%
FY1998	8,364,953	9.5%
FY1999	6,788,336	(18.8)%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 6,500,000	(4.2)%
FY2000 (revised estimate)	6,500,000	(4.2)%

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Revenue Summary - Investment Income - 510

Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 8,386,100	29.0%
FY2002	8,215,000	(2.1)%
FY2003	8,096,300	(1.4)%
FY2004	8,176,800	1.0%
FY2005	8,272,700	1.2%

In prior years, the forecasting model utilized two basic variables for each fiscal year: the average portfolio yield and the average total dollar value of the portfolio. To calculate investment income, the average yield is calculated, and the current or estimated year revenue is adjusted for the percentage change in the portfolio yield compared to the prior year and the percentage change in the average portfolio size.

The average total dollar value of the portfolio is affected by the increase in revenues. Therefore, this year's revenue forecast itself becomes a key determinate of interest income.

Portfolio Yield

The trends of interest rates in general and the Fed Funds rate have only an indirect and lagging relationship to the average yield of the portfolio. The portfolio yield is determined primarily by the timing of purchases, cash flow requirements, and the general interest rate environment at the time of purchase of securities and the security duration. The County's general portfolio carries an asset mix that is held over a period of time, based on yields that were available at the time of purchase. The County's yield does not change rapidly with swings in the market except to reflect maturities and replacement of securities at current market conditions. State laws and the County's adopted investment policy govern the investment process which determine how funds can be invested, and what securities can be purchased.

Most of the forecasting sources provide information up to four quarters beyond current dates. Therefore, the final half of the period is an estimate without authoritative source data as a basis for projection. The Prince William County Portfolio Yield projection for the final half of fiscal 2001 and beyond is based on reasonable expectations that the Fed rate will return to a 5.0% to 5.5% level based on the previous five years historic average.

Portfolio Yield	
	Percent Change
FY2001	5.9%
FY2002	5.7%
FY2003	5.6%
FY2004	5.6%
FY2005	5.6%

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Portfolio Size

The growth in the size of the portfolio is based on 25% of the increase in all general revenues. The base size of the portfolio, and therefore investment income, will increase as overall revenue increases. The following tables show the rate of growth of revenues and 25% of that growth as the growth rate of the portfolio size.

Portfolio Size	
	Value
FY2001	\$ 203,052,755
FY2002	205,883,128
FY2003	208,398,000
FY2004	210,470,876
FY2005	212,939,480

Growth Rate of Revenues and 25% Thereof for the Portfolio		
	Growth Rate	25% of Growth Rate
FY2001	6.6%	1.5%
FY2002	5.4%	1.4%
FY2003	4.8%	1.2%
FY2004	3.9%	1.0%
FY2005	4.6%	1.2%

ALL OTHER REVENUE SOURCES

All Other Revenue is detailed as follows in "Revenues Over \$1 Million" and "Revenues Under \$1 Million", totaling "All Other Revenues" in Tables 4 and 5.

REVENUE SOURCES OVER \$1 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.

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Revenue Summary - Interest on Taxes - 140

Revenue History	Actual Revenue	Percent Change
FY1991	\$ 952,239	38.7%
FY1992	1,156,109	21.4%
FY1993	1,991,010	72.2%
FY1994	1,936,259	(2.7)%
FY1995	1,785,008	(7.8)%
FY1996	1,640,921	(8.1)%
FY1997	2,013,275	22.7%
FY1998	1,761,208	(12.5)%
FY1999	2,302,737	30.8%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 1,510,500	(34.4)%
FY2000 (revised estimate)	2,010,500	(12.7)%
Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 1,591,700	(20.8)%
FY2002	1,695,200	6.5%
FY2003	1,794,200	5.8%
FY2004	1,894,400	5.6%
FY2005	1,992,700	5.2%

The revenue estimate is computed by multiplying the fixed percentage of 0.60% by the combined estimate for gross current year real estate tax revenue and personal property tax revenue (excluding public service revenue). The percentage is based on a historical average of 0.70%, with the most current year at 0.6%, and the forecast assumes collections will increase and therefore the estimate should be closer to the current year instead of the historical average.

Vehicle Decals - 250

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. The typical housing unit is estimated to pay \$45.89 for decals for fiscal year 2000. Multiplying the decal revenue per housing unit by the estimate of total housing units in the County produces the revenue estimate for each fiscal year.

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Revenue Summary - Vehicle Decals - 250

Revenue History	Actual Revenue	Percent Change
FY1991	\$ 3,228,149	1.3%
FY1992	3,264,955	1.1%
FY1993	3,343,916	2.4%
FY1994	3,434,450	2.7%
FY1995	3,543,969	3.2%
FY1996	3,683,004	3.9%
FY1997	3,837,958	4.2%
FY1998	3,980,974	3.8%
FY1999	2,260,107	(43.2)%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 4,164,000	84.2%
FY2000 (revised estimate)	4,164,000	84.2%
Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 4,306,000	3.4%
FY2002	4,439,000	3.1%
FY2003	4,572,000	3.0%
FY2004	4,706,000	2.9%
FY2005	4,839,000	2.8%

The fee vehicle decals dropped 43% in FY99 due to the change in the decal due date and a \$10.00 decrease in the decal fee for FY99. After the transition period ended in FY 99, the decal fee reverted back to \$24 in FY 00. The revenue has returned to previous years' levels and will continue to increase in conjunction with the growth in housing units.

Residential Units Completed

	Total Units
FY2001	3,085
FY2002	2,883
FY2003	2,900
FY2004	2,900
FY2005	2,900

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. 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).

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Revenue Summary - Recordation Tax - 260

Revenue History	Actual Revenue	Percent Change
FY1991	\$ 988,652	(28.0)%
FY1992	1,186,513	20.0%
FY1993	1,389,060	17.1%
FY1994	1,606,175	15.6%
FY1995	1,161,164	(27.7)%
FY1996	1,305,225	12.4%
FY1997	1,353,238	3.7%
FY1998	1,733,097	28.1%
FY1999	2,033,815	17.4%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 2,126,000	4.5%
FY2000 (revised estimate)	2,029,000	(0.3)%
Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 2,152,000	6.1%
FY2002	2,238,900	4.0%
FY2003	2,329,400	4.0%
FY2004	2,423,500	4.0%
FY2005	2,521,400	4.0%

Revenues for recordation tax are estimated by considering the effects of two factors during the forecast period: real estate transaction volume and the change in average transaction value. Assumptions relating to the change in average transaction value are consistent with the assumptions for estimating real estate revenues. Sale prices (or average transaction values) are expected to increase 4.0% in fiscal year 2001, then at an annual rate of 2.0% over the remainder of the forecast period.

Recordation Tax Drivers

	Change in Sales Volume	Change in Value
FY2001	2.0%	4.0%
FY2002	2.0%	2.0%
FY2003	2.0%	2.0%
FY2004	2.0%	2.0%
FY2005	2.0%	2.0%

The number of real estate transactions is expected to increase at an annual rate of 2% per year during the forecast period. This projected rate of change is based on the historical number of real estate transactions recorded with the Clerk of Circuit Court. Over the past several years,

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

attractive interest rates and high consumer confidence drove up the number of refinancing transactions. As interest rates increase, the number of refinancing transactions is expected to return to normal levels which are included in the 2% per year change.

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 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.

Revenue Summary - Cable TV Fees - 390		
Revenue History	Actual Revenue	Percent Change
FY1991	N/A	--
FY1992	N/A	--
FY1993	N/A	--
FY1994	N/A	--
FY1995	N/A	--
FY1996	N/A	--
FY1997	\$ 921,998	100.0%
FY1998	1,698,796	84.3%
FY1999	1,770,700	84.3%
Current Estimate	Adopted/Revised Revenue	Percent Change
FY2000 (adopted budget)	\$ 1,800,000	1.7%
FY2000 (revised estimate)	2,000,000	12.9%
Forecast Revenue	Revenue Estimate	Percent Change
FY2001	\$ 2,068,000	3.4%
FY2002	2,131,500	3.1%
FY2003	2,195,500	3.0%
FY2004	2,259,400	2.9%
FY2005	2,323,300	2.8%

Growth in revenue is tied to the percent increase of new housing units:

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Growth in New Housing Units

	Percent Change
FY2001	3.4%
FY2002	3.1%
FY2003	3.0%
FY2004	2.9%
FY2005	2.8%

REVENUE SOURCES UNDER \$1 MILLION

Listed below are several general county revenue sources of the County, estimated to be less than \$1 million each. Even though these sources sometimes have large changes in revenue on a percentage basis, such changes would have an insignificant impact on revenues throughout the forecast period. For fiscal year 2001 each revenue category has been increased 5% over the fiscal year 2000 revised estimate. A description of each revenue source follows.

Miscellaneous Revenue Sources

Revenue Source	Actual FY1999	Revised FY2000	FY2001 Estimate
Daily Rental Equipment Tax - 215	\$ 146,553	\$ 159,700	\$ 167,300
Bank Franchise Tax - 230	525,631	464,200	486,400
BPOL Taxes - Public Service - 236	412,585	449,200	771,000
Additional Tax on Deeds - 261	735,280	940,000	985,000
Transient Occupancy Tax (40% of Total)- 270	566,755	617,600	647,200
Miscellaneous Business Licenses - 380	5,800	7,700	0
Interest Paid to Vendors - 520	(85,119)	(106,300)	(111,000)
Interest Paid on Refunds - 521	(83,129)	0	(350,000)
ABC Profits - 1301	607,131	550,000	577,500
State Wine Tax - 1302	297,185	303,200	318,400
Rolling Stock Tax - 1303	107,840	76,500	80,300
Passenger Car Rental Tax - 1304	505,437	589,300	618,800
Mobile Home Titling Tax - 1305	85,563	93,300	98,000
Federal Payment in Lieu of Taxes - 1700	14,137	15,000	15,000
Other Revenue - 1150	477,593	7,700	8,000
Total Miscellaneous Revenue	\$ 4,287,128	\$ 3,512,100	\$ 3,325,000

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

Daily Rental Equipment Tax - 215

The County levies a daily rental tax of 1% on business-certified as short-term rental businesses. Businesses such as bowling alleys, video rental stores, hardware stores, equipment rental stores, and other businesses who rent items held by the user for less than 91 consecutive days are required to collect 1% of the daily rent as a daily rental tax and remit it to the County quarterly.

Bank Franchise Tax -230

The County levies a bank franchise tax on the net capital of each bank, trust, or bank holding company, excluding savings banks, which operate in the County. The tax is based on 8/10th of 1% of the net capital multiplied by the percentage of deposits on hand at that branch compared to its statewide deposits. The State Department of Taxation audits the tax.

BPOL Taxes - Public Service - 236

The Business, Professional and Occupational License (BPOL) tax is imposed on public utility companies that operate in the County. The tax of \$0.29/\$100 of assessed value is identical to the County's BPOL tax on other businesses, but is authorized under separate statutes. The Commonwealth has repealed the state and local gross receipts tax statutes for electric companies, and replaced them with the Corporate Net Income Tax and the Declining Consumption Tax. The State has set the latter at a maximum of \$0.50/\$100 of assessed value. If a locality is below this maximum, the State will receive the difference. Therefore, the Board of County Supervisors has increased this tax only for electric companies from \$0.29/\$100 of assessed value to \$0.50/\$100 of assessed value effective January 1, 2001.

Additional Tax on Deeds - 261

The additional tax on deeds (also known as the grantor's tax) is imposed on the recording of deeds of conveyance for real estate only (not deeds of trust) with the Clerk of the Circuit Court. The tax rate is \$1 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).

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

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

May by the twenty-two hotels, motels and campgrounds operating in the County. The general revenue share of this tax is 40%.

Miscellaneous Business Licenses - 380

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

Interest Paid to Vendors - 520

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

Interest Paid on Refunds - 521

The County must pay interest on taxpayer refunds that were erroneously assessed at the rate of delinquent taxes.

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.

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 40 cents per liter. Forty-four percent of the wine tax collected is kept by the State, twelve percent is kept by ABC, and forty-four percent is distributed quarterly, to counties, cities and towns based on the localities percentage of total State population from the latest census.

Revenue Summary

General Fund Non-Agency Revenue FY 01 through FY 05

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 on each \$100 of assessed value. This tax is levied in lieu of the personal property tax and distributed to counties, cities, and incorporated towns based on a percentage of miles of track located in the locality versus the total or vehicle miles operated by a carrier in the locality versus the total.

Passenger Car Rental Tax - 1304

Automobiles rented on a daily basis are often moved from location to location and have no fixed sites for personal property taxation. In lieu of the local personal property tax, the Department of Motor Vehicles collects short-term from leasing companies located in the county and remits to the County four percent of the rental fee for passenger cars rented for less than twelve months.

Mobile Home Titling Tax - 1305

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

Federal Payment in Lieu of Taxes - 1700

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

FY2001 Fiscal Plan

Table of Contents

Budget Summary

Understanding the Budget

Strategic-Based
Outcome Budget Process

Expenditure Summary

Revenue Summary

**Background and
Supplemental Statistical
Information**

Glossary



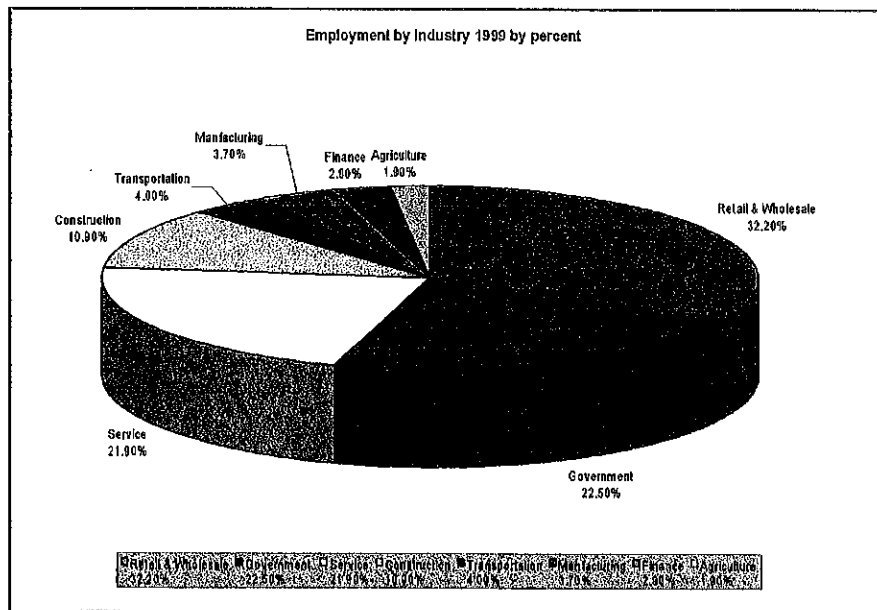
Background and Supplemental Statistical Information

ECONOMIC INDICATORS:

EMPLOYMENT:

Prince William County's February 2000 unemployment rate was 1.9% compared to 1.5% in the Northern Virginia area. The unemployment rate continues to remain below national and state averages. The unemployment rate in Virginia as of January 2000 was 2.8%, and in the United States, the overall rate was 4.5%.

Retail outlets, government agencies, and the services sector are the greatest source of employment within Prince William County. Employment in the retail/wholesale industry represents 32.2% of the labour market and government represents 22.5%. The services sector has shown the greatest rate of increase moving from 15% of the labor market in 1986 to 21.9% in 1999. While government is one of the leading sources of employment, this sector showed the greatest percentage decrease. Employment in this sector shifted from 26% in 1986 to 22.5% in 1999.



UNEMPLOYMENT RATES			
YEAR	PWC	VIRGINIA	U.S.
1988	2.0%	3.8%	5.5%
1989	1.8%	3.6%	5.5%
1990	2.3%	4.2%	5.3%
1991	4.3%	6.0%	6.9%
1992	5.0%	6.6%	7.8%
1993	3.3%	5.3%	7.1%
1994	3.5%	5.5%	6.2%
1995	3.3%	4.8%	5.8%
1996	3.1%	4.8%	5.5%
1997	3.1%	4.7%	5.2%
1998	2.2%	3.1%	4.5%
1999	1.9%	2.8%	4.7%

EMPLOYMENT BY INDUSTRY			
INDUSTRY	1999	1991	1986
Construction	10.9%	10.0%	13.0%
Government	22.5%	24.0%	26.0%
Manufacturing	3.7%	5.0%	5.0%
Retail/ Wholesale Trade	32.2%	33.0%	33.0%
F.I.R.E.*	2.9%	4.0%	3.0%
Services	21.9%	18.0%	15.0%
Transportation	4.0%	6.0%	5.0%
Agriculture	1.9%	n/d	n/d

* F.I.R.E. = Finance, Insurance, and Real Estate

Background and Supplemental Statistical Information

REAL ESTATE DEVELOPMENT:

The total inventory of commercial and industrial space (excluding hotels) is approximately 32.3 million square feet. The make-up of the commercial and industrial space in Prince William is 53% retail, 27% industrial and 19% office. Retail space in the County continues to show the strongest growth. Table 1 shows new office, industrial, and retail space construction from 1989 through 1999.

Table 1: Commercial/Industrial Space (In Square Feet)

<u>Calendar Year</u>	<u>Office</u>	<u>Industrial</u>	<u>Retail</u>	<u>Total</u>
Before 1989	4,376,200	6,915,956	9,311,065	20,603,221
1989	620,408	834,320	1,008,303	2,463,031
1990	306,222	461,345	1,071,688	1,839,255
1991	25,331	133,887	552,428	711,646
1992	141,464	79,598	765,374	986,436
1993	62,760	32,460	1,145,925	1,241,145
1994	34,323	36,796	166,089	237,208
1995	12,826	128,260	822,584	963,670
1996	35,277	16,175	580,266	631,718
1997	77,806	64,400	556,700	698,906
1998	65,334	128,498	958,953	1,152,785
1999	494,480	30,263	322,083	846,826
Total	6,252,431	8,861,958	17,261,458	32,375,847

Source: Prince William County Department of Public Works

Background and Supplemental Statistical Information

REAL ESTATE TAX BASE:

Between FY 2000 (Tax Year 1999) and FY 2001 (Tax Year 2000), the total valuation of real estate increased 8.68%. This overall increase was the net result of a 3.40% increase in average value of existing commercial and residential property and a 5.27% increase from new residential and commercial construction and rezoning. The total real estate assessment in Prince William County increased from \$15.1 billion in tax year 1999 to \$16.4 billion in tax year 2000.

The FY 2001 (Tax Year 2000) estimate for current real estate taxes uses the \$1.34 per \$100 assessed value real estate tax rate adopted by the Board of County Supervisors. Each penny on the tax rate generates \$1.6 million in real estate revenue in FY 2000.

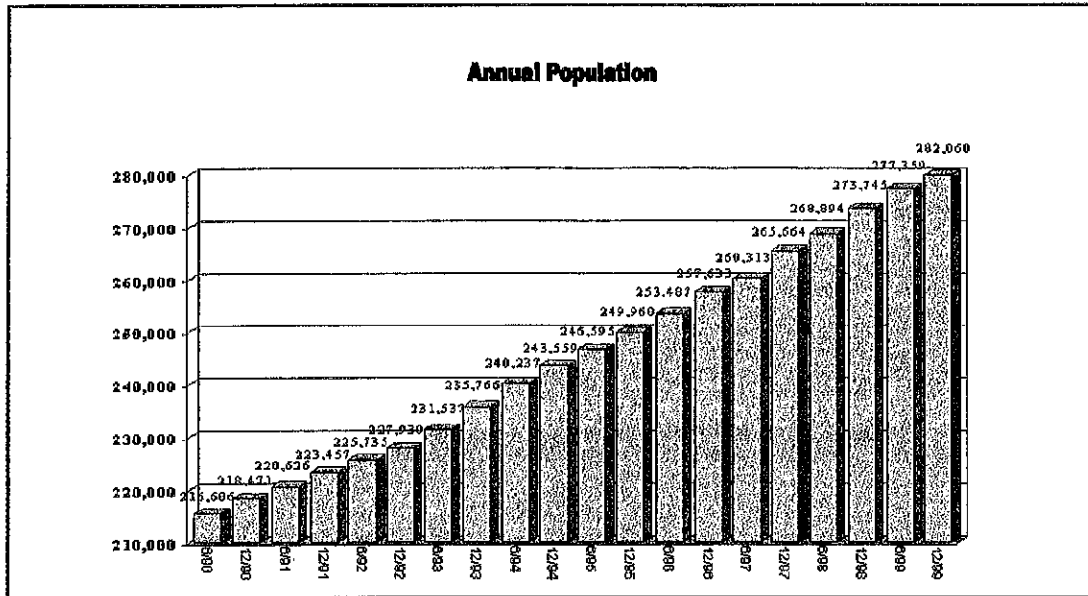
Prince William County continues to have a heavy reliance on residential real estate. In 2000, the commercial property represented 20.3% of the real estate tax base. However, through the County's economic development plan and its on-going aggressive implementation of that plan, the County anticipates the expansion and diversification of its economic base. Expansion and further diversification of the tax base through commercial and industrial development will provide further employment stability, reduce the tax burden on individual taxpayers, and reduce the County's reliance on real estate tax revenue.

Table 2: 1999-2000 Tax Year Comparisons

	<u>1999</u>	<u>2000</u>
Commercial Property as a % of Total Real Estate Tax Base	20%	20.3%
Average Assessed Value Residential Property (includes growth)	\$136,752	\$144,853
Average Real Estate Tax Residential Property at \$1.34 Tax Rate (includes growth) for Tax Year 2000; Tax Year 1999 Rate was \$1.36	\$1,860	\$1,941
Average Change Existing Residential Property Value	2.15%	4.3%
Average Change Existing Commercial Property Value	2.0%	1.20%

Background and Supplemental Statistical Information

POPULATION CHARACTERISTICS:



Source: Prince William County Office of Information Technology

POPULATION GROWTH:

The County has experienced one of the most rapid population growths in the nation for the last quarter century. As of the 1990 Census, Prince William County had the third largest population of any County in Virginia. Between 1990 and 1999, the County grew 23% from 218,471 to 282,060 (population figures as of December 31st). Yearly population growth since 1990 has averaged 7,065 persons per year.

Approximately 32% of Prince William County's population is less than 18 years old. Of the 32% below the age of 18, approximately 53,350 were registered in Prince William County Public Schools in the 1999/2000 school year. The current number of students is projected to increase by 2% or 1,749 students per year.

County residents comprise one of the best educated and most highly skilled work forces in the nation. According to the 1998 Citizens Survey, 70% of County workers have some college, while 52% have a college degree, and 13% have advanced degrees.

MEDIAN INCOME:

According to the U.S. Census Bureau's model based income estimates for 1995, the median household income for Prince William County was \$55,276. That figure is 11% higher than the 1990 Census showing an actual median income of \$49,370. The new estimate is more than double the median income earned by residents as observed in the 1980 Census. The median household income for Prince William County is higher than the median income for the Commonwealth of Virginia. The U.S. Census Bureau's model based income estimate for the Commonwealth of Virginia in 1995 was \$50,032.

Background and Supplemental Statistical Information

INDICATORS OF FINANCIAL CONDITION:

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

One measure of financial condition is the percentage of taxable real estate which is composed of commercial and public service real estate. This ratio represents the County's economic strength and the diversity of the County's tax base. The County's ratio at June 30, 1999 was 14.8%.

Another key financial factor is the amount of funds unexpended and available to finance future operations, or to provide for unforeseen expenditures. There are restrictions on all of these funds except the undesignated fund balance. The County's FY 99 undesignated general fund balance was 5.1% of an average of the prior 5 years of general fund revenues.

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

The bond rating is reflective of the commercial financial marketplace's perception of the economic, administrative and character strengths of the County. The Aa rating category is a very strong rating.

Table 3: Trends in Selected Financial Indicators

	Commercial Real Estate as a Percent of Total Taxable Real Estate	Ratio of Debt Service to Revenues (CAFR Table 9)	Undesignated Fund Balances as a Percent of 5 Yr Revenue Average	Actual Revenues as a Percent of Revenue Estimate	Bond Rating (Fitch/Moody's/St andard and Poors)
FY 92	21.9%	7.1%	5.6%	103.1%	AA/Aa/AA-
FY 93	23.7%	7.6%	5.4%	104.6%	AA/Aa/AA
FY 94	23.0%	7.2%	5.3%	100.8%	AA/Aa/AA
FY 95	22.0%	7.9%	5.3%	101.5%	AA/Aa/AA
FY 96	21.1%	7.0%	5.3%	99.5%	AA/Aa/AA
FY 97	20.9%	6.7%	5.3%	100.6%	Aa/Aa2/AA
FY 98	20.6%	6.5%	5.4%	101.7%	Aa/Aa2
FY 99	20.3%	6.5%	5.1%	102.6%	AA/Aa2

Source: Prince William County Department of Finance

Background and Supplemental Statistical Information

PAST TRENDS IN COUNTY SERVICE EFFORTS:

Spending Adjustment for Inflation

It is widely recognized that inflation reduces the purchasing power of a dollar and growth in the population of a community increases demands for services. Table 4 illustrates the per capita less inflation expenditures between FY 93 and FY 2001 for the General Fund.

Table 4: FY 1993-2001 Cost Per Capita General Fund		
	<u>Capita Less Inflation</u>	<u>Cost per Capita</u>
FY 93	\$1,225	\$1,248
FY 94	\$1,222	\$1,278
FY 95	\$1,176	\$1,266
FY 96	\$1,219	\$1,335
FY 97	\$1,183	\$1,339
FY 98	\$1,179	\$1,361
FY 99	\$1,193	\$1,401
FY 00	\$1,201	\$1,452
FY 01	\$1,215	\$1,514

From FY 92 to FY 2001, budgeted expenditures per capita dropped most significantly in the Judicial Administration, Debt/CIP, and Human Services area. Public Safety, Schools, and Parks and Library also experienced declines in budgeted expenditures per capita but at a slower rate. Overall budgeted expenditures per capita, adjusted for inflation, declined 2.92% between FY 92 and FY 2001.

Spending Per Capita by Major Service Area General Fund (Adjusted for Inflation)	
General Government	-21.25
Planning and Development	-20.12
Debt/CIP	13.17
Administration	-22.76
Judicial Administration	11.4
Public Safety	7.18
Human Services	8.76
Parks and Library	-23.87
School Transfer	-5.35
Total	-2.92

Background and Supplemental Statistical Information

GENERAL COUNTY GOVERNMENT STAFFING:

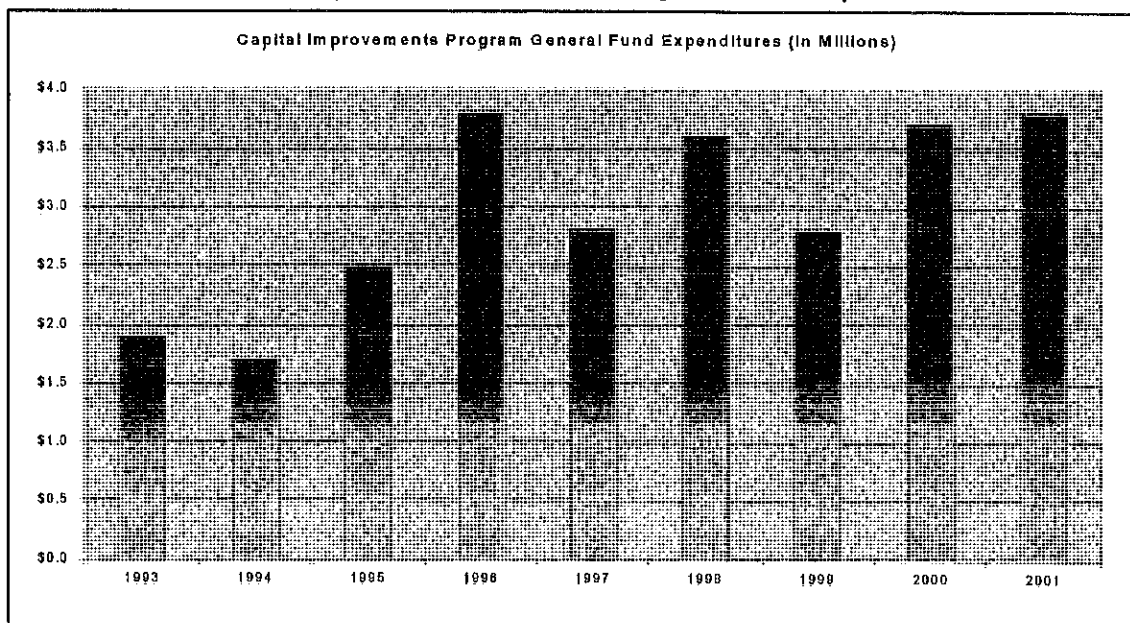
Employees per 1,000 residents declined significantly due to County population rising much faster than staffing. Between FY 93 and FY 2001 the number of employees increased from 2,323.55 to 2,829.04 Employees per 1,000 residents declined from 10.00 in FY 93 to 9.83 in FY 2001.

	<u>Staffing</u>	<u>Employees Per 1,000 Residents</u>
FY 93	2,315.55	10.00%
FY 94	2,349.10	9.78%
FY 95	2,332.29	9.46%
FY 96	2,411.60	9.51%
FY 97	2,469.21	9.49%
FY 98	2,536.30	9.43%
FY 99	2,631.69	9.49%
FY 00	2,729.86	9.68%
FY 01	2,829.04	9.83%

* Staffing figures do not include Schools

CAPITAL IMPROVEMENTS PROGRAM:

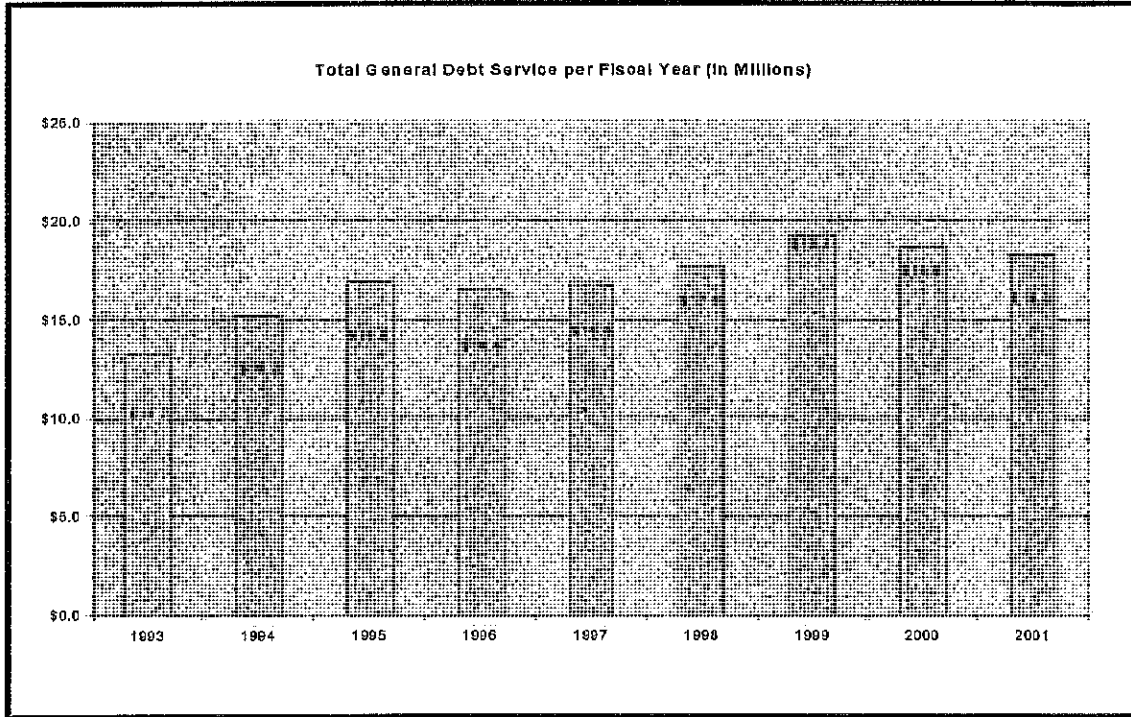
The County has continued to invest in Capital Improvements. General Fund Capital Improvement Program expenditures increased significantly in FY 95 – FY 2001 as compared to earlier years.



Background and Supplemental Statistical Information

GENERAL DEBT SERVICE:

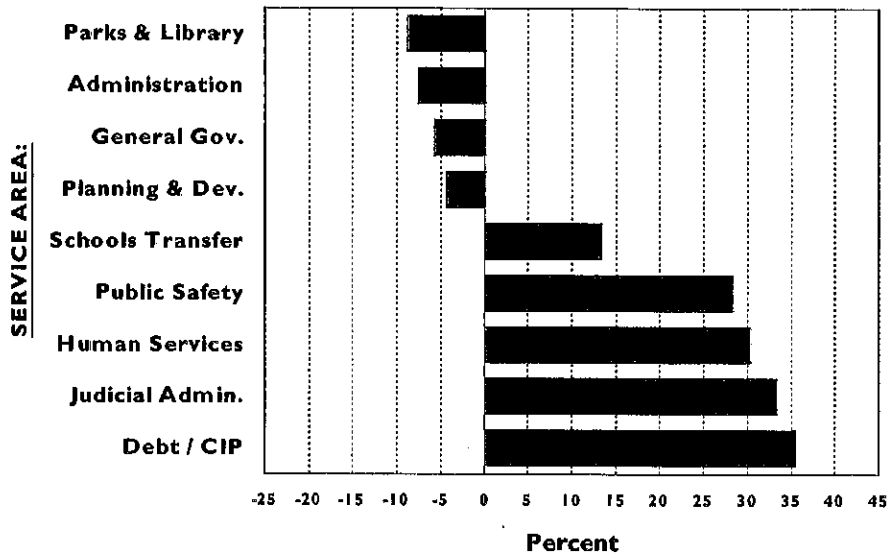
As a result of continued investment in capital projects, total general debt service rose steadily from FY 93 through FY 95, then leveled off from FY 95 through FY 97. Total general debt increased again in FY 98 and rose to its highest point in FY 99. Following past trends the total general debt has leveled off again from FY 00 to FY 01.



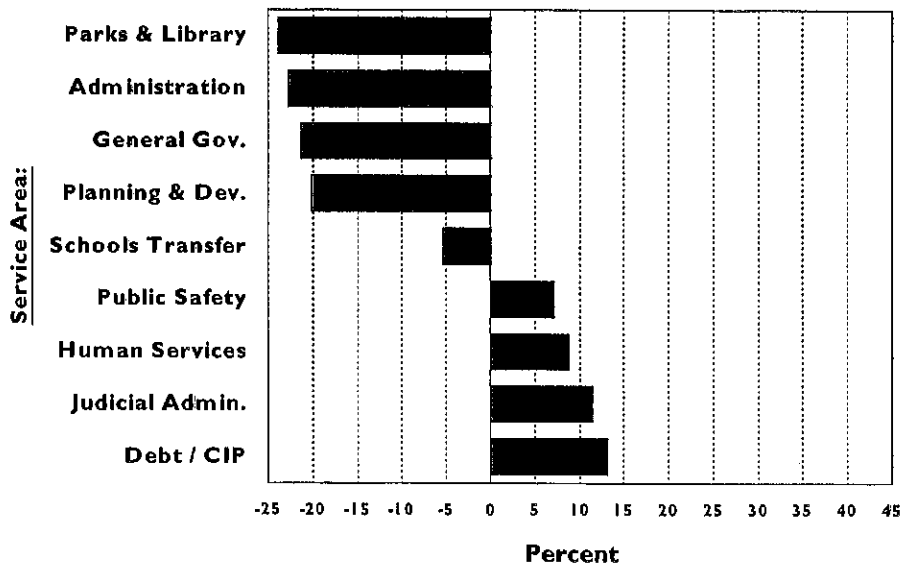
Background and Supplemental Statistical Information

The following graphs show the change in cost per capita between the FY1992 Adopted and FY2001 Adopted Budgets by County service area. The first graph shows these changes not adjusted for inflation, the second graph shows the same information with the numbers adjusted for inflation. When these figures are not adjusted for inflation, the service areas that experienced an increase in the cost per capita include: Debt/CIP (e.g., roads, economic development, public safety construction), Judicial Administration, Human Services, Public Safety and Schools. When these figures are adjusted for inflation the growth areas include: Debt/CIP, Judicial Administration, Human Services and Public Safety.

**Fiscal Year 1992 to 2001 Percent Change
In Cost Per Capita by Service Area
(Not Adjusted for Inflation)**



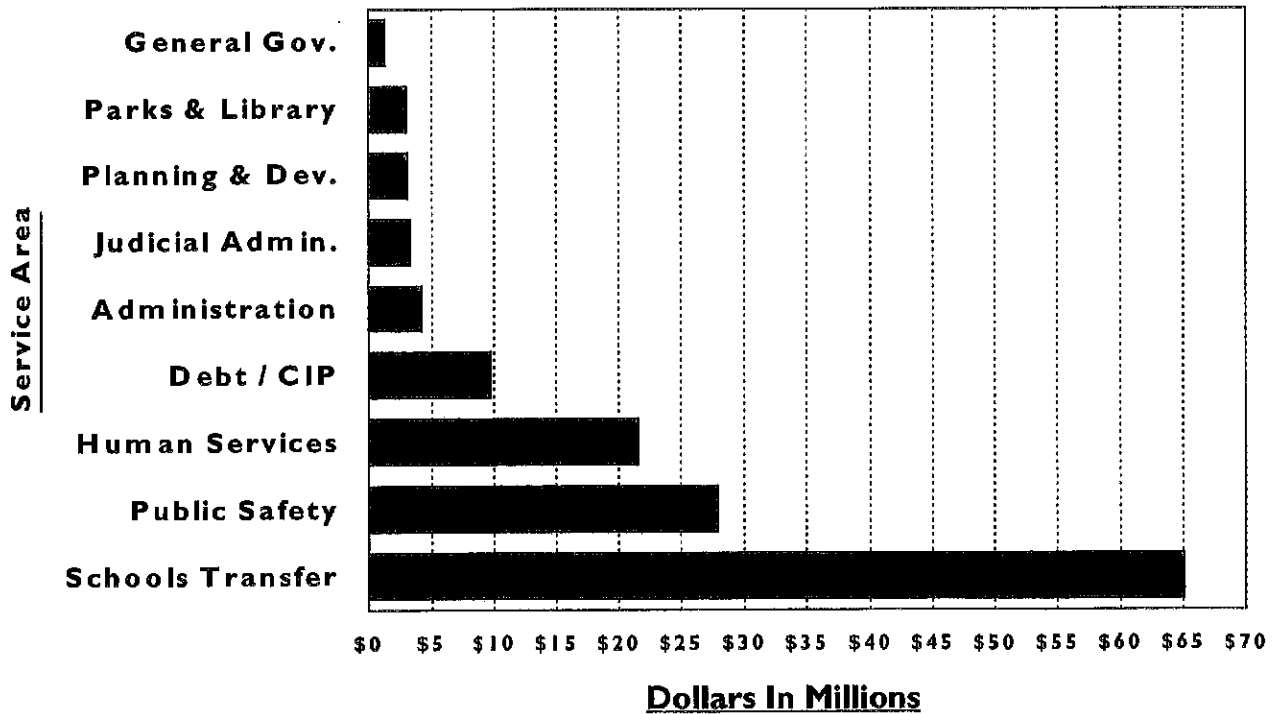
**Fiscal Year 1992 to 2001 Percent Change
In Cost Per Capita by Service Area
(Adjusted for Inflation)**



Background and Supplemental Statistical Information

The following graph shows the actual dollar change by County service area from FY1992 Adopted through the FY 2001 Adopted Budget. These figures are not adjusted for inflation. The largest growth areas correspond directly with the County's adopted Strategic Goals: Economic Development, Transportation (these two areas are represented primarily in increases in Debt/CIP), Public Safety and Schools, which has experienced the largest growth over this time period.

**Fiscal Year 1992 to 2001
Dollar Change by Service Area
(Not Adjusted For Inflation)**



FY2001 Fiscal Plan

Table of Contents

Budget Summary

Understanding the Budget

Strategic-Based
Outcome Budget Process

Expenditure Summary

Revenue Summary

Background and
Supplemental Statistical
Information

Glossary



Glossary

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

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

457 Plan: Prince William County Deferred Compensation Plan.

AA: Bond rating.

AALL: American Association of Law Libraries.

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

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

Activities: Measurable statements, including service levels and budgeted costs, describing the jobs performed to achieve stated program objectives.

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

ADA: Americans with Disabilities Act.

ADC: Adult Day Care.

ADC: Adult Detention Center.

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

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

ADP: Average daily population.

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

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

ALS: Advanced Life Support.

AIDS: Acquired Immune Deficiency Syndrome.

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

APS: Adult Protective Services.

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

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

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

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

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

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

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

BLS: Basic Life Support.

BMP: Best Management Practices.

Glossary

BOCS: Board of County Supervisors.

Bonding Power: The power of government to borrow money.

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

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

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

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

CAD: Computer Assisted Dispatch.

CAFR: Comprehensive Annual Financial Report.

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

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

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

CCJB: Community Criminal Justice Board.

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

CEM: Code Enforcement Module.

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

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

CIP: Capital Improvements Program.

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

CMAQ: Congestion Mitigation and Air Quality.

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

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

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

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

Contingency Reserve: The Contingency Reserve is an amount of funding maintained in the General Fund to cover unanticipated expenditures and/or shortfalls in

Glossary

revenues collected. For example, if State and Federal support for local programs are reduced after local budgets have been established and programs put into operation, the Contingency Reserve may be used as a source of stopgap funding to prevent or minimize disruption in the level of services delivered to the public.

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

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

CPI: Consumer Price Index.

CPR: Cardiac pulmonary resuscitation.

CPS: Child Protective Services.

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

CSB: Community Services Board.

CSW: Community service work.

CXO: County Executive.

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

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

Debt: An obligation resulting from the borrowing of money.

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

DEQ: Department of Environmental Quality – a State agency.

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

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

DMV: Department of Motor Vehicles – a State agency.

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

DSS: Department of Social Services.

EEOC: Equal Employment Opportunity Commission – a Federal agency.

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

EIAP: Early Intervention Alternative Program.

EMS: Emergency Medical Services.

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

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

Glossary

recreational services), and the Prince William County Landfill (which provides solid waste disposal for the County).

ESI: Engineers and Surveyors Institute.

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

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

Feasibility: Capability of accomplishment or completion.

FICA: Social Security contributions – an employee fringe benefit.

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

Fiscal Plan: The annual budget.

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

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

FOIA: Freedom of Information Act.

FRA: Fire and Rescue Association.

FSS: Family Self-Sufficiency.

FTE: Full-Time Equivalent positions.

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

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

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

GDC: General District Court.

GDP: Gross Domestic Product.

GED: General Equivalent Diploma.

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

GFOA: Government Finance Officers Association.

GIS: Geographic Information System.

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

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

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

Glossary

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

HAZMAT: Hazardous Materials.

HOA: Homeowners Association.

HIDTA: High Intensity Drug Trafficking Area.

HIV: Human Immunodeficiency Virus.

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

HOPWA: Housing Opportunities for Persons with AIDS.

HOV: High Occupancy Vehicle.

HUD: Housing and Urban Development – a Federal agency.

HVAC: Heating, Ventilation, and Air Conditioning.

ICMA: International City/County Management Association.

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

IDA: Industrial Development Authority.

IFB: Invitation for Bid.

IFSP: Individualized Family Service Plan.

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

IRM: Information Resource Management.

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

ISN: Information Systems Network.

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

JCSU: Juvenile Court Services Unit.

JDRC: Juvenile and Domestic Relations Court.

JTPA: Jobs Training Partnership Act.

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

LEPC: Local Emergency Planning Commission.

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

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

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

LIS: Land Information System.

LPG: Liquid Propane Gas.

LOSOA: Volunteer retirement Length Of Service Awards Program.

MDT: Mobile Data Terminal.

MHz: Megahertz.

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

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

MPTC: Multi-Purpose Transit Center.

Glossary

N/A: Not available.

NADA: National Automobile Dealers Association.

NFPA: National Fire Protection Association.

NPDES: National Pollutant Discharge Elimination System.

N/R: Not reported.

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

NVRA: National Voter Registration Act.

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

Objectives: Measurable statements of what a program will accomplish to achieve Countywide goals and desired community outcomes.

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

OCJS: Office of Criminal Justice Services.

OEM: Office of Executive Management.

OIT: Office of Information Technology.

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

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

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

Output: Unit of goods or services produced by agency activities.

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

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

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

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

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

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

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

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

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

PRTC: Potomac and Rappahannock Transportation Commission.

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

PUP: Provisional Use Permits.

PWC: Prince William County.

Glossary

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

PWSIG: Prince William Self-Insurance Group.

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

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

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

REZ: Rezoning pertaining to land use.

RFP: Request for Proposal.

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

SAVAS: Sexual Assault Victims Advocacy Service.

SCNEP: Smart Choices Nutrition Education Program.

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

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

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

Service Levels: Quantified measures of goods and services (outputs) produced by agency activities, the

relationship of resources required to outputs produced (efficiency), and the degree of excellence characterizing the outputs (service quality).

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

SMI/SED: Seriously Mentally Ill/Seriously Emotionally Disturbed.

SODC: Set-off-debt collection.

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

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

SSI: Supplemental Security Income – a Federal entitlement benefit.

STEP: Systematic Training for Effective Parenting.

STD: Sexually Transmitted Disease.

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

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

SUP: Special Use Permit

Supplemental Appropriations: Where sufficient justification exists, supplemental appropriations by the Board of County Supervisors may occur. Such appropriations shall reflect unanticipated emergency

Glossary

requirements subject to serious time constraints that a normal resource allocation mechanism, such as the annual budget process, cannot accommodate.

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

SWM: Storm Water Management.

TANF: Temporary Assistance to Needy Families.

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

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

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

TB: Tuberculosis.

TBD: To be determined.

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

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

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

involve measurement of results of operations. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds.

USDA: United States Department of Agriculture.

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

UVA: University of Virginia.

VAC: Voluntary Action Center.

VACO: Virginia Association of Counties.

VDOT: Virginia Department of Transportation – a State agency.

VHDA: Virginia Housing Development Authority – a State agency.

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

Vision: A long-term desired end state.

VJCCCA: Virginia Juvenile Community Crime Control Act.

VML: Virginia Municipal League.

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

VRA: Virginia Resources Authority.

VRE: Virginia Railway Express.

VRS: Virginia Retirement System.

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

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

WINTEX: State funding received by the Community Services Board to discharge or divert seriously mentally

Glossary

ill citizens from the Northern Virginia Mental Health Institute.

WMATA: Washington Metropolitan Area Transit Authority.

Y2K: Year 2000.



Index

A

Accounting	66
Administrative Support to the Board	25
Adult Day Care	470
Adult Detention Center	329
Adult Detention Center – Executive Management	335
Adult Detention Center – Support Services	343
Adult Services	622
Aging, Area Agency on	466
Aging, Administrative Services	476
Affirmative Action	29
Alternative Disputes Resolution	140
Animal Control	429
Assessments and Tax Policy	69
At Risk Youth & Family Services	485
Audit	37

B

Board of County Supervisors	1
Board of Equalization	51
Buckhall Volunteer Fire	375
Budget Development & Implementation	39
Budget Process	Vol. 1
Building Development	291
Building & Grounds	299
Bull Run Mountain Service District	309
Business Development, Existing	207
Business Licenses	74

C

Cable T.V.	27
Capital Improvements Program	685
Care, School Age	585
Child Welfare	610
Circuit Court Judges Chambers	133
Classification and Compensation	31
Clerk of the Court	127
Clerk of the Court Executive Management & Support	131
Client & Family Support	474
Coles Volunteer Fire	378
Commonwealth's Attorney	143
Communications Program	27
Communications, Public Safety	433
Community Education	361
Community Preservation & Development	227
Community Recreation	64
Community Resources	640
Community Services Board	493
Community Services Board – Administrative	532

Community Services Board – Executive Director	430
Community Services Board – Medical Services	534
Community Support	659
Contingency Reserve	56
Contributions	215
Cooperative Extension Service	538
Cooperative Extension Service – Contributions	549
Cooperative Extension Services – Executive Management & Administrative	548
Corporate Services	666
County Attorney	43
County Beautification	306
County Executive	11
County Executive's Transmittal Letter Vol. I	1
County Supervisors, Board of	112
Court Administration	427
Criminal Investigations	147
Criminal Justice Services	152
Criminal Justice Services – Support	431
Crossing Guards	431

D

Debt	673
Dental Health	579
Development Services	246
Disaster & Hazardous Materials Preparedness – Fire & Rescue	371
Drug Offender Recovery Services	528
Dumfries-Triangle Rescue	381
Dumfries-Triangle Volunteer Fire	384

E

Early Intervention Services for Infants & Toddlers with Disabilities	515
Economic Development	197
Economic Development - Executive Director	205
Elections	77
Equal Employment Opportunity/ Affirmative Action	29
Emergency Services	507
Employee and Staffing Services	33
Employment & Support Services	615
Enhanced 9-1-1	435
Enterprise Program	662
Environmental & Natural Resources	547
Environmental Health	581
Evergreen Volunteer Fire	386
Executive Management, Office of	11
Existing Business Program	207

Index

F

Facilities Construction Mgmt.	293
Family Preservation & Support Services	488
Family Stability	544
Finance Department	59
Finance Department, Director	75
Financial Reporting & Control	66
Fire & Rescue Department	347
Fire & Rescue Departments, Volunteer	374
Fire & Rescue - Operations	356
Fire & Rescue - Office of the Chief	363
Fire & Rescue - Training	
Fire Marshal	359
Fleet Management Program	288
Fund Structure	Vol. I

G

Gainesville Volunteer Fire	389
General Debt	673
General District Court	157
General Medicine	577
General Registrar	77
Geographic Information Systems	106
Gypsy Moth & Mosquito Control	297

H

Health Department, Public	567
Historical Information	Vol. I
Homeless Emergency Shelter	620
Housing & Community Development	219
Housing Finance & Development	229
Human Resources	29
Human Rights Office	85

I

Information & Program Services	635
Information Delivery Services	635
Information Systems	103
Information Support Services	638
Information Technology, Office of	93
Information Technology, Administration	113
Information Technology Plan	115
Inmate Classification	337
Inmate Health Care	341
Inmate Rehabilitation	345
Inmate Security	339
Investment Attraction	210

J

Jail (See Adult Detention Center)	329
Juvenile & Domestic Relations Court	173
Juvenile Court Service Unit	165

L

Lake Jackson Service District	313
Lake Jackson Volunteer Fire	392
Land Records	138
Landfill	302
Law Library	181
Legal Services	43
Library System	627
Library System - Administrative Svcs.	643
Library System - Office of Director	645
Long Range Planning	251
Long Term Care	466

M

Mailroom	299
Magistrates	189
Management and Policy Development	19
Management Analysis and Audit	37
Market Research	213
Maternal and Child Health	573
Mental Health Day	513
Mental Health Outpatient	524
Mental Health Residential Services	511
Mental Retardation Case	520
Mental Retardation Day	522
Mental Retardation Residential Services	509

N

Neabsco Volunteer Fire	395
Network Services & Support	109
New Horizons	517
Nokesville Volunteer Fire	398
Non-Departmental	697
Nutrition	472

O

Occoquan Forest Sanitary District	317
Occoquan, Woodbridge, Lorton Volunteer Fire	401
Offenders Supervision	154
Omni Link	321
Omni Ride	321

Index

P

Park Authority	649
Personal Property	69
Personnel (see Human Resources)	29
Planning Office	235
Planning Office – Office Management	254
Police Department	411
Police Department – Administration	422
Police Department – Office of the Chief	420
Police Department – Operations	425
Policy and Administration	225
Post-Dispositional Youth Residential Care	618
Potomac Rappahannock	
Transportation Commission	325
Pre-Dispositional Youth Residential Care	613
Pre-Trial Supervision	
Prince William Self-Insurance	121
Print Shop	299
Public Health	567
Public Health – Administration	583
Public Safety Communications	433
Public Service	136
Public Works Department	257
Public Works Department, Director	276
Purchasing	71

R

Real Estate Assessments	69
Recreation	664
Recycling	303
Regional Adult Detention Center	329
Registrar, General	77
Registration & Elections	82
Rental Assistance	231
Risk Management	67

S

Sales/Marketing/Tourism	669
Sanitary Districts	309
School Age Care	585
Schools	701
Self-Insurance	121
Senior Centers	468
Senior Nutrition	472
Sheriff's Office	445
Sheriff's Office - Management	451
Sheriff's Office - Operations	454
Sign Shop	294
Small Project Construction	296
Social Services – Administrative	624
Social Services, Department of	593
Solid Waste	302
Stonewall Jackson Volunteer Fire	404

Stormwater Infrastructure Mgt.	280
Street Lighting	285
Substance Abuse Adult Outpatient	526
Supervisors, Board of County	1

T

Technology, Office of Information	93
Tourism	671
Training & Personnel	368
Transfer of Funds Procedure	Vol. I
Transit	321
Transitional Housing Property Mgt.	233
Transportation	284
Treasury Management	73

U

Unclassified Administrative	697
Unemployment Insurance Reserve	123

V

Virginia Railway Express	321
Volunteer Fire & Rescue Companies	374
Voter Registration	82

W

Wellington Levy	407
Women, Office for	551

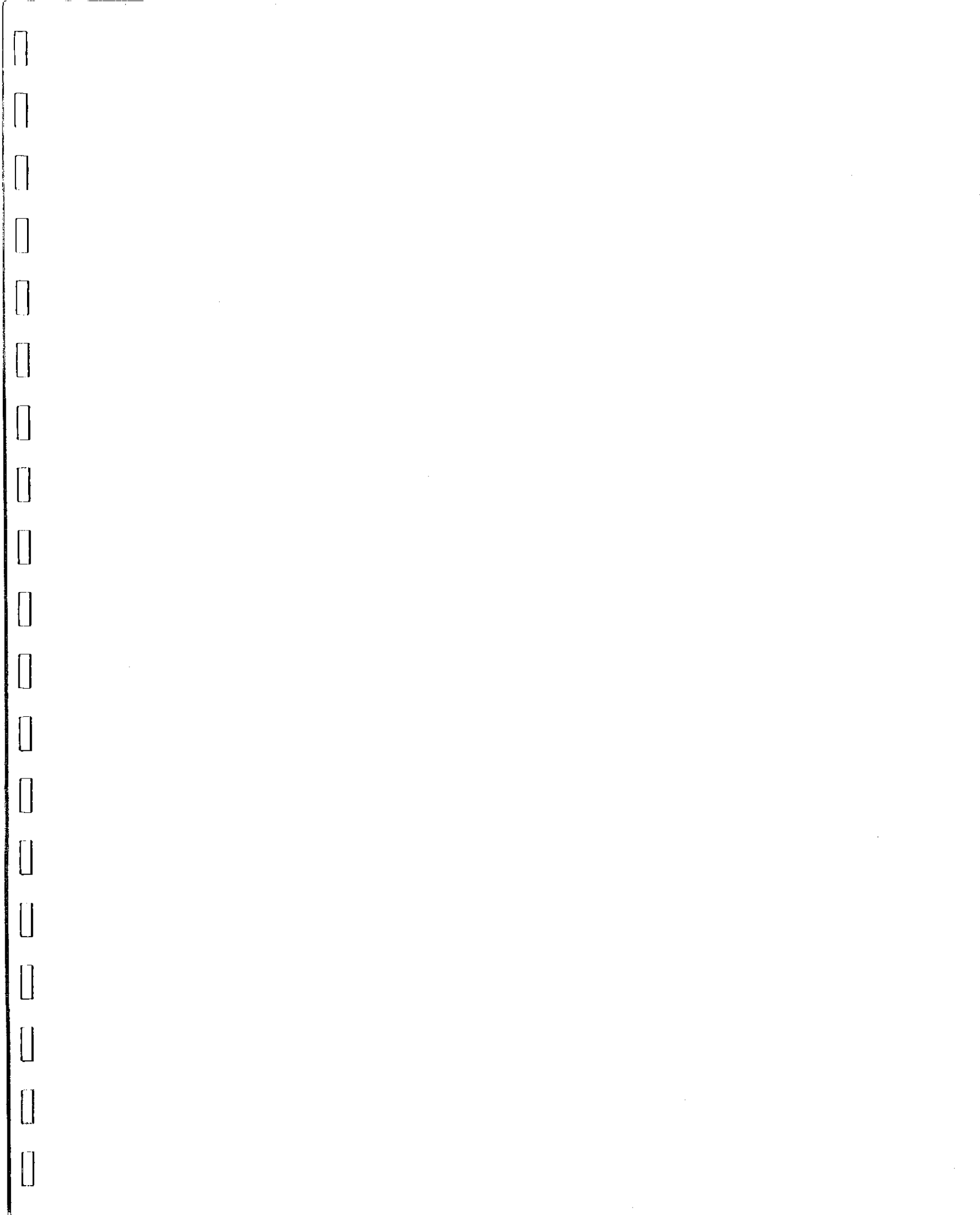
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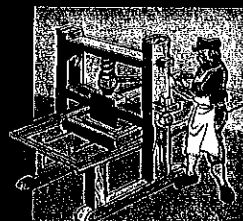
Yorkshire Volunteer Fire	408
Youth, Office of	559
Youth, At Risk & Family Services	485

Z

Zoning Administration	249
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