



**PRINCE WILLIAM**  
COUNTY

# Revenue & Expenditure **REPORT**

1st Quarter

**FY 2024**

Published 11/15/23

# PRINCE WILLIAM COUNTY

## 1<sup>st</sup> Quarter FY 2024 Revenues

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

The FY 2024 Adopted Budget estimates general revenues to be \$1.41 billion.

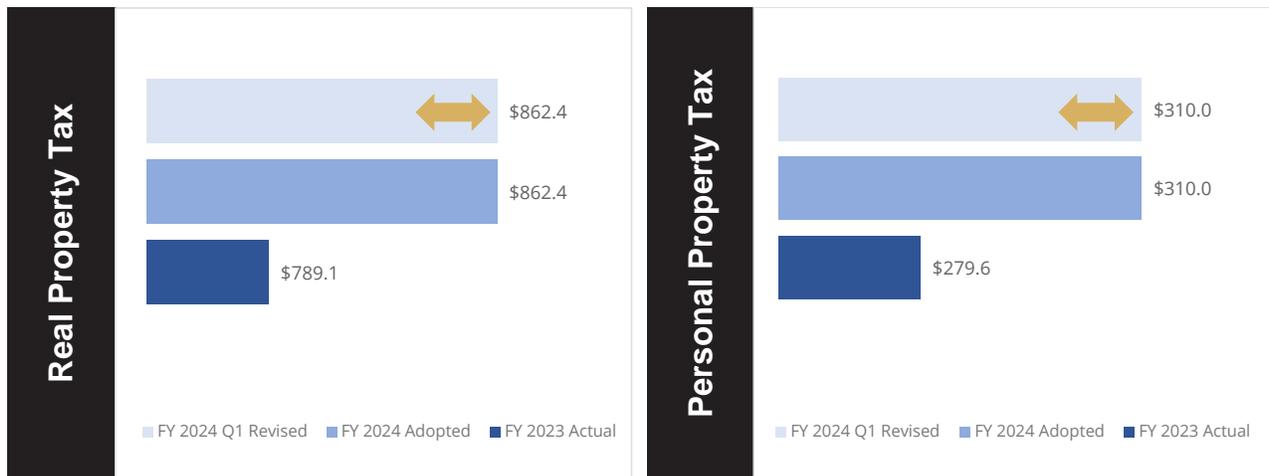
| General Revenue Sources          | Prior Year<br>FY 2023                  | Current Year<br>FY 2024 |                        |                         |                        |
|----------------------------------|--|-------------------------|------------------------|-------------------------|------------------------|
|                                  | Year-End<br>(Preliminary<br>Unaudited) | Adopted<br>Forecast     | Q1<br>Revised          | \$ Change<br>Q1/Adopted | % Change<br>Q1/Adopted |
| Real Property Tax                | \$789,128,362                          | \$862,420,000           | \$862,420,000          | \$0                     | 0.00%                  |
| Personal Property Tax            | 279,574,083                            | 309,988,000             | 309,988,000            | 0                       | 0.00%                  |
| Motor Vehicle License Tax        | 12,947,079                             | 12,500,000              | 12,500,000             | 0                       | 0.00%                  |
| Local Sales Tax                  | 94,844,799                             | 93,730,000              | 93,730,000             | 0                       | 0.00%                  |
| Food and Beverage Tax            | 40,984,363                             | 32,000,000              | 32,000,000             | 0                       | 0.00%                  |
| Consumer Utility Tax             | 15,407,848                             | 14,500,000              | 14,500,000             | 0                       | 0.00%                  |
| Communications Sales and Use Tax | 12,434,177                             | 12,360,000              | 12,360,000             | 0                       | 0.00%                  |
| BPOL Tax                         | 34,636,305                             | 34,000,000              | 34,000,000             | 0                       | 0.00%                  |
| Investment Income                | 21,905,605                             | 19,840,000              | 19,840,000             | 0                       | 0.00%                  |
| All Other Revenue                | 19,840,264                             | 16,924,000              | 16,924,000             | 0                       | 0.00%                  |
| <b>TOTAL GENERAL REVENUES</b>    | <b>\$1,321,702,885</b>                 | <b>\$1,408,262,000</b>  | <b>\$1,408,262,000</b> | <b>\$0</b>              | <b>0.00%</b>           |

# Revenues At-A-Glance

Highlights from the FY 2024 Adopted Budget are as follows:

*Real Property Tax* revenue collected to date suggests this revenue stream is on course to meet the adopted forecast of \$862.4 million. Real estate tax relief, exonerations and lawsuit reserves, key components that influence net property tax proceeds, are being closely monitored to determine if future adjustments are warranted.

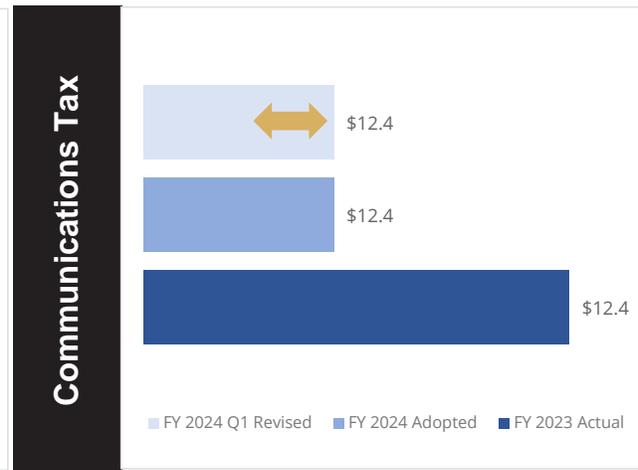
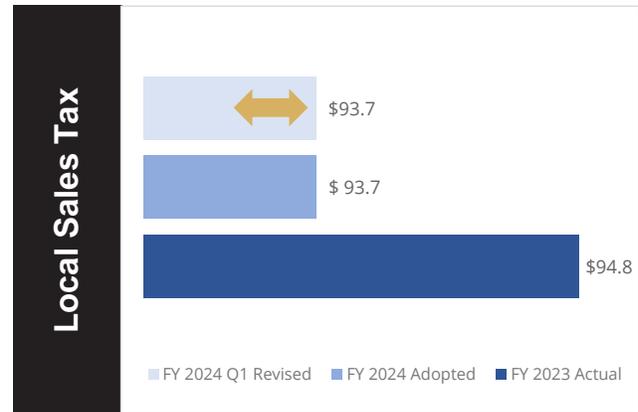
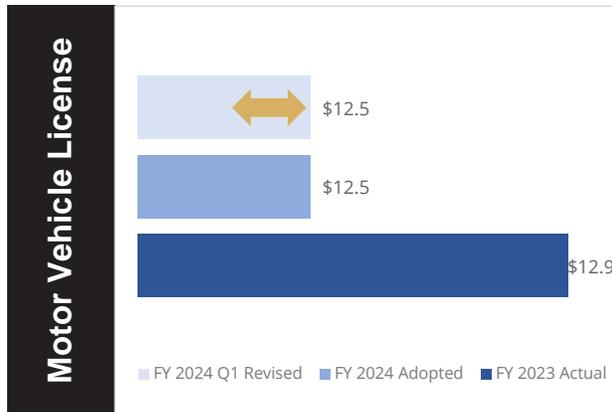
*Personal Property Tax* is forecast to generate FY 2024 revenue of \$310.0 million. While an extension of the personal property tax deadline for vehicles to January 3, 2024 precludes revisions at this time, personal property tax will be evaluated at a later date to determine if an adjustment to the forecast is necessary. On September 12, 2023 the Board of County Supervisors unanimously voted to extend the payment deadline by 90 days to offer residents a measure of temporary tax relief amid vehicle valuations that continue to be elevated.



Dollar amounts expressed in millions

*Local Sales Tax* collections over the first few months of FY 2024 implies this revenue stream is on track to meet the adopted forecast of \$93.7 million. Consumer demand has largely defied expectations for a substantive slowdown in consumption activity over the past twelve months. If consumer spending behavior continues to persist at or near current levels, buoyed in part by existing strength within the regional labor market, staff anticipates an upward adjustment to the adopted forecast will be necessary.

*Food and Beverage Tax* collections in the early portion of the current fiscal year suggest this revenue source is on course to meet the adopted forecast of \$32 million. The backdrop that may necessitate an upward revision to the original forecast is akin to Local Sales Tax – consistent spending behavior sustained by existing strength within the regional labor market.



Dollar amounts expressed in millions

*Investment Income* received to date suggests this revenue source is on a trajectory to meet the adopted forecast of \$19.8 million. Barring a significant financial system disruption or a marked decline in economic growth over the near-term future, scenarios staff deemed plausible when the original forecast was developed in late 2022, policy makers have now indicated they expect to keep the Federal Funds rate high enough to restore inflation back to the Federal Reserve's 2.0% target. The current range of the Federal Funds rate stands at 5.25% - 5.50%. Provided interest rates remain at or near current levels leading into 2024, an upward revision to the adopted forecast will likely be required.



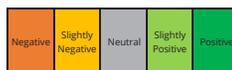
Dollar amounts expressed in millions

# Looking Ahead

## Economy At-A-Glance

| Indicator  | Prior Qtr<br>06/30/2023 | Prior Year<br>9/30/2022 | Current <sup>1</sup><br>09/30/2023 | Trend  |        |      |             |            | Notes  |
|--|-------------------------|-------------------------|------------------------------------|--------|--------|------|-------------|------------|--|
| <b>General</b>                                   |                         |                         |                                    |        |        |      |             |            |  |
| Consumer Price Index (CPI)                       | 3.0%                    | 8.2%                    | 3.7%                               | Orange | Yellow | Grey | Light Green | Dark Green | Measures prices paid by consumers for a basket of goods and services.  |
| Gross Domestic Product (GDP)                     | 2.1% (R)                | 2.6%                    | 4.9%                               | Orange | Yellow | Grey | Light Green | Dark Green | Measures the final market price for goods and services produced within the U.S.  |
| Federal Funds Rate                               | 5.08%                   | 3.08%                   | 5.33%                              | Orange | Yellow | Grey | Light Green | Dark Green | Target interest rate set by the Federal Open Market Committee (FOMC). Establishes baseline lending rates and short term rates of return.                                 |
| S&P 500 Index                                    | 4,450                   | 3,585                   | 4,288                              | Orange | Yellow | Grey | Light Green | Dark Green | Considered the best single gauge of large-cap U.S. equities. The index contains 500 leading companies and captures approximately 80% of available market capitalization. |
| <b>Unemployment Rate</b>                         |                         |                         |                                    |        |        |      |             |            |  |
| National   | 3.6%                    | 3.5%                    | 3.8%                               | Orange | Yellow | Grey | Light Green | Dark Green | Tracks the number of unemployed persons as a percentage of the total U.S. labor force.   |
| Virginia   | 2.7%                    | 2.6%                    | 2.5% (P)                           | Orange | Yellow | Grey | Light Green | Dark Green | Tracks the number of unemployed persons as a percentage of the total VA labor force.   |
| Prince William County                            | 2.7%                    | 2.4%                    | 2.8% (P)                           | Orange | Yellow | Grey | Light Green | Dark Green | Tracks the number of unemployed persons as a percentage of the total PWC labor force.  |
| <b>Average Weekly Wages <sup>2</sup></b>         |                         |                         |                                    |        |        |      |             |            |  |
| National   | \$1,385                 | \$1,374                 | \$1,465                            | Orange | Yellow | Grey | Light Green | Dark Green | Tracks the average weekly monetary compensation paid to an employee in the U.S. Excludes bonus payments.   |
| Virginia   | \$1,416                 | \$1,366                 | \$1,477                            | Orange | Yellow | Grey | Light Green | Dark Green | Tracks the average weekly monetary compensation paid to an employee in VA. Excludes bonus payments.  |
| Prince William County                            | \$1,193                 | \$1,069                 | \$1,176                            | Orange | Yellow | Grey | Light Green | Dark Green | Tracks the average weekly monetary compensation paid to an employee in PWC. Excludes bonus payments.   |
| <b>Employment Establishments <sup>3</sup></b>    |                         |                         |                                    |        |        |      |             |            |  |
| Virginia   | 337,394                 | 310,760                 | 347,721                            | Orange | Yellow | Grey | Light Green | Dark Green | Tracks the total number of physical locations where business, services, or industrial operations are performed in Virginia.  |
| Region   | 98,962                  | 98,440                  | 98,962                             | Orange | Yellow | Grey | Light Green | Dark Green | Tracks the total number of physical locations where business, services, or industrial operations are performed in Northern Virginia.                                     |
| Prince William County                            | 11,092                  | 10,421                  | 11,422                             | Orange | Yellow | Grey | Light Green | Dark Green | Tracks the total number of physical locations where business, services, or industrial operations are performed in Prince William County.                                 |
| <b>Revenue</b>                                   |                         |                         |                                    |        |        |      |             |            |  |
| Retail Sales: National                           | 0.2%                    | 0.0%                    | 0.7%                               | Orange | Yellow | Grey | Light Green | Dark Green | Retail sales tracks the resale of new and used goods to the general public for personal or household consumption.  |
| Sales and Use Tax: Virginia                      | 6.0%                    | 20.3%                   | 2.0%                               | Orange | Yellow | Grey | Light Green | Dark Green | Tracks the percentage of state collections for sales and use tax.  |
| Sales and Use Tax: Prince William County         | 6.3%                    | 6.5%                    | 3.2%                               | Orange | Yellow | Grey | Light Green | Dark Green | Tracks the percentage of collections for sales and use tax in Prince William County. Current sales tax rate is 6.0%.   |
| Revenue Collections: Virginia                    | -3.4%                   | -5.0%                   | 17.9%                              | Orange | Yellow | Grey | Light Green | Dark Green | Approximately 88% of Virginia's revenue consists of net individual income tax and sales tax.   |
| <b>Vehicles</b>                                  |                         |                         |                                    |        |        |      |             |            |  |
| National Automobile Sales                        | 15.4                    | 13.5                    | 15.5                               | Orange | Yellow | Grey | Light Green | Dark Green | Tracks the total number of year-to-date light-vehicle sales in the U.S. on a Seasonally Adjusted Annual Rate basis.  |
| <b>Real Estate Market: Prince William County</b> |                         |                         |                                    |        |        |      |             |            |  |
| Median Sold Price                                | \$550,000               | \$498,500               | \$540,500                          | Orange | Yellow | Grey | Light Green | Dark Green | Reflects the median sold price for a home.   |
| Closed Sales                                     | 560                     | 555                     | 392                                | Orange | Yellow | Grey | Light Green | Dark Green | Reflects the number of closed home sales.  |
| Average Days on Market                           | 11                      | 21                      | 15                                 | Orange | Yellow | Grey | Light Green | Dark Green | Reflects the average time a home is on the market from listing to closing.   |
| Ratio of Homes on the Market to Homes Sold       | 0.74                    | 1.35                    | 1.14                               | Orange | Yellow | Grey | Light Green | Dark Green | A ratio > 1 suggests supply of homes on the market exceeds current demand. A ratio < 1 suggests supply of homes on the market is below current demand.                   |
| Occupancy Permits Issued                         | 222                     | 365                     | 211                                | Orange | Yellow | Grey | Light Green | Dark Green | Establishes that a property is suitable for habitation after meeting the requirements of the Uniformed Statewide Building Code.  |
| Building Permits Issued                          | 266                     | 162                     | 201                                | Orange | Yellow | Grey | Light Green | Dark Green | Tracks the number of new building permits issued for residential dwellings.  |
| Commercial Vacancy Rate                          | 3.8%                    | 3.9%                    | 3.4%                               | Orange | Yellow | Grey | Light Green | Dark Green | Tracks the percentage of vacant store front property by square feet.   |

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



## National, State, and Local Trends

**National** While recent measurements of economic growth and labor market resilience have allowed a camp of economists and investors to form a base case that the U.S. economy can avoid a recession, evidence has begun to surface the stalwart shoulders of the U.S. consumer may cease to be a reliable driver of consumption activity in the months ahead. Recent economic data released by the Bureau of Economic Analysis saw personal spending outpace income gains in September and the personal savings rate fall to 3.4% from 4.0% in August, a low not seen since December 2022. In a note, the Bloomberg Economics team cited several factors that should place downward pressure on spending in the near-term. "Consumers - especially lower earners - face mounting pressures from high prices. Those concerns underpinned a sharp deterioration in the assessment of personal finances in the University of Michigan's preliminary consumer sentiment reading for October. In addition, depleted stimulus-related savings, tighter lending standards and the resumption of student loan repayments are further eroding living standards." Furthermore, with wage growth gradually moderating, and the totality of higher interest rates becoming a more restrictive barrier to personal consumption, the propensity to spend stands to face additional headwinds.

Though some Federal Reserve policy makers have appeared to lean into a "data dependent" construct to define the path of monetary policy for a significant portion of the rate hiking cycle, the Federal Open Market Committee decided to look through recent measurements of U.S. economic strength and hold the Federal Funds rate steady at 5.25% - 5.50% for a second consecutive meeting. Highlights from the statement issued following the Federal Reserve's meeting on November 1<sup>st</sup> acknowledge the presence of tighter "financial" conditions and the rise in longer dated Treasury yields as "likely to weigh on economic activity." Time will determine if officials have begun to embrace a forward-looking approach. But given language utilized in the statement, committee members appear to be incorporating a holistic view of the economy and the potential future impact of over 500 basis points of tightening.

**Consumer Price Index (CPI)** While September's CPI report indicated the presence of a disinflationary trend in the goods sector, the downward trend of headline inflation established over the past twelve months entered a stagnant phase during the quarter. Headline CPI for September rose 0.4% versus a 0.6% gain in August. Measured year-over-year, inflation remained flat at 3.7% when compared to August. Energy prices accounted for approximately 0.1% of the increase in headline inflation, propelled by a 2.1% increase in the cost of gasoline and a filtering through of announced electricity price increases by utility companies in recent months. Core inflation, which excludes food and energy and is scrutinized to assess signs of progress, remained unchanged at 0.3% compared to August, while the year-over-year pace fell slightly to 4.1% in September versus 4.3% the previous month. Core goods prices fell for a fourth consecutive month by -0.4% in September, driven primarily by a -2.5% decline in used car and truck prices. Year-over-year, used-vehicles have fallen -8.0%. And while new-vehicle prices posted a year-over-year price gain of 2.5%, a clear disinflationary trend has taken hold over the past 12 months. Core services prices rose a brisk 0.4% in September, underpinned primarily by the shelter component of CPI. Carrying an index weight equal to roughly one-third of overall CPI, the shelter category (includes rental housing costs) is a significant driver of not only services inflation but the entire CPI basket. In a note, Bloomberg Economics summarized the condition of inflationary pressure, saying, "September's headline inflation may be more favorable than August's, but core is not. While the goods sector continues to make progress with disinflation, rents disinflation stalled and other core services categories are still seeing solid price increases." "Inflation accelerated in some categories that would fall under Fed Chair Jerome Powell's preferred "supercore" measure, a proxy for sticky inflation - such as medical services and recreation services. The surprising increase in electricity prices may not be as transitory as it seems, as it comes without any clear weather catalysts and on the heels of price increases announced in many states."

**Gross Domestic Product (GDP)** Though U.S. economic growth accelerated at a pace during the quarter that surpassed many analysts' projections, some economists have suggested the surge in economic output was driven by temporary factors that are not sustainable as disposable income continues to fade. Adjusted for inflation, the Bureau of Economic Analysis's advance estimate signaled the U.S.

economy grew at a 4.9% annualized pace during the quarter, higher than the consensus estimate of 4.5% and the prior quarter's revised mark of 2.1%. Final sales to domestic purchasers, a key metric utilized to assess trends in consumption behavior, increased to 3.5% from 2.0% the previous quarter. Contributing 2.7 percentage points to overall GDP, consumer spending grew a robust 4.0% versus 0.8% the prior quarter. Believed by some market observers to be post-pandemic demand for entertainment rather than fundamental long-term strength, service sector spending was the primary catalyst behind the surge in personal consumption, rising 3.6% compared to 1.0% over the previous quarter. Additional drivers of economic growth were a rebuilding of inventory levels (1.3%) and government spending (0.8%). Partially offsetting key areas of strength, nonresidential fixed investment unexpectedly decreased -0.1% amid a -3.8% decline in equipment spending. And while White House policy initiatives were suspected, in part, to have contributed 16.1% to nonresidential construction the previous quarter, the category demonstrated a substantial slowdown to 1.6% in the current GDP report. According to Bloomberg Economics, key spending contributions in the government and inventory arenas "aren't likely to be repeated." The team anticipates "businesses to remain cautious ahead – as evident in the pullback on investment – amid an uncertain economic environment and the expectation that American consumers are running out of options to finance their spending."

**Labor Market** With the pace of hiring in September outperforming expectations, coupled with upward revisions to the number of jobs added over the previous two months, an initial conclusion could be drawn that further action by the Federal Reserve is necessary to cool the U.S. labor market. But subtle details suggest the job market may not be as buoyant as the headline data suggests. First, the September Household Survey disclosed an increase of 86,000 workers versus 222,000 in August. According to a Bloomberg estimate, if the Household Survey were adjusted to match the non-farm payroll methodology, also known as the Establishment Survey, household employment would have declined by 7,000 workers in September. Furthermore, average hourly earnings remained flat month-over-month, growing a modest 0.2%, while average weekly hours worked (34.4) was unchanged from August. The year-over-year decline in average weekly hours is estimated to have limited annual growth in weekly take-home pay to 3.5%. Still, current non-farm payroll growth has continued to exceed Federal Reserve Chairman Powell's forecast of 100,000 per month as being consistent with population growth, a scenario that may continue to transmit some measure of inflationary pressure to segments of the U.S. economy. Nonfarm payrolls for September increased 336,000 versus 227,000 in August, well above the consensus estimate of 170,000. The unemployment rate remained unchanged at 3.8% in September from the previous month, but has drifted slightly higher from the prior quarter rate of 3.6% as the labor market has gradually softened. The labor force grew by 90,000 workers during September and the labor force participation rate remained flat at 62.8% compared to the prior month. Job gains in September were concentrated primarily in the services sectors, led by leisure and hospitality (96k), health care and social assistance (66k), and retail trade (20k). The government sector made a significant contribution as well with the addition of 73,000 jobs.

**Retail Sales** An impressive gain in retail sales for September versus the consensus estimate has led the market to question whether the recent surge is a sign of consumer resilience or an unsustainable anomaly. Though consumers have defied expectations on more than one occasion for a broader pullback in consumption over the past year, the key difference at this point is how the cumulative impact of Federal Reserve interest rate increases could alter spending habits for the foreseeable future. Retail sales increased 0.7% in September preceded by a revised 0.8% gain in August. The consensus estimate called for a 0.3% increase in September. The September report revealed an increase in new vehicle sales of 4.2%, a key driver of overall retail activity. Sales excluding vehicles and gasoline rose 0.6%, a healthy increase compared to August's 0.2% gain. Control-group sales, (excludes food services, auto dealers, building-material stores, and gasoline stations) considered a barometer for underlying spending trends, rose higher than anticipated to 0.6% versus 0.2% in August. Spending at restaurants and drinking establishments, a proxy for service sector consumption, accelerated to 0.9% in September from 0.4% the prior month.

**Automobile Industry** The National Automobile Dealers Association (NADA) reported Seasonally Adjusted Annual Rate (SAAR) new light-vehicle sales of 15.5 million units through September, an increase of 13.7% over the same period last year. September's results marked the 13<sup>th</sup> consecutive month a year-

over-year sales increase was realized. Absent the United Auto Worker's strike, NADA believes sales would have come in slightly higher, but noted sales have not been derailed by production impacts levied by the strike. NADA confirmed new light-vehicle inventory on the ground and in-transit was 1.9 million units at the beginning of September, with the potential for an increase of up to 2.0 million units once September data has been reconciled. Although new-vehicle inventory levels have improved, elevated prices and financing rates have kept average monthly payments high. Despite a modest year-over-year decrease of \$94 in the average transaction price, J.D. Power estimates the average monthly payment for a new-vehicle purchase in September is \$726, an increase of \$15 from one year prior. J.D. Power projects average incentive spending per unit to total \$1,802 for September, an increase of 82.8% versus the previous year, but down approximately \$100 from August. Leading into the end of 2023, NADA believes the current pace of new-vehicle sales should continue, while total sales are expected to increase substantially over 2022. NADA's new-vehicle sales forecast for 2023 has been revised slightly higher to 15.4 million units. While new-vehicle prices have remained elevated, the trajectory of used-vehicle values has followed a different path. As of September, the Manheim Used Vehicle Value Index was down 3.9% from the previous year. "While we have some modest changes built into our MUVI (Manheim Used Vehicle Value Index) forecast, we think the market mainly reflects balance at this point, relative to what we have been seeing for much of the last three years. We typically see only slight upward trends in wholesale values in the fourth quarter, which is why we are forecasting our Used Vehicle Value Index to finish down 2.2% for the year," said Chris Frey, senior manager of Economic and Industry Insights for Cox Automotive.

**State** The Secretary of Finance's September revenue report noted the signing of House Bill 6001 Budget Bill into law is anticipated to result in a 5.5% decline of general fund revenues. The decrease is, in part, being driven by tax policy changes implemented in 2022 and 2023 and the assumption of slowing economic activity during the second half of FY 2024. Fiscal year-to-date general fund revenues are tracking 17.9% above the adopted forecast, but when measured against the amended budget, general fund revenues are up 6.6% (\$412 million.) Individual income tax withholding (60% of general fund revenues) grew an adjusted 3.8% through the first three months of the current fiscal year compared to the same period last year. Sales tax collections (17% of general fund revenues) increased 2.5% on a fiscal year-to-date basis after adjusting for the termination of the Commonwealth's grocery tax and Accelerated Sales Tax. "As inflation driven by excess federal spending keeps gas and grocery costs high, last month we signed Virginia's amended budget, which included an additional \$1 billion in tax relief to continue lowering the cost of living for families, veterans and workers in the Commonwealth," said Governor Glenn Youngkin. "We continue to accurately predict the health of the Commonwealth's economy as we continue to see positive economic indicators and growing jobs numbers that signal Virginians' return to the workforce."

Virginia's seasonally adjusted unemployment rate fell during the quarter, moving to 2.5% in September from 2.7% in June. The Virginia Employment Commission's September report disclosed Virginia's labor force increased by 9,025 workers to 4,610,653, while the number of unemployed residents increased by 3,191 to 116,293. The number of employed Virginians increased 5,834 to 4,494,360. The Commission reported employment rose in four of eleven major categories, led by job gains in Education and Health Services (3,900), Professional and Business Services (3,400) and Leisure and Hospitality (1,400). The largest number of jobs lost occurred in Construction (-3,800), Government (-3,600) and Information (-800).

**Local** Prince William County's labor market profile remained relatively stable over the quarter as the unemployment rate rose slightly to 2.8% in September from 2.7% at the end of the prior quarter. Quarter-over-quarter, the number of employed residents decreased by 1,556, while the labor force shrank to 262,480 from 263,603. The total number of unemployed citizens grew by 855 from July through September but when measured on a quarter-over-quarter basis, Bureau of Labor Statistics data indicated a net decrease of 433. While the availability of granular data to assess the overall state of the County's job market is limited, a leading indicator that can be utilized to measure labor market conditions are monthly initial claims for unemployment insurance. During the quarter, average initial claims per month increased to 464 versus a per month average of 393 over the previous quarter. Considering the benign trajectory of claims over the quarter, a reasonable conclusion can be made that evidence of broad-based labor market weakness has yet to emerge.

# Prince William County Real Estate Market

*Residential Sales Activity* The following highlights are based on Metropolitan Regional Information Systems (MRIS) data for the quarters ended September 2023 and September 2022.

| Category               | Sep 2023  | Sep 2022  | Increase/(Decrease) |
|------------------------|-----------|-----------|---------------------|
| Median Sold Price      | \$540,500 | \$498,500 | 8.4%                |
| Units Sold             | 392       | 555       | -29.4%              |
| Active Listings        | 446       | 747       | -40.3%              |
| Average Days on Market | 15        | 21        | -28.6%              |
| New Listings           | 384       | 648       | -40.7%              |

As mortgage financing rates have continued to march higher alongside limited housing stock, the housing market is confronted with an affordability crisis that shows no signs of relief for homebuyers. According to a recent Redfin report, the average buyer requires an annual income of approximately \$114,627 to afford a home while the average monthly mortgage payment is \$2,866, a 20% increase compared to last year. "In a homebuyer's ideal world, rising mortgage rates would push demand and home prices down enough to make up for high interest payments. But that's not what's happening now: Although new listings are ticking up slightly, inventory is still near record lows as homeowners hang onto their low mortgage rates-and that's propping up prices," said Redfin economics research lead Chen Zhao in the report. National Association of Realtors' data implies that for home affordability to return to pre-inflated averages, interest rates need to fall to 3.55% if home prices are stable. If home prices grow 5%, interest rates will need to decrease to 3.16%. If prices remain the same but incomes increase to 5%, rates need to decrease to 3.95%.

At the time of this writing, Freddie Mac's Primary Mortgage Survey indicates the average 30-year fixed rate mortgage stands at 7.76%, down 3 basis points from the survey's 2023 high-mark of 7.79. Freddie Mac recently noted that "geopolitical uncertainty" and "ambiguity around monetary policy will likely have an impact on the overall economic landscape and may continue to stall improvements in the housing market." Virginia Realtors monthly Flash Survey indicated the organization's Buyer Activity Index decreased to 37 in September from 39 the prior month. Approximately 17% of realtors assessed buyer activity in their local market as "high" or "very high", while roughly 44% rated buyer activity as "low" or "very low". According to Virginia Realtors, a separate index that measures realtors' opinions about how the market will be performing three months in the future fell to 36 in September compared to 37 the previous month. Approximately 13% of survey participants thought buyer activity over the next three months would be strong in their respective markets versus 15% in August.

*Commercial Sector* For the quarter ended September 2023, Costar Realty Group (Costar) reported the County's commercial inventory included 55.2 million square feet (sq. ft.) of space in 2,241 properties with 1.9 million sq. ft. of vacant space. The vacancy rate was 3.4% compared to 3.5% at the end of the prior quarter. Highlights from Virginia Realtors Q3 2023 statewide commercial real estate report are as follows:

- Office: "It was a slow quarter in Virginia's office market. Most metro areas in the state had negative absorption this quarter compared to a year ago, signaling softening office demand around the state. Consequently, office vacancy rates are climbing from last year in most parts of Virginia. As demand cooled, office rents dipped overall between the second and third quarter, though this was driven by a decline in Class A rent." "Office construction continues to slow down in Virginia. The pipeline of office space currently under construction in Virginia is at the lowest level seen since the late 1990s."
- Retail: "The market for retail space was relatively stable in the third quarter of 2023 across much of Virginia. Absorption remains positive, and the overall vacancy rate continues to inch downward. Rents are climbing in most metro areas. Smaller neighborhood size retail space had the sharpest increase in rents this quarter."

- Industrial: “Virginia’s industrial real estate market continues to be a bright spot compared to other sectors, but the pace of growth has cooled. Net absorption was positive but was the lowest it has been in three years. Rent growth was robust this quarter but has softened for several quarters in a row compared to the prior year. Industrial-supporting jobs remain one of the fastest growing sectors in the state, which will continue to keep vacancy levels tight.”



# PRINCE WILLIAM COUNTY

## 1<sup>st</sup> Quarter FY 2024 Expenditures

### General Information

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

The County's fiscal year runs from July 1 to June 30. The BOCS adopted an FY 2024 general fund budget of \$1.65 billion.

- \$805.9 million adopted School transfer, in accordance with the County-Schools revenue sharing agreement.
- \$839.7 million adopted County government general fund budget, including transfers.

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

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

### First Quarter Summary

1. ***General Fund Reporting*** – This report includes only unrestricted general fund expenditures. It does not include restricted funds within the general fund such as recordation tax designated for mobility, transient occupancy tax mandated for tourism, cable franchise capital grant, proffers, grants, or criminal forfeitures.
2. ***Revised FY 2024 Budget*** – As of September 30, 2024, the revised County government unrestricted general fund budget, excluding transfers, was \$790.9 million.
3. ***First Quarter General Fund Expenditures*** – As of September 30, 2024, 28.1% of the expenditure budget was spent. Excluding Non-Departmental and Debt Service, which are not indicators of direct County agency operations and have a disproportionate share of expenditures during the first quarter,

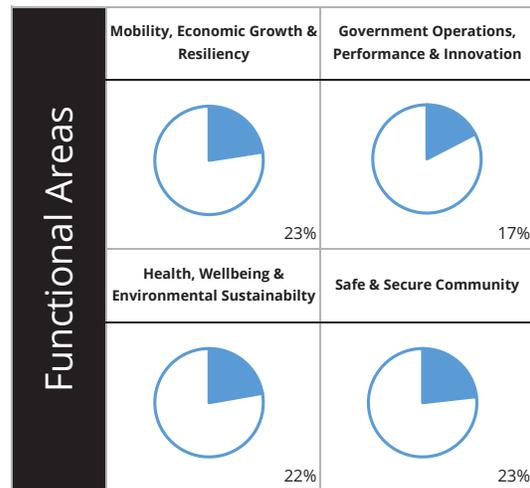
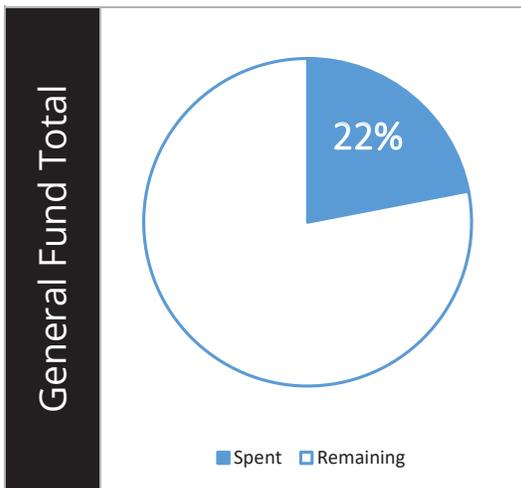
agencies spent 22.0% of the operating expenditure budget. **Current projections indicate 98.0% of the County government’s general fund expenditure budget will be expended by year-end. Projected expenditure savings at the end of the fiscal year are estimated at approximately \$16.0 million.**

| Percent of Budget Spent<br>(Including Debt Service & Non-Departmental) | Percent of Budget Spent<br>(Excluding Debt Service & Non-Departmental) |
|--|--|
| <b>28.1%</b>   | <b>22.0%</b>   |

- Information Technology Charges** - Information technology costs were not billed in the first quarter. Therefore, Internal Services expenditures (and overall agency expenditures) were lower than normally anticipated for the first quarter. After excluding Non-Departmental and Debt Service and adjusting for information technology costs not billed in the first quarter, agencies spent 22.8% of the operating expenditure budget.

| Percent of Budget Spent<br>(Excluding Debt Service, Non-Departmental, & Internal Services) |
|--|
| <b>22.8%</b>   |

- Retiree Health Benefit** - Retiree health benefit costs of \$3.1 million were charged for the entire fiscal year in the first quarter.
- Agency Revenue Shortfall** - **General fund agency revenue is projected to be \$6.0 million below budget.** The projected agency revenue shortfall primarily occurs in Community Services deferred revenue projections and Area Agency on Aging reimbursements from the Commonwealth and federal government. Additionally, court fines received by the General District Court are projected to be below budget. Lastly, revenue received by Parks & Recreation is also projected to be below budget.
- Agency Variances** - Notable variances are reported based on the ‘Spent %’ column on the following pages. Encumbrances are not included in the agency detailed tables and charts.



## Mobility, Economic Growth & Resiliency Functional Area

(Dollar amounts expressed in thousands)

### Departments & Agencies

- Economic Development & Tourism
- Planning
- Public Works
- Transportation

| Functional Area                                   | Spending Category            | Budget          | Actual        | Spent %   |
|---|------------------------------|-----------------|---------------|---|
| <b>Mobility, Economic Growth &amp; Resiliency</b> | Salary & Benefits            | 14,165.32       | 3,565.85      |  |
|   | Internal Services            | 1,021.63        | 30.01         |   |
|   | Contractual & Other Services | 8,580.23        | 1,147.07      |   |
|   | Reserves & Contingencies     | (4,304.79)      | (358.05)      |   |
|   | <b>19,462.39</b>             | <b>4,384.88</b> | <b>22.53%</b> |   |



## Government Operations, Performance & Innovation Functional Area

(Dollar amounts expressed in thousands)

### Departments & Agencies

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

| Functional Area  | Spending Category            | Budget           | Actual        | Spent %   |
|--|------------------------------|------------------|---------------|---|
| <b>Government Operations, Performance &amp; Innovation</b> | Salary & Benefits            | 59,270.89        | 13,504.28     |  |
|  | Internal Services            | 5,157.43         | 100.97        |   |
|  | Contractual & Other Services | 49,307.40        | 6,371.56      |   |
|  | Reserves & Contingencies     | (4,875.90)       | (1,023.80)    |   |
|  | <b>108,859.83</b>            | <b>18,953.01</b> | <b>17.41%</b> |   |



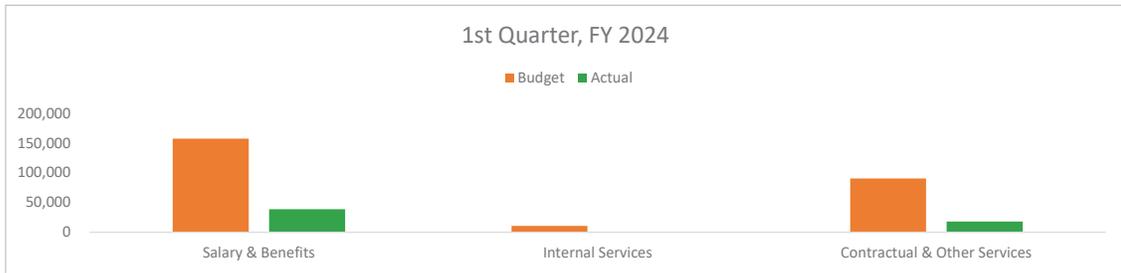
## Health, Wellbeing & Environmental Sustainability Functional Area

(Dollar amounts expressed in thousands)

### Departments & Agencies

- Aging
- Community Services
- Cooperative Extension Service
- Library
- Parks & Recreation
- Public Health
- Social Services

| Functional Area   | Spending Category            | Budget           | Actual        | Spent %   |
|---|------------------------------|------------------|---------------|---|
| <b>Health, Wellbeing &amp; Environmental Sustainability</b> | Salary & Benefits            | 157,421.32       | 38,717.47     |  |
|   | Internal Services            | 10,730.10        | 487.72        |   |
|   | Contractual & Other Services | 90,510.76        | 18,109.75     |   |
|   | Reserves & Contingencies     | (843.98)         | (2.38)        |   |
|   | <b>257,818.20</b>            | <b>57,312.55</b> | <b>22.23%</b> |   |



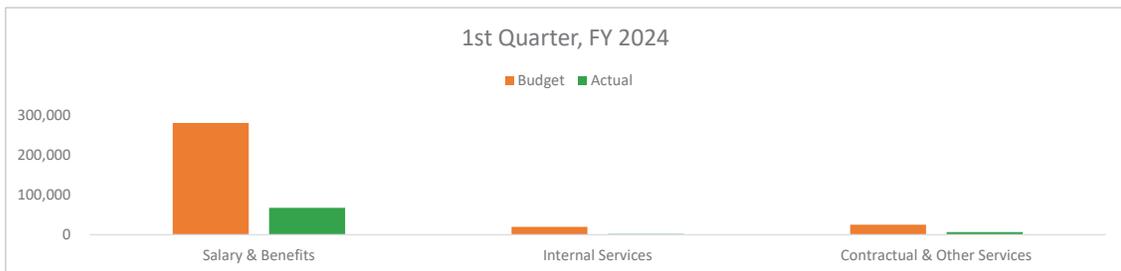
## Safe & Secure Community Functional Area

(Dollar amounts expressed in thousands)

### Departments & Agencies

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

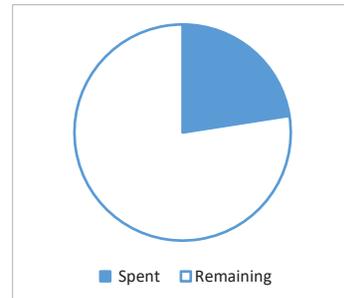
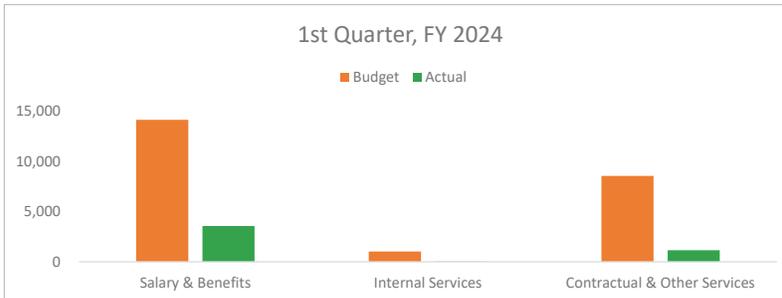
| Functional Area                    | Spending Category            | Budget           | Actual        | Spent %   |
|------------------------------------|------------------------------|------------------|---------------|---|
| <b>Safe &amp; Secure Community</b> | Salary & Benefits            | 281,961.33       | 67,911.37     |  |
|                                    | Internal Services            | 20,015.22        | 1,541.52      |   |
|                                    | Contractual & Other Services | 25,185.31        | 6,692.67      |   |
|                                    | Reserves & Contingencies     | 873.74           | 0.00          |   |
|                                    | <b>328,035.59</b>            | <b>76,145.56</b> | <b>23.21%</b> |   |



## Mobility, Economic Growth & Resiliency Functional Area

(Dollar amounts expressed in thousands)

| Department                                | Spending Category            | Budget          | Actual          | Spent %   |
|---|------------------------------|-----------------|-----------------|---|
| <b>Economic Development &amp; Tourism</b> | Salary & Benefits            | 3,090.97        | 777.28          |  |
|   | Internal Services            | 154.97          | 0.69            |   |
|   | Contractual & Other Services | 2,347.54        | 344.24          |   |
|   | Reserves & Contingencies     | (15.40)         | 0.00            |   |
|   |                              | <b>5,578.08</b> | <b>1,122.21</b> | <b>20.12%</b>   |
| <b>Planning</b>                           | Salary & Benefits            | 1,670.04        | 417.88          |  |
|   | Internal Services            | 160.06          | 0.10            |   |
|   | Contractual & Other Services | 989.45          | 322.21          |   |
|   | Reserves & Contingencies     | (8.06)          | 0.00            |   |
|   |                              | <b>2,811.50</b> | <b>740.20</b>   | <b>26.33%</b>   |
| <b>Public Works</b>                       | Salary & Benefits            | 4,043.74        | 999.17          |  |
|   | Internal Services            | 383.53          | 18.88           |   |
|   | Contractual & Other Services | 1,861.73        | 128.46          |   |
|   | Reserves & Contingencies     | (178.61)        | (32.19)         |   |
|   |                              | <b>6,110.39</b> | <b>1,114.32</b> | <b>18.24%</b>   |
| <b>Transportation</b>                     | Salary & Benefits            | 5,360.57        | 1,371.52        |  |
|   | Internal Services            | 323.06          | 10.34           |   |
|   | Contractual & Other Services | 3,381.51        | 352.16          |   |
|   | Reserves & Contingencies     | (4,102.72)      | (325.86)        |   |
|   |                              | <b>4,962.42</b> | <b>1,408.15</b> | <b>28.38%</b>   |



### Notable Variances

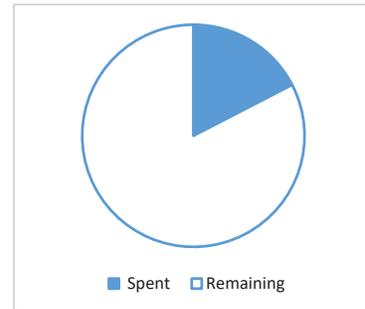
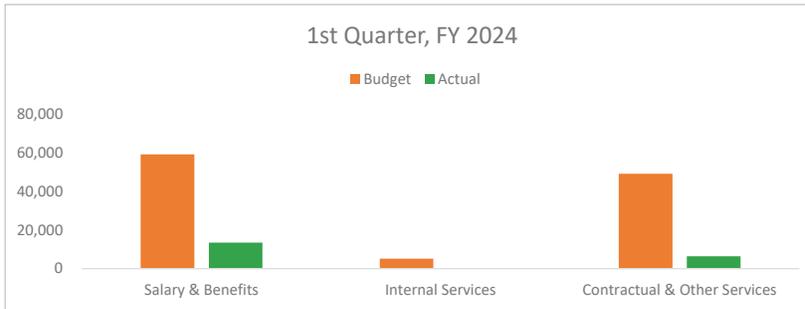
- Economic Development & Tourism** - DoIT Internal Service Fees have not yet been billed. Contractual & Other Services expenditures has an additional \$0.8 million in encumbrances that are not reflected in actuals. Actuals will increase when these encumbrances are paid later in the fiscal year.
- Public Works** - DoIT Internal Service Fees have not yet been billed. Contractual & Other Services includes \$0.3 million in encumbrances that will be billed later in the year.

## Government Operations, Performance & Innovation Functional Area

(Dollar amounts expressed in thousands)

| Department                               | Spending Category            | Budget          | Actual        | Spent %   |
|--|------------------------------|-----------------|---------------|---|
| <b>Board of County Supervisors</b>       | Salary & Benefits            | 3,808.40        | 775.88        |    |
|  | Internal Services            | 365.70          | 0.00          |   |
|  | Contractual & Other Services | 2,321.33        | 258.04        |   |
|  | Reserves & Contingencies     | (12.90)         | 0.00          |   |
|  | <b>6,482.52</b>              | <b>1,033.92</b> | <b>15.95%</b> |   |
| <b>County Attorney</b>                   | Salary & Benefits            | 5,076.77        | 1,122.75      |    |
|  | Internal Services            | 298.36          | 0.00          |   |
|  | Contractual & Other Services | 1,098.86        | 226.59        |   |
|  | Reserves & Contingencies     | (181.85)        | (26.11)       |   |
|  | <b>6,292.14</b>              | <b>1,323.24</b> | <b>21.03%</b> |   |
| <b>Elections</b>                         | Salary & Benefits            | 2,050.00        | 497.52        |    |
|  | Internal Services            | 238.70          | 2.12          |   |
|  | Contractual & Other Services | 1,108.57        | 67.89         |   |
|  | Reserves & Contingencies     | (14.08)         | 0.00          |   |
|  | <b>3,383.19</b>              | <b>567.53</b>   | <b>16.77%</b> |   |
| <b>Executive Management</b>              | Salary & Benefits            | 5,146.05        | 1,237.30      |    |
|  | Internal Services            | 297.88          | 1.57          |   |
|  | Contractual & Other Services | 1,652.83        | 289.54        |   |
|  | Reserves & Contingencies     | (7.39)          | 0.00          |   |
|  | <b>7,089.37</b>              | <b>1,528.40</b> | <b>21.56%</b> |   |
| <b>Facilities &amp; Fleet Management</b> | Salary & Benefits            | 12,216.91       | 2,857.89      |  |
|  | Internal Services            | 1,363.48        | 83.40         |   |
|  | Contractual & Other Services | 37,018.32       | 5,010.58      |   |
|  | Reserves & Contingencies     | (3,288.43)      | (81.56)       |   |
|  | <b>47,310.28</b>             | <b>7,870.31</b> | <b>16.64%</b> |   |
| <b>Finance</b>                           | Salary & Benefits            | 23,142.42       | 5,183.00      |  |
|  | Internal Services            | 1,908.26        | 13.88         |   |
|  | Contractual & Other Services | 4,917.37        | 430.60        |   |
|  | Reserves & Contingencies     | (673.23)        | (916.13)      |   |
|  | <b>29,294.81</b>             | <b>4,711.35</b> | <b>16.08%</b> |   |
| <b>Human Resources</b>                   | Salary & Benefits            | 5,180.70        | 1,197.07      |  |
|  | Internal Services            | 533.28          | 0.00          |   |
|  | Contractual & Other Services | 1,037.49        | 81.06         |   |
|  | Reserves & Contingencies     | (696.61)        | 0.00          |   |
|  | <b>6,054.84</b>              | <b>1,278.13</b> | <b>21.11%</b> |   |
| <b>Human Rights Office</b>               | Salary & Benefits            | 854.21          | 199.98        |  |
|  | Internal Services            | 46.01           | 0.00          |   |
|  | Contractual & Other Services | 72.70           | 4.24          |   |
|  | Reserves & Contingencies     | (0.69)          | 0.00          |   |
|  | <b>972.24</b>                | <b>204.22</b>   | <b>21.01%</b> |   |
| <b>Management &amp; Budget</b>           | Salary & Benefits            | 1,795.44        | 432.89        |  |
|  | Internal Services            | 105.78          | 0.00          |   |
|  | Contractual & Other Services | 79.93           | 3.01          |   |
|  | Reserves & Contingencies     | (0.72)          | 0.00          |   |
|  | <b>1,980.42</b>              | <b>435.91</b>   | <b>22.01%</b> |   |

## Government Operations Functional Area *(Continued)*



### Notable Variances

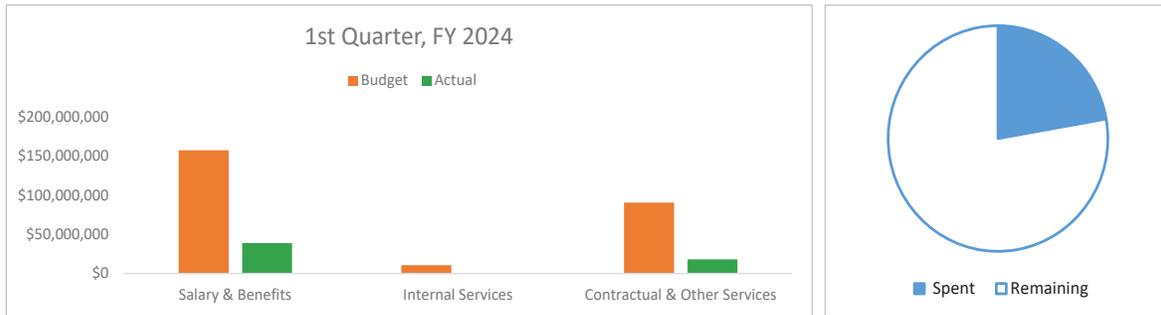
- County Attorney** - Salary & Benefits is underspent due to two vacancies awaiting implementation of Collective Bargaining, and two vacancies awaiting action on the PWC Health Department. DoIT Internal Service Fees have not yet been billed. Contractual Services funding associated with Collective Bargaining will be spent later in the year.
- Elections** - DoIT Internal Service Fees have not yet been billed. Contractual & Other Services is underspent since elections generally occur during the second (November) and fourth quarters of each fiscal year.
- Facilities & Fleet Management** - Funds of \$20.7 million have been encumbered, primarily for leases (\$9.5 million), utilities (\$4.4 million), and repairs & maintenance contractual services (\$2.7 million) which will be spent throughout the remainder of the fiscal year.
- Finance** - DoIT Internal Service Fees have not yet been billed. Contractual & Other Services includes \$2.3 million in encumbrances that will be billed later in the year.
- Human Resources** - DoIT Internal Service Fees have not yet been billed. Additionally, the Labor Relations Administrator contract for Collective Bargaining has not yet been awarded.
- Human Rights** - DoIT Internal Service Fees have not yet been billed. Contractual & Other Services includes \$0.03 million in Fair Housing testing that will be spent later in the year.

# Health, Wellbeing & Environmental Sustainability Functional Area

(Dollar amounts expressed in thousands)

| Department                           | Spending Category            | Budget           | Actual        | Spent %   |
|--------------------------------------|------------------------------|------------------|---------------|---|
| <b>Aging</b>                         | Salary & Benefits            | 4,030.42         | 1,054.77      |    |
|                                      | Internal Services            | 257.64           | 8.08          |   |
|                                      | Contractual & Other Services | 5,355.41         | 2,721.12      |   |
|                                      | Reserves & Contingencies     | (47.66)          | 0.00          |   |
|                                      | <b>9,595.81</b>              | <b>3,783.96</b>  | <b>39.43%</b> |   |
| <b>Community Services</b>            | Salary & Benefits            | 54,818.27        | 12,739.94     |    |
|                                      | Internal Services            | 2,584.72         | 27.76         |   |
|                                      | Contractual & Other Services | 32,716.68        | 4,448.00      |   |
|                                      | Reserves & Contingencies     | (160.05)         | 0.00          |   |
|                                      | <b>89,959.62</b>             | <b>17,215.71</b> | <b>19.14%</b> |   |
| <b>Cooperative Extension Service</b> | Salary & Benefits            | 1,064.66         | 225.22        |    |
|                                      | Internal Services            | 143.69           | 0.00          |   |
|                                      | Contractual & Other Services | 108.05           | 2.91          |   |
|                                      | Reserves & Contingencies     | (0.43)           | 0.00          |   |
|                                      | <b>1,315.97</b>              | <b>228.13</b>    | <b>17.34%</b> |   |
| <b>Library</b>                       | Salary & Benefits            | 18,093.36        | 4,204.62      |    |
|                                      | Internal Services            | 1,774.97         | 4.04          |   |
|                                      | Contractual & Other Services | 3,368.40         | 542.68        |   |
|                                      | Reserves & Contingencies     | (30.76)          | 0.00          |   |
|                                      | <b>23,205.96</b>             | <b>4,751.34</b>  | <b>20.47%</b> |   |
| <b>Parks &amp; Recreation</b>        | Salary & Benefits            | 28,506.60        | 7,498.17      |  |
|                                      | Internal Services            | 3,249.09         | 419.73        |   |
|                                      | Contractual & Other Services | 12,215.28        | 2,773.30      |   |
|                                      | Reserves & Contingencies     | (242.15)         | (2.38)        |   |
|                                      | <b>43,728.82</b>             | <b>10,688.81</b> | <b>24.44%</b> |   |
| <b>Public Health</b>                 | Salary & Benefits            | 2,223.64         | 751.42        |  |
|                                      | Internal Services            | 60.56            | 2.29          |   |
|                                      | Contractual & Other Services | 3,102.28         | 1,592.09      |   |
|                                      | Reserves & Contingencies     | (30.97)          | 0.00          |   |
|                                      | <b>5,355.52</b>              | <b>2,345.80</b>  | <b>43.80%</b> |   |
| <b>Social Services</b>               | Salary & Benefits            | 48,684.36        | 12,243.32     |  |
|                                      | Internal Services            | 2,659.43         | 25.82         |   |
|                                      | Contractual & Other Services | 33,644.67        | 6,029.67      |   |
|                                      | Reserves & Contingencies     | (331.96)         | 0.00          |   |
|                                      | <b>84,656.50</b>             | <b>18,298.81</b> | <b>21.62%</b> |   |

## Health, Wellbeing & Environmental Functional Area *(Continued)*



### Notable Variances

- Aging** - DoIT Internal Service Fees have not yet been billed. Contractual & Other Services is elevated due to full year costs associated with Birmingham Green (\$2.4 million) paid in the first quarter.
- Community Services** - DoIT Internal Service Fees have not yet been billed. Contractual & Other Services includes \$10.4 million in encumbrances of which \$4.7 million is associated with the Crisis Receiving Center local and regional operational startup project that will be billed later in the year. The remaining \$5.7 million encumbered is primarily for developmental disabilities and early intervention services.
- Cooperative Extension Service** - Salary & Benefits is underspent because the agency has not paid first quarter reimbursement to the State for salary supplements. DoIT Internal Service Fees have not yet been billed.
- Library** - DoIT Internal Service Fees have not yet been billed. Contractual & Other Services includes funds of \$1.3 million that have been encumbered for future high-volume purchases of materials with major vendors, including the Library's total inventory and collections/materials tracking system. Additionally, approximately \$0.2 million has been encumbered for renovations and facility security work.
- Public Health** - The budget is overspent due to the payment of the 2nd quarter local agreement and local salary supplement occurring before the second quarter officially began.
- Social Services** - Contractual & Other Services is underspent because the payment of Children's Services Act expenditures lags 30-60 days.

## Safe & Secure Community Functional Area

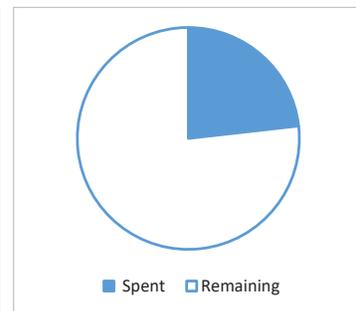
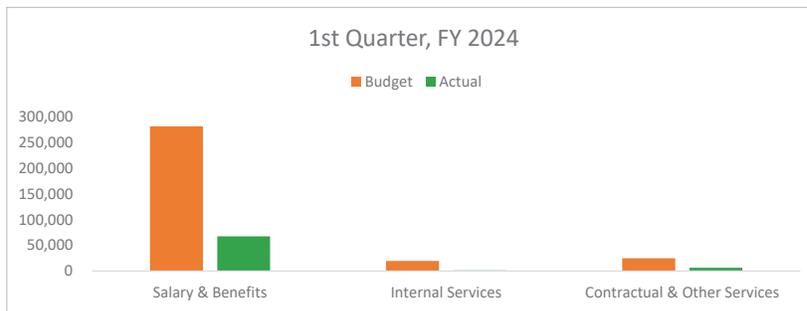
(Dollar amounts expressed in thousands)

| Department   | Spending Category            | Budget           | Actual        | Spent %   |
|--|------------------------------|------------------|---------------|---|
| <b><i>Circuit Court Clerk</i></b>                  | Salary & Benefits            | 4,780.03         | 1,213.96      |    |
|  | Internal Services            | 255.21           | 0.14          |   |
|  | Contractual & Other Services | 311.73           | (239.36)      |   |
|  | Reserves & Contingencies     | (3.74)           | 0.00          |   |
|  | <b>5,343.24</b>              | <b>974.73</b>    | <b>18.24%</b> |   |
| <b><i>Circuit Court Judges</i></b>                 | Salary & Benefits            | 1,559.37         | 388.19        |    |
|  | Internal Services            | 73.50            | 0.00          |   |
|  | Contractual & Other Services | 96.04            | 12.60         |   |
|  | Reserves & Contingencies     | (0.94)           | 0.00          |   |
|  | <b>1,727.98</b>              | <b>400.78</b>    | <b>23.19%</b> |   |
| <b><i>Commonwealth Attorney</i></b>                | Salary & Benefits            | 9,679.59         | 2,129.46      |    |
|  | Internal Services            | 549.72           | 0.00          |   |
|  | Contractual & Other Services | 501.81           | 203.85        |   |
|  | Reserves & Contingencies     | (4.55)           | 0.00          |   |
|  | <b>10,726.56</b>             | <b>2,333.31</b>  | <b>21.75%</b> |   |
| <b><i>Criminal Justice Services</i></b>            | Salary & Benefits            | 6,092.55         | 1,457.15      |    |
|  | Internal Services            | 386.40           | 1.59          |   |
|  | Contractual & Other Services | 905.50           | 180.91        |   |
|  | Reserves & Contingencies     | (6.05)           | 0.00          |   |
|  | <b>7,378.40</b>              | <b>1,639.64</b>  | <b>22.22%</b> |   |
| <b><i>Fire &amp; Rescue</i></b>                    | Salary & Benefits            | 110,593.07       | 27,007.42     |  |
|  | Internal Services            | 5,204.04         | 258.46        |   |
|  | Contractual & Other Services | 7,794.03         | 1,969.02      |   |
|  | Reserves & Contingencies     | (53.06)          | 0.00          |   |
|  | <b>123,538.09</b>            | <b>29,234.89</b> | <b>23.66%</b> |   |
| <b><i>General District Court</i></b>               | Salary & Benefits            | 1,554.17         | 283.62        |  |
|  | Internal Services            | 23.11            | 0.00          |   |
|  | Contractual & Other Services | 228.04           | 18.49         |   |
|  | Reserves & Contingencies     | (1.75)           | 0.00          |   |
|  | <b>1,803.56</b>              | <b>302.11</b>    | <b>16.75%</b> |   |
| <b><i>Juvenile &amp; Domestic Relations Ct</i></b> | Salary & Benefits            | 381.28           | 89.42         |  |
|  | Internal Services            | 32.92            | 0.00          |   |
|  | Contractual & Other Services | 89.68            | 18.75         |   |
|  | Reserves & Contingencies     | (0.66)           | 0.00          |   |
|  | <b>503.22</b>                | <b>108.17</b>    | <b>21.50%</b> |   |
| <b><i>Juvenile Court Service Unit</i></b>          | Salary & Benefits            | 1,517.91         | 147.45        |  |
|  | Internal Services            | 66.02            | 6.92          |   |
|  | Contractual & Other Services | 304.27           | 19.90         |   |
|  | Reserves & Contingencies     | (4.01)           | 0.00          |   |
|  | <b>1,884.19</b>              | <b>174.26</b>    | <b>9.25%</b>  |   |
| <b><i>Magistrates</i></b>                          | Salary & Benefits            | 88.73            | 20.48         |  |
|  | Internal Services            | 20.13            | 0.00          |   |
|  | Contractual & Other Services | 10.39            | 3.30          |   |
|  | Reserves & Contingencies     | (0.08)           | 0.00          |   |
|  | <b>119.16</b>                | <b>23.77</b>     | <b>19.95%</b> |   |

## Safe & Secure Functional Area (Continued)

(Dollar amounts expressed in thousands)

| Department                          | Spending Category            | Budget            | Actual           | Spent %   |
|-------------------------------------|------------------------------|-------------------|------------------|---|
| <b>Police</b>                       | Salary & Benefits            | 117,607.15        | 28,683.28        |  |
|                                     | Internal Services            | 11,513.62         | 1,162.99         |   |
|                                     | Contractual & Other Services | 11,683.02         | 3,945.03         |   |
|                                     | Reserves & Contingencies     | 978.08            | 0.00             |   |
|                                     |                              | <b>141,781.88</b> | <b>33,791.31</b> | <b>23.83%</b>   |
| <b>Public Safety Communications</b> | Salary & Benefits            | 13,370.70         | 2,931.95         |  |
|                                     | Internal Services            | 576.83            | 2.30             |   |
|                                     | Contractual & Other Services | 2,298.25          | 218.69           |   |
|                                     | Reserves & Contingencies     | (21.25)           | 0.00             |   |
|                                     |                              | <b>16,224.54</b>  | <b>3,152.94</b>  | <b>19.43%</b>   |
| <b>Sheriff</b>                      | Salary & Benefits            | 14,736.78         | 3,558.99         |  |
|                                     | Internal Services            | 1,313.73          | 109.13           |   |
|                                     | Contractual & Other Services | 962.55            | 341.51           |   |
|                                     | Reserves & Contingencies     | (8.27)            | 0.00             |   |
|                                     |                              | <b>17,004.79</b>  | <b>4,009.63</b>  | <b>23.58%</b>   |



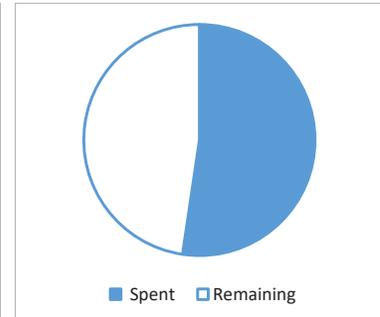
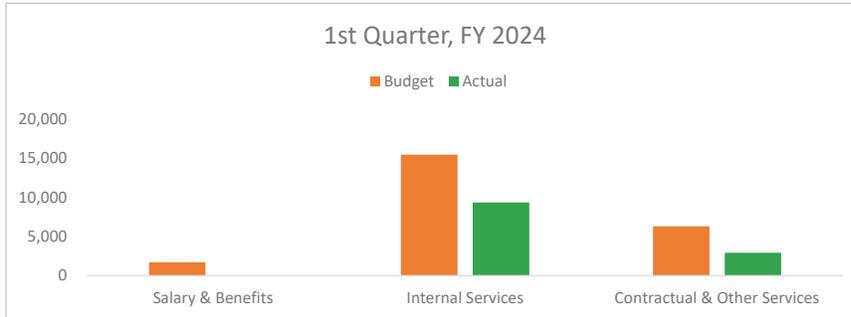
### Notable Variances

- Circuit Court Clerk** - Contractual & Other Services is underspent due to an incorrect entry that is in the process of being reversed. With this correction, spending will approximate 25%.
- General District Court** - Salary & Benefits is underspent due to the local salary supplement support budgeted for a 7% fiscal year 2024 increase. As of July 1st, the General Assembly had not completed the FY2024 State amendments budget. Contractual & Other Services is underspent due to \$0.04 million in encumbrances not captured in the first quarter.
- Juvenile Court Service Unit** - Salary & Benefits is underspent due to the first quarter local salary supplement payment being processed after the completion of the first quarter. Contractual & Other Services is underspent due to complications with a supplier contract still in negotiations. Additionally, \$0.04 million in encumbrances are not being captured in the first quarter.
- Magistrates** - DoIT Internal Service Fees have not yet been billed.
- Public Safety Communications** - DoIT internal services have not yet been billed. Approximately \$0.8 million has been encumbered in Contractual & Other Services for a yearly Motorola contract for NG911 maintenance and support that has not yet been invoiced.

## Non-Departmental

(Dollar amounts expressed in thousands)

| Department              | Spending Category            | Budget    | Actual           | Spent %   |
|-------------------------|------------------------------|-----------|------------------|---|
| <b>Non-Departmental</b> | Salary & Benefits            | 1,705.07  | 9.97             |  |
|                         | Internal Services            | 15,468.98 | 9,360.83         |   |
|                         | Contractual & Other Services | 6,311.05  | 2,921.05         |   |
|                         | Reserves & Contingencies     | 0.00      | 0.00             |   |
|                         | <b>Total</b>                 |           | <b>23,485.10</b> |   |



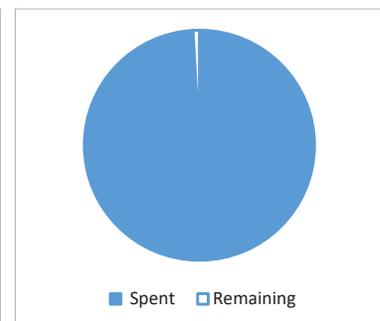
### Notable Variances

- Non-Departmental** - The following payments were made during the first quarter of the fiscal year: Self-Insurance Workers Compensation (\$6.4 million), Self-Insurance Casualty Pool (\$3.0 million), Property and Miscellaneous Insurance Premiums (\$0.6 million), Hylton Performing Arts Center Contribution (\$2.0 million), and Northern Virginia Community College Contribution (\$0.3 million).

## Debt Service

(Dollar amounts expressed in thousands)

| Department          | Spending Category            | Budget    | Actual           | Spent %   |
|---------------------|------------------------------|-----------|------------------|---|
| <b>Debt Service</b> | Salary & Benefits            | 0.00      | 0.00             |  |
|                     | Internal Services            | 0.00      | 0.00             |   |
|                     | Contractual & Other Services | 53,217.71 | 52,745.90        |   |
|                     | Reserves & Contingencies     | 0.00      | 0.00             |   |
|                     | <b>Total</b>                 |           | <b>53,217.71</b> |   |



### Notable Variances

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



**PRINCE  
WILLIAM**  
— COUNTY

**Department of Finance  
Office of Management and Budget**

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Prince William, VA 22192

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