

How to Read the Budget

Volume 2 contains information on non-General Fund budgets or “Other Funds.” A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities, or balances and changes therein. Funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations and are listed within Program Areas. Funds are categorized within Volume 2 program areas primarily to account for the sources of proceeds or revenue.

Each County fund is represented with its own narrative that contains programming and budgetary information. The narratives have several elements including:

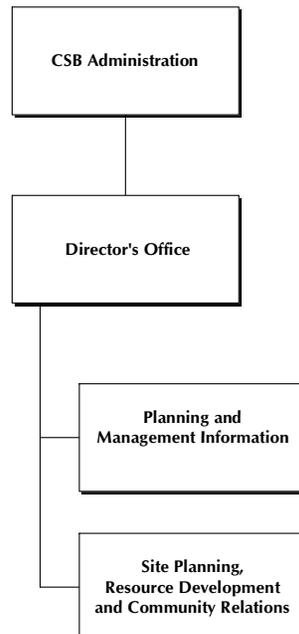
- Organization Chart
- Agency Mission and Focus
- New Initiatives and Recent Accomplishments in Support of the County Vision
- Budget and Staff Resources
- Funding Adjustments
- Cost Centers (funding and position detail)
- Cost Center Specific Goals, Objectives and Key Performance Measures
- Performance Measurement Results
- Fund Statement
- Summary of Capital Projects
- Project Detail Tables

Not all narratives will contain each of these components. For example, funds that are classified as Capital Funds will not have organization charts because staff positions are not budgeted in these funds; that is, they only provide funding for the purchase and construction of capital construction projects. However, Capital Funds do have a Summary of Capital Projects that lists the cost of each project in a fund. A brief example of each section follows.

Organization Chart

The organization chart displays the organizational structure of each fund. An example depicting the organizational structure of the Community Services Board - Administration is shown below.

COMMUNITY SERVICES BOARD ADMINISTRATION



How to Read the Budget

Agency Mission and Focus

The Agency Mission is a broad statement reflecting intended accomplishments for achievement of the agency's public purpose. It describes the unique contribution of the organization to the County government and/or citizens receiving services and provides a framework within which an agency operates. The Agency Focus section includes a description of the agency programs and services. The agency's relationship with County Boards, Authorities or Commissions may be discussed here, as well as key drivers or trends that may be influencing how the agency is conducting business. The focus section is also designed to inform the reader about the strategic direction of the agency and the challenges that it is currently facing. Highlights of these challenges can be found in the "Thinking Strategically" box in the focus section.

New Initiatives and Recent Accomplishments in Support of the County Vision

To further strengthen the link between the budget and the strategic direction of both the County and each agency, each agency's new initiatives and recent accomplishments are presented by County Vision Element. There are seven County Vision Elements which are depicted by small icons. The Vision Elements include:



Maintaining Safe and Caring Communities



Building Livable Spaces



Connecting People and Places



Maintaining Healthy Economies



Practicing Environmental Stewardship



Creating a Culture of Engagement



Exercising Corporate Stewardship

Individual agency narratives identify strategic issues, which were developed during the agency strategic planning efforts, link new initiatives and recent accomplishments as well as core services to the Vision Elements and expand the use of performance measures to clearly define how well the agency is delivering a specific service.

Budget and Staff Resources

It is important to note that expenditures are summarized in three categories. *Personnel Services* consist of expenditure categories including regular pay, shift differential, limited and part-time salaries, and overtime pay. *Operating Expenses* are the day-to-day expenses involved in the administration of the agency, such as office supplies, printing costs, repair and maintenance for equipment, and utilities. *Capital Equipment* includes items that have a value that exceeds \$5,000 and an expected lifetime of more than one year, such as an automobile or other heavy equipment. In addition, some agencies will also have a fourth expenditure category entitled *Recovered Costs*. Recovered Costs are reimbursements from other County agencies for specific services or worked preformed or reimbursements of work associated with capital construction projects. These reimbursements are reflected as a negative figure in the agency's budget, thus offsetting expenditures.

A Summary Table is provided as a summary of the agency's positions, expenditures less recovered costs, and income/revenue (if applicable).

How to Read the Budget

Funding Adjustments

This section summarizes changes to the budget. The first section includes adjustments from the *FY 2005 Revised Budget Plan* necessary to support the FY 2006 program. In addition, any adjustments resulting from the Board of Supervisors deliberations on the Advertised budget are highlighted here.

The second section includes revisions to the current year budget that have been made since its adoption. All adjustments as a result of the *FY 2004 Carryover Review*, the *FY 2005 Third Quarter Review*, and any other changes through April 18, 2005 are reflected here. Funding adjustments are presented programmatically. For example, the entire cost to open a new facility is presented in one place and includes personnel costs, operating expenses and other costs.

Cost Centers

As an introduction to the more detail information contained for each functional area or Cost Center, a list of the cost centers is included with a graphical representation of the FY 2006 budget by Cost Center. In addition, each Cost Center is highlighted by several icons which indicate the various Vision Elements that are supported by the programs and services within the Cost center. A listing of the staff resources for each cost center is also included.

Key Performance Measures

Most cost centers include Goals, Objectives and Performance Indicators. Goals are broad statements of purpose, generally indicating what service or product is provided, for whom, and why. Objectives are outcome-based statements of specifically what will be accomplished during the budget year. Ideally, these objectives should support the goal statement, reflect planned benefit(s) to customers, be written to allow measurement of progress and describe a quantifiable target. Indicators are the first-level data for reporting performance on those objectives.

A Family of Measures is provided to present an overall view of a program so that factors such as cost can be balanced with customer satisfaction and the outcome ultimately achieved. The concept of a Family of Measures encompasses the following types of indicators and serves as the structure for a Performance Measurement model that presents a comprehensive picture of program performance as opposed to a single-focus orientation.

- Input: Value of resources used to produce an output.
- Output: Quantity or number of units produced.
- Efficiency: Inputs used per unit of output.
- Service Quality: Degree to which customers are satisfied with a program, or the accuracy or timeliness with which the product/service is provided.
- Outcome: Qualitative consequences associated with a program.

Performance Measurement Results

This section includes a discussion and analysis of how the agency's Performance Measures relate to the provision of activities, programs, and services stated in the Agency Mission. The results of current performance measures are discussed, as well as action plans for future-year improvement of performance targets.

How to Read the Budget

Fund Statement

A Fund Statement provides a breakdown of all collected revenues and total expenditures and disbursements for a given fiscal year. It also provides the total funds available at the beginning of a fiscal year and an Ending Balance. An example follows:

| FUND STATEMENT | | | | | | |
|---|--------------------------------------|-----------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|--|
| Fund Type | Fund Type H94, FCRHA General Revenue | | | | Fund 940, FCRHA General Operating | Fund |
| | FY 2004 Actual | FY 2005 Adopted Budget Plan | FY 2005 Revised Budget Plan | FY 2006 Advertised Budget Plan | FY 2006 Adopted Budget Plan | |
| Revenue Categories | Beginning Balance | | | | | ← Funds available at the beginning of the fiscal year |
| | \$6,789,382 | \$6,907,141 | \$7,718,018 | \$7,747,849 | \$7,517,158 | |
| | Revenue: | | | | | |
| | Investment Income ¹ | \$86,842 | \$98,249 | \$98,249 | \$131,298 | \$131,298 |
| | Monitoring/Developing Fees | 1,202,046 | 648,970 | 648,970 | 778,882 | 778,882 |
| | Rental Income | 53,833 | 62,970 | 62,970 | 63,912 | 63,912 |
| | Program Income | 1,339,801 | 1,347,553 | 1,347,553 | 1,240,866 | 1,240,866 |
| | Other Income | 970,591 | 415,068 | 415,068 | 423,299 | 423,299 |
| | Total Revenue | \$3,653,113 | \$2,572,810 | \$2,572,810 | \$2,638,257 | \$2,638,257 |
| | Total Available | \$10,442,495 | \$9,479,951 | \$10,290,828 | \$10,386,106 | \$10,155,415 |
| Expenditure Categories | Expenditures: | | | | | ← Revenue available for expenditure during the fiscal year |
| | Personnel Services ¹ | \$1,772,012 | \$1,923,778 | \$1,923,778 | \$2,085,777 | \$2,085,777 |
| | Operating Expenses ¹ | 952,465 | 840,580 | 849,892 | 848,811 | 848,811 |
| | Total Expenditures | \$2,724,477 | \$2,764,358 | \$2,773,670 | \$2,934,588 | \$2,934,588 |
| Total Funds Available minus Total Disbursements | Total Disbursements | \$2,724,477 | \$2,764,358 | \$2,773,670 | \$2,934,588 | \$2,934,588 |
| | Ending Balance ² | \$7,718,018 | \$6,715,593 | \$7,517,158 | \$7,451,518 | \$7,220,827 |
| | Debt Service Reserve on | | | | | ← Ending Balance minus escrow reserves |
| | One University Plaza | \$278,106 | \$278,106 | \$278,106 | \$278,106 | \$278,106 |
| | Cash with Fiscal Agent ³ | 4,409,603 | 4,409,603 | 4,409,603 | 4,926,236 | 4,926,236 |
| | Unreserved Ending Balance | \$3,030,309 | \$2,027,884 | \$2,829,449 | \$2,247,176 | \$2,016,485 |

¹ In order to account for revenues and expenditures in the proper fiscal year, audit adjustments in the amount of \$10,000 have been reflected as an increase to FY 2004 revenues and audit adjustments in the amount \$240,691 have been reflected as an increase to FY 2004 expenditures. These adjustments have been included in the FY 2004 Comprehensive Annual Financial Report (CAFR). Details of the FY 2004 audit adjustments were included in the FY 2005 Third Quarter Package.

² The FY 2006 Ending Balance decreases due primarily to increased expenditures associated with the County's Pay for Performance System.

³ The FY 2006 Budget Plan increases to reflect actual balance held with fiscal agent escrow accounts.

How to Read the Budget

Summary of Capital Projects

A Summary of Capital Projects is included in all Capital Project Funds, and selected Enterprise Funds, Housing Funds and Special Revenue Funds that support capital expenditures. The Summary of Capital Projects provides detailed financial information about each capital project within each fund, including: total project estimates, prior year expenditures, revised budget plans, and proposed funding levels. The Summary of Capital Projects may include some projects without a Total Project Estimate amount. These projects are considered "continuing" projects, or projects for which funding is necessary on an ongoing basis (e.g., a contingency or planning project).

FY 2006 Summary of Capital Projects

Fund: 301 Contributed Roadway Improvements

| Project # | Description | Total Project Estimate | FY 2004 Actual Expenditures | FY 2005 Revised Budget | FY 2006 Advertised Budget Plan | FY 2006 Adopted Budget Plan |
|------------------|----------------------------------|-------------------------------|------------------------------------|-------------------------------|---------------------------------------|------------------------------------|
| 007700 | Fairfax Center Reserve | | \$3,473.52 | \$3,272,470.02 | \$601,042 | \$601,042 |
| 007701 | Route 50/Waples Mill Interchange | 4,009,619 | 181,392.99 | 3,280,610.69 | 0 | 0 |
| 008800 | Centreville Reserve | | 281.64 | 1,059,614.20 | 76,626 | 76,626 |
| 008801 | Stone Road | 1,004,903 | 63,785.27 | 906,280.16 | 0 | 0 |
| 008802 | Clifton Road | 4,878,595 | 952,126.99 | 3,364,691.33 | 0 | 0 |
| 008803 | Route 29 Widening | 1,210,851 | 0.00 | 1,210,851.00 | 0 | 0 |
| 009900 | Miscellaneous Contributions | | 450,777.83 | 10,155,550.68 | 1,594,170 | 1,594,170 |
| 009901 | Primary Improvements | | 0.00 | 424,584.00 | 0 | 0 |
| 009902 | Secondary Improvements | | 240,611.00 | 148,327.00 | 0 | 0 |
| 009903 | Bridge Design/Construction | | 0.00 | 8,369.00 | 0 | 0 |
| 009904 | Intersection/Interchange | | 0.00 | 311,975.00 | 0 | 0 |
| 009906 | Signal Installations | | 124,400.00 | 146,137.57 | 0 | 0 |
| 009908 | Transit Improvements | | 0.00 | 5,381.59 | 0 | 0 |
| 009909 | Reston East Park-N-Ride | | 0.00 | 103,862.00 | 0 | 0 |
| 009911 | Tysons Corner Reserve | | 62.65 | 9,751,955.59 | 659,467 | 659,467 |
| 009913 | Dolley Madison Blvd | 8,945,941 | 3,508.20 | 1,355,273.69 | 0 | 0 |
| Total | | \$20,049,909 | \$2,020,420.09 | \$35,505,933.52 | \$2,931,305 | \$2,931,305 |

How to Read the Budget

Project Detail Tables

Project Detail Tables are included for each capital project funded in FY 2006. This table includes financial information and a narrative description of the project, including project location, description, and the source of funding which will support the FY 2006 funded amount (i.e., General Funds, General Obligation Bonds, Transfers from Other Funds, or Other). The example below is for Parks – Grounds Maintenance, and can be found in Fund 303, County Construction.

| | |
|---|------------------------------------|
| 009442 | Parks – Grounds Maintenance |
| Countywide | Countywide |
| <p>Description and Justification: This project provides for facility maintenance at non-revenue producing countywide parks. Facility maintenance includes minor routine preventive maintenance of Park Authority structures throughout the County such as the replacement of broken windows and doors, equipment repairs, and scheduled inspections of HVAC, security, and fire alarm systems. FY 2006 funding in the amount of \$962,156 is included for continued maintenance at prioritized Park sites.</p> | |

| | Total Project Estimate | Prior Expenditures | FY 2004 Expenditures | FY 2005 Revised Budget Plan | FY 2006 Advertised Budget Plan | FY 2006 Adopted Budget Plan | Future Years |
|------------------------|------------------------|--------------------|----------------------|-----------------------------|--------------------------------|-----------------------------|--------------|
| Land Acquisition | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Design and Engineering | | 5,269 | 0 | 0 | 0 | 0 | 0 |
| Construction | | 0 | 0 | 0 | 962,156 | 962,156 | 0 |
| Other | | 2,418,034 | 730,207 | 1,298,203 | 0 | 0 | 0 |
| Total | Continuing | \$2,423,302 | \$730,207 | \$1,298,203 | \$962,156 | \$962,156 | \$0 |

| Source of Funding | | | | |
|--------------------------|--------------------------|----------------------------|-------|---------------|
| General Fund | General Obligation Bonds | Transfers from Other Funds | Other | Total Funding |
| \$962,156 | \$0 | \$0 | \$0 | \$962,156 |