



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of November 27, 2007**

DATE: November 19, 2007

SUBJECT: Fiscal Year (FY) 2007 Closeout and Reappropriation into FY 2008

C. M. RECOMMENDATIONS:

1. Adopt the revised FY 2007 County government appropriation resolution shown on Attachment 1.
2. Allocate from the FY 2007 General Fund Balance the following:
 - a. \$7,144,706 as a reserve for the capital improvements in FY 2008;
 - b. \$9,644,467 as a reserve for the FY 2009 budget;
 - c. \$10,085,315 to the General Fund Operating Reserve.
3. Amend the FY 2008 County Budget by approving the appropriations in Attachment 2.
4. Allocate \$21,251,695 from the FY 2007 General Fund Balance to the Schools for unspent expenditure appropriations and revenue increases based on the FY 2007 revenue sharing agreement.

ISSUE: How should funds available from FY 2007 be used?

SUMMARY: Arlington County ended FY 2007 with a balanced budget. Final revenues were within approximately 2% of the projections that were provided to the County Board in the spring.

The annual closeout report outlines actions in two major areas (in addition to technical matters necessary for proper accounting). One is the appropriation of funds for obligations made in the prior year that are not yet paid due to commitments that overlap fiscal years. The second area is the appropriation of one-time funds. The recommended use for the discretionary one-time funds are outlined in Recommendation 2 and discussed below.

County Manager: _____

Staff: Mark Schwartz, Director, Department of Management & Finance
Richard Stephenson, Acting Budget Director, Department of Management & Finance
Jon Altshul, Revenue Analyst, Department of Management & Finance

Additionally, the close-out report makes appropriations to the Schools based on previous actions during the FY 2008 budget adoption and based on the Revenue Sharing Agreement.

DISCUSSION: Each fall a fiscal status report is prepared summarizing the results of County and School finances for the previous fiscal year. The report highlights actual revenue and expenditure results compared to the revised budget plan. Revenues, expenditures and recommended actions are discussed below.

Revenues

Actual General Fund revenue (\$871.0 million) for FY 2007 was within 1.8% of the revised budget amount (adjusted for revised tax revenue & excluding fund balance).

Comparing the estimated revenue from real estate taxes – the County’s largest source of funds – year-end tax revenue receipts were within .34% of estimates. Fiscal Year 2007 real estate tax revenue was approximately \$5.9 million over the budgeted level. The net difference in mid-year/3rd quarter projections and actual receipts for real estate tax revenue was \$1.4 million.

Two tax revenue sources that finished the year higher than previously projected were personal property tax and recordation tax. Personal property tax revenue exceeded \$100 million for the first time in the County’s history. This strong revenue growth for FY 2007 produced approximately \$5.8 million in higher than projected revenue. Recordation tax also exceeded projections by \$2.0 million. This unanticipated revenue was primarily due to the taxes paid on several large commercial property transactions that were completed at the end of the fiscal year.

Among other revenues, some fall short of budget amounts while others exceed budget projections, as is always the case. In some cases, revenue planned in FY 2007 (such as grants) will not actually be received until FY 2008; this revenue is included in the Incomplete Project list shown on attachment 2D. Some revenues exceed budgeted amounts, but are restricted as to use, such as Affordable Housing Investment Fund loan repayments, incremental recordation tax earmarked for affordable housing, and seized asset forfeitures.

In approving the FY 2008 budget, the County Board anticipated additional revenues in FY 2007 and included their carry-over in FY 2008 projections in the amounts of \$13,676,134 for the County and \$4,092,693 for the Schools.

The County Board has also made a commitment to maintain an operating reserve equal to 2.0 percent of the General Fund budget, requiring an additional \$1.2 million allocation at year-end to keep pace with budget growth for FY 2008. However, as is explained in greater detail later in this report, it is proposed that the General Fund operating reserve be increased to 3.0 percent of the adopted General Fund budget.

Expenditures

General Fund FY 2007 expenditures, including transfers to other funds, totaled \$856.1 million. Many departments saw budget savings due to position vacancies. Several departments also have grants that carry across fiscal years included in their FY 2007 appropriations, which were not expended. Additionally, not all planned and budgeted projects are completed within the fiscal year in which they are originally funded. These unfinished projects and previously expressed County Board priorities are the basis for the requested funding for incomplete projects included in this report. The incomplete projects consist primarily of grants and other planned items which were not completed during the prior fiscal year. This is a usual occurrence. Fiscal years form an arbitrary construct for accounting purposes. County services, however, operate continuously and funding for a significant number of activities will transcend fiscal years. The incomplete projects are listed on attachment 2D.

While most departments had expenditure savings, a few departments exceeded appropriations. The appropriation resolution in Recommendation #1 approves the revised appropriations based on actual results for FY 2007. Some of the major, unbudgeted expenses that occurred during FY 2007 include the following:

- Fire overtime costs (\$1.5 million)
- Sheriff overtime costs (\$1.4 million)
- Outside legal fees (\$362,000)

Total gross County General Fund expenditures and encumbrances were \$47.8 million less than budgeted amounts. After setting aside balances for grants and other restricted projects (AHIF, seized assets, Schools, e.g.), the resulting balance, together with additional revenue, are available for allocation by the County Board.

Allocation of Funds Available

It is only after all the restricted revenues, set-asides and revenue reappropriations are determined, and after similar restrictions, set-asides and previous commitments on the expense side are determined, that the real fund balance available for discretionary funding by the County Board can be determined.

For FY 2008, the discretionary fund balance recommended for allocation totals approximately \$25.7 million (2.8% of the revised budget for FY 2007).

This report recommends using these funds in the following ways:

\$8.9 million to increase the general fund operating reserve to 3.0% Since 1997, the County has committed to funding the operating reserve at 2.0 percent of the general fund budget to hedge against unforeseen events. However, in response to indications from credit rating agencies that our operating reserve funding levels are low relative to those of other AAA-rated jurisdictions, it is recommended that the operating reserve be increased to 3.0% of the general fund budget this year to ensure that we maintain our coveted

triple AAA bond rating. Increasing the reserve requirement by one percent would require \$8.9 million, in addition to the \$1.2 million already set-aside to meet the County Board's 10-year policy of a 2.0 percent reserve. A 3.0% operating reserve would bring the total General Fund reserve balance to \$26.7 million.

\$7.1 million as a reserve for FY 2008 capital project implementation. This reserve for capital improvements includes revenue received in FY 2007 that is typically designated for one-time capital needs the following year. The excess revenue includes approximately \$650,000 premium received from the May 2007 sale of County bonds, \$500,000 from the sale of land and buildings, and \$200,000 in additional commercial utility tax revenue reserved for capital projects. These funds will be used to meet pressing capital needs for pending County projects, including fully funding the County's new revenue collection system, Phase I of the upgrade to the Fairlington Recreation Center, and upgrading the electricity infrastructure in Courthouse Plaza.

\$9.6 million reserved for the FY 2009 budget. This amount will be set-aside for FY 2009 budget. Typically these funds are earmarked to one-time capital needs. However, these funds may also be used to further increase reserves or continue the funding toward the County's future healthcare liability.

School Reconciliation

The Schools carryover amounts are derived from unspent funds, revenues projected to be carried over as part of the FY 2007 budget process, and a reconciliation of local taxes actually received. The unspent expenditure funds, together with additional School revenue, resulted in \$21,251,695 in FY 2007. Most of the unspent funds came from planned, but unobligated capital projects funding (\$10,941,153) and under expenditures in employee health insurance, separation pay and other benefits, and energy costs. These unspent funds are retained by the Schools pursuant to the revenue sharing agreement. The overall amount of unspent funds, exclusive of the capital funds total \$4,664,529. The Schools had planned on \$2,461,915 in non-capital savings and included this amount in the FY 2007 budget, leaving \$2,202,614 in unappropriated funds. County local tax revenues are also shared with the Schools pursuant to the agreement. The final revenue allocation will provide a net addition to the schools of \$1,553,323 above the \$4,092,693 previously included in the FY 2007 projections. This results in a total school revenue share adjustment of \$5,646,014.

The School Board is expected to act on use of these funds at its November meeting. The County Board would then formally ratify the revised School appropriations at the December meeting.

Other County Funds

The other County funds were within budget. The Utilities Fund's expenses were lower than expected, which led to a \$3.8 million increase in fund balance, despite modestly lower than expected water-sewer billing revenue. The Utilities Fund spent less on wholesale water purchases from the Washington Aqueduct (\$1.0 million) and debt service related to the Master Plan 2001 Update at the Water Pollution Control Plant (\$1.1 million) than had been budgeted.

The Section 8 Fund's revenues exceeded its expenses by \$6.2 million due to a change in the U.S. Department of Housing and Urban Development's (HUD) administrative guidelines. Housing Assistance Payments make up the majority of Section 8's expenditures and revenues. Instead of returning unused Housing Assistance Payments to HUD, jurisdictions now keep any excess funds for future use and future allocations from HUD are adjusted accordingly. As Arlington increases lease-up rates in the Section 8 program, this Section 8 fund balance will decrease.

Other enterprise and internal service funds operated within budget guidelines.

FISCAL IMPACT: Approving the recommendations in this report will ratify final appropriations for FY 2007 fulfilling all County obligations and use one-time funds to meet critical priorities.

FY 2007 APPROPRIATION RESOLUTION

BE IT RESOLVED BY THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA, THAT THE FOLLOWING APPROPRIATIONS ARE HEREBY ADOPTED FOR THE FISCAL YEAR 2007 AND THAT ANY SURPLUS FOR GENERAL COUNTY PURPOSES REMAINING AT THE END OF THE FISCAL YEAR SHALL RETURN TO THE GENERAL FUND OF THE COUNTY.

GENERAL FUND:

COUNTY BOARD.....	917,560
COUNTY MANAGER.....	3,851,236
MANAGEMENT AND FINANCE.....	5,094,437
CIVIL SERVICE COMMISSION.....	598
HUMAN RESOURCES.....	6,394,203
DEPARTMENT OF TECHNOLOGY SERVICES.....	13,708,179
COUNTY ATTORNEY.....	2,105,362
CIRCUIT COURT.....	2,797,969
DISTRICT COURT.....	256,910
JUVENILE AND DOMESTIC RELATIONS COURT.....	4,986,804
COMMONWEALTH'S ATTORNEY.....	3,515,412
SHERIFF.....	33,059,699
COMMISSIONER OF REVENUE.....	4,569,467
TREASURER.....	5,557,757
ELECTORAL BOARD.....	758,369
POLICE.....	51,096,496
EMERGENCY MANAGEMENT.....	8,316,701
FIRE.....	41,458,600
ENVIRONMENTAL SERVICES.....	59,557,799
HUMAN SERVICES.....	97,257,104
LIBRARIES.....	12,339,879
ECONOMIC DEVELOPMENT.....	4,092,645
COMMUNITY PLANNING, HOUSING & DEV.....	14,054,952
PARKS, RECREATION AND CULTURAL RES.....	32,816,935
NON-DEPARTMENTAL.....	47,064,476
DEBT SERVICE.....	45,703,331
REGIONAL CONTRIBUTIONS.....	7,542,243
METRO.....	14,700,000
TOTAL GENERAL GOVERNMENT APPROPRIATION.....	\$523,575,122

OTHER OPERATING FUNDS:

TRAVEL, TOURISM & PROMOTION.....	1,426,998
UTILITIES.....	55,276,703
ROSSLYN BUSINESS IMPROVEMENT DIST.....	2,045,283
CRYSTAL CITY BUSINESS IMPROVEMENT DIST.....	1,660,435
COMMUNITY DEVELOPMENT	3,227,387
SECTION 8.....	14,975,976
AUTOMOTIVE EQUIPMENT.....	1,996,144
PRINTING.....	234,686
JAIL INDUSTRIES.....	94,465
BALLSTON GARAGE.....	7,276,074
BALLSTON GARAGE - 8TH LEVEL.....	28,927
TOTAL OTHER OPERATING FUNDS.....	\$88,243,078

GENERAL CAPITAL PROJECTS FUND:

CABLE TV.....	1,228,749
TECHNOLOGY SERVICES.....	11,925,160
ENVIRONMENTAL SERVICES:	
Government Facilities.....	12,400,232
Facilities Maintenance.....	4,477,532
Transportation.....	21,903,352
Environmental Planning.....	827,224
PUBLIC SAFETY.....	2,872,948
ECONOMIC DEVELOPMENT.....	567,758
COLUMBIA PIKE REDEVELOPMENT.....	3,500,000
PARKS, RECREATION & CULTURAL RESOURCES.....	3,361,773
COMMUNITY PLANNING, HSG & DEVELOPMENT.....	1,531,689
REGIONAL CONTRIBUTIONS.....	6,682,775
TOTAL GENERAL CAPITAL PROJECTS FUND.....	\$71,279,192

NON-GENERAL FUND CAPITAL FUNDS:

STREET AND HIGHWAY BOND.....	24,252,028
NEIGHBORHOOD CONSERVATION BOND.....	25,180,211
PUBLIC RECREATION FACILITIES BOND.....	54,411,689
FIRE STATION BOND.....	17,461,513
LIBRARIES BOND.....	3,014,205
TRANSIT FACILITIES BOND.....	18,153,473
GOVERNMENT FACILITY.....	2,200,000
UTILITIES CONSTRUCTION.....	303,227,317
WATER DISTRIBUTION BOND.....	10,444,726
SANITARY SEWER BOND.....	16,000,000
WASTE TREATMENT BOND.....	48,500,000
TRADES CENTER BOND.....	1,489,522
GEORGE MASON CENTER BOND.....	19,965
ENTERPRISE RESOURCE PLANNING SYSTEM BOND.....	3,310,708
EMERGENCY COMMUNICATIONS CENTER BOND.....	21,808,184
TOTAL NON-GENERAL FUND CAPITAL.....	549,473,541

TOTAL CAPITAL FUNDS.....	620,752,733
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FY 2008 County Budget Appropriations

- A. **RECOMMENDATION**: Reappropriate in FY 2008 County purchase orders, incomplete projects, carryover capital and operating projects, and revenues to be received from federal, state and other sources as summarized in Attachments 2A, 2B, 2C, and 2D.

EXPLANATION: The purchase orders summarized in Attachments 2A, 2B, and 2C were placed in FY 2007 or earlier fiscal years, but the goods and services had not been delivered by the end of the year, or they had been delivered but invoices were not received in time for processing in FY 2007. Attachments 2A, 2B, 2C, and 2D also summarize and detail appropriations, expenditures, incomplete projects and other projects or programs recommended for funding in FY 2008. This action also identifies those appropriations of federal, state and other revenues approved by the County Board in FY 2007 that had not been received or expended as of the close of FY 2007. Incomplete projects were, for the most part, funded in FY 2007 but unable to be completed by the close of the fiscal year.

- B. **RECOMMENDATION**: Increase the FY 2008 General Capital Projects Fund (313) appropriation by \$8,786,214 to reflect revenues received during FY 2007 but not previously appropriated (Attachment 2C).

EXPLANATION: During FY 2007, revenues of \$8,786,214 were received for various projects where the County was eligible for reimbursement by developers and other public or private parties as listed below. Developer contributions for site plan conditions include \$1,584,000 for the Waterview site plan, \$250,000 for the Ballston Metro Entrance site plan and \$107,000 for the Neighborhood Traffic Calming (NTC) site plan. State grants for transportation projects include \$1,665,290 for VDOT/revenue sharing funds for Columbia Pike projects, \$863,748 for traffic signal programs and \$687,786 for transit projects. Project Reimbursements include \$1,740,596 from Signature Theatre.

Cable Franchise TV	\$ 736,692
Developer Contributions	2,565,255
State Revenue	3,287,513
Federal Revenue	290,549
Project Reimbursements	1,906,205
Total	\$8,786,214

- C. **RECOMMENDATION:** Increase the FY 2008 Utilities Construction Fund (519) appropriation by \$4,714,081 to reflect revenue received during FY 2007 but not previously appropriated (Attachment 2C).

EXPLANATION: During FY 2007 the County Utility Pay-As-You-Go Construction Fund (519) received \$4,714,081. Included is revenue received from inter-jurisdictional partners based on sewage processed for neighboring jurisdictions, interest revenue earned on utility fund cash balances and developers' contributions. FY 2007 revenue related to Utility (PAYG) Capital projects is broken out as follows:

Inter-jurisdictional Sewage Processing Revenue	\$4,246,467
Interest Revenue	448,903
Developer Contributions	18,711
Total	\$4,714,081

- D. **RECOMMENDATION:** Reallocate \$119,822 and 1.0 FTE from Arlington Economic Development (AED) to the Office of Emergency Management (OEM) to provide emergency preparedness services related to the business community.

EXPLANATION: In order to enhance emergency preparedness services for the business community, one position is being transferred from AED to OEM to provide business outreach and continuity of operations planning. This critical function will provide a link from OEM to the business community to provide emergency preparedness information, seminars and outreach.

- E. **RECOMMENDATION:** Appropriate \$245,507 from the Virginia Department of Fire Programs (101.364300) to the Fire Department (101.34401) for fire fighting operating equipment.

EXPLANATION: The Fire Department includes Fire Programs grant funding in the base budget each year. This \$245,507 is in addition to the \$253,909 already included in the FY 2008 budget. Fire Programs grant funds are to be used solely for fire service purposes to pay for training, fire fighting equipment, protective clothing and prevention. These funds will be used to purchase replacement thermal imaging, replace and upgrade existing equipment at the end of its life span, purchase needed equipment for the Hazmat and Technical Rescue Teams and Training Academy, and to begin outfitting reserve Fire apparatus.

- F. **RECOMMENDATION:** Appropriate \$258,145 from the U.S. Department of Health and Human Services (101.374200) to the Office of Emergency Management (101.32020) for the Metropolitan Medical Response System (MMRS).

EXPLANATION: These MMRS 2007 grant funds are follow-on to MMRS 2005 and 2006 grant funding. These funds will be used by the MMRS program to assist in maintaining plans, delivering training, purchasing equipment and pharmaceuticals, and conducting exercises to develop and sustain the capabilities necessary to respond to a mass casualty event thru June 30, 2010.

- G. RECOMMENDATION:** Reallocate \$590,929 from the Non-Departmental account (101.91102) to the Fire Department (101.34301) and approve the addition of six new Firefighter positions in Operations (6.0 FTE) to address budget and staffing structural problems identified during the FY 08 budget process.

EXPLANATION: During the FY 08 budget process, several budget and staffing structural issues were identified by the Fire Department which has been working with the Department of Management and Finance to resolve these issues. \$590,929 was set aside by the County Board at the FY 2008 budget adoption until additional financial analysis could be completed on how to allocate the funds. These funds will be used for callback (\$213,965), promotions to fill six new Firefighter positions (\$113,000, 6.0 FTE) and for new recruits (\$263,964).

- H. RECOMMENDATION:** Appropriate \$20,000 from the Department of Defense (101.374949) to the Fire Department (101.34301) to pay for overtime for the Fire Department Captain assigned to the Pentagon Force Protection Agency at the Pentagon.

EXPLANATION: The Captain assigned to the Pentagon Force Protection Agency (CBRN) at the Pentagon is a grant funded position fully paid for by the Pentagon. Overtime for this person has been reimbursed in the past but was never included in the Memorandum of Agreement between the Pentagon Force Protection Agency and the Fire Department until FY 2008. This request adds \$20,000 to the Fire Department's FY 2008 adopted CBRN budget to cover projected overtime expenses.

- I. RECOMMENDATION:** Appropriate \$151,994 from FY 2007 fund balance to the County Attorney's Office (101.14100) and authorize the addition of a 1.0 FTE permanent position to enable the County Attorney's Office to handle increasing caseload levels.

EXPLANATION: The case load of the County Attorney's Office has increased dramatically in recent years. An additional attorney is needed to keep up with these existing cases and to be prepared for future cases.

- J. RECOMMENDATION:** Appropriate \$102,562 from the U.S. Department of Health and Human Services (101.374900) to the Fire Department (101.34301)

and authorize an additional 0.6 FTE permanent grant funded positions for the National Metropolitan Response Team (NMRT).

EXPLANATION: The grant funds will be used to upgrade an existing part-time Firefighter position (0.5 FTE) to a full time Captain II position (1.0 FTE) to manage the day-to-day operations of the NMRT, add an Operational Medical Director (0.1 FTE) to the NMRT and provide overtime funding for six Firefighters who currently provide staff support for the NMRT. These funds are in addition to the \$197,933 already included in the FY 2008 adopted NMRT personnel budget. This adjustment also includes a reduction in the grant reimbursement for a Battalion Chief position, based on the actual time the position is spending as program manager for the grant.

- K. RECOMMENDATION:** Transfer \$46,819 and 1.0 FTE from the Human Resources Department (HRD) (101.12101) to the Department of Technology Services (DTS) (101.13108) for PRISM support.

EXPLANATION: The ongoing support and expertise for the County's PRISM system resides in DTS, and as new enhancements are implemented, support and expertise is necessary to ensure a seamless implementation and maintenance of the new technology.

- L. RECOMMENDATION:** Transfer \$199,336 and 2.0 FTEs from the Department of Parks, Recreation and Cultural Resources (PRCR) (101.85708) to the Human Resources Department (101.12101) for the management of the County's Health Smart program.

EXPLANATION: The HealthSmart program has been moved from PRCR to the Human Resources Department to re-emphasize its role as an employee benefit. Working in synergy with the resources in the HR Department, the program will focus on identifying actual health risks facing our workforce and developing opportunities to promote healthy behaviors and lifestyles with the goal of creating a healthier workforce and a sustainable health care plan for all employees.

- M. RECOMMENDATION:** Appropriate \$28,125 from Virginia Department of Environmental Quality (DEQ) State Litter Prevention and Recycling grant funds (101.364903) to the Department of Environmental Services (101.44020) to support litter prevention and recycling programs.

EXPLANATION: DEQ provides annual non-competitive State Litter Prevention and Recycling Grants to support local programs. Grants are funded by a tax on the distribution of beverage containers and distributed based on a formula that includes road mileage and population. The grant will be used in support of Arlingtonians for a Clean Environment and other litter prevention and recycling efforts such as the purchase of litter collection and recycling

containers and the preparation and distribution of education and outreach materials.

- N. RECOMMENDATION:** Appropriate \$26,585 from the Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services (101.364501) to the Department of Human Services (101.52101) for contracted services for mental health, mental retardation, and substance abuse clients.

EXPLANATION: The Department of Human Services (DHS) expects to receive additional funding from the state during fiscal year 2008. The additional funds will be used to fund a variety of contracted services and will be distributed in the following ways: \$1,153 to substance abuse and mental health services in the Aging and Disability Services Division (101.53301); \$3,846 to the Child and Family Services Division (101.56002); and \$21,586 to substance abuse in the Behavioral Healthcare Division (101.52201).

- O. RECOMMENDATION:** Appropriate \$41,000 in FY 2008 from the Inmate Telephone Trust and Agency fund (799.22301.8081) to the Sheriff's Office (101.22301) for the purpose of purchasing replacement computers.

EXPLANATION: The Sheriff's Office generates revenues from the telephone services that are provided to inmates by Global TelLink (GTL). These revenues are posted to a trust and agency account. The fund is used to purchase unexpected, but required items needed for the operation of the Sheriff's Office in accordance with the state laws and standards contained in the Virginia Sheriff's Accounting Manual. The \$41,000 is requested for the purchase of 24 computers to replace the current computers that were purchased to replace dumb terminals when the Police/Sheriff Record Management System was upgraded. These computers were not purchased through the County's PC Replacement Program. The Sheriff's Office extended the warranty on these 24 computers for one year but they are set to expire in December, 2007. The new computers will be purchased through the County's PC Replacement Program. There is no tax supported impact to the County for the purchase of the computers in FY 2008. However, as part of the County's PC Replacement program, the County will need to set aside funds for the replacement of these PCs at the end of their life cycle.

- P. RECOMMENDATION:** Appropriate \$26,679 from the Virginia Department of Health (101.364917) to the Fire Department (101.34201) to purchase fire alarms for high-risk residents of Arlington.

EXPLANATION: The Get Alarmed, Virginia! Grant provides funding to purchase fire alarms in order to protect our lower socio-economic residents and will specifically target households with children below the age of five and seniors 65 and older. Additionally, disabled residents will also be targeted. This Get Alarmed, Virginia! Grant expects to reach a total of 5,000 residents,

whose environment will be modified to be safer. It is expected that referrals and advertising through the Department of Human Services programs will identify the majority of traditionally unreachable clients. The department will provide on duty Operations staff and light duty personnel to install the fire alarms. It is expected that 2,460 alarms will be purchased and installed by Fire Department personnel between December 2007 and September 2008.

FY 2007 GENERAL FUND SUMMARY - EXPENDITURES, ENCUMBRANCES & REVISED APPROPRIATION					
GENERAL FUND OPERATING (101)	MODIFIED		ENCUMBRANCES		REVISED APPROPRIATION
	APPROPRIATION	EXPENDITURES	(Pos)	APPROPRIATION	
County Board	882,316	917,560	-	-	917,560
County Manager	4,216,183	3,851,236	-	-	3,851,236
Management and Finance	5,255,433	5,094,437	-	-	5,094,437
Civil Service Comm.	21,028	598	-	-	598
Human Resources	6,783,456	6,394,203	-	-	6,394,203
Technology Services	14,146,637	12,913,400	-	794,779	13,708,179
County Attorney	1,672,836	2,105,362	-	-	2,105,362
Circuit Court	2,937,463	2,739,019	-	58,950	2,797,969
Gen. District Court	359,441	256,910	-	-	256,910
Juvenile & Domestic Relations Court	5,158,375	4,986,804	-	-	4,986,804
Commonwealth Attorney	3,684,430	3,515,412	-	-	3,515,412
Sheriff	31,822,867	32,844,906	-	214,793	33,059,699
Comm. of Revenue	4,617,116	4,555,994	-	13,473	4,569,467
Treasurer	5,718,893	5,515,027	-	42,730	5,557,757
Electoral Board	1,086,225	758,369	-	-	758,369
Police	52,728,684	51,022,015	-	74,481	51,096,496
Office of Emergency Management	8,986,894	8,316,701	-	-	8,316,701
Fire	40,467,540	41,311,885	-	146,715	41,458,600
Environmental Services	61,789,808	58,491,391	-	1,066,408	59,557,799
Human Services	98,658,558	96,536,913	-	720,191	97,257,104
Libraries	12,972,268	12,339,879	-	-	12,339,879
Economic Development	4,204,583	3,482,138	-	610,507	4,092,645
Community Planning, Housing & Development	15,446,187	13,897,500	-	157,452	14,054,952
Parks, Recreation & Cultural Resources	32,077,460	32,146,657	-	670,278	32,816,935
Non-Departmental	71,987,978	47,064,476	-	-	47,064,476
Debt Service	45,667,089	45,703,331	-	-	45,703,331
Regionals	7,677,476	7,542,243	-	-	7,542,243
Metro	14,700,000	14,700,000	-	-	14,700,000
Total General Government	555,727,224	519,004,365	4,570,757	523,575,122	
GENERAL FUND TRANSFERS					
Travel and Tourism Promotion (202)	247,000	247,000	-	-	247,000
Automotive Equipment (609)	178,665	178,665	-	-	178,665
Printing (611)	192,304	192,304	-	-	192,304
General Capital Projects (313)	14,102,519	14,102,519	-	-	14,102,519
Schools Operating (880)	271,804,250	267,584,574	-	-	267,584,574
School Cafeteria (881)	-	354,832	-	-	354,832
Schools Community Activities (882)	9,569,133	7,783,677	-	-	7,783,677
Schools Construction (886)	28,948,696	18,007,543	-	-	18,007,543
Schools Debt Service Fund (888)	25,708,630	26,971,109	-	-	26,971,109
Schools Comprehensive Services Act Fund (889)	1,907,500	1,630,792	-	-	1,630,792
Total Interfund Transfers	352,658,697	337,053,016	4,570,757	860,628,137	
Total General Fund Exp and Interfund Tran:	908,385,921	856,057,381	4,570,757	860,628,137	

FY 2007 OTHER OPERATING FUNDS - EXPENDITURES/TRANSFERS, ENCUMBRANCES & REVISED APPROPRIATION

	MODIFIED APPROPRIATION	EXPENDITURES/ TRANSFERS	PO ENCUMBRANCES	REVISED APPROPRIATION
TRAVEL, TOUR AND PROMO FUND (202)	1,377,884	1,365,944	61,054	1,426,998
CRYSTAL CITY BUSINESS IMPROVEMENT DIST. (205)	1,701,000	1,660,435	-	1,660,435
UTILITIES OPERATING FUND (503)	61,226,395	55,276,703	-	55,276,703
ROSSLYN BUSINESS IMPROVEMENT DISTRICT (204)	2,050,000	2,045,283	-	2,045,283
COMM DEV BLOCK GRANT FUND (206)	5,399,946	2,813,215	414,172	3,227,387
SECTION 8 (208)	14,805,770	14,975,976	-	14,975,976
AUTOMOTIVE EQUIPMENT FUND (609)	947,031	1,755,276	240,868	1,996,144
PRINTING (611)	205,711	234,686	-	234,686
JAIL INDUSTRIES (612)	-	94,465	-	94,465
BALLSTON GARAGE (540)	8,559,651	3,622,865	3,653,209	7,276,074
<u>BALLSTON GARAGE - 8th LEVEL (548)</u>	<u>32,200</u>	<u>28,927</u>	<u>-</u>	<u>28,927</u>
TOTAL OTHER FUNDS	96,305,588	83,873,775	4,369,303	88,243,078

ATTACHMENT 2B

EXPENDITURES FOR FISCAL YEAR ENDING JUNE 30, 2007

Pre-Audit

GENERAL CAPITAL PROGRAM (FUND 313)	MODIFIED APPROPRIATION ²	UNAPPROPRIATED REVENUES ³	REVISED APPROPRIATIONS	EXPENDITURES	ENCUMBRANCES	PO INCOMPLETE PROJECTS ⁴	TOTAL CARRYOVER
CABLE TV (13002)	492,057	736,692	1,228,749	365,776	-	862,973	862,973
DES - Government Facilities (43561-3)	12,505,044	1,751,308	14,256,352	6,696,040	3,958,614	3,601,698	7,560,312
Internal Financing (43563.0000) ¹	(1,856,120)	-	(1,856,120)	-	-	(1,856,120)	(1,856,120)
DTS (13003)	11,925,160	-	11,925,160	1,488,820	988,313	9,448,027	10,436,340
DES - Facilities Maintenance (43564)	4,477,532	-	4,477,532	1,220,564	1,433,586	1,823,382	3,256,968
PUBLIC SAFETY (31202)	2,872,948	-	2,872,948	2,756,068	-	116,880	116,880
DES - Transportation (43501,11-27)	15,963,651	5,939,701	21,903,352	5,432,402	5,277,245	11,193,706	16,470,950
DES - Environmental Planning (44001)	827,224	-	827,224	637,953	-	189,271	189,271
AED - Real Estate Development (71004)	567,758	-	567,758	43,795	2,305	521,658	523,963
CPHD - Columbia Pike (72106)	3,500,000	-	3,500,000	-	-	3,500,000	3,500,000
CPHD - Neighborhood Conservation (72301, 72304)	1,531,689	-	1,531,689	634,394	32,628	864,667	897,295
PRCR (80001, 82002)	3,003,260	358,513	3,361,773	394,218	26,550	2,941,005	2,967,555
REGIONALS (91105)	6,682,775	-	6,682,775	1,232,139	-	5,450,636	5,450,636
TOTAL GENERAL CAPITAL PROGRAM	62,492,978	8,786,214	71,279,192	20,902,170	11,719,241	38,657,782	50,377,022

COUNTY BOND, IDA AND UTILITY FUND CAPITAL PROJECTS (FUND 314-333, 519, 543-546)	MODIFIED APPROPRIATION	UNAPPROPRIATED REVENUES	REVISED APPROPRIATIONS	EXPENSES	ENCUMBRANCES	PO INCOMPLETE PROJECTS	TOTAL CARRYOVER
STREET AND HIGHWAY (FUND 314)	24,252,028	-	24,252,028	11,430,596	2,629,073	10,192,359	12,821,432
NEIGHBORHOOD CONSERVATION (FUND 316)	15,794,839	-	15,794,839	7,198,620	1,599,862	6,996,357	8,596,219
CPHD	9,385,372	-	9,385,372	675,659	1,301,874	7,407,839	8,709,713
DES	25,180,211	-	25,180,211	7,874,279	2,901,736	14,404,196	17,305,932
Fund 316 Total	2,200,000	-	2,200,000	928,529	-	1,271,471	1,271,471
GOVERNMENT FACILITY (FUND 317)	21,800,346	467,614	22,267,960	4,608,830	498,025	17,161,105	17,659,130
UTILITIES - CONSTRUCTION (FUND 519)	23,644,295	-	23,644,295	3,414,694	1,710,408	18,519,194	20,229,601
DES Water & Sewer Non-Expansion - 43542	247,774,861	4,246,467	252,021,328	67,661,669	149,922,406	34,437,253	184,359,659
DES Water & Sewer Expansion - 43543 & 43544	5,293,734	-	5,293,734	1,854,410	409,838	3,029,486	3,439,324
DES WPCP Expansion - 43541	298,513,236	4,714,081	303,227,317	77,539,602	152,540,676	73,147,038	225,687,715
DES WPCP Non-Expansion - 43545	54,411,689	-	54,411,689	12,097,844	14,703,990	27,609,855	42,313,845
Fund 519 Total	17,461,513	-	17,461,513	1,377,411	657,459	15,426,643	16,084,102
PARKS AND RECREATION (FUND 324)	3,014,205	-	3,014,205	1,229,017	29,355	1,755,834	1,785,188
FIRE STATION BOND (FUND 326)	18,153,473	-	18,153,473	4,715,754	-	13,437,719	13,437,719
LIBRARY BOND (FUND 329)	10,444,726	-	10,444,726	-	-	10,444,726	10,444,726
TRANSIT FACILITIES (FUND 333)	16,000,000	-	16,000,000	-	-	16,000,000	16,000,000
WATER DISTRIBUTION (FUND 525)	48,500,000	-	48,500,000	-	-	48,500,000	48,500,000
SANITARY SEWER BOND (FUND 528)	1,489,522	-	1,489,522	1,406,007	22,995	60,520	83,515
WASTE TREATMENT PLANT (FUND 530)	19,965	-	19,965	19,966	0	-	0
TRADES CENTER (FUND 543)	3,310,708	-	3,310,708	3,310,708	0	0	0
GEORGE MASON (FUND 544)	21,808,184	-	21,808,184	4,495,132	4,718,139	12,594,913	17,313,052
ERP (FUND 545)	21,808,184	-	21,808,184	4,495,132	4,718,139	12,594,913	17,313,052
EMERGENCY COMMUNICATIONS CENTER (546)	544,759,460	4,714,081	549,473,541	126,424,844	226,703,423	196,345,275	423,048,697
TOTAL COUNTY BOND, IDA & UTILITIES CAPITAL	544,759,460	4,714,081	549,473,541	126,424,844	226,703,423	196,345,275	423,048,697

ATTACHMENT 2C

NOTES:

- ¹ Internal Financing expenditures could include fund transfers, PAYG and expenditure credits.
- ² Modified appropriation is current year budget (PAYG) + carryover from previous fiscal year + supplemental appropriation (such as bond sale) made during the year.
- ³ Unappropriated revenues recommendation included in close-out board report
- ⁴ Incomplete projects is the total of the revised appropriation minus expenditures and encumbrances.

Reference: Financial Reports

FY 2007 INCOMPLETE PROJECTS REQUEST LIST

FUND / DEPARTMENT / PROJECT	EXPENDITURES	REVENUES	NET CARRY
GENERAL FUND:			
County Manager's Office			
Citizen Survey	41,000		41,000
Subtotal	41,000	-	41,000
Commissioner of the Revenue			
Security Renovations in Business Compliance Area	18,880		18,880
Subtotal	18,880	-	18,880
Treasurer			
Security Renovation in Real Estate Tax Area	13,000		13,000
Subtotal	13,000	-	13,000
Human Resources			
Bi-annual Leadership Conference	40,000		40,000
Subtotal	40,000	-	40,000
Commonwealth Attorney's Office			
Seized Assets	22,380		22,380
Subtotal	22,380	-	22,380
Police Department			
Parking Ticket System - Increase cost for new contract	50,000		50,000
Seized Assets - Total	1,962,854		1,962,854
DMV Grant 2007	47,860	47,860	-
Buffer Zone Grant 2007	7,848	7,848	-
COPS Technology Grant	431,276	431,276	-
Justice Assistance Grant 2005	5,608	5,608	-
Justice Assistance Grant 2006	27,625	27,625	-
Congress Mandate Award 2004	244,723	244,723	-
Congress Mandate Award 2005	25,000	25,000	-
DCJS Byrne Grant 2007	14,458	14,458	-
Subtotal	2,817,252	804,398	2,012,854
Office of Emergency Management			
Communications/RACES Project (Ham Radios)	45,000		45,000
UASI 2005 Outdoor Warning System grant (G508)	53,277	53,277	-
UASI 2005 Exercise and Training grant (G507)	31,936	31,936	-
UASI 2006 5D Volunteer Management (G701)	78,129	78,129	-
UASI 2006 Exercise and Training grant (G702)	58,679	58,679	-
UASI 2006 MRC Grant (G703)	8,720	8,720	-
MMRS Grant	6,692	6,692	-
Subtotal	282,433	237,433	45,000
Fire Department			
Personal Protective Clothing	192,000		192,000
Logistics Lease Cost in FY 2008 (5 months)	137,500		137,500
Maintenance of Westnet Alerting System in Fire Stations	93,500		93,500
Reimburse VA Hospital Center for EMS Supplies	13,200		13,200
Integrating Ambulance Transport Records to new EMS Charts Application	11,760		11,760
Subtotal	447,960	-	447,960

FY 2007 INCOMPLETE PROJECTS REQUEST LIST

FUND / DEPARTMENT / PROJECT	EXPENDITURES	REVENUES	NET CARRY
Sheriff's Office			
Trust & Agency Appropriation (FY 2007)	406,966	406,966	-
Subtotal	406,966	406,966	-
Electoral Board			
Voting Machine Purchase (ALLOCATE TO CAPITAL)	348,290		348,290
Subtotal	348,290	-	348,290
Department of Environmental Services			
TIP Fee Increase (\$3.50/ton x 46,000 tons)	149,500	-	149,500
Residential Permit Parking Program	27,485	-	27,485
Walter Reed Center lighting	20,000	-	20,000
Pay Stations (multi-space parking meters) - Purchase 10 pay stations for use in the R/B corridor	75,000	-	75,000
Facilities Maintenance Building & Equipment Repair	200,000	-	200,000
Lease & Equipment Cost for Temporary Space in 2300 Clarendor	85,000	-	85,000
Commuter Services Program Grants	805,876	805,876	-
Subtotal	1,362,861	805,876	556,985
Department of Human Services			
Community Integration Center renovation (Woodmont)	75,000	-	75,000
Group Home Renovations (excess Recordation Tax)	150,000		150,000
Forensic Carryover Funds - State Grant	41,102	41,102	-
Peer Report for Housing Project with Pathway Homes - AHIF funds	26,000	26,000	-
Grant	40,535	40,535	-
Substance Abuse Federal Block Grant	63,378	63,378	-
Youth Support Contract - Pathways	15,000	15,000	-
Administration Support Contract for OST	18,000	18,000	-
Clients	12,000	12,000	-
Jail Substance Abuse Services	8,000	8,000	-
Job Avenue Services for Substance Abuse Clients	18,341	18,341	-
Anasazi Data Reporting/Programming	6,000	6,000	-
Mental Health Consumer Surveys Project	3,800	3,800	-
Job Avenue Technology Upgrades	3,026	3,026	-
Independence House - Tile Flooring	10,000	10,000	-
Operations Support Team Move to George Mason Center	50,000	50,000	-
Drewry Facility Improvements	50,000	50,000	-
Arlington Employment Center Gang Initiative Grant	18,537	18,537	-
Community Services Board Grant for Supportive Housing Development	6,120	6,120	-
UASI (homeland security) Grant	84,000	84,000	-
Pandemic Flu Grant	78,664	78,664	-
NACCHO Grant	10,000	10,000	-
PIE Program PART C Grant	157,583	157,583	-
Medical Reserve Corp Grant	2,984	2,984	-
Pharmacy Connect - Cherrydale One-time Only Funds	98,891	98,891	-
Subtotal	1,046,961	821,961	225,000
Department of Libraries			
Matching Book Funds	20,338	-	20,338
Subtotal	20,338	-	20,338
Economic Development			
BRAC Office of Economic Adjustment Grant Funds	88,165	88,165	-
Subtotal	88,165	88,165	-

FY 2007 INCOMPLETE PROJECTS REQUEST LIST

FUND / DEPARTMENT / PROJECT	EXPENDITURES	REVENUES	NET CARRY
Department of Community Planning, Housing & Development			
Clarendon Sector Plan Project	23,000	-	23,000
Architectural Forum	25,000	-	25,000
Historic Preservation Inventory Survey Ranking - commercial buildings & garden apartments	15,000	-	15,000
Lustron House	12,000	-	12,000
Crystal City Project	415,720	-	415,720
Jamestown Funds	20,000	-	20,000
Community Services Block Grant Program Fund	83,540	83,540	-
Economic Development Initiative Program Fund	89,415	89,415	-
Enterprise fund - space renovation costs and contingency	156,000	-	156,000
Subtotal	839,675	172,955	666,720
Department of Parks, Recreation & Cultural Resources			
Gypsy Moth Infestation	18,000	-	18,000
BJA Awards for Gang Intervention and Prevention	26,411	-	26,411
Subtotal	44,411	-	44,411
Non-Departmental			
AHIF-Incomplete Projects	17,518,898	-	17,518,898
AHIF-Unallocated/HOME revenue/payments	2,320,635	2,456,525	(135,890)
Public Safety Contingent	596,057	-	596,057
Technology Contingent	300,000	-	300,000
Studies and Analysis Contingent	584,280	-	584,280
Subtotal	21,319,870	2,456,525	18,863,345
GENERAL FUND TOTAL:	29,160,442	5,794,279	23,366,163
COMMUNITY DEVELOPMENT FUND:			
Community Development Block Grant Carryover	2,172,559	2,172,559	-
COMMUNITY DEVELOPMENT FUND TOTAL:	2,172,559	2,172,559	-
AUTOMOTIVE EQUIPMENT FUND:			
Refurbish Refuse Crane	20,000	-	20,000
UST Project	26,987	-	26,987
Car Wash Maintenance & Chemicals	45,000	-	45,000
Paint for Warehouse	18,000	-	18,000
Class I Electric Motor Forklift	52,000	-	52,000
AUTOMOTIVE EQUIPMENT FUND TOTAL:	161,987	-	161,987
BALLSTON GARAGE			
Contingency - Construction Agreement	715,484	-	715,484
8th Level Garage Revenue	-	79,910	(79,910)
BALLSTON GARAGE FUNDS TOTAL	\$715,484	\$79,910	\$635,574
TOTAL OTHER FUNDS:	3,050,030	2,252,469	797,561
GRAND TOTAL ALL FUNDS:	32,210,472	8,046,748	24,163,724

**ARLINGTON COUNTY, VIRGINIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(Unaudited)**

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Revenues	871,034,068	
Expenditures	856,057,381	
Excess of revenues and other financing sources over expenditures and transfers out		14,976,687
Fund Balance July 1, 2006		100,514,544
Fund Balance June 30, 2007		
Reserve for Encumbrances	4,570,757	
Reserve for self insurance	3,500,000	
Reserve for 4-mile run maintenance	500,000	
Designated for Other Post Employment Benefits	7,000,000	
Designated for Operating Reserve	26,685,315	
Designated for FY 2008 Budget (excluding OPEB)	11,676,134	
Designated for FY 2008 School Budget	21,251,695	
Designated for Capital Improvement	7,144,706	
Designated for Incomplete Projects	5,983,155	
Designated for Affordable Housing	17,383,008	
Designated for Personnel Adjustments	151,994	
Designated for FY 2009	9,644,467	
Fund Balance June 30, 2007		<u><u>115,491,231</u></u>