

GUIDE TO READING THE PROPOSED BUDGET

The Proposed Budget comprises two volumes that are broken down by sections. Although the Table of Contents outlines what is contained in these sections, this guide serves to assist the reader in better understanding how the document is structured.

COUNTY MANAGER'S BUDGET MESSAGE

The County Manager, who serves as the Chief Administrative Officer of the County, summarizes the Proposed Budget, highlighting the outlook for revenues and taxes, expenditures, priority programs and options for County Board initiatives for the FY 2008 budget. Further detail on the policy priorities and strategic options presented for consideration is also included.

BUDGET SUMMARIES AND COUNTY PROFILE (Tab A)

Section A contains fund descriptions, tables and charts that summarize the budget, and the Arlington County Profile. The major components of this section are as follows.

- **Fund Descriptions:** For accounting purposes, fiscal activities in the County are separated by fund type. The fund descriptions outline the categories of funds used for budget purposes. This section also includes a table which shows which departments are budgeted in which funds.
- **Summary of Planning Processes and Financial Policies.** This section summarizes the key planning processes in the County, as well as financial policies which impact the budget.
- **Expenditure Summary - All Funds:** This section illustrates all of the County Government and School Board expenditures, by fund type.
- **General Fund Summary:** This section illustrates major categories of General Fund expenditures and revenues. The General Fund is the primary operating fund of the County.
- **Pie Charts:** The revenue chart illustrates the revenue sources that comprise each dollar of Arlington's General Fund revenues. The expense chart details how each dollar spent is distributed among various services within the General Fund.
- **County Government Summary:** This summary provides a three year (FY 2006 Actual, FY 2007 Adopted, FY 2007 Revised and FY 2008 Proposed) detail of staffing levels (funded full time equivalent positions, or FTEs) and expenditures by department and fund. Effective with the FY 2008 proposed budget, the County changed computer systems used to develop its budget. The new system allows budgeting FTEs to two decimal places, thus the change in presentation of FTE counts for FY 2008.
- **Expenditure Comparison:** This summary provides a three year department-level detail of expenditures, including the change between the current year revised budget (which includes supplemental appropriations approved by the County Board during the course of the fiscal year) and the proposed budget.
- **Proposed Budget Position Changes:** This chart summarizes the changes in full time equivalent positions (FTEs) between the FY 2007 adopted budget and the FY 2007 revised budget, and also between the FY 2007 revised budget and the FY 2008 proposed budget, highlighting positions added and eliminated.
- **Multi-Departmental Programs:** A list of Multi-Departmental Programs is included in this section to identify certain programs with costs that overlap departments and funds. This is to give the reader a better perspective on the overall County funding allocated for these types of programs.

- **Arlington County Profile:** Pertinent data about the County's history, organizational structure, and demographics can be found in this section.

REVENUES (Tab B)

Section B provides an analysis of revenue trends and projections. The economic climate in Arlington County serves as the basis for discussion about how FY 2008 proposed revenue estimates are derived. All revenues in this section show the adopted budget amounts for FY 2007 (the current fiscal year). (The department narratives display revised revenues for FY 2007, reflecting the budgeted levels from the FY 2007 adopted budget, adjusted for supplemental appropriations approved by the County Board during the course of the fiscal year.) Information about the types of revenue are detailed in this section. Fee changes in the proposed budget are also highlighted, and summaries are provided of other revenues by major category.

DEPARTMENT BUDGET NARRATIVES (Tabs C through K)

Arlington County government services are provided by departments that focus on particular areas such as human services or public safety. These departments typically, but not always, can be further subdivided into programs. Sections C through K of this document provide information about each of the County's General Fund departments. An organization chart introduces the department and is followed by a narrative and financial tables. The **Department Budget Summary** provides the following information:

- **Mission Statement:** The department mission statement is a brief comment about the department's function in County government.
- **Distribution of Department Budget:** A pie chart indicating how the department's proposed budget is apportioned to the divisions within the department.
- **Department Divisions:** An organization chart with the principal divisions or first tier of the department's organizational structure. This structure usually corresponds to the pie chart showing distribution of the department's budget.
- **Departmental Organization Chart:** For more complex departments, an additional organization chart is provided with more details of the organizational structure.
- **FY 2008 Priorities:** The FY 2008 Priorities state the department's goals and provide insight into the key areas into which the department is putting its resources.
- **Department Financial Summary:** The Department Financial Summary is intended to provide information regarding the categories of expenditures, revenues and full-time equivalent positions (FTEs) by providing the FY 2006 Actual, FY 2007 Revised, and FY 2008 Proposed budgets and the percent change from FY 2007 to FY 2008. Effective with the FY 2008 proposed budget, the County changed computer systems used to develop its budget. The new system allows budgeting FTEs to two decimal places, thus the change in presentation of FTE counts for FY 2008.
- **Significant Budget Changes:** This section highlights the major issues and changes in expenditures, revenues, and full-time equivalents (FTEs). Remarks are included with up (↑) and down (↓) arrows to indicate whether the budget changes show increases or decreases.
- **Performance Measures:** The performance measures provide data on performance which relate the mission of the department to measurable outcomes.
- **Future Budget Considerations:** This section provides factors that may impact future departmental budgets.

Program Budget Narratives

More specific information about how departments provide services and accomplish their goals is provided in the program budget narratives.

- **Program Mission:** The program narratives begin with a Program Mission, stating why the program exists, and a brief program description of key products and services provided.
- **Program Financial Tables:** The budget tables illustrate expenses and revenue by category, and full time equivalent positions (FTEs). These are shown for FY 2006 actuals, FY 2007 revised budget, and the FY 2008 proposed budget. The categories used to detail expenses and revenues may vary somewhat by department, depending on unique circumstances. The major categories include:
 - **PERSONNEL:** Expenses for salaries, wages and employee fringe benefits, such as retirement, health and life insurance. Normal salary increases and adjustments mentioned in program/department narratives include position reclassifications and salary step increases.
 - **NON-PERSONNEL:** Operating expenses such as office supplies, equipment, maintenance contracts, telephone charges, and electricity.
 - **INTER-DEPARTMENTAL CREDIT:** Reimbursement for services performed by one department to support another County department, such as the reimbursement from the Arlington County Schools to the Department of Human Services for physical therapy services in the School Health program.
 - **INTRA-COUNTY CHARGES:** Charges by one unit of County government to support another unit's activities, such as construction work done by the Department of Environmental Services in support of a Department of Parks, Recreation and Cultural Resources project.
 - **FEES:** Monies received by the County as payment for services, goods or use of a facility, such as residential refuse disposal fees and user fees for recreation programs.
 - **GRANTS:** Monetary contributions, usually from state or federal agencies, to be used for a specific purpose or activity, such as state transit aid for operation of the trolley and transit stores.
 - **NET TAX SUPPORT:** Net tax support is the remainder determined by subtracting all state and federal aid, fees, and charges from the total expenditures of the programs. It is used to project the amount of general tax dollars (as opposed to program-specific revenues) that are required to provide services.
 - **FTEs:** Authorized reflects the number of FTEs which are approved. Funded reflects the number of authorized FTEs for which funds are budgeted. Effective with the FY 2008 proposed budget, the County changed computer systems used to develop its budget. The new system allows budgeting FTEs to two decimal places, thus the change in presentation of FTE counts for FY 2008.
- **Significant Budget Highlights:** This section highlights the major issues and changes in expenditures, revenues, and full-time equivalent positions (FTEs). Remarks are included with up (↑) and down (↓) arrows to indicate whether the budget changes show increases or decreases.
- **Performance Measures:** Program budgets contain performance measures, which typically span six years from FY 2003 Actual to FY 2008 Estimate. Measures are developed to reflect programmatic goals, objectives and resources. These measures are designed to track performance and are regularly updated to better reflect changing goals. When measures are revised, prior year data is often not available. Current and proposed fiscal year measures are expressed as estimates. The FY 2008 Goal represents a goal for program performance. In some instances, the figure in the Goal column represents a standard (a level of

performance expected for a particular discipline or industry) or benchmark (a level of performance in another jurisdiction identified as being “best in class”).

- **Future Budget Considerations:** This section provides factors that may impact future program budgets.
- **Ten Year History:** The history displays major changes within the department over time and summarizes expenditures, revenue and authorized FTEs.

OTHER GENERAL FUND EXPENDITURES (Tabs L and M)

Sections L and M contain information on other General Fund expenditure categories not included in departmental budgets, including expenditures for Debt Service, Metro, Regionals/Contributions, and Non-Departmental (including certain insurance costs, building rent, contingents, and other miscellaneous expenses).

ENTERPRISE, SPECIAL REVENUE AND INTERNAL SERVICE FUNDS (Tab N)

Found in Section N is a summary of the funds that are not represented in the General Fund. Definitions of fund types can be located in Section A under Fund Descriptions. Operating statements are also included for these internal service, enterprise and special revenue funds. These operating statements may reflect estimated amounts, not appropriation amounts, in the FY 2007 Revised columns; where FY 2007 estimated amounts are used, the column is headed “FY 2007 Re-Estimate”.

PAY-AS-YOU-GO CAPITAL (Tab O)

Pay-As-You-Go Capital refers to County projects, typically valued at \$100,000 or more (\$25,000 for technology), that are financed in the same fiscal year the project is initiated. No borrowing or issuing of bonds is undertaken to implement these projects. Section O summarizes the projects planned by Arlington County in FY 2008.

GLOSSARY AND APPENDICES (Tab P)

A glossary is located in Section P. The glossary defines key budget and accounting terms used throughout the entire document. The glossary also contains commonly used acronyms. Also included in Section P is a chart with selected fiscal indicators for the County, and a consolidated summary of the governmental operating funds displaying revenues, expenditures and beginning and ending balances for each fund.