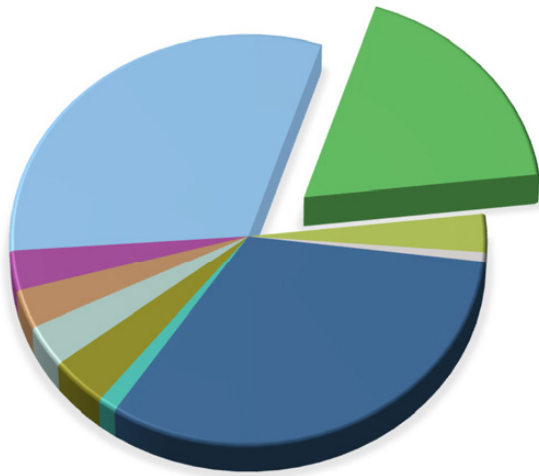


Mission Statement

The mission of the Finance Department is to promote excellence, quality, and efficiency by maximizing available resources and providing innovative financial and risk management services to a broad range of internal and external customers through sound financial management practices, effective leadership at all levels, and a team of employees committed to maintaining fiscal integrity and financial solvency of the County government.



General Government Expenditure Budget:
\$124,990,648

Expenditure Budget:
\$22,706,308

18.2% of General Government

Programs:

- Financial Reporting & Control: \$4,828,381
- Payroll & Disbursements Services: \$1,225,978
- Risk and Wellness Services: \$1,772,796
- Real Estate Assessment: \$4,114,301
- Procurement Services: \$1,344,742
- Taxpayer Services: \$6,837,209
- Treasury Management: \$1,158,719
- Director's Office: \$725,805
- Financial Systems Services: \$698,377

Mandates

The County is mandated to employ a Director of Finance, assess property values, collect taxes, procure goods and services, and maintain the County's financial records in accordance with state laws and regulations. The Finance Department provides these services. The Finance Department is also the liaison to the state mandated Board of Equalization.

The Board of County Supervisors has enacted additional local mandates for which the Finance Department has responsibility.

State Code: [15.2-519](#) (Department of finance; director; general duties), [15.2-716.1](#) (Board of Equalization)

County Code: [Chapter 2](#) (Government Services), [Chapter 2.5](#) (Alarm Systems), [Chapter 3](#) (Amusements), [Chapter 4](#) (Dog License), [Chapter 9.2-5](#) (Planning, budgeting, accountability and purchasing), [Chapter 11.1](#) (Licenses), [Chapter 13](#) (Motor Vehicles and Traffic), [Chapter 20](#) (Unclaimed Money & Property), [Chapter 22](#) (Solid Waste Disposal Fee System), [Chapter 23.2](#) (Stormwater Management Fund), [Chapter 26](#) (Taxation), [Chapter 30](#) (Water Supply Driller's License), [Chapter 32](#) (Zoning Site Plans)



Expenditure and Revenue Summary

Expenditure by Program	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted	% Change Budget FY20/ Budget FY21
Financial Reporting & Control	\$4,465,252	\$4,644,879	\$4,685,293	\$4,790,835	\$4,828,381	0.78%
Payroll & Disbursement Services	\$1,010,822	\$1,026,200	\$974,035	\$997,542	\$1,225,978	22.90%
Risk & Wellness Services	\$1,364,966	\$1,479,651	\$1,542,840	\$1,697,930	\$1,772,796	4.41%
Real Estate Assessment	\$3,300,961	\$3,388,008	\$3,567,778	\$3,742,731	\$4,114,301	9.93%
Procurement Services	\$1,126,872	\$1,163,496	\$1,146,896	\$1,298,363	\$1,344,742	3.57%
Taxpayer Services	\$5,878,492	\$5,753,321	\$5,978,591	\$6,621,616	\$6,837,209	3.26%
Treasury Management	\$1,309,404	\$1,002,026	\$1,104,273	\$1,204,782	\$1,158,719	(3.82%)
Director's Office	\$1,332,063	\$1,464,779	\$743,501	\$725,020	\$725,805	0.11%
Financial Systems Services	\$0	\$0	\$659,927	\$678,101	\$698,377	2.99%
Total Expenditures	\$19,788,832	\$19,922,360	\$20,403,134	\$21,756,920	\$22,706,308	4.36%

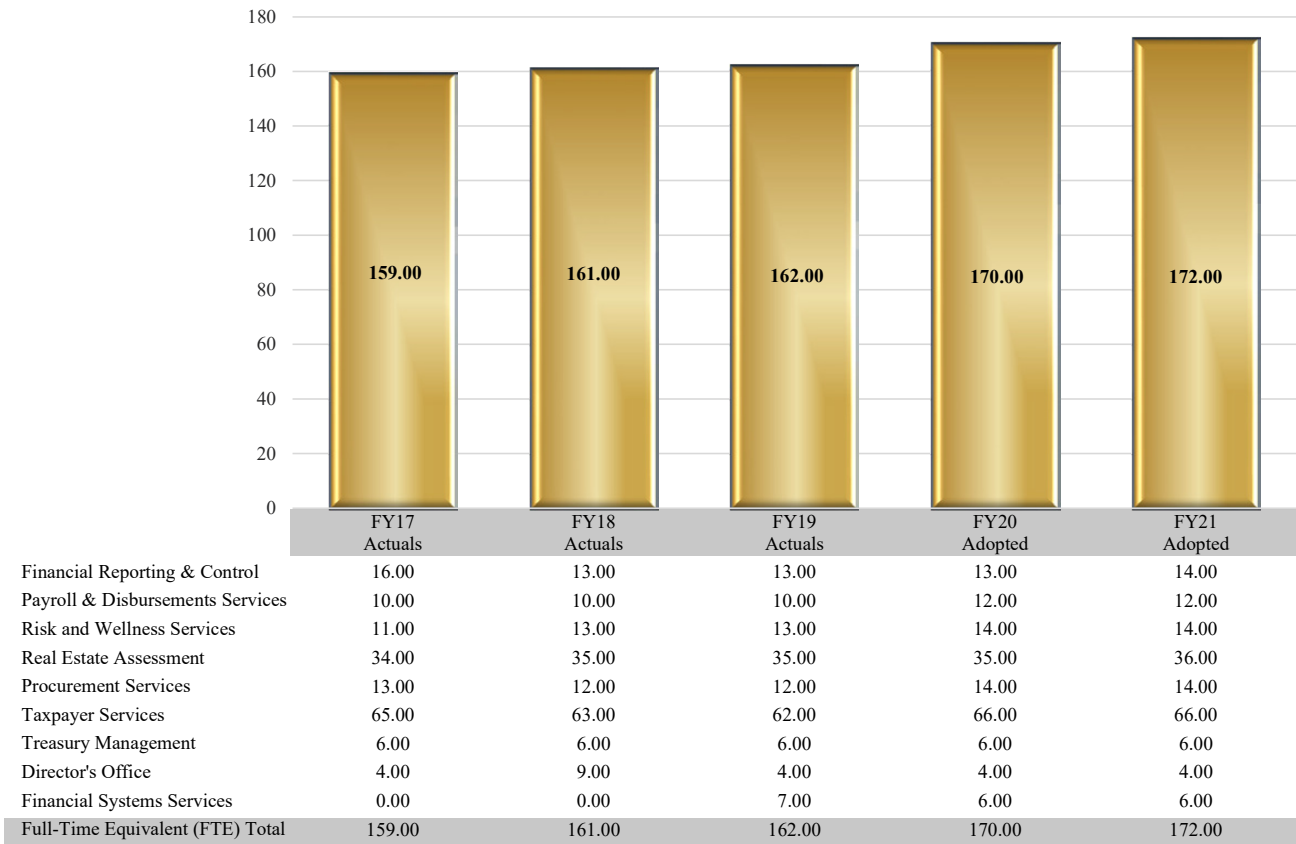
Expenditure by Classification

Salaries and Benefits	\$13,944,095	\$13,887,233	\$14,215,699	\$15,357,516	\$16,213,656	5.57%
Contractual Services	\$1,707,993	\$2,023,638	\$2,037,825	\$2,366,189	\$2,265,621	(4.25%)
Internal Services	\$3,372,787	\$3,317,916	\$3,265,559	\$3,226,501	\$3,184,685	(1.30%)
Purchase of Goods & Services	\$1,185,115	\$1,114,532	\$1,301,739	\$1,462,667	\$1,502,245	2.71%
Capital Outlay	\$0	\$9,400	\$0	\$16,625	\$16,625	0.00%
Leases & Rentals	\$35,605	\$21,964	\$34,082	\$47,284	\$46,784	(1.06%)
Reserves & Contingencies	(\$456,762)	(\$452,322)	(\$451,771)	(\$719,861)	(\$523,307)	(27.30%)
Total Expenditures	\$19,788,832	\$19,922,360	\$20,403,134	\$21,756,920	\$22,706,308	4.36%

Funding Sources

Permits & Fees	\$240	\$150	\$120	\$250	\$250	0.00%
Fines & Forfeitures	\$22,494	\$38,189	\$55,004	\$12,000	\$12,000	0.00%
Use of Money & Property	\$132,680	\$74,141	\$62,103	\$7,200	\$7,200	0.00%
Miscellaneous Revenue	\$120,272	\$183,949	\$217,802	\$286,552	\$270,191	(5.71%)
General Property Taxes	\$2,107,801	\$2,771,267	\$2,753,556	\$2,854,891	\$2,813,886	(1.44%)
Charges for Services	\$228,800	\$228,800	\$228,800	\$225,181	\$225,181	0.00%
Revenue from Commonwealth	\$681,994	\$696,613	\$698,900	\$721,599	\$736,099	2.01%
Transfers In	\$311,611	\$237,281	\$236,611	\$229,111	\$236,611	3.27%
Total Designated Funding Sources	\$3,605,892	\$4,230,389	\$4,252,895	\$4,336,784	\$4,301,418	(0.82%)
Net General Tax Support	\$16,182,940	\$15,691,970	\$16,150,239	\$17,420,136	\$18,404,890	5.65%
Net General Tax Support	81.78%	78.77%	79.16%	80.07%	81.06%	

Staff History by Program



Future Outlook

Technology – The County will begin replacing its human resource information system to integrate with the financial management system to better support a complex workforce and effectively manage the County’s human capital. Other technology initiatives include the implementation of a Customer Relationship Management (CRM) solution to enhance customer service for County taxpayers as well as improvements to existing systems and reporting capabilities for greater transparency and efficiencies. All of these initiatives require an investment of County funds and implementation time frames that span multiple years. Looking towards the future, there is an obligation to citizens and small businesses to explore the transparency and informative nature of Artificial Intelligence (AI) and cloud-based virtual assistants to provide help obtaining business licenses, provide advance notification of tax due dates, ensure County records have the correct vehicles before they are billed, etc.

Governmental Accounting Standards Board (GASB) Pronouncements – GASB No. 87, effective FY2022, alters the accounting rules and financial reporting requirements for how governmental entities report leases. This particular pronouncement is anticipated to have a significant ongoing impact on the County and will require resources to implement and maintain the new GASB standard.

Data Centers – The data center industry is becoming an increasingly larger segment of the County’s tax base and resulting revenues. As such, this is a sector the County should monitor and seek to fully understand, given the complexities and rapid refreshment cycle of the property housed within data centers. Staffing levels in Taxpayer Services remain constrained given the rapid growth in population and transactions over the last 20 years, resulting in dramatically increased workload measures such as a 61% increase in the number of tax items processed per FTE. Independent validation of stressed staffing levels was evidenced in an internal audit performed by RSM [Internal Audit April 29, 2015](#), and accepted by the Board of County Supervisors (BOCS) on August 4, 2015, via [BOCS Resolution 15-506](#), wherein comparisons with several comparable localities indicated severe understaffing by every measure (population, tax bills, revenue) undertaken. Despite the addition of 5.00 FTEs in Taxpayer Services in FY20, it is management’s considered opinion that productivity improvements alone will not be sufficient to maintain the current high collection rates and the effort needed to keep pace with the rapidly growing data center industry from a tax compliance perspective.

General Overview

- A. **Compensation Studies Implementation** – Prince William County (PWC) implemented the findings of two compensation studies during the past three years. The Public Safety Retention and Recruitment Study findings for public safety sworn personnel were completed in FY20. Findings from the Classification and Compensation Study for general, non-sworn employees began implementation in FY20 and funding is included in the FY2021 Budget for completion in FY21. Salary and benefits increases in the FY2021 Budget are due to implementation of both studies. Please refer to the Compensation section of this document for more information.
- B. **Assistant Appraiser Manager Position Added in FY20** – An Assistant Appraiser Manager was added to the Real Estate Assessment program in FY20 to build and lead the data center team. Data centers are the most complex of commercial properties. A large influx of data center projects has the potential of increasing the current population of data centers by a factor of three to four times. Each data center can have thousands of business transaction protocol components impacting annual real estate assessments. The total cost of the position is \$120,953.
- C. **Business Systems Analyst Position Added in FY20** – A Business Systems Analyst was added to the Financial Systems Services program in anticipation of upcoming workflow revisions and interfaces to and from existing systems. The total cost of this position is \$116,293.
- D. **Removal of One-Time Costs and Cost Recovery** – A total of \$3,018 in expenditures has been removed from the Finance budget for FY20 one-time costs associated with the addition of two Principal Fiscal Analyst positions for implementation of the County’s Human Capital Management system (HCM). In addition, a total of \$178,134 in cost recovery has been removed from the Finance budget for the position costs previously charged to the HCM capital project in FY20. These two positions were planned to transition to general fund support in FY21 and will continue to support the ongoing implementation of HCM. County management [audit findings](#) in February 2018 noted that additional positions were required to support existing Human Resource functions. The net impact is an ongoing increase of \$175,116 in the budget.

Program Summary

Financial Reporting & Control

Financial Reporting & Control maintains the County's books and records in accordance with Generally Accepted Accounting Principles and complies with the Auditor of Public Accounts' Uniform Guidance for locality financial reporting. The program manages and coordinates the annual audit of the County's financial statements as required by the Code of Virginia.

Key Measures	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Receive certificate of achievement for excellence in financial reporting	Yes	Yes	NA	Yes	Yes
Compliance with relevant Principles of Sound Financial Management	100%	100%	100%	100%	100%
Audit adjustments	1	1	1	<5	<5

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Maintain the County's Financial Records	\$4,465	\$4,644	\$4,685	\$4,791	\$4,828
Financial transactions	641,382	611,285	621,212	650,000	653,250
Capital asset transactions	1,011	850	955	1,000	1,000

Payroll & Disbursement Services

Payroll & Disbursement Services makes all payments to employees and vendors and all related tax reporting to federal and state agencies.

Key Measures	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Accounts Payable customer satisfaction survey results (Scale 1-10)	8	8	9	9	9
Payroll customer satisfaction survey results (Scale 1-10)	9	9	9	9	9
Vendors utilizing direct deposit for payments	40%	43%	45%	43%	45%
Employees utilizing direct deposit for payroll	99%	99%	99%	99%	-

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Pay Bills	\$529	\$397	\$392	\$368	\$393
Vendor transactions	139,819	132,997	124,852	133,000	120,000
Payroll Processing	\$481	\$630	\$582	\$629	\$833
Payroll payments	131,039	134,808	137,464	135,000	138,000

Risk & Wellness Services

Risk & Wellness Services administers the County's occupational safety and health, environmental safety and health, employee wellness, and insurance programs including the Prince William Self Insurance Group Workers' Compensation and Casualty Pool. Oversight ranges from policy development, financial management, data collection, and insurance premium negotiations to payment and employee communication and training.

Key Measures	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Countywide workers' compensation incidents per 100 employees	6.84	7.20	6.02	7.34	7.00
Days away, restricted or transferred (DART) Rate Countywide per 100 employees	4.83	4.80	4.46	5.12	4.80
Countywide number of preventable collisions per 1,000,000 miles driven	10.60	12.10	10.90	12.40	12.00

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Risk Management	\$1,028	\$1,178	\$1,153	\$1,360	\$1,387
Incidents reported	1,805	1,836	1,818	<1,800	<1,800
Safety inspections made	95	75	67	48	65
Number of training sessions offered	-	-	235	130	230
Environmental Management	\$337	\$302	\$390	\$338	\$386
Environmental audits	6	9	13	12	12
Environmental inspections	23	29	48	46	46

Real Estate Assessment

Real Estate Assessment annually assesses all real property in PWC, maintains property ownership records, and administers the County's tax relief programs. To perform these duties, the Real Estate Assessment Office gathers and maintains data on every property in the County. The Real Estate Assessment Office also collects and analyzes data pertaining to real estate market indicators such as sales and property income and expense data. This information enables staff to assess property at fair market value as required by law.

Key Measures	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Overall accuracy in annual assessment	94%	94%	94%	92%	93%
Appealed real estate assessments upheld by the Board of Equalization	81%	74%	80%	74%	80%

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Mass Appraisal of Real Property	\$2,679	\$2,818	\$2,853	\$3,199	\$3,245
Sales transferring ownership of property	14,326	12,983	15,013	13,000	13,000
Sales verified to establish the assessments	8,971	8,324	7,366	8,400	7,400
Parcels per appraiser*	6,363	6,409	6,181	6,400	6,000
Customer Service	\$622	\$571	\$715	\$544	\$869
Total inquiries	14,463	14,233	14,345	14,200	14,300
Internet user sessions on Real Property Assessment site	474,686	466,180	477,170	466,000	477,000
Tax relief applications processed	5,524	5,832	5,685	5,900	5,700

* FY17 actual revised from 6,409 based on correct data.

Procurement Services

Procurement Services provides County agencies with the means to obtain quality goods and services for the best value, while complying with applicable federal, state, and County procurement regulations.

Key Measures	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
External customers' procurement process satisfaction	94%	94%	93%	94%	94%
Internal customers' procurement process satisfaction	94%	93%	85%	93%	90%
IFB savings low bid vs average all bids	-	15%	18%	15%	17%
IFB award vs cost estimation	-	10%	15%	10%	11%
P-card transaction savings over previous year	-	22%	30%	21%	22%
Solicitations and awards without protest	99%	99%	99%	97%	-

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Procure Goods and Services	\$1,127	\$1,163	\$1,147	\$1,298	\$1,345
Solicitations issued annually	84	92	102	89	92
Purchase card spend per Purchase Card Program FTE (calendar year)	-	-	\$7.9M	\$7.5M	\$4.1M
Purchase card spend (calendar year)	-	-	\$7.9M	\$7.5M	\$8.2M
Purchase order spend per Contract Specialist FTE (fiscal year)	-	-	\$39.2M	\$33.3M	\$31.6M
Purchase order spend (fiscal year)	-	-	\$313.7M	\$399.0M	\$316.0M

Taxpayer Services

Taxpayer Services enrolls and assesses personal and business property for local taxation; bills and collects current and delinquent property taxes; deposits and records revenues; and enforces compliance with local tax laws.

Key Measures	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Cumulative delinquent tax as a percent of total tax levy	1.3%	1.1%	1.1%	1.0%	1.0%

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Bill Tax Items	\$3,633	\$3,318	\$3,468	\$3,849	\$4,017
All tax items processed	671,704	703,898	712,717	720,500	728,500
Increase in tax items processed per FTE over FY01	47%	55%	60%	61%	-
Collect County Revenue	\$2,245	\$2,434	\$2,510	\$2,773	\$2,820
Delinquency notices sent	165,058	159,516	161,941	160,000	160,000
Real property taxes levied	\$653.7M	\$682.4M	\$714.2M	\$695.2M	\$714.2M
Real property taxes collected	\$651.8M	\$681.1M	\$712.9M	\$693.8M	\$712.9M

Treasury Management

Treasury Management is a critical component of the County's financial management infrastructure, managing the County's cash flow, investments, and debt portfolio. Treasury Management administers the County's banking contracts, performs economic and revenue analyses and forecasts, and provides recommendations on issues involving financial, investment, and debt policies.

Key Measures	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
First year accuracy of the five-year revenue forecast	102%	101%	101%	99-102%	99-102%

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Financial Analysis	\$340	\$437	\$476	\$320	\$273
Financial planning documents prepared	102	168	530	125	300
Finance issues reviewed or analyzed	76	151	97	150	100
Debt Management	\$657	\$304	\$350	\$439	\$325
Bond sales executed	1	1	0	1	1
Value of outstanding debt	-	\$1.15B	\$1.06 B	\$1.15B	\$1.24B
Cash Management/Investments/Banking	\$313	\$261	\$278	\$446	\$561
Assets under management	\$1.11B	\$1.19B	\$1.35B	\$1.25B	\$1.40B
Investment transactions	1,796	1,705	1,340	1,800	-

Director's Office

The Director's Office provides leadership, coordination, oversight, and sound financial management over the financial affairs of the County, including the areas of tax administration, real estate assessments, procurement, risk and wellness, treasury management, payroll and disbursements, financial reporting and control, and financial systems administration, to ensure compliance with statutory and administrative requirements of the Director of Finance position as defined by state and County codes.

Key Measures	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Maintain three AAA bond ratings	Yes	Yes	Yes	Yes	Yes
Compliance with Principles of Sound Financial Management	100%	100%	100%	100%	100%

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Leadership, Coordination and Oversight*	\$1,332	\$1,465	\$744	\$725	\$726
Trackers responded to	6	1	10	8	8
Revenue forecasts generated	50	38	24	45	40
BOCS agenda items processed	-	-	361	250	250

*FY17 through FY18 includes expenditures for the Financial Systems Services program.

Financial Systems Services

Financial Systems Services provides organizational support and coordination for the financial management, budget, tax administration, human resources/payroll, and corresponding systems. The program provides guidance for implementing processes and procedures for efficient and effective systems.

Key Measures	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Achieve project milestones outlined per project	-	90%	91%	94%	94%
Work tickets completed as a percent of those created	-	-	97%	90%	97%

The previously reported measure, "Processing of vendor direct deposit for payments," is reported in the Payroll & Disbursement Services program as "Vendors utilizing direct deposit for payments".

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY17 Actuals	FY18 Actuals	FY19 Actuals	FY20 Adopted	FY21 Adopted
Maintain the County's Financial Systems*	\$0	\$0	\$660	\$678	\$698
Number of active vendor users	16,883	18,473	16,492	19,420	19,420
Number of active system users	3,930	4,150	6,537	4,530	4,530

*FY17 and FY18 expenditures included in the Director's Office program.