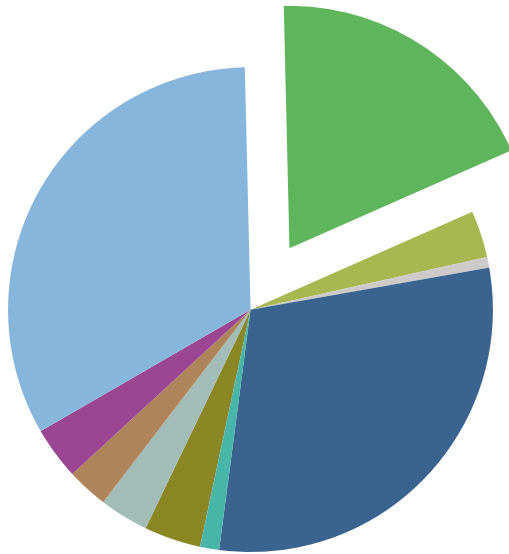


Mission Statement

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:
\$139,495,276

Expenditure Budget:
\$23,815,865



18.8% of General Government

Programs:

- Financial Reporting & Control: \$5,106,322
- Payroll & Disbursements Services: \$1,302,632
- Risk and Wellness Services: \$1,727,003
- Real Estate Assessment: \$4,199,937
- Procurement Services: \$1,423,712
- Tax Administration: \$7,452,360
- Treasury Management: \$1,233,932
- Director's Office: \$635,390
- Financial Systems Services: \$734,576

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	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed	% Change Budget FY21/ Budget FY22
Financial Reporting & Control	\$4,644,879	\$4,685,293	\$4,712,417	\$4,828,381	\$5,106,322	5.76%
Payroll & Disbursement Services	\$1,026,200	\$974,035	\$1,047,098	\$1,225,978	\$1,302,632	6.25%
Risk & Wellness Services	\$1,479,651	\$1,542,840	\$1,565,497	\$1,772,796	\$1,727,003	(2.58)%
Real Estate Assessment	\$3,388,008	\$3,567,778	\$3,719,629	\$4,114,301	\$4,199,937	2.08%
Procurement Services	\$1,163,496	\$1,146,896	\$1,338,009	\$1,344,742	\$1,423,712	5.87%
Tax Administration	\$5,753,321	\$5,978,591	\$6,256,229	\$6,837,209	\$7,452,360	9.00%
Treasury Management	\$1,002,026	\$1,104,273	\$911,147	\$1,158,719	\$1,233,932	6.49%
Director's Office	\$1,464,779	\$743,501	\$792,807	\$725,805	\$635,390	(12.46)%
Financial Systems Services	\$0	\$659,927	\$705,033	\$698,377	\$734,576	5.18%
Total Expenditures	\$19,922,360	\$20,403,134	\$21,047,866	\$22,706,308	\$23,815,865	4.89%

Expenditure by Classification

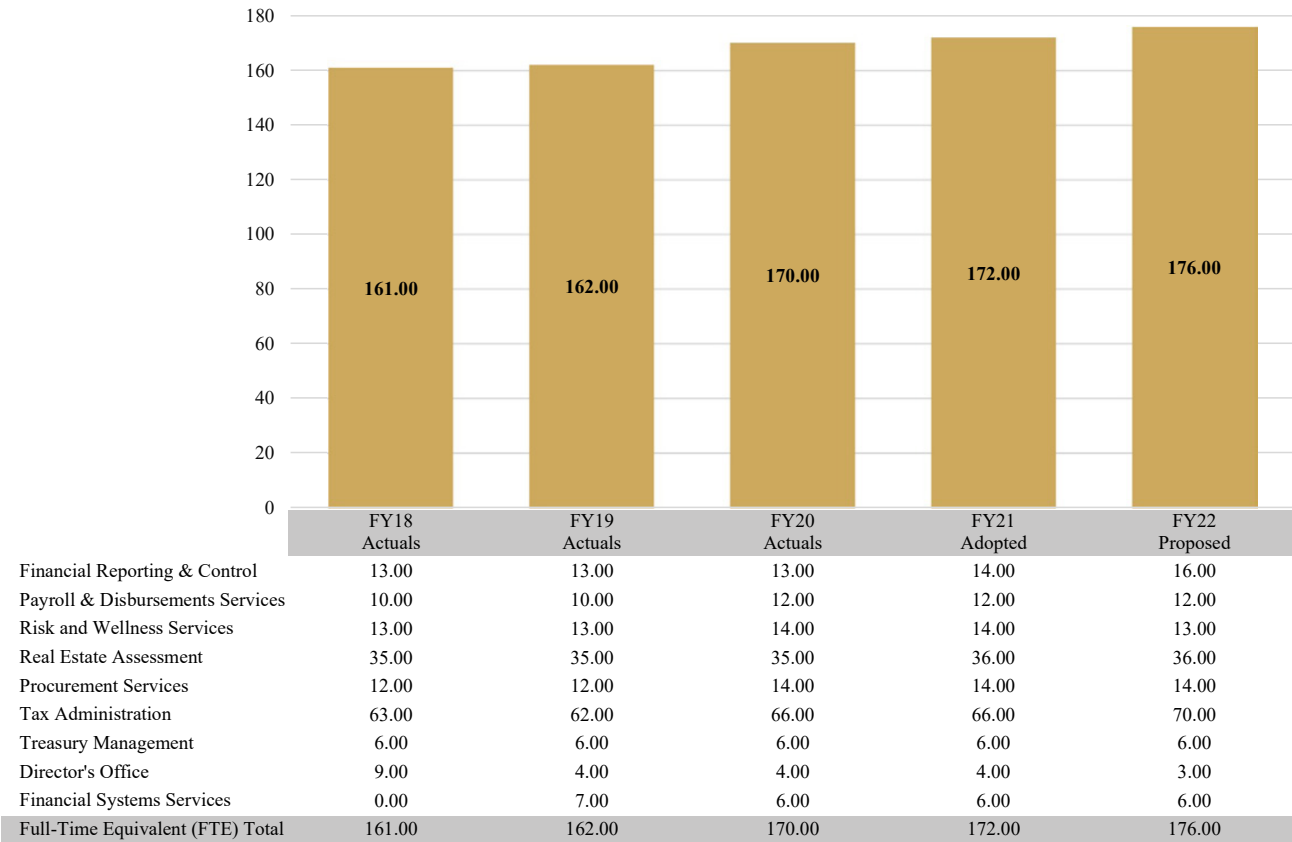
Salaries & Benefits	\$13,887,233	\$14,215,699	\$15,591,403	\$16,213,656	\$17,294,450	6.67%
Contractual Services	\$2,023,638	\$2,037,825	\$1,599,092	\$2,265,621	\$2,267,621	0.09%
Internal Services	\$3,317,916	\$3,265,559	\$3,384,558	\$3,184,685	\$3,208,647	0.75%
Purchase of Goods & Services	\$1,114,532	\$1,301,739	\$1,113,425	\$1,502,245	\$1,505,045	0.19%
Debt Maintenance	\$0	\$0	\$224	\$0	\$0	-
Capital Outlay	\$9,400	\$0	\$0	\$16,625	\$16,625	0.00%
Leases & Rentals	\$21,964	\$34,082	\$45,414	\$46,784	\$46,784	0.00%
Reserves & Contingencies	(\$452,322)	(\$451,771)	(\$687,791)	(\$523,307)	(\$523,307)	0.00%
Amortization	\$0	\$0	\$1,542	\$0	\$0	-
Total Expenditures	\$19,922,360	\$20,403,134	\$21,047,866	\$22,706,308	\$23,815,865	4.89%

Funding Sources

Permits & Fees	\$150	\$120	\$80	\$250	\$250	0.00%
Fines & Forfeitures	\$38,189	\$55,004	\$56,909	\$12,000	\$12,000	0.00%
Use of Money & Property	\$74,141	\$62,103	\$2,608	\$7,200	\$7,200	0.00%
Miscellaneous Revenue	\$183,949	\$217,802	\$234,961	\$270,191	\$186,578	(30.95)%
General Property Taxes	\$2,771,267	\$2,753,556	\$2,831,796	\$2,813,886	\$3,042,358	8.12%
Charges for Services	\$228,800	\$228,800	\$348,800	\$225,181	\$308,794	37.13%
Revenue from Commonwealth	\$696,613	\$698,900	\$718,492	\$736,099	\$736,099	0.00%
Transfers In	\$237,281	\$236,611	\$236,611	\$236,611	\$236,611	0.00%
Total Designated Funding Sources	\$4,230,389	\$4,252,895	\$4,430,257	\$4,301,418	\$4,529,890	5.31%
Net General Tax Support	\$15,691,970	\$16,150,239	\$16,617,610	\$18,404,890	\$19,285,975	4.79%
Net General Tax Support	78.77%	79.16%	78.95%	81.06%	80.98%	



Staff History by Program



Future Outlook

Technology – The County began the migration and upgrade of its financial management system from a third-party hosted, off-premises solution to a cloud-based solution. Simultaneously, the County began 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. Migration to the cloud will allow the County to take advantage of enhanced functionality, promote efficiencies by streamlining current processes, and increase ease of financial reporting and financial data collection. Other technology initiatives include the continued implementation of a Customer Relationship Management solution to enhance customer service for County taxpayers as well as improvements to existing systems, including a major upgrade to the tax assessment, billing, and collection system, replacement of the call center phone system to a cloud based platform, outsourcing of the dog licensing function, lifting the real estate assessment system to the cloud, and implementation of a new risk management claims system. 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 and with taxpayer accounts; notify taxpayers of upcoming tax due dates; and offer responses to frequently asked questions. AI and cloud-based virtual assistants offer taxpayer and residents the convenience of conducting business with the Finance Department remotely, especially during a need to “social distance.”

Governmental Accounting Standards Board (GASB) Pronouncements – [GASB No. 87](#), effective FY2022, alters the accounting treatment 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, including the implementation of a lease tracking software.

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](#), 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 FY2020, 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.

Grants – As the County continues to respond to the current COVID-19 crisis and the financial impact on the budget, the County has continued to make a concerted effort to identify other funding sources to respond to the community’s needs. As a result, there has been a significant increase in the number of grants awarded to the County and thus, has increased the level of effort by staff to develop, support, and report on these new and/or expanded existing grants, even after streamlining the grants management process.

General Overview

A. **Position Shifts Between Finance Programs** – An Administrative Specialist position with salary & benefits totaling \$100,463 was shifted from the Director’s Office to Tax Administration. A Risk & Wellness Specialist position with salary & benefits totaling \$91,837 was shifted from Risk & Wellness Services to a Principal Fiscal Analyst in Financial Reporting & Control. A reorganization of Risk & Wellness Services allowed this FTE shift based on need in Financial Reporting & Control. These shifts had no general fund impact.

Budget Initiatives

A. Budget Initiatives

1. Tax Evader Program – Tax Administration

Expenditure	\$228,472
Revenue	\$228,472
General Fund Impact	\$0
FTE Positions	3.00

- a. **Description** – This initiative funds three new positions, all Financial Regulatory Specialists, and related office supplies. This staffing will fully support the Tax Evader program and website which will generate revenue to support these expenses. The County’s Tax Evader program is a mechanism to enforce compliance of personal property tax laws in Prince William County (PWC). The Tax Evader program provides PWC residents an effective channel to anonymously communicate with Tax Administration in reporting vehicle owners that may be evading personal property taxes and are not in compliance with State and County law. The Out-of-State Plates Tax refers to the \$100 tax, plus an additional \$250 penalty ([Code of Virginia § 46.2-662](#)), for a total of \$350 assessed annually. This tax and penalty will be included on the vehicle’s tax bill. The Out-of-State Plates Tax and penalty is in addition to the county’s local vehicle tax. The tax does not apply to certain residents, such as active-duty military or active-duty military spouses who co-own a vehicle. The Out-of-State Plates Tax and penalty also does not apply to non-resident students enrolled as full-time students in an accredited institution of learning in Virginia. Full-time college students are also subject to the vehicle tax based on the domicile of the owner. There is no general fund impact.
- b. **Service Level Impacts** – Additional personal property tax revenue is collected and anticipated to increase in future years after the program is fully established.

2. Principal Fiscal Analyst (Grants Reporting & Compliance) – Financial Reporting & Control

Expenditure	\$101,694
Revenue	\$0
General Fund Impact	\$101,694
FTE Positions	1.00

- a. **Description** – This initiative funds a Principal Fiscal Analyst (1.00 FTE) and related technology and supply costs. Since the onset of the COVID-19 pandemic, the County has received eight new federal grants totaling over \$8 million, 17 new federal pass-thru grants from the Commonwealth totaling over \$106 million including CARES Act funding, and nine non-federal fund grants totaling over \$2 million. Each of these grants requires grant tracking, monitoring, and reporting requirements to ensure compliance. The \$114 million in new federal funding also has Single Audit requirements, significantly increasing the workload for Financial Reporting & Control (FRC). Currently FRC has one dedicated grant accountant position.
- b. **Service Level Impacts** – This initiative ensures federal and state compliance requirements associated with each grant award. The position addresses risk as penalties may be incurred such as County reimbursement for expenses not in compliance with grant requirements.

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 division oversees the accounting of the County's day-to-day financial activity, supporting departments and agencies regarding accounting treatment and process determinations, compiles the County's Comprehensive Annual Financial Report as well as other reports, and manages the annual audit of the County's financial statements as required by the Code of Virginia and the Board of County Supervisors.

Key Measures	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
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	<3

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
Maintain the County's Financial Records	\$4,644	\$4,685	\$4,712	\$4,828	\$5,106
Financial transactions	611,285	621,212	609,396	653,250	620,000
Capital asset transactions	850	955	719	1,000	841

Payroll & Disbursement Services

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

Key Measures	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
Accounts Payable customer satisfaction survey results (Scale 1-10)	8	9	9	9	9
Payroll customer satisfaction survey results (Scale 1-10)	9	9	9	9	9
Vendors utilizing direct deposit for payments	43%	45%	47%	45%	47%
Employees utilizing direct deposit for payroll	99%	99%	99%	-	99%

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
Pay Bills	\$397	\$392	\$396	\$393	\$395
Vendor transactions	132,997	124,852	126,190	120,000	130,000
Payroll Processing	\$630	\$582	\$651	\$833	\$908
Payroll payments	134,808	137,464	136,507	138,000	137,000

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	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
Countywide workers' compensation incidents per 100 employees	7.20	6.02	5.36	7.00	6.81
Days away, restricted or transferred (DART) Rate Countywide per 100 employees	4.80	4.46	4.26	4.80	4.50
Countywide number of preventable collisions per 1,000,000 miles driven	12.10	10.90	7.00	12.00	11.00

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
Risk Management	\$1,178	\$1,153	\$1,228	\$1,387	\$1,322
Incidents reported	1,836	1,818	1,913	<1,800	<1,865
Safety inspections made	75	67	51	65	48
Number of training sessions offered	-	235	108	230	130
Environmental Management	\$302	\$390	\$337	\$386	\$405
Environmental audits	9	13	12	12	12
Environmental inspections	29	48	43	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	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
Overall accuracy in annual assessment	94%	94%	95%	93%	93%
Appealed real estate assessments upheld by the Board of Equalization	74%	80%	89%	80%	80%

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
Mass Appraisal of Real Property	\$2,818	\$2,853	\$2,954	\$3,245	\$3,312
Sales transferring ownership of property	12,983	15,013	13,757	13,000	13,000
Sales verified to establish the assessments	8,324	7,366	7,674	7,400	7,400
Parcels per appraiser	6,409	6,181	6,033	6,000	6,000
Customer Service	\$571	\$715	\$766	\$869	\$888
Total inquiries	14,233	14,345	14,461	14,300	14,400
Internet user sessions on Real Property Assessment site	466,180	477,170	540,320	477,000	540,000
Tax relief applications processed	5,832	5,685	5,389	5,700	5,400

Procurement Services

Procurement Services promotes excellence and efficiency by maximizing fair and open competition, while obtaining quality goods and services that support the mission of the County, in compliance with applicable laws and regulations.

Key Measures	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
External customers' procurement process satisfaction	94%	93%	NA	94%	94%
Internal customers' procurement process satisfaction	93%	85%	NA	90%	90%
IFB savings low bid vs average all bids	15%	18%	10%	17%	10%
P-card transaction savings over previous year	22%	30%	-8%	22%	10%
IFB award vs cost estimation	10%	15%	2%	11%	-
Solicitations and awards without protest	99%	99%	97%	-	-

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
Procure Goods and Services	\$1,163	\$1,147	\$1,338	\$1,345	\$1,424
Solicitations issued annually	92	102	64	92	80
Purchase card spend per Purchase Card Program FTE (calendar year)	-	\$7.9M	\$4.4M	\$4.1M	\$4.4M
Purchase card spend (fiscal year)	-	-	-	-	\$8.1M
Purchase order spend per Contract Specialist FTE (fiscal year)	-	\$39.2M	\$40.7M	\$31.6M	\$41.0M
Purchase order spend (fiscal year)	-	\$313.7M	\$407.2M	\$316.0M	\$320.0M
Purchase card spend (calendar year)	-	\$7.9M	\$8.7M	\$8.2M	-

Tax Administration

Tax Administration 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	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
Cumulative delinquent tax as a percent of total tax levy	1.1%	1.1%	1.0%	1.0%	1.0%

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
Bill Tax Items	\$3,318	\$3,468	\$3,620	\$4,017	\$4,191
All tax items processed	703,898	712,717	719,453	728,500	736,500
Increase in tax items processed per FTE over FY01	55%	60%	61%	-	-
Collect County Revenue	\$2,434	\$2,510	\$2,636	\$2,820	\$3,261
Delinquency notices sent	159,516	161,941	95,823	160,000	100,000
Real property taxes levied	\$682.4M	\$714.2M	\$729.2M	\$714.2M	\$744.2M
Real property taxes collected	\$681.1M	\$712.9M	\$726.9M	\$712.9M	\$741.9M

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	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
First year accuracy of the five-year revenue forecast	101%	101%	101%	99-102%	99-102%

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
Financial Analysis	\$437	\$476	\$219	\$273	\$297
Financial planning documents prepared	168	530	268	300	300
Finance issues reviewed or analyzed	151	97	80	100	100
Debt Management	\$304	\$350	\$258	\$325	\$320
Bond sales executed	1	0	2	1	1
Value of outstanding debt	\$1.15B	\$1.06 B	\$1.09B	\$1.24B	\$1.26B
Cash Management/Investments/Banking	\$261	\$278	\$434	\$561	\$617
Assets under management	\$1.19B	\$1.35B	\$1.15B	\$1.40B	\$1.25B
Investment transactions	1,705	1,340	1,725	-	-

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	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
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)	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
Leadership, Coordination and Oversight*	\$1,465	\$744	\$793	\$726	\$635
Trackers responded to	1	10	8	8	12
Revenue forecasts generated	38	24	83	40	40
BOCS agenda items processed	-	361	318	250	350

*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	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
Achieve project milestones outlined per project	90%	91%	91%	94%	94%
Work tickets completed as a percent of those created	-	97%	98%	97%	97%

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Adopted	FY22 Proposed
Maintain the County's Financial Systems*	\$0	\$660	\$705	\$698	\$735
Number of active vendor users	18,473	16,492	17,832	19,420	18,723
Number of active system users	4,150	6,537	6,423	4,530	6,744

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