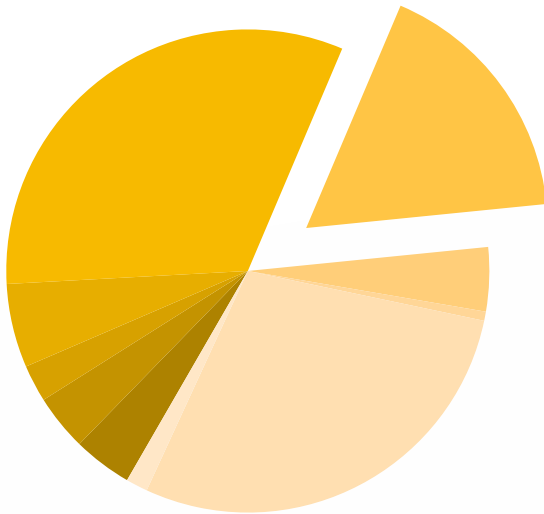


Mission Statement

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 and solutions 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.



Government Operations, Performance & Innovation
Expenditure Budget: \$169,387,938

Expenditure Budget: \$28,847,424

*17.0% of Government Operations,
Performance & Innovation*

Programs:

- Financial Reporting & Control: \$4,018,194
- Payroll & Disbursement Services: \$1,829,974
- Risk and Wellness Services: \$2,240,389
- Real Estate Assessment: \$5,079,247
- Tax Administration: \$10,261,299
- Treasury Management: \$1,319,784
- Director's Office: \$1,246,239
- Financial Systems Services: \$2,852,298

Mandates

The County is mandated to employ a Director of Finance, assess property values, bill and collect taxes, 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](#) (Prince William County Fire & Rescue System), [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	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted	% Change Budget FY24/ Budget FY25
Financial Reporting & Control	\$6,213,220	\$5,327,088	\$3,713,263	\$3,480,925	\$4,018,194	15.43%
Payroll & Disbursement Services	\$1,326,080	\$1,384,241	\$1,473,126	\$1,585,655	\$1,829,974	15.41%
Risk & Wellness Services	\$1,571,587	\$1,710,789	\$1,824,560	\$1,958,768	\$2,240,389	14.38%
Real Estate Assessment	\$3,992,939	\$3,953,602	\$4,026,024	\$4,583,871	\$5,079,247	10.81%
Procurement Services	\$1,362,487	\$1,437,288	\$1,592,546	\$1,947,031	\$0	(100.00%)
Tax Administration	\$6,155,945	\$6,904,810	\$7,673,156	\$9,651,170	\$10,261,299	6.32%
Treasury Management	\$1,013,324	\$985,228	\$1,004,237	\$1,294,177	\$1,319,784	1.98%
Director's Office	\$772,094	\$904,912	\$1,003,327	\$1,094,505	\$1,246,239	13.86%
Financial Systems Services	\$716,949	\$920,168	\$4,450,119	\$2,795,762	\$2,852,298	2.02%
Total Expenditures	\$23,124,625	\$23,528,125	\$26,760,358	\$28,391,863	\$28,847,424	1.60%

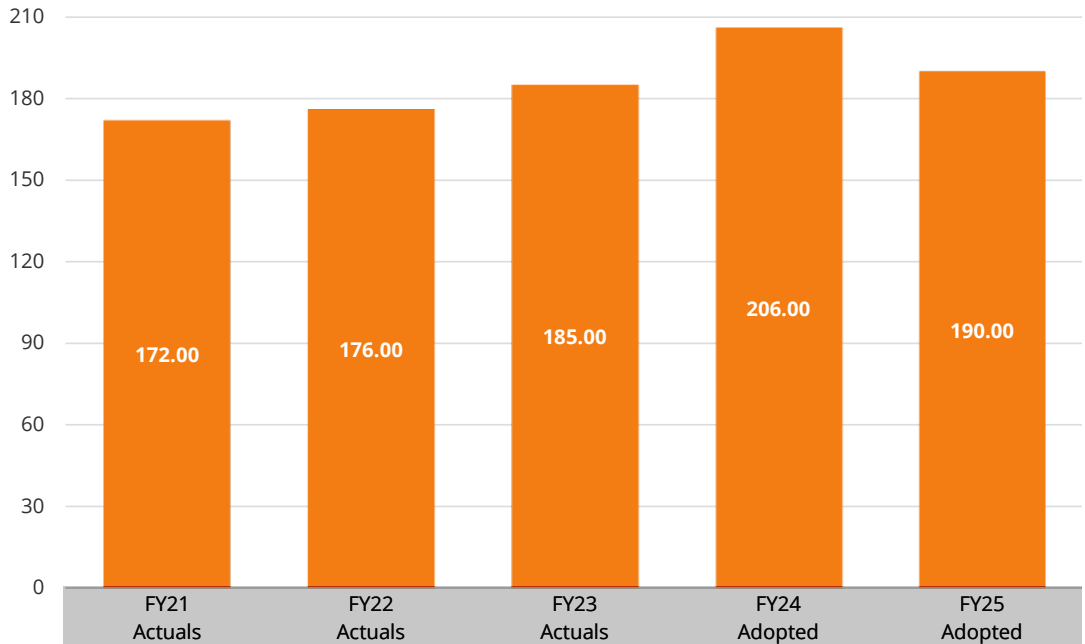
Expenditure by Classification

Salaries & Benefits	\$16,528,238	\$17,378,670	\$20,000,094	\$23,142,419	\$23,265,452	0.53%
Contractual Services	\$1,480,087	\$2,218,532	\$3,965,619	\$2,337,121	\$2,323,298	(0.59%)
Internal Services	\$4,698,853	\$3,335,981	\$1,968,065	\$1,908,258	\$1,908,795	0.03%
Purchase of Goods & Services	\$975,248	\$1,083,168	\$1,262,445	\$1,613,887	\$1,606,383	(0.46%)
Capital Outlay	\$0	\$0	\$51,987	\$16,625	\$16,625	0.00%
Leases & Rentals	\$37,740	\$35,082	\$35,457	\$46,784	\$38,744	(17.19%)
Reserves & Contingencies	(\$595,681)	(\$523,308)	(\$523,310)	(\$673,231)	(\$311,873)	(53.68%)
Debt Maintenance	\$140	\$0	\$0	\$0	\$0	-
Total Expenditures	\$23,124,625	\$23,528,125	\$26,760,358	\$28,391,863	\$28,847,424	1.60%

Funding Sources

Permits & Fees	\$6,830	\$90	\$520	\$250	\$250	0.00%
Fines & Forfeitures	\$53,143	\$73,218	\$101,287	\$12,000	\$12,000	0.00%
Use of Money & Property	(\$0)	\$0	\$53,880	\$7,200	\$7,200	0.00%
Miscellaneous Revenue	\$238,351	\$265,391	\$414,601	\$1,487,672	\$933,094	(37.28%)
Other Local Taxes	(\$0)	\$0	\$142,813	\$142,813	\$142,813	0.00%
General Property Taxes	\$2,044,426	\$2,507,138	\$2,661,669	\$3,042,358	\$3,042,358	0.00%
Charges for Services	\$348,800	\$345,000	\$345,000	\$308,794	\$308,794	0.00%
Revenue from Commonwealth	\$720,526	\$757,986	\$796,002	\$802,694	\$875,500	9.07%
Transfers In	\$239,111	\$236,611	\$244,111	\$236,611	\$160,244	(32.28%)
Total Designated Funding Sources	\$3,651,187	\$4,185,434	\$4,759,883	\$6,040,392	\$5,482,253	(9.24%)
Net General Tax Support	\$19,473,438	\$19,342,692	\$22,000,475	\$22,351,471	\$23,365,171	4.54%
Net General Tax Support	84.21%	82.21%	82.21%	78.72%	81.00%	

Staff History by Program



	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Financial Reporting & Control	14.00	16.00	20.00	21.00	23.00
Payroll & Disbursement Services	12.00	12.00	12.00	14.00	14.00
Risk and Wellness Services	14.00	13.00	13.00	14.00	14.00
Real Estate Assessment	36.00	36.00	37.00	37.00	37.00
Procurement Services	14.00	14.00	16.00	17.00	0.00
Tax Administration	66.00	70.00	72.00	84.00	83.00
Treasury Management	6.00	6.00	6.00	6.00	6.00
Director's Office	4.00	3.00	4.00	6.00	6.00
Financial Systems Services	6.00	6.00	5.00	7.00	7.00
Full-Time Equivalent (FTE) Total	172.00	176.00	185.00	206.00	190.00

Future Outlook

Technology – The County previously completed the migration and upgrade of its financial management system from a third-party hosted, off-premises solution to a cloud-based solution. Migration to the cloud allows the County to take advantage of enhanced functionality, promote efficiencies by streamlining current processes, and increase ease of financial reporting and financial data collection. Future technology initiatives will likely include an upgrade to the Real Estate Assessment database to lift the real estate assessment system to the cloud and provide advanced tools for the more efficient recording of assessment data from the field as well as the potential acquisition and implementation of automated tools such as artificial intelligence and cloud-based virtual assistants to provide 24/7 support and interaction with taxpayers. These initiatives require an investment of County funds and implementation time frames that span multiple years.

Governmental Accounting Standards Board (GASB) Pronouncements – GASB has several major projects underway that will ultimately result in new pronouncements in future years that have the potential to significantly impact the financial reporting model and conceptual framework for revenue and expense recognition. These new standards are anticipated to require significant staff time and effort to implement.

Data Centers – The data center industry is an increasingly larger segment of the County's tax base and resulting revenues. As such, this is a sector the County must continually monitor and seek to fully understand, given the complexities and refreshment cycle of the property housed within data centers. Recent new legislation passed by the General Assembly changes certain aspects of the assessment methodology as it pertains to data centers. As a result, considerably more time, effort, resources, and expertise will be required to complete assessments of data center properties.

Finance

Staffing Levels – Staffing levels in the Finance Department remain constrained given the rapid growth in population and transactions over the last 20 years, resulting in dramatically increased workload measures. Independent validation of stressed staffing levels has been evidenced in multiple internal audits performed by RSM since 2015 and as recent as 2023, wherein comparisons with several comparable localities indicated understaffing by most measures undertaken. Despite the recent addition of new FTEs, productivity improvements alone will not be sufficient to maintain current high collection rates and the effort needed to keep pace with the expanded revenue streams (i.e., namely food & beverage tax) and rapidly growing data center industry from a tax assessment, collection, compliance, and monitoring perspective in Tax Administration, Real Estate Assessments, and Treasury Management Offices. The growing number of federal and state grants, expansion of County programs, services, and the capital improvement program, and increasing FTE and capital asset counts across the organization continue to strain resources in Financial Reporting & Control, Payroll & Disbursement Services, Financial System Services, and Risk & Wellness Services.

Potential New Future Taxes – The Virginia General Assembly granted localities the authority to levy certain new taxes (i.e., admissions tax, and commercial & industrial tax). Any new tax levied creates added pressures on the already constrained staffing levels in the Tax Administration and Treasury Management Divisions to bill, collect, and monitor these new revenue streams.

General Overview

- A. Procurement Services Relocation to Executive Management** – The Prince William Board of County Supervisors (BOCS) approved County government organizational structure changes on September 12, 2023, with [BOCS Resolution 23-449](#). To align the structure of the government and the efficiency of operations, in FY24, the reporting structure for Procurement Services was moved from the Finance Department to the Office of Executive Management. This included shifting 17.00 FTEs and associated revenue and expenses totaling \$554,578 and \$1,922,599 respectively.
- B. Position Shift from Finance (Risk & Wellness Services) to Facilities & Fleet Management (Security Program Management)** – During FY24, 1.00 FTE was shifted from the Finance Risk & Wellness Services division to the Facility & Fleet Management newly developed Security Program Management division. The vacant FTE was reclassified from a Risk & Wellness Manager to an Assistant Director of Maintenance & Operations. The total salary & benefits cost for the Risk & Wellness Manager in FY24 was \$111,255 which was cost recovered through the Prince William Self-Insured Group. The \$111,255 cost recovery was shifted with the position shift. This position will work with County departments and other program partners to develop, administer, and advance a centralized safety and security management program for Prince William County (PWC). The position will develop short-range and long-range goals and objectives to manage the organization’s safety and security programs and systems based on prioritization of risk and vulnerability.

Budget Initiatives

A. Budget Initiatives

1. Assistant Director of Business Services – Risk & Wellness Services

Expenditure	\$180,706
Revenue	\$0
General Fund Impact	\$180,706
FTE Positions	1.00

- a. Description** – This initiative funds 1.00 FTE, an Assistant Director of Business Services, including salary and benefits of \$141,779. Additional expenses include internal service costs of \$8,887, and professional services and supplies of \$30,040. This position will direct, manage, and oversee the comprehensive claims program for the Prince William Self-Insurance Group (PWSIG) and PWC to reduce the risk of human and financial loss. The position will also oversee the claims administrator to ensure compliance with procedures relative to requirements by the State Corporation Commission Bureau of Insurance and Federal and State regulations, and collaborate with the County Attorney, outside attorneys, and insurance brokers and companies. The overall goal of the program is to mitigate the cost of claims and risk.

Finance

The PWSIG and PWC claims and insurance programs have become complex over the previous five years, resulting in employee workers' compensation claims becoming costly and often litigated. The ability to manage these claims has declined, which ultimately can increase the cost of claims. Currently there are 256 open workers' compensation claims with a combined total cost of over \$19 million. The growth of the program has also been affected by the addition of the Fire & Rescue System's broker contract and insurance being added to the Office of Risk & Wellness Services.

In addition to the increasing insurance program, the requests for insurance and liability reviews have grown significantly. This position will serve as a resource for a continuity plan for the insurance and claims programs.

- b. **Service Level Impacts** – More efficient management of the claims and insurance programs.

2. Collective Bargaining Staffing – Payroll & Disbursement Services

Expenditure	\$130,727
Revenue	\$0
General Fund Impact	\$130,727
FTE Positions	1.00

- a. **Description** – On December 22, 2022, the BOCS adopted a collective bargaining ordinance ([BOCS Ordinance 22-54](#)) to provide for collective bargaining with public employees. On January 16, 2024, the BOCS ratified tentative collective bargaining agreements between PWC and the International Association of Firefighters, and PWC and the PWC Police Association ([BOCS Resolution 24-050](#)) This initiative includes 1.00 FTE, a Senior Fiscal Analyst in Payroll & Disbursement Services. This position will allow the Finance Department to meet the increased workload demands associated with implementing negotiated compensation and benefits from collective bargaining. The position includes salary and benefits of \$100,482, internal service costs of \$8,405, and office equipment and supplies of \$21,840.
- b. **Service Level Impacts** – This budget initiative provides the necessary staffing infrastructure to implement and sustain collective bargaining with public employees.

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 Annual Comprehensive 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 BOCS.

Key Measures	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Receive certificate of achievement for excellence in financial reporting	Yes	Yes	NA	Yes	Yes
Audit adjustments	3	3	4	<3	-

Finance

Program Activities & Workload Measures <i>(Dollar amounts expressed in thousands)</i>	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Maintain the County's Financial Records	\$6,213	\$5,327	\$3,713	\$3,481	\$4,018
Board items reviewed by FRC	-	-	604	-	700
Financial transactions-Budget Entries Related to Board Items	-	-	5,114	-	5,700
Number of active Federal grants at fiscal year-end	-	-	77	-	85
Number of new Federal grants during the fiscal year	-	-	24	-	35
YTD Expenditures from Federal Awards in the fiscal year (unaudited)	-	-	\$337.4M	-	\$408.0M
Number of active capital projects at fiscal year-end	-	-	235	-	260
Total Funds spent in fiscal year	-	-	\$249.7M	-	\$302.2M
Financial transactions	581,006	507,785	730,852	550,000	750,000
Capital asset transactions	3,159	928	710	500	800

In FY25, the "Compliance with Principles of Sound Financial Management" Key Measure is reported solely under the Director's Office and no longer reported under Financial Reporting & Control.

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	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Accounts Payable customer satisfaction survey results (Scale 1-10)	9	9	9	9	9
Payroll customer satisfaction survey results (Scale 1-10)	9	9	9	9	9
Vendors utilizing direct deposit for payments	51%	21%	50%	25%	50%
Employees utilizing direct deposit for payroll	99%	99%	99%	99%	99%

Program Activities & Workload Measures <i>(Dollar amounts expressed in thousands)</i>	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Pay Bills	\$414	\$609	\$616	\$627	\$664
Vendor transactions	95,195	102,259	111,131	105,000	112,000
Payroll Processing	\$912	\$775	\$857	\$959	\$1,166
Payroll payments	133,228	138,966	151,209	139,000	145,000

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 PWSIG Workers' Compensation and Casualty Pool. Oversight ranges from policy development, financial management, data collection, insurance premium negotiations to payment, and employee communication and training.

Key Measures	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Countywide workers' compensation incidents per 100 employees	4.77	5.10	4.53	5.38	5.00
Days away, restricted or transferred (DART) Rate Countywide per 100 employees	4.11	3.96	4.00	4.11	4.00
Countywide number of preventable collisions per 1,000,000 miles driven	6.91	6.48	5.36	7.00	6.50

Program Activities & Workload Measures <i>(Dollar amounts expressed in thousands)</i>	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Risk Management	\$1,190	\$1,154	\$1,195	\$1,302	\$1,546
Safety inspections and incident reviews	-	-	51	50	50
Number of employees trained	-	-	4,867	4,500	4,500
Outreach events	-	-	24	18	18
Number of employees served	-	-	7,429	4,800	5,000
Incidents reported	1,764	1,993	1,947	<2,079	<2,091
Environmental Management	\$381	\$557	\$630	\$656	\$694
Environmental audits and inspections	-	-	53	50	53

Finance

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	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Overall accuracy in annual assessment	95%	93%	91%	93%	92%
Appealed real estate assessments upheld by the Board of Equalization	79%	81%	89%	80%	80%

Program Activities & Workload Measures <i>(Dollar amounts expressed in thousands)</i>	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Mass Appraisal of Real Property	\$3,168	\$3,246	\$3,241	\$3,678	\$4,079
Sales transferring ownership of property	16,343	17,332	12,002	16,000	11,000
Sales verified to establish the assessments	10,391	12,814	11,173	10,000	10,000
Parcels per appraiser	6,060	6,097	5,893	5,897	5,924
Customer Service	\$825	\$707	\$785	\$905	\$1,000
Total inquiries	16,502	20,882	29,850	18,000	25,000
Internet user sessions on Real Property Assessment site	586,698	1,113,893	464,388	800,000	500,000
Tax relief applications processed	6,253	6,489	7,541	6,400	7,400

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	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Cumulative delinquent tax as a percent of total tax levy	1.0%	1.0%	1.0%	1.0%	1.0%

Program Activities & Workload Measures <i>(Dollar amounts expressed in thousands)</i>	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Bill Tax Items	\$3,606	\$4,076	\$4,770	\$5,544	\$5,907
All tax items processed	714,458	714,174	735,862	722,200	742,000
Collect County Revenue	\$2,550	\$2,829	\$2,903	\$4,107	\$4,354
Delinquency notices sent	93,317	88,625	106,609	90,000	110,000
Real property taxes levied	\$767.7M	\$814.3M	\$874.8M	\$834.1M	\$875.0M
Real property taxes collected	\$763.5M	\$812.6M	\$861.3M	\$832.4M	\$866.0M
Tax Evader*	\$0	\$0	\$0	\$0	\$0
Vehicle Compliance (evader) program collections	-	-	-	-	\$500,000

*In FY25, the Tax Evader activity was created to track revenue generated from enforcing personal property tax compliance.

Finance

Treasury Management

Treasury Management provides cash, investment, and debt services by managing the County's cash management program and banking contracts, coordinating debt issuances, and managing the investment portfolios. The division performs economic and revenue analyses and forecasts, and provides recommendations on issues involving financial, investment, and debt policies.

Key Measures	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
First year accuracy of the five-year revenue forecast	102%	105%	104%	99-102%	99-102%

Program Activities & Workload Measures <i>(Dollar amounts expressed in thousands)</i>	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Financial Analysis	\$288	\$290	\$250	\$328	\$199
Financial planning documents prepared	428	406	242	325	300
Finance issues reviewed or analyzed	226	227	292	150	275
Debt Management	\$264	\$273	\$293	\$356	\$379
Bond sales executed	2	2	1	2	3
Value of outstanding debt	\$1.14B	\$1.07B	\$1.01B	\$1.20B	\$1.13B
Cash Management/Investments/Banking	\$462	\$422	\$460	\$611	\$742
Assets under management	\$1.48B	\$1.52B	\$1.97B	\$1.62B	\$2.10B

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, risk and wellness, treasury management, payroll and disbursement, 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	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Maintain three AAA bond ratings	Yes	Yes	Yes	Yes	Yes
Compliance with Principles of Sound Financial Management	100%	98%	93%	100%	100%

Program Activities & Workload Measures <i>(Dollar amounts expressed in thousands)</i>	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Leadership, Coordination and Oversight	\$772	\$905	\$1,003	\$1,095	\$1,246
Trackers responded to	8	5	3	8	5
Revenue forecasts generated	37	45	31	40	30
BOCS agenda items processed	285	307	283	350	300

Finance

Financial Systems Services

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

Key Measures	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Achieve project milestones outlined per project	95%	95%	95%	95%	95%
Work tickets completed as a percent of those created	97%	96%	95%	97%	95%

Program Activities & Workload Measures <i>(Dollar amounts expressed in thousands)</i>	FY21 Actuals	FY22 Actuals	FY23 Actuals	FY24 Adopted	FY25 Adopted
Maintain the County's Financial Systems	\$717	\$920	\$4,450	\$2,796	\$2,852
Number of active vendor users	17,852	19,031	17,436	20,934	20,051
Number of active system users	6,439	6,419	6,810	6,500	7,491