

OFFICE OF FINANCE - 10

MISSION

The Office of Finance preserves the financial resources of Prince George's County government by maintaining flexible tax services; implementing sound accounting techniques; investing the County's funds prudently and integrating appropriate risk control strategies in order to support the County's external and internal customers.

CORE SERVICES:

- Manage cash of various funds and prudently invest to assure the safety, liquidity, and yield of the County's resources.
- Oversee the audit of County operations and financial transactions.
- Prepare interim and annual financial statements for the County Executive and County Council.
- Support the legislative process, including review of approved resolutions or bills with financial impact.
- Prepare County bond sales and advise on debt management.
- Administer the County's Risk Management Program.
- Collect various revenues and fees, including property taxes due to the County.
- Report the financial activity of the General Fund, trust funds, internal service funds, enterprise funds debt service, capital projects, and special revenue funds.
- Process disbursements to vendors, contractors, claimants and employees for goods, claims, and services.
- Administer tax sales.

FY 2008 KEY ACCOMPLISHMENTS:

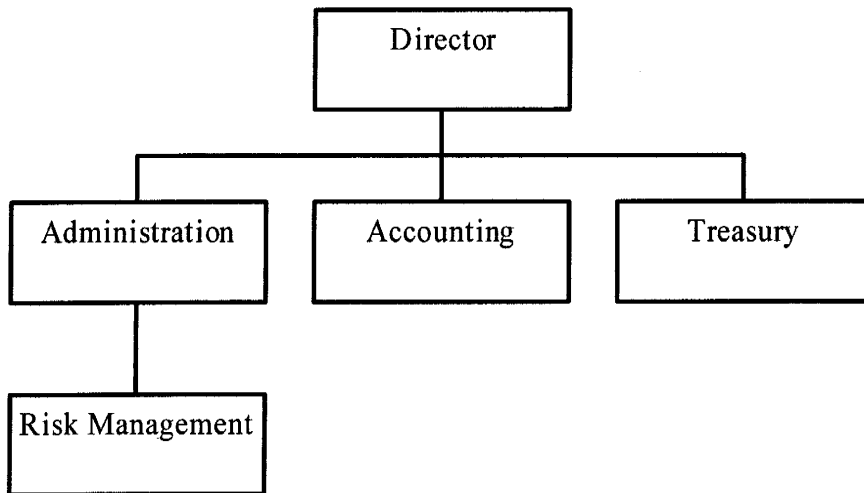
- Issued approximately \$110 million in new General Obligation Consolidated Public Improvement Bonds.
- Received Certificate of Achievement for Excellence in Financial Reporting for FY 2006.
- Issued FY 2007 Comprehensive Annual Financial Report.
- Developed and conducted new Contract Insurance training to departmental agencies.
- Continued working with agencies on training programs and other measures to improve safety in the workplace.
- Developed and installed web based transfer and recordation tax system.
- Issued a contract to an Electronic Timecard System (ETS) Vender and began the implementation of the ETS Pilot Program.

FY 2009 FISCAL & STAFFING OVERVIEW:

The FY 2009 approved General Fund budget of \$4.7 million represents an increase of \$161,400 or 3.5% increase from the FY 2008 approved budget of \$4,579,900. Major changes in the FY 2009 approved budget include:

- Cost of living adjustment and merit increases for eligible full-time employees.
- The addition of one new full-time position.

ORGANIZATIONAL CHART:



PERFORMANCE MANAGEMENT:

GOAL 1 - Implement sound financial services to ensure fiscal accountability for the County's internal and external customers.

Objective 1.1 - By FY 2010, reduce the number of risk management claims by 16% from 2,510 in FY 2007 to 2,116 through expanding safety training opportunities for first-line supervisors within County agencies.

MEASURES

Measure Name	Measure Category	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimated	FY 2009 Projected
Number of training classes	Output	16	15	18	26	32	36
Number of risk management claims	Outcome	2,576	2,148	2,485	2,510	2,730	2,600

Performance Measures Explanation – The number of risk management claims is expected to decrease as a result of increasing training, facilitating fiscal accountability.

Objective 1.2 - By FY 2010, ensure 95% of all payments are processed within 10 business days timeframe in order to meet the County's prompt payment policy.

MEASURES

Measure Name	Measure Category	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimated	FY 2009 Projected
Number of payments processed	Output				87,344	96,000	104,000
Number of customer complaints	Quality				43	48	50
Percentage of payments processed within 10 days	Outcome				90%	93%	94%

Performance Measures Explanation – There is an increasing amount of payments to be processed throughout the last three fiscal years. The ability to process these payments in an expeditious manner improves the County's financial accountability to our external customers.

Objective 1.3 - By FY 2010, maintain an AAA with Standard & Poor's & AA+ with Moody's/Fitch (or similar) bond rating for the County by all three bond rating agencies.

MEASURES

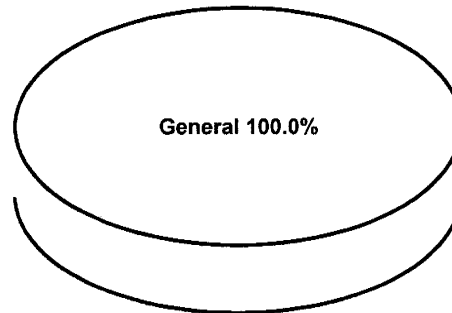
Measure Name	Measure Category	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Estimated	FY 2009 Projected
Assessed County real property base (in millions)	Input				\$60,716.7	\$71,645.7	\$84,541.9
County resident personal income (in millions)	Input				\$31,845.2	\$33,119.0	\$34,443.8
Net direct debt (in millions)	Output				\$746.0	\$783.3	\$822.5
General Fund expenditures (in millions)	Output				\$2,401.6	\$2,626.0	\$2,673.5
Annual Debt Service (in millions)	Output				\$77.1	\$74.6	\$71.7
Net direct debt as a percentage of assessed County real property base	Efficiency				1.2%	1.1%	1.0%
Net direct debt as a percentage of County resident personal income	Efficiency				2.3%	2.4%	2.4%
Net direct debt per capita	Quality				\$886.7	\$931.0	\$977.6
Percent of General Fund expenditures that are annual debt service payments	Quality				3.2%	2.8%	2.7%
County general obligation bond ratings (Standard & Poor's/Moody's/Fitch)	Outcome	AA/Aa3/AA	AA/Aa2/AA+	AA+/Aa2/AA+	AA+/Aa1/AA+	AAA/Aa1/AA+	AAA/Aa1/AA+

Performance Measures Explanation – During the past four years, the three bond rating agencies have upgraded the County’s bond rating to AAA/Aa1/AA+ (Standard & Poor’s/Moody’s/Fitch). This allows for higher taxpayer savings because the County pays less when borrowing funds. The debt ratios displayed above are indicators that are commonly used by rating agencies to determine a government bond issuer’s debt affordability, risk control and financial soundness. The source of this data is FY 2007 Comprehensive Annual Financial Report.

	FY2007 ACTUAL	FY2008 BUDGET	FY2008 ESTIMATED	FY2009 APPROVED	CHANGE FY08-FY09
TOTAL EXPENDITURES	\$ 4,280,611	\$ 4,579,900	\$ 4,559,900	\$ 4,741,300	3.5%
EXPENDITURE DETAIL					
Administration	1,724,702	1,676,800	1,608,200	1,823,000	8.7%
Accounting	2,866,162	3,105,800	3,173,500	3,336,300	7.4%
Treasury	1,999,660	2,155,100	2,136,000	2,206,100	2.4%
Recoveries	(2,309,913)	(2,357,800)	(2,357,800)	(2,624,100)	11.3%
TOTAL	\$ 4,280,611	\$ 4,579,900	\$ 4,559,900	\$ 4,741,300	3.5%
SOURCES OF FUNDS					
General Fund	\$ 4,280,611	\$ 4,579,900	\$ 4,559,900	\$ 4,741,300	3.5%
Other County Operating Funds:					
TOTAL	\$ 4,280,611	\$ 4,579,900	\$ 4,559,900	\$ 4,741,300	3.5%

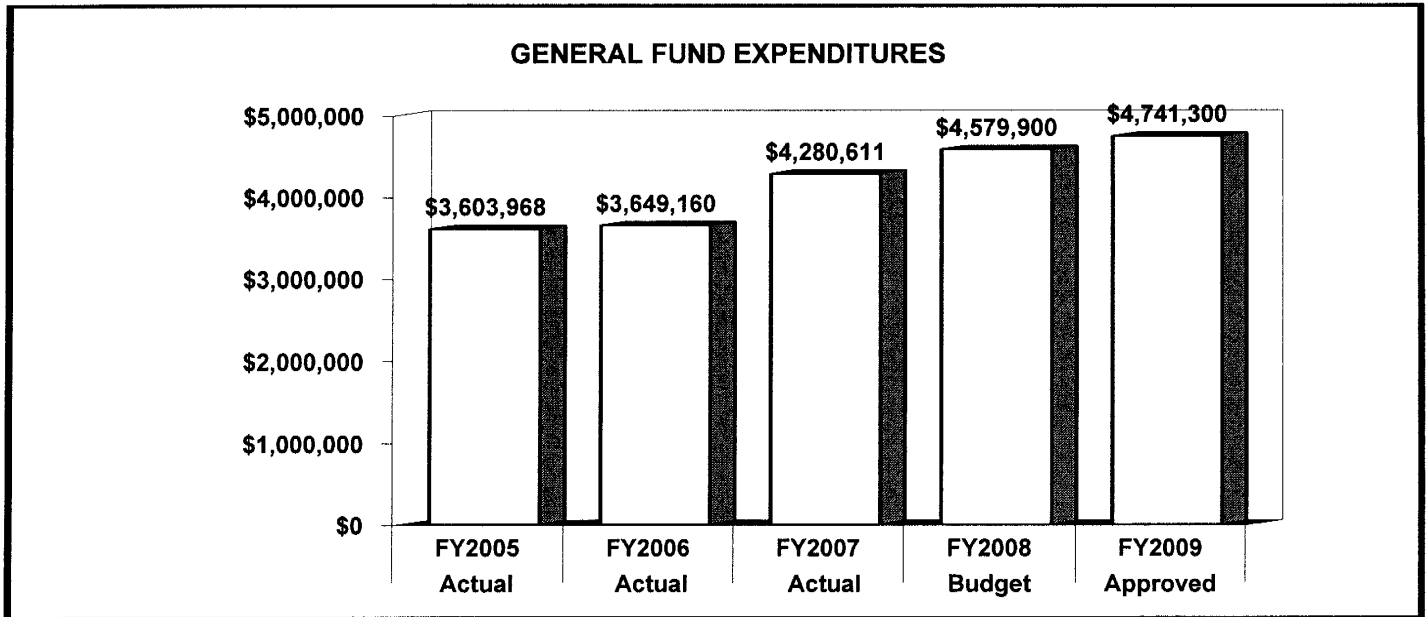
FY2009 SOURCES OF FUNDS

Although the agency is supported 100% by the General Fund, a portion of its costs are recovered based on financial services provided to other County funds.

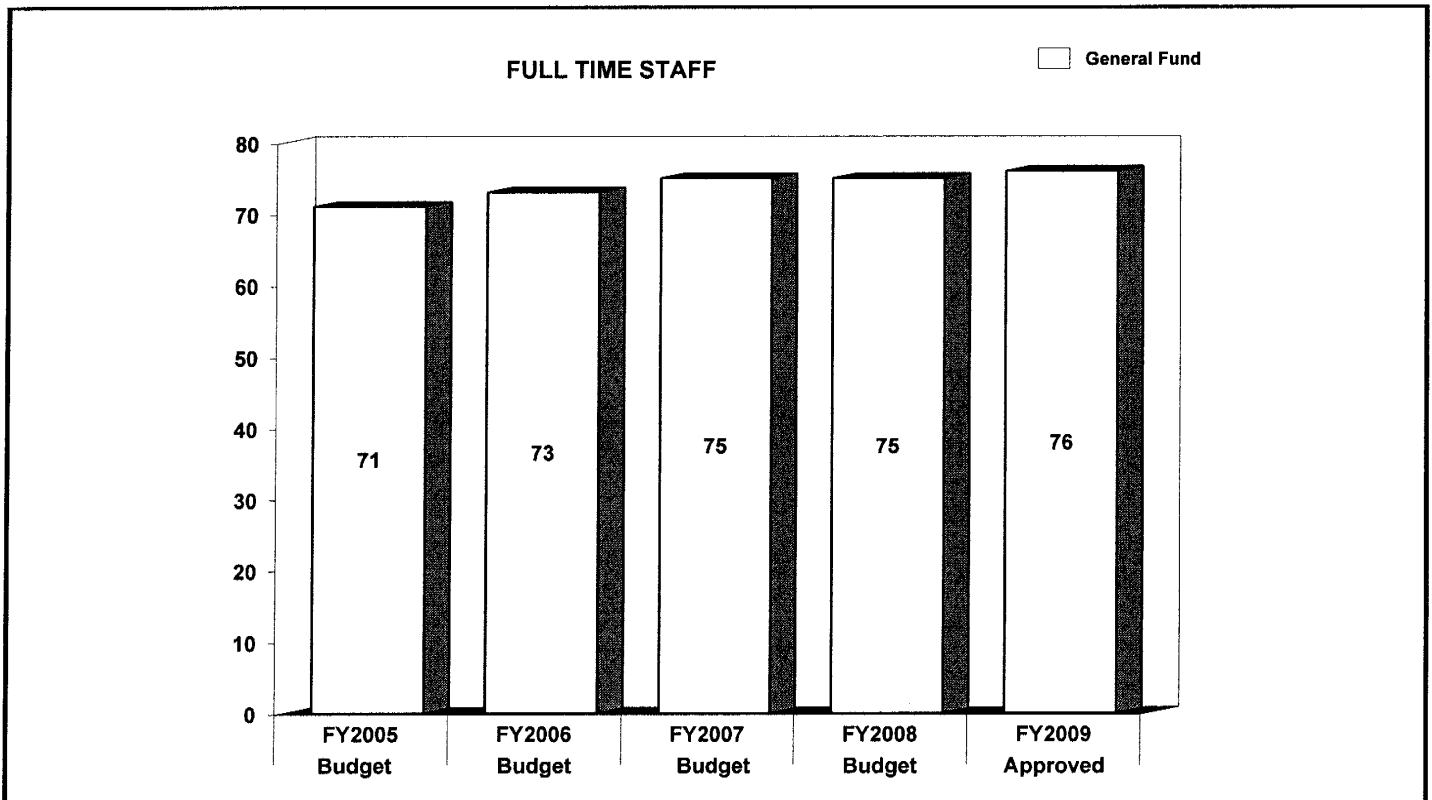


	FY2007 BUDGET	FY2008 BUDGET	FY2009 APPROVED	CHANGE FY08-FY09
GENERAL FUND STAFF				
Full Time - Civilian	75	75	76	1
Full Time - Sworn	0	0	0	0
Part Time	0	0	0	0
Limited Term	0	0	0	0
OTHER STAFF				
Full Time - Civilian				
Full Time - Sworn				
Part Time				
Limited Term Grant Funded				
TOTAL				
Full Time - Civilian	75	75	76	1
Full Time - Sworn	0	0	0	0
Part Time	0	0	0	0
Limited Term	0	0	0	0

POSITIONS BY CATEGORY	FULL TIME	PART TIME	LIMITED TERM
Director	1	0	0
Associate Director	1	0	0
Accountants	21	0	0
Administrative Assistants	4	0	0
Administrative Aides	8	0	0
Other	2	0	0
Account Clerks	29	0	0
Administrative Specialists	6	0	0
Accounting Technicians	3	0	0
Deputy Director	1	0	0
TOTAL	76	0	0



The agency's actual expenditures increased 18.8% from FY 2005 to FY 2007. This increase was primarily driven by compensation, fringe benefits, and increasing operating expenses for banking services. The FY 2009 approved budget is 3.5% more than the FY 2008 approved budget.



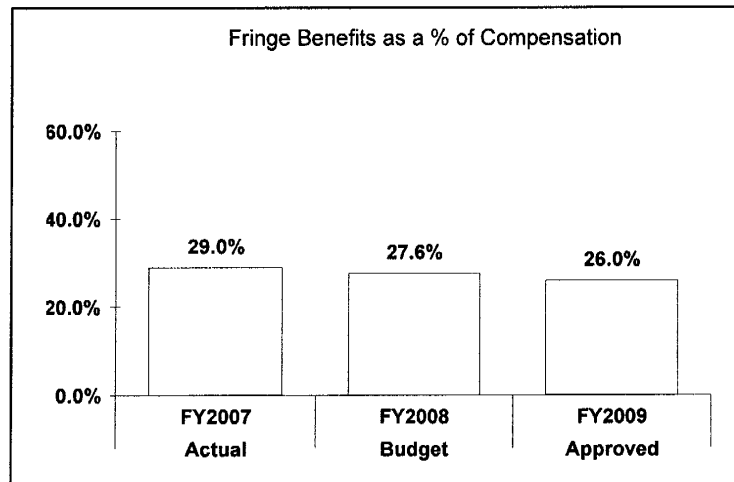
The agency's staffing complement increased by five positions from FY 2005 to FY 2009. The FY 2009 staffing total increases by one position from the FY 2008 budget level.

	FY2007 ACTUAL	FY2008 BUDGET	FY2008 ESTIMATED	FY2009 APPROVED	CHANGE FY08-FY09
EXPENDITURE SUMMARY					
Compensation	\$ 4,418,716	\$ 4,741,500	\$ 4,721,100	\$ 5,216,100	10%
Fringe Benefits	1,280,041	1,310,900	1,330,900	1,355,700	3.4%
Operating Expenses	891,767	861,200	841,600	793,600	-7.8%
Capital Outlay	0	24,100	24,100	0	-100%
	\$ 6,590,524	\$ 6,937,700	\$ 6,917,700	\$ 7,365,400	6.2%
Recoveries	(2,309,913)	(2,357,800)	(2,357,800)	(2,624,100)	11.3%
TOTAL	\$ 4,280,611	\$ 4,579,900	\$ 4,559,900	\$ 4,741,300	3.5%
STAFF					
Full Time - Civilian	-	75	-	76	1.3%
Full Time - Sworn	-	0	-	0	0%
Part Time	-	0	-	0	0%
Limited Term	-	0	-	0	0%

In FY 2009, compensation expenditures increase 10% over the FY 2008 budget due to cost of living adjustments, merits, and salary adjustments. Compensation include funding for 76 full-time employees and 10 summer youth. Fringe benefit expenditures increase 3.4% over the FY 2008 budget.

Operating expenditures decrease 7.8% from the FY 2008 budget due a reduction in contracts for banking services and a reduction in telephone cost through the implementation of the Voice Over Internet Protocol (VOIP) system.

MAJOR OPERATING EXPENDITURES	
FY2009	
Office Automation	\$ 343,500
Operational Contracts	\$ 165,000
Printing and Reproduction	\$ 104,400
General and Administrative	\$ 74,500
Contracts	
Operating and Office Supplies	\$ 44,000



ADMINISTRATION - 01

The Administration Division oversees the activities of the Office and has direct responsibility for coordinating and financing bond sales for capital projects, real estate and equipment acquisition, and operating cash needs.

The Division administers a comprehensive insurance program designed to minimize the County's exposure to risk in the areas of professional, general and automobile liability, fire and casualty loss, and workers' compensation. The Division also has responsibility for the management of cash flow and the investment of all funds not immediately required for expenditure in an effort to maximize return.

Division Summary:

In FY 2009, major changes for the Administration Division include an increase in compensation and fringe benefits. The increases include salary adjustments and the addition of one new position. The decrease in operating expenses is due to a reduction in the banking services contract.

	FY2007 ACTUAL	FY2008 BUDGET	FY2008 ESTIMATED	FY2009 APPROVED	CHANGE FY08-FY09
EXPENDITURE SUMMARY					
Compensation	\$ 1,063,856	\$ 1,041,200	\$ 1,018,800	\$ 1,196,700	14.9%
Fringe Benefits	302,861	295,000	261,700	311,100	5.5%
Operating Expenses	357,985	340,600	327,700	315,200	-7.5%
Capital Outlay	0	0	0	0	0%
Sub-Total	\$ 1,724,702	\$ 1,676,800	\$ 1,608,200	\$ 1,823,000	8.7%
Recoveries	(1,052,171)	(1,063,000)	(1,063,000)	(1,272,000)	19.7%
TOTAL	\$ 672,531	\$ 613,800	\$ 545,200	\$ 551,000	-10.2%
STAFF					
Full Time - Civilian	-	13	-	14	7.7%
Full Time - Sworn	-	0	-	0	0%
Part Time	-	0	-	0	0%
Limited Term	-	0	-	0	0%

ACCOUNTING - 02

The Accounting Division is responsible for the timely and accurate recording and reporting of the financial activities of the County to ensure conformity with legal requirements, administrative policy, and generally accepted accounting principles. These activities are captured in several standard funds and account groups that include: the General Fund; the Special Revenue Fund; the Debt Service Fund; the Capital Projects Fund; the Redevelopment Authority Fund; the Enterprise Funds, which include Solid Waste and Stormwater Management; the Internal Service Funds, such as the Self-Insurance Funds; the Trust, Agency and Pension Funds; and the Fixed Assets and Long-Term Debt Account Groups. This Division is also responsible for preparation of the Comprehensive Annual Financial Report, the State's Uniform Financial Report, and the Indirect Cost Allocation Plan. The latter is used to recover indirect costs and fringe benefits applicable to grants and contracts. This Division also performs all accounting functions related to County accounts receivable, accounts payable and travel transactions.

The Accounting Division coordinates two other major activities within the Office of Finance. The payroll unit maintains and operates the automated payroll system and processes the bi-weekly County payroll and monthly pension payments. The accounting system staff is responsible for maintaining and operating the County's automated accounting system.

Division Summary:

In FY 2009, major changes for the Accounting Division include an increase in compensation and fringe benefits. The increases include salary adjustments and upgrades.

Operating expenses decreased due to telephone cost savings. This is a result of the implementation of the Voice Over Internet Protocol system (VOIP).

	FY2007 ACTUAL	FY2008 BUDGET	FY2008 ESTIMATED	FY2009 APPROVED	CHANGE FY08-FY09
EXPENDITURE SUMMARY					
Compensation	\$ 2,048,611	\$ 2,233,700	\$ 2,226,300	\$ 2,469,000	10.5%
Fringe Benefits	593,239	618,700	671,800	641,700	3.7%
Operating Expenses	224,312	229,300	251,300	225,600	-1.6%
Capital Outlay	0	24,100	24,100	0	-100%
Sub-Total	\$ 2,866,162	\$ 3,105,800	\$ 3,173,500	\$ 3,336,300	7.4%
Recoveries	(1,041,151)	(1,086,900)	(1,086,900)	(1,134,500)	4.4%
TOTAL	\$ 1,825,011	\$ 2,018,900	\$ 2,086,600	\$ 2,201,800	9.1%
STAFF					
Full Time - Civilian	-	34	-	34	0%
Full Time - Sworn	-	0	-	0	0%
Part Time	-	0	-	0	0%
Limited Term	-	0	-	0	0%

TREASURY - 03

The Treasury Division collects and accounts for various taxes and fees including; real property taxes, business personal property taxes transfer and recordation taxes, telecommunication taxes, and solid waste service charges. It also handles special area assessments for the County and taxes and charges for the State of Maryland, the Washington Suburban Sanitary Commission, the Maryland-National Capital Park and Planning Commission, the Washington Suburban Transit Commission and 27 municipalities in the County. Other taxes administered include recordation, transfer, telecommunications, energy, mobile home and hotel/motel taxes. The Treasury Division is responsible for issuing tax certifications, auditing tax adjustments, processing circuit breaker refunds, administering various tax credit programs, collecting fees associated with evictions, administering the semi-annual tax payment program and selling properties at tax sale for delinquent taxes.

Division Summary:

In FY 2009, operating expenses decreased due to telephone cost savings. This is a result of the implementation of the Voice Over Internet Protocol system (VOIP).

	FY2007 ACTUAL	FY2008 BUDGET	FY2008 ESTIMATED	FY2009 APPROVED	CHANGE FY08-FY09
EXPENDITURE SUMMARY					
Compensation	\$ 1,306,249	\$ 1,466,600	\$ 1,476,000	\$ 1,550,400	5.7%
Fringe Benefits	383,941	397,200	397,400	402,900	1.4%
Operating Expenses	309,470	291,300	262,600	252,800	-13.2%
Capital Outlay	0	0	0	0	0%
Sub-Total	\$ 1,999,660	\$ 2,155,100	\$ 2,136,000	\$ 2,206,100	2.4%
Recoveries	(216,591)	(207,900)	(207,900)	(217,600)	4.7%
TOTAL	\$ 1,783,069	\$ 1,947,200	\$ 1,928,100	\$ 1,988,500	2.1%
STAFF					
Full Time - Civilian	-	28	-	28	0%
Full Time - Sworn	-	0	-	0	0%
Part Time	-	0	-	0	0%
Limited Term	-	0	-	0	0%