

PROGRAM MISSION

To ensure the prudent use of County resources.

The Financial Management component of the Department of Management and Finance consists of Administration; Management and Budget; Accounting and Audit; and Purchasing and Contracts.

- **Director's Office** ensures that the Department of Management and Finance staff receive the leadership, policies, tools, services and support required to serve their customers. This program area provides overall leadership, management and administrative support for the Department of Management and Finance, as well as for the Department of Real Estate Assessments (a division of DMF). This division also provides high quality customer service through the use of the DMF One Stop Shop, centrally located to serve customers, as well as other divisions.
- **Management and Budget Division** facilitates effective resource allocation and budget execution for the provision of services to Arlington residents. The Management and Budget division provides financial, economic and policy analysis, research and recommendations to the County Board, County Manager, departments, agencies, and the public, and prepares the annual County operating budget. This division also coordinates County bond sales, staffs the Industrial Development Authority (IDA) and the Fiscal Affairs Advisory Commission, as well as monitors County expenditures and revenues. Staff support for the Countywide Capital Improvement Program is provided by the Management and Budget Division. Responsibility for the development, deployment and monitoring of the County's performance measurement system, Arlington Counts!, is also integral to this division.
- **Accounting and Audit Division** provides effective controls and sound financial services. The Accounting and Audit division provides the best possible financial information to the County Board, County management, County staff, the public and other interested organizations such as bond rating agencies, and institutional investors. The division also ensures that County purchase orders and payments to vendors are processed in an accurate and timely manner and that integrity is maintained in all financial processes and in the financial information system.
- **Purchasing and Contracts Division** assists agencies in the purchase of needed goods and services in a timely manner while complying with legal requirements. Purchasing and Contracts division provides quality goods and services which meet user customer needs at reasonable costs by assuring that all purchasing actions are fair and impartial, with all qualified sellers having equal access to County business. This division provides purchasing services, consults with user agencies on bidding strategies and contract development for all County departments and agencies, and participates in regional cooperative purchasing efforts to achieve cost reductions through volume buying.

PROGRAM FINANCIAL SUMMARY

	FY 2005 Actual	FY 2006 Adopted	FY 2007 Proposed	% Change '06 to '07
Personnel	\$2,411,551	\$2,788,676	\$3,126,239	12%
Non-Personnel	246,161	332,552	328,927	-1%
Subtotal	2,657,712	3,121,228	3,455,166	11%
Intra-County Charges	(52,885)	(117,850)	(106,018)	-10%
Total Expenditures	2,604,827	3,003,378	3,349,148	12%
Total Revenues	51,986	114,458	114,458	-
Net Tax Support	\$2,552,841	\$2,888,920	\$3,234,690	12%
Authorized FTEs	33.0	34.0	34.0	
Funded FTEs	33.0	34.0	34.0	

SIGNIFICANT BUDGET HIGHLIGHTS

- ↑ The FY 2007 proposed budget reflects a two percent market pay line adjustment, a 10% increase in employer health insurance costs, and an increase in employer retirement contributions to maintain full funding of the retirement fund. Personnel increases also represent the re-classification and reorganization within the Director's Office.
- ↑ The decrease in non-personnel expenditures (\$3,625) reflects an increase in contractual obligations (\$1,618) offset by a decrease in telephone charges for the department (\$5,243).
- ↓ The decrease in intra-county charges (\$11,832) is due to a change in the services charged out by DMF in providing accounting support for Arlington County HIDTA and MATF grants, offset by a Procurement Officer position charged out in full to the Department of Environmental Services.

PERFORMANCE MEASURES

Management and Budget

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	FY 2007 Goal
Maintain Triple-triple A bond rating	Yes	Yes	Yes	Yes	Yes	Yes	Yes
GFOA Distinguished Budget Award received (yes/no)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Percent of departments/ programs using outcome measures	40%	100%	100%	100%	100%	100%	100%
Percent variance between actual expenditures and appropriation (based on final audit report, total General Fund)	2%	4%	4.20%	5.15%	<5%	<5%	<5%
Internal customer satisfaction index	73.9%	N/A	N/A	69%	80%	80%	85%
Percent of departments/ programs using customer measures	N/A	25%	99%	100%	100%	100%	100%
Bond issuance (millions), general obligation bonds, notes sold or refinanced	\$39.50	\$140.80	\$60.10	\$174.0	\$86.20	N/A	N/A
Industrial Development Authority (IDA) bonds issued	\$159.40	\$11.20	\$9.00	\$149.2	\$15.00	N/A	N/A
Dollar value of other financings obtained (millions)	\$4.50	\$12.60	\$103.10	\$6.5	\$5.00	N/A	N/A
Total dollar value of transactions (millions)	\$203.40	\$164.60	172.2	\$329.7	\$106.20	N/A	N/A

- The Customer satisfaction index was established in FY 2005 within DMF and will be utilized annually. DMF had an initial benchmark of 80, established by utilizing the American Customer Satisfaction Index through comparisons with other public and private sector organizations, however goals for division are based on higher expectations for customers.

Accounting and Audit

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	FY 2007 Goal
Comprehensive Annual Financial Report (CAFR) received "unqualified" opinion from external auditors	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CAFR received GFOA "Certificate of Achievement for Excellence"	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Auditor of Public Accounts Transmittal and CAFR prepared by state deadline	Yes	Yes	Yes	Yes	Yes	Yes	Yes
State Auditor of Public Accounts Transmittal of Comments received (regarding the CAFR)	7	5	1	1	1	1	1
Percent of Countywide payments processed within payment terms	N/A	75%	81%	85%	90%	90%	100%
Internal customer satisfaction index	N/A	N/A	N/A	93%	95%	95%	100%

- Typically, three or fewer comments on the State Auditor of Public Accounts Transmittal of Comments are indicative of a high level of achievement and performance regarding the CAFR. This pertains to the translation of the CAFR to the Auditor of Public Accounts format.
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Purchasing and Contracts

	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2006 Estimate	FY 2007 Estimate	FY 2007 Goal
Number of protests of purchasing actions upheld by a final authority (court)	0	0	0	0	0	0	0
Number of contracts that lapsed without timely replacement due to purchasing action or inaction	N/A	N/A	N/A	N/A	4	4	4
Internal customer satisfaction index	N/A	N/A	N/A	85%	90%	90%	100%
Formal bids and contracts processed	404	457	471	514	500	500	500
Informal bids and contracts processed	448	553	326	213	250	250	250
Emergency procurements processed	79	109	92	79	100	100	100

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- Decrease in number of informal bids and contracts processed due to increased agency awareness of contracts through access to information.