



Rating Action: Moody's assigns Aaa to Prince William County, VA's 2021 Special Obligation Bonds; outlook stable

13 Sep 2021

New York, September 13, 2021 -- Moody's Investors Service has assigned a Aaa rating to Prince William County, VA's \$55 million Special Obligation School Financing Bonds, Prince William County Series 2021A and \$62 million Special Obligation School Financing Refunding Bonds, Prince William County Series 2021B (Federally Taxable), issued through the Virginia Public School Authority (VPSA) and payable from the county's full faith and credit. Moody's maintains the Aaa rating on the county's rated outstanding general obligation debt. The outlook is stable.

RATINGS RATIONALE

The Aaa rating incorporates the county's sizeable, diverse, and growing tax base, above-average resident income levels, healthy and stable fund balance and liquidity supported by conservative budgetary practices and formal fiscal policies, and manageable debt and pension burdens.

RATING OUTLOOK

The stable outlook reflects the likelihood that the county's healthy financial position will remain stable due to conservative and proactive budgetary practices and that the county's sizeable tax base will continue to grow and diversify over the medium-term.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Not applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Deterioration of fund balance or liquidity resulting in reduced financial flexibility
- Significant contraction in tax base and weakened resident income levels
- Material increase in debt burden

LEGAL SECURITY

The special obligation bonds are payable from the county's full faith and credit and unlimited property tax pledge.

USE OF PROCEEDS

Series 2021A bond proceeds will be used to finance the construction of high school, the construction of a middle school, and various improvements to existing school facilities. The Series 2021B bonds will be used to refund outstanding debt for savings.

PROFILE

Prince William County, VA encompasses 348 square miles in Northern Virginia (Commonwealth of Virginia, Aaa stable), less than 25 miles southwest of Washington D.C. (District of Columbia, Aaa stable). The county is governed under a County Executive form of government. The Board of Supervisors is comprised of eight county residents who appoint a County Executive to oversee day-to-day operations. Prince William County's population totaled 482,204 in 2020 according to the most recent U.S. Census American Community Survey, which represents a 17% increase since 2011.

METHODOLOGY

The principal methodology used in these ratings was US Local Government General Obligation Debt published

in January 2021 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1260094. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

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