

FY 2022

PRINCE WILLIAM
— COUNTY —

POPULAR ANNUAL **FINANCIAL REPORT**

For the Year Ended June 30, 2022

pwcva.gov/finance

**PRINCE
WILLIAM
— COUNTY**

Board of County Supervisors

Ann B. Wheeler
 Chair At-Large

Margaret Angela Franklin
 Vice Chair
 Woodbridge District

Victor S. Angry
 Neabsco District

Andrea O. Bailey
 Potomac District

Kenny A. Boddy
 Occoquan District

Pete K. Candland
 Gainesville District*

Jeanine M. Lawson
 Brentsville District

Yesli Vega
 Coles District

*Note: The Gainesville District Supervisor resigned from his office, effective December 16, 2022. A special election will be held to fill the vacant seat.

We are pleased to present the Popular Annual Financial Report (PAFR) of the County of Prince William, Virginia (the County), as of and for the fiscal year ended June 30, 2022. The PAFR is derived from the information contained in the Annual Comprehensive Financial Report (ACFR), which is prepared in conformity with accounting principles generally accepted in the United States of America and can be accessed at pwcva.gov/finance.

The ACFR includes almost 300 pages of detailed County financial statements, notes and schedules and is available on the County's website or by contacting the Prince William County Department of Finance. Copies of the PAFR can be picked up at the Information Desk in the Atrium of the James J. McCoart Building or at any Prince William Public Library.

The purpose of the PAFR is to provide a broad overview of the financial operations of the Prince William County Government for the fiscal year (July 1, 2021–June 30, 2022) and focuses solely on the County's governmental and business-type activities.

The PAFR condenses financial information and therefore does not comply with generally accepted accounting principles. Additionally, the financial data of the Prince William County School Board and the Adult Detention Center, and activity from services provided by County agencies to other County agencies are omitted.

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| | |
|--|---------------------|
| Population | 482,204 Persons* |
| No. of Households | 158,525 Households* |
| No. of Students | 90,135 Students *** |
| Citizens with a Bachelor's Degree or Higher | 41.9%** |
| Median Household Income | \$118,117** |
| Distance from D.C. | 35 Miles |
| Dulles International Airport | 16 Miles |
| Ronald Reagan National Airport | 18 Miles |

* Per 2020 U.S. Census data

** Per 2021 U.S. American Community Survey data

*** Per official September 2021 student enrollment count for all Prince William County Schools

Prince William County is located in Northern Virginia, approximately 35 miles southwest of Washington, D.C. and encompasses an area of 348 square miles, of which 18.8% is federally owned land. As the second most populous jurisdiction in Virginia, the 2020 U.S. Census placed the County's population at an estimated 482,204 persons or 158,525 households.

Prince William County is almost 7.6% of the greater Washington-Metropolitan region's population, which stands at close to 6.4 million persons, according to the 2020 U.S. Census data. Prince William's location in the Metropolitan Washington, D.C. area and the availability of excellent transportation options in the region is a catalyst for growth in the County, which continue to provide numerous economic advantages.

Within the County's boundaries are the independent cities of Manassas and Manassas Park and the incorporated towns of Dumfries, Haymarket, Occoquan and Quantico. The cities and towns elect their own mayors and councils but rely on the County government for some of their services.

Our County

The County exercises local governing powers granted to it by the Virginia General Assembly. Since 1972, the County has operated under the County Executive form of government, as provided in Section 15.2-500 et seq. VA Code Ann. The governing policy-determining body of the County is an eight-member Board of County Supervisors (Board). Residents in each of the County's seven magisterial districts elect one member of the Board to serve a term of four years. The eighth member of the Board, elected at-large by County residents, serves a four-year term as the Chair. The current board members took office in January 2020, following an election held on November 5, 2019, and serve until December 31, 2023.

The County provides a full range of local government services, including police, fire and rescue, court administration, education, planning, development, libraries, parks, recreational and tourism services, health and social services, public improvements and general administration. The County's School Board and Adult Detention Center both have a financial benefit/ burden relationship with the County and are reported as discretely presented component units, with the School Board issuing their own separately audited financial statements. A legally separate water and sewer service authority, the Prince William County Service Authority (Service Authority), provides sanitation services. User charges and bond financings are the primary funding sources for the Service Authority's operations and capital needs. The Service Authority is solely responsible for its outstanding debt and is not a component unit of the County. Readers should refer to the County's ACFR for additional information.



Total Revenues | \$1.6B

*Amounts are expressed in thousands

| Revenues by Sources | FY 2022 | FY 2021 | FY 2020 |
|-----------------------------|----------------------|--------------------|--------------------|
| Taxes | \$1,231,989 (77.68%) | \$1,137,858 | \$1,070,922 |
| Intergovernmental Revenues | \$313,965 (19.80%) | \$352,010 | \$259,251 |
| Charges for Services | \$54,440 (3.43%) | \$51,663 | \$54,873 |
| For Use of Money & Property | \$(50,481) (-3.18%) | \$15,929 | \$39,503 |
| Permits, Fees & Licenses | \$23,651 (0.67%) | \$20,888 | \$19,847 |
| Other Revenues | \$10,594 (1.49%) | \$30,890 | \$26,815 |
| Fines & Forfeitures | \$1,757 (0.11%) | \$1,788 | \$2,705 |
| Total Revenues | \$1,585,915 | \$1,611,026 | \$1,473,916 |

| Tax Revenues by Sources | FY 2022 | FY 2021 | FY 2020 |
|--|--------------------|--------------------|--------------------|
| Real Estate | \$839,452 (68.14%) | \$787,059 | \$754,989 |
| Personal Property | \$203,679 (16.53%) | \$175,182 | \$162,528 |
| Business, Professional & Occupational Licenses | \$32,910 (2.67%) | \$29,882 | \$28,236 |
| Other | \$35,172 (2.85%) | \$32,262 | \$25,403 |
| Local Sales | \$88,032 (7.15%) | \$80,140 | \$72,342 |
| Consumer Utility | \$15,278 (1.24%) | \$13,266 | \$14,408 |
| Recordation | \$17,466 (1.42%) | \$20,067 | \$13,016 |
| Total Tax Revenues | \$1,231,989 | \$1,137,858 | \$1,070,922 |
| Real Estate Collection Rate | 99.7% | 99.1% | 98.9% |

Total Intergovernmental Revenues | \$314M (including \$45M from local revenues)

| | | | | | | | |
|--|--------------------------------|---------------------------------|---------------------------------|-------------------------|-------------------|-----------------------------|-----------------------|
|  | State Revenue: \$170M | | | | | | |
| | 82.17% Health & Welfare | 11.51% Community Development | 4.71% Public Safety | 1.15% Other | 0.34% Judicial | 0.11% General Government | 0.01% Public Works |
|  | Federal Revenue: \$100M | | | | | | |
| | 40.68% General Government | 24.08% Health & Welfare | 18.41% Community Development | 12.87% Public Safety | 3.33% Judicial | 0.63% Other | 0.00% Public Works |

Total Expenses | \$1.5B

*Amounts are expressed in thousands

| County Expenses by Operational Area | FY 2022 | FY 2021 | FY 2020 |
|-------------------------------------|--------------------|--------------------|--------------------|
| Education | \$660,808 (43.01%) | \$694,445 | \$633,749 |
| Public Safety | \$303,227 (19.72%) | \$375,682 | \$323,824 |
| Health & Welfare | \$139,577 (9.09%) | \$136,895 | \$111,427 |
| Public Works | \$98,907 (6.44%) | \$93,970 | \$102,006 |
| General Government Administration | \$87,723 (5.71%) | \$95,112 | \$51,328 |
| Community Development | \$76,136 (4.96%) | \$90,729 | \$76,709 |
| Parks, Recreational & Cultural | \$67,560 (4.40%) | \$51,025 | \$56,706 |
| Interest on Long-Term Debt | \$46,526 (3.03%) | \$49,053 | \$49,964 |
| Judicial Administration | \$30,826 (2.01%) | \$29,253 | \$26,943 |
| Business Type | \$25,034 (1.63%) | \$22,928 | \$22,716 |
| Total Governmental Expenses | \$1,536,324 | \$1,639,092 | \$1,455,372 |

The County's Primary Government net position increased by \$89 million in fiscal year 2022. During fiscal year 2022, the County experienced a \$94 million increase in tax revenues, driven mainly by an increase in real estate tax revenues due to a 22.7 percent increase in the total taxable assessed values despite a reduction in the real estate tax rate. These outcomes are attributable to a more positive real estate market than the County has experienced over the past few fiscal years, with residential real estate values, which make up 76.1 percent of total assessments, increasing 23.2 percent, commercial and industrial values increasing 22.2 percent and apartment values increasing 24.8 percent.

The County is monitoring the economic impacts of the increasing inflation, having hit a 40-year high in recent months, and the possibility of a recession on the horizon, ending at 9.1 percent in June 2022, after a steady rise throughout the year. Despite the looming possibility of a recession, the County continues to maintain a healthy standing by continuing to receive a AAA bond rating from Fitch Ratings, a Aaa bond rating from Moody's Investors Services and AAA bond rating from Standard & Poors Global Ratings for over a decade, allowing the County to continue to secure long-term financing to fund County and Schools capital projects in accordance with the Board's appropriated Capital Improvements Plan (CIP). Additionally, the County continues to maintain compliance with the Board adopted Principles of Sound Financial Management, building adequate reserves to safeguard the County from unanticipated economic shocks or catastrophic events.

At the end of fiscal year 2022, the total reporting entity had invested \$2,639 million in a broad range of capital assets, including land, buildings, improvements, machinery and equipment, library collections, infrastructure, right-to-use leased assets and construction in progress. This amount represents a net increase (including additions and deductions) of \$89 million or 3.5 percent, over fiscal year 2021. The primary government had invested \$734 million in capital assets, net of accumulated depreciation and amortization. Accumulated depreciation and amortization remained stable between fiscal years 2022 and 2021. More detail about the County's capital assets is presented in Note 9 of the ACFR.

Major Capital Assets

This year's major County capital asset additions included the following:

- The County's capital project activities for fiscal year 2022 included \$8 million expended for fire and rescue vehicles, \$4 million on the animal services center and \$4 million on the Human Capital Management System replacement.
- The School Board reported capital asset additions of \$131 million, which included increases to construction in progress projects of \$83 million for the construction of a 14th high school, \$31.9 million increase in buildings and improvements to sites with the completion of major renovations at three schools, \$7 million increase in land for the purchase of two new schools/building sites, and \$7 million in vehicles with the replacement of 14 buses and 21 trucks, as well as the purchase of 14 additional trucks during the fiscal year, and the remainder of \$2.1 million is attributed to additions to library collections and equipment.

44 CAPITAL PROJECTS | \$147.15M Authorized

\$48.21M Spent-to-date as follows:



Parks and Libraries (30 Projects)

38.36%
\$12.39M Spent

\$32.29M Authorized



Public Safety (7 Projects)

71.44%
\$25.61M Spent

\$35.84M Authorized



Technology Infrastructure (4 Projects)

38.16%
\$8.45M Spent

\$22.15M Authorized

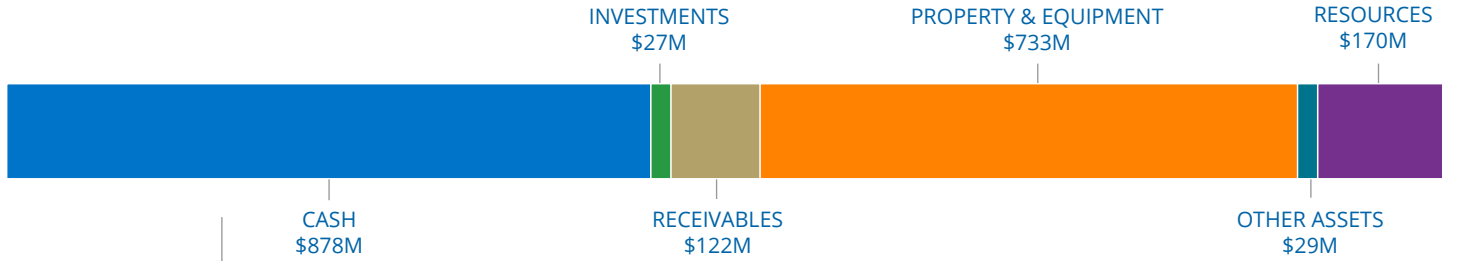


Other (3 Projects)

3.11%
\$1.77M Spent

\$56.88M Authorized

TOTAL ASSETS/RESOURCES | \$1.959B

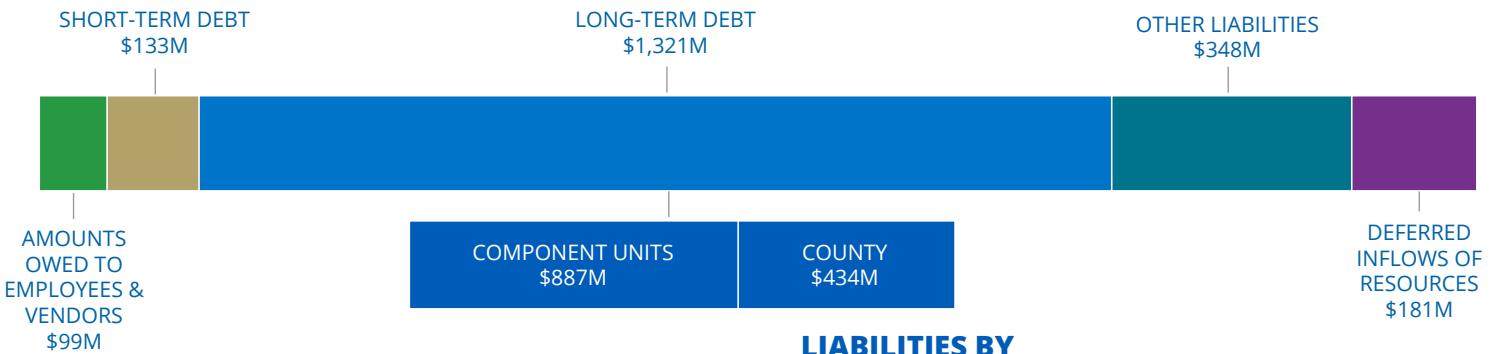


NET DEFICIT | \$(123)M

As a result of the implementation of GASB Statement 68, the County must now show pension liabilities. Prince William County School Board holds the property title of all school facilities and pays the debt service. The debt obligation resides with the County Government, which creates a net deficit to the Net Position.

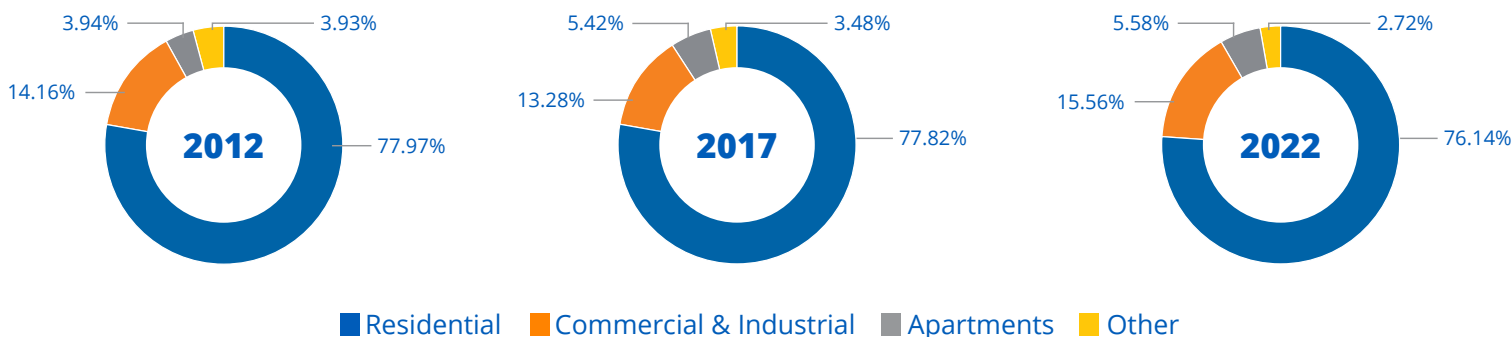
| ASSETS BY TYPE | FY 2022 | FY 2021 | FY 2020 |
|--------------------------------|--------------------|--------------------|--------------------|
| (in \$000s) | | | |
| Cash | \$878,234 | \$890,586 | \$938,402 |
| Investments | \$27,083 | \$19,301 | \$20,108 |
| Receivables | \$122,340 | \$103,158 | \$82,186 |
| Property & Equipment | \$733,322 | \$688,343 | \$664,717 |
| Other Assets | \$28,376 | \$23,114 | \$27,176 |
| Total Assets | \$1,789,355 | \$1,724,502 | \$1,732,589 |
| Deferred Outflows of Resources | \$169,720 | \$168,567 | \$119,510 |

TOTAL LIABILITIES/OBLIGATIONS | \$2.082B



| LIABILITIES BY TYPE | FY 2022 | FY 2021 | FY 2020 |
|-------------------------------|--------------------|--------------------|--------------------|
| (in \$000s) | | | |
| Owed to Employees & Vendors | \$98,263 | \$86,571 | \$70,805 |
| Short-Term Debt | \$133,255 | \$199,545 | \$183,446 |
| Long-Term Debt | \$1,321,179 | \$1,539,251 | \$1,406,666 |
| Other Liabilities | \$347,819 | \$134,625 | \$126,919 |
| Total Liabilities | \$1,900,516 | \$1,959,992 | \$1,787,836 |
| Deferred Inflows of Resources | \$181,485 | \$144,992 | \$270,650 |
| Net Position/(Deficit) | (\$122,926) | (\$211,915) | (\$206,387) |

Percentage of Total Real Estate Revenues



Assessed Value of Taxable Real Property

Residential



Commercial & Industrial



Apartments



Vacant Land & Other



Average Home Sale Price



Population



Prince William County represents 7.6% of the Washington Metropolitan region's population, which stands close to 6.4 million persons according to the 2021 U.S. Census American Community Survey data.

Unemployment Rates

Prince William County



Virginia



Nationally



While the unemployment rate has shown steady improvement over the years since 2012 when it was 5.3% in Prince William County and 8.2% nationally, the largest increase the County experienced was in 2020 when the COVID-19 pandemic initially hit the United States. The County's unemployment rate was 8.9% and nationally was 11.1%. However, by 2022, the pandemic levels had sharply declined to 2.8% in the County and 3.6% nationally.

Personal Property Assessments



Tax Rates—Five-Year Comparison

Real Estate Taxes (per \$100 of assessed value)

| | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 2018 |
|--|----------|----------|----------|----------|----------|
| Base Rate | \$1.0300 | \$1.1150 | \$1.1250 | \$1.1250 | \$1.1250 |
| Fire & Rescue Levy | \$0.0750 | \$0.0800 | \$0.0800 | \$0.0800 | \$0.0792 |
| Mosquito & Forest Pest Management Fee | \$0.0025 | \$0.0025 | \$0.0025 | \$0.0025 | \$0.0025 |

Personal Property Taxes (per \$100 of assessed value)

| | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 2018 |
|---|----------|----------|----------|----------|----------|
| General Class | \$3.7000 | \$3.7000 | \$3.7000 | \$3.7000 | \$3.7000 |
| Heavy Equipment & Machinery | \$3.7000 | \$3.7000 | \$3.7000 | \$3.7000 | \$3.7000 |
| Mining & Manufacturing Tools | \$2.0000 | \$2.0000 | \$2.0000 | \$2.0000 | \$2.0000 |
| Mobile Homes | \$1.0300 | \$1.1150 | \$1.1250 | \$1.1250 | \$1.1250 |
| Computer Equipment & Peripherals | \$1.6500 | \$1.5000 | \$1.3500 | \$1.2500 | \$1.2500 |
| Research & Development | \$1.0000 | \$1.0000 | \$1.0000 | \$1.0000 | \$1.0000 |

Other Taxes—Motor Vehicle License Fees

| | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 2018 |
|--------------------|---------|---------|---------|---------|---------|
| Vehicles | \$33.00 | \$33.00 | \$33.00 | \$24.00 | \$24.00 |
| Motorcycles | \$20.00 | \$20.00 | \$20.00 | \$12.00 | \$12.00 |

Solid Waste Management Annual Fee

| | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 2018 |
|--|---------|---------|---------|---------|---------|
| Single-Family | \$70.00 | \$70.00 | \$70.00 | \$70.00 | \$70.00 |
| Townhouse | \$63.00 | \$63.00 | \$63.00 | \$63.00 | \$63.00 |
| Mobile Home | \$56.00 | \$56.00 | \$56.00 | \$56.00 | \$56.00 |
| Multi-Family (Apartments & Condominiums) | \$47.00 | \$47.00 | \$47.00 | \$47.00 | \$47.00 |
| Business/Non-Residential (per SFE where a SFE = 1.3 tons) | \$70.00 | \$70.00 | \$70.00 | \$70.00 | \$70.00 |

Storm Water Management Annual Fees

| | FY 2022 | FY 2021 | FY 2020 | FY 2019 | FY 2018 |
|--|---------|---------|---------|---------|---------|
| Single-Family | \$44.08 | \$39.36 | \$39.36 | \$39.36 | \$39.36 |
| Townhouse | \$33.06 | \$29.52 | \$29.52 | \$29.52 | \$29.52 |
| Mobile Home | \$33.06 | \$29.52 | \$29.52 | \$29.52 | \$29.52 |
| Multi-Family (Apartments & Condominiums) | \$33.06 | \$29.52 | \$29.52 | \$29.52 | \$29.52 |
| Business/Non-Residential (per 2,059 sq.ft. of impervious area) | \$44.08 | \$39.36 | \$39.36 | \$39.36 | \$39.36 |

Summary

The County's Fiscal Plan is adopted annually by the Board. Their decisions are guided by the County's Strategic Plan and the Comprehensive Plan. The Strategic Plan is adopted every four years and updated annually during the budget process and establishes the goals and long-term vision of the community to guide policy and fiscal decisions of the Board. The adopted strategic goal areas are: Health, Wellbeing & Human Services, Safe & Secure Community, Resilient Economy, Quality Education & Workforce Development, Environmental Conservation, Sustainable Growth and Transportation & Mobility. The Comprehensive Plan is a general guide to the location, character, and extent of proposed and anticipated land use, including public facilities

The budget is adopted by the Board on or before May 1 each year. In conjunction with the Fiscal Plan, the County also prepares a six-year Capital Improvement Plan, which is also adopted by the Board of County Supervisors. The budget directs the allocation of resources for use among the functional areas. The budget is a guiding document for Prince William County Government, while the accounting of actual revenues and expenditures is provided in the ACFR. [Click here to view.](#)

The results of the Popular Annual Financial Reporting Award Program (Program) for the fiscal year ended June 30, 2021, is still pending with the Government Finance Officers Association. However, the County believes that the FY 2021 and the current FY 2022 Popular Annual Financial Reports continue to meet the Program's requirements.

Prince William County, Virginia

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PRINCE WILLIAM
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