



PRINCE WILLIAM
COUNTY

Revenue & Expenditure **REPORT**



3rd Quarter
FY 2026

Published 5/15/2026

PRINCE WILLIAM COUNTY

3rd Quarter FY 2026 Revenues

General Information

Section 2.09 of the ***Principles of Sound Financial Management*** requires a quarterly report on the status of General Fund revenues, expenditures, budget, projections, and trends to be provided to the Board of County Supervisors (BOCS) within forty-five (45) days of the end of each quarter, except for the 4th quarter report. A preliminary 4th quarter report shall be provided within ninety (90) days of the end of the quarter.

Third Quarter Summary

The FY 2026 Adopted Budget projected total general revenues of \$1.73 billion. Third-quarter results show a revenue surplus of \$90.59 million – 5.2% above the Adopted Budget – bringing the revised FY 2026 forecast to \$1.82 billion, roughly \$24.98 million more than the second-quarter projection.

Growth is broad-based: data center expansion has generated supplemental taxable assessments across multiple classifications; stable consumer spending, underpinned by a relatively resilient regional labor market, has sustained Sales Tax, Food and Beverage and Business Professional and Occupational License collections; and Investment Income has outperformed on the strength of higher-than-anticipated returns. Tax Administration's enhanced enforcement efforts have provided an additional lift through Personal Property Penalty collections.

These results emerge against diverging economic signals. While the University of Michigan Consumer Sentiment Index reflects a cautious national outlook – dampened by persistent inflation and interest rate pressures - the Roanoke College Virginia Consumer Sentiment Index rose to 69.3, a 2.5 point gain since late 2025. This regional resilience, supported by wage growth outperforming local inflation, has shifted spending from need-based purchases toward more discretionary, higher-value buying.

Though the current fiscal year is on track to exceed projections, the divergence between national and regional conditions warrants continued monitoring as a leading indicator of future revenue performance, and uncertainty regarding the outlook remains.

A summary of general revenue is provided in the table below.

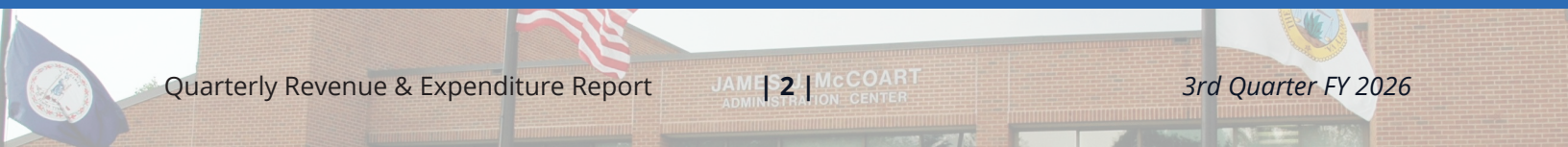
General Revenue Sources	Prior Year FY 2025	Current Year FY 2026					
	Year-End	Adopted Forecast	Q1 Revised	Q2 Revised	Q3 Revised	\$ Change Q3/ Adopted	% Change Q3/ Adopted
Real Property Tax	\$916,208,252	\$1,025,922,000	\$1,025,922,000	\$1,025,922,000	\$1,041,311,000	\$15,389,000	1.50%
Personal Property Tax	404,601,974	436,245,500	436,245,500	494,250,000	497,050,000	60,804,500	13.94%
Motor Vehicle License Tax	13,488,811	13,390,000	13,390,000	13,390,000	13,600,000	210,000	1.57%
Local Sales Tax	99,383,391	102,500,000	102,500,000	102,500,000	102,500,000	0	0.00%
Food and Beverage Tax	46,294,990	40,250,000	40,250,000	40,250,000	40,250,000	0	0.00%
Consumer Utility Tax	14,721,792	15,500,000	15,500,000	15,500,000	15,200,000	(300,000)	(1.94%)
Communications Sales and Use Tax	11,487,049	11,500,000	11,500,000	11,500,000	11,200,000	(300,000)	(2.61%)
BPOL Tax	41,412,532	37,167,000	37,167,000	37,167,000	39,800,000	2,633,000	7.08%
Investment Income	37,948,949	29,400,000	29,400,000	37,000,000	42,500,000	13,100,000	44.56%
All Other Revenue	17,829,701	20,799,000	20,799,000	20,799,000	19,851,500	(947,500)	(4.56%)
TOTAL GENERAL REVENUES	\$1,603,377,442	\$1,732,673,500	\$1,732,673,500	\$1,798,278,000	\$1,823,262,500	\$90,589,000	5.2%

Third Quarter Forecast Revisions

Real Property Tax

Real Property Tax is expected to produce a net surplus of \$15.39 million, bringing the revised forecast to \$1.04 billion. It is comprised of several distinct revenue streams – Real Estate Gross Local Revenue, Land Redemption, Real Estate Public Service – with net revenues adjusted for tax relief, exonerations, deferrals and penalties. Real Estate Gross Local Revenue receipts are coming in \$18.24 million higher than projected, supplemented by a \$262 thousand increase in Land Redemption and a \$1.88 million increase in Public Service properties. These gains are partially offset by a \$5.0 million increase in real estate tax relief.

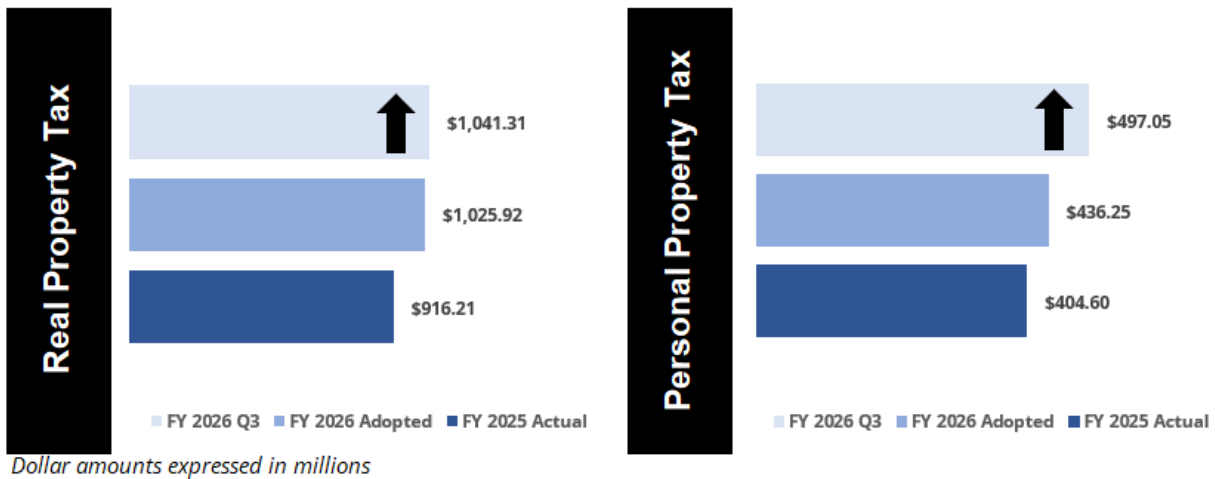
- Real Estate Gross Local Revenue surplus is primarily driven by data center growth, which has generated supplemental taxable assessments exceeding initial estimates.
- Real Estate Land redemption collections fluctuate based on the volume of unpaid taxes aged three years or older and the County’s success in recovering those amounts. Enforcement tools include legal action to compel property sales for unpaid taxes.
- Real Estate Public Service assessments are determined by the State Corporation Commission (SCC) and the Virginia Department of Taxation, though taxes are levied locally. The County receives final assessed values each September. Historically, changes within this classification have been driven by new construction rather than broader market fluctuations, as public service properties are not subject to the same market-driven valuation shifts as other real estate.
- Real Estate Tax Relief increase reflects a rise in applications from Elderly and Disabled residents and Disabled Veterans. Notably, only applications for disabled veteran relief may be honored retroactively.



Personal Property Tax

Personal Property Tax is expected to produce a net surplus of \$60.80 million, bringing the revised forecast to \$497.05 million. It is comprised of two distinct revenue streams - Business Tangible Property and Vehicles – with net revenues adjusted for prior year administrative corrections, personal property deferrals and penalties.

- Business Tangible Property (BTP) is expected to produce a surplus of \$59.0 million, bringing the revised forecast to \$277.0 million. This surplus reflects a \$1.0 million improvement over the \$58.0 million surplus projected in the second quarter of FY 2026. This stronger performance is driven primarily by data center growth, which has generated taxable assessments beyond initial estimates. BTP revenue forecasting depends on equipment installation timing rather than building completion. Equipment is not assessed until January 1 following acquisition, meaning equipment acquired early in the year may not generate revenue for nearly twelve months. Values scale from 50% in year one to a 5% residual by year five, with projections utilizing conservative refresh assumptions to account for varying replacement cycles. Notwithstanding these complexities, data center tangible property revenue has significantly outperformed projections, emerging as a primary driver of the County's fiscal stability. Contributing to this growth is a rate increase on computer equipment – from \$3.70 to \$4.15 per \$100 of assessed value – implemented in FY 2026 to offset reductions in meals and vehicle taxes.
- Vehicles Personal Property Tax collections are expected to meet the adopted forecast of \$214.90 million.
- Personal Property Penalties projections reflect a \$1.80 million increase, largely attributable to Tax Administration's intensified efforts to collect outstanding Vehicles Personal Property receivables.



Motor Vehicle License Tax

Motor Vehicle License Tax is expected to produce a surplus of \$210 thousand, bringing the revised forecast to \$13.60 million, reflecting a modest upward adjustment to the adopted forecast based on actual collections trends observed through the third quarter of FY 2026.

Local Sales Tax

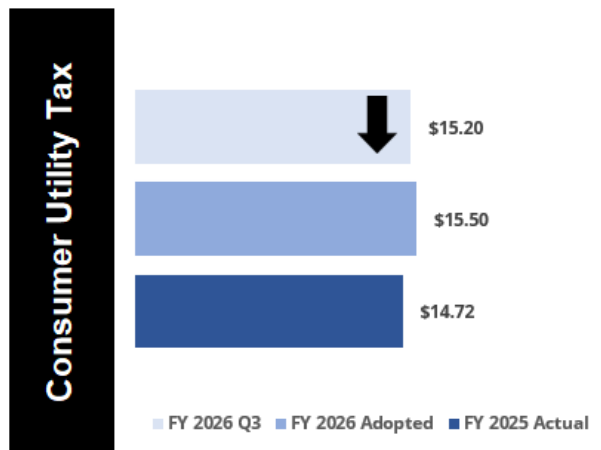
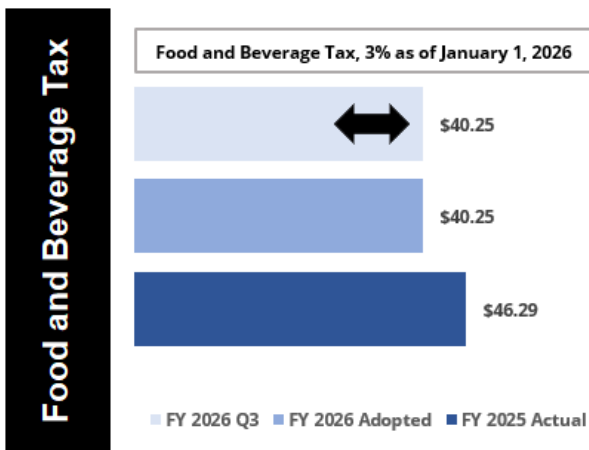
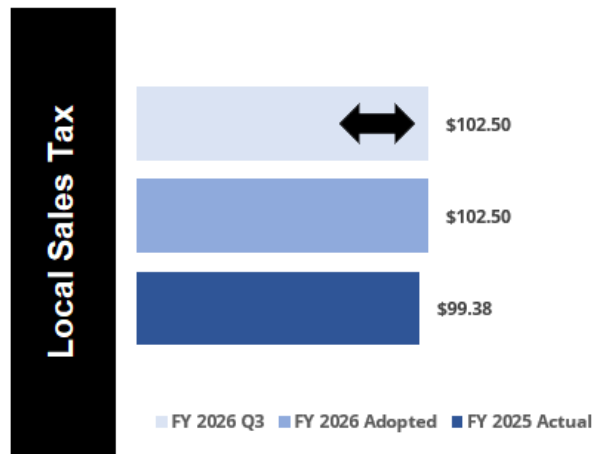
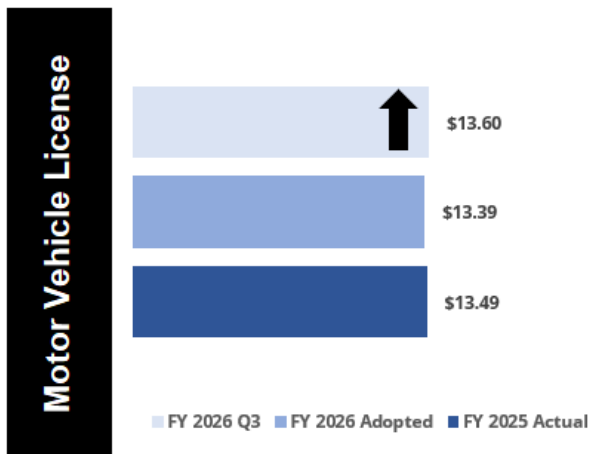
Local Sales Tax is expected to meet the FY 2026 adopted forecast of \$102.50 million. As noted in the summary above, the divergence between national and regional consumer sentiment provides important context for this performance. For Prince William County, the regional resilience captured in the Roanoke College Index has translated into sustained retail activity and strong durable goods sales, keeping collections on track despite broader national headwinds. While the local outlook remains relatively favorable, continued monitoring of this divergence is warranted.

Food and Beverage Tax

Food and Beverage Tax is performing as anticipated and remains on track to meet the FY 2026 adopted forecast of \$40.25 million. Current collections validate the fiscal assumption underlying the January 2026 rate reduction from 4% to 3%, confirming that dining volume has held consistently with projections. This resilience reflects regional competitiveness and stable consumer demand.

Consumer Utility Tax

Consumer Utility Tax is expected to produce a deficit of \$300 thousand, bringing the revised forecast to \$15.20 million, reflecting a modest downward adjustment to the adopted forecast based on actual collections trends observed through the third quarter of FY 2026. Despite the adjustment, the revised forecast still reflects a 3% increase in revenue over FY 2025.



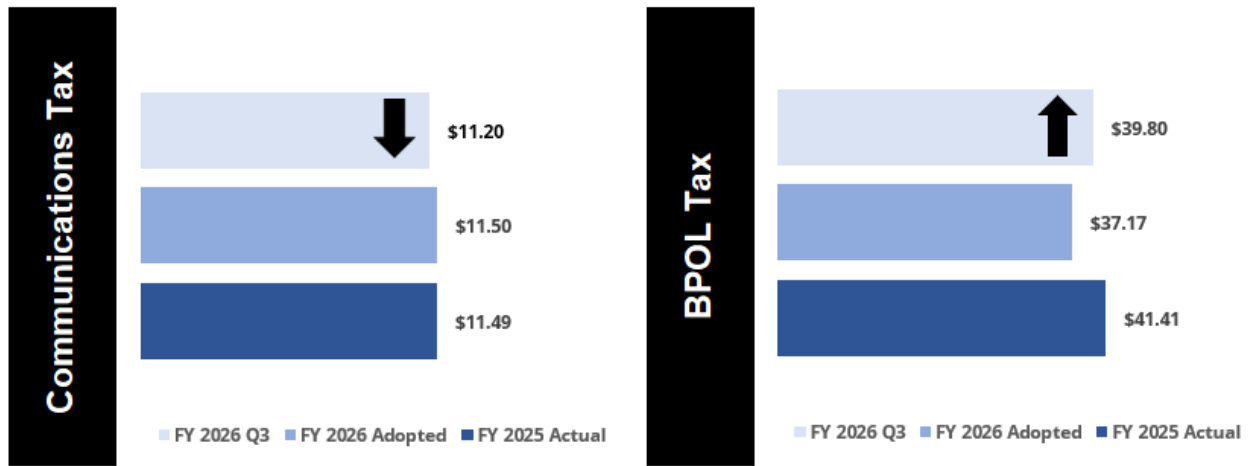
Dollar amounts expressed in millions

Communications Sales and Use Tax

Communication Sales and Use Tax is expected to produce a deficit of \$300 thousand as landline availability is shrinking and new homes prioritize fiber-optic or Ethernet cabling for broadband over traditional phone lines, bringing the revised forecast to \$11.20 million, based on actual collections trends observed through the third quarter of FY 2026.

Business Professional and Occupational License (BPOL) Tax

BPOL Tax is expected to produce a surplus of \$2.63 million, bringing the revised forecast to \$39.80 million. As BPOL revenue is dependent on the consumption of goods and services, the factors driving FY 2026 collections are consistent with those underlying Local Sales Tax and Food and Beverage Tax performance – namely, stable consumer spending patterns reinforced by a relatively resilient regional labor market.



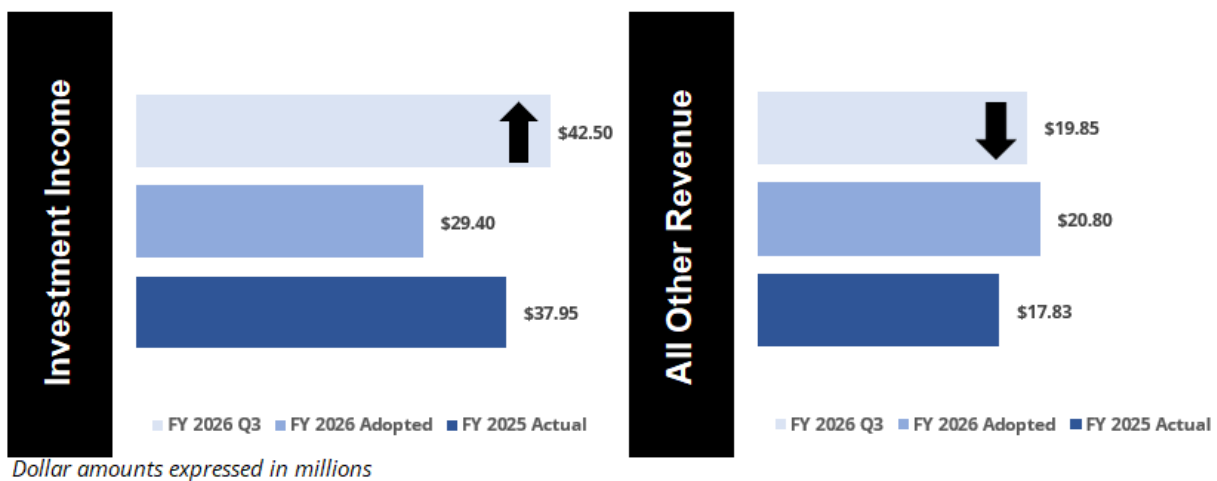
Dollar amounts expressed in millions

Investment Income

Investment Income is expected to produce a surplus of \$13.10 million, bringing the revised forecast to \$42.50 million. This surplus reflects a \$5.50 million improvement over the \$7.60 million surplus projected in Q2 FY 2026. Limited clarity surrounding the inflation outlook, combined with signs of a stabilizing labor market, has led the Federal Reserve to forgo further interest rate cuts since the beginning of the year, supporting higher-than-anticipated rates of return on cash accounts and new fixed income securities purchases. Portfolio performance has further underpinned earnings. The average Local Government Investment Pool (LGIP) balance is approximately \$160 million higher than one year prior, and net bond purchases are up \$177 million versus FY 2025. Through April, FY 2026 bond purchases have generated a weighted yield to maturity of 4.26% - 48 basis points above projection. The revised FY 2026 forecast assumes cash rates will remain at or near current levels, while funds available for fixed income securities investment are also expected to provide a tailwind to overall investment earnings through the remainder of FY 2026.

All Other Revenue

All Other Revenue - comprising fifteen revenue sources each estimated at less than \$5.0 million - is expected to produce a net deficit of \$947 thousand, bringing the revised forecast to \$19.85 million. Modest increases in Consumption Tax, Rolling Stock Tax and Peer-to-Peer Vehicle Rental Platform revenues are more than offset by declines in Transient Occupancy Tax, Cigarette Tax, Interest Paid to Vendors, and Rental Car Passenger Tax.



PRINCE WILLIAM COUNTY

3rd Quarter FY 2026 Expenditures

General Information

The Board of County Supervisors (BOCS) adopted the **Principles of Sound Financial Management**; the County government's guiding financial policies. The Principles require that the BOCS receive a quarterly general fund revenue and expenditure update within 45 days of the end of each quarter.

The County's fiscal year runs from July 1 to June 30. The BOCS adopted an FY 2026 general fund budget of \$1.98 billion.

- \$991.6 million adopted School transfer, in accordance with the County-Schools revenue sharing agreement.
- \$989.9 million adopted County government general fund budget, including transfers.

In accordance with State Code, the County cannot exceed the annual legal appropriation. As a result, the County general fund budget will always have a year-end surplus.

County agencies may have revenue sources other than local taxes that support the general fund expenditure budget. These include charges for services, federal and state revenue, court fines, and fees.

Third Quarter Summary

1. **General Fund Reporting** – This report includes only unrestricted general fund expenditures. It does not include restricted funds within the general fund such as recordation tax designated for mobility, transient occupancy tax mandated for tourism, cable franchise capital grant, proffers, grants, or criminal forfeitures.
2. **Revised FY 2026 Budget** – As of March 31, 2026, the revised County government unrestricted general fund budget, excluding transfers, was \$952.3 million.
3. **Third Quarter General Fund Expenditures** – As of March 31, 2026, 69.0% of the expenditure budget was spent. Excluding Non-Departmental and Debt Service, which are not indicators of direct County agency operations and have a disproportionate share of expenditures during the first quarter, agencies spent 67.5% of the expenditure budget.

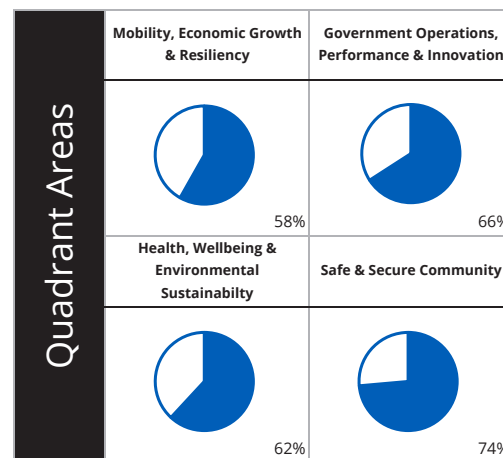
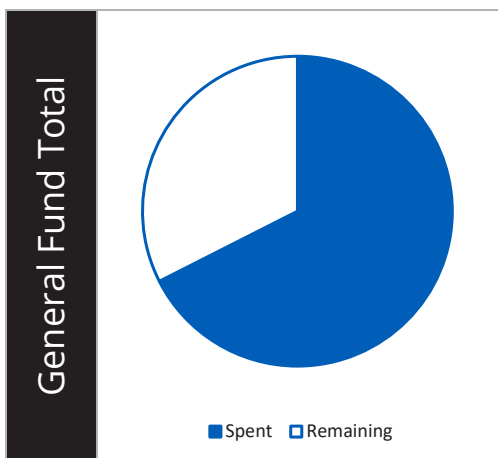
Percent of Budget Spent <i>(Including Debt Service & Non-Departmental)</i>	Percent of Budget Spent <i>(Excluding Debt Service & Non-Departmental)</i>
69.0%	67.5%

- Information Technology Charges** – Information technology costs for the entire fiscal year were billed to County agencies in the first half of the year. Therefore, Internal Services expenditures are higher than normally anticipated, as well as overall general fund expenditures. After excluding Non-Departmental and Debt Service and adjusting for information technology costs billed for the entire fiscal year, agencies spent 66.0% of the operating expenditure budget.

Percent of Budget Spent <i>(Excluding Debt Service, Non-Departmental, & Internal Services)</i>
66.0%

Current projections indicate 98% of the County government’s general fund expenditure budget will be expended by year-end. Projected expenditure savings at the end of the fiscal year are estimated at approximately \$20 million.

- Third Quarter Salary & Benefit Expenses** – Agency salary and benefit expenses as a percentage of budget will be slightly lower through the third quarter as there were nineteen (19) pay periods out of a total of 26 pay periods for the entire fiscal year. There will be an extra pay period accrued during the fourth quarter in May. This means salary and benefit expenses are not evenly distributed throughout the fiscal year.
- Agency Revenue Shortfall** – General fund agency revenue is projected to be \$3 million below budget. The projected agency revenue shortfall primarily occurs in Community Services deferred revenue projections and Area Agency on Aging reimbursements from the Commonwealth and federal government.
- Agency Variances** – Notable variances are reported based on the ‘Spent %’ column on the following pages. Encumbrances are not included in the agency detailed tables and charts.




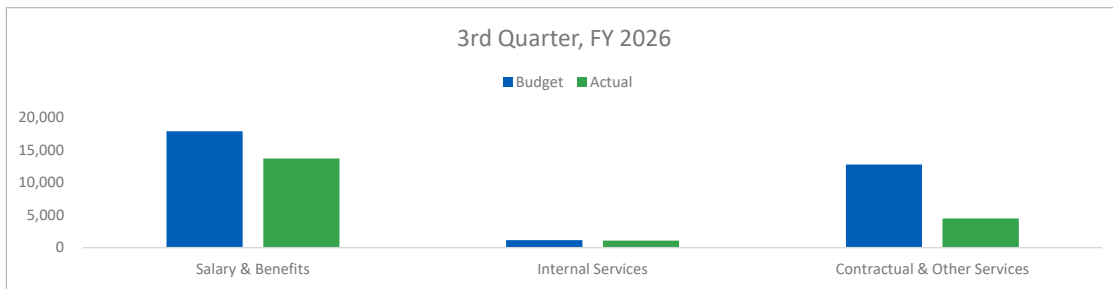
Mobility, Economic Growth & Resiliency Quadrant Area

(Dollar amounts expressed in thousands)

Departments & Agencies

- Development Services
- Economic Development & Tourism
- Planning
- Public Works
- Transportation

Quadrant Area	Spending Category	Budget	Actual	Spent %
Mobility, Economic Growth & Resiliency	Salary & Benefits	17,881.42	13,677.95	
	Internal Services	1,124.68	1,047.37	
	Contractual & Other Services	12,766.02	4,454.20	
	Reserves & Contingencies	(5,495.56)	(3,885.14)	
	26,276.56	15,294.39	58.21%	




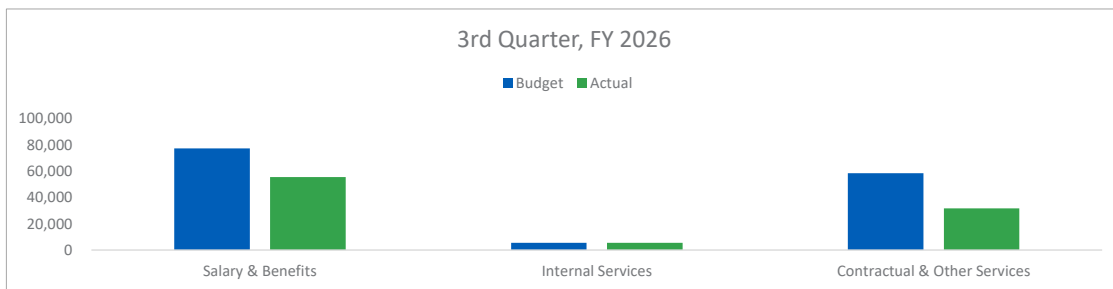
Government Operations, Performance & Innovation Quadrant Area

(Dollar amounts expressed in thousands)

Departments & Agencies

- Board of County Supervisors
- County Attorney
- Elections
- Executive Management
- Facilities & Fleet Management
- Finance
- Human Resources
- Human Rights
- Management & Budget

Quadrant Area	Spending Category	Budget	Actual	Spent %
Government Operations, Performance & Innovation	Salary & Benefits	77,422.21	55,545.23	
	Internal Services	5,503.40	5,509.28	
	Contractual & Other Services	58,470.44	31,784.09	
	Reserves & Contingencies	(5,861.49)	(3,527.48)	
	135,534.56	89,311.12	65.90%	




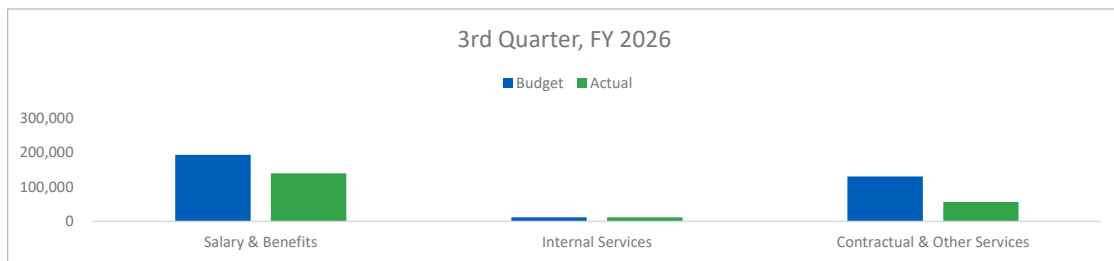
Health, Wellbeing & Environmental Sustainability Quadrant Area

(Dollar amounts expressed in thousands)

Departments & Agencies

- Aging
- Community Services
- Cooperative Extension Service
- Juvenile Court Service Unit
- Library
- Parks & Recreation
- Public Health
- Social Services
- Youth Services

Quadrant Area	Spending Category	Budget	Actual	Spent %
Health, Wellbeing & Environmental Sustainability	Salary & Benefits	193,291.85	139,688.64	
	Internal Services	11,656.11	11,663.86	
	Contractual & Other Services	130,900.80	56,215.79	
	Reserves & Contingencies	(843.05)	(149.40)	
		335,005.70	207,418.89	61.92%




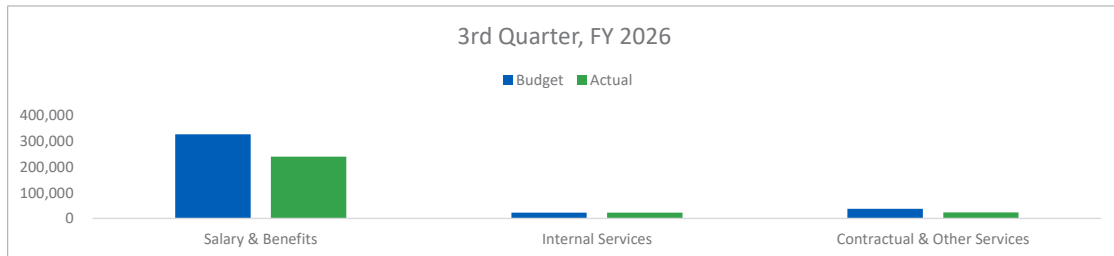
Safe & Secure Community Quadrant Area

(Dollar amounts expressed in thousands)

Departments & Agencies





- Circuit Clerk Court
- Circuit Court Judges
- Commonwealth's Attorney
- Criminal Justice Services
- Fire & Rescue
- General District Court
- Juvenile & Domestic Relations Court
- Magistrates
- Police
- Public Safety Communications
- Sheriff

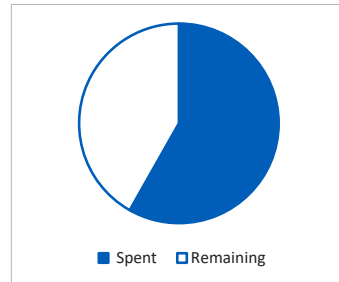
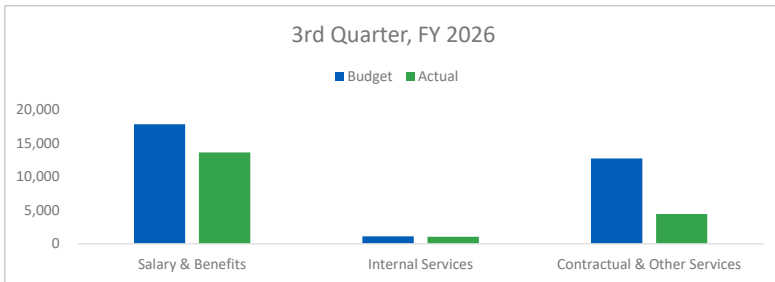
Quadrant Area	Spending Category	Budget	Actual	Spent %
Safe & Secure Community	Salary & Benefits	326,748.22	239,426.81	
	Internal Services	22,182.28	22,008.33	
	Contractual & Other Services	37,655.41	23,115.06	
	Reserves & Contingencies	(142.54)	(122.18)	
		386,443.37	284,428.02	73.60%



Mobility, Economic Growth & Resiliency Quadrant Area

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Economic Development & Tourism	Salary & Benefits	3,580.25	2,456.79	
	Internal Services	190.16	178.16	
	Contractual & Other Services	3,106.91	1,278.03	
	Reserves & Contingencies	(15.40)	0.00	
		6,861.91	3,912.98	57.02%
Planning	Salary & Benefits	2,992.97	2,246.90	
	Internal Services	225.58	225.58	
	Contractual & Other Services	2,294.40	346.96	
	Reserves & Contingencies	(8.06)	0.00	
		5,504.89	2,819.44	51.22%
Public Works	Salary & Benefits	4,765.28	3,547.39	
	Internal Services	360.27	296.73	
	Contractual & Other Services	3,295.53	1,141.82	
	Reserves & Contingencies	(218.61)	(151.37)	
		8,202.48	4,834.55	58.94%
Transportation	Salary & Benefits	6,431.63	5,378.94	
	Internal Services	341.19	339.42	
	Contractual & Other Services	4,066.77	1,686.33	
	Reserves & Contingencies	(5,253.49)	(3,733.76)	
		5,586.10	3,670.93	65.72%













Notable Variances

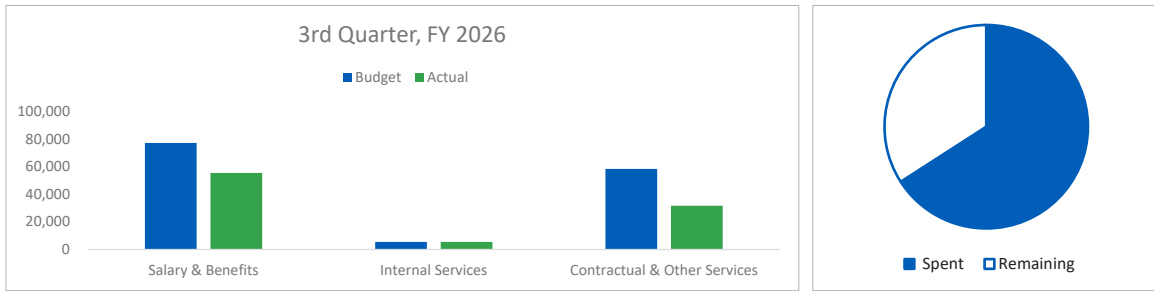
- Economic Development & Tourism** - Purchase of Goods and Services, Contractual & Other Services, and Leases & Rentals categories excludes an additional \$1.0 million in encumbrances. These encumbrances include \$250K for financial advisory services related to the Landing Town Center, \$250K for an Agribusiness & Agritourism study, \$211K for the GO VA implementation grant for an innovation district, \$173K for real estate appraisals for four properties, and \$100K for the GMU Accelerate Entrepreneur Investor Forum Program incentive.
- Planning** - A large portion of the Agency's budget is expected to be spent in Q4 due to ongoing development of Scope of Work documents for contractual and other services, training and professional development costs scheduled through the end of the fiscal year, as well as the upcoming reallocation of funds on existing projects such as Small Area Plans.
- Public Works** - Salary & Benefits expenditures are trending above budgeted levels primarily due to reduced vacancy savings associated with higher staffing levels, as well as increased Sunday and holiday pay within Solid Waste operations. Contractual & Other Services expenditures are currently trending below budgeted levels due to the timing of encumbrances and anticipated expenditures not yet posted.
- Transportation** - Contractual and other services has an additional \$1.17M in encumbrances for street lighting and traffic safety (including automated enforcement) that are not reflected in actuals and the March cost recovery (estimated at \$0.43M) was not posted before the March period close.

Government Operations, Performance & Innovation Quadrant Area

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Board of County Supervisors	Salary & Benefits	4,770.30	3,118.54	
	Internal Services	375.39	375.39	
	Contractual & Other Services	2,571.95	1,190.01	
	Reserves & Contingencies	(12.90)	0.00	
	7,704.74	4,683.95	60.79%	
County Attorney	Salary & Benefits	6,282.28	4,377.70	
	Internal Services	298.54	298.54	
	Contractual & Other Services	1,922.96	793.05	
	Reserves & Contingencies	(181.85)	(104.46)	
	8,321.93	5,364.82	64.47%	
Elections	Salary & Benefits	2,577.76	2,124.84	
	Internal Services	247.28	247.28	
	Contractual & Other Services	3,682.27	1,163.77	
	Reserves & Contingencies	(14.08)	0.00	
	6,493.23	3,535.89	54.46%	
Executive Management	Salary & Benefits	7,827.15	5,096.15	
	Internal Services	385.75	385.75	
	Contractual & Other Services	1,171.80	507.58	
	Reserves & Contingencies	(7.39)	0.00	
	9,377.32	5,989.48	63.87%	
Facilities & Fleet Management	Salary & Benefits	16,418.64	12,147.92	
	Internal Services	1,354.17	1,360.06	
	Contractual & Other Services	40,641.13	25,159.73	
	Reserves & Contingencies	(4,193.84)	(2,133.36)	
	54,220.10	36,534.34	67.38%	
Finance	Salary & Benefits	26,167.85	19,069.61	
	Internal Services	2,012.93	2,012.93	
	Contractual & Other Services	5,944.37	2,156.68	
	Reserves & Contingencies	(503.32)	(322.18)	
	33,621.83	22,917.04	68.16%	
Human Resources	Salary & Benefits	6,613.51	4,706.62	
	Internal Services	578.73	578.73	
	Contractual & Other Services	1,732.08	723.21	
	Reserves & Contingencies	(696.61)	(780.45)	
	8,227.70	5,228.11	63.54%	
Human Rights Office	Salary & Benefits	954.05	734.22	
	Internal Services	46.01	46.01	
	Contractual & Other Services	122.70	24.35	
	Reserves & Contingencies	(0.69)	0.00	
	1,122.07	804.58	71.70%	
Management & Budget	Salary & Benefits	2,671.23	1,888.05	
	Internal Services	142.46	142.46	
	Contractual & Other Services	232.53	19.15	
	Reserves & Contingencies	(0.72)	0.00	
	3,045.50	2,049.66	67.30%	
Procurement Services	Salary & Benefits	3,139.45	2,281.59	
	Internal Services	62.12	62.12	
	Contractual & Other Services	448.66	46.57	
	Reserves & Contingencies	(250.10)	(187.03)	
	3,400.13	2,203.24	64.80%	

Government Operations, Performance & Innovation Quadrant (Continued)












Notable Variances

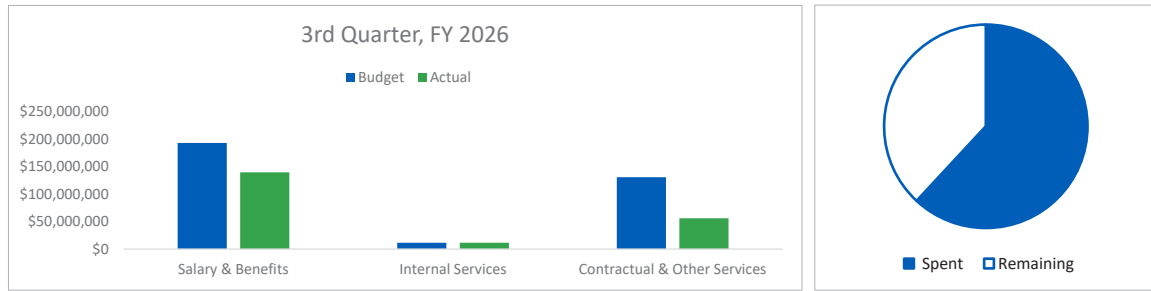
- County Attorney** - County Attorney's Office has experienced several vacancies, including three assistant County attorney positions filled in August and September 2025 and two legal administrative assistant roles filled in December 2025 and March 2026, which—along with potential impacts from Cost-Recovery positions—have affected Salaries and Benefits expenditures. Contractual Services costs remain unpredictable due to ongoing needs for outside legal counsel in collective bargaining and data center matters, requiring sufficient funding and carryover to ensure timely payment of invoices.
- Elections** - Contractual and other services is underspent due to a delay in completing a \$2.38 million voting equipment purchase pending state certification. This will be requested for carry forward into FY27.
- Executive Management** - Salary and benefits spending is under budget due to vacancies such as the DCXO positions for Government Operations and Safe & Secure Community. A portion of the salary and benefit savings was redirected to fund three temporary employees who are usually categorized under contractual services. Consequently, the contractual services category shows lower-than-expected spending. Additionally, OEM has \$86K in encumbrances not yet reflected in actuals, with further Q4 spending expected.
- Facilities & Fleet Management** - Contractual and other services are underspent due to \$11.3M in encumbrances for contractual services such as property management, security services, and building maintenance, which have been reserved but not yet fully utilized.
- Finance** - The Finance Department has nearly \$1.0 million of encumbrances related to the annual audit which will be spent later in the fiscal year.
- Human Resources** - Contractual and other services has \$118K in encumbrances that are not reflected in actuals, and the remaining balance is earmarked to support planned activities that are already in progress or scheduled for execution in Q4.
- Management & Budget** - A portion of the Agency's budget is related to the outstanding procurement of performance management software which is expected to occur in the next fiscal year.
- Procurement Services** - The contractual and other services spending category has a \$300k commitment for the Project Labor Agreement Feasibility Study, which is expected to be awarded in May.

Health, Wellbeing & Environmental Sustainability Quadrant Area

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Aging	Salary & Benefits	5,079.46	3,688.11	
	Internal Services	292.91	293.77	
	Contractual & Other Services	5,613.09	3,816.48	
	Reserves & Contingencies	(47.66)	0.00	
		10,937.80	7,798.37	
Community Services	Salary & Benefits	69,056.51	49,915.33	
	Internal Services	2,836.46	2,846.06	
	Contractual & Other Services	58,267.12	9,438.59	
	Reserves & Contingencies	(158.98)	0.00	
		130,001.11	62,199.98	
Cooperative Extension Service	Salary & Benefits	1,200.18	865.55	
	Internal Services	143.69	143.69	
	Contractual & Other Services	324.16	213.35	
	Reserves & Contingencies	(0.43)	0.00	
		1,667.59	1,222.58	
Library	Salary & Benefits	20,556.42	14,678.79	
	Internal Services	1,780.03	1,780.03	
	Contractual & Other Services	4,142.02	2,181.81	
	Reserves & Contingencies	(30.76)	0.00	
		26,447.71	18,640.63	
Juvenile Court Service Unit	Salary & Benefits	734.02	268.84	
	Internal Services	8.34	8.34	
	Contractual & Other Services	108.60	75.44	
	Reserves & Contingencies	(0.14)	0.00	
		850.82	352.62	
Parks & Recreation	Salary & Benefits	34,346.02	24,094.24	
	Internal Services	3,391.03	3,384.49	
	Contractual & Other Services	14,744.41	7,575.22	
	Reserves & Contingencies	(242.15)	(149.40)	
		52,239.31	34,904.55	
Public Health	Salary & Benefits	2,486.67	1,880.83	
	Internal Services	60.56	60.56	
	Contractual & Other Services	3,146.86	3,084.18	
	Reserves & Contingencies	(30.97)	0.00	
		5,663.12	5,025.57	
Social Services	Salary & Benefits	49,394.47	37,014.29	
	Internal Services	2,542.30	2,542.30	
	Contractual & Other Services	43,046.30	29,229.54	
	Reserves & Contingencies	(324.60)	0.00	
		94,658.47	68,786.13	
Youth Services	Salary & Benefits	10,438.10	7,282.67	
	Internal Services	600.79	604.63	
	Contractual & Other Services	1,508.25	601.17	
	Reserves & Contingencies	(7.36)	0.00	
		12,539.78	8,488.46	

Health, Wellbeing & Environmental Sustainability Quadrant (Continued)











Notable Variances

- Community Services** - The delayed opening of the CRC contributed to underspending in Contractual & Other Services, as CRC full licensing and operations began on January 5, 2026. A large sum of encumbrances (\$1.6M) is tied to CRC operational start-up. While preliminary invoices were received and processed in Q3, full-service invoicing did not begin until April, resulting in higher-than-average expenditures in Q4 due to the delayed opening and timing of state licensing. CS will carry over encumbered funds to support the first full year of expenses through October 2026.
- Juvenile Court Service Unit** - Salaries and Benefits is underspent due to local salary supplement 3rd quarter payment being processed after the quarter was over. The JCSU's Contractual & Other Services is underspent due to \$37K in encumbrances that are not being captured in the quarter.
- Parks & Recreation** - Contractual and Other Services include an additional \$3 million in encumbrances. These encumbrances include \$700K for Lake Ridge fuel tank bollard repairs, \$350K for Catharpin Park splash pad and picnic shelter repairs, and the remaining amount is for utilities and day-to-day operating and maintenance supplies. Spending in Parks and Recreation is not evenly distributed across quarters, as many costs are driven by seasonal programming, peak operations, and the timing of maintenance and contracts. The department actively manages its budget with this in mind and plans for higher expenditures in the latter part of the year, including hiring seasonal staff and opening water parks.
- Public Health** - Public Health's budget is overspent due to the \$1.1 million payment of the 4th quarter local agreement and local salary supplement before the 4th quarter officially began.
- Youth Services** - Contractual and other services has an additional \$253K in encumbrances that are not reflected in actuals and is underspent partially due to the deferral of the case management system to FY27 (valued at \$275k).




Safe & Secure Community Quadrant Area

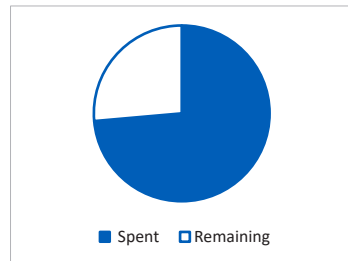
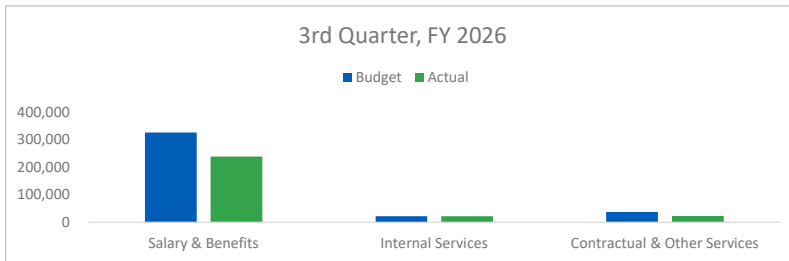
(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Circuit Court Clerk	Salary & Benefits	5,831.72	4,184.31	
	Internal Services	274.28	274.28	
	Contractual & Other Services	1,087.99	371.74	
	Reserves & Contingencies	(3.74)	0.00	
		7,190.26	4,830.33	
Circuit Court Judges	Salary & Benefits	1,918.83	1,365.67	
	Internal Services	82.57	73.50	
	Contractual & Other Services	103.39	73.86	
	Reserves & Contingencies	(0.94)	0.00	
		2,103.85	1,513.04	
Commonwealth Attorney	Salary & Benefits	14,034.57	9,636.54	
	Internal Services	742.40	729.73	
	Contractual & Other Services	879.12	452.47	
	Reserves & Contingencies	(4.55)	0.00	
		15,651.54	10,818.73	
Criminal Justice Services	Salary & Benefits	7,585.39	5,424.47	
	Internal Services	416.54	416.54	
	Contractual & Other Services	1,001.75	629.66	
	Reserves & Contingencies	(6.05)	0.00	
		8,997.64	6,470.67	
Fire & Rescue	Salary & Benefits	131,659.37	98,800.05	
	Internal Services	5,752.16	5,776.79	
	Contractual & Other Services	11,082.21	7,752.94	
	Reserves & Contingencies	(53.06)	0.00	
		148,440.69	112,329.78	
General District Court	Salary & Benefits	1,991.31	1,257.58	
	Internal Services	23.11	23.11	
	Contractual & Other Services	398.81	236.16	
	Reserves & Contingencies	(1.75)	0.00	
		2,411.48	1,516.85	
Juvenile & Domestic Relations Ct	Salary & Benefits	658.81	497.37	
	Internal Services	32.92	32.92	
	Contractual & Other Services	109.27	67.58	
	Reserves & Contingencies	(0.66)	0.00	
		800.34	597.88	
Magistrates	Salary & Benefits	88.73	64.84	
	Internal Services	20.13	20.13	
	Contractual & Other Services	10.39	2.26	
	Reserves & Contingencies	(0.08)	0.00	
		119.16	87.23	

Safe & Secure Community Quadrant (Continued)

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Police	Salary & Benefits	131,909.70	95,205.27	
	Internal Services	12,796.37	12,658.72	
	Contractual & Other Services	18,221.77	11,037.26	
	Reserves & Contingencies	(42.20)	0.00	
		162,885.65	118,901.26	
Public Safety Communications	Salary & Benefits	14,590.92	10,731.54	
	Internal Services	601.30	596.90	
	Contractual & Other Services	2,789.21	1,438.79	
	Reserves & Contingencies	(21.25)	0.00	
		17,960.18	12,767.22	
Sheriff	Salary & Benefits	16,478.85	12,259.16	
	Internal Services	1,440.50	1,405.71	
	Contractual & Other Services	1,971.49	1,052.33	
	Reserves & Contingencies	(8.27)	(122.18)	
		19,882.57	14,595.03	




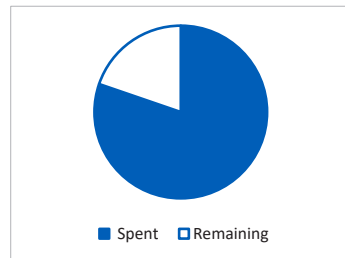
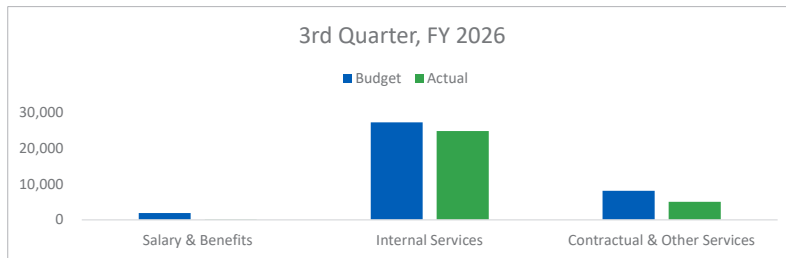
Notable Variances

- Circuit Court Clerk** - Contractual and Other Services include an additional \$229K in encumbrances. The Circuit Court Clerk's Office is working with a software vendor to finalize a new land records management system. This initiative is expected to significantly increase expenditures in Q4.
- Commonwealth's Attorney** - Salary & Benefits is underspent due to several vacancies. The Contractual & Other Services is underspent due to \$24K in encumbrances that are not being captured in the quarter.
- General District Court** - Salaries and Benefits is underspent due to GDC's and the Office of the Public Defender's local salary supplement. The GDC's Contractual & Other Services is underspent due to \$44K in encumbrances that are not being captured in the quarter.

Non-Departmental

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Non-Departmental	Salary & Benefits	1,885.83	86.11	
	Internal Services	27,262.10	24,790.28	
	Contractual & Other Services	8,135.70	5,046.10	
	Reserves & Contingencies	0.00	0.00	
		37,283.63	29,922.49	




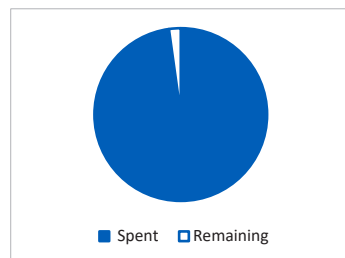
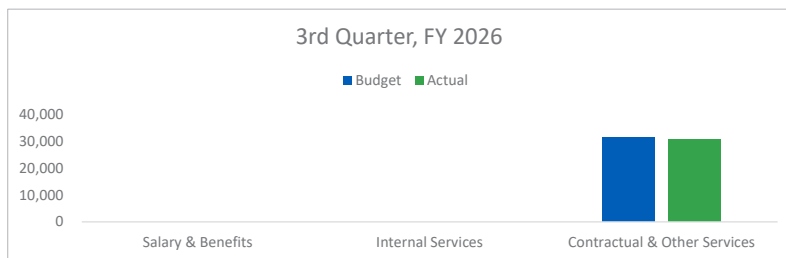
Notable Variances

1. **Non-Departmental** - The following payments were made through the third quarter of the fiscal year: Countywide internal services cost for information technology services (\$14.7M), Self-Insurance Workers Compensation (\$6.8M), Self Insurance Casualty Pool (\$3.3M), Hylton Performing Arts Center Contribution (\$2.0M), Northern Virginia Community College Contribution (\$0.9M), Council of Government membership dues (\$0.8M), Property and Miscellaneous Insurance Premiums (\$0.7M), and Community Partner donations (\$0.6M).

Debt Service

(Dollar amounts expressed in thousands)

Department	Spending Category	Budget	Actual	Spent %
Debt Service	Salary & Benefits	0.00	0.00	
	Internal Services	0.00	0.00	
	Contractual & Other Services	31,791.43	31,093.53	
	Reserves & Contingencies	0.00	0.00	
		31,791.43	31,093.53	



Notable Variances

1. **Debt Service** - The majority of the County's debt service obligations are scheduled for payment in the first half of the fiscal year and have already occurred by the third quarter.

PRINCE WILLIAM COUNTY

3rd Quarter FY 2026 Economic Insights

Economic Health Monitor

Indicator	March 2026	December 2025
Consumer Price Index	3.3%	2.7%
Gross Domestic Product	2.0%	0.5%
U.S. Retail Sales	1.7%	0.7%
U.S. Unemployment Rate	4.5%	4.3%
Virginia Unemployment Rate	3.8%	3.6%
Prince William Co. Unemployment Rate	3.9% ¹	3.3%

1. As of February 2026. March unemployment rate scheduled to be released on 5/19.

U.S. and Local Economic Brief

As the global community navigates the second half of the 2020's, the decade has been defined by a growing list of events deemed "unprecedented." Still, in the face of persistent geopolitical and economic turbulence, U.S. economic expansion has remained comparatively resilient, supported by structural advantages and, to some extent, enduring confidence in American exceptionalism. Whether the present energy shock impacting many households constitutes a tipping point toward an economic downturn will rest on the duration of the Middle East conflict and the capacity of the broader economy to withstand prolonged cost pressures. Expectations that the U.S. economy can withstand the ongoing energy market disruption is predicated on the assumption that oil prices do not rise materially higher. Aditya Bhawe of Bank of America points out that rising gasoline prices have already diminished nearly half of the income gains generated by tax refunds. Attempting to assess the path forward, Bhawe compared current wholesale gasoline futures to their February 27 pre-war levels to estimate the additional pressure on household finances. "We estimate the full-year "gas tax" to be around 0.5% of GDP. That is about equal to the boost we estimate from the One Big Beautiful Bill or AI capex. This drag could be much higher as we only focus on gasoline, and the energy shock should drive up the costs of other goods and services."

Even if transit of oil and other commodities were to normalize quickly, the impact from the disruption is likely to resonate for an indeterminate period. Infrastructure restoration and security expenditures, inventory replenishment, and higher shipping insurance premiums represent key channels through which cost pressures may persist. Such a scenario presents downside risks for lower- and middle-income households confronting stagnant wage growth and increasing credit delinquencies, as elevated energy prices are further exacerbated by tax relief measures that may fall short of expectations. According to

Pacific Investment Management Company (PIMCO), pre-filing projections pointed to average refunds rising by \$800 - \$1,000 compared to last year. Instead, PIMCO noted that “refunds appear to be running closer to an average increase of roughly \$300, according to the U.S. Treasury Department.” At the same time, the savings rate has steadily declined, – falling to 3.6% as of March – diminishing the capacity of consumers to withstand additional price pressures. All told, the energy shock not only presents challenges to the business community but compounds a cost-of-living issue that was already problematic for millions of Americans. In a recent note, Apollo Global Management highlighted that “data on consumer confidence shows sentiment falling for households making less than \$50,000 a year, while households making more than \$100,000 are seeing consumer confidence go up.” As Apollo noted, the divergence likely reflects differing concerns, with lower-income households focused on rising gas prices and higher-income households more attuned to gains in equity markets. The widely cited “K-shaped” economy appears poised to become a durable trend.

Consumer Price Index (CPI) The inflationary impact from the Iran war was transmitted to consumers during March through a surge in gasoline prices, driving the monthly inflation reading to the highest level in nearly four years. Although core inflation (excludes food and energy) was subdued, the duration of the conflict, coupled with upstream producer prices that were accelerating prior to the war, will shape the pace at which price pressures extend to goods and services in the months ahead. Headline CPI rose sharply in March to 0.9% versus 0.3% the prior month. The year-over-year rate climbed to 3.3% from 2.4% in February, marking the first breach of 3.0% since September 2025. Energy costs were the overwhelming driver, contributing 0.7 percentage points to overall CPI. Gasoline prices rose 21.2% in March versus 0.8% the previous month, the largest increase on record. After declining 0.7% in February, electricity costs increased 0.8%, while consumers of natural gas saw prices fall 0.9% in March following a 3.1% increase the prior month. Food at home prices - a source of persistent strain for many households - fell 0.2% in March, snapping a streak of monthly increases dating back to March of last year. However, with energy costs on the rise, upward pressure on food prices will likely reemerge over the near term. Core inflation - closely tracked for evidence of ongoing cost pressures - rose 0.2% in March, matching the prior month's reading. The year-over-year pace rose 2.6%, slightly higher than February's 2.5% increase. Core goods inflation remained at 0.1%, driven primarily by a decrease of 0.4% in used vehicle prices. New vehicle prices rose 0.1%, up slightly from 0.0% in February. Price declines of 1.0% for medical care commodities and 0.2% for household furnishings also contributed to relatively tame goods inflation. Partially offsetting those decreases were higher prices of 1.0% for apparel and 0.5% for recreational commodities. Core services' inflation slowed to 0.2% in March from 0.3% the prior month. On a year-over-year basis, core services' prices increased 3.0%. Owner's equivalent rent, which measures the cost a homeowner would pay to rent their home, rose 0.3% versus a 0.2% increase in February. Rent of a primary residence, a reflection of the actual cost of renting a home, increased 0.2% in March, up from 0.1% the previous month. Carrying an index weight equal to approximately one-third of overall CPI, the shelter category is a significant driver of not only services inflation but the entire CPI basket. Transportation services, a segment facing persistent cost pressures, advanced 0.6% in March and 4.1% over the prior year. In a possible indication that elevated gasoline costs are curbing discretionary services demand, prices in categories such as hotels, recreation services, and other personal services posted notable declines in March.

Gross Domestic Product (GDP) U.S. economic expansion accelerated in the first quarter after experiencing a sharp slowdown in the final quarter of last year. The recovery was primarily underpinned by business investment, with a portion of growth likely redistributed into the first quarter after the government shutdown in late 2025. Business investment by mega-cap technology firms this year, estimated at up to \$725 billion, will be a critical pillar of support for the U.S. economy as consumer spending, the traditional driver of economic growth, faces potential headwinds if the conflict in the Middle East persists. Adjusted for inflation, the advance estimate of GDP showed the U.S. economy grew 2.0% on an annualized basis during the quarter, below the consensus estimate of 2.3%. While a 2.0% rate of expansion appears respectable given the final third of the quarter was impacted by surging energy costs, economist David Rosenberg's analysis points to a lopsided distribution of growth. According to Mr. Rosenberg, net of AI spending, health care, and financial services - which collectively expanded at an 11% annual rate

- the remaining 72% of the economy shrank at a -1.1% annualized pace, following a -1.8% decline in the previous quarter. Final sales to private domestic purchasers, which exclude inventories and trade and is a key metric utilized to assess trends in consumption behavior, registered an upside surprise of 2.5% versus 1.8% the prior quarter. Accounting for approximately two-thirds of GDP, consumer spending rose 1.6%, moderating from 1.9% in the previous quarter. The advance was driven by services spending of 2.4%, led by increases of 4.6% in financial services and 4.5% in healthcare. Food services and accommodations spending represented a drag on aggregate services consumption, falling 2.8%. With durable goods spending flat versus the prior quarter and nondurable goods declining 0.2%, the overall pace of goods consumption dipped 0.1%.

Labor Market After shedding 133,000 jobs in February - largely attributed to temporary disruptions such as the Kaiser Permanente strike and inclement weather - payroll growth recovered in March. While the latest Bureau of Labor Statistics report, alongside other recent indicators of labor market health, suggests employment conditions have steadied, the limited breadth of sector-level hiring remains a concern. Moreover, as a significant energy shock ripples through the global economy, downside risks to job growth could emerge, particularly if firms struggle to pass through rising input costs. The preliminary nonfarm payrolls estimate for March revealed a gain of 178,000 jobs, surpassing the consensus projection of 65,000. The three-month moving average rose to 68,000 versus the February mark of 3,000. The unemployment rate edged down to 4.3% in March from 4.4% the previous month, driven primarily by a decrease in the labor force of 396,000 workers. A decline in the participation rate to 61.9 from 62.0 in February provided additional - albeit modest - support in lowering the unemployment rate. Private service-providing employment accounted for the largest portion of job growth, adding 143,000 workers to company payrolls. On trend with prior months, job gains were narrowly concentrated, led by an increase in health care and social assistance of 91,000. Additional contributions to private service sector job growth were leisure and hospitality of 44,000 and transportation and warehousing of 21,000. Goods producing employment grew 43,000, supported by gains in construction of 26,000 and manufacturing of 15,000. According to Bloomberg Economics, "March's strong payrolls report - which shows labor market conditions are stable or even are accelerating slightly - will reduce the urgency for the FOMC to cut rates or for President Trump to wrap up the Iran war quickly. We think that picture will change in 2H if the Fed keeps rates on hold and the war is prolonged."

Retail Sales Elevated fuel costs contributed prominently to the topline gain in March retail sales. Despite consumers allocating a higher portion of their budgets to energy, overall demand was more resilient than anticipated, likely a reflection of higher tax refunds. While concerns of a consumer led downturn have yet to materialize under the weight of cost-of-living challenges for many Americans, higher-income households remain a critical pillar of support for discretionary spending. According to Bank of America, spending growth by higher-income households "remains well ahead of those in middle - and lower-income groups." The bank noted that although the "gap narrowed slightly in March, that's because gas comprises a higher share of lower-income household budgets." The advance estimate of retail sales for March rose 1.7% versus 0.7% one month prior. The consensus estimate pointed to a 1.4% increase. The gain was predominantly bolstered by a 15.5% rise in sales at gasoline stations, while a rebound in sales for furniture and home furnishing stores of 2.2% and general merchandise stores of 1.0% also provided a measure of support. Additional details from the March report revealed sales excluding vehicles and gasoline rose 0.6%, unchanged versus the previous month. Control group sales - which exclude food services, auto dealers, building-material stores, and gasoline stations - rose 0.7% compared to 0.6% in February. The control-group category is often viewed as a key indicator of underlying consumer spending trends. Spending at food services & drinking places - a proxy for services consumption - rose 0.1% in March, down from 0.5% the prior month.

Local When assessed through the lens of unemployment rates, Prince William County's labor market exhibited a softening trend based on data available through February. The unemployment rate rose to 3.9% in February from 3.3% in December. According to data published by the Bureau of Labor Statistics, the County's labor force declined to 261,370 in February versus 264,813 in December. The number of employed residents shrank by 4,710, while the number of unemployed individuals increased by 1,321 during the same period. While the availability of granular data to assess the health of the County's

job market at a sector level is limited, a leading indicator that can be utilized to measure labor market conditions are initial claims for unemployment insurance. For the period spanning January through March, average initial claims per month fell modestly to 591 versus a per month average of 624 from October through December. The trajectory of claims over the past six months, combined with higher unemployment, suggests that the County's labor force dynamics are being shaped by softening demand for workers, a trend that aligns with the national labor market environment.

Prince William County Real Estate Market

Residential Sales Activity The following highlights are based on Metropolitan Regional Information Systems (MRIS) data for the quarters ended March 2026 and March 2025.

Category	March 2026	March 2025	Increase/(Decrease)
Median Sold Price	\$593,500	\$550,000	7.9%
Units Sold	406	296	37.2%
Active Listings	602	448	34.4%
Average Days on Market	25	19	31.6%
New Listings	551	492	12.0%

Thirty-year mortgage rates have gradually declined over the previous twelve months, driven in part by concerns that consumer-led economic growth could slow amid a softening labor market. Nevertheless, housing affordability constraints persist, as elevated - albeit moderating - home prices and challenging financing costs pose obstacles for many Americans. Freddie Mac's Primary Mortgage Market Survey indicates the average 30-year fixed rate mortgage is roughly 6.30%. According to Freddie Mac, "purchase demand has accelerated with purchase applications rising to over 20 percent above a year ago. It is clear that purchase demand continues to hold up as prospective buyers react to both modestly lower rates and more inventory to choose from than the last few years." Virginia Realtors monthly Confidence Survey indicated the organization's Buyer Activity Index rose to 52 in March versus 46 one year prior. Approximately 23% of realtors assessed buyer activity in their local market as "high" or "very high", while roughly 19% rated buyer activity as "low" or "very low." According to Virginia Realtors, 32% of realtors that responded to the survey cited "limited housing options as a major barrier" for their clients. Roughly 12% pointed to elevated mortgage rates as the primary obstacle, whereas 5% noted that prospective buyers struggled to accumulate a down payment. A separate index produced by Virginia Realtors that measures realtors' opinions about market performance three months forward fell to 57 in March from 66 the previous month. Approximately 31% of survey participants thought buyer activity over the next three months would be higher in their respective markets, while 17% indicated buyer activity would decline.

Commercial Sector For the quarter ended March 2026, Costar Realty Group (Costar) reported the County's commercial inventory included 64.2 million square feet (sq. ft.) spread over 2,301 properties and 2.0 million sq. ft. of vacant space. The vacancy rate was 3.1% compared to 2.5% at the end of the prior quarter.

- InsideNova reported on April 14 that Amazon Data Services purchased approximately 44 acres for \$120 million at 6922, 6984 and 6898 Wellington Road and 8019 Devlin Road. The sale closed in February. The properties are adjacent to the former Merrifield Garden Center, which closed its doors on December 31, 2025, after being sold to a separate data center developer for \$160 million.



**PRINCE
WILLIAM
COUNTY**

**Department of Finance
Office of Management and Budget**
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