



PRINCE WILLIAM
COUNTY

Fiscal Year 2025 Fiscal Health Outlook Report

Published June 2026

Purpose of Report

- To illustrate the County's financial condition through Fiscal Year 2025 from the lens of the credit rating agencies, trend analysis, and comparison to peers.
- The County was last rated by the credit rating agencies in October 2025 and affirmed Aaa / AAA / AAA by Moody's Investors Service, S&P Global Ratings, and Fitch Ratings, respectively.

Moody's	S&P	Fitch
Most Recent Review: October 24, 2025	Most Recent Review: October 27, 2025	Most Recent Review: October 27, 2025
Aaa (stable outlook)	AAA (stable outlook)	AAA (stable outlook)

Peer Group Comparison

- The County's peer group was selected to include:
 - Triple-A rated localities
 - Similar geography
 - Similar size: General Fund and Full Value (market value of taxable property)

Locality	Ratings	Population	Full Value (\$000s)	General Fund Revenues (\$000)
Fairfax County, VA	Aaa/AAA/AAA	1,147,837	325,309,467	5,532,238
Loudoun County, VA	Aaa/AAA/AAA	432,998	201,300,092	2,840,791
Wake County, NC	Aaa/AAA/AAA	1,178,653	354,629,139	2,100,888
Anne Arundel County, MD*	Aaa/AAA/AAA	598,166	110,675,404	2,062,564
Prince William County, VA	Aaa/AAA/AAA	488,880	137,561,804	1,796,321
Arlington County, VA	Aaa/AAA/AAA	236,254	97,035,323	1,631,803
Howard County, MD	Aaa/AAA/AAA	336,328	67,707,385	1,500,679
Henrico County, VA	Aaa/AAA/AAA	335,744	71,563,364	1,173,542
Chesterfield County, VA	Aaa/AAA/AAA	377,869	75,371,485	1,021,328
Hanover County, VA	Aaa/AAA/AAA	112,879	26,949,463	395,250

Key Takeaways

County's Credit Ratings:

- ✓ Maintains the highest possible credit ratings from all three, primary rating agencies
- ✓ Strong management team, relatively low debt levels, and high resident incomes
- Fund balance levels and economic output lag triple-A medians
- Scores "Low" AAA from Fitch, as economic diversification and population growth lags many triple-A peers
- Received caution that ratings could be negatively impacted if the growth in debt outpaces growth in revenues

County's Historical Trend:

- ✓ Stable local economic growth, available fund balance, and operating results
- ✓ Declining liabilities and fixed costs
- ✓ Growing assessed value and median household income
- Available liquidity has declined over the past two fiscal years

Comparison to Peer Group:

- ✓ Stronger than peer group for operating results, liabilities and fixed costs
- Below peer group for economic growth, available fund balance and liquidity

Summary of Key Ratios

How Prince William Compares Based on FY25 Results

Metric	Five-Year Trend (Since FY 2021)	Relative to Selected Peers	Relative to Moody's Aaa County Median
Assessed Value per Capita	Increasing	Comparable	Outperforms
Adjusted Median Household Income	Increasing	Comparable	Outperforms
GCP Per Capita as % U.S.	Stable	Underperforms	N/A
Per Capita Personal Income as % of U.S.	Stable	Underperforms	N/A
Operating Result	Stable	Outperforms	N/A
Available Fund Balance as % Operating Revenues	Stable	Underperforms	Underperforms
Available Fund Balance as % General Fund Revenues	Stable	Underperforms	N/A
Liquidity as % Operating Revenues	Decreasing since FY24	Underperforms	Underperforms
Long-Term Liabilities as % Operating Revenues	Decreasing	Outperforms	Outperforms
Fixed Costs as % Operating Revenues	Decreasing	Outperforms	Outperforms

What is a Credit Rating?

- Measures the risk to the investor that issuer will default, both the willingness and ability to pay
- Drives the interest rate on bonds
- Major ratings agencies are Moody's Investors Service, Inc. ("Moody's"), Standard and Poor's ("S&P"), Fitch Ratings ("Fitch")
- In 2010, Kroll Bond Rating Agency ("KBRA") was established as another rating agency



Moody's		S&P/Fitch/KBRA	
Aaa	Highest quality	AAA	Highest quality
Aa	Aa1	AA	AA+
	Aa2		AA
	Aa3		AA-
A	A1	A	A+
	A2		A
	A3		A-
Baa	Baa1	BBB	BBB+
	Baa2		BBB
	Baa3		BBB-

Note: Rating scales shown from highest (top) to lowest (bottom) within the categories displayed.

What Goes into a Credit Rating?

- Each credit rating agency applies its own methodology, criteria, and metrics that are factored into ratings
- Certain ratings factors are outside of the County's control or are difficult to control (e.g., institutional framework, wealth levels)
- Moody's and S&P analyze each metric based on a fixed rating threshold while Fitch compares each metric to other localities within their rating portfolio

Rating Factors	Moody's Weight	S&P Weight	Fitch Weight
Economy & Demographics	30%	20%	43%
Financial Performance	-	20%	35%
Reserves and Liquidity	30%	20%	-
Debt and Liability Burden	30%	20%	21%
Management	-	20%	-
Institutional Framework	10%	-	-
Total Weight	100%	100%	100%*

Source: Moody's "US Cities and Counties Methodology," November 2, 2022, S&P's Methodology For Rating U.S. Governments, dated September 9, 2024, Fitch's "U.S. Public Finance Local Government Rating Criteria," dated April 2, 2024.

Summary of Prince William's Key Credit Considerations



Strengths

Revenue base is growing & diversifying

Proximity to the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Statistical Area

Economic growth slightly lags the nation

Weaknesses

Very strong management & planning culture

Strong wealth & education levels

Well-funded pension & OPEB plans

Stable reserves, though lag medians

Moderate debt & pension burdens

Economic output significantly below the national average

Moody's

S&P

Fitch

Credit Challenges

"...available fund balance is below Aaa medians, though it has been exceptionally stable...over the past five years"

"Though the County has maintained reserves at solid levels, they lag those of similarly rated peers and somewhat offset the aforementioned credit strengths."
 "Population growth and rising debt may lead to some expenditure pressure in future years..."
 "...the rating could be pressured should new money debt issuances outpace total revenue and expenditure growth."

"The presence of [Quantico and the FBI's office] helps attract contractors and federal agencies, but also exposes the County to changes in federal defense spending which has been subject to volatility."

Factors that could lead to a Downgrade

- Structural imbalance, leading to fund balance below 15% of revenues
- Significant increase in long-term liabilities, exceeding 250% of revenues

- A significant drawdown of reserves
- Material increase in debt liabilities

- Sustained increases in long-term liabilities by ~10%
- Material weakening in demographic or economic metrics
- Decrease in available general fund balance below 10%

Financial Performance & Key Metrics



Moody's Economy Metric: Adjusted MHI as % of Revenues

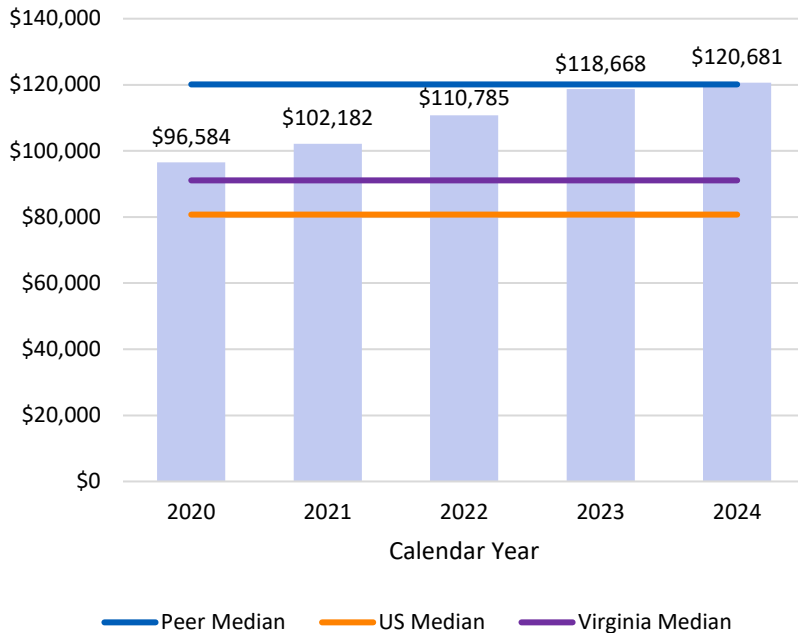
Description: Measures County's median household income (MHI), adjusted for the cost of living, relative to that of the United States

Key Takeaway: County's MHI is growing, comparable to its peer group, and above the US and Virginia State medians

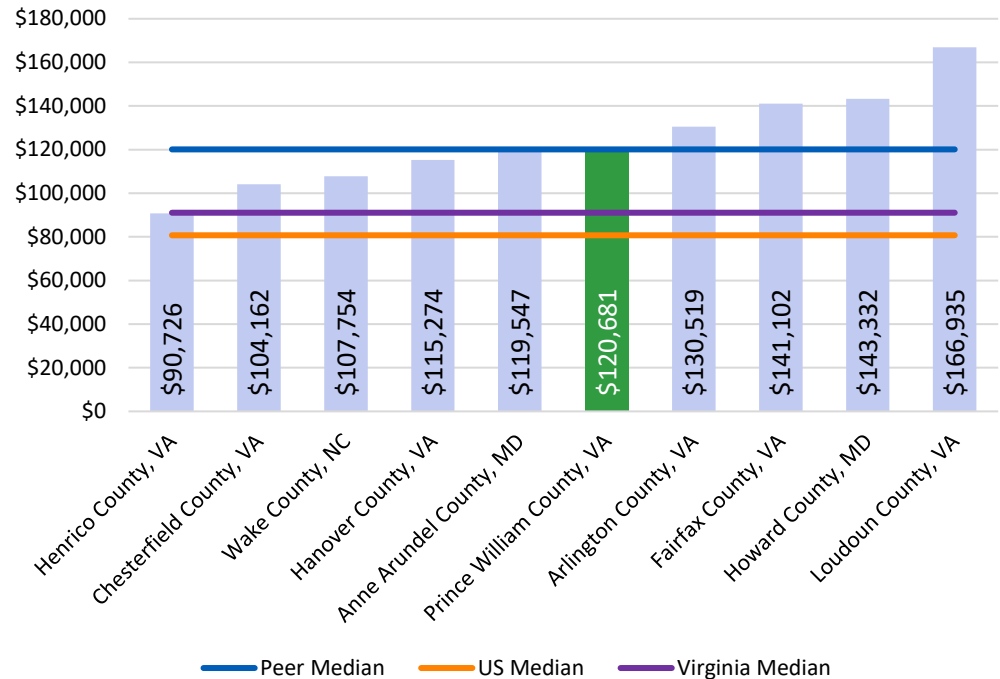


AAA target > 120% U.S. Median

Historical Median Household Income (Adjusted)



Comparable Median Household Income (Adjusted)



Note: Median Household Income is adjusted for relative cost of living as expressed by the regional price parity index for each locality's MSA.
Source: U.S. Census American Community Services 5-year estimates and Bureau of Economic Analysis, as of 2024; 2025 data unavailable.

Moody's Economy Metric: Assessed Value per Capita

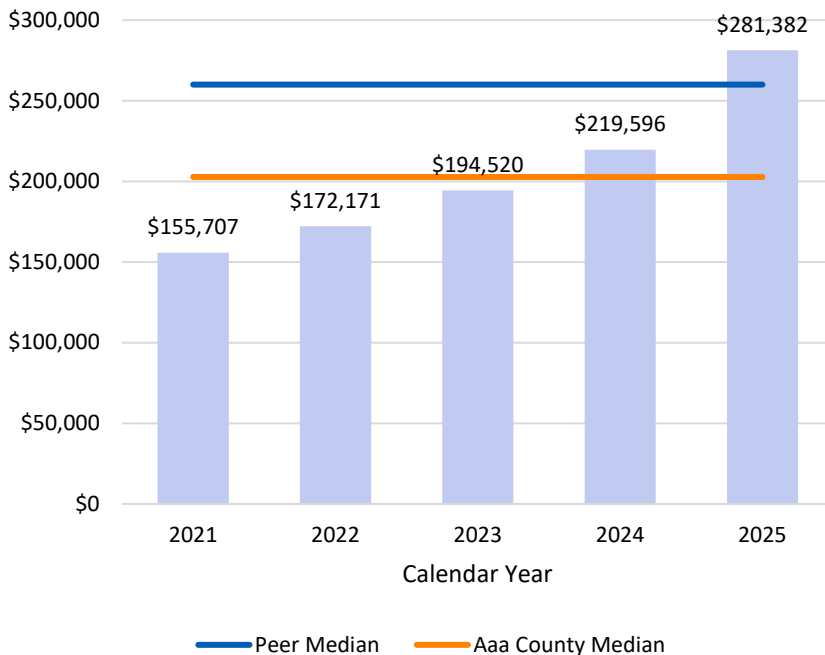
Description: Measures assessed value for real and personal property in the County relative to the County's population

Key Takeaway: County's assessed value is growing, comparable to its peer group, and above the Aaa County median of \$202,768

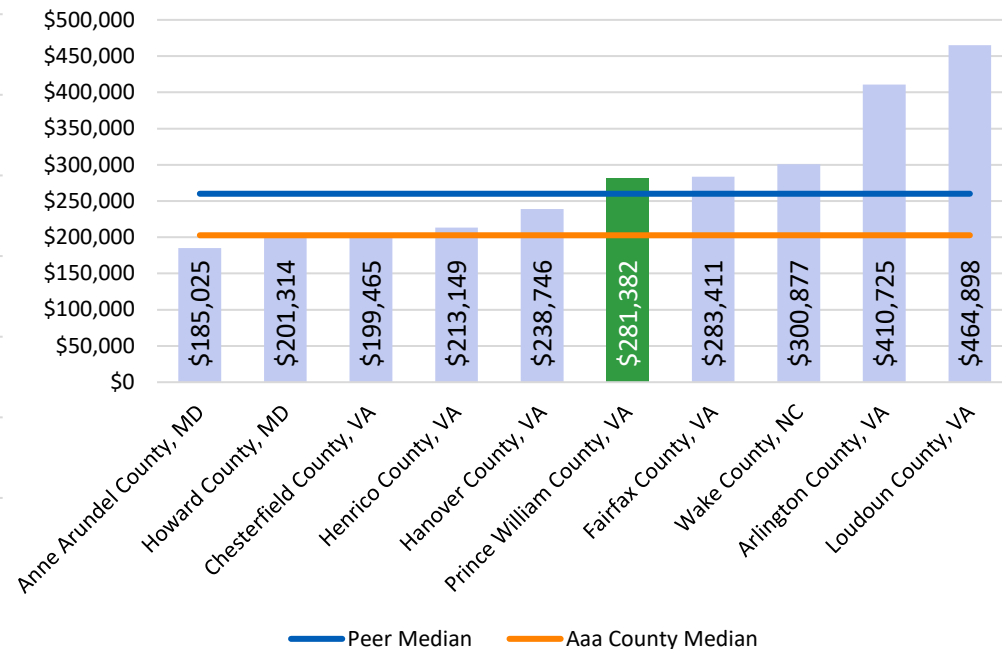


AAA target > \$180,000

Historical Assessed Value per Capita



Comparable Assessed Value per Capita



Moody's: Available Fund Balance as a % of Revenues

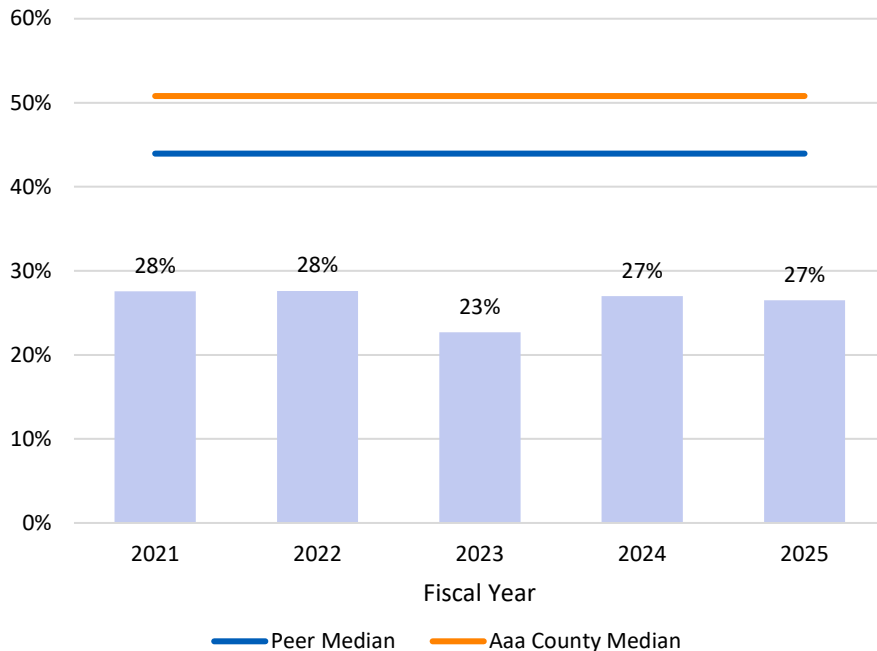
Description: Measures assigned, committed, and unassigned fund balance across all governmental funds plus net current assets in business type funds relative to revenues

Key Takeaway: County's available fund balance is stable and below its peer group median of 44% and Moody's Aaa county median of 51%

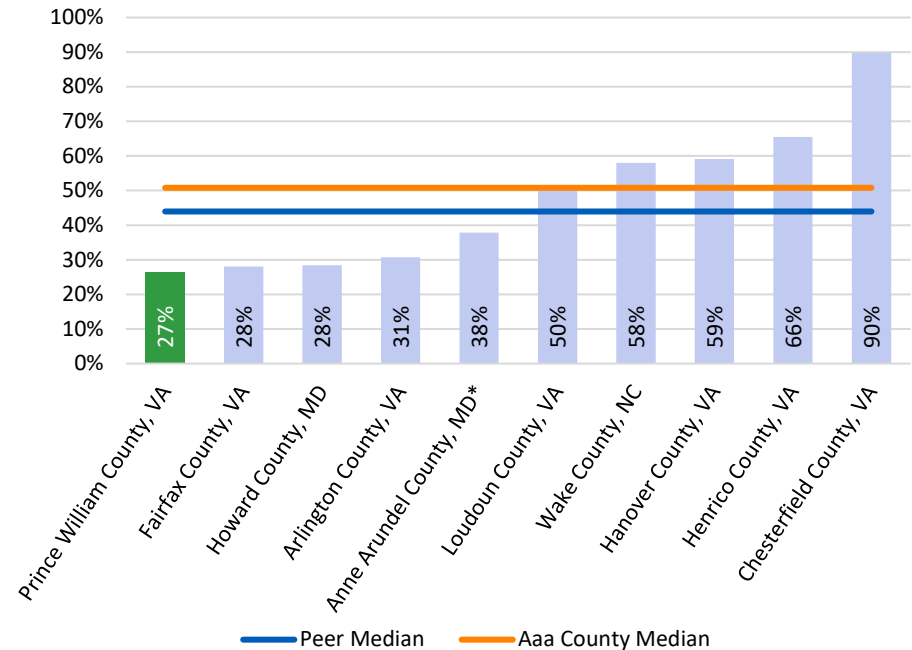


AAA target > 35%

Historical Available Fund Balance as a % of Revenues



Comparable Available Fund Balance as a % of Revenues



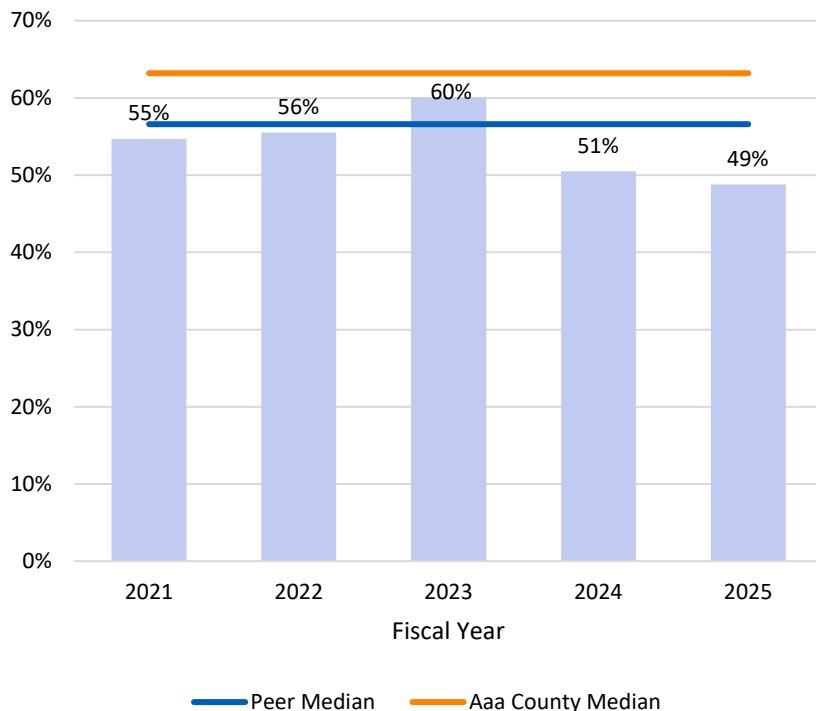
Moody's: Liquidity Ratio

Description: Measures cash balance as a % of revenues

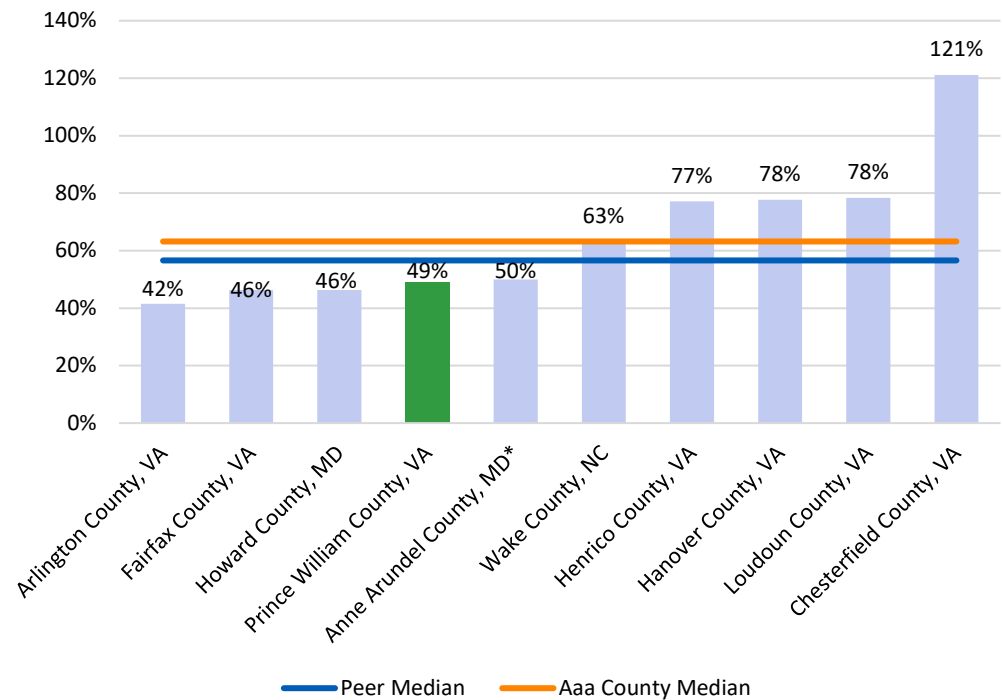
Key Takeaway: County's liquidity declined in FY 2024 and FY 2025, and is below its peer group median of 57% and Aaa County Median of 63%



Historical Liquidity Ratio



Comparable Liquidity Ratio



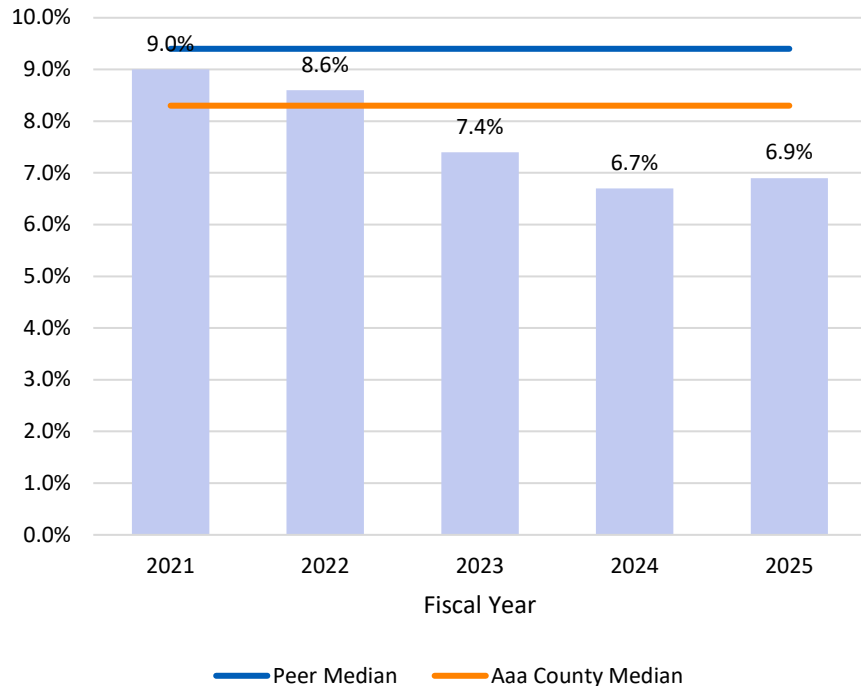
Moody's: Fixed Costs Ratio

Description: Measures fixed costs associated with the County's long-term liabilities (debt, pensions, and OPEB) relative to revenues

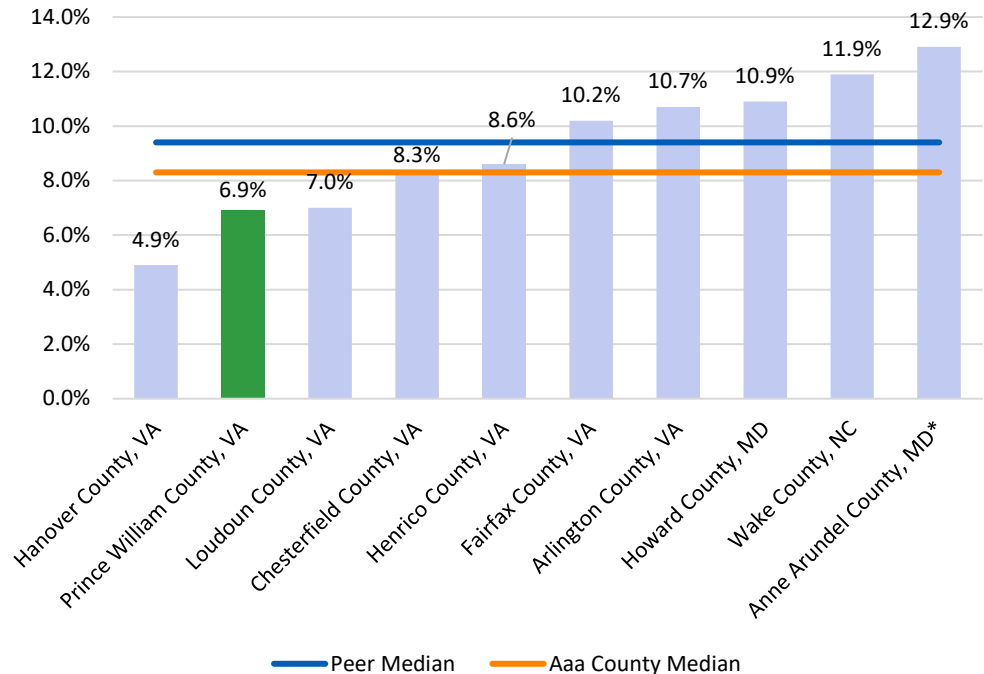
Key Takeaway: County's fixed costs are declining and lower compared to its peer group median of 9% and Aaa county median of 8%



Historical Fixed Costs as a % of Revenues



Comparable Fixed Costs as a % of Revenues



Moody's: Long-Term Liabilities Ratio

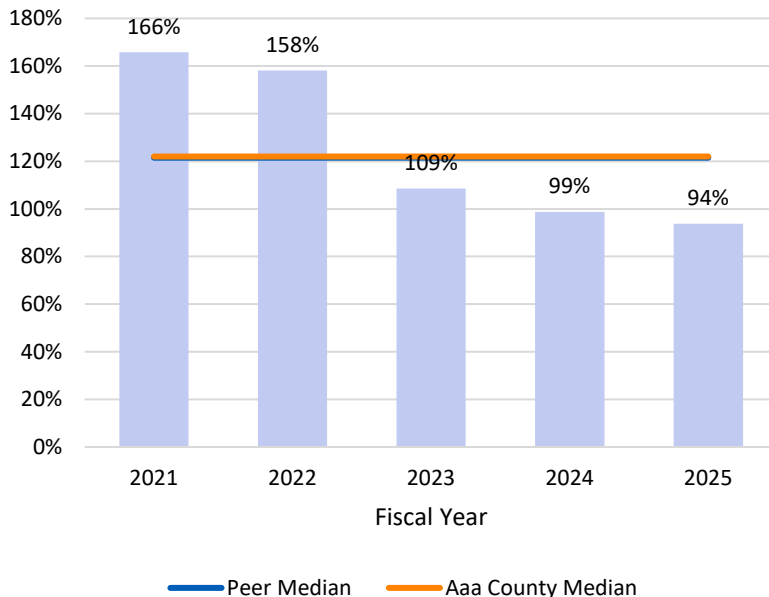
Description: Measures debt, adjusted net pension liabilities, and adjusted net OPEB liabilities relative to revenues

Key Takeaway: County's liabilities are declining and lower compared to its peer group and Aaa county median of 122%

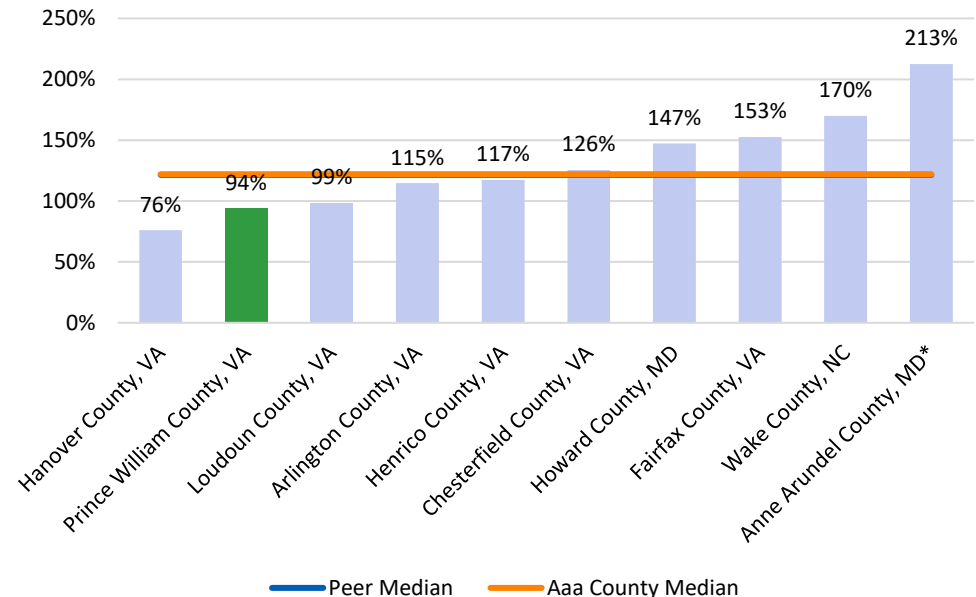


AAA target < 100%

Historical Long-Term Liabilities as % of Revenues



Comparable Long-Term Liabilities as % of Revenues



S&P Economy Metric: GCP as % of U.S. GDP

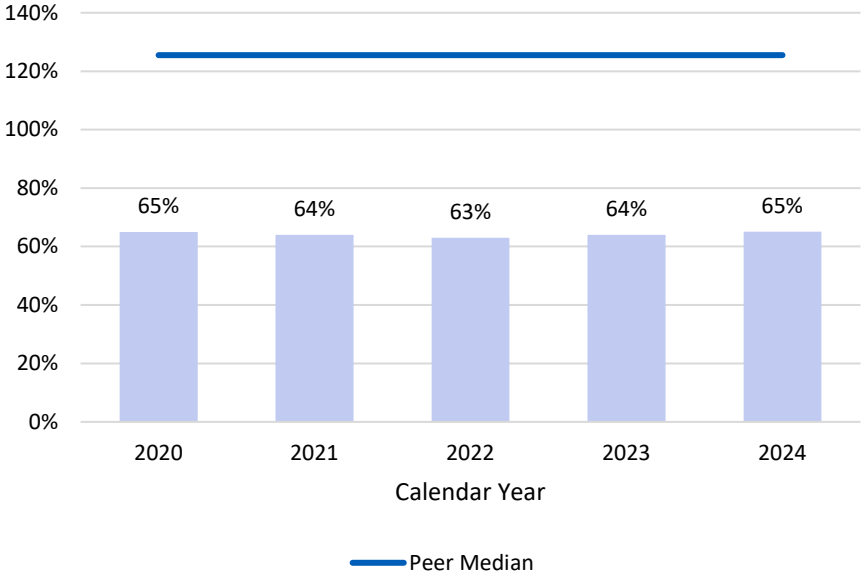
Description: Measures Gross County Domestic Product (GCP) as a % of U.S. Gross Domestic Product (GDP)

Key Takeaway: County's GDP growth is stable and lower compared to its peer group median of 126%

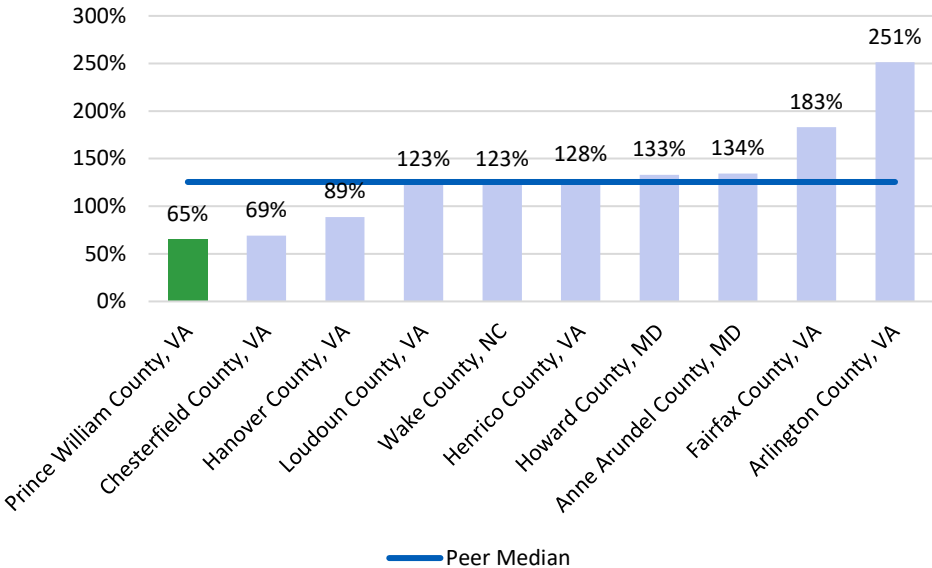


AAA target > 110%

Historical County GCP Per Capita as % of U.S. GDP Per Capita



Comparable City/County GCP Per Capita as % of U.S. GDP Per Capita



Sources: County's S&P report, dated October 27, 2025 for CY 2021 – FY 2023. CY 2020 & CY2024 is estimated by PFM. CY 2024 is most recent data available. Bureau of Economic Analysis, as of CY 2024.

S&P Economy Metric: Per Capita Personal Income

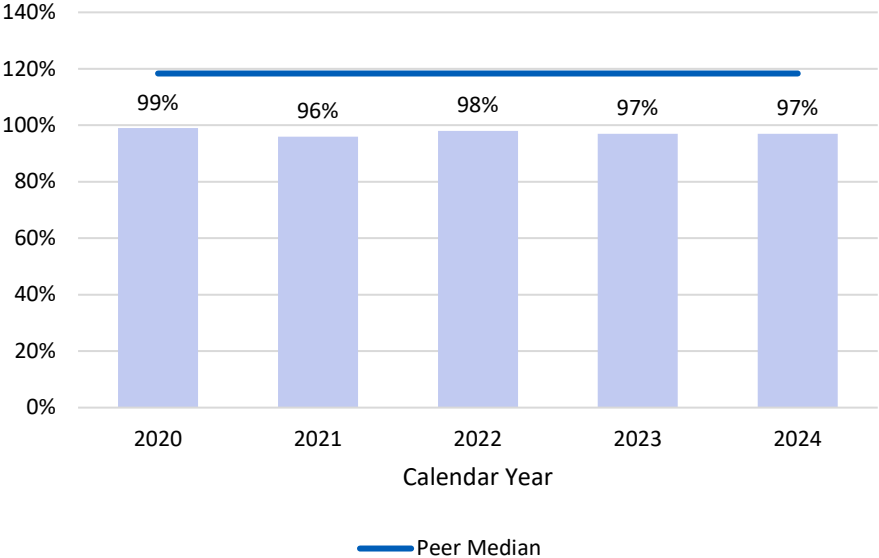
Description: Measures per capita personal income (PCPI) as a % of PCPI nationwide

Key Takeaway: County's PCPI is stable and lower than the median of its peer group of 118%

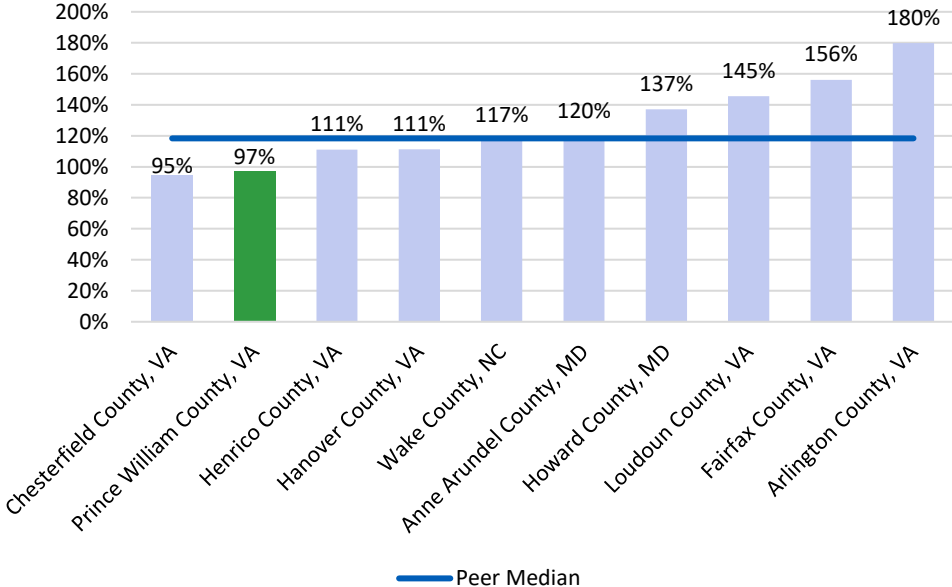


AAA target > 100%

Historical County Per Capita Personal Income as % of U.S. Per Capita Personal Income



Comparable City/County Per Capita Personal Income as % of U.S. Per Capita Personal Income



Sources: County's S&P report, dated October 27, 2025 for CY 2021 – CY 2023. CY 2020 & CY 2024 is estimated by PFM. CY 2024 is most recent data available. Bureau of Economic Analysis, as of 2024.

S&P Financial Performance Metric: Operating Result

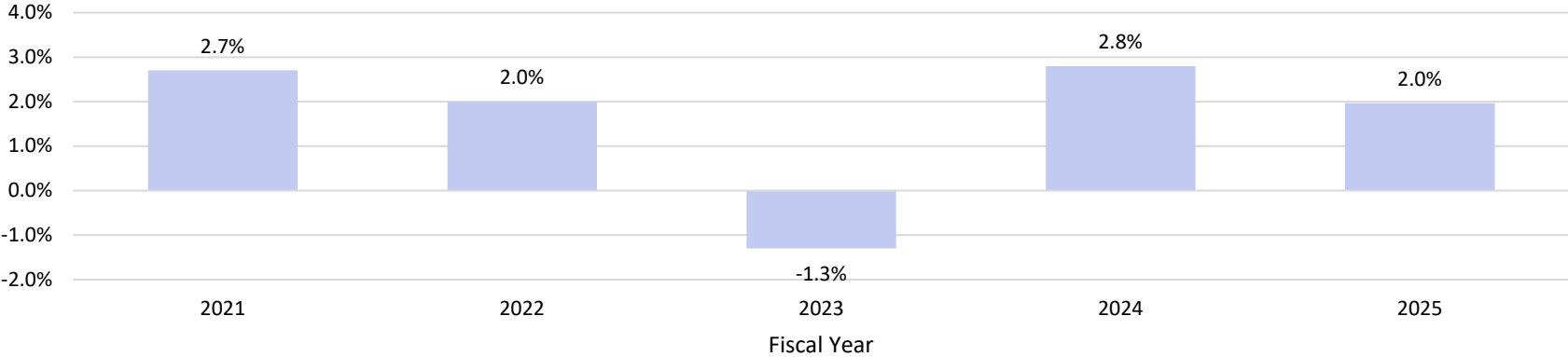
Description: Measures County's General Fund (GF) operating balance (excluding School Division and Fire & Rescue Levy funds) surplus / (deficit) as a % of GF Revenues



AAA target > 3%

Key Takeaway: County's average operating result has remained stable but below S&P's AAA target of >3.0%

Historical General Fund Operating Balances / General Fund Operating Revenues



3-Year Average of General Fund Operating Balances as % of General Fund Revenues					
Fiscal Year	2021	2022	2023	2024	2025
3-Year Average	1.9%	2.5%	1.2%	1.2%	1.2%

S&P Financial Performance Metric: Operating Result

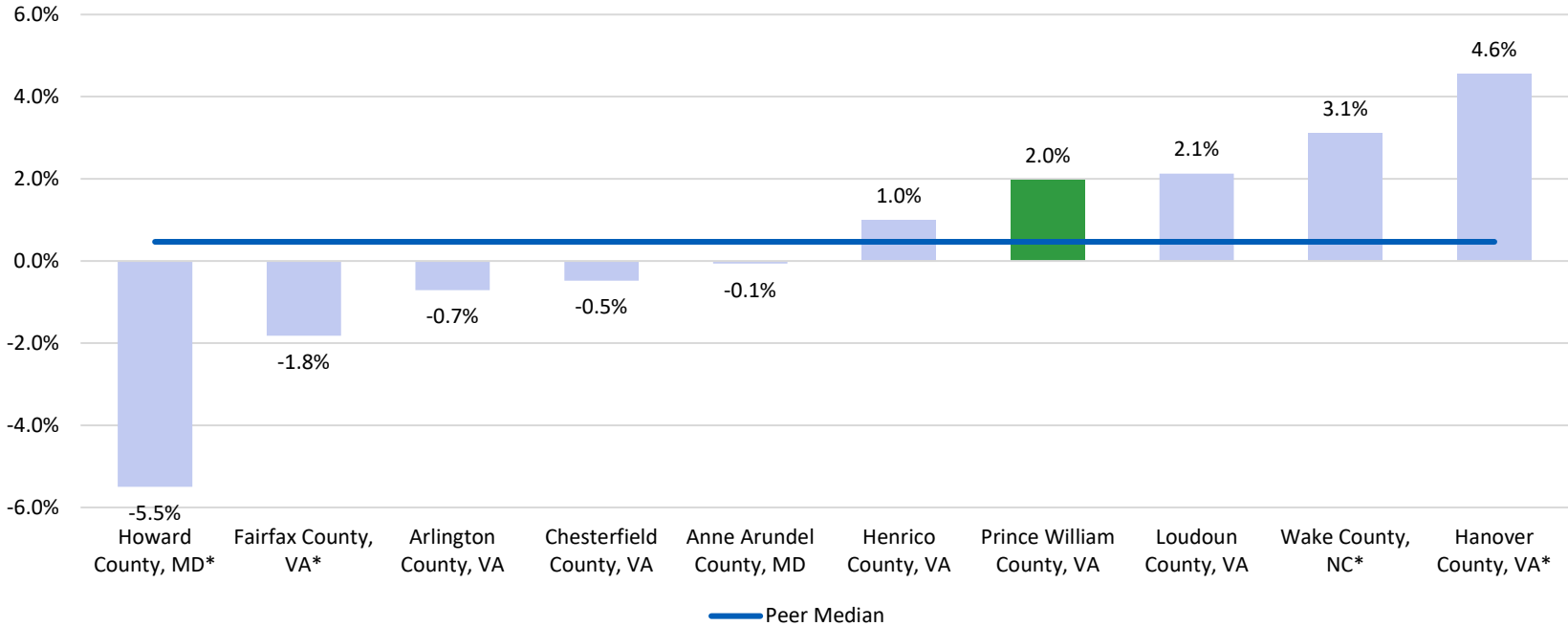
Description: Measures County's General Fund (GF) operating balance (excluding School Division and Fire & Rescue Levy funds) surplus / (deficit) as a % of GF Revenues



AAA target > 3%

Key Takeaway: The County is above its peer median of 0.5%.

Comparable General Fund Operating Balances / General Fund Operating Revenues



S&P: Available Fund Balance as a % of General Fund Revenues

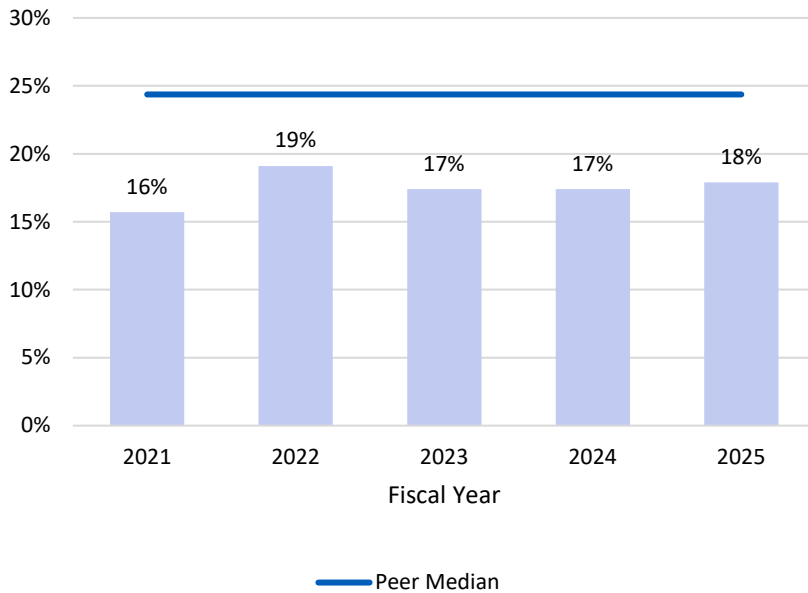
Description: Measures unassigned, assigned, and a portion of committed fund balance relative to General Fund Revenues

Key Takeaway: County's S&P available fund balance is stable, but below its peer group median of 24%

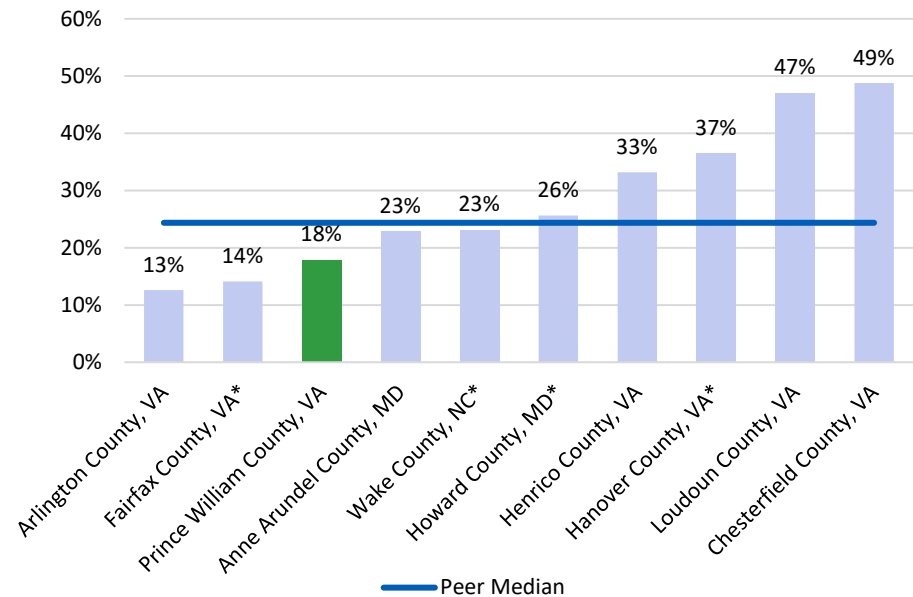


AAA target > 15%

Historical General Fund Available Fund Balance as % of General Fund Revenues



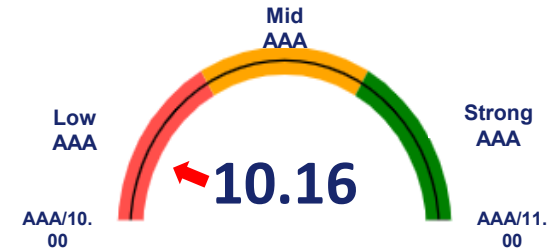
Comparable General Fund Available Fund Balance as % of General Fund Revenues



County's FY 2024 Fitch Scorecard



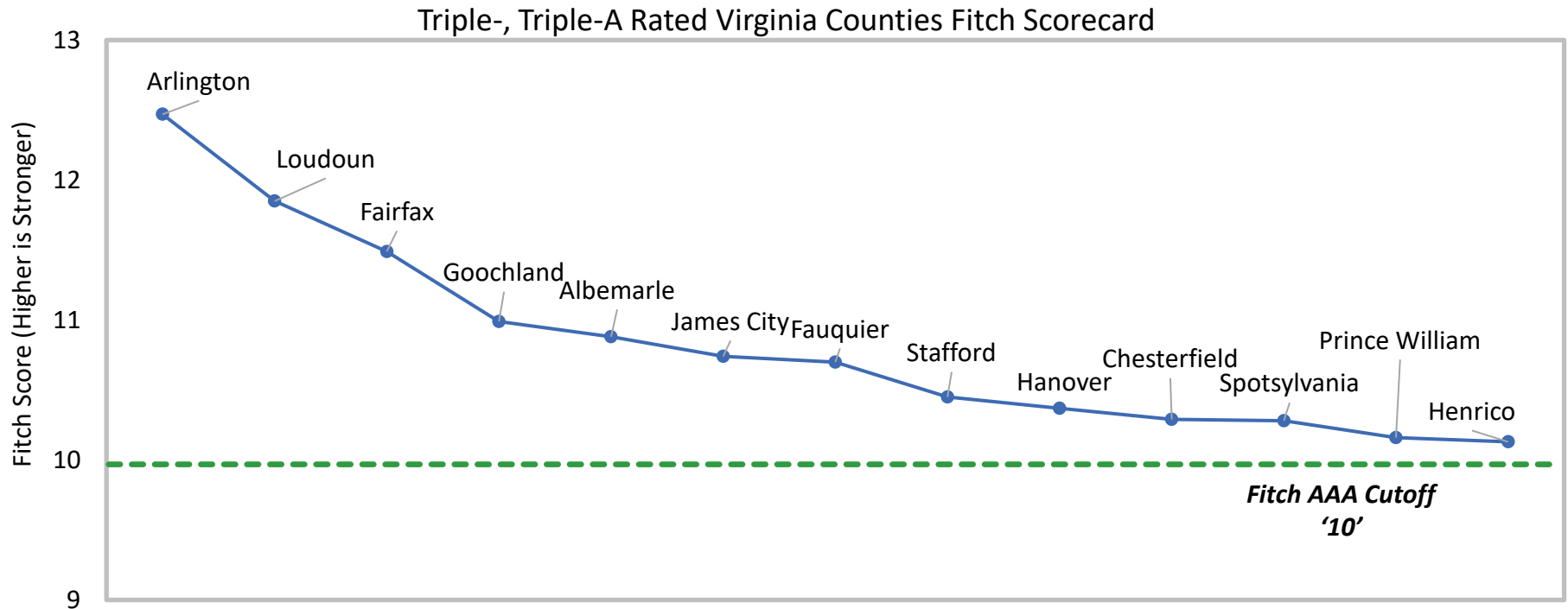
Fitch's rating methodology differs from Moody's and S&P in that it bases the County's assessment on how it compares to other localities rated by Fitch (vs. fixed thresholds).














Fitch Scorecard			FY24 Scoring	
Model Implied Rating			10.16 "Low AAA"	
Final Rating Outcome			AAA	
Key Rating Driver	Metric	Weight	Percentile	Assessment
Financial Resilience				
Financial Profile	Available Reserves (FB / Expenditures: 5-Year Low) (%)	35%	-	AAA
	Revenue Control Assessment			
	Expenditure Control Assessment			
Revenue Volatility				
Demographic and Economic Strength	Population Trend (%)	8%	57%	Midrange
	Unemployment Rate as a % of National Rate (%)	26%	87%	Strongest
	Population w/ Bachelor's Degree and Higher (%)			
	MHI as a % of the Portfolio Median			
	Population Size	9%	55%	Midrange
Economic Concentration (%)	21%	60%	Strong	
Liabilities / Personal Income (%)				
Liabilities / Governmental Revenues (%)				
Long-Term Liability Burden	Carrying Costs / Governmental Expenditures (%)			

County's Fitch Rating

- Fitch data is difficult to compare to “AAA” benchmarks as Fitch’s methodology is based on comparison to underlying rated medians
- Instead of comparing at the individual metrics level, the graphic below compares triple-A rated counties in Virginia based on total score



Financial Performance Summary

Rating Agency	Metric	Goal	PWC Performance	PWC Status
Moody's	Adjusted median household income (MHI) as % of Revenues	AAA target > 120% U.S. median	151.0%	
Moody's	Assessed Value per Capita	AAA target > \$180,000	\$281,382	
Moody's	Available Fund Balance as a % of Revenues	AAA target > 35%	27%	
Moody's	Liquidity Ratio	AAA target > 40%	49%	
Moody's	Fixed Costs Ratio	AAA target < 10%	6.9%	
Moody's	Long-Term Liabilities Ratio	AAA target < 100%	94%	
S&P	Gross County Domestic Product (GCP) as a % of U.S. Gross Domestic Product (GDP)	AAA target > 110%	65%	
S&P	Per Capita Personal Income	AAA target > 100%	97%	
S&P	Operating Result	AAA target > 3%	2.0%	
S&P	Available Fund Balance as a % of General Fund Revenues	AAA target > 15%	18%	
Fitch	Fitch's rating methodology differs from Moody's and S&P in that it bases the County's assessment on how it compares to other localities rated by Fitch (vs. fixed thresholds).	AAA target 11.00	10.16	

Appendix



- PFM Financial Advisors, LLC
- Moody's Investors Service Rating Methodology
- Standard & Poor's Ratings Services Ratings Direct Methodology
- Fitch Ratings U.S. Public Finance Local Government Rating Criteria
- Prince William County Annual Comprehensive Financial Report for the Year Ended June 30, 2025
- Annual Report Prince William County Real Estate Assessments Office, 2025 Publication
- Prince William County Demographer
- American Community Services and Bureau of Economic Analysis
- Prince William County [2026 – 2030] Capital Improvement Plan

Moody's Scorecard Summary

Moody's Scorecard Summary	
Factors & Subfactors	Weight
Factor 1: Economy	30%
Economic Growth	10%
Full Value per Capita	10%
Median Household Income (adjusted for cost of living)	10%
Factor 2: Financial Performance	30%
Available Fund Balance Ratio	20%
Liquidity Ratio	10%
Factor 3: Institutional Framework	10%
Institutional Framework	10%
Factor 4: Leverage	30%
Long-term Liabilities Ratio	20%
Fixed Cost Ratio	10%
Rating	100%

S&P's Scorecard Summary

S&P's Scorecard Summary	
Factors & Subfactors	Weight
Factor 1: Institutional Framework	100%
Framework Score	
Factor 2: Management	20%
Budgeting Practices	35%
Long-term Planning	35%
Policies	30%
Factor 3: Economy	20%
Gross City/County Product (GCP) per capita as % of U.S. GDP per capita	50%
City/County Per Capita Personal Income (PCPI) as % of U.S. PCPI	50%
Factor 4: Financial Performance	20%
Operating Result (%)	
Net Revenues / Operating Revenues (General Fund) (3-year Average)	
Factor 5: Reserves and Liquidity	20%
Available Reserves / Revenues (General Fund)	
Factor 6: Debt and Liability	20%
Current Cost for Debt Service and Liabilities / Governmental Revenues	50%
Net Direct Debt per capita	25%
Net Pension Liability per capita	25%
Rating	100%

Fitch Scorecard Summary

Fitch Scorecard Summary	
Factors & Subfactors	Weight
Factor 1: Financial Profile	35%
Financial Resilience	35%
Revenue Volatility	--*
Factor 2a: Demographic and Economic Strength – Trend	8%
Population Trend	8%
Factor 2b: Demographic and Economic Strength – Level	26%
Unemployment Rate	9%
% of Population w. Bachelor’s Degree and Higher	9%
Median Household Income as % of Portfolio Median	9%
Factor 2c: Demographic and Economic Strength – Concentration & Size	9%
Population Size	4.5%
Economic Concentration	4.5%
Factor 3: Long-Term Liability Burden	21%
Liabilities (direct) as % of Personal Income	7%
Liabilities (direct) as % of Governmental Revenues	5%
Carrying Costs as % of Governmental Expenditures	8%
Rating	100%**
*Treated asymmetrically, where weight is marginal for issuers that exhibit low to moderate revenue volatility. For issuers with higher revenue volatility, this factor will moderately lower the metric	
**The sum does not add up to 100% due to rounding.	