



RATING ACTION COMMENTARY

Fitch Rates Prince William County, VA's VPSA Special Obligation Bonds 'AAA'; Outlook Stable

Thu 29 Oct, 2026 - 10:36 AM ET

Fitch Ratings - New York - 29 Oct 2026: Fitch Ratings has assigned a 'AAA' rating to \$220.2 million of Virginia Public School Authority (VPSA) special obligation school financing bonds, Prince William County series 2026. The bonds are scheduled to be sold competitively on November 10.

Fitch rates the county's Issuer Default Rating (IDR) and outstanding general obligation (GO) bonds and VPSA special obligation bonds 'AAA'.

The Rating Outlook is Stable.

RATING ACTIONS

ENTITY / DEBT ⚡	RATING TYPE ⚡	RATING ⚡	RATING ACTION ⚡	PRIOR ⚡
Prince William County (VA) [General Government]				
Prince William County (VA) /General Obligation - Unlimited Tax/1 LT	LT	AAA Rating Outlook Stable	Affirmed	AAA Rating Outlook Stable

[VIEW ADDITIONAL RATING DETAILS](#)

The 'AAA' VPSA rating is based on the creditworthiness of Prince William County, as expressed in its IDR and GO bond rating. The ratings reflect the county's 'aaa' Financial Resilience assessment. Fitch expects the county to maintain reserves at or above 10% of spending, the minimum reserve level for the assessment, given its 'High Midrange' budgetary flexibility. Key demographic and economic metrics, including population trend and median household income, are in line with or above Fitch's local government portfolio median. These strengths are bolstered by a 'Strong' long-term liability burden composite. The rating is also supported by a +1 notch for revenue capacity.

RATING SENSITIVITIES**Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade**

--A significant increase in long-term liabilities due to additional debt or increases in net pension liabilities and increased carrying costs, without a commensurate increase in personal income or governmental resources;

--A weakening in demographic and economic metrics including unemployment rate, population trend, and educational attainment;

--A sustained decline in available general fund balances below 10% of spending, which would lower the financial resilience assessment to below 'aaa'.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

-- Positive rating factors are not applicable, given the 'AAA' rating.

SECURITY

The VPSA bonds are limited and special obligations of the VPSA, payable solely from payments of principal and interest to be made by the county on its local school bonds. The local school bonds are GOs of the county, for which the county has pledged its full faith and credit for payment and unlimited taxing authority. The VPSA has assigned its rights to receive all payments of principal and interest on the local school bonds to the state treasurer acting as paying agent for the bonds, and all such payments of principal and interest on the local school bonds shall be made directly to the state treasurer.

FITCH'S LOCAL GOVERNMENT RATING MODEL

The Local Government Rating Model generates Model Implied Ratings, which communicate the issuer's credit quality relative to Fitch's local government rating portfolio. (The Model Implied Rating will be the Issuer Default Rating except in certain circumstances explained in the applicable criteria.) The Model Implied Rating is expressed via a numerical value calibrated to Fitch's long-term rating scale that ranges from 10.0 or higher (AAA), 9.0 (AA+), 8.0 (AA), and so forth down to 1.0 (BBB- and below).

Model Implied Ratings reflect the combination of issuer-specific metrics and assessments to generate a Metric Profile and a structured framework to account for Additional Analytical Factors not captured in the Metric Profile that can either mitigate or exacerbate credit risks. Additional Analytical Factors are reflected in notching from the Metric Profile and are capped at +/-3 notches.

RATINGS HEADROOM & POSITIONING

Prince William County Model Implied Rating: 'AAA' (Numerical Value: 10.89)

-- Metric Profile: 'AA+' (Numerical Value: 9.89)

-- Net Additional Analytical Factor Notching: +1.0

Individual Additional Analytical Notching Factors:

--Revenue Capacity: +1.0

Prince William County's Model Implied Rating is 'AAA'. The associated numerical value of 10.89 is at the upper end of the range for a 'AAA' rating.

KEY RATING DRIVERS

FINANCIAL PROFILE

Financial Resilience - 'aaa'

Prince William County's financial resilience is driven by the combination of its 'High' revenue control assessment and 'Midrange' expenditure control assessment, culminating in a 'High Midrange' budgetary flexibility assessment.

-- Revenue control assessment: High

-- Expenditure control assessment: Midrange

- Budgetary flexibility assessment: High Midrange
- Minimum fund balance for current financial resilience assessment: $\geq 10.0\%$
- Current year fund balance to expenditure ratio: 18.5% (2025)
- Lowest fund balance to expenditure ratio for the fiscal-year period 2021-2025: 16.8% (2023)

Revenue Volatility - 'Midrange'

Prince William County's weakest historic three-year revenue performance has a modest negative impact on the Model Implied Rating.

The revenue volatility metric is an estimate of potential revenue volatility based on the issuer's historical experience relative to the median for the Fitch-rated local government portfolio. The metric helps to differentiate issuers by the scale of revenue loss that would have to be addressed through revenue raising, cost controls or utilization of reserves through economic cycles.

- Lowest three-year revenue performance (based on revenues dating back to 2005): 4.1% decrease for the three-year period ending fiscal 2012
- Median issuer decline: -3.6% (2025)

Financial Profile Additional Analytical Factors and Notching: +1.0 notch (for Revenue Capacity)

The estimated market values for real estate and personal property for fiscal 2025 put the county at a value above the \$300,000 per capita threshold for the revenue capacity additional analytical factor, and figures for fiscal 2026 suggest further growth. The exceptionally high market value per capita and trend of strong, sustainable growth in real property values, alongside Fitch's 'High' revenue control assessment, indicates a broad capacity to access the tax base and support fiscal operations that the metric profile does not fully capture.

DEMOGRAPHIC AND ECONOMIC STRENGTH

Population Trend - 'Midrange'

Based on the median of 10-year annual percentage change in population, Prince William County's population trend is assessed as 'Midrange'.

Population trend: 1.0% Analyst Input (53rd percentile) (vs. 1.2% 2024 median of 10-year annual percentage change in population)

Unemployment, Educational Attainment and MHI Level - 'Strongest'

The overall strength of Prince William County's demographic and economic level indicators (unemployment rate, educational attainment, median household income [MHI]) in 2025 are assessed as 'Strongest' on a composite basis, performing at the 84th percentile of Fitch's local government rating portfolio. This is due to relatively strong education attainment levels, median-issuer indexed adjusted MHI and unemployment rate.

-- Unemployment rate as a percentage of national rate: 74.4% 2025 (83rd percentile), relative to the national rate of 4.3%

-- Percent of population with a bachelor's degree or higher: 45.0% (2024) (82nd percentile)

-- MHI as a percent of the portfolio median: 145.3% (2024) (86th percentile)

Economic Concentration and Population Size - 'Midrange'

Prince William County's population in 2024 was large, qualifying for Fitch's highest overall size category but this is offset by the concentrated economy.

The composite metric acts asymmetrically, with most issuers (above the 15th percentile for each metric) sufficiently diversified to minimize risks associated with small population and economic concentration. Downward effects of the metric on the Metric Profile are most pronounced for the least economically diverse issuers (in the 5th percentile for the metric or lower). The economic concentration percentage shown below is defined as the sum of the absolute deviation of the percentage of personal income by major economic sectors relative to the U.S. distribution.

-- Population size: 502,966 Analyst Input (above the 15th percentile) (vs. 498,352 2024 Actual)

-- Economic concentration: 74.9% Analyst Input (from 0th to 2.5th percentile) (vs. 0.0% 2025 Actual)

Analyst Inputs to the Model

Analyst inputs to the model reflect metric adjustments to account for historical data anomalies, forward-looking performance shifts, or non-recurring events that may otherwise skew the time series.

The calculation of population trend and size metrics utilizes the county's 2025 population data. The model uses BEA data for the combined Prince William, Manassas, and Manassas Park statistical area as well as state-wide county median data for the calculation of economic concentration given the absence of county-specific data.

LONG-TERM LIABILITY BURDEN

Long-Term Liability Burden - 'Midrange'

Prince William County's carrying costs to governmental expenditures and liabilities to governmental revenue remain strong while liabilities to personal income remain weak. The long-term liability composite metric in 2025 is at the 56th percentile, roughly in line with Fitch's local government rating portfolio.

-- Liabilities to personal income: 7.8% Analyst Input (31st percentile) (vs. 7.3% 2025 Actual)

-- Liabilities to governmental revenue: 137.8% Analyst Input (70th percentile) (vs. 127.7% 2025 Actual)

-- Carrying costs to governmental expenditures: 12.2% Analyst Input (69th percentile) (vs. 11.1% 2025 Actual)

Net direct debt is adjusted to account for amortization of outstanding debt through fiscal 2026 and the county's new issuance.

PROFILE

Prince William County is situated within the Washington, D.C. metropolitan area. The county is home to an increasing number of data centers. The presence of the Marine Corp Base Quantico and the FBI Northern VA satellite office helps to attract contractors and federal agencies. The U.S. Department of Defense is the county's third-largest employer.

DATE OF RELEVANT COMMITTEE

04 September 2026

Sources of Information

In addition to sources of information identified in Fitch's applicable criteria specified below, this action was informed by data from DIVER by Solve.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

CLIMATE VULNERABILITY SIGNALS

The results of our Climate.VS screener did not indicate an elevated risk for Prince William County, VA (General Government).

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit

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APPLICABLE CRITERIA

[U.S. Public Finance Local Government Rating Criteria \(pub. 01 May 2026\) \(including rating assumption sensitivity\)](#)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

U.S. Local Government Rating Model, v1.2.0 ([1](#))

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