



PRINCE WILLIAM
— VIRGINIA —

POPULAR ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2021

FY 2021

pwcva.gov/finance



**PRINCE
WILLIAM
— COUNTY**



Board of County Supervisors

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Vice Chair
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Victor S. Angry
Neabsco District

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Occoquan District

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Gainesville District

Margaret Angela Franklin
Woodbridge District

Jeanine M. Lawson
Brentsville District

Yesli Vega
Coles District

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, 2021. 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 more than 300 pages of detailed County financial statements, notes and schedules and is available on the County's website or by contacting 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, 2020 – June 30, 2021) 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	89,468 Students **
Citizens with a Bachelor's Degree or Higher	32.9%
Median Household Income	\$107,132*
Distance from D.C.	35 Miles
Dulles International Airport	16 Miles
Ronald Reagan National Airport	18 Miles

*Per 2020 U.S. Census American Community Survey Data

**Per official September 2020 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 of June 30, 2021, Prince William's Geographic Information Systems (GIS) Division 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 American Community Survey (ACS) data. Prince William's location in the Metropolitan Washington, D.C. area and the availability of excellent transportation by way of regional, national and international airports, freight and passenger rail services and interstate and highway roads is a catalyst for growth in the County, which continues 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 took office in January 2020, following an election held on November 5, 2019, and serves 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 have a financial benefit/burden relationship with the County and are reported in the County's ACFR as discretely presented component units, with the School Board issuing their own separately audited ACFR. A legally separate water and sewer authority, known as 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 2021	FY 2020	FY 2019
Taxes	\$1,137,858 (70.63%)	\$1,070,922	\$1,010,746
Intergovernmental Revenues	\$352,010 (21.85%)	\$259,251	\$260,189
Charges for Services	\$51,663 (3.20%)	\$54,873	\$60,134
From Use of Money & Property	\$15,929 (0.99%)	\$39,503	\$45,265
Permits, Fees & Licenses	\$20,888 (1.30%)	\$19,847	\$20,156
Other Revenues	\$30,890 (1.92%)	\$26,815	\$12,541
Fines & Forfeitures	\$1,788 (0.11%)	\$2,705	\$3,456
Total Revenues	\$1,611,026	\$1,473,916	\$1,412,487

Tax Revenues by Sources	FY 2021	FY 2020	FY 2019
Real Estate	\$787,059 (69.17%)	\$754,989	\$713,059
Personal Property	\$175,182 (15.40%)	\$162,528	\$150,269
Business, Professional & Occupational Licenses	\$29,882 (2.63%)	\$28,236	\$26,945
Other	\$32,262 (2.84%)	\$25,403	\$26,633
Local Sales	\$80,140 (7.04%)	\$72,342	\$68,710
Consumer Utility	\$13,266 (1.16%)	\$14,408	\$14,443
Recordation	\$20,067 (1.76%)	\$13,016	\$10,687
Total Tax Revenues	\$1,137,858	\$1,070,922	\$1,010,746
Real Estate Collection Rate	99.1%	98.9%	99.9%

Total Intergovernmental Revenues | \$301M

	State Revenue: \$160M						
	44.05% General Government	16.17% Public Works	13.22% Health & Welfare	11.77% Community Development	10.63% Public Safety	2.73% Judicial	1.43% Other
	Federal Revenue: \$141M						
	34.78% Community Development	21.02% Other	20.62% Health & Welfare	14.15% Public Safety	6.59% Public Works	2.58% General Government	0.26% Judicial

Total Expenses | \$1.6B

*Amounts are expressed in thousands

County Expenses by Operational Area	FY 2021	FY 2020	FY 2019
Education	\$694,445 (42.37%)	\$633,749	\$468,667
Public Safety	\$375,682 (22.92%)	\$323,824	\$335,421
Public Works	\$93,970 (5.73%)	\$102,006	\$107,447
Health & Welfare	\$136,895 (8.35%)	\$111,427	\$100,931
Community Development	\$90,729 (5.54%)	\$76,709	\$65,623
Parks, Recreational & Tourism	\$51,025 (3.11%)	\$56,706	\$57,677
Interest on Long-Term Debt	\$49,053 (2.99%)	\$49,964	\$49,473
General Government	\$95,112 (5.80%)	\$51,328	\$47,572
Judicial Administration	\$29,253 (1.79%)	\$26,943	\$23,677
Business Type	\$22,928 (1.40%)	\$22,716	\$21,675
Total Governmental Expenses	\$1,639,092	\$1,455,372	\$1,278,163

The County's Primary Government net position decreased by \$6 million in fiscal year 2021. During fiscal year 2021, the County experienced \$68 million increase in tax revenues mostly attributable to a 5.9 percent increase in total taxable assessed real estate values. Specifically, residential real estate values increased 5.2 percent, comprising 75.8 percent of total assessments. Commercial and industrial property values increased 9.7 percent, while apartments/condominiums increased 8.7 percent. The County also received an additional \$105 million in grants from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA). These increases in revenues were offset by a corresponding increase in expenditures of \$156 million, largely due to the expansion of County services by the general government administration, public safety, and education to assist the community to recover from the economic impacts of the COVID-19 pandemic. The County also experienced a \$23 million decrease in unrestricted investment earnings due to market volatility.

Despite the economic and fiscal challenges the COVID-19 pandemic inflicted on the County and surrounding community, the County was able 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 a AAA bond rating from S&P Global Ratings for the last 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 Improvement 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. Thankfully, the County secured funding through the CARES Act and ARPA to respond to and recover from the challenges brought by the COVID-19 pandemic.

At the end of fiscal year 2021, the total reporting entity had invested \$2,551 million in a broad range of capital assets, including land, buildings, improvements, machinery and equipment, library collections, infrastructure, and construction in progress. This amount represents a net increase (including additions and deductions) of \$76 million, or 3.1 percent, over fiscal year 2020. The primary government had invested \$688 million in capital assets, net of accumulated depreciation year-over-year. Accumulated depreciation remained relatively stable between fiscal years 2021 and 2020. Additionally, the change year-over-year in capital assets also includes a change in policy to increase the unit value of a non-grant funded capitalized asset from \$5,000 to \$10,000 effective at the beginning of fiscal year 2021, resulting in the write-off of \$4 million in the reporting entity's net capital assets. More detailed information about the County's capital assets are presented in Note 9 of the ACFR.

Major Capital Asset Additions

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

- The County's capital project activities for fiscal year 2021 included \$10 million expended on technology infrastructure and other technology improvements, and \$8 million on the animal shelter expansion.
- The School Board reported capital asset increases of \$56 million, which included the completion of two new schools, renovations of five other schools and continued construction of one new school.
- The Adult Detention Center (ADC) component unit's assets increased \$12 million as a result of continued construction in progress on the ADC expansion Phase II project.

42 CAPITAL PROJECTS | \$146.26M Authorized

\$42.06M Spent-to-date as follows:



Parks and Libraries (26 Projects)

46.55%
\$12.84M Spent

\$27.58M Authorized



Public Safety (5 Projects)

71.49%
\$19.18M Spent

\$26.83M Authorized



Technology Infrastructure (7 Projects)

20.94%
\$7.95M Spent

\$37.97M Authorized

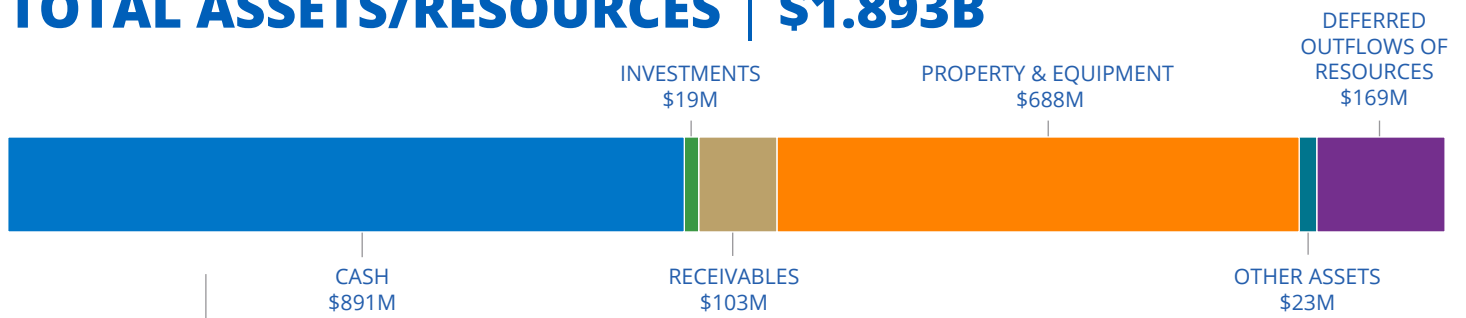


Other (4 Projects)

3.88%
\$2.09M Spent

\$53.88M Authorized

TOTAL ASSETS/RESOURCES | \$1.893B

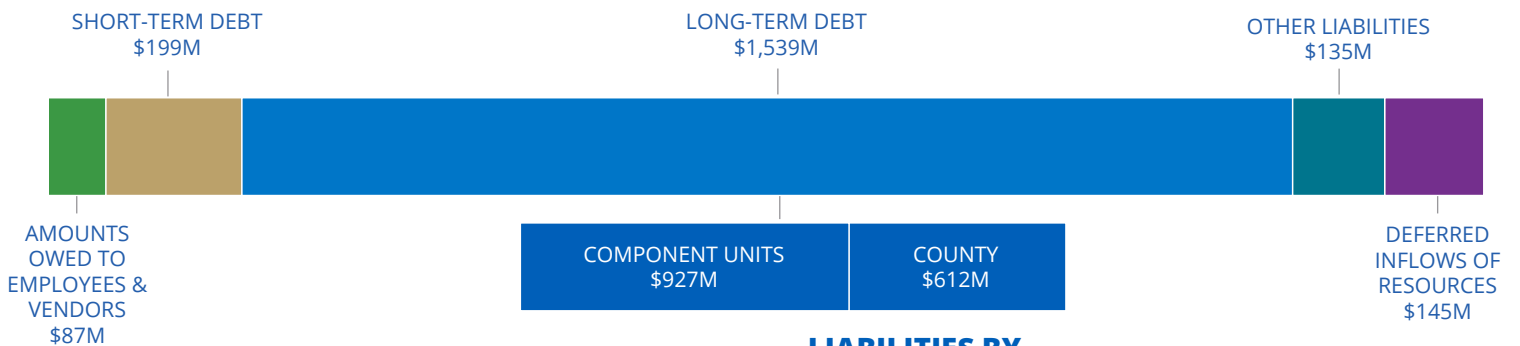


NET DEFICIT | \$212M

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.

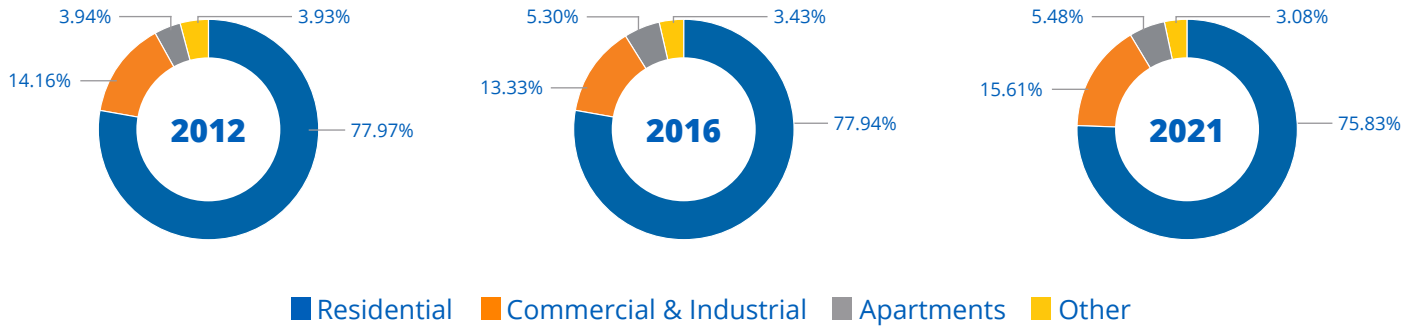
ASSETS BY TYPE	FY 2021	FY 2020	FY 2019
(in \$000's)			
Cash	\$890,586	\$938,402	\$868,694
Investments	\$19,301	\$20,108	\$26,759
Receivables	\$103,158	\$82,186	\$83,474
Property & Equipment	\$688,343	\$664,717	\$653,605
Other Assets	\$23,114	\$27,176	\$17,681
Total Assets	\$1,724,502	\$1,732,589	\$1,649,765
Deferred Outflows of Resources	\$168,567	\$119,510	\$74,605

TOTAL LIABILITIES/OBLIGATIONS | \$2.105B



LIABILITIES BY TYPE	FY 2021	FY 2020	FY 2019
(in \$000's)			
Owed to Employees & Vendors	\$86,571	\$70,805	\$67,004
Short-Term Debt	\$199,545	\$183,446	\$172,577
Long-Term Debt	\$1,539,251	\$1,406,666	\$1,340,511
Other Liabilities	\$134,625	\$126,919	\$81,997
Total Liabilities	\$1,959,992	\$1,787,836	\$1,662,089
Deferred Inflows of Resources	\$144,992	\$270,650	\$287,212
Net Position/(Deficit)	(\$211,915)	(\$206,387)	(\$224,931)

Percentage of Total Real Estate Revenues



Assessed Value of Taxable Real Property

Residential



Apartments



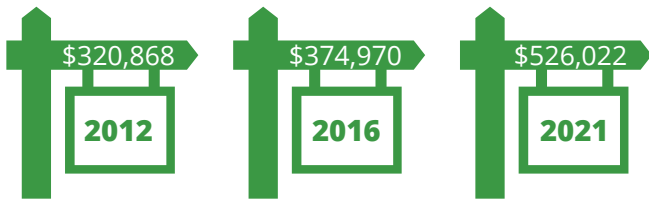
Commercial & Industrial



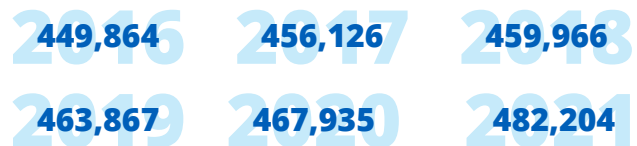
Vacant Land & Other



Average Home Sale Price



Population



Prince William County is almost 7.6% of the Washington-Metropolitan region's population, which stands at close to 6.4 million persons according to the 2020 U.S. Census American Community Survey data.

Unemployment Rates

PWC



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, in 2021, the second year of the COVID-19 pandemic, the County started to see the unemployment rate decline to 4.2% in the County and 5.9% nationally.

Personal Property Assessments



Tax Rates—Five-Year Comparison

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

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Base Rate	\$1.1150	\$1.1250	\$1.1250	\$1.1250	\$1.1220
Fire & Rescue Levy	\$0.0800	\$0.0800	\$0.0800	\$0.0792	\$0.0705
Mosquito & Forest Pest Management Fee	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025

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

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
General Class	\$3.70	\$3.700	\$3.700	\$3.700	\$3.700
Heavy Equipment & Machinery	\$3.70	\$3.700	\$3.700	\$3.700	\$3.700
Mining & Manufacturing Tools	\$2.00	\$2.000	\$2.000	\$2.000	\$2.000
Mobile Homes	\$1.115	\$1.125	\$1.1250	\$1.125	\$1.250
Computer Equipment & Peripherals	\$1.500	\$1.350	\$1.250	\$1.250	\$1.250
Research & Development	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000

Other Taxes—Motor Vehicle License Fees

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Vehicles	\$33.00	\$33.00	\$24.00	\$24.00	\$24.00
Motorcycles	\$20.00	\$20.00	\$12.00	\$12.00	\$12.00

Solid Waste Management Annual Fee

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
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 2021	FY 2020	FY 2019	FY 2018	FY 2017
Single Family	\$39.36	\$39.36	\$39.36	\$39.36	\$39.36
Townhouse	\$29.52	\$29.52	\$29.52	\$29.52	\$29.55
Mobile Home	\$29.52	\$29.52	\$29.52	\$29.52	\$29.55
Multi-Family (Apartments & Condominiums)	\$29.52	\$29.52	\$29.52	\$29.52	\$29.55
Business/Non-Residential (per 2,059 sq.ft. of impervious area)	\$39.36	\$39.36	\$39.36	\$39.36	\$19.12

Summary



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**County of Prince William
Virginia**

For its Annual Financial Report
for the Fiscal Year Ended

June 30, 2020

Christopher P. Morrell

Executive Director/CEO

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 are provided in the ACFR. [Click here to view.](#)

Prince William County, Virginia

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