2012
PAFR
Popular Annual Financial Report

A Citizen’s Guide to County Finances
For the year ended June 30, 2012
Dear Citizens of Prince William County, Virginia:

We are pleased to present this Popular Annual Financial Report (PAFR) of Prince William County (the County) for the fiscal year ended June 30, 2012.

The information contained in this report was derived from the County’s Comprehensive Annual Financial Report (CAFR), which was prepared in conformity with Generally Accepted Accounting Principles (GAAP). The County’s financial statements have been audited by Cherry, Bekaert & Holland, LLP, a firm of licensed certified public accountants, and received an unqualified opinion. This opinion means that the County’s financial statements for the fiscal year ended June 30, 2012 are fairly presented in conformity with GAAP. The CAFR, which is available at the County’s internet website, your local library, or by contacting the Prince William County Department of Finance, includes more than 200 pages of detailed County financial statements, notes, schedules and reports.

The Popular Annual Financial Report is issued as a means of communicating condensed and simplified financial and statistical information to the County’s citizens and other interested parties. Because this report seeks to condense County financial information, it does not comply with GAAP and generally accepted reporting requirements for government entities. Financial information relating to the County School Board, Park Authority, and the Adult Detention Center are omitted, and this report focuses solely on the finances of the primary government of the County.

As you review the Popular Annual Financial Report, please feel free to share any questions, concerns, or recommendations you may have with us. We value your input and look forward to the opportunity to address any comments you may have.

Respectfully,

[Signatures]

Melissa S. Peacor
County Executive

Steven A. Solomon
Director of Finance

This report is designed to guide you in understanding how your County government works, and how public monies are managed and spent. You will learn:

♦ How much money is coming in and from what sources;
♦ How that money is budgeted; and
♦ How the money is spent for the benefit of the residents and the community

This Popular Annual Financial Report will be reviewed by the Government Finance Officers Association (GFOA), a leading authority on governmental accounting and financial reporting best practices. Prince William County has received the GFOA’s award for this publication for the last six years, and expects to continue to meet the GFOA’s standards with the 2012 Popular Annual Financial Report.
Since 1972, the County has operated under the County Executive form of government. The policy-determining body of the County is an eight-member Board of County Supervisors. The Board of County Supervisors are elected by the citizens of Prince William County for four year terms and represent one of the seven Magisterial districts in the County. The eighth member of the Board is elected at-large by County residents to serve a four-year term as Chairman. The last election for Board of County Supervisors was held on November 8, 2011. The Board is responsible for determining major policies of the County and determining how funds should be spent in ways that best benefit the residents of the County.

**Prince William County Government Organization**

### County residents also elect:

- The Clerk of the Circuit Court for a term of eight years.
- The Commonwealth’s Attorney for a term of four years.
- The Sheriff for a term of four years.
- The Prince William County School Board which is comprised of eight members - one from each of the Magisterial districts and one at-large member. The School Board oversees the operation of public schools in the County and is independent from the Board of County Supervisors, as required by Virginia state law. The County's General Fund covers the local share of the cost of operating the public school system. The School Board appoints a Superintendent to administer the operations of the County’s public schools. The School Board members each serve a term of four years.

### The Board of County Supervisors appoints:

- The County Executive, who acts as the County government’s chief administrative officer. The County Executive implements Board policies, provides organizational leadership for addressing major issues, directs business and administrative procedures, and recommends department heads for appointment by the Board.
- The County Attorney, who provides legal guidance to the government.
- Members of several separate boards and authorities, who administer the operations of certain services, such as parks and recreation, human services, and the public library system.

The Judges of the Circuit Court, the General District Court, and the Juvenile and Domestic Relations District Court are appointed by the Virginia General Assembly.
Your elected board member represents you and your Magisterial district. Residents are always welcome to attend the Board of County Supervisor meetings to express their concerns, comments, and opinions directly to the Board.

The Board of County Supervisors usually meet at 2 p.m. on the first, second, and third Tuesdays of each month, with meetings also at 7:30 p.m. on the first and third Tuesdays. The Board meets in the Board Chambers located at the administrative offices of the County:

McCoart Building
1 County Complex Court
Prince William, VA 22192

Corey A. Stewart
Chairman (At-Large)
cstewart@pwcgov.org
703-792-4640

Pete Candland
gainesville@pwcgov.org
www.supervisorcandland.com
703-792-6195

Martin E. Nohe
Vice – Chairman
mnohe@pwcgov.org
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703-792-4620

Michael C. May
mcmay@pwcgov.org
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The Board of County Supervisors makes decisions about service delivery and resource allocation based on the policy guidance of the Prince William County Comprehensive Plan and the four year Strategic Plan. The County also uses a Five Year Plan to budget revenues, expenditures, operating, and infrastructure costs. Five year planning ensures that initiatives in one year are affordable in future years, avoid the use of one time money to fund ongoing costs, and provide stability and predictability in tax revenues and expenditures. These plans form the basis for developing the Annual Fiscal Plan each year.

The Comprehensive Plan

The Comprehensive Plan is a general guide to the location, character, and extent of proposed or anticipated land use, including public facilities. Section 15.2-2223 of the Virginia Code requires every governing body to adopt a comprehensive plan for the physical development of the territory within its jurisdiction. Comprehensive plans are required to be reviewed every five years, to ensure that the plan is responsive to current circumstances and that its goals are still supported by the citizenry.

The Comprehensive Plan for Prince William County contains a clear strategy for responsible, fiscally sound residential and economic growth to produce a vibrant, prosperous, stable, “livable” community.

The Strategic Plan

Prince William County also adopts a four year Strategic Plan designed to help the County achieve its long term vision. The Strategic Plan goals focus on the areas of Economic Development and Transportation, Education, Human Services, and Public Safety. The Strategic Plan provides crucial policy guidance for decisions affecting the community and its citizens during the Board of County Supervisors’ four-year term.

The 2016 Strategic Plan is currently being developed and the Board adopted the Strategic Plan Vision, Goals, and Goal Statements on June 19, 2012. Public hearing for citizen input on the plan will be held on January 22, 2013.

The Annual Fiscal Plan / The Budget

As required by Virginia state law, the County must adopt a balanced budget for each fiscal year.

♦ The County Executive must submit a proposed fiscal plan to the Board of County Supervisors on or before April 1st.

♦ After an extensive budget review, deliberation process, and public hearings for citizen input, the Board of County Supervisors formally approves the Fiscal Plan on or before May 1st.

In conjunction with the Fiscal Plan, the County also prepares a six year Capital Improvement Plan (CIP), which is also adopted by the Board of County Supervisors.

The budget allocates resources for the General Fund, which is the main fund used to account for most of the County’s revenue and expenditures. Expenditures are budgeted for the following categories: General Debt, and Capital Improvement Plan (CIP), which is also adopted by the Board of County Supervisors.

The fiscal year 2013 General Fund budget provides an increase of 2.7% over the prior year’s budget. This includes a transfer to Prince William County Schools of $445.3 million, a 4.6% increase from the prior year as well as a 1.7% increase in Public Safety to fund additional police, fire investigators, and basic and advanced life support personnel. The fiscal year 2013 budget is based on a 3.2% increase in the average residential tax bill which is less than the inflation rate of 3.4%. The average residential tax bill in fiscal year 2013 is $3,303. The residential tax rate for fiscal year 2013 has increased by $.0053* to $1.2859* from the fiscal year 2012 rate of $1.2806*.

(* per $100 of assessed value)
The population in Prince William County is relatively young with only 7.1% over the age of 65 and nearly one third under the age of 20. County residents come from many different backgrounds, races, and ethnicities. Our community places a high value on education as 46% of adults over age 25 have earned undergraduate, graduate, and/or associates degrees, and another 23% have some college education.

The County continues to make great strides in attracting more business and jobs and to be a dynamic and growing community. Prince William County was ranked:

# 1 in Job Growth in Virginia by the Bureau of Labor Statistics.
# 3 in Job Growth in the nation by the Bureau of Labor Statistics.
# 8 in Job Growth nationally from 2000-2011 by CNN’s Money Magazine.
# 7 Wealthiest county in the United States by the US Census Bureau 2011 American Community Survey -1 year estimates.
As the nation continues to recover from the economic downturn, Prince William County’s economy and residential housing market appear to be strengthening in most areas. The residential real estate market is improving as the average sold price, number of sales, and average days on the market indicators, are favorable as compared to the prior year. The number of foreclosures in the County is declining, and local retail activity and net vehicles added in the County are increasing. The community and the Board of County Supervisors have made decisions prior to and during the recession that now allow the County to take advantage of low interest rates and invest in infrastructure and capital projects at a time when many other localities are reducing or stopping investment in these areas. These decisions have ensured that the County will continue to meet its Strategic Plan goals and remain a desirable community for current and future residents and businesses.

Throughout the past decade, the County’s unemployment rates have mirrored state and national rates. However, the County’s rates have been at consistently lower levels. The County had an unemployment rate of 4.9% and a civilian labor force of 235,988 as of June 2012, according to the Bureau of Labor Statistics. This represents a decrease in the unemployment rate from 5.3% in June 2011 and an increase in the civilian labor force from 231,371 in June 2011.

The graph to the right shows the portion of the civilian labor force in Prince William County that is attributed to both employed and unemployed individuals per the Bureau of Labor Statistics.

As the County’s population has grown over the last decade, the total employed civilian work force has grown accordingly from 168,165 to 224,330 - an average growth rate of 3.4%. The vast majority of County residents are employed. In 2010, the number of unemployed persons reached the highest levels in the ten year period. Since then, the number of unemployed persons continues to decline as the economy stabilizes and begins to recover from the recession.
The major source of funding for the County comes from you—residents and businesses—in the form of real estate and personal property taxes.

Your total real estate tax bill includes specific levies and fees based upon your property’s assessed value, physical address, and type of property. Your property’s assessed value is determined each calendar year by the Real Estate Assessments Office. Additional levies and fees included in your tax bill are the fire levy, gypsy moth and mosquito control levy, solid waste fee, and storm water management fee.

The County also collects property taxes at rates outlined in the table below. Make sure to inform the County of changes in your personal property so that you are taxed appropriately.

All tax and fee rates are adopted by the Board of County Supervisors for each fiscal year after careful consideration of the impact these rates will have on County residents. The Board seeks to adopt tax rates that generate sufficient revenues to continue to provide essential services in the most efficient and effective manner.

### Fiscal Year 2012 Tax Rates

<table>
<thead>
<tr>
<th>Real Estate Taxes</th>
<th>Tax rate (per $100 of assessed value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Wide Real Estate</td>
<td>$1.204</td>
</tr>
<tr>
<td>Fire and Rescue Levy</td>
<td>$0.0741</td>
</tr>
<tr>
<td>Gypsy Moth Levy</td>
<td>$0.0025</td>
</tr>
<tr>
<td><strong>Total Real Estate Taxes</strong></td>
<td><strong>$1.2806</strong></td>
</tr>
<tr>
<td>Solid Waste/Storm Water Fees</td>
<td>Fee (in dollars)</td>
</tr>
<tr>
<td>Single Family</td>
<td>$70.00/$26.36</td>
</tr>
<tr>
<td>Townhouse</td>
<td>$63.00/$19.78</td>
</tr>
<tr>
<td>Mobile Home</td>
<td>$56.00/$19.78</td>
</tr>
<tr>
<td>Multi-family (Apartment or Condo)</td>
<td>$47.00/$19.78</td>
</tr>
<tr>
<td>Business and/or Non-residential</td>
<td>$70.00 per SFE <em>/ $12.80 per 1,000 SF</em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Personal Property Taxes</th>
<th>Tax rate (per $100 of assessed value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Class: vehicles, certain trailers, motorcycles</td>
<td>$3.70</td>
</tr>
<tr>
<td>General Class: business equipment, furniture, fixtures</td>
<td>$3.70</td>
</tr>
<tr>
<td>Heavy Equipment and Machinery</td>
<td>$3.70</td>
</tr>
<tr>
<td>Mining and Manufacturing Tools</td>
<td>$2.00</td>
</tr>
<tr>
<td>Mobile Homes</td>
<td>$1.204</td>
</tr>
<tr>
<td>Computer Equipment used in a trade/business</td>
<td>$1.25</td>
</tr>
<tr>
<td>Research and Development</td>
<td>$1.00</td>
</tr>
</tbody>
</table>

* SF = Square Feet of impervious area.
* SFE = Square Footage (Estimate), where a SFE = 1.3 tons of waste.

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**Prince William County Taxing Timeline**

<table>
<thead>
<tr>
<th></th>
<th>JAN</th>
<th>MAR</th>
<th>by MAY 1st</th>
<th>JUL 1st</th>
<th>JUL 15th</th>
<th>AUG</th>
<th>OCT 5th</th>
<th>DEC 5th</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real property in the County assessed by the Real Estate Assessments Office.</td>
<td>Notices of Assessment sent to property owners.</td>
<td>Board of County Supervisors adopts property tax rates for the upcoming fiscal year.</td>
<td>Beginning of the fiscal year.</td>
<td>First installment of real estate taxes due.</td>
<td>Personal property tax bills mailed.</td>
<td>Personal property taxes due.</td>
<td>Second installment of real estate taxes due.</td>
<td></td>
</tr>
</tbody>
</table>

---

### Calculating Your Real Estate Tax Bill

Assessed Property Value (at January 1, 2011)

\[
\text{Assessed Property Value} \div 100 \times \text{Tax Rate} = \text{Total Property Tax (for fiscal year 2012)}
\]
The adopted tax rates have fluctuated in the last decade in response to economic circumstances facing the County. Real estate values in Prince William County underwent a period of extensive growth between 2002 and 2007, as the population expanded and housing construction increased rapidly, and a period of decline between 2008 and 2011 as a result of the “Great Recession.” The January 2008 real estate assessments (2009 as pictured below) saw declining values of nearly 9% from the previous year and assessments reached their lowest point in January 2010 (2011 as pictured below). During this time, the County faced plummeting property values and a rise in foreclosures. The Board responded by increasing the real estate tax rate in order to keep revenue at a level sufficient to support continuing services. The January 2011 assessment (2012 as pictured below) increased 7% from the prior year, indicative of a real estate market that is beginning to recover. For fiscal year 2012, the Board of County Supervisors strove to keep real estate tax bills lower than they were five years ago (in actual dollars; not adjusted for inflation), as economic recovery continues.

### Principal Real Estate Payers
*(Assessed values expressed in millions)*

<table>
<thead>
<tr>
<th>Tax Payer</th>
<th>Assessed Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>VA Electric &amp; Power Company</td>
<td>$ 710</td>
</tr>
<tr>
<td>Mall at Potomac Mills, LLC</td>
<td>426</td>
</tr>
<tr>
<td>Northern Virginia Electric Co-op</td>
<td>266</td>
</tr>
<tr>
<td>Verizon South, Inc.</td>
<td>159</td>
</tr>
<tr>
<td>Washington Gas Light Company</td>
<td>101</td>
</tr>
<tr>
<td>E &amp; A Acquisition LTD Partnership</td>
<td>92</td>
</tr>
<tr>
<td>Prince William Square Investors, LLC</td>
<td>86</td>
</tr>
<tr>
<td>Kir Smoketown Station, LP</td>
<td>85</td>
</tr>
<tr>
<td>Stellar Chatsworth, LLC</td>
<td>81</td>
</tr>
<tr>
<td>Manassas Owner, LLC</td>
<td>79</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 2,085</strong></td>
</tr>
</tbody>
</table>

### Assessed Real Estate Value v. Real Estate Tax Rate

(Assessed values expressed in millions; tax rates are per $100 of assessed value.)
Taxes provide the largest portion of total County revenues, with real estate and personal property taxes accounting for 85% of tax revenues. In addition, the County also receives a 1% local sales taxes on retail sales, consumer utility taxes, which are remitted to the County by utility companies who collect the tax from customers, and recordation taxes, which are collected for recording interest in property in the County land book.

Property tax revenues experienced a 4% increase from the prior year, which is indicative of a recovering real estate market. In addition, local sales taxes also rose by 5% indicating increased consumer spending and confidence. Recordation taxes also increased by 6% over the prior year, indicative of lower interest rates and refinancing of mortgages.

Intergovernmental Revenue makes up the second largest source of County revenues, comprising $180,653 or 18% of total revenue. Intergovernmental revenues include monies received through grants from the Federal Government or the Commonwealth of Virginia. Grant funding typically is accompanied by restrictions on how, when, and why the funds can be spent. Taxes, together with Intergovernmental Revenue comprise 90% of total County revenues. Intergovernmental revenues declined from the prior year largely as a result of expiration of funds received in connection with the American Recovery and Reinvestment Act (ARRA).

Amounts collected for various permits and licenses such as building permits or dog licenses are included in Permits, Fees and Licenses.

Fines and Forfeitures are amounts collected for various violations of local ordinances and regulations, such as for parking tickets.

From Use of Money and Property describes amounts earned on investment of funds.

The County also collects fees from the public for certain services rendered, such as court fees and solid waste fees, which are known as Charges for Services.

Other revenues include amounts received from other miscellaneous sources, such as donations and other miscellaneous sources of funds.

The graph below depicts County revenues and spending over the past five years. County revenues reached their peak in fiscal year 2009, as the January 1, 2008 real estate assessments reached a historical high. Spending declined from fiscal year 2010 to 2011, as the County made specific efforts to trim and refocus the budget in response to economic difficulties. Revenue and spending for fiscal year 2012 reflect the beginnings of economic recovery and the position the County is in to provide vital services to a growing community in the near present and in the future.
Spending decisions are made in order to achieve the goals and outcomes outlined in the Prince William County Comprehensive and Strategic Plans and to benefit the community and citizens. The table below details County spending by functional areas.

### Services Rendered

<table>
<thead>
<tr>
<th>Description of Services Rendered</th>
<th>2012 (all amounts expressed in thousands)</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education costs</strong> are expenditures for the maintenance and operation of the educational function of the County.</td>
<td>$ 406,022</td>
<td>$ 368,236</td>
</tr>
<tr>
<td><strong>Public Safety</strong> includes law enforcement, traffic control, fire and rescue services, correction and detention, and protective inspections.</td>
<td>215,366</td>
<td>205,341</td>
</tr>
<tr>
<td><strong>Health &amp; Welfare</strong> includes the local health department, mental health, mental retardation, and substance abuse programs, as well as welfare and social services.</td>
<td>75,217</td>
<td>76,664</td>
</tr>
<tr>
<td><strong>Public Works</strong> includes maintenance and repairs of existing transportation facilities, sanitation and waste removal, and maintenance of the County’s general buildings and grounds.</td>
<td>55,538</td>
<td>48,819</td>
</tr>
<tr>
<td><strong>Community Development</strong> includes long and short range planning for physical, social, economic, and environmental issues.</td>
<td>52,318</td>
<td>50,227</td>
</tr>
<tr>
<td><strong>Interest on Long-Term Debt</strong> refers to the cost of long-term borrowings to the County.</td>
<td>43,178</td>
<td>44,095</td>
</tr>
<tr>
<td><strong>Parks, Recreational &amp; Cultural</strong> includes maintenance and operation of parks, recreation facilities, historical landmarks, libraries, and other cultural facilities.</td>
<td>39,816</td>
<td>33,728</td>
</tr>
<tr>
<td><strong>General Government Administration</strong> includes legislative, financial, and election activities.</td>
<td>40,151</td>
<td>45,435</td>
</tr>
<tr>
<td><strong>Judicial Administration</strong> includes support of the court system, including the Office of the Clerk of the Circuit Court, the Office of the Sheriff, and the Commonwealth’s Attorney.</td>
<td>18,222</td>
<td>18,157</td>
</tr>
<tr>
<td><strong>Total Governmental Activities</strong></td>
<td>945,828</td>
<td>890,702</td>
</tr>
<tr>
<td><strong>Proprietary Activities</strong></td>
<td>16,782</td>
<td>15,852</td>
</tr>
<tr>
<td><strong>Total Services Rendered</strong></td>
<td>$ 962,610</td>
<td>$ 906,554</td>
</tr>
</tbody>
</table>

Overall spending increased by 6% from the prior year, with the most substantial increase in Education. In fiscal year 2011, the County issued about $10 million in debt to support School construction projects, while in the current year $46 million of such debt was issued as the school system undertakes more capital projects in response to growing student enrollment. In addition, County support to the school system increased 6%, which is a result of the overall growth in County revenues. Public works, parks and recreational expenses, and public safety expenses increased in the current year as well.

Though the total cost of governmental activities was $945,828, the amount provided by taxpayers is significantly less. The cost of many governmental activities is also supported by grants and contributions from the federal and state governments, through user fees and charges for services, and through other revenues, such as earnings on investments.
The Statement of Financial Position, otherwise known as the Balance Sheet, provides information about the resources available and the obligations outstanding at the end of the fiscal year for the primary government. The Statement of Net Assets also provides a snapshot of the County’s health at the end of the fiscal year.

(all amounts expressed in thousands)

<table>
<thead>
<tr>
<th>Resources/ Assets</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$ 725,693</td>
<td>$ 722,341</td>
</tr>
<tr>
<td>Investments</td>
<td>20,083</td>
<td>22,710</td>
</tr>
<tr>
<td>Receivables</td>
<td>58,005</td>
<td>69,081</td>
</tr>
<tr>
<td>Property &amp; Equipment</td>
<td>433,584</td>
<td>421,446</td>
</tr>
<tr>
<td>Other Assets</td>
<td>28,919</td>
<td>22,208</td>
</tr>
<tr>
<td><strong>Total Resources</strong></td>
<td>1,266,284</td>
<td>1,257,786</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Obligations/Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts Owed to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees and Vendors</td>
<td>28,366</td>
<td>32,466</td>
</tr>
<tr>
<td>Short-term Debt</td>
<td>87,536</td>
<td>87,204</td>
</tr>
<tr>
<td>Long-term Debt</td>
<td>914,706</td>
<td>937,759</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>289,569</td>
<td>291,317</td>
</tr>
<tr>
<td><strong>Total Obligations</strong></td>
<td>1,320,177</td>
<td>1,348,746</td>
</tr>
</tbody>
</table>

| Net Assets/(Deficit)**    | $ (53,893) | $ (90,960) |

**Net Assets/(Deficit)** The deficit shown indicates that the primary government has long-term commitments that are greater than currently available resources, but does not indicate that the County does not have resources to meet its obligations. The deficit is caused when the County takes on long-term debt on behalf of the School Board, the Park Authority, and the Adult Detention Center. The related assets are owned and reported by these entities in their separately issued financial statements. When the financial position of all of the entities are combined, financial obligations do not exceed financial resources.

Net assets of the primary government at June 30, 2012 increased $37,067 or 41% from June 30, 2011. This increase is due primarily to the decrease in the outstanding debt balance as the County made payments to retire the principal on some of its debt. The graph below depicts the County’s financial position over the last five years. The net deficit has been declining over the years.
Debt

The County borrows money to fund major projects or purchase assets that will benefit the citizens of the County. The County typically sells or issues bonds to investors who will be paid back with interest at a later time. Issuing debt allows the County to spread repayment for major projects over many years, thereby ensuring that the cost is shared by future taxpayers who will benefit from such projects when they are completed. The County typically issues debt to finance road, school construction and renovation, park, public safety, and other general projects throughout the County.

The County has no legal limitations on the amount of debt it can issue. However, the Board has adopted certain best practice financial policies limiting the amount of tax-supported debt outstanding to no more than 3% of assessed value of taxable property and annual debt service payments to no more than 10% of County revenues.

The County adopted Principles of Sound Financial Management in 1988 and amends its Principles through the Board of County Supervisors. Following these Principles has enhanced the County’s image and credibility with the public, credit rating agencies, and investors. The County has sufficient working capital and maintains a margin of safety to address emergency needs or unexpected declines in revenue.

At year end, the County had total debt and other obligations of $1,002,242 of which $715,669 is related to general obligation and revenue bonds designated for roads, parks, schools, and other general County projects. The graphic on the right illustrates the portion of total outstanding bond debt related to these areas.

The remainder is for other obligations which include lease obligations, compensated absences to employees, unpaid claims related to health insurance, workers’ compensation, and liability for future costs of closing the landfill.

Prince William County has a AAA bond rating from the three major credit rating agencies (Standard & Poor’s, Moody’s, and Fitch). The AAA bond rating is awarded to fewer than 1% of jurisdictions in the country and is the highest rating awarded to a local government. Achievement of this rating is based on sound and fiscally conservative financial management and the County’s economic climate. These ratings allow the County to finance projects at the best and lowest interest rates available to local governments, resulting in great cost savings to the County.

The County’s total outstanding bond debt at June 30, 2012 decreased 2% from June 30, 2011. During the year, the County issued $46,445 on behalf of the School Board for the purpose of financing various school projects. In addition, principal payments of $74,760 were made on existing debt.
The County’s major initiatives are focused on enhancing its strategic goals and building a premier community as outlined in the Strategic Plan. Some of the initiatives and projects completed in fiscal year 2012 are highlighted below.

**Education**

During the fiscal year, the school division continued to focus on accommodating increasing student membership through new school construction and additions and renewals of existing schools. Construction was completed on Reagan Middle School in the Haymarket area and the school opened in September 2012. Land was also acquired and construction began on a twelfth high school and also on a K-8 school in Nokesville. During the fiscal year, renovations, additions, and replacements were also completed at the PACE West School and three other elementary schools.

**Transportation**

Over the years, the County has worked to develop a transportation system that gets people to jobs, improves, safety, reduces congestion, reduces travel time, and enhances its economic development efforts. The County remains one of the few localities to significantly fund transportation.

During fiscal year 2012, the following transportation projects were completed:

- **Broad Run Commuter Parking Lot** - One thousand additional spaces were added to the commuter lot. In addition, improvements to the Route 28/Piper Lane intersection were made to provide adequate ingress and egress to the lot.

- **Old Bridge Road (Springwoods Drive to Old Bridge Road)** - A dedicated right turn lane from Springwoods Drive onto Old Bridge Road was constructed.

- **Prince William Parkway (Hoadly to Old Bridge Road)** - An additional lane in each direction of the Prince William Parkway from its intersection with Hoadly Road to Old Bridge Road was constructed.

- **Rollins Ford Road** - Improvements include: opening the existing four-lane section of the roadway, constructing a transition lane into the two-lane section of the roadway (between Braided Stream Drive and Estate Manor Drive), and installing a traffic signal at the Linton Hall intersection.

- **Route 1 (Joplin Road to Bradys Hill Road)** - Improvements include: transforming from an existing four-lane configuration to a six-lane divided roadway and installing a concrete sidewalk and multiple use trail on opposing sides.

**Community Development**

Projects on historical sites were also completed during the fiscal year. A number of improvements were made to the Ben Lomond Historic Site, including renovation of outbuildings and slave quarters, the development of a Confederate hospital exhibit that opened in conjunction with the Sesquicentennial of the American Civil War, an upgrade of the parking facilities, and the restoration of the antique rose garden. The addition of a water and sewer line that will provide fire protection to the main historic building and expand restroom facilities at Rippon Lodge was also completed in fiscal year 2012.

In addition to work at historical sites, the existing skate park facility was expanded and lights were added to an existing ball field at Veterans Memorial Regional Park and an underutilized area behind Potomac Library was developed into a plaza and garden facility. The plaza will support events, planned activities, and provide community interaction in an attractive and engaging area.

At Powells Creek Forebay at Lake Montclair, studies of sedimentation rates, field surveys, and design of physical facilities to reduce the sediment loading on the lake due to excessive upstream erosion were completed during the fiscal year.
Prince William County Government currently has several Social Media outlets to help us connect with our citizens and exchange news and information about County government programs and services. Please visit our Facebook page and follow us on Twitter! Watch local videos on YouTube and send your favorite PWC pictures to Flickr. Let’s stay in touch!

Also, visit the websites of the Prince William County Public Schools and the Prince William County Department of Parks and Recreation to learn important information about the school system and the recreational activities for young and old around the County!

The Prince William County Government website is your one stop portal for all things related to your County!

- Apply for licenses, permits, and jobs.
- View your real estate information and latest assessment information.
- Access County Board of Supervisor meeting agendas and watch County Board of Supervisors meetings live.
- Pay fees, tax bills, and court payments.
- View the latest announcements, events, and stories about what is going on around the County.
- Learn about the history and demographics of Prince William County.
- Sign up for emergency alerts and notifications.
- Access County financial documents including the Comprehensive Annual Financial Report, the Comprehensive Plan, Strategic Plan, the Annual Fiscal Plan, and other accountability reports.

AND SO MUCH MORE!