



PRINCE WILLIAM
COUNTY

FY2019

POPULAR ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019



pwcgov.org/finance



PRINCE WILLIAM COUNTY

Department of Finance
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Woodbridge, Virginia 22192-9201
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Board of County Supervisors

(as of June 30, 2019)

Corey A. Stewart
Chairman (At-Large)

Maureen S. Caddigan
Vice-Chairman
Potomac District

Ruth M. Anderson
Occoquan District

Victor S. Angry
Neabsco District

Pete Candland
Gainesville District

Jeanine M. Lawson
Brentsville District

Martin E. Nohe
Coles District

Frank J. Principi
Woodbridge District

We are pleased to present the Popular Annual Financial Report (PAFR) of the County of Prince William (the "County") for the fiscal year ended June 30, 2019. The PAFR is derived from the information contained in the Comprehensive Annual Financial Report (CAFR) which is prepared in conformity with Generally Accepted Accounting Principles (GAAP) and can be accessed at www.pwcgov.org/cafr.

The CAFR which is available at the County's website, your local library, or by contacting Prince William County Department of Finance, includes more than 300 pages of detailed County financial statements, notes, schedules and reports.

The intention of this report is to provide a broad overview of the financial operations of Prince William County Government for fiscal year 2019 (July 1, 2018-June 30, 2019), and focuses solely on the County's governmental and business-type activities.

The PAFR condenses financial information, and therefore does not comply with GAAP. Additionally, the financial data of the County School Board, the Adult Detention Center, and activity from services provided by County agencies to other County agencies are omitted.

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Profile of Government



Population	466,496
No. of Students	90,876
Citizens with a degree	40%
Median Household Income	\$107,925
Distance from D.C.	20 Miles
Dulles International Airport	16 Miles
Ronald Reagan National Airport	18 Miles

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, 2019, Prince William’s Geographic Information Systems (GIS) Division placed the County’s population at an estimated 466,496 persons.

Prince William County is almost 7.5% of the Washington-Metropolitan region’s population, which stands at close to 6.3 million persons according to the 2018 U.S. Census

American Community Survey (ACS) data. Prince William’s location in Metropolitan Washington, D.C. and the availability of excellent transportation by way of regional, national and international airports, freight and passenger rail services and interstate and highway roadways 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 Government

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 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 Chairman. Seven of the current board members took office in January 2016, following an election held on November 3, 2015, and serve until December 31, 2019. One board member took office in April 2019 following a special election held on April 9, 2019 and will also serve until December 31, 2019.

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 both have a financial benefit/burden relationship with the County and are reported in the County’s CAFR as discretely presented component units, with the School Board issuing separately audited financial statements. A legally separate water and sewer service authority, known as the Prince William County 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 Authority is solely responsible for its outstanding debt. The Authority is not a component unit of the County. Users should go refer to the County’s CAFR for additional information.

FY2019 County Revenue Resources

Total Revenue | \$1,412,474

*Amounts are expressed in thousands

Revenue by Sources	FY2019	FY2018	FY2017
Taxes	\$1,010,746 (71.56%)	\$949,308	\$909,011
Intergovernmental Revenue	\$260,189 (18.42%)	\$239,419	\$225,267
Charges for Services	\$60,134 (4.26%)	\$58,132	\$62,522
From Use of Money & Property	\$45,265 (3.20%)	\$13,945	\$11,772
Permits, Fees & Licenses	\$20,156 (1.43%)	\$19,141	\$19,867
Other Revenues	\$12,528 (0.89%)	\$28,531	\$44,003
Fines & Forfeitures	\$3,456 (0.24%)	\$3,050	\$2,732

Tax Revenue Sources	FY2019	FY2018	FY2017
Real Estate	\$713,059 (70.55%) *	\$679,762 *	\$650,851 **
Personal Property	\$150,269 (14.87%)	\$137,198	\$128,280
BPOL ^	\$26,945 (2.67%)	\$26,554	\$25,341
Other	\$26,633 (2.63%)	\$16,972	\$16,172
Local Sales	\$68,710 (\$6.79%)	\$64,566	\$63,022
Consumer Utility	\$14,443 (1.43%)	\$14,417	\$14,196
Recordation	\$10,687 (1.06%)	\$9,839	\$11,149
Total:	\$1,010,746		

* 99.8% collection rate of real estate tax revenues
 ** 99.7% collection rate of real estate tax revenues
 ^ Business, professional and occupational licenses

Total Intergovernmental Revenues | \$200M

State Revenue: \$145M							
47.83% General Government	10.66% Public Works	25.70% Health	10.92% Public Safety	4.35% Judicial	0.39% Other	0.15% Community Development	

Federal Revenue: \$55M							
51.20% Community Development	7.32% Public Works	35.17% Health	2.83% Other	2.49% Public Safety	0.51% General Government	0.48% Judicial	

FY2019 County Expenditures

Total Expenditures | \$1,281,688



County Expenditures	FY2019	FY2018	FY2017
Education	\$468,667 (36.57%)	\$589,737	\$554,522
Public Safety	\$335,421 (26.17%)	\$292,517	\$295,805
Public Works	\$107,447 (8.38%)	\$112,634	\$81,479
Health & Welfare	\$100,931 (7.87%)	\$95,658	\$92,898
Community Development	\$65,623 (5.12%)	\$71,037	\$66,559
Parks, Recreational & Cultural	\$57,677 (4.50%)	\$49,000	\$50,250
Interest on Long-Term Debt	\$49,473 (3.86%)	\$51,305	\$54,176
General Government Admin.	\$47,572 (3.71%)	\$47,002	\$50,059
Judicial Administration	\$23,677 (1.85%)	\$21,557	\$22,458
Business Type	\$25,200 (1.97%)	\$21,956	\$23,098
Total Governmental Expenditures	\$1,281,688	\$1,352,403	\$1,291,304

The County's (Primary Government) net position increased by \$131 in fiscal year 2019. Factors effecting the change in net position include total revenues of \$1,413 (7.7 percent higher than fiscal year 2018), exceeded total expenses of \$1,282 (5.2 percent lower than expenses of the prior year).

The total cost of all County programs and services decreased by \$71 or 5.5 percent of current year expenses of \$1,282. The County's expenses cover a range of services, with 62.74 percent related to public safety and education. Quality education, workforce development, and safe and secure community are significant goal areas of the strategic plan.

FY2019 Capital Improvements Program

At the end of fiscal year 2019, the total reporting entity had invested \$2,343 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 \$128 or nearly 5.8 percent, over fiscal year 2018. The Primary Government had invested \$654 in capital assets, net of accumulated depreciation. Accumulated depreciation remained stable between fiscal year 2019 and 2018.

Major Capital Asset Additions

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

- Expenditures related to construction were capitalized for Neabsco Creek Boardwalk (\$2), Nokesville Fire and Rescue Station (\$7) and Coles Fire and Rescue Station (\$4.2).
- The County had increases in land and construction in progress on governmental activities related to the completion of the Gainesville Fire Station. Land purchases for Fire and Rescue Station #22, and Neabsco parking garage were \$3.7 and \$5.5 respectively. Additionally, the construction in progress balance as of the end of the fiscal year 2019 was \$39 for governmental activities and \$2 for business-type activities.
- The School Board reported capital asset increases of \$91, which includes increases to construction in progress of \$13. Major capital asset additions in fiscal year 2019 include: completed construction of one new school building, continued construction on two new schools, major renovations at five existing schools, replacement of 97 schools buses, 15 trucks, and four cars as well as additional purchases of seven school buses, seven trucks and five cars.
- The Adult Detention Center (ADC) component unit's assets increased \$28 for construction in progress on the ADC expansion Phase II project.

50 CAPITAL PROJECTS | \$157M



Parks and Libraries (26 Projects)

30.46%
\$8.92M

\$29.30M Authorized



Public Safety (12 Projects)

41.02%
\$24.35M

\$59.35M Authorized



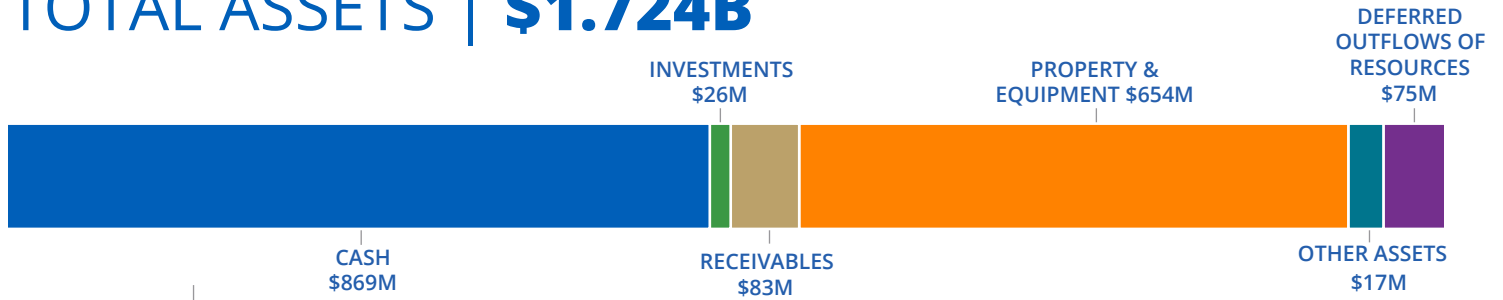
Technology Infrastructure (12 Projects)

19.27%
\$5.97M

\$30.95M Authorized

FY2019 Balance Sheet

TOTAL ASSETS | \$1.724B

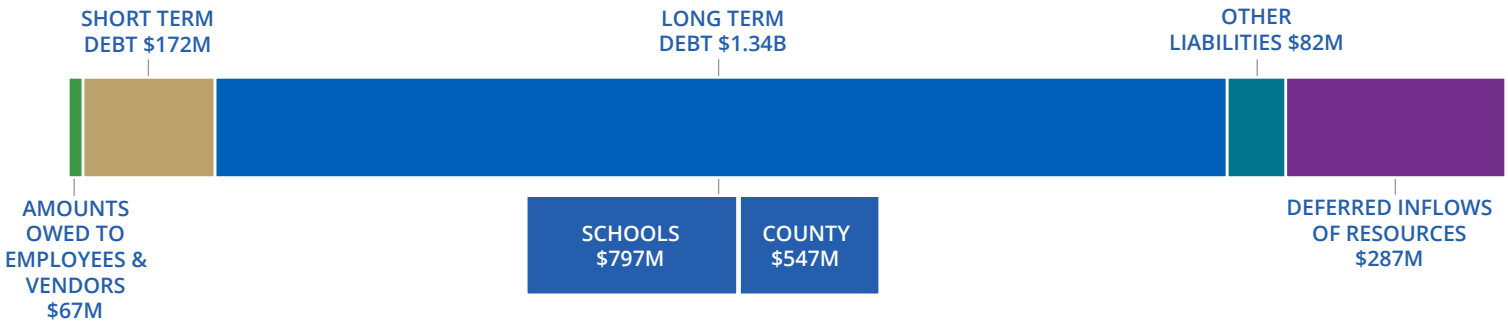


NET DEFICIT | \$228M

As a result of GASB Statement #68 implementation, we are now required to show pension liabilities. Prince William County School Board holds the property title of all schools and school facilities and pays the debt services. The debt obligation resides with the County Government, which creates a net deficit to the Net Position.

	FY2019	FY2018	FY2017
Cash	\$868,694	\$847,962	\$826,702
Investments	\$26,311	\$26,759	\$27,472
Receivables	\$83,474	\$74,599	\$66,418
Property & Equipment	\$653,605	\$642,484	\$644,709
Other Assets	\$17,681	\$17,371	\$17,078
Total Assets	\$1.649B	\$1.609B	\$1.582B
Deferred Outflows of Resources	\$74,605	\$67,693	\$97,996

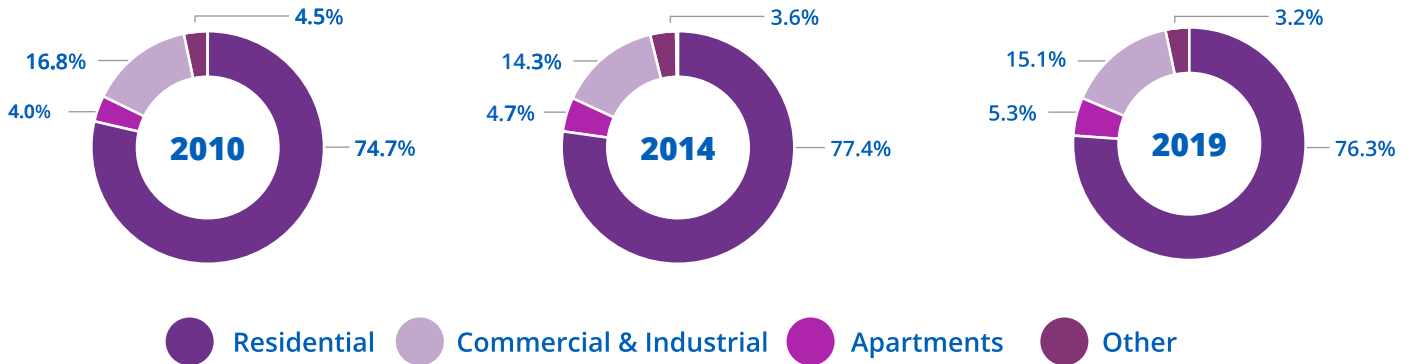
TOTAL LIABILITIES | \$1.953B



	FY2019	FY2018	FY2017
Owed to Employees & Vendors	\$67,004	\$70,925	\$51,595
Short-term Debt	\$172,577	\$174,425	\$170,982
Long-term Debt	\$1,344,036	\$1,422,222	\$1,379,844
Other Liabilities	\$81,997	\$77,298	\$67,794
Total Liabilities	\$1,665,614	\$1,744,870	\$1,670,215
Deferred Inflows of Resources	\$287,212	\$291,253	\$260,437
Total Obligations	\$1,952,826	\$2,036,123	\$1,930,652
Net Assets/(Deficit)	(\$228,456)	(\$359,255)	(\$250,322)

10 Year Snapshot

Percentage of Total Real Estate Revenues



Assessed Value of Taxable Real Property

Residential



Apartments



Commercial & Industry



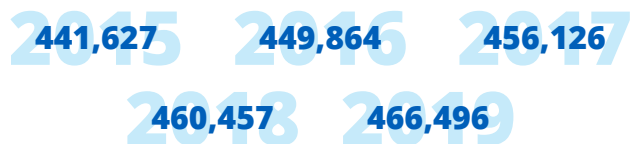
Vacant Land & Other



Average Home Sale Price



Population Estimates



Prince William County is almost 7.5% of the Washington-Metropolitan region's population, which stands at close to 6.3 million persons according to the 2018 U.S. Census American Community Survey (ACS) data.

Unemployment Rates



The unemployment rate has shown steady improvement since 2010 when it was at 6.1% in Prince William County and 9.6% nationally.

Personal Property Assessments



FY2019 Tax Rates

Tax Rates 5 Year Comparison

Real Estate-per \$100 of valuation

	FY2019	FY2018	FY2017	FY2016	FY2015
Base Rate	\$1.125	\$1.125	\$1.122	\$1.122	\$1.148
Fire & Rescue Levy	\$0.0800	\$0.0792	\$0.0705	\$0.0691	\$0.0707
Mosquito & Forest Pest Management Fee	\$0.0025	\$0.0025	\$0.0025	\$0.0025	\$0.0025

Personal Property-per \$100 of valuation

	FY2019	FY2018	FY2017	FY2016	FY2015
General Class	\$3.70	\$3.70	\$3.70	\$3.70	\$3.70
Heavy Equipment and Machinery	\$3.70	\$3.70	\$3.70	\$3.70	\$3.70
Mining & Manufacturing Tools	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Mobile Homes	\$1.125	\$1.125	\$1.122	\$1.122	\$1.148
Computer Equipment	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
R&D	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00

Other Taxes - Motor Vehicle License Fees

	FY2019	FY2018	FY2017	FY2016	FY2015
Vehicles	\$24.00	\$24.00	\$24.00	\$24.00	\$24.00
Motorcycles	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00

Solid Waste Management Annual Fee

	FY2019	FY2018	FY2017	FY2016	FY2015
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 (Apartment or Condo)	\$47.00	\$47.00	\$47.00	\$47.00	\$47.00
Business/Non-residential (per 2,059 sq. ft. of impervious area)	\$39.36	\$70.00	\$70.00	\$70.00	\$70.00

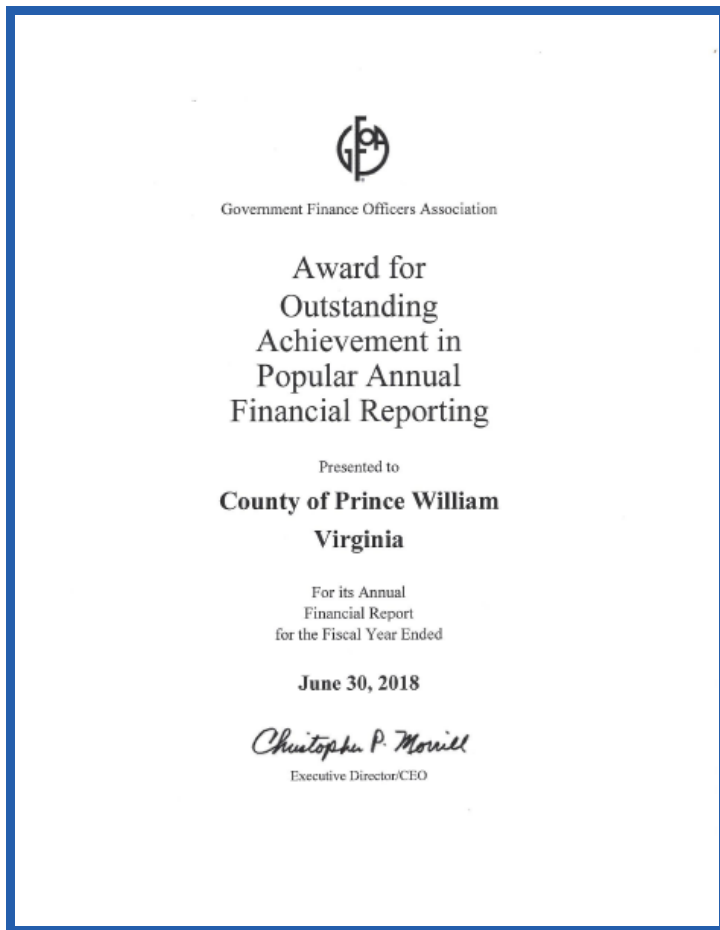
FY2019 Tax Rates

Tax Rates 5 Year Comparison

Storm Water Management Annual Fee

	FY2019	FY2018	FY2017	FY2016	FY2015
Single Family	\$39.36	\$39.36	\$39.36	\$39.36	\$38.20
Townhouse	\$29.52	\$29.52	\$29.55	\$29.54	\$28.68
Mobile Home	\$29.52	\$29.52	\$29.55	\$29.54	\$28.68
Multi-Family (Apartment or Condo)	\$29.52	\$29.52	\$29.55	\$29.54	\$28.68
Business/Non-residential (per 2,059 sq. ft. of impervious area)	\$39.36	\$39.36	\$19.12	\$19.12	\$18.56

Summary



The County's Fiscal Plan is adopted annually by the Prince William Board of County Supervisors (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: Robust Economy, Mobility, Wellbeing, Safe & Secure Community and Quality Education & Workforce Development. The Board also includes a strategic priority of Connectivity. 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 1st of 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 Comprehensive Annual Financial Report (CAFR) at www.pwcgov.org/cafr.

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