

FY2022



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022



PRINCE WILLIAM
Finance

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County of Prince William, Virginia

Annual Comprehensive Financial Report

for the Fiscal Year Ended June 30, 2022

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ACTING COUNTY EXECUTIVE

Elijah Johnson*

**As of June 30, 2022*

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**PRINCE
WILLIAM
COUNTY**

INTRODUCTORY SECTION

Letter of Transmittal
Organization of the County Government



INTRODUCTORY SECTION



December 22, 2022

**Madam Chair, Members of the Board of County Supervisors,
And Residents of the County of Prince William, Virginia:**

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the County of Prince William (the "County") for the fiscal year ended June 30, 2022. The report presents fairly the financial position of the County, including its discretely presented component units in all material respects and demonstrates compliance with applicable legal and contractual provisions. This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. A comprehensive internal control framework designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the County's financial statements in conformity with U.S. generally accepted accounting principles (GAAP) is in place to provide a reasonable basis for making these representations. Because the cost of internal controls should not outweigh the benefits, the County's comprehensive framework of internal controls, by design, provides reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements are audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded there is a reasonable basis for rendering an unmodified opinion that the County's financial statements are fairly presented in conformity with GAAP for the fiscal year ended June 30, 2022. The independent auditor's report is the first component of the financial section of this report.

The independent audit of the County's financial statements is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of major federal award programs. The results of the Single Audit are reported in the compliance report, issued at a later date after the issuance of the ACFR.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal complements the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

Prince William County, located in Northern Virginia, approximately 35 miles southwest of Washington, D.C., encompasses an area of 348 square miles, of which 18.8 percent is federally owned land. As the second most populous jurisdiction in Virginia, the 2020 U.S. Census placed the County's population at an estimated 482,204 persons or 158,525 households. The County comprises almost 7.6 percent of the greater Washington-Metropolitan region's population, which stands at close to 6.4 million persons according to the 2020 U.S. Census.

Prince William's location in the Metropolitan Washington, D.C. area and the availability of excellent transportation options in the region is a catalyst for growth in the County which continues to provide numerous economic advantages. Interstate 95 and U.S. Highway 1 connect the County with Washington, D.C. to the north and Richmond, Virginia to the south. Interstate 66 connects the western portion of the County with Washington, D.C. to the east and Interstate 81 to the west. Route 234/Prince William Parkway links Interstate 66 in the west with 7,000 acres designated for industrial and commercial growth. Prince William Parkway provides easy access to Interstate 95 and prime development locations through the eastern portion of the County. The County has several freight and passenger rail service alternatives available to its citizens and businesses. CSX and Norfolk Southern Railway provide freight service to the County. Amtrak passenger trains provide inter-city service to points up and down the eastern seaboard from stations in the Town of Quantico and the City of Manassas. The Virginia Railway Express provides passenger service to and from the District of Columbia from four stations within the County. Dulles International Airport, Reagan National Airport, and Manassas Regional Airport provide air transportation within easy access of the County. 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 services.





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 Chair. The current board members took office in January 2020, following an election held on November 5, 2019, and serve 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 both have a financial benefit/burden relationship with the County and are reported as discretely presented component units, with the School Board issuing separately audited financial statements. A legally separate water and sewer service authority, 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 and is not a component unit of the County. Local and commuter transportation services, OmniLink, OmniRide and the Virginia Railway Express (VRE), are managed and operated by the Potomac & Rappahannock Transportation Commission (PRTC), a joint venture between Prince William and Stafford Counties and the Cities of Manassas, Manassas Park, and Fredericksburg. Note (1A) in the notes to the financial statements discloses additional information on discretely presented component units and all other related organizations, joint ventures, and jointly governed entities.

The County's annual Adopted Budget for all governmental and enterprise funds serves as the foundation for financial planning, stewardship and control and is an integral part of the County's system for results-oriented government. The Board-adopted Principles of Sound Financial Management and the Financial and Program Planning Ordinance outline pertinent policies governing the budgeting process. During July through November, all agencies and departments are required to report on prior fiscal year performance, including achievement of adopted agency/department outcomes and service levels to the Office of Management and Budget (OMB) for review, analysis, and recommendations. Agency and department directors meet with staff from OMB and the Office of Executive Management (OEM) to review prior year performance and upcoming fiscal year goals, objectives, activities, outcomes, and service levels. If needed, agencies and departments are required to submit budget requests and updates to performance targets to OMB in early December. The County Executive presents a proposed budget to the Board on or before March 1 of each year for the fiscal year beginning July 1. After an extensive review and deliberation process and a minimum of two public hearings to receive resident input, the Board makes its decisions on the proposed budget and adopts a budget by April 30. The education component of the budget must be adopted on or before May 15, and the non-education component must be adopted before July 1 of each year in accordance with the Code of Virginia.

The County's Annual Comprehensive Financial Report (ACFR) is required by the Principles of Sound Financial Management and the Code of Virginia and demonstrates accountability to both residents and bondholders. The ACFR is prepared in accordance with accounting requirements promulgated by the Governmental Accounting Standards Board (GASB), and in accordance with the *Uniform Financial Reporting Manual*, issued by the Commonwealth of Virginia Auditor of Public Accounts (APA) and the guidelines established by the Government Finance Officers Association (GFOA) in its Certificate of Achievement for Excellence in Financial Reporting Award Program. The ACFR provides both detailed and summary level reports on the financial and economic state of Prince William County.

Local Economy

Prince William County is the proud home to a community of residents with a rich cultural identity. The County demographer¹ estimates the population at 492,576 as of second quarter 2022, a 2.1% increase over the 2020 U.S. Census total of 482,204. Population growth is expected to rise steadily, buoyed by County services that promote high quality living standards, a generally stable and diverse labor force, and capacity to expand residential development. By 2040, the Metropolitan Washington Council of Governments (COG) projects the County's population will grow to 569,200. According to the U.S. Census Bureau's 2021 American Community Survey², approximately 25.4 percent of the population are of Hispanic or Latino origin, 43.7 percent of residents are white, 20.4 percent are black or African American, 9.4 percent are Asian, and 17.0 percent were listed as two or more races. Nearly 27.0 percent of the County's population is under the age of 18, while 16.3 percent is 60 or above. Prince William County continues to maintain its family-oriented tradition, reflected by 26 percent of households containing married-couple families with children under 18 years old. An estimated 60.4 percent of the County's employed residents work in another county or state, and the mean travel time to work is 34.8 minutes. Prince William County's median household income of \$118,117 is 59 percent above the statewide median of \$74,222 and 7 percent higher than the Washington D.C. MSA median of \$110,355. Measured on a national scale, the County's median household income ranked 17th among 841 counties listed in the survey and is 46 percent above the national median of \$80,693.

While the human and economic tragedies levied by the novel coronavirus (COVID-19) have begun to ease in the U.S., yet another challenge has emerged that has encroached on the quality of life for millions of American households. Inflation, not experienced at current levels since the early 1980's, has proven to be a pervasive presence and is forecast to remain elevated for the remainder of 2022. Bloomberg's current survey of private sector economists points to a year-end median inflation reading of 8.0 percent. To date, Federal Reserve officials have set out to quash price pressures circulating through the economy with four increases to the Federal Funds rate to a current range of 2.25% - 2.50% and have indicated they are not inclined to ease financial tightening until key measures of inflation, such as wage pressure and core inflation, are not only cooling but will cease to reemerge. With a steeper path of interest rate hikes projected by Fed policy makers leading into calendar 2023, volatility has taken center stage as financial markets have struggled to reconcile the trajectory of inflation and its impact on the profile of U.S. growth in the coming quarters.

As financial conditions have begun to ratchet tighter, forecasts have begun to reflect a downshift in expectations for the future path of U.S. economic growth. JPMorgan Chase & Co. believes gross domestic product will decline from 1.7 percent in 2022 to 1.2 percent by year-end 2023, while Bank of America projects growth will contract by a minus 0.2 percent during 2023 after posting a forecast gain of 1.6 percent for 2022. But a growing number of market observers are indicating a more ominous outcome could be in play. "We put the odds that the economy will suffer a downturn beginning in the next 12 months at one in three with uncomfortable near-even odds of a recession in the next 24 months," according to a Moody's Analytics Chief Economist. Though these projections are pending the course of inflation and future Federal Reserve policy, Federal Reserve Chairman Powell has acknowledged the need to reign in price pressures might lead to pushing up the unemployment rate but argued that would not necessarily deliver a devastating blow. "You can still have quite a strong labor market if unemployment were to move up a few ticks," Powell recently stated. Powell also admitted that the central bank's ability to achieve a "soft or softish" landing of the economy may depend on circumstances outside its control.

The County's leadership team is committed to not deviate from practices that place Prince William County in an elite class of municipalities maintaining ratings of Aaa/AAA/AAA as staff navigates this evolving economic climate. Identifying the County's strengths and vulnerabilities, combined with developing robust planning around various

¹ Source: Prince William County GIS: <https://www.pwcva.gov/department/gis/population-estimates>

² Source: <https://data.census.gov/cedsci/table?q=prince%20william%20county&y=2021>

scenarios, engaging staff, and maintaining financial agility, will remain key areas of focus amid a period of slower economic growth, elevated inflation, and potential market volatility.

The Prince William County economy is an important component of the Washington, D.C. metropolitan area economy, which is arguably one of the most dynamic in the world. Increasingly key to this dynamic economy is the abundance of technology infrastructure, namely low-cost electricity, and cable fiber, which has propelled Northern Virginia to the forefront of America's largest data center market. Currently, the Northern Virginia region is home to the highest number of data centers in the nation and the world. With the unpredictable nature of federal budgets, this rapidly flourishing industry is proving critical to diversifying the region's economy, which has historically relied on federal government spending to support growth.

While the data center industry presents an opportunity for the County to diversify its revenue base, residential real estate tax collections remain the primary source of revenue receipts. Approximately 85 percent of the County's real estate tax base (including apartments) consists of residential housing. Another 14 percent is comprised of commercial, industrial, agricultural, and public service properties and less than one percent is undeveloped land. As home values and investment in the community have increased, the Board of County Supervisors has been able to maintain a near flat tax rate while sustaining the level and quality of services expected by residents. Below is a five-year history of the real estate tax rate per \$100 of assessed value:

FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
\$1.115	\$1.125	\$1.125	\$1.125	\$1.125

Following a nation-wide trend, Prince William County has experienced a torrid pace of home price appreciation over the previous two years. But as mortgage rates have continued to climb higher since the beginning of the year, housing demand has begun to cool. Recently, Freddie Mac noted that "Purchase demand continues to tumble as the cumulative impact of higher rates, elevated prices, increased recession risk, and declining consumer confidence take a toll on homebuyers." Virginia Realtors monthly Flash Survey indicated buyer activity during June continued to slow. The organization's Buyer Activity Index fell to 48 in June from a reading of 56 in May and marked the third consecutive monthly decline. The June print represents the first time the index dropped below 50, an indication more survey respondents conveyed the level of buyer activity as "low to very low" compared to "high to very high." According to Virginia Realtors, a separate index that measures realtors' opinions about how the market will be performing three months in the future declined to 39 in June from 45 the previous month. A mere 13 percent of survey participants thought buyer activity over the next three months would be strong in their respective markets. The following table presents select year-over-year data for Prince William County's residential real estate market.

Category	June 2022	June 2021	Increase/(Decrease)
Median Sold Price	\$542,500	\$482,000	12.5%
Units Sold	744	1,020	-27.1%
Active Listings	634	451	40.6%
Average Days on Market	8	7	14.3%
New Listings	973	1,157	-15.9%

Source: MarketStats by Bright MLS

A leading indicator of housing market conditions is new building permit activity. From 2017 through 2021, permits issued for new construction has averaged about 1,620 per year. Peak permit activity occurred in 2019, driven primarily by a surge in multi-family projects. On average, single-family permits issued represented approximately 41 percent of all activity for calendar years 2017 through 2021.

Calendar Year	Single Family	Townhouse	Condo/Apartment	Total
2017	679	532	209	1,420
2018	689	538	617	1,844
2019	690	434	952	2,076
2020	738	581	164	1,483
2021	533	565	181	1,279
2022 (Jan-Jun)	244	308	26	578

Prince William County's commercial real estate sector demonstrated a consistent, if not improving, profile throughout fiscal year 2022. According to Costar Realty Group (Costar), the vacancy rate on June 30, 2022, was 4.1 percent, a decline of 1.1 percent from year-end fiscal 2021. Total rentable building area (RBA) remained in a range of 50.1 – 50.4 million square feet. Virginia Realtors noted in a recent commercial real estate report that as workers have begun to return to the office and consumers have spent more in brick-and-mortar stores, commercial vacancies in Virginia have exhibited a tightening trend, absorption has risen, and deliveries and new construction have been firm.

Personal property tax generated a healthy increase over the previous fiscal year. The revenue gain was underpinned by an increase in new taxable business tangible property, led by continued growth in the data center industry. Furthermore, a surge in assessed values for new and used vehicles during tax year 2021, driven by lean inventory levels, also contributed to the gain. Sales tax also reflected a sizable increase over the previous fiscal year. Robust and consistent spending behavior within the County, a strong labor market, and a relatively healthy level of aggregate consumer savings all combined to support the trajectory of sales tax receipts. Business, Professional and Occupational License Tax (BPOL) generated a gain over the previous fiscal year as well. The same factors that drove sales tax collections buttressed BPOL receipts as well. Staff is of the opinion the presence of U.S. government stimulus and inflation also furthered the amount of BPOL and sales tax collected.

Underpinning the diversification principle contained in the County's Principles of Sound Financial Management that states, "The County will strive to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source," the Board made headway in further diversifying the County's general tax revenues by implementing a new cigarette tax midyear in fiscal year 2022 (effective January 1, 2022). The County became a member jurisdiction of the Northern Virginia Cigarette Tax Board (NVCTB) for purposes of collection and administration of this new taxing source. The Board acted to further diversify the County's tax revenues by implementing a new 4% food and beverage tax as part of the adopted fiscal year 2023 budget.

Following national and state trends, widespread demand for workers has propelled Prince William County's labor market recovery over the past twenty-four months. After reaching a current year low of 2.4% in April, the County's unemployment rate for June rose to 2.8%. The modest increase in the unemployment rate can be attributed, in part, to a labor force that grew on a quarter-over-quarter basis to 247,233 from 246,226. While the availability of granular data to assess the overall state of the County's job market are limited, a leading indicator that can be utilized to measure labor market conditions are monthly initial claims for unemployment insurance. During the final quarter of FY 2022 average initial claims per month rose to 566 compared to 425 for the prior quarter, an indication labor market conditions remain relatively tight.

According to data from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages, at-place employment in Prince William County grew to 131,160 in the 1st quarter of 2022, a year-over-year increase of 3.2 percent. Establishments of employment in the County grew by 7.0 percent to 10,421 in the 1st quarter of 2022 from 9,735 in the 1st quarter of 2021. By comparison, Washington D.C. Metropolitan area establishments grew by 5.2 percent and statewide establishments grew by 7.5 percent over the same period. The largest employers in the County are the Prince William County School Board, Prince William County Government, the U.S. Department of Defense, Walmart, and Sentara Healthcare/Potomac Hospital Corporation. Average weekly wages in Prince William County increased 4.8 percent to \$1,069 during the 1st quarter of 2022 versus \$1,020 in the 1st quarter of 2021. By comparison, during the same period, average weekly wages in the Washington D.C. Metropolitan area increased 2.2 percent to \$1,784 from \$1,746, while Virginia weekly wages increased 6.5 percent to \$1,366 from \$1,282.

While acute health impacts from COVID-19 have begun to recede, challenges faced by many members of the community in the wake of the pandemic remain. Prince William County Government has consistently served residents and businesses by seeking available avenues to disburse the County's allocation of funds issued by the U.S. Government to support relief efforts. On June 9, the County received the second, and final, \$45.7 million installment of federal funds issued through the American Rescue Plan Act of 2021 (ARPA). Following staff recommendations, the Board of County Supervisors voted on June 7, 2022, to allocate a portion of the second installment of ARPA funds to the capital projects funds for various community parks projects, Emergency Operations Center renovations, broadband/infrastructure, as well as revenue replacement and other community-benefiting initiatives.

With the core of Prince William County's general fund revenues supported by residential property tax, personal property tax and sales tax, the County depends heavily on its housing stock and consumer spending to maintain its prosperity and levels of local government services. While the County's economy has demonstrated a sound recovery trajectory from the impacts of COVID-19, a high level of uncertainty remains around the future path of economic growth against a backdrop of high inflation and rising interest rates. County leadership continues to closely monitor economic conditions in both the nation and the Commonwealth, as well as regionally and locally. County leadership has also evaluated the County's liquidity to meet its obligations and believes sufficient liquidity exists without the need to access external funding for operations. County staff are confident that strong financial policies and practices and a sufficient general fund balance position Prince William County to comfortably manage through the uncertainty of current and future economic conditions.

Long-term Financial Planning

The County adopted its Principles of Sound Financial Management in 1988. The most recent update to these long-standing Principles occurred in April 2018. The Principles establish a foundation for the fiscal strength and stability of Prince William County government and provide overarching guidance for prudent fiscal management. In 1989, the Board also codified a Financial and Program Planning Ordinance. The purpose of this ordinance was to provide a framework for planning government services, allocating resources to those services, and providing accountability for achievement of budgeted service levels. Adhering to these Principles and the Ordinance has enhanced the County's image and credibility with the public, investors, and credit rating agencies.

Credit ratings link strongly to the financial management of a local government and the economic climate. The County seeks to consistently maintain a strong financial position as evidenced by its "AAA/Aaa" status from the three major credit rating agencies, a distinction only 49 counties hold nationwide and a measure that less than one percent of the roughly 19,000 local governments throughout the country have achieved. The triple-AAA/Aaa ratings are also reflective of the County's position as a key economic engine in the Washington-metropolitan area. The County's superior bond ratings and outstanding credit affirms its status as a fiscally responsible and sound local government.

A significant factor in the County's "AAA" bond rating from Fitch Ratings, "Aaa" bond rating from Moody's Investors Service and "AAA" bond rating by S&P Global Ratings is the Board's and management's consistency in implementing and adhering to multi-year financial plans, a practice that requires regular long-term financial planning of operating and capital requirements for general government and enterprise operations. As outlined in the Financial Planning and Program Ordinance and the Principles of Sound Financial Management, five-year revenue and expenditure projections are presented to the Board during the annual budget process. This projection process helps the Board gauge the multi-year impacts of fiscal decisions and weigh the corresponding implications of tax rates and other revenue sources. A five-year budget plan prepared by the Prince William County Schools combined with the five-year budget plan prepared by the County give a total picture of the General Fund requirements. The Board approved the most recent five-year budget plan in April 2022 for fiscal year 2023 to fiscal year 2027. Integral to establishment of five-year plans is the County-School Revenue Sharing Agreement, originally adopted by the Board of County Supervisors and the County School Board in 1998. The current Agreement splits the County's General Revenues, 57.23 percent to the School System and 42.77 percent to the County.

The Adopted Budget implements the Board's policy guidance and works to achieve the community's Vision and Strategic Goals. The Board's adopted vision acknowledges that individuals, families, and businesses make a calculated decision to locate in the County. However, the reasons they come and the expectations they bring with them for how the County should evolve are wide-ranging. The Vision set forth in the County's Strategic Plan states:

"Prince William County is a diverse community striving to be healthy, safe, and caring with a thriving economy and a protected natural environment."

The Board has identified that accountability, communication and engagement, equity & inclusion, innovation, and integrity are essential and consistent factor that families, individuals and businesses rely upon when choosing to locate in the County and are therefore guiding values used in the development of their Strategic Plan. The adopted strategic goal areas included in the 2021-2024 Strategic Plan (adopted in July 2021) are Health, Wellbeing, & Human Services, Safe & Secure Community, Resilient Economy, Quality Education & Workforce Development, Environmental Conservation, Sustainable Growth, and Transportation & Mobility—with objectives, action strategies, and key performance indicators for each goal area. The goal statements associated with each of these seven goal areas are as follows:

- **Goal 1: Health, Wellbeing & Human Services** – *"Promote physical, mental, emotional and social wellbeing through timely and equitable access to services and resources to enhance the quality of life for residents."*
- **Goal 2: Safe & Secure Community** – *"Provide a safe and secure community through prevention, readiness, and service excellence."*
- **Goal 3: Resilient Economy** – *"Diversify, support, and expand the local economy to ensure equitable economic growth through innovative business/talent attraction, promotion, and investment."*
- **Goal 4: Quality Education & Workforce Development** – *"Provide quality and equitable education for all learners and develop and attract a well-trained talented workforce."*
- **Goal 5: Environmental Conservation** – *"Promote and expand the preservation and protection of natural resources and processes and promote environmental justice."*
- **Goal 6: Sustainable Growth** – *"Establish Prince William County as a leader in promoting sustainable growth that ensures the social, economic, and environmental health of the County."*
- **Goal 7: Transportation & Mobility** – *"Provide an accessible, comprehensive, multi-modal network of transportation infrastructure that improves local and regional mobility. Provide an accessible, comprehensive, multi-modal network of transportation infrastructure that improves local and regional mobility."*

This Plan is used to guide decisions about resource allocation in the FY 2023 through FY 2027 annual budgets.

For the past several decades, the County has independently conducted regular community surveys to gauge resident satisfaction with existing services, including the overall satisfaction with the quality of life and identify areas for improvement. More than half of residents surveyed assigned top scores to the quality of services provided by the County and the overall quality of life within the County. Results of these surveys help the County make decisions and achieve the strategic vision of being a healthy, safe, and caring community with a thriving economy and a protected natural environment.

Each year, the County prepares a six-year Capital Improvements Program (CIP), adopted by the Board, and included in the Adopted Budget. The CIP specifies the capital improvements and construction projects scheduled for funding over the next six years to maintain or enhance the County's capital assets and delivery of services. The County's

adopted policy documents, including the Strategic Plan, the Comprehensive Plan, and the Principles of Sound Financial Management guide the development of the CIP.

Capital improvement projects over the next six years for the County government total approximately \$1.2 billion. The major projects address transportation, community development/human services, public safety and technology infrastructure and improvements; all key focus areas of the County's Strategic Plan. The fiscal year 2023-2028 CIP provides \$910.8 million for transportation roadway and sidewalk improvement projects; \$78.1 million for human services and general government projects, namely a new Juvenile Services Center, an eastern Homeless Navigation Center, a new Crisis Receiving and Stabilization Center, countywide space initiatives and technology improvements; \$83.5 million for public safety projects, including \$40 million for the expansion of the Public Safety Training Center, \$27.6 million for the renovation and expansion of the Judicial Center and \$15.9 million for a new Fire & Rescue Station; \$123.6 million for community development projects, including \$49.9 million for various parks and recreation projects such as improvements/expansions at Howison Park, Doves Landing Park, Rollins Ford Park, Catharpin Park, Neabsco District Park, Fuller Heights Park and Hellwig Park, \$23.5 million for landfill related capping and lining projects; \$25.2 million for watershed management projects; \$25.0 million for various building and facility capital maintenance projects. The School System's Capital Program totals almost \$1.28 billion for fiscal years 2023 to 2032 and includes the construction of six new schools, replacement of one school, additions to two schools, renovations to 15 schools and other repair, maintenance, and renovation projects at various school facilities. Permanent capacity is set to increase by 6,541 seats over the next ten years with completion of the school facility construction identified within the School System's Capital Program.

The fiscal year 2023 capital projected expenditures for the County government are estimated at \$352.2 million. Funding sources for County projects include the general fund, debt, state/federal, American Rescue Plan Act (ARPA), fire levy, stormwater management fees, proffers, capital reserve, recordation tax revenue designated for transportation, Northern Virginia Transportation Authority (NVTa), information technology internal service fund balance, solid waste fees, and development fees.

Relevant Financial Policies

As outlined in the Principles of Sound Financial Management, current expenditures are funded with current revenues and other resources. The County does not balance the current budget at the expense of meeting future years' expenditures, nor shall unassigned General Fund balance be used to finance current operations, except in emergencies. Furthermore, the County is required to maintain healthy reserves, with a 2 percent of general fund revenue "Revenue Stabilization Reserve" requirement and a 7.5 percent of general fund revenue "Unassigned Fund Balance" requirement, both designed to position the County with sufficient working capital and a margin of safety to withstand local and regional emergencies, economic shocks, and unexpected declines in revenues without borrowing. In addition, the Principles require the County maintain a capital reserve with a minimum balance of two percent of the current capital projects fund appropriations included in the Adopted Six-Year Capital Improvement Program. This reserve is designed to provide working capital and a margin of safety to withstand unexpected, but necessary, project cost overruns without additional borrowing. Finally, the County maintains a \$3 million "Economic Development Opportunity Fund Reserve" providing a source of working capital that can be used to incentivize economic development in key targeted industries. This reserve supports the Board's "Resilient Economy" strategic goal of growing the commercial tax base.

Major Initiatives

The County's major initiatives focus on achieving its Strategic Goals. Some of the highlighted initiatives of the Strategic Goal areas are as follows:

Health, Wellbeing and Human Services – The FY 2023 Adopted Budget supports vital services for vulnerable families and individuals, including Community Services staffing to reduce wait lists in mental health, substance abuse and emergency services programs; additional Social Services staffing, increasing capacity to address benefit eligibility and childcare applications and renewals; funding for hypothermia homeless service in partnership with community

non-profit organizations and sustaining essential community partner organizations with a 10% operating increase reflecting the rising cost of providing critical services to the community. Capital improvement funding is provided in the Six-Year CIP for the Juvenile Service Center to include the construction of a new 41,000 square-foot services facility and a new 19,000 square-foot youth shelter. The new facilities will be constructed in two phases, with the services facility as phase one and the youth shelter as phase two. The new facilities will be co-located on the same site, which will allow for greater collaboration among staff and increase operational efficiencies by combining shared services, e.g., food, laundry, maintenance, and medical. The Six-Year CIP also includes funding to support the development of a facility to house the Crisis Receiving and Stabilization Center (CRSC). The CRSC will increase capacity and access for individuals experiencing a behavioral health crisis, thereby reducing time to treatment. The project includes adult mental health services, including eight beds and eight recliners. Finally, funding is included for a new eastern end Homeless Navigation Center. The HNC will provide overnight, temporary, emergency sheltering and wrap-around services for up to 50 adults experiencing homelessness, while also providing a safe environment following Center for Disease Control guidance for social distancing. A homeless Drop-In Center program will also be part of the programming. The new facility will provide for increased cooperation and coordination between community partners to address individuals' needs, thereby decreasing the number of people experiencing homelessness.

Safe & Secure Community - The Board's ongoing commitment to keeping the community safe and secure is evident in the FY 2023 Budget. New Police Department staffing enables 16 sworn staff positions currently performing administrative duties to be reassigned to patrol or other assignments that directly improve community safety and additional Police staffing completes staffing for the expanded Animal Services Center. The budget also includes staffing support to the Office of Public Safety Communications as it implements Next Generation 9-1-1, a secure, nationwide wireless infrastructure that improves end-to-end emergency communications. Circuit Court, Sheriff and Circuit Court Clerk staffing is included in the fiscal year 2023 budget to support a new Circuit Court judge funded by the Commonwealth. Additional Commonwealth's Attorney staffing is included to address felony, misdemeanor, and traffic cases and comply with new state laws increasing the need for jury trials. Funding is provided for local salary supplements for state General District Court, Juvenile Domestic Relations Court and District 35 Adult Probation and Parole employees to improve recruitment and retention efforts. Capital improvement funding is provided in FY2023 to renovate the existing Judicial Center as well as design the expansion of the Judicial Center after a master plan is completed. The Six-Year CIP also includes a total of \$7 million to replace public safety 800 MHz radios and funding for two new Fire & Rescue stations and the expansion of the Public Safety Training Center.

During fiscal year 2022, the Animal Services Center project was substantially completed. This project entailed the construction of a new animal care facility at the site of the now demolished shelter, located at Independent Hill on Dumfries Road. The Animal Services Center was opened to the public in November 2021. Additional funding was allocated by the Board in June 2022 to build out and outfit the unfinished wing of the facility. Repairs to the inmate housing areas on the second and third floors of the main jail (Adult Detention Center) building in Manassas were also completed during the year.

Resilient Economy - The County remains a strategic and vital component of the Northern Virginia economy due to the leadership and foresight of Prince William County to support business development to bring quality jobs to the residents and provide strategies for sustained economic growth. The County's Department of Economic Development's mission is to improve the County's economic base by encouraging new businesses to locate in Prince William County, retain existing businesses and encourage existing businesses to expand. The Department works hard to create a pro-business, globally competitive environment that generates new, high-quality, and sustainable job opportunities for our citizens and engages in a broad portfolio of services, partnerships, and strategic alliances to benefit the business community and stimulate the economy. Recently, the Department of Economic Development was accredited by the International Economic Development Council (IEDC). There are only 71 economic development organizations globally that are accredited and only three in the Commonwealth of Virginia.

Since the inclusion of economic development in the strategic goals of the County in the mid-1990s, 598 new and expanding companies have announced their intention to invest approximately \$15 billion and add over 22,000 jobs

to the Prince William County economy. Of these announcements, 478 or 80 percent were targeted industry businesses accounting for \$14 billion (94%) of the total investment and 17,445 (79%) of the total jobs. Today, the County is home to over 10,000 businesses, an increase of 33 percent over the past ten years.

To further promote economic development in the region, Prince William County, along with nine other jurisdictions from Northern Virginia formed the Northern Virginia Economic Development Alliance (NOVA EDA). The Alliance is comprised of the Alexandria Economic Development Partnership, Arlington County, City of Fairfax, Fairfax County Economic Development Authority, City of Falls Church, Fauquier County, Loudoun County, City of Manassas, City of Manassas Park, and Prince William County Department of Economic Development. This ten-member body jointly promotes Northern Virginia as a desirable place to do business.

Recognizing the strengths of Prince William County and seizing upon market demands, Prince William County targets the following key industries and sectors: life sciences & biotechnology; information communication technology; specialized logistics & supply chain; government contractors & corporate facilities; small businesses & entrepreneurs; destination & tourism venues; and revitalization & redevelopment. The County's access to both Interstates 66 and 95 make it a desirable location for shipping and transportation companies in the specialized supplies and logistics cluster. The County's proximity to Marine Corps Base Quantico, Fort Belvoir, the National Reconnaissance Office, and Washington, DC, along with the presence of the Federal Bureau of Investigation Northern Virginia Resident Agency in the County, make the federal government and contractors who support the missions of federal agencies a key industry for economic development. All these targeted industries have provided significant capital investment and job opportunities in Prince William County. Since January 2020, 83 companies chose to locate or expand their business in Prince William County as a result of the County's marketing attraction and business development services. These companies bring \$3.6 billion of intended capital investment and will create 2,512 new jobs, 2,319 (92%) of which fall within the County's targeted industry sectors, underscoring the valuable workforce proposition the County presents.

Technology is one of the County's strongholds and area of core competitiveness. Unparalleled access to the nation's largest tech talent pipeline, along with the County's prominent East Coast location have given rise to Prince William County's emergence as an important data center market in the Greater Washington, DC Metropolitan area – the largest in the world. The County's competitive tax structure, affordable power and fiber optic availability make it an ideal location for data center clients seeking a location in the Mid-Atlantic region. Further strengthening Prince William County's position is the availability of large land parcels and minimal natural disaster threats, which allows clients to meet the high security standards that today's data center market demands. Since attracting its first data center in 1999, the County is now home to over 6.3 million square feet of data center space, representing approximately \$10.0 billion in capital investment and more than 1,400 highly skilled jobs. Approximately 3.3 million square feet of data center space is in development with an additional two million square feet in the pipeline. The County continues to be a magnet for data center projects as the region is home to one of the oldest and most important internet exchange points on the global map of the internet, the Metropolitan Area Exchange-East. Today, over 9,000 acres of land are designated as a Data Center Opportunity Zone Overlay District within the County's boundaries, increasing competitiveness in the marketplace.

Innovation Park, the County's premier business and technology hub, is home to a growing life sciences cluster and several information technology and advanced manufacturing companies. George Mason University's Science and Technology campus, situated at the epicenter of Innovation Park, houses the Institute for Advanced Biomedical Research, which includes leading-edge research laboratories. Other prominent businesses and institutes located at Innovation Park include American Type Culture Collection, Corning Life Sciences - Mediatech, Inc., BerkleyNet, Medliminal, LLC, the Department of Forensic Sciences, the George Mason University/National Institutes of Health (NIH) Level-3 Biosafety Research Laboratory (BRL), Mason's Center for Applied Proteomics & Molecular Medicine and Microbiome Group. Also present is an emerging forensic science/criminal justice cluster that includes the Federal Bureau of Investigation Northern Virginia Resident Agency and the Virginia Department of Forensic Science's Northern Laboratory. NCS Technologies, Inc., a leading domestic computer manufacturer, recently constructed a

new 108,000 square-foot energy-efficient headquarters and advance manufacturing facility in Innovation Park. Also present in Innovation Park is Planet Direct, a full-service direct mail production facility,

Innovation Park is also home to two Stack Infrastructure data center campuses. The first is planned for 1.5 million square feet of data center space and two of the six planned buildings are complete, with a third building currently under construction. The second campus is planned for 860,000 square feet of space in four buildings, one of which is currently under construction and expected to be occupied in early 2023. A 1.5 million square foot data center campus is also being built by QTS on a parcel at Innovation Park. Two buildings are already occupied and another three are under construction. Construction is expected to commence before the end of calendar year 2022 on University Village and Innovation Town Center. The 130-acre master planned town center, adjacent to the George Mason Science & Technology campus, includes plans for 2,652 residential units and approximately two million square feet of commercial space.

The Prince William Science Accelerator is home to the only commercially available public-private wet lab space in Northern Virginia and supports the growth of early-stage, start-up, and small life science companies. First established in 2014, the Science Accelerator was designed to provide an innovative environment for entrepreneurial research and product development. Ideally situated in Innovation Park near George Mason University, the 9,000 square foot facility houses nine fully built-out wet laboratory spaces suited for each tenant's specific needs. In January 2022, the NoVA Bioscience, a 30,000 square foot level 2 wet lab financed through a public-private partnership, opened its doors in Innovation Park. This facility is already 55% leased and provides viable space for science-related companies looking to locate in the County and for companies that have outgrown their space in the Science Accelerator.

The Virginia Simulation and Game Institute (VSGI), also located at Innovation Park, is the only institute of its kind in the world. The Institute is designed to support translational applied research in the areas of simulation, modeling created multiple patents, copyrights, and worked on innovation, simulation, and game solutions for corporate, government, education, and entrepreneurial projects alike. Since opening in March 2014, the VSGI has doubled in size, incubated over 30 companies of varying sizes, and provided well over 750 jobs.

Two historic barns provide a unique ambiance within Innovation Park. The historic Birkett dairy barn serves as a premier wedding, event, and live-music venue, known as Sweeney Barn, and nicely complements the Thomasson historic barn, occupied by an upscale restaurant -- The Black Sheep. The vintage barn features a dedicated arts and entertainment space, as well as private dining rooms in the lower-level barrel-aging quarter. The property is also home to 2 Silos Brewing Co. Farm Brew Live, a live music venue, and a private event venue, Brentsville Hall. Another 5.65 acres of County-owned land was recently sold to accommodate the co-location of a 60-room boutique hotel and 21,000 square foot expansion of Murlarkey Distillery rickhouse and bottling operations near this already popular destination venue.

On the eastern corridor of the County, Potomac Communities includes several office developments that cater to the growing demand to provide companies greater access to the Northern Virginia labor market while maintaining proximity to Washington, D.C., and nearby federal facilities -- such as Marine Corps Base Quantico, Fort Belvoir, and the Pentagon. With infrastructure improvements to local roadways and new commercial office space coming to market, Potomac Communities provides several opportunities for those looking to locate or expand in the County. Also, within the boundaries of Potomac Communities is Potomac Shores, a master planned 1,920-acre riverfront community, zoned for a dense mixed-use development including a town center, a Virginia Railway Express (VRE) station, and recreational amenities, including the completed Potomac Heritage National Scenic Trail and a Jack Nicklaus Signature Golf Course. Additional development phases within Potomac Shores include a planned hotel, additional commercial/office space, "The Marketplace" Town Center, a river walk promenade, and integrated green space.

Within Belmont Bay, a 300-acre mixed-use community adjacent to the Potomac River is George Mason University's Potomac Science Center, home to the Potomac Environmental Research & Education Center. This Center contains wet lab space for teaching and research, lecture rooms, a library/resource center, offices, and a spatial analysis

laboratory further enhancing the pool of future workforce talent here in the County. Northern Virginia Community College (NVCC) Regional Workforce Development Center, also located in Potomac Communities, delivers high-quality workforce training with a focus on information technology, cybersecurity, and advance manufacturing. NVCC and the United States Marine Corps (USMC) partnered, in collaboration with Amazon Web Services (AWS), to develop a course of study in data intelligence focused on cloud computing, data analytics, machine learning and artificial intelligence. This innovative set of courses was developed with the help of AWS Educate, the global initiative of AWS to support cloud computing learning and career development for educators and students. These educational offerings all support targeted industries for Prince William County.

Redevelopment initiatives are taking hold on the eastern Route 1 corridor. The County launched a Richmond Highway grant program entitled "Route One Refresh Grant", making \$3 million available for business assistance grants related to the renaming of Route 1. Additionally, over \$500 million has been invested for massive road and infrastructure improvements to widen the 12-mile stretch in the County. To spark development, the County actively mapped and catalogued targeted assemblage sites while proactively performing property owner and broker outreach and is leveraging hub zones and opportunity zones to incentivize and support targeted industry growth along the corridor. Consequently, several exciting projects are coming to life. Riverside Station will be the County's first vertically integrated mixed-use town center and is strategically located in a Federal Opportunity Zone. The 20-acre assembled parcel will include 850-residential units with a mix of retail and commercial office space and will be conveniently located across from the North Woodbridge VRE station. Phase One construction is expected to occur in 2023 and 2024. At Potomac Shores, a 35-acre office campus is planned for a site that can accommodate more than two million square feet of secured perimeter office space. Office pads are available now and retail pads are expected to be available in late 2022. International Gourmet Foods recently opened their 130,000 square foot company headquarters and distribution center in Woodbridge, adding 169 new jobs. Kaiser Permanente's five-story, 241,357 square foot state-of-the-art multi-specialty medical center also opened in Woodbridge in September 2022, creating 185 new jobs. A 113,000 square foot industrial distribution warehouse space is also anticipated to open in the eastern corridor in Spring 2023. Finally, three affordable housing projects are in the pipeline for the eastern end of the County. The Landing at Mason's Bridge Apartments project seeks to include affordable one, two, and three-bedroom apartments for rent. The Jefferson Plaza Affordable Housing Rezoning on the redevelopment corridor seeks to redevelop an underutilized shopping center with 240 affordable multifamily rental units. And, Park Landing is planned for a 250-unit age-restricted affordable senior housing complex.

To further enhance economic development efforts, the Prince William Board of County Supervisors initiated an update to the County's Comprehensive Plan, which includes the creation of small area plans to direct growth to key locations throughout the County. Small area plans provide greater emphasis on detailed planning, visioning, economic development, and design to develop plans that represent each study area with its own character, vision, and implementation strategy. Since late 2019, seven of the nine planned small area plans have been adopted by the Board. These small area plans provide a foundation to guide growth and development for the County, address Prince William County's Strategic Plan goals, and identify necessary improvements to the multi-modal transportation network. As a result of these plans, the County also expects to highlight the potential for defined mixed-use town centers, increased private sector investment, and improved transportation infrastructure.

To provide added support to small businesses, the County partnered with the Mason Small Business Development Center (SBDC) of George Mason University to deliver small business development services. Funding support from Prince William County allows for counseling services to be available at no cost to business owners and aspiring entrepreneurs. Each business participating in the small business program receives thorough and confidential counseling support for any stage of its life cycle. Small business owners also benefit from regular cost-free workshop sessions in topic areas such as government contracting, financing, and marketing. In 2021 alone, counselors served over 1,949 customers in one-on-one sessions resulting in over \$34.1 million in capital formation and 621 jobs in the region.

Overall, businesses looking to start-up, relocate or expand will find that Prince William County's pipeline of skilled and diverse labor, easy access to five of the Top Ten U.S. markets, the County's proactive business approach and an array of affordable housing, retail and recreational options give Prince William County a competitive edge.

Quality Education & Workforce Development - Over the years, the Board of County Supervisors has demonstrated a strong commitment to quality public schools in Prince William County. The School Board has adopted a vision where "Every student will graduate on-time with the knowledge, skills, and habits of mind necessary to create a thriving future for themselves and their community" with a commitment to learning and achievement for all, positive climate and culture, family and community engagement and organizational coherence. The School Division is organized to focus on meeting the needs of its students and employees while managing 97 schools, along with numerous administrative and support facilities, serving students in grade pre-kindergarten through twelve. Governed by an eight-member elected School Board, Prince William County Schools is the second largest of 132 school divisions in Virginia, the fourth largest in the Washington-Metropolitan area, and one of the 36th largest school divisions in the country. The current School Board members were elected in November 2019 and serve a four-year term beginning January 1, 2020. The official September 2022 student enrollment count for all Prince William County Schools is 90,226 students, up 758 students, or 0.8% from FY 2022 to FY 2023.

The School Division's Five-Year Budget Plan continues to focus resources on the most critical school needs, including funding for an approximate 0.8% annual growth in new students expected during the next five years. The FY 2023 Adopted School Division Budget supports the cost of educating 154 fewer students over the FY 2022 approved budget; start-up costs for opening of "Rosemount Lewis" Elementary School, slated to open in August 2023; and compensation and inflation adjustments on supplies, materials, and equipment. New resources include 100 teacher assistant positions for special education; 88 kindergarten teacher assistants; 35 parent liaison positions, 30 security assistants at middle and high schools; 21 gifted education teachers; 15 career counselors; 14 new school nurses; 13 assistive technology specialists; seven instructional technology coaches; and four transportation liaison positions. Funding is included in the School Division's FY 2023 capital program for start-up costs for opening "Rosemount Lewis" Elementary School; Freedom High School pharmacy lab design; fenestration improvements at Graham Park Middle School; and renovations at Hylton High School, Parkside Middle School, Bristow Run Elementary School, and Signal Hill Elementary School. Capital projects completed during 2022 include the construction of two new schools, Gainesville High School and Potomac Shores Middle School, and renovations to Penn Elementary School, Mountain View Elementary School, and Beville Middle School, including a new music suite. Improvements were also made to the auxiliary gyms at Gar-Field and Woodbridge High Schools and to the turf fields at Battlefield and Forest Park High Schools.

The School System remains committed to providing a world-class education to its students and is a state leader in producing better student achievement results at a lower taxpayer cost. As testament to the quality of education received by students in Prince William County, almost all schools earned full Virginia accreditation for the 2021-2022 school year based on recent performance measures, according to Virginia Department of Education (VDOE). Seven schools received accreditation with conditions. Schools can achieve academic benchmarks for each indicator by using their current performance, their pooled three-year average, or by showing significant improvement over the prior year. Based on their performance, schools are awarded a designation of accredited, accredited with conditions, or accreditation denied. The last time the VDOE provided their school accreditation rating was 2018-19 with all PWCS schools fully accredited. The 2019-20 and 2020-21 school years were waived by the State Superintendent of Public Instruction.

The College Board Scholastic Aptitude Test (SAT) score reports recently released indicate that Prince William County Public Schools students continue to excel with an overall mean score of 1097 -- 37 points higher than the overall global score, or performance worldwide. The percentage of students meeting or exceeding SAT college readiness benchmarks in 2020-21 was 52%. This is an increase from 48% in 2019-20. Thirty-one percent of graduates in 2020-21 earned at least one qualifying score on an Advanced Placement, International Baccalaureate, or Cambridge examination, exceeding state, and national averages. The School Division's 92.8% on-time graduation rate for 2020-2021 exceeds both the state and national averages. The School System's 2022

graduates were awarded more than \$91.1 million in scholarships. This is an increase from the over \$63.5 million awarded in scholarships to the class of 2021.

Transportation & Mobility – Over the years, the County has worked to develop a transportation system that gets people to work, improves safety, reduces congestion, reduces travel time, and enhances its economic development efforts. As the population of the region continues to grow, the County continues to find ways to fund and/or build the needed transportation infrastructure within the community. Transportation initiatives completed or substantially completed during fiscal year 2022 include the completion of the Route 28 Phase 3 project. This project widened Route 28 from Linton Hall Road to Pennsylvania Avenue. The project spanned approximately 1.5 miles, which widened this section of Route 28 from a four-lane undivided highway to a six-lane divided highway to include a multi-use trail and sidewalk. Also completed were the Lucasville Road and Godwin Drive sidewalk projects.

Prince William County is a member of the Northern Virginia Transportation Authority (NVTA), an authority created by the General Assembly in 2002. This nine-member authority; made up of the counties of Prince William, Arlington, Fairfax, and Loudoun as well as the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park; offers a common voice for Northern Virginia on transportation and other issues that confront the region. The NVTA is tasked with preparing an unconstrained long-range regional transportation plan (the most recent is the TransAction 2040 Plan) for Planning District 8, including transportation improvements of regional significance. As a result of fees and taxes imposed by legislation passed by the General Assembly in April 2013, and amended in 2018, the NVTA receives earmarked revenue for projects dedicated to relieving congestion in Northern Virginia and participating jurisdictions are privy to a portion of such revenues. NVTA transportation funding is split into two categories -- projects with regional congestion relief benefits constitute 70 percent of the NVTA funds and the remaining 30 percent of NVTA funds are transferred directly to participating localities for urban or secondary road construction, capital improvements that reduce congestion, projects included in TransAction 2040 or its future updates and/or for public transportation purposes. In the fiscal years 2023-2028 CIP, the County's allocated 30 percent funding, totaling \$43.4 million, has been programmed to support NVTA eligible County-managed road projects. Another \$4.4 million is allocated to support VRE commuter rail operations in fiscal year 2022. The County successfully competes for 70 percent funding each year, with almost \$329.4 million applied to active transportation projects.

Transportation remains a top priority for residents and businesses alike as more than 73 percent of voters approved a \$355 million mobility bond referendum on November 5, 2019. All approved mobility referendum projects (Devlin Road widening, Minnieville Road/Prince William Parkway interchange, Old Bridge Road/Route 123 intersection, Route 28 Bypass and Summit School Road/Telegraph Road improvements) have funding to complete design. In addition, funding is provided in the 2022-2027 CIP for the Van Buren Road Extension environmental study. The debt service to construct these mobility bond projects is planned in the County's Adopted Budget and Five-Year Plan.

The \$910.8 million transportation CIP for fiscal years 2023-2028 aims to further advance the transportation & mobility strategic goals by including \$82.1 million for the Balls Ford interchange and widening project; \$67.6 million for the Potomac/Neabsco Mills Road commuter parking garage and road widening project; \$37.5 million for the Brentsville Road interchange; \$38.8 million for the University Boulevard interchange and extension; \$161.2 million for improvements to Route 1 from Brady's Hill Road to Route 234; \$21.4 million for improvements to Route 1 from Featherstone Road to Mary's Way; \$277 million for a new Route 28 Bypass; \$25 million for improvements to Old Bridge Road and its intersections at Gordon Boulevard and Occoquan Road; \$25.9 million for the intersection of Prince William Parkway and Old Bridge Road; \$25.5 million for the extension of Summit School Road and widening of Telegraph Road; \$65.3 million for the widening of Devlin Road; \$4.5 million for improvements to Fuller Road and Fuller Heights Road; \$68 million for an interchange at Minnieville Road and Prince William Parkway; \$0.4 million for an environmental study for the four-lane extension of Van Buren Road between Route 234 and Cardinal Drive; \$7.4 million for North Woodbridge mobility improvements at Annapolis Way; \$1.4 million for a right turn lane at Pageland Lane; and \$1.7 million for various sidewalk improvement projects.

Important to the overall quality of life are the numerous parks, recreational and tourism amenities that exist throughout the County. During fiscal year 2022, the County completed an auxiliary building at Long Park, housing

restrooms, concessions, and office space. The County also opened a new 2.3-acre neighborhood park in Lake Ridge, Harbor Drive Park, in January 2022. The park features amenities for both active and passive recreation. Six irrigated rectangular grass fields were constructed at Catharpin Park in fiscal year 2021 and became playable in fiscal year 2022 when full grass coverage was achieved. An auxiliary building serving the park is currently under construction and will be completed during fall 2022.

Voters also approved a \$41 million park bond referendum on November 5, 2019, along with the mobility bond referendum. \$20 million was approved for countywide trail, open space, and accessibility projects. \$6 million each was approved for Fuller Heights Park expansion, improvements to Howison Park and the construction of a new community park -- Neabsco. Finally, \$3 million was approved for the construction of artificial turf fields at Hellwig Park. The debt service for these planned park bond projects is planned in the County's Adopted Budget and Five-Year Plan.

Environmental Conservation and Sustainable Growth - On December 7, 2021, the Board of County Supervisors, by resolution, created a Sustainability Commission to make recommendations for a Community Energy/Sustainability master plan to meet the County's energy/efficiency goals, regional greenhouse, and carbon emissions reduction goals, while considering among other things, populations projections, economic development goals, equity, diversity, and inclusion. The CIP includes \$1.0 million to implement Sustainability Commission recommendations and action strategies contained in the Community Energy Master Plan currently under development. Also newly funded is a County-operated Office of Environmental & Energy Sustainability. One of the first important endeavors of this office through a contract with AECOM is to produce a Community Energy and Sustainability Master Plan.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Prince William County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. This was the 40th consecutive year that the County has received this prestigious award. To earn a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report consistent with GFOA's reporting guidelines. This report satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The results of the Certificate of Achievement Program for the fiscal year ended June 30, 2021 are still pending with GFOA. However, we believe that the FY 2021 and the current FY 2022 Annual Comprehensive Financial Reports continue to meet the Certificate of Achievement Program's requirements. The FY 2022 Annual Comprehensive Financial Report will be submitted to the GFOA to determine its eligibility for a certificate as well.

Prince William County received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning July 1, 2021. This was the 36th consecutive year that the County has received this prestigious award. To receive this award, the governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide and as a communications device.

The County also received for the 15th time the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2020. This award program is designed to encourage local governments to extract information from their comprehensive annual financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the public and other interested parties without a background in public finance. The fiscal year ended June 30, 2021 report is still pending review by the GFOA.

Many staff members in the Finance Department's Financial Reporting and Control Division prepared this report. Their hard work, professional dedication, and continuing efforts to improve the quality of this report are a direct benefit to all that read and use it. We would also like to acknowledge the cooperation and assistance of the County's departments and agencies throughout the year in the efficient administration of the County's financial operations.

Respectfully,



Elijah T. Johnson
Acting County Executive



Michelle L. Attreed
Chief Financial Officer



**PRINCE
WILLIAM
COUNTY**

Organization of Prince William County Government

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. 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 Chair.

On November 5, 2019, an election was held in the County to elect members to fill the seven magisterial district seats and the one at-large seat. The following members took office in January 2020 and serve a four-year term expiring December 31, 2023:

Chair, At-Large Ann B. Wheeler	Neabsco District Victor S. Angry
Brentsville District Jeanine M. Lawson	Occoquan District Kenny A. Boddye
Coles District Yesli Vega	Potomac District Andrea O. Bailey
Gainesville District* Pete K. Candland	Woodbridge District Margaret Angela Franklin

The Board appoints a County Executive to act as the County government's chief administrative officer. The County Executive serves at the pleasure of the Board, implements its policies, provides organizational leadership for addressing major issues, directs business and administrative procedures, and recommends department heads for appointment by the Board. The Board also appoints a County Attorney to provide legal guidance to the government.

An eight-member School Board is responsible for the operation of public schools in the County. The members are elected and serve a term of four years. The Board appropriates funds from the County's General Fund for the local share of the cost of operating the public schools. Operations of the School Board, however, are independent of the Board and the County administration as prescribed by Virginia law. A Superintendent, appointed by the School Board, administers the operations of the County's public schools.

* Note: The Gainesville District Supervisor resigned from his office effective December 16, 2022. A special election will be held to fill the vacant seat.

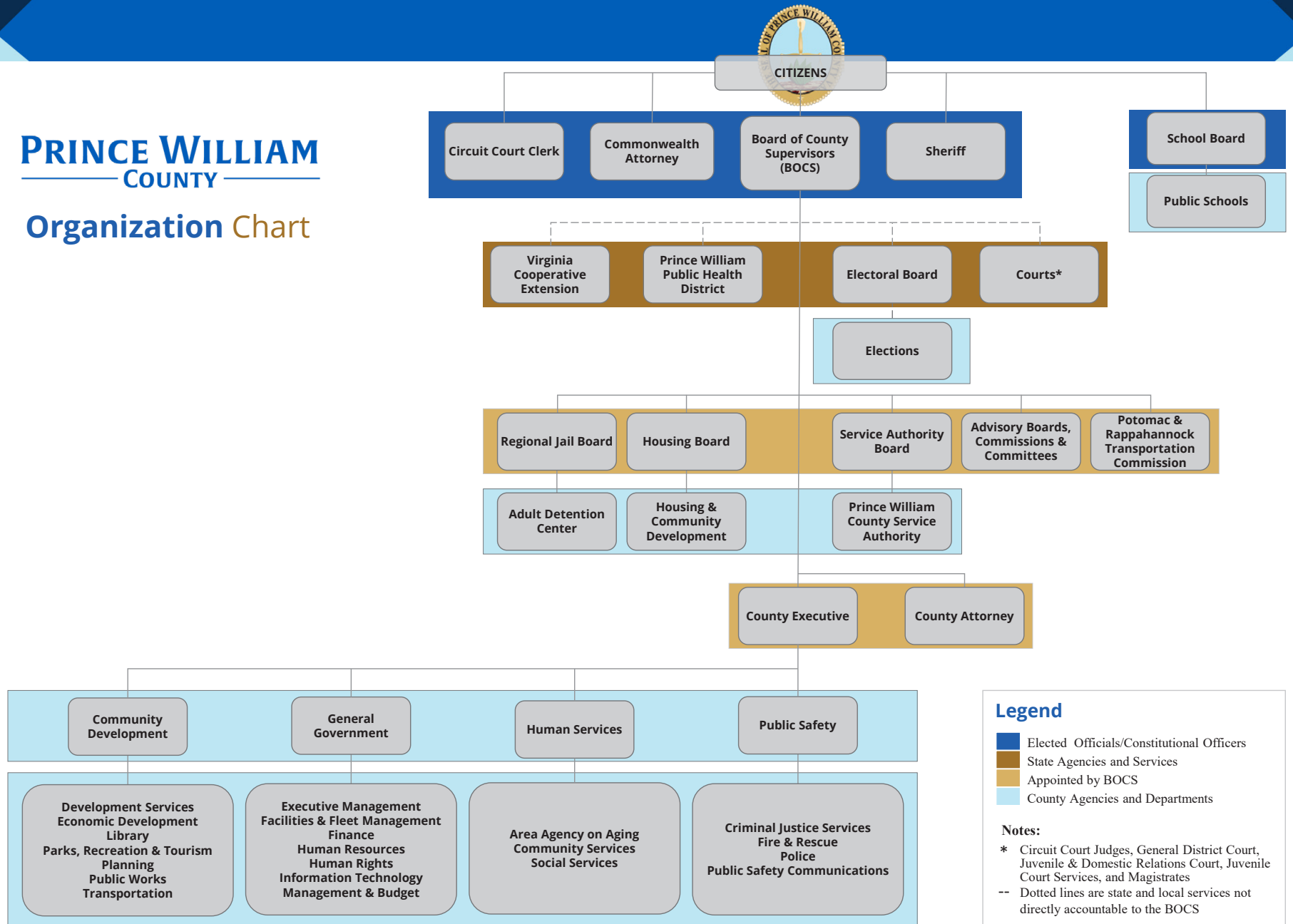
The Board also appoints the members of several separate boards and authorities to administer the operations of certain services.

Along with the Board, County residents elect three constitutional officers -- the Clerk of the Circuit Court for a term of eight years, and the Sheriff and Commonwealth's Attorney each for terms of four years. The Virginia General Assembly appoints the Judges of the Circuit Court, the General District Court, and the Juvenile and Domestic Relations District Court. Unlike most other Virginia counties, County residents do not elect a Treasurer and a Commissioner of the Revenue. The Director of Finance/CFO, appointed by the Board based on a recommendation of the County Executive, carries out the responsibilities of these officers.

The administrative offices of the County are located at the McCoart Administrative Building, One County Complex Court, Prince William, Virginia, 22192. The County's central telephone number is (703) 792-6000. TTY users may call (703) 792-4733 or the Virginia Relay Center at (800) 828-1120. The County's official home page is located at www.pwcva.gov.

PRINCE WILLIAM COUNTY

Organization Chart





**PRINCE
WILLIAM
COUNTY**

FINANCIAL SECTION

Report of Independent Auditors
Management's Discussion and Analysis
Basic Financial Statements
Required Supplementary Information
Supplementary Information



FINANCIAL SECTION

Report of Independent Auditor

To the Board of County Supervisors
County of Prince William, Virginia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Prince William, Virginia (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* (the "Specifications"), issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards and Specifications are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Specifications will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Specifications we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Tysons Corner, Virginia
December 22, 2022



Management's Discussion and Analysis June 30, 2022 (amounts expressed in millions)

Prince William County's 2022 fiscal performance continues to demonstrate the successful adherence to its Principles of Sound Financial Management and to achieve the goals defined in the Strategic Plan. This report provides accountability to the County residents on the goals and objectives of the Strategic Plan adopted by the Board of County Supervisors. This section of the Annual Comprehensive Financial Report presents our discussion and analysis of the County's financial performance during the fiscal year that ended on June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section. All amounts in the discussion and analysis, unless otherwise indicated, are expressed in millions of dollars. Throughout this section of the report, the primary government is referred to as the "County", and the "Total Reporting Entity" is the County and component units combined. Due to the material relationship between the County and its component units (School Board and Adult Detention Center), the Total Reporting Entity information more accurately reflects the comprehensive financial operations of Prince William County.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of four parts – Management's Discussion and Analysis (MD&A), the Basic Financial Statements, other Required Supplementary Information, and an optional section that presents combining statements for nonmajor governmental funds, internal service funds, fiduciary funds, discretely presented component units; budget and actual schedules for the nonmajor governmental funds; and debt obligation schedules. The basic financial statements present different views of the County:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual operations of the County government, reporting in more detail than the government-wide statements.
 - The governmental funds statements reflect how general government services, like public safety, are financed in the short-term as well as what remains for future spending.
 - Proprietary fund statements offer short-term and long-term financial information about the activities the government operates like businesses, such as the landfill.
 - Fiduciary fund statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources belong, such as the County's pension and other post-employment benefit plans; the special welfare program; and the community

FINANCIAL HIGHLIGHTS

- The total reporting entity, which includes component units, has positive net position of \$1,461 at June 30, 2022, which represents an increase of \$296 or 25.4 percent from the prior year.
- The total cost of the County's governmental programs decreased by \$108, or 6.6 percent, to \$1,531 during fiscal year 2022, while the County's total revenues were down \$8, less than 1 percent, to \$1,625.
- Net position of governmental activities increased to (\$195), or 31.3 percent, from (\$284) in the prior year. The County's total costs in governmental activities decreased \$105 or 6.5 percent from prior year, while program revenues and general revenues both decreased slightly, each by less than 1 percent.
- At June 30, 2022, the County had \$1,026 of debt outstanding, including \$880 related to assets recorded by its component units and other entities. Accordingly, liabilities and deferred inflows of the County's governmental activities at June 30, 2022 exceeded its assets and deferred outflows by \$239 (net deficit).
- Total net position of the County's business-type activities remained the same as prior year at \$72 as expenses matched revenues during the year.
- At the end of the current year, the unassigned fund balance of \$99 in the general fund was maintained at 7.5 percent of the total general fund revenues. The unassigned fund balance increased 3.9 percent from the prior year. The increase is primarily attributable to lower general activity costs during the fiscal year.
- General fund revenues exceeded the budget by \$15; alternatively, expenditure savings of \$111 under the budget helped to provide additional available resources to fund the County's reserves available for future appropriation.
- As of January 1, 2021, (the assessment date pertinent to real estate taxes supporting fiscal year 2022) the total assessed values of taxable property increased by 22.7 percent compared to the prior year, with residential values accounting for 77.5 percent of the total assessed values. Real estate taxes contributed 48.2 percent of the total revenues for the primary government of the County during fiscal year 2022.

services board, and housing federal self-sufficiency payee programs for certain recipients of welfare, mental health and housing services.

The financial statements also include note disclosures that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this financial section are arranged and related to one another. In addition to these required elements, the financial statements include a section with combining statements that provide details about the County's nonmajor governmental funds, internal service funds, fiduciary funds and discretely presented component units, each of which are combined and presented in single columns in the basic financial statements.

Figure A-1
Required Components of Prince William County's Comprehensive Annual Financial Report

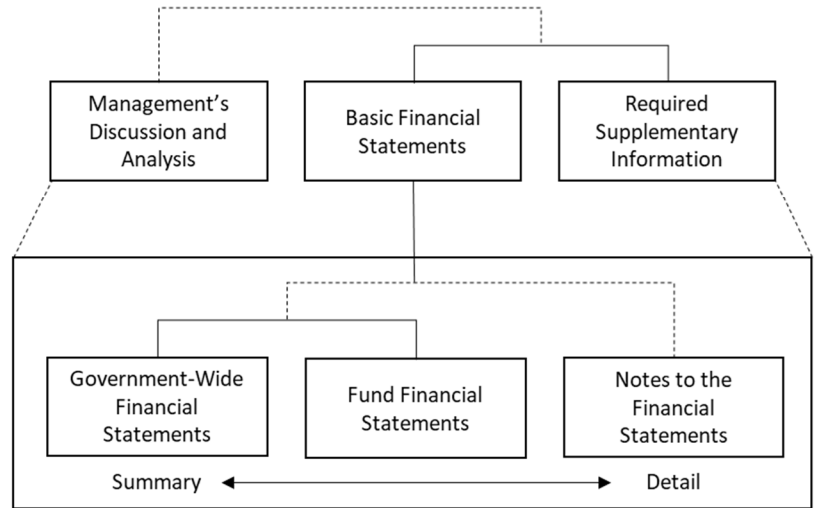


Figure A-2 summarizes the major features of the County's financial statements, including the scope and the types of financial information presented. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2
Major Features of the County's Government-wide and Fund Financial Statements

	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds) and the County's component units	The activities of the County that are not proprietary or fiduciary, such as police, fire, and community development	Activities the County operates in a manner similar to private businesses such as, the Landfill, Innovation Technology Park, and Parks & Recreation	Instances in which the County is the trustee or agent for someone else's resources, such as the retirement plan for County employees
Required Financial Statements	• Statement of net position	• Balance Sheet	• Statement of net position	• Statement of fiduciary net position
	• Statement of activities	• Statement of revenues, expenditures, and changes in fund balances	• Statement of revenues, expenses, and changes in net position • Statement of cash flows	• Statement of changes in fiduciary net position
Basis of Accounting and Measurement Focus	Accrual accounting and economic resources measurement focus	Modified accrual basis of accounting and current financial resources measurement focus	Accrual basis of accounting and economic resources measurement focus	Accrual basis of accounting and economic resources measurement focus
Type of Deferred Outflow/Inflow, Asset/Liability Information	All assets and liabilities, both financial and capital, and both current and noncurrent	Only assets expected to be available for use and liabilities that come due during the year or soon thereafter, no capital assets or noncurrent liabilities included	All assets and liabilities, both financial and capital, and current and noncurrent	All assets and liabilities, both current and noncurrent
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds—not the County as a whole. Funds are accounting tools the County establishes to control and manage money for specified purposes (e.g., Streets & Roads capital projects fund) or to show that it is properly using certain taxes and grants (e.g., Transportation Districts or Housing special revenue funds).

The County's funds are organized into three broad categories:

- **Governmental Funds**—Most of the County's basic services are included in various governmental funds, which focus on:
 - 1) How cash and other financial assets can readily be converted to cash flow in and out; and
 - 2) The balances left at year-end that are available for spending.

Consequently, the financial statements of the governmental funds provide a detailed view that focuses on fiscal accountability and the financial resources currently available to support the County's programs in the near future. Because this information does not encompass the additional long-term focus of the government-wide statements, a detailed reconciliation provides additional information that explains the relationship (or differences) between the statements.

The County's governmental fund balances are categorized into five classifications based upon constraints imposed upon the use of the resources – non-spendable, restricted, committed, assigned and unassigned.

Proprietary Funds—Services for which the County charges customers a fee, for the purpose of recovering costs, are generally reported in proprietary funds.

- The County's enterprise funds are the same as its business-type activities; but provide more detail and additional information.
- The County uses internal service funds to report activities that provide supplies and services for the County's other programs and activities—such as the County's Intra-County Services Fund.

- **Fiduciary Funds**—The County is the trustee, or fiduciary, for its employee's pension plans. The County is also responsible for other assets through a trust arrangement that can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the County's government-wide financial statements, because the County cannot use these assets to finance its own operations.

Government-Wide Statements

The government-wide statements are derived from the fund financial statements, and report information about the County as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets and deferred outflows of resources, as well as its liabilities and deferred inflows of resources. All of the revenues and expenses related to the current fiscal year are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the change in the County's net position. Net position, the difference between the County's assets, deferred outflows, liabilities and deferred inflows, is one way to measure the County's financial health. Over time, significant increases or decreases in the County's net position are an indicator of improving or deteriorating financial health, respectively. To assess the overall health of the County, one must consider additional factors, such as changes in the County's property tax base, economic environment, and financial policies in place to preserve the health of the County during economic downturns.

The government-wide financial statements of the County are divided into three distinct categories:

- **Governmental Activities**—Most of the County's basic services are included here, such as police, fire, public works, transportation, community development, and general government administration. Property and other taxes and state and federal grants are the primary funding source of these activities. Additionally, the County's internal service funds, such as, Fleet Management, Construction Crew, and Data Processing are predominantly used to provide goods and services to the funds and departments of the County and are included in governmental activities.
- **Business-Type Activities**—The County's Landfill, Innovation Technology Park, and Parks and Recreation enterprise operations comprise the County's business-type activities. The County charges fees to customers to cover the costs of these operations.
- **Component Units**—The County includes two other entities in its report—the Prince William County School Board and the Adult Detention Center. Although legally separate, these entities are considered to be “discretely presented component units” because the County is financially accountable for their operations. The financial data of these entities are reported in separate columns from the primary government in the government-wide financial statements.

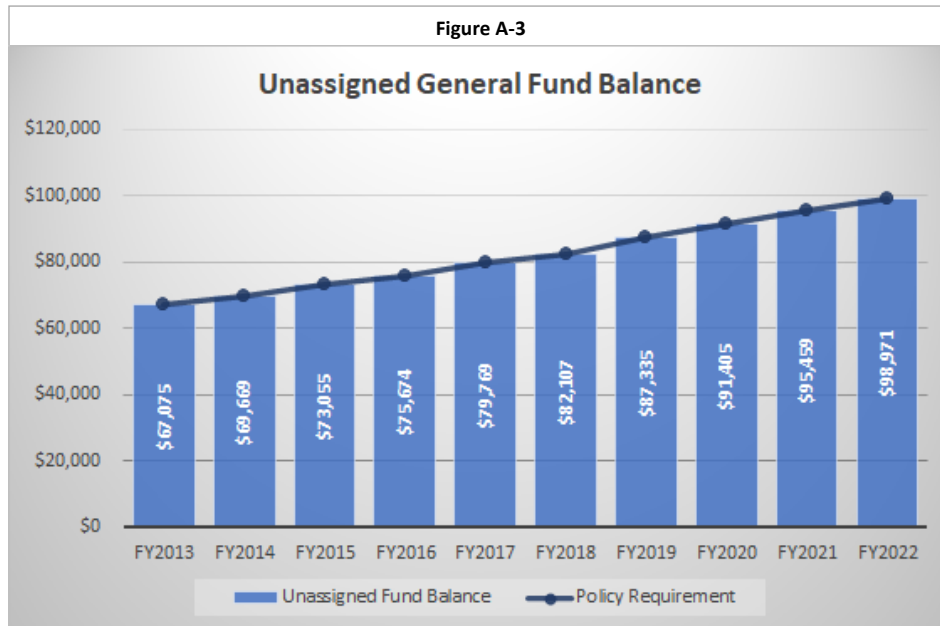
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Board adopted its Principles of Sound Financial Management (Principles) in 1988 and amended its Principles in April 2018. Following these Principles has enhanced the County's image and credibility with the public, credit rating agencies, and investors. Section 1.02 of the Principles requires a General Fund unassigned fund balance of 7.5 percent of the current year's General Fund revenues, a level that has been maintained since 2006. The purpose of the unassigned fund balance is to provide the County with sufficient working capital, and to maintain a margin of safety to address emergency needs or unexpected declines in revenue. The County has done an excellent job achieving and maintaining its minimum fund balance

requirement since establishment. Figure A-3 shows the County's unassigned General Fund balance as compared to the policy requirement. Additions to the unassigned fund balance come from a combination of revenues over projections and current year expenditure savings.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the County completed the year, its governmental funds reported a



combined fund balance of \$461, an increase of \$8 with the combined fund balance in the prior year.

- The County's General Fund balance increased \$27, or 10.1 percent, while revenues increased \$38 or 3.0 percent, fueled mainly by increases in general property taxes which resulted from escalations in assessed values of residential and commercial real estate from the prior year, partially offset with investment losses and higher expenditures increases year over year.
- The Capital Projects Streets & Roads fund balance tends to fluctuate from one year to the next due to the timing of major capital improvement projects. Expenditures decreased by \$5 during the current year.
- Fund balance for the COVID-19 Relief fund decreased \$2 from prior year. Total revenues and expenditures showed a sharp decline, as funding and spending dwindled for the effort in the current year related to CARES Act funds and the spending of ARPA funds were being planned.
- The financial results as detailed in the governmental funds demonstrate the County's accountability to its seven strategic goal areas of health, well-being and human services; safe and secure community; resilient economy; quality education and workforce development; environmental conservation; sustainable growth; and transportation and mobility.
 - ◆ Debt service costs increased \$22 during fiscal year 2022 to \$168. The County increased its investment in health and welfare, adding \$15 over the prior year expenditures, or 12.1 percent.
 - ◆ The County continued its mobility goal of alleviating congestion by investing \$83 on the construction of various streets and roads during fiscal year 2022. Upon completion, these road projects will be transferred to and become assets of the Commonwealth of Virginia.
 - ◆ The County's general fund support to the School Board was \$555 compared with \$539 in the prior year. This represents a 2.9 percent increase.

Proprietary Funds

Unrestricted net position of the Landfill decreased by \$3.8, or 30.6%, in fiscal year 2022, due mostly to the increase in closure expenses, up \$2.4 over prior year. Unrestricted net position of the nonmajor funds remained relatively flat, with increases in revenues of Parks & Recreation combined with a slight increase in capital investments in Innovation Technology Park revenues during the year. The Statement of Cash Flow, for the proprietary funds provides more detailed information.

General Fund Budgetary Highlights

Over the course of the year, the Board of County Supervisors revised the County's budget several times. These budget amendments predominantly fall into two categories:

- Amendments to appropriations approved shortly after the beginning of the year to reflect budget re-appropriations from the prior year.
- Increases in appropriations based on supplemental funding sources.

After these adjustments, budgetary expenditures were \$111 lower than the final budget amounts and budgetary revenues exceeded the final budget by \$75. These two factors, combined with the effect of transfers to other funds, resulted in an increase in the total fund balance of the General Fund, of \$27 during the fiscal year. The most significant revenue variances were related to other local taxes (\$36 higher than final budget) and general property taxes (\$45 higher than final budget) resulting from increases in assessed values, offset slightly by a \$4 decrease in charges for services, mainly in parks and recreation and a \$5 decrease in public assistance and welfare administration revenues. Actual expenditures were lower in all categories, most notably public safety; schools; and health and welfare; as the County continued to react to the COVID-19 pandemic and continues its commitment to spending reductions to prepare for the potential impacts, including possible economic downturn.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Position

The total reporting entity net position increased from the prior year balance of \$296, or 25.4 percent to \$1,461.

Governmental Activities

Net position of the County's governmental activities increased 31.3 percent to (\$195) during the year. The (\$123) deficit net position of the primary government results largely from the County issuing debt to finance capital projects, which are donated to other entities. Therefore, while the debt is reflected as an obligation of the primary government of the County, the related assets are recorded by the entities to which the capital projects are donated. These donations are planned as part of the County's capital improvement program to further its quality education and workforce development, mobility, safe and secure communities and robust economy strategic goals, and thereby increase services and improve the quality of life in Prince William County.

As of June 30, 2022, the County has \$1,026 of outstanding bonded debt (compared with \$1,135 as of June 30, 2021 of which \$958 is related to assets donated to other entities as follows:

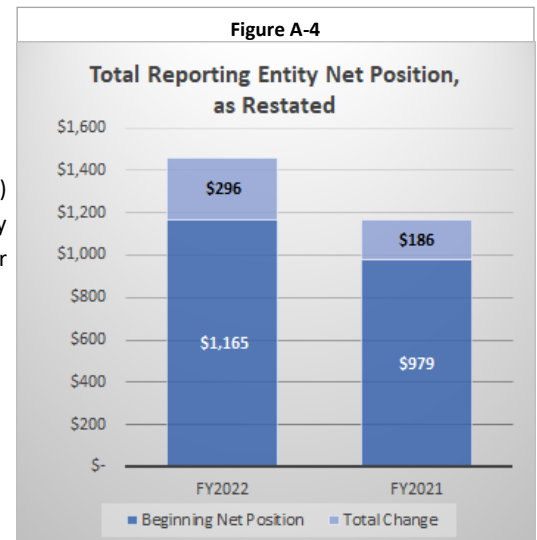
\$863; Prince William County School Board

\$79; Commonwealth of Virginia

\$17; Prince William County Adult Detention Center

This represents 93.4 percent of the County's total general obligations and other long term debt. Because the County does not retain ownership of the related assets which, therefore, are not presented on the County's Statement of Net Position, this debt liability (less any unspent proceeds) reduces the County's total net position and represents a less favorable picture as compared to governments that do not extensively fund the capital assets of other entities.

Consequently, the debt used to finance the purchase or construction of assets recorded by other entities results in a deficit in net position of governmental activities of the County. Additionally, as discussed in the analysis of the County's governmental funds, revenues of the County's governmental activities were flat compared to those of the prior year, and expenses decreased by 6.8 percent during fiscal year 2022.



**Table A-1
Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government		Total Reporting Entity (Including Component Units)	
	2022	2021*	2022	2021*	2022	2021*	2022	2021*
Current assets and other	\$ 1,005	983	50	53	1,055	1,036	1,820	1,743
Capital assets	681	639	53	49	734	688	2,639	2,550
Total assets	1,686	1,622	103	102	1,789	1,724	4,459	4,293
Deferred outflows of resources	168	167	2	2	170	169	453	493
Other liabilities	575	413	4	7	579	420	772	620
Long-term liabilities	1,295	1,515	27	25	1,322	1,540	2,015	2,754
Total liabilities	1,870	1,928	31	32	1,901	1,960	2,787	3,374
Deferred inflows of resources	179	145	2	-	181	145	664	247
Net position:								
Net investment in capital assets	595	541	48	45	643	586	2,595	2,512
Restricted	136	126	-	-	136	126	328	204
Unrestricted	(926)	(951)	24	27	(902)	(924)	(1,462)	(1,551)
Total net position*	\$ (195)	(284)	72	72	(123)	(212)	1,461	1,165

* The 2021 fiscal year has not been restated for the impact of GASB Statement No. 87, Leases; see Note 1.R. for further information.

Business-Type Activities:

The net position of the County's business-type activities remained flat at \$72 in fiscal year 2022 , same as the prior year.

The \$72 net position of the County's business-type activities is used to offset the net position deficit in governmental activities. The results of the County's business-type activities are attributable to the activities discussed in the analysis of the County's proprietary funds.

The aforementioned factors contributing to changes in the governmental net position and the business-type net position of the County combined to create an overall increase in net position of the primary government of \$94 during fiscal year 2022. The assets and deferred outflows of resources of the primary government are less than the liabilities and deferred inflows of resources by \$123.

The component units (the Prince William County School Board and the Adult Detention Center) are a significant portion of the total reporting entity, the assets of which represent 59.83 percent of the total reporting entity. Component unit net position increased 14.6 percent to \$1,584 during 2022, with an increase in funding from the state of \$32, an increase of \$12 in operating grants and contributions and \$11 in charges for services over prior year. The net position of the primary government of negative (\$123) combined with the net position of the component units of \$1,584 resulted in total net position for the total reporting entity of \$1,461.

Changes in Net Position

Table A-2 and the narrative that follows consider the operations of governmental and business-type activities separately. See Figures A-5, A-6 and A-7 for the revenue percentages and net costs for governmental activities.

Revenues for the County's governmental activities decreased less than 1 percent to \$1,600, and total expenses decreased 6.5 percent to \$1,511, which, after considering the effect of transfers, resulted in a \$89 increase in net position during the current year, compared to \$10 decrease in the prior year.

Tax revenues account for 77 percent of revenues related to governmental activities (see Figure A-5). Tax revenues increased by \$94 or 8.3 percent, driven mainly to an increase in real estate tax revenues from \$787 in fiscal year 2021 to \$839 in fiscal year 2022. Despite a reduction in the real estate tax rate, a 22.7 percent increase in the total taxable assessed value of real estate in the County pushed real estate tax revenues higher during fiscal year 2022. Increased levels of support received from both the state and federal government coupled with declining investment market values; the overall revenue increases mitigated the impact of the rising inflation costs of vital services provided by the County. These outcomes are attributable to a more positive real estate market than the County has experienced over the past few fiscal years, with residential real estate values, which make up 76.1 percent of total assessments, increasing 23.2 percent. Commercial and

Table A-2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government		Total Reporting Entity (Including Component Units)	
	2022	2021*	2022	2021*	2022	2021*	2022	2021*
Program revenues:								
Charges for services	\$ 54	45	26	29	80	74	98	80
Operating grants and contributions	160	185	-	-	160	185	493	480
Capital grants and contributions	125	110	-	-	125	110	125	110
General revenues:								
Taxes:								
Real property	839	787	-	-	839	787	839	787
Personal property	204	175	-	-	204	175	204	175
Other taxes	189	176	-	-	189	176	189	177
Payment from primary government	-	-	-	-	-	-	808	827
Grants and contributions not restricted to specific programs	77	78	-	-	77	78	600	570
Unrestricted investment (losses) earnings	(49)	16	(2)	-	(51)	16	(68)	16
Miscellaneous	1	29	1	1	2	31	11	41
Total revenues	1,600	1,601	25	30	1,625	1,633	3,299	3,263
Expenses:								
General government administration	88	95	-	-	88	95	88	95
Judicial administration	31	29	-	-	31	29	31	29
Public safety	302	376	-	-	302	376	302	376
Public works	98	94	-	-	98	94	98	94
Health and welfare	140	137	-	-	140	137	140	137
Education	661	694	-	-	661	694	661	694
Parks, recreational, and cultural	68	51	-	-	68	51	68	51
Community development	76	91	-	-	76	91	76	91
Interest on long-term debt	47	49	-	-	47	49	47	49
Enterprise*	-	-	25	23	25	23	25	23
Component units	-	-	-	-	-	-	1,467	1,438
Total expenses	1,511	1,616	25	23	1,536	1,639	3,003	3,077
Excess/(deficiency)in net position before transfers	89	(13)	-	7	89	(6)	296	186
Transfers	-	3	-	(3)	-	-	-	-
Increase/(decrease) in net position	89	(10)	-	4	89	(6)	296	186
Net position, beginning of year	(284)	(274)	72	68	(212)	(206)	1,165	979
Net position, end of year	(195)	(284)	72	72	(123)	(212)	1,461	1,165

* The 2021 fiscal year has not been restated for the impact of GASB Statement No. 87, Leases; see Note 1.R. for further information.

industrial values increased 22.2 percent and apartment real estate values increased 24.8 percent. The County generally uses the positive net position to finance the continuing operations of the Landfill, Innovation Technology Park and Parks and Recreation.

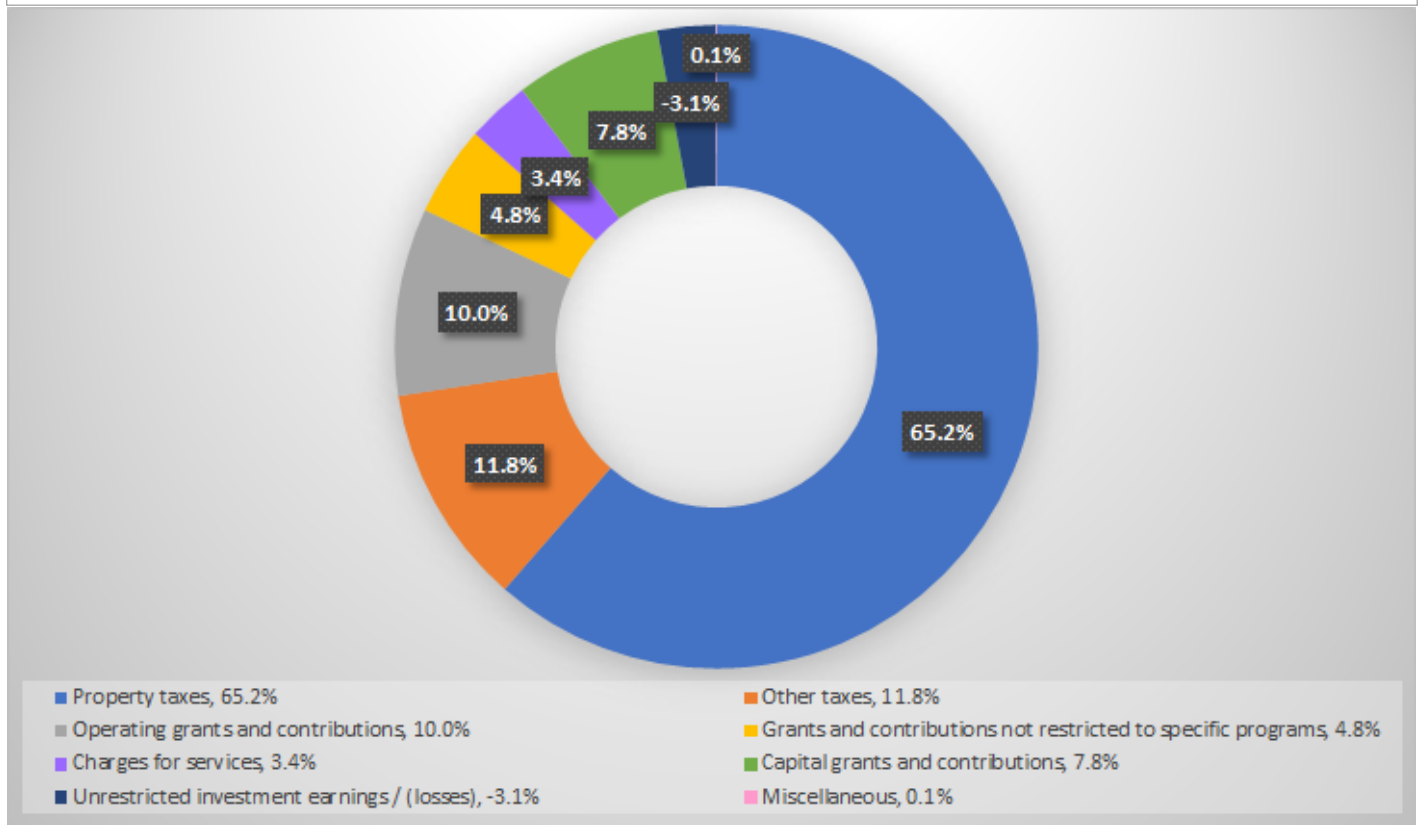
The total reporting entity net position increased by \$296 in fiscal year 2022. Factors impacting the change in net position include total revenues of \$3,299 (less than 1 percent higher than fiscal year 2021) which exceeded total expenses of \$3,003, (2.4 percent lower than expenses of the prior year).

The County's Primary Government total revenues decreased slightly to \$1,625 (see Table A-2). Approximately 64 percent of the County's revenue comes from ad valorem taxes. The County's total revenue is divided into three major sources: 75.8 percent of every dollar raised comes from some type of tax; 17.6 percent of revenues come from local, state and federal aid; charges for services comprise 4.9 percent and the remaining 1.7 percent is from other sources.

The total cost of all County programs and services decreased by \$105 or 6.5 percent to \$1,511. The County's expenses cover a range of services, with 62.7 percent related to public safety and education (see Table A-2). Quality education, workforce development, and safe and secure community are significant goal areas in the Strategic Plan.

(Amounts expressed in millions)

Figure A-5

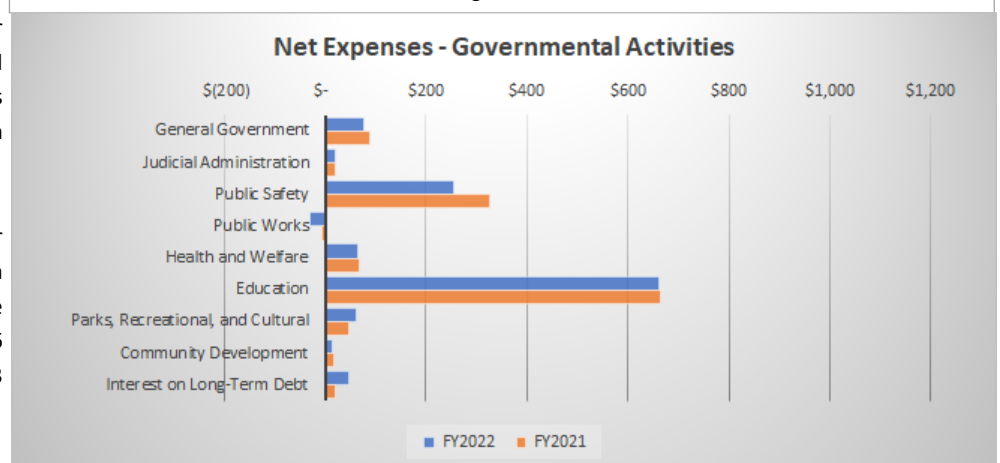


Local sales tax revenues produced a 10 percent increase from \$80 in fiscal year 2021 to \$88 in fiscal year 2022, and accounted for nearly all of the increase in 'Other taxes' as shown in Table A-2. Operating grants and contributions decreased by 14.01 percent, while capital grants and contributions increased by 13.6 percent. Investment losses incurred in fiscal year 2022 were \$49, down from earnings of \$16 in fiscal year 2022.

Education remains the biggest expense for governmental activities. The School Board receives 57.23 percent of general revenues per the revenue-sharing agreement with the County.

Student enrollment as of September 2022, as reported to the Virginia Department of Education, for all Prince William County Schools is 90,226 students, increasing 1,150 students, 1.3 percent, from fiscal year 2021.

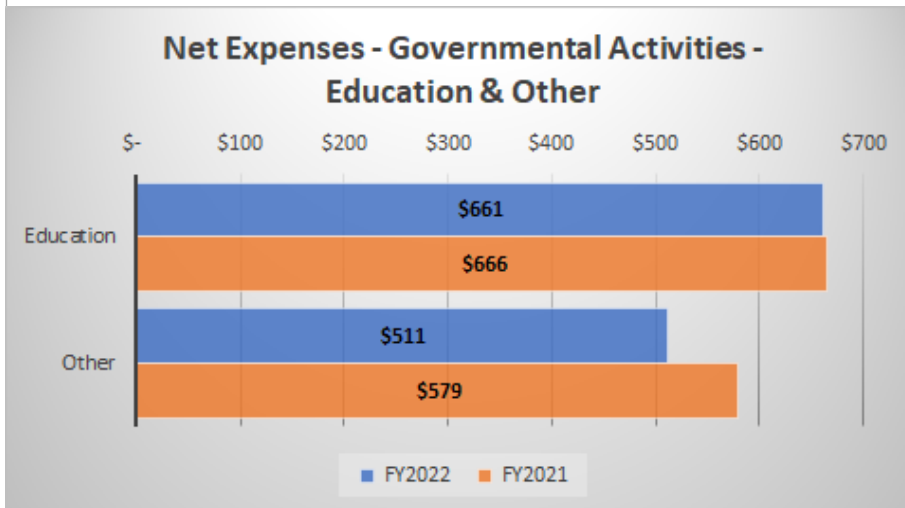
Figure A-6



Net expenses for Public Works were favorable by \$31 compared to \$5 in fiscal year 2021, with operating grants and contributions revenues outpacing expenditures during fiscal year 2022. Public safety and public works both saw reductions in net expenses year over year, mainly due to higher charges for services in fiscal year 2022.

Additionally, other functions and programs remained relatively consistent with prior year levels. Figures A-6 and A-7 present the net cost (total cost less fees generated by the activities and intergovernmental aid) of each of the County's nine functions/programs. The net cost reflects the financial burden that was placed on the County's taxpayers by each of these functions.

Figure A-7



The cost of all governmental activities this year was \$1,511. Some of the costs were paid by:

Other governments and organizations that subsidized certain programs with grants and contributions of \$285.

Those who directly benefited from the programs by paying charges for services \$54.

Business-Type Activities

Revenues of the County's business-type activities decreased by \$5 to \$25 and expenses of \$25, increased by \$2 as compared to the prior year (refer to Table A-2). Factors contributing to these results include:

- Charges for services of \$25, decreased for Innovation Technology Park, increased for Parks and Recreation and remained relatively flat for Landfill. Expenses were relatively stable, up from \$23 in fiscal year 2021 to \$25 in fiscal year 2022.

These conditions contributed to a break even position before transfers, a \$7 decrease from the prior year. The County's business-type activities had revenues that matched expenses, resulting in a break even net position at the end of fiscal year 2022.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2022, the total reporting entity had invested \$2,639 in a broad range of capital assets, including land, buildings, improvements, machinery and equipment, library collections, infrastructure, right-to-use leased assets and construction in progress (see Table A-3). This amount represents a net increase (including additions and deductions) of \$89 or 3.5 percent, over fiscal year 2021. The Primary Government had invested \$734 in capital assets, net of accumulated depreciation and amortization. Accumulated depreciation and amortization remained stable between fiscal year 2022 and 2021.

More detailed information about the County's capital assets is presented in Note 9 to the financial statements.

Major Capital Asset Additions

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

The County's capital project activities for fiscal year 2022 included \$8 expended fire and rescue vehicles, \$4 on the animal services center, and \$4 on the Human Capital Management System replacement.

Table A-3 County's Capital Assets				
	Total Primary Government		Total Reporting Entity	
	2022	2021*	2022	2021*
Land and Construction in Progress	\$ 217	206	419	349
Buildings and other capital assets, net of depreciation and amortization	517	482	2,220	2,201
Total Capital Assets	\$ 734	688	2,639	2,550
* The 2021 fiscal year has not been restated for the impact of GASB Statement No. 87, Leases; see Note 1.R. for further information.				

- The School Board reported capital asset increases of \$131, which included increases to construction in progress projects of \$83 for the construction of a 14th high school, \$31.9 increase in buildings and improvements to sites with the completion of major renovations at three schools, \$7 increase in land for the purchase of two new schools/building sites, and \$7 in vehicles with the replacement of 14 buses and 21 trucks, as well as the purchase of 14 additional trucks during the fiscal year, and the remainder of \$2.1 is attributed to additions to library collections and equipment.
- The Adult Detention Center (ADC) component unit's assets decreased \$5 as a result of the disposition of the old modular jail building.

Long Term Debt And Other Obligations

At year-end the County's governmental activities had total debt and other obligations of \$1,428, of which, bonded debt outstanding represented \$1,026, all of which is backed by the full faith and credit of the government. Of the County's bonded debt, \$59 represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

The County's total debt and obligations decreased to \$1,273 during the current fiscal year. The key components of the current year activities were the issuance of school-related debt totaling \$59, offset by the payoff of the \$17 loans payable balance and principal retirements of \$76 during the fiscal year. More detailed information about the County's long-term debt is presented in Note 10 to the financial statements.

Bond Ratings

The County maintained ratings of AAA from Fitch Ratings, Aaa from Moody's Investors Services and AAA from Standard and Poor's. These ratings are the highest ratings awarded to a local government and is an achievement held by less than one percent of local governments nationwide. All three ratings were reconfirmed during fiscal year 2022.

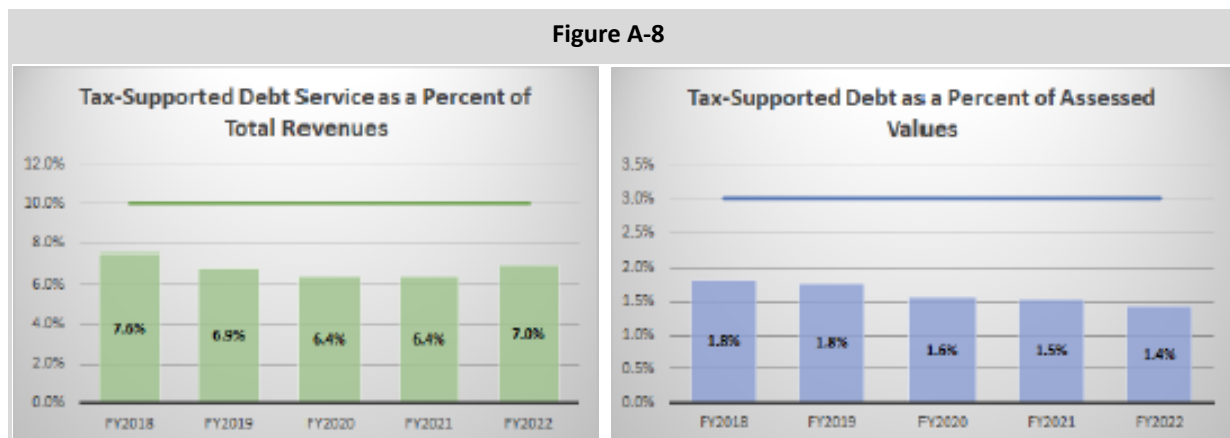
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021*	2022	2021*	2022	2021*
General obligation bonds:						
Tax-exempt bonds	\$ 814	890	-	-	814	890
Taxable bonds	153	107	-	-	153	107
Revenue tax-exempt bonds	59	62	4	5	63	67
Total bonded debt	1,026	1,059	4	5	1,030	1,064
Capital debt obligation	45	55	-	-	45	55
Loans payable	-	21	-	-	-	21
Surplus distribution payable	2	2	-	-	2	2
Lease liabilities	31	-	-	-	31	-
Net pension & OPEB liabilities	149	321	2	3	151	325
Unpaid losses and related liabilities	24	22	-	-	24	22
Compensated absences	45	47	-	1	45	47
Unamortized premium	106	114	-	-	106	114
Accrued closure liability	-	-	21	16	21	16
Total long-term debt and other obligations	\$ 1,428	1,642	27	25	1,455	1,667

* The 2021 fiscal year has not been restated for the impact of GASB Statement No. 87, Leases; see Note 1.R. for further information.

Limitations on Debt

The Code of Virginia has restrictions on the amount of debt the County can issue. The Board has adopted certain financial policies limiting the amount of tax-supported debt to no more than three percent of the assessed value of taxable property; and annual debt service payments to no more than 10 percent of County revenues. As of June 30, 2022, the amount of tax-supported debt outstanding represented 1.4 percent of the total assessed valuation of taxable real and personal property of \$74.6 billion at January 1, 2021, which is the valuation date to determine fiscal year 2022 tax revenues. Annual debt service payments during fiscal year 2022 represented 7.0 percent of revenues in compliance with the County's Principles (as depicted in Figure A-8, below). See Table 14 in the Statistical Section for further explanation of the calculations.

Figure A-8



(Amounts expressed in millions)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The key economic factors affecting the County include the following:

In response to the COVID-19 global pandemic, the federal government has made funding available via the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and the American Rescue Plan Act of 2021 (ARPA) to aid localities in their response to the health crisis. Expenditures of this federal funding are subject to audit by the grantor under the Uniform Guidance, and the County is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the County's management, no material refunds will be required as a result of expenditures disallowed by the grantor. See the results of the Single Audit in the County's Single Audit Report for further information; both reports will be issued at a later date.

The County is monitoring the economic impacts of the increasing inflation, having hit a 40-year high in recent months, and the possibility of a recession on the horizon. The impact of this on property values and associated tax revenues will continue to be monitored as the budget for the upcoming fiscal year is developed.

The Board of County Supervisors reduced the real estate tax rate to \$1.115 per \$100 of assessed value in fiscal year 2022.

The real estate tax base has increased from \$67.7 billion supporting fiscal year 2021, to \$70.3 billion for fiscal year 2022, which is an increase of 3.8 percent.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money received. Questions about this report or inquiries for additional information may be addressed to the Office of the Finance Director, 1 County Complex Court, Prince William, Virginia, 22192-9201 or financedirectorsoffice@pwcva.gov.

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements include all funds, discretely presented component units and notes to provide an overview of the financial position and results of operation for the County as a whole. They also serve as an introduction to the more detailed statements and schedules that follow.

COUNTY OF PRINCE WILLIAM, VIRGINIA
Statement of Net Position
June 30, 2022
(amounts expressed in thousands)

Exhibit 1
Page 1 of 2

	Primary Government				
	Governmental Activities	Business-Type Activities	Total	Component Units	Total Reporting Entity
ASSETS					
Equity in pooled cash and investments	\$ 820,668	24,837	845,505	544,393	1,389,898
Cash held by other fiscal agents	-	-	-	2,458	2,458
Investments	25,833	-	25,833	-	25,833
Property taxes receivable, net	7,707	-	7,707	-	7,707
Accounts receivable, net	15,967	391	16,358	6,074	22,432
Investment in direct financing arrangements	4,301	-	4,301	-	4,301
Lease receivable, current	110	-	110	-	110
Notes receivable, current	-	174	174	-	174
Due from other governmental units	97,441	112	97,553	85,342	182,895
Due from primary government	-	-	-	54,513	54,513
Inventory	656	4,472	5,128	6,935	12,063
Advances and prepaid items	544	20	564	6	570
Interest receivable	1	-	1	-	1
Lease receivables, noncurrent	437	-	437	-	437
Net pension assets	9,173	-	9,173	1,644	10,817
Net OPEB assets	187	-	187	14,374	14,561
Restricted assets:					
Temporarily restricted:					
Restricted cash and temporary investments	12,168	20,561	32,729	48,052	80,781
Restricted investments	1,250	-	1,250	-	1,250
Water and sewer availability credit	9,023	-	9,023	-	9,023
Capital assets:					
Land and construction in progress	179,361	37,872	217,233	201,346	418,579
Buildings and other capital assets, net of depreciation	501,538	14,551	516,089	1,704,701	2,220,790
Total assets	1,686,3645	102,990	1,789,355	2,669,838	4,459,193
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refundings	24,981	6	24,987	-	24,987
Deferred outflows related to pensions	123,169	1,571	124,740	251,557	376,297
Deferred outflows related to OPEB	19,754	239	19,993	32,085	52,078
Total deferred outflows of resources	167,904	1,816	169,720	283,642	453,362
LIABILITIES					
Accounts payable	78,231	1,224	79,455	24,142	103,597
Wages and benefits payable	18,465	343	18,808	119,802	138,610
Deposits and escrows	39,481	28	39,509	-	39,509
Prepaid taxes	63,831	-	63,831	-	63,831
Accrued interest	14,541	44	14,585	-	14,585
Due to other governmental units	1,915	-	1,915	-	1,915
Due to component units	54,513	-	54,513	-	54,513
Retainage	2,035	-	2,035	4,260	6,295
Unearned revenue	170,031	1,400	171,431	16,854	188,285
Noncurrent liabilities:					
Due within one year	132,460	795	133,255	27,699	160,954
Due in more than one year	1,294,549	26,630	1,321,179	693,592	2,014,771
Total liabilities	1,870,052	30,464	1,900,516	886,349	2,786,865

The accompanying notes are an integral part of these financial statements.

COUNTY OF PRINCE WILLIAM, VIRGINIA
Statement of Net Position
June 30, 2022
(amounts expressed in thousands)

Exhibit 1
Page 2 of 2

	Primary Government			Component Units	Total Reporting Entity
	Governmental Activities	Business-Type Activities	Total		
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to leases	552	-	552	-	552
Deferred inflows related to pensions	163,450	2,077	165,527	429,446	594,973
Deferred inflows related to OPEB	15,252	154	15,406	53,658	69,064
Total deferred inflows of resources	179,254	2,231	181,485	483,104	664,589
NET POSITION					
Net investment in capital assets	594,573	48,421	642,994	1,906,046	2,595,767 ^A
Restricted for:					
Capital projects	-	-	-	44,339	(2,388) ^A
Net pension asset	9,173	-	9,173	85,627	94,800
Net OPEB assets	187	-	187	14,374	14,561
Special levy districts	44,304	-	44,304	-	44,304
Development fee services	12,692	-	12,692	-	12,692
Housing	6,282	-	6,282	-	6,282
Transient occupancy tax	6,173	-	6,173	-	6,173
Grantor's / deed tax	31,485	-	31,485	-	31,485
Internal service fund	3,468	-	3,468	-	3,468
Public safety	4,470	-	4,470	-	4,470
Grants	8,843	-	8,843	-	8,843
Donations	658	-	658	-	658
Water and sewer availability credit	9,023	-	9,023	-	9,023
Education	-	-	-	93,620	93,620
Unrestricted	(926,3678)	23,690	(902,678)	(559,980)	(1,462,658) ^A
Total net position / (deficit)	\$ (195,037)	72,111	(122,926)	1,584,026	1,461,100

^A The sum of the columns does not equal the Total Reporting Entity column by a difference of \$886,955 because the debt related to the School Board (\$862,595) and the debt related to the Adult Detention Center (\$24,360) is reflected in the primary government's general governmental activities rows reducing the Net Investment in Capital Assets. The Total Reporting Entity column matches the asset with the debt and reports the net amount in the component unit on the Net Investment in Capital Assets. The Net Investment in Capital Assets also increased by School Board's unspent bond proceeds of \$46,727 with a corresponding decrease in the Restricted Capital Projects row.

The accompanying notes are an integral part of these financial statements.

COUNTY OF PRINCE WILLIAM, VIRGINIA
Statement of Activities
For the Fiscal Year Ended June 30, 2022
(amounts expressed in thousands)

Exhibit 2
Page 1 of 2

		Program Revenues			Net (Expense) Revenue	
			Operating	Capital		
		Charges for	Grants and	Grants and	Primary	
Functions / Programs	Expenses	Services	Contributions	Contributions	Governmental	Business-Type
Primary Government:						
Governmental activities:						
General government administration	\$ 87,723	1,764	7,121	283	(78,555)	-
Judicial administration	30,826	1,724	6,910	-	(22,192)	-
Public safety	303,227	15,380	21,920	10,219	(255,708)	-
Public works	98,907	9,178	8,103	113,120	31,494	-
Health and welfare	139,577	2,102	72,585	-	(64,890)	-
Education	660,808	-	-	-	(660,808)	-
Parks, recreational and cultural	67,560	5,087	433	955	(61,085)	-
Community development	76,136	19,224	42,187	-	(14,725)	-
Interest on long-term debt	46,526	-	-	-	(46,526)	-
Total governmental activities	1,511,290	54,459	159,259	124,577	(1,172,995)	-
Business-type activities:						
Landfill	19,730	20,141	-	97	-	508
Nonmajor Enterprise funds	5,304	5,249	-	-	-	(55)
Total business-type activities	25,034	25,390	-	97	-	453
Total primary government	\$ 1,536,324	79,849	159,259	124,674	(1,172,995)	453
Component Units:						
School Board	\$ 1,394,559	16,785	295,531	130	-	-
Adult Detention Center	72,456	1,023	37,452	-	-	-
Total component units	\$ 1,467,015	17,808	332,983	130	-	-
Total reporting entity	\$ 3,003,339	97,657	492,242	124,804	(1,172,995)	453
General revenues:						
Taxes:						
Real property				\$ 839,452	-	-
Personal property				203,679	-	-
Local sales				88,032	-	-
Consumer's utility				15,278	-	-
Business, professional and occupational licenses (BPOL)				32,910	-	-
Recordation				17,466	-	-
Motor vehicle licenses				12,814	-	-
Other local taxes				16,744	-	-
Short term rental, bank stock, public utility gross receipts				5,614	-	-
Payments from primary government				-	-	-
Grants and contributions not restricted to specific programs:						
Federal revenues				85	-	-
State revenues				69,165	-	-
Local revenues				8,089	-	-
Investment losses				(48,810)	(1,671)	
Gain on disposal of capital assets				277	57	
Donations				237	-	
Miscellaneous				835	1,278	
Transfers				(46)	46	
Total general revenues and transfers				1,261,821	(290)	
Change in net position				88,826	163	
NET POSITION, beginning of year, prior to restatement				(283,863)	71,948	
NET POSITION, end of year				\$ (195,037)	72,111	

The accompanying notes are an integral part of these financial statements.

and Changes in Net Position

Government			Functions / Programs
Government Total	Component Units	Total Reporting	
			Primary Government:
			Governmental activities:
(78,555)	-	(78,555)	General government administration
(22,192)	-	(22,192)	Judicial administration
(255,708)	-	(255,708)	Public safety
31,494	-	31,494	Public works
(64,890)	-	(64,890)	Health and welfare
(660,808)	-	(660,808)	Education
(61,085)	-	(61,085)	Parks, recreational and cultural
(14,725)	-	(14,725)	Community development
(46,526)	-	(46,526)	Interest on long-term debt
(1,172,995)	-	(1,172,995)	Total governmental activities
			Business-type activities:
508	-	508	Landfill
(55)	-	(55)	Innovation Technology Park
453	-	453	Total business-type activities
(1,172,542)	-	(1,172,542)	Total primary government
			Component Units:
-	(1,082,113)	(1,082,113)	School Board
-	(33,981)	(33,981)	Adult Detention Center
-	(1,116,094)	(1,116,094)	Total component units
(1,172,542)	(1,116,094)	(2,288,636)	Total reporting entity
			General revenues:
			Taxes:
839,452	-	839,452	Real property
203,679	-	203,679	Personal property
88,032	-	88,032	Local sales
15,278	-	15,278	Consumer's utility
32,910	-	32,910	Business, professional and occupational licenses (BPOL)
17,466	-	17,466	Recordation
12,814	-	12,814	Motor vehicle licenses
16,744	-	16,744	Other local taxes
5,614	-	5,614	Short term rental, bank stock, public utility gross receipts
-	807,843	807,843	Payments from primary government
			Grants and contributions not restricted to specific programs:
85	1,511	1,596	Federal revenues
69,165	517,524	586,689	State revenues
8,089	3,529	11,618	Local revenues
(50,481)	(16,938)	(67,419)	Investment losses
334	-	334	Gain on disposal of capital assets
237	-	237	Donations
2,113	8,788	10,901	Miscellaneous
-	-	-	Transfers
1,261,531	1,322,257	2,583,788	Total general revenues and transfers
88,989	206,163	295,152	Change in net position
(211,915)	1,377,863	1,165,948	NET POSITION, beginning of year, prior to restatement
(122,926)	1,584,026	1,461,100	NET POSITION, end of year

The accompanying notes are an integral part of these financial statements.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Exhibit 3

Governmental Funds

Balance Sheet

June 30, 2022

(amounts expressed in thousands)

		Capital Projects Fund	Special Revenue Fund		
	General Fund	Streets & Roads	COVID-19 Response	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Equity in pooled cash and investments	\$ 512,753	33,116	70,143	155,455	771,467
Restricted cash and temporary investments	3	220	-	1,812	2,035
Property taxes receivable, net	7,617	-	-	90	7,707
Accounts receivable, net	7,659	658	197	1,992	10,506
Due from other governmental units	26,677	69,489	-	685	96,851
Investment in direct financing leases	4,301	-	-	-	4,301
Inventory	294	-	-	23	317
Advances and prepaid items	-	-	4	-	4
Total assets	\$ 559,304	103,483	70,344	160,057	893,188
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
LIABILITIES					
Accounts payable	\$ 50,458	13,585	129	8,646	72,818
Wages and benefits payable	16,613	-	-	1,159	17,772
Deposits and escrows	39,438	-	-	43	39,481
Prepaid taxes	58,863	-	-	4,968	63,831
Due to other governmental units	400	1,491	-	24	1,915
Retainage	3	220	-	1,812	2,035
Unearned revenue	94,040	-	72,250	3,741	170,031
Total liabilities	259,815	15,296	72,379	20,393	367,883
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to unavailable transportation revenues	-	56,014	-	-	56,014
Deferred inflows related to unavailable taxes	4,591	-	-	59	4,650
Deferred inflows related to direct financing arrangements	3,850	-	-	-	3,850
Total deferred inflows of resources	8,441	56,014	-	59	64,514
FUND BALANCES					
Non-spendable	294	-	4	23	321
Restricted	11,780	-	-	107,418	119,198
Committed	152,750	32,173	-	32,164	217,087
Assigned	27,253	-	-	-	27,253
Unassigned	98,971	-	(2,039)	-	96,932
Total fund balances	291,048	32,173	(2,035)	139,605	460,791
Total liabilities, deferred inflows of resources and fund balances	\$ 559,304	103,483	70,344	160,057	893,188

The accompanying notes are an integral part of these financial statements.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Exhibit 4

Reconciliation of the Statement of Net Position of Government Funds to the Statement of Net Position

June 30, 2022

(amounts expressed in thousands)

Fund balances--total governmental funds (Exhibit 3)	\$	460,791
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (excludes \$7,038, related to Internal Service Fund assets, which is included in Internal Service Fund net position below).		673,861
Deferred outflows of resources are not financial resources and, therefore, are not reported in the funds:		
Deferred loss on refundings		24,981
Deferred outflows related to pensions (excludes \$4,788 related to Internal Service Fund)		118,381
Deferred outflows related to OPEB (excludes \$645 related to Internal Service Fund)		19,109
Deferred inflows of resources are not available to pay for current-period expenditures:		
Deferred inflows related to unavailable transportation revenues		56,014
Deferred inflows related to unavailable taxes		4,650
Deferred inflows related to direct financing arrangements		3,850
Deferred inflows related to leases		(552)
Deferred inflows related to pensions (excludes \$6,328 related to Internal Services Fund)		(157,122)
Deferred inflows related to OPEBs (excludes \$420 related to Internal Services Fund)		(14,832)
Internal Service Funds are used by management to charge costs of certain activities such as insurance, fleet operations, and data processing to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.		59,687
Interest on long-term debt is not accrued in governmental funds, but rather, is recognized as an expenditure when due.		(14,541)
Sewer and water availability credits were not recognized in the governmental funds, but rather, are recognized as an expenditure when used.		9,023
Assets are not due in the current period, and, therefore, are not reported in the funds:		
Lease receivables		548
Net pension assets		9,172
Net OPEB assets		187
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds (Note 10):		
Other long-term obligations (excludes \$5,557 related to Internal Service Fund)		(143,063)
Bonds payable		(163,505)
School bonds payable		(862,595)
Capital debt liabilities		(44,735)
Lease liabilities		(30,732)
Compensated absences (excludes \$2,036 related to Internal Service Fund)		(43,135)
Operating settlement - School Board		(54,513)
Premiums on bonds issued		(105,966)
Total long-term liabilities		(1,384,168)
Net position of governmental activities (Exhibit 1)	\$	(195,037)

The accompanying notes are an integral part of these financial statements.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Exhibit 5

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

		Capital Projects Fund	Special Revenue Fund		
	General Fund	Streets & Roads	COVID-19 Response	Nonmajor Governmental Funds	Total Government Funds
REVENUES:					
General property taxes	\$ 985,456	-	-	61,567	1,047,023
Other local taxes	178,797	-	-	10,059	188,856
Permits, privilege fees and regulatory licenses	1,906	-	-	21,745	23,651
Fines and forfeitures	1,757	-	-	-	1,757
From use of money and property	(43,283)	(2,939)	(2,151)	(8,554)	(56,927)
Charges for services	10,278	-	-	18,772	29,050
Intergovernmental revenues:					
Federal	31,367	10,001	25,154	33,283	99,805
State	140,075	29,281	-	163	169,519
Local	8,088	36,553	-	-	44,641
Donations	3,638	-	-	33	3,671
Miscellaneous	1,532	4,980	-	411	6,923
Total revenues	1,319,611	77,876	23,003	137,479	1,557,969
EXPENDITURES:					
Current:					
General government administration	85,279	-	5,292	-	90,571
Judicial administration	29,725	-	-	-	29,725
Public safety	263,929	-	7,171	45,589	316,689
Public works	6,742	-	-	256	6,998
Health and welfare	134,650	-	3,988	-	138,638
Education	554,502	-	-	-	554,502
Parks, recreational and cultural	57,363	-	-	-	57,363
Community development	13,683	-	8,703	48,983	71,369
Debt service:					
Principal retirement	123,658	-	-	-	123,658
Interest and other debt costs	44,538	-	-	-	44,538
Capital outlays	-	83,303	-	98,857	182,160
Total expenditures	1,314,069	83,303	25,154	193,685	1,616,211
Excess (deficiency) of revenues over	5,542	(5,427)	(2,151)	(56,206)	(58,242)
OTHER FINANCING SOURCES (USES):					
Transfers in	55,225	13,629	-	18,016	86,870
Transfers out	(34,380)	(13,339)	-	(38,817)	(86,536)
Issuance of debt	-	-	-	58,855	58,855
Premium on debt	-	-	-	6,087	6,087
Insurance claims and recoveries	16	-	-	-	16
Sale of surplus property	179	-	-	922	1,101
Total other financing sources (uses)	21,040	290	-	45,063	66,393
Net change in fund balances	26,582	(5,137)	(2,151)	(11,143)	8,151
FUND BALANCE, beginning of year	264,466	37,310	116	150,748	452,640
FUND BALANCE/(DEFICIT), end of year	\$ 291,048	32,173	(2,035)	139,605	460,791



**PRINCE
WILLIAM
COUNTY**

COUNTY OF PRINCE WILLIAM, VIRGINIA**Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities**

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

Exhibit 6**Page 1 of 2**

Net change in fund balances--total governmental funds (Exhibit 5)	\$	8,151
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Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense

to allocate those expenditures over the life of the assets:

Add capital acquisitions (excludes \$1,786) related to ISF assets included in Internal Service Fund net position below	44,506	
Add donated infrastructure for public works	8,346	
Add equipment for parks, recreation and cultural	955	
Subtract depreciation and amortization (excludes (\$1,176) related to ISF assets included in Internal Service Fund net position below)	<u>(44,242)</u>	9,565

In the Statement of Activities, only the gain / (loss) on capital assets is reported, while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital asset disposal.

(910)

Rental revenue received provide current financial resources to governmental funds, but not recorded as revenue in the Statement of Activities

Rental income received

(109)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the Funds:

Add rental income and related lease interest		
Add revenues recognized for the water and sewer availability credits refunded		(2,095)
Add amortized premiums		14,208
Add current year's long term lease receivables (Note 5)		548
Add current year's deferred inflows related to direct financing arrangements	3,850	
Subtract prior year's deferred inflows related to direct financing arrangements	<u>(4,995)</u>	(1,145)
Add current year's deferred inflows related to unavailable transportation revenue (Note 4)	56,014	
Subtract prior year's deferred inflows related to unavailable transportation revenue	<u>(27,214)</u>	28,800
Add current year's deferred inflows related to uncollectible tax billings (Note 3)	4,650	
Subtract prior year's deferred inflows related to uncollectible tax billings	<u>(8,541)</u>	(3,891)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities (Note 10):

Add debt principal repayment	123,658	
Subtract premium	(6,087)	
Subtract issuance of debt	<u>(58,855)</u>	58,716

The accompanying notes are an integral part of these financial statements.

COUNTY OF PRINCE WILLIAM, VIRGINIA**Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities**

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

Exhibit 6**Page 2 of 2**

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Lease interest expense		(201)
Amortized bond refunding losses		(2,978)
Add prior year operating settlement - School Board	13,147	
Subtract current year's operating settlement - School Board	<u>(54,513)</u>	(41,366)
Subtract current year's deferred inflows related to leases		(552)
Add prior year's net pension accruals (excludes \$6,269 for Internal Service Fund)	148,743	
Subtract current year's net pension accruals (excludes \$5,260 for Internal Service Fund)	<u>(127,827)</u>	20,916
Add prior year's net OPEB accrual (excludes \$1,751 for Internal Service Fund)	41,825	
Subtract current year's net OPEB accrual (excludes \$1,612 for Internal Service Fund)	<u>(40,341)</u>	1,484
Add prior year's accrued interest liability	15,733	
Subtract current year's accrued interest liability	<u>(14,541)</u>	1,192
Add prior year's compensated absences liability (excludes \$2,003 for Internal Service Fund)	44,685	
Subtract current year's compensated absences liability (excludes \$2,036 for Internal Service Fund)	<u>(43,133)</u>	1,552

Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue / (expense) of the internal service funds are reported with governmental activities:

Add internal service funds' change in net position	<u>(3,059)</u>
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Change in net position of governmental activities (Exhibit 2)	<u>\$ 88,826</u>
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COUNTY OF PRINCE WILLIAM, VIRGINIA

Proprietary Funds

Statement of Net Position

June 30, 2022

(amounts expressed in thousands)

Exhibit 7

Page 1 of 2

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Landfill	Nonmajor Funds	Total	Funds
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 13,926	10,911	24,837	49,202
Restricted cash and temporary investments	20,144	417	20,561	10,133
Investments	-	-	-	25,833
Accounts receivable, net	243	148	391	5,461
Notes receivable	174	-	174	-
Due from other governmental units	112	-	112	589
Inventory	10	4,462	4,472	339
Advances and prepaid items	-	20	20	540
Total current assets	34,609	15,958	50,567	92,097
Noncurrent assets:				
Restricted investments	-	-	-	1,250
Capital assets:				
Land and construction in progress	34,158	3,714	37,872	440
Buildings and other capital assets, net of depreciation	13,460	1,091	14,551	6,598
Total noncurrent assets	47,618	4,805	52,423	8,288
Total assets	82,227	20,763	102,990	100,385
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding	-	6	6	-
Deferred outflows related to pensions	1,488	83	1,571	4,788
Deferred outflows related to OPEB	228	11	239	645
Total deferred outflows of resources	1,716	100	1,816	5,433
LIABILITIES				
Current liabilities:				
Accounts payable	934	290	1,224	5,410
Wages and benefits payable	206	137	343	693
Deposits and escrows	-	28	28	-
Accrued interest	-	44	44	-
Unearned revenues	1,190	210	1,400	-
Unpaid losses, related liabilities and IBNR	-	-	-	7,116
Current portion of surplus distributions payable	-	-	-	836
Current portion of bonds payable	-	665	665	-
Current portion of bond premiums	-	97	97	-
Current accrued closure liability	-	-	-	-
Current other long term liabilities	-	-	-	-
Current portion of compensated absences	32	1	33	145
Total current liabilities	2,362	1,472	3,834	14,200

The accompanying notes are an integral part of these financial statements.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Proprietary Funds

Statement of Net Position

June 30, 2022

(amounts expressed in thousands)

Exhibit 7

Page 2 of 2

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Landfill	Nonmajor Funds	Total	
Noncurrent liabilities:				
Accrued closure liability	21,017	-	21,017	-
Unpaid losses, related liabilities and IBNR	-	-	-	16,916
Surplus distributions payable	-	-	-	819
Bonds payable, net of current portion	-	2,860	2,860	-
Bond premiums, net of current portion	-	386	386	-
Net pension liabilities	1,156	65	1,221	3,720
Net OPEB liabilities	686	34	720	1,837
Compensated absences	417	9	426	1,891
Total noncurrent liabilities	23,276	3,354	26,630	25,183
Total liabilities	25,638	4,826	30,464	39,383
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	1,967	110	2,077	6,328
Deferred inflows related to OPEB	147	7	154	420
Total deferred inflows of resources	2,114	117	2,231	6,748
NET POSITION				
Net investments in capital assets	47,618	803	48,421	7,038
Restricted for self-insurance funds	-	-	-	3,468
Unrestricted	8,573	15,117	23,690	49,181
Total net position	\$ 56,191	15,920	72,111	59,687

The accompanying notes are an integral part of these financial statements.

COUNTY OF PRINCE WILLIAM, VIRGINIA
Exhibit 8
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Landfill	Nonmajor Fund	Total	
OPERATING REVENUES:				
Charges for services	\$ 20,141	5,249	25,390	124,661
Intergovernmental revenues:				
Federal	23	-	23	-
State	74	-	74	-
Miscellaneous	1,189	89	1,278	6,136
Total operating revenues	21,427	5,338	26,765	130,797
OPERATING EXPENSES:				
Personnel expenses	5,482	1,279	6,761	15,777
Contractual services	3,836	2,888	6,724	30,194
Materials / supplies	4,018	720	4,738	10,293
Depreciation and amortization	1,153	194	1,347	(1,176)
Closure expenses	4,962	-	4,962	-
Other	279	38	317	824
Claims and premiums	-	-	-	62,280
OPEB costs	-	-	-	4,931
Losses and loss adjustment expenses	-	-	-	5,591
Total operating expenses	19,730	5,119	24,849	128,714
Operating income	1,697	219	1,916	2,083
NON-OPERATING REVENUES / (EXPENSES):				
Interest income and investment losses	(1,182)	(489)	(1,671)	(4,798)
Interest and other debt costs	-	(185)	(185)	-
Gain on sale of capital assets	57	-	57	36
Total non-operating revenues / (expenses)	(1,125)	(674)	(1,799)	(4,762)
Income / (loss) before transfers	572	(455)	117	(2,679)
TRANSFERS:				
Transfers in	-	1,614	1,614	1,620
Transfers out	(1,418)	(150)	(1,568)	(2,000)
Change in net position	(846)	1,009	163	(3,059)
NET POSITION, beginning of the year	57,037	14,911	71,948	62,746
NET POSITION, end of the year	\$ 56,191	15,920	72,111	59,687

The accompanying notes are an integral part of these financial statements.



**PRINCE
WILLIAM
COUNTY**

COUNTY OF PRINCE WILLIAM, VIRGINIA

Proprietary Funds

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

Exhibit 9

Page 1 of 2

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Landfill	Nonmajor Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 18,745	5,225	23,970	124,149
Cash received / (paid) from / (to) other entities	1,347	-	1,347	4,991
Payments for claims and premiums	-	-	-	(70,688)
Payments to suppliers for goods and services	(10,228)	(4,007)	(14,235)	(39,114)
Payments to employees for services	(5,806)	(1,196)	(7,002)	(16,972)
Payments of closure expenses	(151)	-	(151)	-
Net cash provided by operating activities	3,907	22	3,929	2,366
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Surplus distributions paid	-	-	-	(64)
Proceeds from notes receivable	197	-	197	-
Transfers in	-	1,614	1,614	1,620
Transfers out	(1,418)	(150)	(1,568)	(2,000)
Net cash provided / (used) by non-capital financing activities	(1,221)	1,464	243	(444)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(4,032)	(182)	(4,214)	(1,755)
Proceeds from the sale of capital assets	(41)	-	(41)	36
Principal paid on bonds, leases, and other debt	-	(630)	(630)	-
Interest paid on bonds, leases, and other debt costs	-	(291)	(291)	-
Net cash provided / (used) by capital and related financing activities	(4,073)	(1,103)	(5,176)	(1,719)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from maturities of investments	-	-	-	6,389
Purchases of investments	-	-	-	(15,824)
Interest and dividends received on investments	(1,182)	(491)	(1,673)	(3,129)
Net cash used by investing activities	(1,182)	(491)	(1,673)	(12,564)
Net increase (decrease) in cash and cash equivalents	(2,569)	(108)	(2,677)	(12,361)
CASH AND CASH EQUIVALENTS, beginning of year	36,639	11,436	48,075	71,696
CASH AND CASH EQUIVALENTS, end of year	\$ 34,070	11,328	45,398	59,335

The accompanying notes are an integral part of these financial statements.

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Landfill	Nonmajor Funds	Total	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES:				
Operating income	\$ 1,697	219	1,916	2,083
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	1,153	194	1,347	(1,176)
Dividends applied to premiums	-	-	-	(648)
Change in assets:				
(Increase) / decrease in:				
Accounts receivable	40	(96)	(56)	(770)
Due from other governmental units	61	-	61	(583)
Due to related party	-	-	-	338
Inventory	2	(20)	(18)	(32)
Advances and prepaid items	-	-	-	(60)
Change in deferred outflows of resources:				
(Increase) / decrease in:				
Loss on refunding	-	2	2	-
Deferred outflows related to leases	-	-	-	-
Deferred outflows related to pensions	18	(83)	(65)	310
Deferred outflows related to OPEB	(85)	(11)	(96)	(187)
Change in liabilities:				
Increase / (decrease) in:				
Accounts payable and personnel costs	(2,100)	(75)	(2,175)	2,823
Retainage	(70)	-	(70)	-
Unpaid losses, related liabilities and IBNR	-	-	-	1,539
Accrued closure liability	4,811	-	4,811	-
Due to other funds	-	(306)	(306)	-
Unearned revenues	(1,435)	(18)	(1,453)	-
Other noncurrent liabilities	(2,099)	99	(2,000)	(7,506)
Change in deferred inflows of resources:				
Increase / (decrease) in:				
Deferred inflows related to pensions	1,945	110	2,055	6,253
Deferred inflows related to OPEB	(31)	7	(24)	(18)
Total adjustments	2,210	(197)	2,013	283
Net cash provided by operating activities	\$ 3,907	22	3,929	2,366

COUNTY OF PRINCE WILLIAM, VIRGINIA

Exhibit 10

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2022

(amounts expressed in thousands)

	Other Post-Employment Benefits (OPEB) and Pension	Custodial
	Trust Funds	Funds
ASSETS		
Equity in pooled cash and investments	\$ -	1,010
Cash held by other fiscal agents	-	79
Restricted cash	412	-
Accounts receivable, net of interest and dividends	206	42
Restricted investments:		
Money market mutual funds	8,329	-
Equity investments	84,956	-
Real asset investments	16,893	-
Fixed income investments	51,300	-
Diversified investments	2,324	-
Life insurance annuity	20,809	-
Total investments	184,611	-
Total assets	185,229	1,131
LIABILITIES		
Accounts payable	4,960	399
Escrow and deposits	-	527
Total liabilities	4,960	926
NET POSITION		
Net position restricted for pensions	71,044	-
Net position restricted for OPEB	109,225	-
Net position restricted for other purposes	-	205
Total net position	\$ 180,269	205

The accompanying notes are an integral part of these financial statements.

COUNTY OF PRINCE WILLIAM, VIRGINIA**Exhibit 11****Fiduciary Funds****Statement of Changes in Fiduciary Net Position**

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Other Post-Employment Benefits (OPEB) and Pension Trust Funds	Custodial Funds
ADDITIONS		
Contributions:		
Member	\$ 1,953	-
Employer	10,878	-
Total contributions	12,831	-
Collections on behalf of individuals for programs	-	501
Sales taxes collected for other governments	-	830
Investment loss:		
Interest and dividends	4,801	(15)
Net depreciation in fair value of investment s	(27,852)	-
Total investment loss	(23,051)	(15)
Less: investment expenses	(347)	-
Net investment loss	(23,398)	(15)
Total additions / (loss)	(10,567)	1,316
DEDUCTIONS		
Pension and OPEB payments	7,952	-
Refund of members' contributions	429	-
Payments on behalf of individuals for programs	-	637
Payments of sales taxes to other governments	-	830
Administrative expenses	363	-
Miscellaneous expenses	-	3
Total deductions	8,744	1,470
Change in net position	(19,311)	(154)
NET POSITION, beginning of year	199,580	194
NET POSITION, end of year	\$ 180,269	40

The accompanying notes are an integral part of these financial statements.

COUNTY OF PRINCE WILLIAM, VIRGINIA
Exhibit 12
Component Units
Combining Balance Sheet

June 30, 2022

(amounts expressed in thousands)

	Prince William County School Board	Adult Detention Center	Total
ASSETS			
Equity in pooled cash and investments	\$ 527,057	17,336	544,393
Cash held by other fiscal agents	-	2,458	2,458
Accounts receivable, net	6,046	28	6,074
Due from other governmental units	84,709	633	85,342
Due from primary government	54,513	-	54,513
Inventory	6,935	-	6,935
Advances and prepaid items	6	-	6
Net pension assets	-	1,643	1,643
Net OPEB assets	14,331	43	14,374
Restricted assets:			
Restricted cash and temporary investments	48,017	35	48,052
Capital assets:			
Land and construction in progress	201,315	31	201,346
Buildings and other capital assets, net of depreciation	1,605,692	99,009	1,704,701
Total assets	2,548,621	121,216	2,669,837
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	240,487	11,070	251,557
Deferred outflows related to OPEB	29,819	2,266	32,085
Total deferred outflows of resources	270,306	13,336	283,642
LIABILITIES			
Accounts payable	23,714	428	24,142
Wages and benefits payable	118,317	1,485	119,802
Retainage	4,225	35	4,260
Unearned revenues	16,854	-	16,854
Noncurrent liabilities:			
Due within one year	27,375	324	27,699
Due in more than one year	677,417	16,175	693,592
Total liabilities	867,902	18,447	886,349
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	414,306	15,140	429,446
Deferred inflows related to OPEB	51,630	2,028	53,658
Total deferred inflows of resources	465,936	17,168	483,104
NET POSITION			
Net investment in capital assets	1,807,006	99,040	1,906,046
Restricted for:			
Capital projects	44,339	-	44,339
Food and nutrition services	85,627	-	85,627
Other purposes	107,994	-	107,994
Unrestricted	(559,877)	(103)	(559,980)
Total net position	\$ 1,485,089	98,937	1,584,026

The accompanying notes are an integral part of these financial statements.



**PRINCE
WILLIAM**
— **COUNTY**

COUNTY OF PRINCE WILLIAM, VIRGINIA

Component Units

Combining Statement of Activities

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

Exhibit 13

Page 1 of 2

Program Revenues				
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
School Board				
Instruction	\$ 904,844	2,672	221,060	130
Support services	483,693	12,870	71,332	-
Business-type activities	2,150	1,243	-	-
Education foundation	3,872	-	3,139	-
Adult Detention Center	72,456	1,023	37,452	-
Total component units	\$ 1,467,015	17,808	332,983	130

The accompanying notes are an integral part of these financial statements.

Net (Expense) / Revenue and Changes in Net Position

	School Board	Adult Detention Center	Total	Functions / Programs
				Prince William County
				School Board
	(680,982)	-	(680,982)	Instruction
	(399,491)	-	(399,491)	Support services
	(907)	-	(907)	Business-type activities
	(733)	-	(733)	Education foundation
	-	(33,981)	(33,981)	Adult Detention Center
	(1,082,113)	(33,981)	(1,116,094)	Total component units
				General revenues:
				Payment from primary government
				Federal revenues
				State revenues
				Local revenues
				Investment earnings
				Miscellaneous
				Total general revenues
				Change in net position
				NET POSITION, beginning of year
				NET POSITION - end of year
\$	774,059	33,784	807,843	
	1,511	-	1,511	
	517,524	-	517,524	
	-	3,529	3,529	
	(16,631)	(307)	(16,938)	
	7,808	980	8,788	
	1,284,271	37,986	1,322,257	
	202,158	4,005	206,163	
	1,282,931	94,932	1,377,863	
\$	1,485,089	98,937	1,584,026	

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022
(amounts expressed in thousands, except percentages, ratios and years)

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Prince William, Virginia (the County) prepares its financial statements, commonly known as the Annual Comprehensive Financial Report (ACFR), in conformity with accounting principles generally accepted in the United States (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The accounting and financial reporting framework and significant accounting principles and practices utilized by the County are discussed in subsequent sections of this note. The remaining notes are organized to provide explanations, including required disclosures, of the County's financial activities for the fiscal year ended June 30, 2022.

A. Principles Used to Determine the Reporting Entity

The County is organized under the County Executive form of government, as provided for by Commonwealth of Virginia (the Commonwealth) law. Under this form of government, the policies concerning the financial and business affairs of the County are determined by the Board of County Supervisors (the Board). The Board is composed of eight elected members who serve four-year terms. The Board appoints a County Executive who is the government's chief administrative officer and executes the Board's policies and programs. The accompanying financial statements include the County's primary government and component units over which the County is financially accountable. Financial accountability is based primarily on operational or financial benefit/burden relationships with the County (as distinct from legal relationships).

Due to restrictions of the State Constitution relating to the issuance of municipal debt, the County created public trusts to finance County services with revenue bonds or other non-general obligation financing. Financing services provided by these public trusts are solely for the benefit of the County. Public trusts created to provide financing services are blended into the County's primary government although retaining separate legal identity. Component units that do not meet the criteria for blending are reported discretely.

Illustration 1-1 illustrates potential component units and the reporting method in the County's ACFR.

Illustration 1-1 Potential Component Units	
The following are blended component units included due to a financial benefit / burden relationship where the two Boards are substantially the same:	
Prince William Parkway District	Exercise the powers and duties enumerated in the Code of Virginia related to the transportation improvement district.
Route 234 Bypass District	Authorized by the Code of Virginia and established by Board resolution. Set the appropriate tax rate to fund improvements within the district and act on transportation matters within the district.
The following separate legal entities are blended component units as the County has a financial benefit/burden relationship, a majority of the Board is appointed by the County, and it is an integral part of the County's operations:	
Self-Insurance Group Workers' Compensation Association	Authorized by the Code of Virginia and licensed by the State Corporation Commission. Make available a long-term, stable source of cost-effective workers' compensation insurance protection for participating members.
Self-Insurance Group Casualty Pool	Authorized by the Code of Virginia and licensed by the State Corporation Commission. Make available a long-term, stable source of cost-effective casualty insurance protection for participating members.
Prince William Self-Insurance Group Workers' Compensation Association and the Prince William Self-Insurance Group Casualty Pool, issue separately audited financial statements. Copies of these financial statements may be obtained by writing to the Prince William County Finance Department, Office of Risk & Wellness Services, 4360 Ridgewood Center Drive, Suite 201, Prince William, Virginia 22192.	

Illustration 1-1 (cont'd)
Potential Component Units

The following are discretely presented component units that are separate legal entities from the County where the County can impose its will through the approval of each component unit's budget:

School Board	Authorized by the Code of Virginia and established by Board resolution to provide educational services to the County's citizens. The School Board cannot issue bonded debt and receives a large portion of its operating funds from the County. The County make policies governing the school division.
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The School Board issues separately audited financial statements. Copies of these financial statements may be obtained by writing to the School Board's Finance Division, P.O. Box 389, Manassas, Virginia 20118.

Adult Detention Center (ADC)	Authorized by the Code of Virginia. Establish policy for operation of Prince William County-Manassas regional adult detention center, providing care and confinement for County and adjoining city prisoners.
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The Adult Detention Center, a discretely presented component unit of the County, does not issue separately audited financial statements.

The following are jointly governed organizations where none of the inclusion criteria have been met:

District Home Board	Agreement between the five northern Virginia jurisdictions (Prince William County, Fairfax County, Loudoun County, Fauquier County and City of Alexandria) pursuant to the Code of Virginia. Establishes policy for operations of two district homes.
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Northern Virginia Health Center Commission	Board resolution created a commission for the operation of a nursing home pursuant to the Code of Virginia. Develops and establishes policies for the operation of a nursing home. Service agreement between five northern Virginia jurisdictions (Prince William County, Fairfax County, Loudoun County, Fauquier County and City of Alexandria).
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Northern Virginia Special Education Regional Program	Agreement between Prince William County School Division and the Cities of Manassas and Manassas Park to foster cooperation in the development and delivery of special education programs and other appropriate educational services.
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Governor's School @Innovation Park	Agreement between Prince William County School Division and the Cities of Manassas and Manassas Park to deliver an advanced and intensive program in science, technology, engineering, and mathematics (STEM) for selected high school juniors and seniors.
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Manassas Regional Airport	Agreement between Prince William County and the City of Manassas for the establishment and operation of a regional airport.
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Illustration 1-1 (cont'd)
Potential Component Units

The following are related organizations where none of the inclusion criteria have been met (see Note 17):

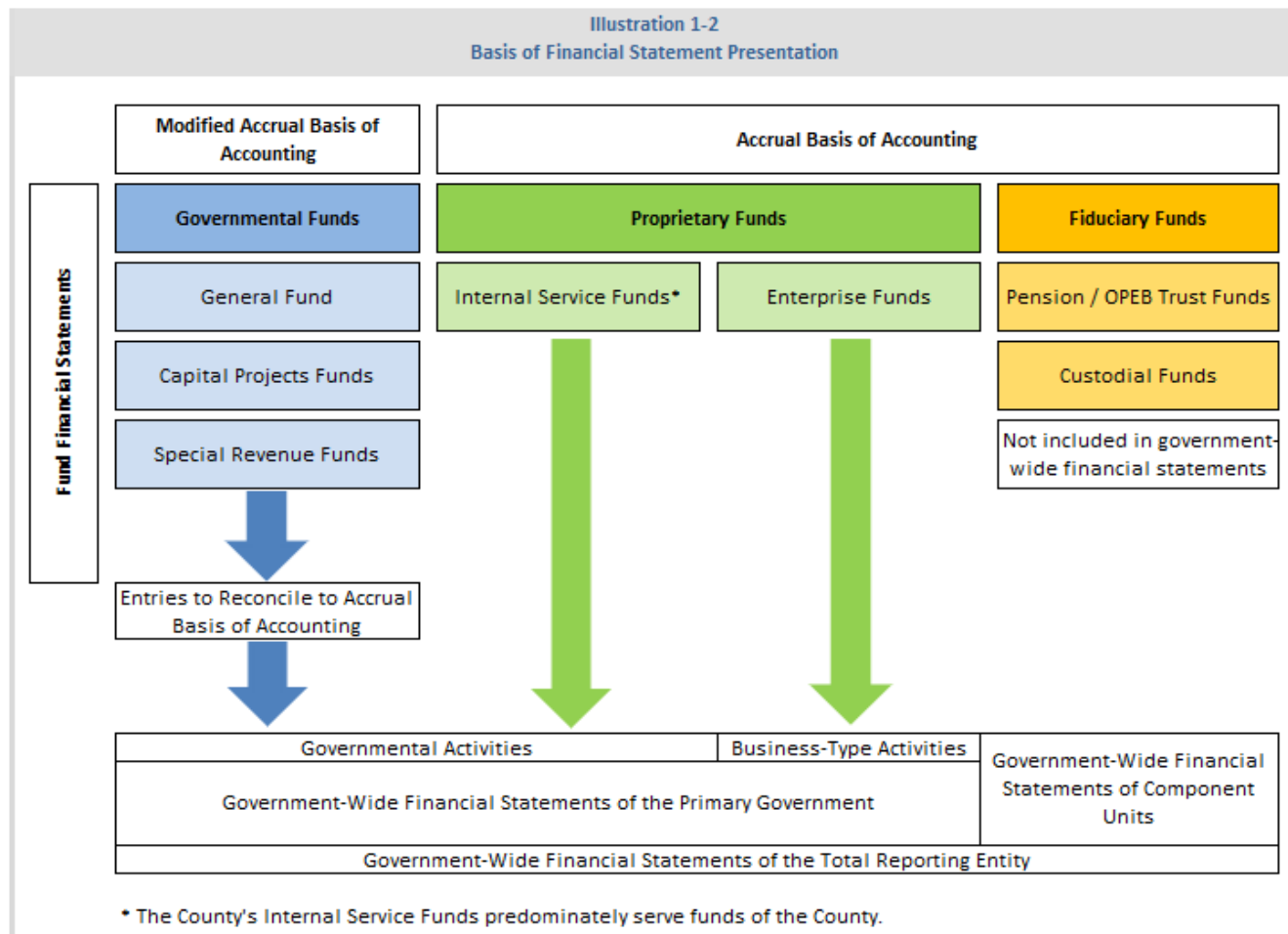
Industrial Development Authority (IDA)	Authorized by the Code of Virginia and established by Board resolution. Promotes industry and economic development by inducing businesses to locate or remain in the State and County.
Service Authority	Authorized by the Code of Virginia and established by Board resolution. Provide water and sewer utilities to County residents.
Northern Virginia Criminal Justice Training Academy (NVCJTA)	Established by Board resolution. Construct an Emergency Vehicle Operations Center in which the County has a 30% interest.
Northern Virginia Transportation Authority (NVTa)	Authorized by the Code of Virginia. Focused on delivering real transportation solutions and value for Northern Virginia's transportation.

The following are joint ventures where there is an ongoing financial responsibility, but no ongoing financial interest and no explicit and measurable equity interest is deemed to exist (see Note 18):

Potomac & Rappahannock Transportation Commission (PRTC)	Joint venture between Prince William County and Stafford County, the Cities of Manassas, Manassas Park and Fredericksburg. Manages and operates OmniRide (regional) and OmniLink (County-wide) bus system as well as the Virginia Railway Express (VRE), the regional train system. Operations are funded by the State 2% Motor Fuel Tax. Each jurisdiction has a representative on the PRTC Board. The County also funds PRTC's lease payments.
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B. Basis of Presentation

The basic financial statements include both fund financial statements which are based on major individual funds, and government-wide financial statements, which are based on the County as a whole (see Illustration 1-2, below).



Fund Financial Statements:

At the most basic level, the financial transactions of the County are recorded in individual funds. Each fund is a separate accounting entity with a self-balancing set of accounts that comprise the assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity (including reserves), revenues and expenditures / expenses related to a specific group of activities of the government. Emphasis is on major funds in the governmental or business-type categories. GAAP sets forth minimum criteria for the determination of major funds. The nonmajor funds in each category are combined in a column in the fund financial statements and detailed in the combining and individual fund statements and schedules section.

The following major funds are used by the County:

Governmental Funds:

The focus of governmental fund measurement in the fund financial statements is based on the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the County:

- **General Fund** – The General Fund is the primary operating unit of the County and accounts for its numerous primary services including the County's primary services (Police, Fire, Public Works, Community Development, Debt Service, etc.). It accounts for all financial resources and services of the general government, except those required to be accounted for in another fund.

- Streets and Roads Capital Projects Fund – The Streets and Roads Capital Projects Fund is used to account for the resources and expenditures related to the construction of sidewalks and roads within the County.
- COVID-19 Response Fund – The COVID-19 Response Special Revenue Fund is used to account for the receipt and use of federal grant funds received under the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 and the American Rescue Plan Act (ARPA) of 2022 in response to the COVID-19 pandemic.

The governmental fund financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. This is the manner which GAAP has prescribed as the most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid financial resources, and (c) demonstrate how the County's actual experience conforms to the legally adopted budget. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the governmental activities column on the government-wide financial statements, reconciliations are presented which briefly explain the adjustments necessary to reconcile the governmental fund financial statements to the government-wide financial statements.

Proprietary Funds:

The focus of proprietary fund measurement is based on the determination of operating income, changes in net position, financial position, and cash flows, which is similar to a business enterprise. The following is a description of the major proprietary fund of the County:

- Landfill Fund – The Prince William County Landfill provides refuse disposal services.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the Landfill Fund, the Innovation Technology Park Fund, Parks & Recreation Fund, and the internal service funds are charges to customers for sales and services. Operating expenses of the enterprise funds and internal service funds include the costs of providing services, such as personnel, contracting and supplies, as well as depreciation. Additionally, landfill closure costs are included in operating expenses of the Landfill Fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County's enterprise funds, presented in the proprietary fund financial statements, are presented using the economic resources measurement focus and the accrual basis of accounting. The County's enterprise funds use the services of the internal service funds, and these transactions are not eliminated when producing the government-wide statements.

In addition to the major funds discussed above, the County reports on the following internal service fund types:

- The County operates a construction crew, an information technology center, and a fleet maintenance facility. In addition, the County operates four self-insurance funds – three for risk management services that provide insurance for workers' compensation, general liability, and other insurance needs of the County and the Adult Detention Center, and one that provides health insurance for eligible participating County employees. The effect of inter-fund activity has been eliminated from the government-wide financial statements. The excess revenues or expenses for the fund are allocated to the appropriate functional activity. The internal service funds are included in governmental activities column for government-wide reporting purposes. Inter-fund services that are provided and used are not eliminated in the process of consolidation.

The County's internal service funds (which typically provide services to other funds of the government) are presented in a consolidated column in the proprietary fund financial statements. Since the principal users of these services are the County's governmental activities, the financial statements of the internal service funds are consolidated into the governmental activities' column in the government-wide financial statements. The costs of these services are allocated in the appropriate functional category of the Government-Wide Statement of Activities.

Fiduciary Funds:

Fiduciary funds are used to account for assets held by the government acting as a trustee or custodian for entities external to the governmental unit. Trust funds and custodial funds are the two types of fiduciary funds. Fiduciary funds activities include resources held in a custodial capacity. They are presented using the economic resource measurement focus and the accrual basis of accounting.

- Supplemental Pension Plan (SSP) Trust Fund – The County accounts for a defined benefit trust to provide Supplemental Pension Plan benefits to sworn and uniformed police officers, fire fighters and Sheriff and Adult Detention Center personnel.

- Length of Service Award Program (LoSAP) Pension Trust Fund – The County accounts for a length of service award program that provides benefits for certified volunteer fire department and rescue squad members.
- Other Post-Employment Benefits (OPEB) Master Trust Fund – The County uses this fund to account for post-employment benefits other than pensions for eligible employees of the County and to account for post-employment benefits that provide death, disability, and healthcare benefits for public safety employees and volunteer fire department and rescue squad members.
- Custodial Funds – The County accounts for receipts and disbursements of monies for certain County welfare, mental health services and federal self-sufficiency program recipients as well as shares a portion of the sales taxes collected to the Towns of Dumfries, Quantico, Occoquan, and Haymarket.

The County's fiduciary funds are presented in the fund financial statements by type (Other Post-Employment Benefits (OPEB) and Pension trust funds, and custodial funds). Since by definition, assets of these funds are held for the benefit of a third party (pension participants, other post-employment benefit participants, private parties, etc.) and cannot be used to satisfy obligations of the County, these funds are not incorporated into the government-wide financial statements. Separate financial statements are not issued for the SSP Trust Fund, LOSAP Trust Fund and OPEB Master Trust Fund.

Government-Wide Financial Statements:

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all the non-fiduciary activities of the primary government and its component units. The focus of the government-wide financial statements is more on sustainability of the County as an entity and the change in aggregate financial position resulting from activities of the fiscal period. As a rule, the effect of inter-fund activity has been eliminated from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and other charges for support. Likewise, the primary government is reported separately from the County's discretely presented component units.

In the government-wide Statement of Net Position, the governmental and business-type activities columns are presented on a consolidated basis by column and are presented using the economic resources measurement focus and the accrual basis of accounting, which incorporates long-term assets as well as noncurrent liabilities. Inter-fund balances between governmental funds and inter-fund balances between enterprise funds are included in the government-wide statement of net position.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given functional category (public safety, public works, etc.) or business-type activity (landfill, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category or business-type activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given functional category or business-type activity and 2) grants and contributions that are restricted to meet the operational or capital requirements of a particular functional category or business-type activity. Taxes and other items that are not properly included among program revenues are reported instead as general revenues.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Basis of Accounting

The basis of accounting refers to the point at which revenues or expenditures / expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied. The government-wide financial statements, the proprietary fund financial statements, the fiduciary fund financial statements, and the component unit financial statements are presented on an accrual basis of accounting. The governmental fund financial statements are presented on a modified accrual basis of accounting.

Accrual Basis of Accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual Basis of Accounting. Revenues are recorded when susceptible to accrual, meaning that to be considered revenue of the reporting period, the amount must be both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers the availability period for all significant revenue sources to be 60 days after the end of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts.

Property taxes billed prior to fiscal year end, but not collected within 60 days after year-end, are reflected as deferred inflows of resources. Derived tax revenues such as sales and utility taxes that are collected by the Commonwealth or utility companies, and

(Amounts expressed in thousands)

subsequently remitted to the County, are recognized as revenues and receivables when the underlying exchange transaction occurs, which is generally two months preceding receipt by the County. Licenses, permits and fines are recorded as revenues when received. Intergovernmental revenues, consisting primarily of Federal, State, and other grants for the purpose of funding specific expenditures, are recognized when earned or after all eligibility requirements have been satisfied, except for Streets and Roads Capital Projects Fund that considers the availability period for all significant revenue sources to be 60 days after the end of the current fiscal period. Revenues from general-purpose grants are recognized in the period to which the grant applies. Interest earnings are recorded as earned.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized when due.

D. Budgets and Budgetary Accounting

Budgets for all governmental funds of the Primary Government and Discretely Presented Component Units of the County are adopted by the Board annually on a non-GAAP basis which excludes the effects of fair value adjustments to the carrying amounts of investments (see Note 1.G). Reconciliations between the non-GAAP basis amounts presented for budgetary comparisons and the GAAP basis amounts presented elsewhere in the ACFR are shown on the face of the budgetary comparison schedules (Schedules 1, 2, and 14 through 27).

Project length financial plans are adopted for all capital projects funds. However, the County's Capital Improvement Plan is a five year plan identifying which projects the County is planning on initiating and the Board budgets and appropriates project length budgets for new capital projects for the first year of the Plan. In mid-February, the County Executive submits to the Board, a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

The Board holds work sessions to review the proposed budget and conducts two public hearings to obtain taxpayer comments. The budget is legally adopted by the Board within the timelines stipulated by the Code of Virginia § 15.2-2503, as amended.

The Board appropriates the budget on an annual basis. During the year, several supplemental appropriations are necessary. The Board adopts resolutions for supplemental appropriations that increase or decrease the adopted budget. Departmental expenditures may not exceed Board approved appropriations, which lapse at the end of the year.

The Board appropriates available balances from one fiscal year to the next resulting from projected surplus revenues and budget savings generated during the year through departmental spending control efforts. The Board also authorizes the Director of Finance to administratively reduce the amount of available balances approved should the actual funds to support the appropriation be insufficient after completion of the County's year end closing cycle.

The budget is controlled at certain legal as well as administrative levels. The Code of Virginia requires the County to annually adopt a balanced budget. The Board's Annual Adopted Budget resolution places legal restrictions on expenditures at the department level (i.e., the level at which expenditures may not legally exceed appropriations). Management approves budget transfers of any amount between major expenditure categories within departments and in certain limited cases these are reviewed by the Board. Budget transfers of twenty thousand dollars or more between departments are approved by the Board. The Board approves resolutions for supplemental appropriations that increase or decrease (amend) the original budget. Only the Board can amend the budget. All budgets and appropriations lapse at the end of each fiscal year.

Annual transfers out are appropriated in the General and Special revenue Funds for the component units of the County. Expenditures in all governmental funds of the County were within authorized budget limitations. Where required, the governmental fund financial statements provide budgetary comparison schedules that demonstrate compliance at the legal level of budgetary control.

E. Encumbrances

Encumbrance accounting, the recording of purchase orders, contracts, and other mandatory commitments for the expenditure of monies to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all governmental funds. Encumbrances outstanding at year-end are reported as restricted, committed, or assigned fund balance, depending on the source of funding and/or the specific constraints on the funds encumbered, since they do not constitute expenditures or liabilities. Encumbrances are normally re-appropriated each year by Board resolution. For more detailed information, see Note 11.

F. Cash and Investments

For purposes of the statement of cash flows, all cash on hand, deposits, and highly liquid investments with original maturities of three months or less, as well as the County's cash management pool, are grouped into equity in pooled cash and investments. These pooled cash and investments, as well as restricted cash and temporary investments, are cash and cash equivalents.

The County invests in an externally managed investment pool, the State Treasurer's Local Government Investment Pool (LGIP), which is not SEC-registered. The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP, which is managed as a "2a-7 like pool". The portfolio securities are valued by the amortized cost method with maturities of thirteen months or less. The fair value of the County's position in the LGIP is the same as the value of the pool shares. The LGIP does not have any limitations or restrictions on participant withdrawals.

The County maintains a single cash and investment pool for use by all funds and component units, except for the SPP Trust Fund, certain enterprise and internal service funds, the School Board Student Activity Fund, the School Education Foundation, and the Community Services Board Payee Accounts. Each fund participates on a dollar equivalent and daily transaction basis. Interest is distributed monthly based on average daily cash balances. A "zero balance account" mechanism provides for daily sweeps of deposits made to the County's checking accounts, resulting in an instantaneous transfer to the investment account. Hence, the majority of the County's funds are always invested.

Bond proceeds are maintained to comply with the provisions of the Tax Reform Act of 1986 or as required by various bond indentures.

Investments are carried at fair value based on quoted market prices. Interest earnings are allocated monthly to the respective funds based on the percentage of each fund's average daily balance of cash investments in the total pool.

G. Fair Value Measurements

Fair value was estimated for each class of financial instrument for which it was practical to estimate fair value. Fair value is defined as the price in the principal market that would be received for an asset to facilitate an orderly transaction between market participants on the measurement date. Market participants are assumed to be independent, knowledgeable, able, and willing to transact an exchange and not acting under duress. Fair value hierarchy disclosures are based on the quality of inputs used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). Adjustments to transaction prices or quoted market prices may be required in illiquid or disorderly markets to estimate fair value. The three levels of the fair value hierarchy are defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets.

Level 2 – inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, significant other observable inputs, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – inputs to the valuation methodology are significant unobservable for the asset or liability and are significant to the fair value measurement.

H. Inventories and Prepaid Items

Inventory is valued at cost for all governmental funds and at lower of cost or market for all other funds using the first-in, first-out method. Inventory in governmental funds, internal service funds, and enterprise funds consist of consumable supplies, except for inventory in Innovation Technology Park Fund, which consists of land held for sale to be sold to attract new businesses to the County that fulfill a specific target industry initiative. The cost is recorded as an expenditure / expense at the time individual inventory items are consumed. Reported inventories for governmental funds are offset equally by a non-spendable fund balance which indicates they do not constitute available expendable resources, even though they are a component of assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements. Items are expended / expensed in the period they are used.

I. Due from Other Funds, Component Units and Governmental Units

Noncurrent portions of long-term inter-fund loans receivable (reported in due from accounts in the asset section) and amounts due from other governments are equally offset by a committed fund balance account which indicates that they do not constitute available

(Amounts expressed in thousands)

expendable resources and therefore are not available for appropriation.

J. Compensated Absences

In governmental funds, the cost of vacation and sick pay benefits (compensated absences) is recognized when payments are made to employees. A liability for all governmental funds vested accrued vacation and sick pay benefits is recorded as noncurrent liabilities in the government-wide statement of net position. Proprietary funds accrue vacation and sick leave benefits in the period they are earned.

K. Self-Insurance and Health Insurance Long-Term Liabilities

The County and the Adult Detention Center component unit participate in the Prince William Self-Insurance Group Casualty Pool (the Pool) and Workers' Compensation Association (the Association), which provide casualty insurance and workers' compensation protection for the members. Only the County and its component units are participants. The County provides three self-insured health insurance program options to its employees. Estimated liability for claims payable includes estimates of losses on claims reported and actuarial determinations of claims incurred but not reported.

L. Capital Assets

The cost of capital assets acquired for general government purposes is recorded as an expenditure in the governmental funds and as an asset in the government-wide financial statements to the extent the County's capitalization threshold has been met. Capital assets acquired by proprietary funds are recorded as assets in both the government-wide financial statements and in the proprietary fund financial statements to the extent the County's capitalization threshold has been met. The County capitalizes assets (non-software) costing at least ten thousand dollars (\$10,000) not funded by a grant or five-thousand dollars (\$5,000) if grant funded and having an estimated useful life longer than one year. The County capitalizes software costing at least one hundred thousand dollars and having an estimated useful life longer than one year. The School Board component unit's capitalization thresholds differ from the County's thresholds. Details of the School Board's capitalization thresholds are discussed in their separately issued financial statements.

Donated capital assets are recorded at acquisition value as of the date of donation.

Maintenance, repairs, and minor renovations are charged to operations when incurred. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement, the cost and related accumulated depreciation is eliminated from the respective accounts, and any resulting gain or loss is included in the determination of change in net position for the period.

The County does not capitalize streets and roads as these are transferred to and become property of the Commonwealth of Virginia upon completion.

Capital assets of the primary government and the Adult Detention Center component unit are depreciated or amortized using the straight-line method over the estimated useful lives of purchased, donated, and leased assets as follows:

Public domain (infrastructure)	40-50 years
Buildings	20-40 years
Improvements to sites	2-50 years
Equipment	2-20 years
Vehicles	3-10 years
Library collections	5 years
Intangible Assets	5-15 years
Right-to-use Lease Assets	2-40 years

Depreciation on the County's solid waste landfill liner system is calculated based on the percentage of the landfill liner's capacity used each year.

Details of the School Board component unit's depreciation methods and estimated useful lives are discussed in their separately issued financial statements.

Impaired capital assets that are no longer used are reported at the lower of carrying value or fair value. An asset is considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside

(Amounts expressed in thousands)

the normal life of the capital asset.

M. Deferred Outflows / Inflows of Resources

Deferred outflows of resources are reported in a separate section, immediately following assets, on the Statements of Net Position. Deferred outflows of resources represent a consumption of resources that benefit future period(s) and will be recognized in future periods as an expenditure/expense when they are used. Prince William County has the following deferred outflows of resources: deferred loss on refunding and deferred outflows related to pensions and OPEB.

Deferred inflows of resources are reported in a separate section, immediately following liabilities, on the Statements of Net Position. Deferred inflows represent an acquisition of resources that will be used in future reporting periods and will be recognized as revenues in future periods. Prince William County has the following deferred inflows of resources: prepaid and unavailable taxes, transportation revenues, lease revenues and deferred inflows related to pensions and OPEB.

N. Pensions and OPEB

For purposes of measuring the net pension liability and asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Prince William County's defined benefit pension plans and the additions to/deductions from the County's defined benefit pension plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS), SPP and LoSAP Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net OPEB liability and asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's VRS OPEB Plans and the additions to/deductions from the Prince William County's OPEB Master Trust Fund net fiduciary position have been determined on the same basis as they were reported by the VRS, Prince William County Premium Plan, Prince William County Retiree Health Insurance Credit Plan (RHICP) and Prince William County Line of Duty Act (LODA) Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Fund Balance

Non-spendable fund balances represent amounts that cannot be spent because they are not in spendable form. Restricted fund balances represent those portions of fund balance which have constraints placed upon their use by either external sources or imposed by law through constitutional provisions or enabling legislation. Committed and assigned fund balances represent the County's managerial plans for future use of financial resources. Unassigned fund balance is the residual classification for the General Fund. For more detail information, see Note 11.

The County's highest level of decision-making authority is the Board of County Supervisors. The formal action required to establish, modify, or rescind a fund balance commitment is a resolution of the Board of County Supervisors. Department directors have the authority to approve the assignment of fund balance through encumbrance of funds, and the County Executive has the authority to modify or rescind any fund balance assignment per §100.12(D)2.a of the County's Purchasing Regulations.

P. Leases

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

Lessor: The County is a lessor in leases of real estate. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The lease term includes the noncancellable period of the lease. The lease receipts included in the measurement of the lease receivable is comprised of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Lessee: The County is a lessee in leases of real estate assets. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are comprised of fixed payments and any purchase option price that the County is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Q. Deferred Loss on Debt Refundings

Losses resulting from advance or current refundings of debt in government-wide and proprietary statements are deferred and recognized over the shorter of the life of the new debt or the remaining life of the old debt. The amount is deferred and reported as a loss on refunding and is recognized as a component of interest expense.

R. Implementation of GASB 87, Leases

For the year ended June 30, 2022, the financial statements include the impact of the adoption of GASB Statement No. 87, *Leases*. Issued in June 2017, the primary objective of this statement is to enhance the comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model based on the principle that leases are financing of the right-to-use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For more information, see Note 5.

The County, Schools, and ADC implemented GASB Statement No. 87, *Leases*, in fiscal year 2022.

NOTE (2) - CASH AND INVESTMENTS

A. Cash Deposits

All cash of the County is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act (the Act), §2.2-4400 through 2.2-4411 of the Code of Virginia. Under the Act, qualified public depositories shall elect to secure deposits by either the pooled method or the dedicated method. Every qualified public depository shall deposit with a qualified escrow agent eligible collateral equal to or in excess of the required collateral. If any qualified public depository fails, the collateral pool becomes available to satisfy the claims of governmental entities. The Commonwealth Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act. Funds deposited in accordance with the requirements of the Act are considered fully secured and are not subject to custodial credit risk.

B. Investments

1. County Investments

Code of Virginia §2.2-4501 through 2.2-4600 authorizes the County to invest in obligations of the United States or agencies thereof; obligations of the Commonwealth or political subdivisions thereof; obligations of other states not in default; obligations of the International Bank for Reconstruction and Development (World Bank); the Asian Development Bank, the African Development Bank; "prime quality" commercial paper; negotiable certificates of deposits and negotiable bank notes; corporate notes; banker's acceptances; overnight, term and open repurchase agreements; money market mutual funds; the State Treasurer's Local Government Investment Pool (LGIP); non-negotiable certificates of deposit and deposits with federally insured banks and savings institutions that are qualified to accept public deposits. However, in some instances, the County's own investment policy is more stringent as to authorized investments as discussed below.

Bond proceeds shall be invested in accordance with the requirements and restrictions outlined in bond documents. Bond proceeds shall be invested in the Virginia State Non-Arbitrage Program (SNAP) (or its equivalent) or in individual portfolios that aid local governments in the investment of bond proceeds and the preparation of rebate calculations in compliance with treasury arbitrage rebate regulations in accordance with the Code of Virginia requirements and the County's own investment policy.

The County and its discretely presented component units' investments are subject to interest rate, credit, custodial and concentration of credit risks as described below:

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from increasing interest rates, the County's investment policy states that at the time of purchase, the weighted average maturity of the portfolio as a whole may not exceed five (5) years. Further, the County may not directly invest in securities maturing in more than ten (10) years from the date of purchase (unless the investment is maturity matched to long term cash flow requirements).

The weighted average maturity for the PWSIG Workers' Compensation Association and Casualty Pool portfolios may not exceed three (3) years except where to the extent that assets are purchased specifically for collateral deposits with the Commonwealth of Virginia as required by the SCC. The final maturity of any individual security may not exceed five (5) years from the time of purchase, except where an asset is matched to a specific obligation of the PWSIG.

Illustration 2-1 reflects the fair value and the weighted average maturity (WAM) of the County's investments as of June 30, 2022.

Illustration 2-1 Fair Value and Weighted Average Maturity of Investments June 30, 2022			
Investment Type		Fair Value	Weighted Average Maturity (Years)
Primary Government, School Board, and ADC			
Money Markets and Money Market Mutual Funds:			
Local Government Investment Pool (LGIP)	\$	182,801	0.003
State Non-Arbitrage Program (SNAP)		46,727	0.003
PFM Money Market		10,155	0.003
Other Money Market		43,163	0.003
NOW Accounts		36,569	0.003
U.S. Treasury Notes		29,097	3.085
U.S. Government Agency Securities		699,054	5.047
Corporate Bonds		208,117	2.855
Municipal Bonds		235,799	5.132
Total Primary Government, School Board, and ADC		1,491,482	
Total Reporting Entity Investments	\$	1,491,482	3.636

WAM expresses investment time horizons, the time when investments become due and payable, in years, weighted to reflect the dollar size of the individual investments within an investment type. The portfolio's WAM is derived by dollar-weighting the WAM for each investment type. For purposes of the WAM calculation, the County assumes that all its investments will be held to maturity.

Credit Risk – State statutes authorize the County to invest in various instruments as described above. The County's Investment Policy provides for investment in obligations of other states and political subdivisions outside of the Commonwealth of Virginia rated at least AA by two Nationally Recognized Statistical Rating Organizations (NRSROs). It is also County policy to invest in negotiable certificates of deposits from banks with a rating of at least A-1 by Standard & Poor's, P-1 by Moody's Investors Service, and F1 by Fitch Ratings, Inc. for maturities of one year or less. The County may also invest in corporate notes that have a rating of at least Aa by Moody's Investors Service, AA by Standard & Poor's, and AA by Fitch Ratings, Inc. Furthermore, the County will only invest in money market or mutual funds with a rating of AAA by at least one NRSRO; "prime quality" commercial paper rated by at least two of the following: Moody's Investors Service within its NRSRO/Moody's rating of Prime 1; Standard & Poor's within its rating of A-1; Fitch Ratings Inc. within its rating of F-1; or by their corporate successors, provided that at the time of any such investment the issuing corporation has a net worth of at least \$50 million and the net income of the issuing corporation has averaged \$3 million per year for the previous five years and all existing senior bonded indebtedness of the issuer is rated A or its equivalent by at least two of the following: Moody's Investors Service, Standard & Poor's or Fitch Ratings Inc.; and banker's acceptances with U.S. banks or domestic offices of international banks provided that the bank's assets exceed \$500 million or \$1 billion respectively.

Bond proceeds must be invested in accordance with the requirements and restrictions outlined in bond documents. As such, bond proceeds, per County policy, are exempt from portfolio composition, individual issuers, and maturity limitations set forth in the Investment Policy.

It is the PWSIG's policy to invest in obligations issued or guaranteed by the U.S. government, an agency thereof, or U.S. Government Sponsored Enterprises (GSEs); repurchase agreements collateralized by obligations issued or guaranteed by the U.S. Government, an agency thereof, or GSEs; non-negotiable certificates of deposit and time deposits of Virginia banks and savings institutions federally insured to the maximum extent possible and collateralized under the Virginia Security for Public Deposits Act; municipal debt with a rating of at least AA by one NRSRO, and a rating of at least AA by two NRSROs for municipal issuers outside of the Commonwealth of Virginia; negotiable certificates of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks with a rating of at least P-1 by Moody's Investors Service, and A-1 by Standard and Poor's; bankers' acceptances with major U.S. banks and domestic offices of international banks provided that the bank's assets exceed \$500 million or \$1 billion respectively; "prime quality" commercial paper rated by at least two of the following: P-1 by Moody's Investors Service, A-1 by Standard & Poor's or F-1 by Fitch Ratings Inc.; corporate notes with at least two of the following ratings: Aa by Moody's Investor's Services and AA by Standard & Poor's; money market, mutual funds or the LGIP with a minimum credit rating of AAA by at least one NRSRO.

During the year, the County made investments in money market mutual funds, LGIP, SNAP, PFM Asset Management, U.S. Government Agency Securities, U.S. Treasury Notes, NOW Accounts, Certificates of Deposit, Corporate Bonds, Commercial Paper and Municipal Bonds.

The County's investment ratings as of June 30, 2022, are presented in Illustration 2-2.

Illustration 2-2 Primary Government, School Board, and ADC Investment Credit Risk June 30, 2022		
Investment Type	Credit Quality (Rating)	Credit Exposure as a % of Total Investments
Money Markets and Money Market Mutual Funds:		
Local Government Investment Pool (LGIP)	AAA	12.26%
State Non-Arbitrage Program (SNAP)	AAA	3.13%
PFM Money Market	AAA	0.68%
Other Money Market	AAA	2.89%
NOW Accounts	Not applicable	2.45%
U.S. Treasury Notes	AA or higher	1.95%
U.S. Government Agency Securities	Aa+ or Higher	46.88%
Corporate Bonds	AA- or Higher	13.95%
Municipal Bonds	A- or Higher	15.81%
		100.00%

Custodial Credit Risk – Custodial risk is the risk that in the event of the failure of the counter party, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. However, the County's investment policy requires that all securities purchased by the County be properly and clearly labeled as an asset of Prince William County, collateralized, and held in safekeeping by a third-party custodial bank or institution in compliance with §2.2-4515 of the Code of Virginia. Therefore, the County has no custodial credit risk.

Concentration of Credit Risk – To minimize credit risk, the County's Investment Policy seeks to diversify its portfolio by limiting the percentage of the portfolio that may be invested in any one type of instrument at the time of purchase as follows: 100% for U.S. Agency Obligations (not to exceed 40% for any one agency); 35% for any municipal issuance outside of the Commonwealth of Virginia (not to exceed 5% in any one issuer); 35% for "prime quality" commercial paper (not to exceed 5% in any one issuer); 40% for negotiable certificates of deposit (not to exceed 5% for any one issuer); 40% for bankers' acceptances (not to exceed 5% for any one issuer); 10% for U.S. Treasury Certificates; 30% for repurchase agreements (not to exceed 30% with the County's primary bank and 10% with any other institution/dealer); 60% for money market funds (not to exceed 20% in any one money market fund); 35% for corporate notes (not to exceed 5% for any one issuer); 40% for non-negotiable certificates of deposit (not to exceed 15% for any one issuer); and no more than 50% in Local Government Investment Pools (LGIP).

The PWSIG Investment Policy seeks to diversify its portfolio by security type and by issuer by limiting the percentage of the portfolio that may be invested at the time of purchase in any one type of instrument as follows: 100% for U.S. Treasury and Agency securities; 50% municipal debt (not to exceed 10% per Virginia Issuer and 5% in any non-Virginia issuer); 50% for repurchase agreements (not to exceed 20% per issuer); 30% for bankers' acceptances, negotiable certificates of deposit and / or negotiable bank deposit notes (not to exceed 5% per issuer); 35% for commercial paper (not to exceed 5% per issuer); 40% for non-negotiable certificates of deposit (not to exceed 10% per issuer); 25% for corporate notes (not to exceed 10% per issuer) and 80% for money market funds/investment pools (not to exceed 40% per issuer).

2. Supplemental Pension Plan Investments

§51.1-803 of the Code of Virginia authorizes the County's Supplemental Pension Plan to invest its funds with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with the same aims. Such investments are not subject to custodial credit risk.

The County's Supplemental Pension Plan's investments are subject to interest rate, credit and concentration of credit risk as described below:

Illustration 2-3
Supplemental Pension Plan Fair Value and Weighted Average Maturity/Duration of Investments
June 30, 2022

Investment Type	Fair Value	Weighted-Average Maturity(a)/ Modified Duration (b) (Years)
SPP Trust Fund Investments:		
Money Market Mutual Funds	\$ 628	0.101 (a)
U.S. Treasury Notes	8,006	4.76 (b)
US Government Agency Securities	2,297	4.38 (b)
Corporate Bonds	2,120	5.29 (b)
Tactical Asset Allocation Funds	2,324	Not applicable
Equity Mutual Funds	28,096	Not applicable
Real Assets	6,252	Not applicable
Total Supplemental Pension Plan Trust Fund Investments	\$ <u>49,723</u>	

Interest Rate Risk – In accordance with state statute and the policy of the Supplemental Pension Plan (SPP), investments of the Plan are diversified to minimize the risk of large losses unless under the circumstances it is clearly not prudent to do so. The SPP contains primarily mutual fund type assets of varying characteristics. The specific content of each fund can change daily and is managed by the director / manager of each fund. Consequently, the ability to quantify interest rate risk at the SPP level is not possible.

Illustration 2-3 reflects the fair value and the duration of the County's SPP fixed income investments as of June 30, 2022. Weighted-average maturity expresses investment time horizons, the time when investments become due and payable, in years, weighted to reflect the dollar size of the individual investments within an investment type. Duration is a measure of a fixed income's cash flows using present values, weighted for cash flows as a percentage of the investment's full price. Modified duration estimates the sensitivity of a bond's price to interest rate changes.

Credit Risk – The SPP investment policy is silent as to credit risk. The Board of Trustees is ultimately responsible for making the decisions that affect its investments. An independent investment advisor assists with the attainment of the Plan's objectives and monitors the SPP's compliance with stated investment policies. During the year, the SPP invested in money market, fixed income bond funds, equity mutual funds and real assets.

The SPP's investment rating as of June 30, 2022, is presented in Illustration 2-4.

Illustration 2-4
Supplemental Pension Plan Credit Risk
June 30, 2022

Investment Type	Credit Quality (Rating)	Credit Exposure as a % of Total Investments
SPP Trust Fund Investments:		
Money Market Mutual Funds	AAA	1.26%
U.S. Treasury Notes	AAA	16.10%
US Government Agency Securities	AAA	4.62%
Corporate Bonds	A1 or higher	4.26%
Tactical Asset Allocation Funds	Not rated	4.67%
Equity Mutual Funds	Not rated	56.52%
Real Assets	Not rated	12.57%
		<u>100.00%</u>

(Amounts expressed in thousands)

Concentration of Credit Risk – The long-term objective of the SPP is to achieve a total return equivalent to or greater than SPP’s long-term benefit obligation over the time horizon. The Board of Trustees has adopted an asset allocation policy designed to achieve a return equal to or greater than the long-term objective. The excess return over the long-term objective is designed both to reduce the probability of missing the target return over the long-term and to provide for any future growth or benefit enhancements desired.

The Board of Trustees will seek to limit the overall level of risk, as defined by tracking error or the standard deviation of excess return, relative to the comparison benchmark and volatility, as measured by standard deviation, consistent with the chosen asset allocation policy.

Illustration 2-5 shows permissible asset classes, with target investment percentages.

Illustration 2-5 Statement of Investment Policy Supplemental Pension Plan Concentrations June 30, 2022			
Asset Class	Policy Target Percent	Policy Range Percent (+/-)	Actual Percentage
SPP Trust Fund Investments:			
Diversified	5%	5%	5%
Equity	60%	10%	56%
Real Assets	10%	5%	13%
Fixed Income	25%	5%	25%
Cash Equivalents	0%	0%	1%
	<u>100%</u>		<u>100%</u>

For Domestic Equity, International Equity and Real Assets the maximum weighting, on a fair value basis, in any one company for active Investment Managers is 5% of the portfolio value. Real Assets include investments in Real Estate Investment Trusts (REITs), timber, commodities, multiple limited partnerships (primarily energy investments) and agriculture holdings. For domestic fixed income, international fixed income, hedge funds and cash equivalents the maximum weighting, on a fair value basis, in any one security for active Investment Managers is 2% of the portfolio value. This does not apply to U.S. government and agency issues. It is desirable to rebalance the portfolio periodically to minimize deviations from the asset allocation mix. The Plan shall be rebalanced in the event any individual asset class allocation differs from the permissible range described in the asset allocation.

Concentrations – As of June 30, 2022, the SPP’s investments were in money market, bond and equity mutual funds and therefore not subject to concentration of credit risk.

3. *Prince William County Volunteer Fire and Rescue Personnel Length of Service Award Program (LoSAP) Investments*

The County has appointed a Board of Trustees to oversee certain policies and procedures related to the operation and administration of the LoSAP Trust and has the authority to invest the funds in the best interest of the Trust to satisfy the purpose of the Trust.

Illustration 2-6 reflects the fair value of the County’s LoSAP Trust investments as of June 30, 2022.

Illustration 2-6 LoSAP Fair Value and Weighted Average Maturity/Duration of Investments June 30, 2022		
Investment Type	Fair Value	Weighted-Average Maturity (a) / Modified Duration (b) (Years)
LoSAP Trust Fund Investments:		
Life Insurance Funds - Mass Mutual Annuity	\$ <u>20,809</u>	Not Applicable

Concentrations of Credit Risk – As of June 30, 2022, the LoSAP Trust’s investments were 100% invested in an insurance annuity fund and are not subject to concentration of credit risk.

4. Other Post-Employment Benefits (OPEB) Master Trust Investments

The County has appointed a Finance Board (Trustees) pursuant to the Code of Virginia §15.2-1547 to oversee certain policies and procedures related to the operation and administration of the OPEB Master Trust. The Finance Board has the authority to implement the investment policy and guidelines in the best interest of the Trust to best satisfy the purposes of the Trust.

§51.1-803 of the Code of Virginia authorizes the County’s OPEB Master Trust to invest its funds with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with the same aims. Such investments are not subject to custodial credit risk.

Illustration 2-7 reflects the fair value of the County’s OPEB Master Trust fixed income investments as of June 30, 2022. Weighted-average maturity expresses investment time horizons, the time when investments become due and payable, in years, weighted to reflect the dollar size of the individual investments within an investment type. Duration is a measure of a fixed income’s cash flows using present values, weighted for cash flows as a percentage of the investment’s full price. Modified duration estimates the sensitivity of a bond’s price to interest rate changes.

Illustration 2-7 Other Post-Employment Benefits (OPEB) Master Trust Fair Value and Weighted Average Maturity/Duration of Investments June 30, 2022		
Investment Type	Fair Value	Weighted-Average Maturity(a)/ Modified Duration (b) (Years)
Other Post-Employment Benefits (OPEB) Master Trust Fund Investments:		
Money Market Mutual Funds	\$ 7,776	0.003(a)
Equity Mutual Funds	56,235	Not applicable
Real Assets	11,191	Not applicable
Other Fixed Income Assets	2,229	Not applicable
Bond Funds		
Baird Core Plus Bond	\$ 8,090	6.22(b)
DoubleLine Core Fixed Income	5,852	5.31(b)
iShares MBS	3,503	6.21(b)
iShares 5-10 Year IG Corporate Bond	1,277	6.29(b)
MainStay MacKay High Yield Corp Bond Fund	897	3.90(b)
Pacific Funds Floating Rate Income	3,078	0.45(b)
PGIM Total Return Bond	8,075	6.51(b)
Voya Intermediate Bond	5,876	6.60(b)
Total Bond Funds	<u>36,648</u>	
Total OPEB Master Trust Fund Investments	<u>\$ 114,079</u>	

The OPEB Master Trust's rating and credit exposure as of June 30, 2022, is shown in Illustration 2-8.

Illustration 2-8 Other Post-Employment Benefits Master Trust (OPEB) Credit Risk June 30, 2022		
Investment Type	Credit Quality (Rating)	Credit Exposure as a % of Total Investments
OPEB Master Trust Fund Investments:		
Money Market Mutual Funds	AAA	6.82%
Equity Mutual Funds	Not rated	49.29%
Real Assets	Not rated	9.81%
Other Fixed Income Assets	A	1.95%
Bond Funds		
Baird Core Plus Bond	A	7.09%
DoubleLine Core Fixed Income	A	5.13%
ishares MBS	AAA	3.07%
iShares 5-10 Year IG Corporate Bond	BBB	1.12%
MainStay MacKay High Yield Corp Bond Fund	BB	0.79%
Pacific Funds Floating Rate Income	B	2.70%
PGIM Total Return Bond	A	7.08%
Voya Intermediate Bond	A	5.15%
		<u>100.00%</u>

Concentration of Credit Risk – The Permissible asset classes, with target investment percentages are shown in illustration 2-9.

Illustration 2-9 Statement of Investment Policy Other Post-Employment Benefits (OPEB) Master Trust Fund Concentrations June 30, 2022			
Asset Class	Policy Target Percent	Policy Range Percent	Actual Percent
OPEB Master Trust Fund Investments:			
Domestic Equity	39%	19% - 59%	34%
International Equity	21%	1% - 41%	15%
Other Growth Assets	0%	0% - 20%	0%
Fixed Income	40%	20% - 60%	32%
Other Income Assets	0%	0% - 20%	2%
Real Assets	0%	0% - 20%	10%
Cash Equivalents	0%	0% - 20%	7%
	<u>100%</u>		<u>100.00%</u>

No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS). Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. Alternatives may consist of non-traditional asset classes such as hedge funds, private equity, real estate and commodities, when deemed appropriate. The total allocation to this category may not exceed 30% of the overall portfolio. Private equity and publicly traded Real Estate Investment Trusts (REITS) will be categorized in the Other Growth Assets category. For purposes of asset allocation targets and limitations, single strategy hedge funds will be categorized under the specific asset class of the fund. On June 30, 2022, the OPEB Master Trust Fund's investments were in money market, bond and equity mutual funds and therefore not subject to concentration of credit risk.

(Amounts expressed in thousands)

Illustration 2-12 shows the fair value levels used in the SPP Trust Fund, LoSAP Trust Fund and OPEB Master Trust Fund to value investments.

Illustration 2-12					
Fair Value - SPP Trust Fund, LoSAP Trust Fund, and OPEB Master Trust Fund					
June 30, 2022					
		Fair Value Measurement			
		Using:			
		Total	Level 1	Level 2	Level 3
SPP Trust Fund					
Investments by Fair Value					
US Treasury Notes	\$	8,006	8,006	-	-
US Government Agency		2,297	-	2,297	-
Corporate Bonds		2,120	-	2,120	-
Tactical Asset Allocation Funds		2,324	2,324		
Equity Mutual Funds		28,096	28,096	-	-
Real Assets		6,252	-	-	6,252
Investments by Amortized Cost		49,095	38,426	4,417	6,252
Money Market Mutual Funds		628			
		49,723			
LoSAP Trust Fund					
Investments by Amortized Cost		20,809			
Life Insurance Funds - Mass Mutual Annuity		20,809			
OPEB Master Trust Fund					
Investments by Fair Value					
Equity Mutual Funds		56,235	56,235	-	-
Real Assets		11,191	-	11,191	-
Other Fixed Income Assets		2,229		2,229	
Bond Mutual Funds		36,648	-	36,648	-
Investments by Amortized Cost		106,303	56,235	50,068	-
Money Market Mutual Funds		7,776			
		114,079			
Total	\$	184,611			

(Amounts expressed in thousands)

Restricted cash and investments consist of a closure fund required by the Virginia Resource Authority (VRA) for the Landfill, capitalized interest accounts required to be used for debt service, unspent debt proceeds required to be used for capital projects, and retainages as depicted in Illustration 2-13.

Illustration 2-13
Restricted Cash and Investments
June 30, 2022

	Restricted Cash & Temporary Investments	Restricted Investments
Primary Government		
General Fund:		
Retainage	\$ 3	\$ -
Total General Fund	3	-
Streets & Roads Capital Projects Funds:		
Retainage	220	-
Total Capital Projects Funds	220	-
Nonmajor Governmental Funds:		
Retainage	1,812	-
Total Other Governmental Funds	1,812	-
Enterprise Funds:		
Landfill VRA Closure Fund	20,144	-
Nonmajor Enterprise Funds	417	-
Total Enterprise Funds	20,561	-
Internal Service Funds:		
PWSIG	10,133	-
Insurance Pool Collateral	-	1,250
Total Internal Service Funds	10,133	1,250
Total Primary Government	32,729	1,250
Component Units		
ADC:		
Retainage	35	-
Total ADC	35	-
School Board:		
School Bonds	46,727	-
Education Foundation	1,290	-
Total School Board	48,017	-
Total Component Units	48,052	-
Total Reporting Entity	\$ 80,781	\$ 1,250

NOTE (3) - PROPERTY TAXES AND ACCOUNTS RECEIVABLE AND INVESTMENT IN DIRECT FINANCING ARRANGEMENTS

The County's real estate and personal property taxes are levied respectively of the July 1, 2022, tax levy, on the assessed value as of the prior January 1, for all property located in the County. Real estate taxes are due in two installments on July 15 and December 5 and personal property taxes are due on October 5. After October 5, personal property taxes are due 30 days following the levy date until the end of the fiscal year. Penalties and interest are assessed on taxes not paid by the due dates. Property tax levies are recorded as receivables and revenue, net of allowance for estimated uncollectible on the payment due dates. Property taxes due, but not collected within 60 days after fiscal year-end, are reflected as deferred inflows of resources.

Assessed values are established at 100% of appraised fair value. The personal property tax is limited to vehicles and all business property. A valuation of all property is completed annually. The assessed value of real and personal property on January 1, 2021, upon which the July 1, 2021, levy was based, was approximately \$81 billion.

Current real estate and personal property tax collections for the year ended June 30, 2022, were 99.7% and 97.3%, respectively of the

July 1, 2021, tax levy. Real property taxes attach an enforceable lien on property if not paid on the due date. Collections received on or before June 30, 2022, related to property taxes due on July 15 of the following fiscal year are recorded as deferred inflows of resources on June 30, 2022.

The County calculates its allowance for uncollectible accounts using historical collection data. Taxes receivable as of June 30, 2022, is detailed in Illustration 3-1.

Illustration 3-1 Property Taxes Receivable June 30, 2022			
	Gross Tax Receivable	Allowance for Uncollectible Accounts	Net Tax Receivable
Real estate taxes	\$ 4,168	2,164	2,004
Personal property taxes	11,281	5,578	5,703
Total	\$ 15,449	7,742	7,707

Accounts receivables are recorded net of allowance for uncollectible accounts as shown in Illustration 3-2 as of June 30, 2022.

Illustration 3-2 Accounts Receivable June 30, 2022				
	Primary Government	Component Units		Reporting Entity Total
		School Board	ADC	
Accrued interest	\$ 3,615	-	-	3,615
Enterprise operations	668	-	-	668
Utility / consumption taxes	1,985	-	-	1,985
Transient occupancy taxes	1,733	-	-	1,733
Stormwater management fees	166	-	-	166
Other post-employment benefits	4,980	-	-	4,980
Other	4,916	6,046	28	10,990
Total accounts receivable	18,063	6,046	28	24,137
Allowance for doubtful accounts	(1,705)	-	-	(1,705)
Total Accounts Receivables, Net	\$ 16,358	6,046	28	22,432

The County has investments in direct financing arrangements with various volunteer fire and rescue companies and other organizations operating within the County. Under the terms of these financing arrangements, the County obtains leasehold interests in specific properties, and uses those leasehold interests as collateral to obtain financing. The County uses the proceeds from these financings to reimburse the organizations for capital expenses related to the renovation or construction of facilities. In separate-but-related agreements, the County subleases the original leasehold interests and any existing and future improvements back to the organizations; each sublease contains a clause which transfers title of the properties, as well as any existing and future improvements of the properties back to each respective organization at the time the related debt is fully extinguished.

Illustration 5-1 shows the investment in direct financing leases as of June 30, 2022.

Illustration 3-3 Investment in Direct Financing Arrangements			
			Volunteer Fire & Rescue Companies
Total minimum payments to be received	\$		4,301
Less: Unearned revenue			(451)
Net investment in direct financing agreements	\$		<u>3,850</u>

Illustration 5-2 shows the scheduled minimum lease payments as of June 30, 2022.

Illustration 3-4 Investment in Direct Financing Arrangements Scheduled Minimum Payments				
Fiscal Year Ending June 30,		Principal	Interest	Total
2023	\$	1,160	158	1,318
2024		845	111	956
2025		540	78	618
2026		445	53	498
2027		440	31	471
2028 thru 2031		420	20	440
Total	\$	<u>3,850</u>	<u>451</u>	<u>4,301</u>

NOTE (4) – UNEARNED REVENUE/DEFERRED INFLOWS OF RESOURCES

Unearned revenue, as shown in Illustration 4-1, represents amounts for which asset recognition criteria were met, but for which revenue recognition criteria were not met.

Illustration 4-1 Unearned Revenue June 30, 2022			
Primary Government			
Other Unearned Revenue – Prepaid recreation fees, developer fees, health premiums and other	\$		171,431
Total Primary Government			<u>171,431</u>
Component Unit			
School Board			<u>16,854</u>
Total Component Unit			<u>16,854</u>
Total Reporting Entity	\$		<u>188,285</u>

Deferred inflows of resources, as shown in Illustration 4-2, represents amounts for which asset recognition criteria where met, but which were not available to finance expenditures of the current period under the accrual basis of accounting.

Illustration 4-2 Deferred Inflows of Resources June 30, 2022		
Primary Government		
Deferred inflows related to leases	\$	552
Deferred inflows related to pensions		165,527
Deferred inflows related to OPEB		15,406
Total Primary Government		181,485
Component Units		
Deferred inflows related to pensions		429,446
Deferred inflows related to OPEB		53,658
Total Component Unit		483,104
Total Reporting Entity	\$	664,589

Deferred inflows of resources for Governmental Fund represents amounts for which the revenue recognition was not met under the modified accrual basis of accounting for the period ended June 30, 2022.

Illustration 4-3 Governmental Funds Deferred Inflows of Resources June 30, 2022		
General Fund		
Unavailable taxes – Taxes not paid within sixty days of June 30, 2022	\$	4,591
Direct financing arrangements		3,850
Total General Fund		8,441
Streets and Roads Capital Projects Fund		
Unavailable transportation revenue -- Revenue not received within sixty day of June 30, 2022		56,014
Total Street and Roads Capital Projects Fund		56,014
Other Governmental Funds		
Unavailable taxes – Taxes not paid within sixty days of June 30, 2022		59
Total Other Governmental Fund		59
Total Deferred Inflows of Resources of Governmental Funds	\$	64,514

NOTE (5) – LEASES

Leases Receivable: The County leases land and a building to third parties. The balance of these leases is reported in Governmental Activities at June 30, 2022 and are detailed in Illustration 5-1.

Illustration 5-1 Governmental Funds Lease Receivables June 30, 2022								
	Lease Term						Revenues	
	Beginning	Ending	Discount Rate	Original Balance	Balance at June 30, 2022	Due Within One Year	Lease	Interest
Land (Cell Tower)	7/1/2021	11/30/2026	0.52%	\$ 202	163	39	37	1
Land (Cell Tower)	7/1/2021	11/30/2031	1.03%	177	161	16	17	2
Land (Cell Tower)	7/1/2021	10/31/2023	0.18%	88	45	45	38	-
Land (Cell Tower)	7/1/2021	5/31/2022	0.13%	1	-	-	1	-
Building	7/1/2021	11/30/2038	1.33%	188	178	10	11	2
				\$ 656	547	110	104	5

The payments for the lease receivables are expected to be received in subsequent fiscal years as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2023	\$ 110	\$ 5	\$ 115
2024	67	4	71
2025	68	4	72
2026	71	3	74
2027	30	3	33
2028-2032	126	8	134
2033-2037	57	3	60
2038-2039	18	-	18
	\$ 547	\$ 30	\$ 577

The County has real estate leases as a lessor for which the lease payments received are variable based on a percentage of gross revenue received on communication sites. Total inflows of resources recognized during the reporting period for variable payments not included in the lease receivable were \$210 for the year ended June 30, 2022.

Lease Payable: The County has entered into lease agreements for land and building office space. The land lease is presented with interest at a rate of 0.18%, while the buildings and office space leases range from 0.18% to 1.03% depending on the term of the lease agreement. Illustration 5-2 is a summary by function of the lease liabilities related to these agreements at June 30, 2022.

Illustration 5-2
Governmental Funds Lease Liabilities
June 30, 2022

	Commencement	Termination	Initial Liability	Balance at June 30, 2022	Due Within One Year
Land leases:					
General government administration	7/1/2021	6/30/2023	\$ 13	7	7
Building leases:					
General government administration	7/1/2021	3/31/2031	28,021	24,136	5,506
Public works	7/1/2021	1/31/2026	7,901	6,265	1,682
Health and welfare	7/1/2021	9/30/2023	112	63	50
Community development	7/1/2021	5/31/2023	540	261	261
Total building leases			36,574	30,725	7,499
Total lease liabilities			\$ 36,587	30,732	7,506

The future minimum principal and interest lease payments as of June 30, 2022, were as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2023	\$ 7,506	\$ 188	\$ 7,694
2024	6,339	152	6,491
2025	5,391	117	5,508
2026	4,248	85	4,333
2027	2,183	62	2,245
2028-2032	5,065	105	5,170
	\$ 30,732	\$ 709	\$ 31,441

(Amounts expressed in thousands)

NOTE (6) - DUE FROM AND TO OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of June 30, 2022, are detailed in Illustration 6-1.

Illustration 6-1 Due from Other Governmental Units June 30, 2022			
PRIMARY GOVERNMENT			
General Fund:			
From other localities	\$	499	
From the Federal Government		3,310	
From the Commonwealth			
Local sales taxes		15,337	
Other		7,532	
			\$ 26,678
Street & Road Capital Projects Fund:			
From the Federal Government		7,616	
From the Commonwealth		31,920	
From other localities		29,953	
			69,489
Nonmajor Governmental Funds:			
From the Federal Government		490	
From the Commonwealth		195	
			685
Landfill Enterprise Fund:			
From other localities		112	
			112
Internal Service Funds:			
From other localities		589	
			589
Total Primary Government			97,553
COMPONENT UNITS			
School Board:			
From the Federal Government		59,862	
From the Commonwealth		24,847	
			84,709
Adult Detention Center:			
From the Federal Government		485	
From other localities		148	
			633
Total Component Units			85,342
Total Reporting Entity	\$		182,895

(Amounts expressed in thousands)

Illustration 6-2 details the amounts due to other governmental units as of June 30, 2022.

Illustration 6-2 Due to Other Governmental Units June 30, 2022			
PRIMARY GOVERNMENT			
General Fund:			
To Other Localities	\$	336	
To the Federal Government		64	\$ 400
Streets & Roads Capital Projects Fund:			
To Other Localities		1,491	1,491
Nonmajor Governmental Funds:			
To the Commonwealth		24	24
Total Primary Government			1,915
Total Reporting Entity			\$ 1,915

NOTE (7) – TRANSFERS

Illustration 7-1 details the transfers between funds for the year ended June 30, 2022.

Illustration 7-1 Inter-fund Transfers For the Year Ended June 30, 2022			
Transfer to General Fund from:		Transfer from General Fund to:	
Streets & Roads - Capital Projects	\$ 13,339	\$ 13,629	Streets & Roads - Capital Projects
Fund Nonmajor Governmental Funds	38,817	18,016	Fund Nonmajor Governmental Funds
Landfill - Enterprise Fund	1,418	-	Landfill - Enterprise Fund
Nonmajor Enterprise Funds	150	1,614	Nonmajor Enterprise Funds
Internal Service Funds	1,501	1,121	Internal Service Funds
Total General Fund Transfers In	55,225	34,380	Total General Fund Transfers Out
Transfer to Streets & Roads - Capital Projects Fund from:		Transfer from Streets & Roads - Capital Projects Fund to:	
General Fund	13,629	13,339	General Fund
Total Streets & Roads - Capital Projects Fund Transfers In	13,629	13,339	Total Streets & Roads - Capital Projects Fund Transfers Out
Transfer to Nonmajor Governmental Funds		Transfer from Nonmajor Governmental Funds to:	
from: General Fund	18,016	38,817	General Fund
Total Nonmajor Governmental Funds Transfers In	18,016	38,817	Total Nonmajor Governmental Fund Transfers Out
Transfers to Landfill Enterprise Fund from:		Transfers from Landfill Enterprise Fund to:	
General Fund	-	1,418	General Fund
Total Landfill Enterprise Fund Transfers In	-	1,418	Total Landfill Enterprise Fund Transfers Out
Transfers to Nonmajor Enterprise Fund from:		Transfers from Nonmajor Enterprise Fund to:	
General Fund	1,614	150	General Fund
Total Nonmajor Enterprise Funds Transfers In	1,614	150	Total Nonmajor Enterprise Funds Transfer Out
Transfers to Internal Service Funds from:		Transfers from Internal Service Funds to:	
General Fund	1,121	1,501	General Fund
Nonmajor Governmental Funds	499	499	Nonmajor Governmental Funds
Total Internal Service Funds Transfers In	1,620	2,000	Total Internal Service Funds Transfers Out
Total Primary Government Transfers In	\$ 90,104	\$ 90,104	Total Primary Government Transfers Out

(Amounts expressed in thousands)

NOTE (8) – RECEIVABLES /PAYABLES WITH COMPONENT UNITS

Receivables/payables transactions between the primary government and component units are generally made for the purpose of providing operational support for the receiving fund. As of June 30, 2022, amounts reported as due from the primary government and due to the component units were \$54,513.

NOTE (9) - CAPITAL ASSETS

Illustration 9-1 summarizes the changes in capital assets of the governmental activities for the year ended June 30, 2022.

Illustration 9-1 Governmental Activities – Changes in Capital Assets					
	June 30, 2021	July 1, 2021 as restated*	Additions/ Transfers	Deletions/ Transfers	June 30, 2022
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 129,835	129,835	2,165	(851)	131,149
Construction in progress	42,052	42,052	31,892	(25,732)	48,212
Total capital assets not being depreciated	171,887	171,887	34,057	(26,583)	179,361
Capital assets being depreciated/amortized:					
Buildings and improvements to sites	412,766	412,766	10,194	(44,623)	378,337
Equipment	98,538	98,538	9,297	(394)	107,441
Vehicles	69,600	69,600	7,425	(1,700)	75,325
Infrastructure	249,200	249,200	8,346	-	257,546
Intangibles	62,823	62,823	3,593	-	66,416
Library collections	15,812	15,812	818	(1,995)	14,635
Right-to-use leased land	-	36,574	1,453	-	38,027
Right-to-use leased buildings	-	13	-	-	13
Total depreciable capital assets	908,739	945,326	41,126	(48,712)	937,740
Less accumulated depreciation/amortization for:					
Buildings and improvements to sites	(190,845)	(190,845)	(7,902)	44,527	(154,220)
Equipment	(74,469)	(74,469)	(9,969)	385	(84,053)
Vehicles	(46,337)	(46,337)	(6,530)	1,696	(51,171)
Infrastructure	(71,126)	(71,126)	(5,525)	-	(76,651)
Intangibles	(46,733)	(46,733)	(3,308)	-	(50,041)
Library collections	(12,229)	(12,229)	(2,051)	1,995	(12,285)
Right-to-use leased land	-	-	(6)	-	(6)
Right-to-use leased buildings	-	-	(7,775)	-	(7,775)
Total accumulated depreciation/amortization	(441,739)	(441,739)	(43,066)	48,603	(436,202)
Total depreciable capital assets, net	467,000	503,587	(1,940)	(109)	501,538
Capital assets, net	\$ 638,887	675,474	32,117	(26,692)	680,899

(Amounts expressed in thousands)

Depreciation expense was charged to the following functions of governmental activities:

General government administration	\$	16,581
Judicial administration		1,039
Public safety		11,682
Public works		2,242
Health and welfare		329
Parks, recreational and cultural		6,282
Community development		6,087
Capital assets held by the internal service funds are charged to the various functions based on their usage of the assets		(1,176)
Total	\$	<u>43,066</u>

Illustration 9-2 summarizes the changes in capital assets of the business-type activities for the year ended June 30, 2022.

Illustration 9-2 Business-type Activities – Changes in Capital Assets				
	June 30, 2021	Additions/ Transfers	Deletions/ Transfers	June 30, 2022
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 28,737	2,817	-	31,554
Construction in progress	5,288	1,030	-	6,318
Total capital assets not being depreciated	34,025	3,847	-	37,872
Capital assets being depreciated:				
Buildings and improvements to sites	73,270	-	-	73,270
Equipment	9,021	190	(97)	9,114
Vehicles	2,950	181	196	3,327
Infrastructure	1,566	-	-	1,566
Total depreciable capital assets	86,807	371	99	87,277
Less accumulated depreciation for:				
Buildings and improvements to sites	(64,266)	(348)	-	(64,614)
Equipment	(4,658)	(746)	97	(5,307)
Vehicles	(2,101)	(175)	(100)	(2,376)
Infrastructure	(351)	(78)	-	(429)
Total accumulated depreciation	(71,376)	(1,347)	(3)	(72,726)
Total depreciable capital assets, net	15,431	(976)	96	14,551
Capital assets, net	\$ 49,456	2,871	96	52,423

Depreciation expense was charged to the following functions of business-type activities:

Landfill	\$	1,153
Parks, recreational & cultural		194
Total	\$	<u>1,347</u>

Illustration 9-3 summarizes the changes in capital assets of the Adult Detention Center component unit activities for the year ended June 30, 2022.

Illustration 9-3 Adult Detention Center Component Unit – Changes in Capital Assets				
	June 30, 2021	Additions / Transfers	Deletions / Transfers	June 30, 2022
Adult Detention Center:				
Capital assets not being depreciated:				
Land	\$ 31	-	-	31
Construction in progress	20	722	(742)	-
Total capital assets not being depreciated	51	722	(742)	31
Capital assets being depreciated:				
Buildings and improvements to sites	134,911	742	(5,008)	130,645
Equipment	3,348	9	-	3,357
Vehicles	816	-	-	816
Total depreciable capital assets	139,075	751	(5,008)	134,818
Less accumulated depreciation for:				
Buildings and improvements to sites	(35,090)	(3,441)	5,008	(33,523)
Equipment	(1,072)	(547)	-	(1,619)
Vehicles	(601)	(66)	-	(667)
Total accumulated depreciation	(36,763)	(4,054)	5,008	(35,809)
Total depreciable capital assets, net	102,312	(3,303)	-	99,009
Capital assets, net	\$ 102,363	(2,581)	(742)	99,040

Depreciation expense was charged to the following functions of the of the Adult Detention Center:

Public safety	\$ 4,054
Total	<u>\$ 4,054</u>

(Amounts expressed in thousands)

Illustration 9-4 summarizes the construction in progress of governmental activities.

Illustration 9-4 Construction in Progress June 30, 2022			
	Amount Authorized	Expended to Date	Project Balance
PRIMARY GOVERNMENT			
Land Use Information System	\$ 1,246	295	951
Catharpin Park Phase II	5,905	352	5,553
Potomac Heritage National Scenic Trail - Featherstone Segment	873	657	216
Potomac Heritage National Scenic Trail - Heritage Harbor	100	6	94
Neabsco Creek Boardwalk	34	11	23
Broad Run Trail	780	606	174
Lake Ridge Trail	1,812	614	1,198
Neabsco Trail	637	282	355
Neabsco Commuter Garage/Potomac Town Center Commuter Lot	53,074	1,446	51,628
Locust Shade Maintenance Building	1,300	408	892
Rollins Ford Park - Phase II	10,086	3,415	6,671
Courthouse Security System	3,309	2,740	569
Animal Shelter Expansion	16,745	14,849	1,896
Human Capital Management System Replacement	8,208	7,749	459
Harbor Park Drive	1,512	1,502	10
Potomac Heritage National Scenic Trail - Neabsco Creek Wetlands Boardwalk	1,204	524	680
Potomac Heritage National Scenic Trail - Rippon Landing	505	337	168
Security Improvements at County Facilities	545	11	534
Covered Storage - Parks	450	81	369
Long Park Auxiliary Building	1,104	1,056	48
Orchard Bridge Park Field Improvements	51	28	23
Lake Ridge Marina - Dock Replacement	625	28	597
Howison Park Improvements	397	236	161
Cloverdale Park Improvements	352	153	199
Technology Infrastructure Improvements	12,413	123	12,290
Hammil Mill Park Improvements	570	295	275
Bull Run Library Improvements	14	14	-
Ben Lomond Recreation Center Elevator	295	60	235
Locust Shade Challenge Course	520	520	-
Long Park Intersection Improvement	350	189	161
Marumsco Acres Park Improvements	225	148	77
Hellwig Park Artificial Turf	263	-	263
Catharpin Park Sidewalk Improvements	160	9	151
Cloverdale Park Improvements (Phase I)	850	3	847
Veterans Park ADA Site Improvements	753	403	350
Silver Lake Park Paving	441	417	24
Forest Greens Disc Golf	117	32	85
Juvenile Services Center Facility & Youth Shelter	3,000	83	2,917
Homeless Navigation Center - East	2,000	78	1,922
Fire & Rescue Station 27	1,400	45	1,355
Police Safety Training Center Classroom Building	3,000	37	2,963
Information Technology Modernization	287	287	-
Fire and rescue vehicles	7,840	7,840	-
Other improvements and equipment	1,802	243	1,559
	\$ 147,154	48,212	98,942

(Amounts expressed in thousands)

Construction in progress for business-type activities as of June 30, 2022, is \$6,318. This amount was recorded in the Landfill enterprise fund and represents capital improvements at the Landfill complex, including the construction and installation of landfill liners and wetland mitigation to improve the landfill and protect public health, ground water and the environment. The remaining \$64 construction in progress additions as of June 30, 2022, represents the Parks and Recreation enterprise fund for irrigation at Lake Ridge Golf Course.

Illustration 9-5 summarizes the changes in capital assets of the School Board component unit activities for the year ended June 30, 2022.

Illustration 9-5 School Board Component Unit – Changes in Capital Assets				
	June 30, 2021	Additions / Transfers	Deletions / Transfers	June 30, 2022
School Board:				
Capital assets not being depreciated:				
Land	\$ 104,236	6,643	-	110,879
Construction in progress	39,230	83,109	(31,903)	90,436
Total capital assets not being depreciated	143,466	89,752	(31,903)	201,315
Capital assets being depreciated/amortized:				
Buildings and improvements to sites	2,103,330	31,857	-	2,135,187
Equipment	53,632	1,654	(158)	55,128
Vehicles	115,267	6,409	(4,964)	116,712
Intangibles	5,840	-	-	5,840
Library collections	3,187	1,435	(732)	3,890
Total depreciable capital assets	2,281,256	41,355	(5,854)	2,316,757
Less accumulated depreciation/amortization for:				
Buildings and improvements to sites	(561,011)	(40,824)	-	(601,835)
Equipment	(40,646)	(2,363)	141	(42,868)
Vehicles	(56,175)	(8,057)	4,832	(59,400)
Intangibles	(4,623)	(332)	-	(4,955)
Library collections	(1,961)	(778)	732	(2,007)
Total accumulated depreciation/amortization	(664,416)	(52,354)	5,705	(711,065)
Total depreciable capital assets, net	1,616,840	(10,999)	(149)	1,605,692
Capital assets, net	\$ 1,760,306	78,753	(32,052)	1,807,007

(Amounts expressed in thousands)

Depreciation and amortization expense was charged to the following School Board component unit functions:

Instruction		
Regular	\$	40,064
Special		1,067
Other		12
Support Services		
General administration		1,067
Student services		10
Curricular/staff development		8
Pupil transportation		8,227
Maintenance		373
Central business services		1,247
Food and nutrition services		96
Business-Type Activities		
Aquatics Center		183
Total	\$	<u>52,354</u>

NOTE (10) - LONG-TERM DEBT

The following debt was issued during fiscal year 2022:

On October 12, 2021, the Board of County Supervisors approved Resolution No. 21-549 to authorize the issuance of one or more General Obligation School Bonds of the County sold by the Virginia Public School Authority (VPSA) in an aggregate amount not to exceed \$325,000 to finance Schools capital projects. On October 21, 2021, the County sold the VPSA Special Obligation School Financing Bonds Series VPSA 2021A in the amount of \$58,855 par.

Unless otherwise noted, the County offers its debt through public sales. Official Statements describing the terms, collateral, and remedies are prepared in conjunction with each sale and are reviewed by the County Attorney prior to the issuance of debt. Depending on the type of debt, different remedies may be pursuable under Virginia law. The County's Official Statements can be found on the Municipal Securities Rulemaking Board's website at <https://emma.msrb.org/>.

Bonds Payable:

The majority of the County's bonds payable are general obligations of the County and are secured by its full faith and credit. Some of the County's bonds are subject to arbitrage, and as such, actuarial calculations are made, and liabilities are recorded annually. The Commonwealth imposes no legal debt limitation on counties. Except for VPSA general obligation issuances, a referendum must be approved by the voters prior to the issuance of new money general obligation bonds. The County established a self-imposed limit on its total bonded debt of 3% of the net assessed valuation of taxable property. The County includes general obligation bonds, appropriation debt supported by tax revenue, and School Board bonds in its determination of total bonded debt. Additionally, there are several limitations and restrictions contained in the various bond indentures. The County follows all such limitations and restrictions.

The County's general obligation bonds, which also include, the County's Build America Bonds (BABs), Qualified School Construction Bonds (QSCBs), and refunding bonds are subject to the State Aid Intercept Provision as per §15.2-2659 of the Code of Virginia, 1950, as amended, which in the event of the County defaulting, provides the Commonwealth the ability to step in and work with the County to make the bondholders whole.

Revenue bonds issued through the Prince William County Industrial Development Authority (IDA) are subject to terms that allow the IDA's Revenue Bond Trustees to accelerate all outstanding bond payments immediately due and payable without advance notice if a default occurs.

The annual debt service requirements of general obligation and lease revenue bonds outstanding in governmental funds as of June 30, 2022, including interest payments, are shown in Illustration 10-1.

Illustration 10-1
Governmental Activities – Debt Service Requirements – General Obligation and Revenue Bonds

Designated for Roads, Parks & Other General County Projects	Principal	Interest	Total
Fiscal Year Ending June 30:			
2023	\$ 16,718	5,672	22,390
2024	16,784	4,875	21,659
2025	15,785	4,097	19,882
2026	12,865	3,444	16,309
2027	12,840	2,906	15,746
2028 thru 2032	48,337	8,737	57,074
2033 thru 2037	31,239	2,513	33,752
2038 thru 2042	8,937	367	9,304
Subtotal	163,505	32,611	196,116
Designated for School Board Projects			
Fiscal Year Ending June 30:			
2023	75,597	32,478	108,075
2024	72,676	28,938	101,614
2025	68,790	25,567	94,357
2026	66,400	22,406	88,806
2027	63,330	19,457	82,787
2028 thru 2032	269,268	57,600	326,868
2033 thru 2037	188,376	19,669	208,045
2038 thru 2042	58,158	2,638	60,796
Subtotal	862,595	208,753	1,071,348
Total	\$ 1,026,100	241,364	1,267,464

The annual debt service requirements of all bonds outstanding in business-type activities as of June 30, 2022, including interest payments, are shown in Illustration 10-2. Refer to Schedule 41 for information related to maturity dates and interest rates for these obligations.

Illustration 10-2
Business-type Activities – Debt Service Requirements – Revenue Bonds

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 665	160	825
2024	700	126	826
2025	725	90	815
2026	765	53	818
2027	670	15	685
2028	-	-	-
Subtotal	3,525	444	3,969
Add: unamortized premium on issuance of revenue bonds	483		
Total	\$ 4,008		

The County's capital debt obligations are issued through the Virginia Resource Authority (VRA), who has the authority to declare all outstanding bond payments immediately due and payable without advance notice if a default occurs. The principal and interest on the VRA capital debt are not subject to acceleration upon the event of a default. These obligations are also subject to the State Aid Intercept Provision as per §15.2-2659 of the Code of Virginia, 1950, as amended, which if the County defaults, the Commonwealth can step in to work with the County to make creditors whole. Additionally, the County participates in some leasehold interest leasing agreements attached to some of the County's facilities. In the event the County defaults on its obligations under this type of lease, the creditor has the right to

(Amounts expressed in thousands)

accelerate the payment of all unpaid principal and interest balances immediately as a remedy.

Illustration 10-3 presents a summary of minimum capital debt obligations. Refer to Schedule 43 for information related to maturity dates and interest rates for these obligations.

Illustration 10-3 Capital Debt Obligations				
Fiscal Year Ending June 30,		Principal	Interest	Total
2023	\$	10,260	1,907	12,167
2024		8,465	1,454	9,919
2025		8,160	1,057	9,217
2026		6,100	694	6,794
2027		5,105	419	5,524
2028 thru 2031		6,645	391	7,036
Total	\$	44,735	5,922	50,657

Loans Payable:

The County's tri-party direct borrowing debt obligation among the County, the IDA, and Wells Fargo Bank N.A was a variable rate draw down loan. The loan bore interest monthly at the LIBOR Index Rate. The full principal of the loan is due on August 22, 2023, however it was paid in full on March 2, 2022. The proceeds of the loan were used to finance a portion of the expansion of the County's Adult Detention Center and to pay the costs of issuance associated with the loan.

Changes in Long-Term Liabilities:

Changes in long-term liabilities of governmental activities for the year ended June 30, 2022, are shown in Illustration 10-4.

Illustration 10-4 Governmental Activities – Changes in Long-Term Liabilities June 30, 2022							
	Beginning Balance	Beginning Balance, as restated*	Additions	Reductions	Ending Balance	Due in More Than One Year	Due Within One Year
General obligation bonds:							
Designated for Roads, Parks and Other General County projects	\$ 180,211	180,211	-	(16,706)	163,505	146,787	16,718
Designated for School Board projects	879,359	879,359	58,855	(75,619)	862,595	786,998	75,597
Subtotal general obligation bonds	1,059,570	1,059,570	58,855	(92,325)	1,026,100	933,785	92,315
Unamortized premium on issuance of general obligation bonds	106,900	106,900	6,088	(12,897)	100,091	90,064	10,027
General obligation bonds, net	1,166,470	1,166,470	64,943	(105,222)	1,126,191	1,023,849	102,342
Capital debt obligations	54,915	54,915	-	(10,180)	44,735	34,475	10,260
Unamortized premium on issuance of capital debt obligations	7,186	7,186	-	(1,311)	5,875	4,564	1,311
Capital debt obligations, net	62,101	62,101	-	(11,491)	50,610	39,039	11,571
Loans payable	21,153	21,153	-	(21,153)	-	-	-
Surplus sales distribution payable	2,366	2,366	-	(711)	1,655	819	836
Lease liabilities (Note 5)	-	36,587	1,403	(7,258)	30,732	23,226	7,506
Net pension liabilities (Note 13)	278,564	278,564	27,185	(203,771)	101,978	101,978	-
Net OPEB liabilities (Note 14)	42,411	42,411	8,670	(4,439)	46,642	46,642	-
Unpaid losses and related liabilities (Note 15)	22,493	22,493	56,832	(55,293)	24,032	16,916	7,116
Compensated absences	46,795	46,795	12,250	(13,876)	45,169	42,080	3,089
Total	\$ 1,642,353	1,678,940	171,283	(423,214)	1,427,009	1,294,549	132,460
<i>* Restatement of capital assets and lease liabilities as of July 1, 2021 is a result of implementing GASB Statement No. 87, Leases during the 2022 fiscal year. For additional information see Notes 1R and 5.</i>							

Long-term liabilities of governmental activities are generally liquidated by the General Fund. 4.46% of compensated absences were paid for using internal service funds during fiscal year 2022.

Changes in long-term liabilities of business-type activities for the year ended June 30, 2022, are shown in Illustration 10-5.

Illustration 10-5 Business-Type Activities – Changes in Long-Term Liabilities June 30, 2022						
	Beginning Balance	Additions	Reductions	Ending Balance	Due in More Than One Year	Due Within One Year
Revenue bonds	\$ 4,155	-	(630)	3,525	2,860	665
Unamortized premium on issuance of revenue bonds	580	-	(97)	483	386	97
Revenue bonds, net	4,735	-	(727)	4,008	3,246	762
Accrued closure liabilities (Note 12)	16,206	4,811	-	21,017	21,017	-
Net pension liabilities (Note 13)	3,338	828	(2,945)	1,221	1,221	-
Net OPEB liabilities (Note 14)	603	172	(55)	720	720	-
Compensated absences	579	855	(975)	459	426	33
Total	\$ 25,461	4,836	(2,872)	27,425	26,630	795

Changes in deferred outflows of resources of governmental activities for the year ended June 30, 2022, are shown in Illustration 10-6.

Illustration 10-6 Governmental Activities – Changes in Deferred Outflows of Resources June 30, 2022				
	Beginning Balance	Additions	Reductions	Ending Balance
Loss on refundings	\$ 27,960	-	(2,979)	24,981
Related to pensions (Note 13)	12,321	123,169	(12,321)	123,169
Related to OPEB (Note 14)	126,629	19,754	(126,629)	19,754
	\$ 166,910	142,923	(141,929)	167,904

Changes in deferred outflows of resources of business-type activities for the year ended June 30, 2022, are shown in Illustration 10-7.

Illustration 10-7 Business-Type Activities – Changes in Deferred Outflow of Resources June 30, 2022				
	Beginning Balance	Additions	Reductions	Ending Balance
Unamortized loss on refunding	\$ 8	-	(2)	6
Related to pensions (Note 13)	1,506	1,571	(1,506)	1,571
Related to OPEB (Note 14)	143	239	(143)	239
Total	\$ 1,657	1,810	(1,651)	1,816

(Amounts expressed in thousands)

Changes in long-term liabilities of the component units for the year ended June 30, 2022, are shown in Illustration 10-8.

Illustration 10-8 Component Units – Changes in Long-Term Liabilities June 30, 2022						
	Beginning Balance	Additions	Reductions	Ending Balance	Due in More Than One Year	Due Within One Year
School Board:						
Pollution remediation	\$ 841	1,567	(1,515)	893	-	893
Claims liabilities	15,536	106,165	(106,551)	15,150	5,112	10,038
Net pension liabilities (Note 13)	1,003,742	234,190	(717,550)	520,382	520,382	-
Net OPEB liabilities (Note 14)	139,764	31,110	(43,736)	127,138	127,138	-
Compensated absences	40,659	16,142	(15,572)	41,229	24,785	16,444
Total School Board component unit	1,200,542	389,174	(884,924)	704,792	677,417	27,375
Adult Detention Center:						
Net pension liabilities (Note 13)	26,501	16,338	(34,594)	8,245	8,245	-
Net OPEB liabilities (Note 14)	4,195	1,076	(1,077)	4,194	4,194	-
Compensated absences	4,370	56	(366)	4,060	3,736	324
Total Adult Detention Center component	35,066	17,160	(35,727)	16,499	16,175	324
Total	\$ 1,235,608	406,334	(920,651)	721,291	693,592	27,699

Defeasance of Long-Term Debt

In the current and prior years, the County defeased certain bonds, some of which have been called and repaid. Accordingly, the trust account assets and the liability for the defeased bonds were not included in the County's financial statements. For the fiscal year ended June 30, 2022, \$92,425 in principal of bonds outstanding is considered defeased by the County.

A. Component Unit Debt

The Code of Virginia establishes the School Board as a legal entity holding title to all school assets but having no taxing authority. The County must issue debt through bond referendum, Virginia Public School Authority or Literary Fund.

Therefore, the School Board assets are included in the component unit column while the debts related to those assets are included in the Primary Government – Governmental Activities column on Exhibit 1. On June 30, 2022, the County has outstanding debt of \$862,595 reflected in the Primary Government – Governmental Activities column on Exhibit 1 as a reduction to the unrestricted net position of the County.

Similarly, assets of the Adult Detention Center are included in the component unit column, while the debts related to those assets are included in the Primary Government – Governmental Activities column on Exhibit 1. On June 30, 2022, the County has outstanding debt of \$24,360 reflected in the Primary Government – Governmental Activities column on Exhibit 1 as a reduction to the unrestricted net position of the County, respectively that relates to the Adult Detention Center.

To assist the readers in understanding this relationship and to reflect the total entity's financial condition more accurately, a total Reporting Entity column has been added to match the asset and related debt information.

NOTE (11) - FUND BALANCES / NET POSITION

Illustration 11-1 details the fund balances of the County's Governmental funds and Adult Detention Center (ADC) component unit on June 30, 2022.

Illustration 11-1
Fund Balances
June 30, 2022

	Governmental Funds						ADC Component Unit
	Capital Projects Fund		Special Revenue Fund		Total Governmental Funds		
	General Fund	Streets & Roads	COVID-19 Response Fund	Nonmajor Governmental Funds			
Nonspendable Fund Balance:							
Inventory	\$ 294	-	-	23	317	-	
Prepaid expenditures	-	-	4	-	4	-	
Total Nonspendable Fund Balance	294	-	4	23	321	-	
Restricted Fund Balance:							
Grants	11,238	-	-	-	11,238	-	
Donations	542	-	-	-	542	-	
General government administration	-	-	-	31,485	31,485	-	
Public safety	-	-	-	57,684	57,684	-	
Public works	-	-	-	7,811	7,811	-	
Community development	-	-	-	10,438	10,438	-	
Total Restricted fund balance	11,780	-	-	107,418	119,198	-	
Committed Fund Balance:							
Capital reserve	99,276	-	-	-	99,276	-	
Revenue stabilization reserve	26,392	-	-	-	26,392	-	
Economic development opportunity fund (EDOF)	6,452	-	-	-	6,452	-	
General government administration	1,645	-	-	6,993	8,638	-	
Judicial administration	285	-	-	283	568	-	
Public safety	-	-	-	1,822	1,822	-	
Public works	6,485	32,173	-	-	38,658	-	
Health and welfare	-	-	-	(22)	(22)	-	
Education	11,231	-	-	-	11,231	-	
Parks, recreational, and cultural	979	-	-	10,040	11,019	-	
Community development	5	-	-	13,048	13,053	-	
Total Committed Fund Balance	152,750	32,173	-	32,164	217,087	-	
Assigned Fund Balance:							
General government administration	5,549	-	-	-	5,549	-	
Judicial administration	305	-	-	-	305	-	
Public safety	3,410	-	-	-	3,410	5,107	
Public works	8,872	-	-	-	8,872	-	
Health and welfare	4,552	-	-	-	4,552	-	
Parks, recreational, and cultural	3,415	-	-	-	3,415	-	
Community development	1,150	-	-	-	1,150	-	
Total Assigned Fund Balance	27,253	-	-	-	27,253	5,107	
Total Unassigned Fund Balance	98,971	-	(2,039)	-	96,932	13,434	
Total Fund Balance	\$ 291,048	32,173	(2,035)	139,605	460,791	18,541	

For further information about each classification of fund balance, see Note 1.

Fund Balance Classification. The County considers restricted amounts to have been spent first when both restricted and unrestricted fund balance is available. When amounts from multiple fund balance classifications are eligible to be expended, the County considers the amounts to be spent first from the category with the most stringent constraints and last from the category with the least stringent constraints.

Non-spendable Fund Balance. The amounts that are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balances. The portion of fund balance appropriated for expenditures or legally segregated for a specific future use. The County's restricted fund balance includes amounts restricted for unspent bond proceeds, cash equivalents, grants, debt service, net pension assets, and revenues from Special Revenue funds.

(Amounts expressed in thousands)

Committed Fund Balance. The County's highest level of decision-making authority is the Board of County Supervisors. The formal action required to establish, modify, or rescind a fund balance commitment is a resolution of the Board of County Supervisors.

Assigned Fund Balance. Assignment of fund balance occurs only through the encumbrance of funds for specific future transactions identified during the current fiscal year and are not related to transactions captured in restricted or committed fund balances. Department directors have the authority to approve such encumbrances; the County Executive has the authority to modify or rescind any fund balance assignment per §100.12(D)2. (a) of the County's Purchasing Regulations.

Unassigned Fund Balance. Unassigned fund balance is the residual classification for the general fund.

Illustration 11-2 details the encumbrances of the County's Governmental funds and Adult Detention Center (ADC) component unit on June 30, 2022.

Illustration 11-2 Encumbrances June 30, 2022							
Governmental Funds							
	Capital Projects Funds		Special Revenue Fund		Nonmajor Governmental Funds	Total Governmental Funds	ADC Component Unit
	General Fund	Streets & Roads	COVID-19 Response				
Encumbrances	\$ 27,253	\$ 252,141	\$ 4,749	\$ 47,662	\$ 331,805	\$ 5,107	

NOTE (12) – LANDFILL / CLOSURE AND POST CLOSURE CARE COST

In fiscal year 2022, the Landfill enterprise fund had no outstanding debt and there were no bond coverage requirements.

State and federal laws and regulations require the County to place a final cover on its Independent Hill landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each financial statement date. The \$21,017 reported as landfill closure and post closure care liability at June 30, 2022, represents the cumulative amount reported to date based on the use of 100% of the Phase I landfill, and 48.3% of Phases II and III of the landfill, which are the only remaining disposal phases in the southern portion of the landfill. The total landfill capacity for the southern portion which includes Phases I, II, and III for post closure is 66.5%.

The total maximum exposure liability for closure and post closure care for Phases II and III of the landfill is estimated at \$45,279 at June 30, 2022. The County has paid \$3,525 of closure costs as of June 30, 2022. The County will recognize the remaining total estimated cost of closure and post closure care for the southern portion of the landfill of \$20,737 as the remaining estimated capacity of the southern portion of the landfill is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2022. The County expects to complete filling the southern portion of the landfill site in the year 2033 and to close the remaining phases of the southern portion of the landfill by 2038. The northern portion of the landfill is estimated to be closed sometime during the calendar years 2060-2065. The total current cost of landfill closure and post closure care is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

NOTE (13) - DEFINED BENEFIT PENSION PLANS

1. Prince William County Pension Plans

The County maintains three pension plans for its employees:

- Virginia Retirement System (VRS) Pension Plan
- Prince William County Supplemental Plan for Sworn and Uniformed Public Safety Personnel (Supplemental Pension Plan)
- Prince William County Volunteer Fire and Rescue Personnel Length of Service Award Program (LoSAP)

The aggregate amount of net pension liability / (asset), related deferred outflows of resources, deferred inflows of resources, and pension expense for the County's pension plans as of June 30, 2022, with measurement date of June 30, 2021, are summarized in Illustration 13-1 below.

Illustration 13-1 Prince William County Defined Benefit Pension Plans Net Pension Liability / (Asset) and Related Amounts June 30, 2022				
MEASUREMENT DATE 6/30/21	Net Pension Liability / (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Virginia Retirement System	\$ 101,898	131,155	173,325	24,425
Supplemental Pension Plan	(10,816)	3,017	7,340	(1,160)
Length of Service Award Program	9,545	1,638	2	987
Total Pension	\$ 100,627	135,810	180,667	24,252
Primary Government:				
Governmental Funds	\$ 89,084	118,381	157,122	21,092
Intra-County Services	3,534	4,548	6,012	806
Health Insurance	186	240	316	42
Total Governmental Funds	92,806	123,169	163,450	21,940
Parks	65	83	110	15
Landfill	1,156	1,488	1,967	264
Total Proprietary Funds	1,221	1,571	2,077	279
Total Primary Government (A)	94,026	124,740	165,527	22,219
Component Unit:				
Adult Detention Center (B)	6,602	11,070	15,140	2,033
Total Pension - County Funded (A+B)	\$ 100,628	* 135,810	180,667	24,252
School District's Pensions Plans (C)**	\$ 520,382	240,487	414,306	19,065
Total Component Units (B+C)	526,984	251,557	429,446	21,098
Total Reporting Entity (A+B+C)	\$ 621,010	* 376,297	594,973	43,317
Note: Amounts are allocated to the funds based on proportion of pension contributions paid. *Supplemental Pension Plan net pension assets cannot be netted against net pension liabilities of other pension plans. ** Please see Schools separately issued financial statements for further information and Illustration 13-31 below.				

(Amounts expressed in thousands)

A. County's Virginia Retirement System (VRS)

Plan Description and Administration. The County and the Adult Detention Center component unit contribute to the Virginia Retirement System (VRS), a multi-employer, agent pension plan administered by the Virginia Retirement System (the "System"), along with plans for other employer groups in the Commonwealth of Virginia.

Professional and non-professional employees of the School Board are also covered by the VRS. Professional employees participate in a VRS statewide teacher cost-sharing pool, and non-professional employees participate as a separate group in the multi-employer, agent retirement system. The Prince William County Public Schools retirement plans are reported separately in their audited financial statements. Copies of these financial statements may be obtained by writing to the School Board's Finance Division at P.O. Box 389, Manassas, Virginia 20108.

All full-time, salaried permanent employees of the County are automatically covered by a VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the Code of Virginia, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

Summary of Significant Accounting Policies. The Virginia Retirement System (VRS) Prince William County Retirement Plan is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Retirement Plan and the additions to/deductions from the County Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided. The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and a Hybrid Retirement Plan. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are discussed in Illustration 13-2.

Illustration 13-2
Prince William County - Virginia Retirement System (VRS) Pension Plan VRS Retirement Plan Provisions

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
About the Plans		
Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.	Same as Plan 1.	The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. • The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and County contributions made to the plan and the investment performance of those contributions. • In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

Illustration 13-2 (cont'd)
Prince William County - Virginia Retirement System (VRS) Pension Plan VRS Retirement Plan Provisions

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
Eligible Members		
<i>Eligible Members:</i> Employees are in Plan 1 if their membership date is before July 1, 2010, and were vested as of January 1, 2013, and they have not taken a refund. <i>Hybrid Opt-In Election:</i> VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan, and remain as Plan 1 or ORP.	<i>Eligible Members:</i> Employees are in Plan 2 if their membership date is on or after July 1, 2010, (and for school division employees have not taken a refund) or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013. <i>Hybrid Opt-In Election:</i> Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. County members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan, and remain as Plan 2 or ORP.	<i>Eligible Members:</i> Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes: • County employees* • School division employees • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1- April 30, 2014; the plan's effective date for opt-in members was July 1, 2014. <i>*Non-Eligible Members:</i> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include: • County employees who are covered by enhanced benefits for hazardous duty employees. Those County employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

Illustration 13-2 (cont'd)
Prince William County - Virginia Retirement System (VRS) Pension Plan VRS Retirement Plan Provisions

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
Retirement Contributions		
Employees contribute 5% of their compensation each month to their member contribution account through a pretax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The County and Schools make a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member, County, and School contributions to provide funding for the future benefit payment.	Same as Plan 1.	A member's retirement benefit is funded through mandatory and voluntary contributions made by the member, the County, and Schools to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member, the County, and Schools. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, the County, and Schools is required to match those voluntary contributions according to specified percentages.
Service Credit		
Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the County and Schools offers the health insurance credit.	Same as Plan 1.	Defined Benefit Component: Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the County and Schools offers the health insurance credit. Defined Contributions Component: Under the defined contribution component, service credit is used to determine vesting for the County and Schools contribution portion of the plan.

Illustration 13-2 (cont'd)

Prince William County - Virginia Retirement System (VRS) Pension Plan VRS Retirement Plan Provisions

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
Vesting		
Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.	Same as Plan 1.	<i>Defined Benefit Component:</i> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component. <i>Defined Contributions Component:</i> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the County and Schools contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of County and Schools contributions to the defined contribution component of the plan, based on service. • After two years, a member is 50% vested and may withdraw 50% of County and Schools contributions. • After three years, a member is 75% vested and may withdraw 75% of County and Schools contributions. After four or more years, a member is 100% vested and may withdraw 100% of County and Schools contributions. Distributions not required, except as governed by law.

Illustration 13-2 (cont'd)
Prince William County - Virginia Retirement System (VRS) Pension Plan VRS Retirement Plan Provisions

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
Calculating the Benefit		
The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.	See definition under Plan 1.	<i>Defined Benefit Component:</i> See definition under Plan 1. <i>Defined Contribution Component:</i> The benefit is based on contributions made by the member and any matching contributions made by the County and Schools, plus net investment earnings on those contributions.
Average Final Compensation		
A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.	Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
Service Retirement Multiplier		
<i>VRS:</i> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. <i>Sheriffs and regional jail superintendents:</i> The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. <i>County hazardous duty employees:</i> The retirement multiplier of eligible County hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the County	<i>VRS:</i> Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. <i>Sheriffs and regional jail superintendents:</i> Same as Plan 1. <i>County hazardous duty employees:</i> Same as Plan 1.	<i>Defined Benefit Component:</i> <i>VRS:</i> The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. <i>Sheriffs and regional jail superintendents:</i> Not applicable. <i>County hazardous duty employees:</i> Not applicable. <i>Defined Contribution Component:</i> Not applicable.

Illustration 13-2 (cont'd)
Prince William County - Virginia Retirement System (VRS) Pension Plan VRS Retirement Plan Provisions

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
Normal Retirement Age		
<i>VRS:</i> Age 65. <i>County hazardous duty employees:</i> Age 60.	<i>VRS:</i> Normal Social Security retirement age. <i>County hazardous duty employees:</i> Same as Plan 1.	<i>Defined Benefit Component:</i> <i>VRS:</i> Same as Plan 2. <i>County hazardous duty employees:</i> Not applicable. <i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Unreduced Retirement Eligibility		
<i>VRS:</i> Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. <i>County hazardous duty employees:</i> Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.	<i>VRS:</i> Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and plus service credit equals 90. <i>County hazardous duty employees:</i> Same as Plan 1.	<i>Defined Benefit Component:</i> <i>VRS:</i> Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equals 90. <i>County hazardous duty employees:</i> Not applicable. <i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.
Earliest Reduced Retirement Eligibility		
<i>VRS:</i> Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. <i>County hazardous duty employees:</i> Age 50 with at least five years of service credit.	<i>VRS:</i> Age 60 with at least five years (60 months) of service credit. <i>County hazardous duty employees:</i> Same as Plan 1.	<i>Defined Benefit Component:</i> <i>VRS:</i> Age 60 with at least five years (60 months) of service credit. <i>County hazardous duty employees:</i> Not applicable. <i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.

Illustration 13-2 (cont'd)
Prince William County - Virginia Retirement System (VRS) Pension Plan VRS Retirement Plan Provisions

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
Cost of Living Adjustment (COLA) in Retirement		
The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%. <i>Eligibility:</i> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date. <i>Exceptions to COLA Effective Dates:</i> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances: • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. • The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.	The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%. <i>Eligibility:</i> Same as Plan 1. <i>Exceptions to COLA Effective Dates:</i> Same as Plan 1.	<i>Defined Benefit Component:</i> Same as Plan 2. Defined Contribution Component: Not applicable. <i>Eligibility:</i> Same as Plan 1 and Plan 2. <i>Exceptions to COLA Effective Dates:</i> Same as Plan 1 and Plan 2.

Illustration 13-2 (cont'd) Prince William County - Virginia Retirement System (VRS) Pension Plan VRS Retirement Plan Provisions		
VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
Disability Coverage		
Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.	Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.	Employees of the County and Schools (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless the County or Schools provide an employer- paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.
Purchase of Prior Service		
Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Same as Plan 1.	<i>Defined Benefit Component:</i> Same as Plan 1, with the following exception: Hybrid Retirement Plan members are ineligible for ported service. <i>Defined Contribution Component:</i> Not applicable.

Employees Covered by Benefit Terms. As of June 30, 2020, actuarial valuation, the following County employees were covered by benefit terms of the pension plan in Illustration 13-3.

Illustration 13-3 Prince William County - Virginia Retirement System (VRS) Pension Plan Plan Membership as of the Valuation Date of June 30, 2020	
Inactive plan members or their beneficiaries currently receiving benefits	2,490
Inactive members:	
Vested inactive members	739
Non-vested inactive members	1,396
Inactive members active elsewhere in VRS	672
Total inactive members	2,807
Active employees	4,293
Total covered members	9,590

(Amounts expressed in thousands)

Contributions. The VRS contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. The County's contractually required employer contribution rate for the fiscal year ended June 30, 2021, was 14.68% of the covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the VRS pension plans from the County were \$45,866 and \$45,001 for the years ended June 30, 2021, and June 30, 2020, respectively.

Net Pension Liability. The County's net pension liability (NPL) is calculated separately for each employer and represents the County's total pension liability determined in accordance with GAAP, less the County's fiduciary net position. For the County, the NPL was measured as of June 30, 2021. The total pension liability used to calculate the NPL was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions. The total pension liability for employees in the County's VRS pension plan was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the assumptions displayed in Illustration 13-4, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Illustration 13-4
Prince William County - Virginia Retirement System Pension Plan
Actuarial Methods and Assumptions as of the Valuation Date of June 30, 2021

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent closed
Asset Valuation Method	5-year smoothed market
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation*
Inflation	3.50%-5.35%, includes inflation
Payroll Growth Rate	3.00%
Cost-of Living Increase	2.50% Plan 1; 2.25% all other members
General Employees:	
Salary Increase	3.50%-5.35%, includes inflation
Mortality Rates	20% of deaths are assumed to be service related
Mortality:	
Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

Illustration 13-4 (cont'd)
Prince William County - Virginia Retirement System Pension Plan
Actuarial Methods and Assumptions as of the Valuation Date of June 30, 2021

Public Safety Employees with Hazardous Duty Benefits:

Salary Increase	3.50% - 4.75%, including inflation
Mortality Rates	70% of deaths are assumed to be service related
Mortality:	
Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates, projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males; 105% of rates for females set forward 2 years
Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males; 105% of rates for females set forward 3 years
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally with a Modified MP-2020 Improvement Scale; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years

* Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of pension liabilities.

The actuarial assumptions used in the June 30, 2020, valuation was based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective July 1, 2019.

Changes in Assumptions and Benefit Terms. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Actuarial Assumptions – General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Actuarial Assumptions Public Safety Employees with Hazardous Duty Benefits

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Long-Term Expected Rate of Return. The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in Illustration 13-5.

Illustration 13-5
Prince William County - Virginia Retirement System Pension Plans
Long-Term Expected Rate of Return
For the Year Ended June 30, 2022

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
	Inflation		2.50%
	Expected arithmetic nominal return *		7.39%

* The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. Illustration 13-7 presents the net pension liability of the County measured as of June 30, 2021, for the fiscal year ended as of June 30, 2022, using the discount rate of 6.75%, as well as the County's net pension liability if calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

Illustration 13-7 Prince William County - Virginia Retirement System Pension Plan Sensitivity of Net Pension Liability to Changes in the Discount Rate June 30, 2022				
		1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
County's Net Pension Liability	\$	320,549	101,898	(78,509)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the fiscal year ended June 30, 2022, and measured as of June 30, 2021, the County recognized pension expense of \$24,425. On June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the sources displayed in Illustration 13-8.

Illustration 13-8 Prince William County - Virginia Retirement System Pension Plan Deferred Outflows and (Inflows) of Resources June 30, 2022			
		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	20,963	8,363
Change in actuarial assumptions		64,326	-
Net difference between projected and actual earnings on pension plan investments		-	164,962
Employer contributions subsequent to the measurement date		45,866	-
Total	\$	131,155	173,325

\$45,866 reported as deferred outflows of resources related to pensions resulting from the County's contributions to the VRS subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as displayed in Illustration 13-9.

Illustration 13-9 Prince William County - Virginia Retirement System Pension Plan Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal Year Ending June 30,		
2023	\$	(9,149)
2024		(12,788)
2025		(23,810)
2026		(42,289)
2027		-
Thereafter		-
Total	\$	<u><u>(88,036)</u></u>

Pension Plan Data. Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Comprehensive Financial Report (ACFR). A copy of the 2020 VRS Annual Report may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

A. Prince William County Supplemental Pension Plan for Sworn & Uniformed Public Safety

Plan Description and Administration. The Supplemental Pension Plan is a single employer defined benefit pension plan administered by the Plan's Board of Trustees. Terms and provisions of the Plan may be recommended for amendment to the Board of County Supervisors by the Plan's Board of Trustees. The Supplemental Pension Plan was amended per Resolutions No. 20-540 on July 21, 2020, and 21-297 on May 18, 2021, by the Board of County Supervisors. The plan does not issue a stand-alone financial report.

Each police officer and uniformed Fire & Rescue Department personnel employed by the County prior to July 1, 1985, is eligible to participate in the Plan as of July 1, 1985, if they were covered by and participating in the VRS and elected to participate in the Plan. Each police officer and uniformed Fire & Rescue Department personnel, hired after June 30, 1985, becomes a participant on his or her date of employment. The Supplemental Pension Plan provides retirement and death benefits to plan members and beneficiaries. The 2019 Plan amendment extended Plan benefits to sworn and uniformed employees of the Sheriff's Office and the Prince William-Manassas Regional Adult Detention Center effective on the later of the employee's date of hire or July 1, 2019.

Benefits Provided. The Plan is designed to provide a benefit upon the retirement of participants, the amount of which considers the length of service and the compensation paid by the County to such employees with recognition given to the benefits that will be provided by the VRS. The normal retirement date is the earlier of the participant's 55th birthday or the completion of 25 years of credited service. Benefits, at the participants' irrevocable election, are i) the larger of 1.5% of the participant's final average annual compensation times credited service or 1.65% of the participant's final average compensation in excess of \$1.2 multiplied by the years of credited service; ii) for Participants whose most recent date of hire is prior to January 1, 2018 and who have Credited Service on or after March 30, 2001, a guaranteed monthly benefit of \$0.64 thousand for 180 months; for Participants whose most recent date of hire is on or after January 1, 2018 and who retire with at least twenty-five (25) years of Credited Service, a guaranteed monthly benefit of \$0.64 thousand for 180 months; for Participants with Credited Service on or after July 1, 2021, the benefit shall be applied by substituting \$0.79 thousand for \$0.64 thousand; or iii) a lump sum benefit of the participant's contribution with interest plus the employer's contributions during the period of employment. Final average compensation for participants hired or rehired before July 1, 2010, is the highest compensation received during the 36 consecutive calendar months producing the highest average, or if the participant has less than 36 consecutive months of credited service, it is the average annual compensation received during the entire period of credited service prior to the termination of employment. Final average compensation for participants hired after June 30, 2010, is the highest compensation received during the 60 consecutive calendar months producing the highest average or if the participant has less than 60 consecutive months of credited service, it is the average annual compensation received during the entire period of credited service prior to the termination of employment.

Participants shall vest 100% in the benefit provided under the Plan upon attainment of the participant's normal retirement date. Participants are considered vested and eligible for early retirement after 20 years of credited service. Early retirement benefits at the participants' election are i) for Participants whose most recent date of hire is prior to January 1, 2018 and who have Credited Service on or after March 30, 2001, a guaranteed monthly benefit of \$0.32 thousand for 180 months; for Participants whose most recent date of hire is on or after January 1, 2018 and who retire with at least twenty-five (25) years of Credited Service, a guaranteed monthly benefit of \$0.32 thousand for 180 months; for Participants with Credited Service on or after July 1, 2021, the benefit shall be applied by substituting \$0.395 thousand for \$0.32 thousand; or ii) the withdrawal benefit plus an employer match equal to 100% multiplied by the ratio of number of completed years of service at early retirement to 25 years. Any participant or spouse receiving a monthly benefit for

(Amounts expressed in thousands)

at least one year is eligible for the pension increase each July 1st. For participants hired before July 1, 2010, the benefit will be increased by 100% of the first 3% increase in the cost-of-living index plus 50% of the increase in the cost-of-living index in excess of 3%. Increases in the cost-of-living index in excess of 7% are not recognized, for a maximum increase under the Plan of 5%. For participants hired after June 30, 2010, the benefit will be increased by 100% of the first 2% increase in the cost-of-living index plus 50% of the increase in the cost-of-living index in excess of 2%. Increases in the cost-of-living index in excess of 6% are not recognized, for a maximum increase under the Plan of 4%. Increases do not apply to supplemental benefits or early retirement pensions.

Employees Covered by Benefit Terms. The Supplemental Pension Plan membership covered by the benefit terms as of the July 1, 2020 actuarial valuation, is presented in Illustration 13-10.

Illustration 13-10 Prince William County - Supplemental Pension Plan Plan Membership as of June 30, 2021	
Inactive plan members or their beneficiaries currently receiving benefits	204
Inactive members not currently receiving benefits:	
Vested inactive members	556
Non-vested inactive members	139
Total inactive members	695
Active employees	1,684
Total covered members	2,583

Contributions. The Plan's Board of Trustees establishes rates based on an actuarially determined rate recommended by an independent actuary. The County is not required to contribute the difference between the actuarially determined rate and the contribution rate of plan members to the Plan Trust Fund. However, as specified in the County's Principles of Sound Financial Management, the County intends to make the entire recommended contribution amount each year. For the year ended June 30, 2022, the average contribution rate was 1.44% of annual payroll.

This rate, when combined with employee contributions, is expected to finance the costs of benefits earned by the employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Supplemental Pension Plan by the County were \$1,953 and \$2,030 for the years ended June 30, 2022, and June 30, 2021, respectively.

Net Pension Liability / (Asset). The County's net pension liability (asset) was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of July 1, 2021, using actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021. Pension liabilities were calculated using sworn police and fire participants' data as of June 30, 2021 and including Sheriff or ADC participants who entered the plan on July 1, 2020, with no prior service credits. The discount rate assumption used in the valuation at June 30, 2021, was 6.75%.

Actuarial Assumptions. The total pension liability for employees in the Supplemental Pension Plan was based on an actuarial valuation as of July 1, 2021, using the Entry Age Normal actuarial cost method and the assumptions displayed in Illustration 13-11, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Illustration 13-11
Prince William County - Supplemental Pension Plan
Actuarial Valuation Methods and Assumptions as of June 30, 2021

Actuarial Cost Method	Aggregate
Amortization Method	Level percentage of projected payroll
Asset Valuation Method	Asset smoothing method. Spreading the investment gains or losses in excess of the assumed rate over a 5-year period
Investment Rate of Return	6.75%, net of pension plan investment expense
Salary Increase	4.50%, including inflation
Inflation	3.00%
Mortality Rates	RP-2000 Combined Healthy table with Blue Collar adjustment with generational projection by Scale AA. 20% of active participant deaths are assumed to be line-of-duty.

Changes in Assumptions and Benefit Terms. There were no changes to the actuarial assumptions related to the net pension liability (asset) that was measured as of June 30, 2021.

Long-Term Expected Rate of Return. Historical long term average returns have been used as a reasonable expectation of returns. The returns presented here are nominal, 20-year arithmetic means of the corresponding benchmark, less 2.2% to account for expected rate of inflation. Based on the 65.0% Equity, 10.0% Real Assets, and 25.0% Fixed Income policy target allocation of the Plan, we are comfortable with a long-term net return of 6.75%. For the short term, we assumed that the current volatility in the markets could persist and assigned a 50% discount to long-term expectations.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022, (see the discussion of the pension plan's investment policy) are summarized in Illustration 13-12.

Illustration 13-12
Prince William County - Supplemental Pension Plan
Long-Term Expected Rate of Return
For the Year Ended June 30, 2022

Asset Class	Target Allocation	Benchmark Index	Long Term Real Annualized Return*
Domestic Equity	40.0%	Russell 3000	7.5%
International Equity Developed	17.0%	Blended Developed	4.7%
International Equity Emerging	8.0%	MSCI Emerging Markets	8.1%
Real assets	10.0%	NCREIF NFI-ODCE	6.8%
Fixed Income US Investment Grade	25.0%	Bloomberg Int. Gov/Cred	0.5%
	100.0%		5.9%

*For illustrative purposes, historical long-term average returns have been used as a reasonable expectation of returns. The returns presented are nominal, 20-year arithmetic means of the corresponding benchmark, less 2.8% to account for expected rate of inflation. Based on the 65.0% Equity, 10.0% Real Assets, and 25.0% Fixed Income policy target allocation of the Plan, we are comfortable with a long-term net return of 6.75%. For the short term, we assumed that the current volatility in the markets could persist and assigned a 50% discount to long-term expectations.

Money-Weighted Rate of Return. For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (10.88%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Discount Rate. The discount rate used to measure the total pension liability / asset was 6.75% for the measurement date as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the fiscal year ended June 30, 2022, and measured as of June 30, 2021, the County recognized pension expense of (\$1,160). On June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 13-15.

Illustration 13-15 Prince William County - Supplemental Pension Plan Deferred Outflows and (Inflows) of Resources June 30, 2022		
MEASUREMENT DATE 6/30/21	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	2,537
Changes of assumptions	496	
Net difference between projected and actual earnings on pension plan investments	-	4,803
Employer contributions subsequent to the measurement date	2,521	-
Total	\$ 3,017	7,340

The \$2,521 reported as deferred outflows of resources related to pensions resulting from the County's contributions to the Plan subsequent to the measurement date, June 30, 2021, will be recognized as a reduction of the net pension liability for the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as displayed in Illustration 13-16.

Illustration 13-16 Prince William County - Supplemental Pension Plan Amortization of Deferred Outflow and (Inflow) of Resources		
Fiscal Year Ending June 30,		
2023	\$	(1,526)
2024		(1,377)
2025		(1,392)
2026		(1,799)
2027		(163)
Thereafter		(587)
Total	\$	(6,844)

Fiduciary Net Position. The components of the net pension liability / (asset) for the Supplemental Pension Plan as of June 30, 2022, are shown in Illustration 13-17.

Illustration 13-17 Prince William County - Supplemental Pension Plan Supplemental Pension Plan Net Pension Liability / (Asset)				
Measurement Date	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)	Net Position as % of Total Pension Liability
June 30, 2022	\$ 51,935	50,264	1,671	96.78%
June 30, 2021	\$ 44,915	55,731	(10,816)	124.08%

B. Prince William County Volunteer Fire and Rescue Personnel Length of Service Award Program LoSAP)

Plan Description and Administration. The LoSAP plan is a single employer defined benefit pension plan that provides benefits for certified volunteer fire department and rescue squad members and is administered by the LoSAP's Board of Trustees. The benefit provisions, and the contributions required to pay them, are established, and may be amended by the Board of County Supervisors and additionally, administered by the LoSAP's Board of Trustees. The LoSAP was authorized by the Board of County Supervisors on October 22, 1991 and became effective July 1, 1997. The LoSAP plan was amended and restated by the Board of County Supervisors on May 10, 2016, via Resolution No. 16-464 to update the LoSAP plan documents, governance structure, and other structural changes to the plan. However, there was no change in eligibility requirements or benefits. The LoSAP Pension Trust Plan does not issue a stand-alone financial report.

Certified active-duty fire department and rescue squad volunteers are eligible to participate in LoSAP upon attainment of the minimum age of 21 years, and a minimum of ten months of service credit (30 hours per month), or a minimum of 360 hours of service credit. Each certified active-duty fire department and rescue squad volunteer becomes a participant on July 1 coinciding with or the next following year when all the eligibility requirements are met. The LoSAP plan provides retirement and death benefits to plan members and beneficiaries.

Benefits Provided. LoSAP is designed to provide a benefit upon the retirement of participants, the amount of which considers the length of service. Normal retirement date is first day of the month coinciding with or next following attainment of age 60. Benefits are \$10 monthly times years of service with a 50% joint and survivor annuity. Normal Retirement Benefit accrues based on service to date. The LoSAP plan also provides a pre-retirement death benefit or disability benefit after a minimum service of five years. The pre-retirement death benefit provides a life annuity to the surviving spouse equal to 50% of the accrued benefit. For non-married participants, a life annuity to a named beneficiary equal to 25% of the accrued benefit. Additional death benefit for active members, \$10 is provided to designated beneficiary. The disability benefit provides an immediate annuity equal to 100% of the accrued benefit.

Participants shall vest upon termination after five years of service, a percentage, ranging from 50% for five years of service to 100% for ten or more years of service, of the accrued benefit, deferred to normal retirement date.

Employees Covered by Benefit Terms. The LoSAP plan membership covered by the benefit terms as of the July 1, 2021, actuarial valuation, is presented in Illustration 13-18.

Illustration 13-18 Prince William County - LoSAP Plan Plan Membership as of July 1, 2021	
Inactive plan members or their beneficiaries currently receiving benefits	272
Inactive members not currently receiving benefits:	
Vested inactive members	1,262
Non-vested inactive members	-
Total inactive members	1,262
Active participants	362
Total covered members	1,896

Contributions. The LoSAP Board of Trustees recommends the contribution amount based on an actuarially determined contributions calculated by an independent actuary for approval by the County's Board of Supervisors during the Budget approval process each year. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year and is expected to finance the costs of benefits earned by the employee during the year. However, specified in the County's Principles of Sound Financial Management, the County intends to make the entire contribution amount each year. The County paid contributions on behalf of each of the Volunteer Fire and Rescue Companies according to their respective actuarial valuations. Contributions to the LoSAP plan by the County were \$1,529 and \$1,136 for the years ended June 30, 2022, and June 30, 2021, respectively.

Net Pension Liability. The County's net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of July 1, 2021, using actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions. The total pension liability for employees in the LoSAP plan was based on an actuarial valuation as of July 1, 2021, using the Entry Age Normal actuarial cost method and the assumptions displayed in Illustration 13-19, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

(Amounts expressed in thousands)

Illustration 13-19
Prince William County- LoSAP Plan
Actuarial Valuation Methods and Assumptions as of July 1, 2021

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, including inflation
Asset Valuation Method	Fair Value
Investment Rate of Return	3.00%
Discount Rate	3.00%
Tax-exempt, high-quality general obligation municipal bond index rate (20-year)	N/A
Salary Increase	N/A *
Inflation	2.50%
Retirement age	Low to Medium Rates between Ages 60 and 69; 100% at age 70
Mortality Rates	Society of Actuaries Public Safety (Above-Median Income) Mortality Table adjusted by Scale MP-2021
Disability rates	N/A
Withdrawal rates	10.00%-17.50% depending on age

* Salary has no impact on the funding since employees do not contribute a portion of their salary to fund the LoSAP plan.

Changes in Assumptions and Benefit Terms. There were no changes to the actuarial assumptions related to the net pension liability that was measured as of June 30, 2021.

Long-term Expected Rate of Return. On June 30, 2022, the LoSAP Trust Fund's investments were 100% invested in a general investment account at Mass Mutual with a guaranteed 3.00% investment return.

Money-Weighted Rate of Return. For the fiscal year ending June 30, 2022, the annual money-weighted rate of return of LoSAP plan's investments, net of pension plan investment expense, as of the measurement date of June 30, 2021, was 3.02%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Discount Rate. The discount rate is the single rate that reflects the long-term expected rate of return of the LoSAP plan's investments expected to be used to finance the payment of benefits, to the extent that the LoSAP plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the LoSAP plan's assets are expected to be invested using a strategy to achieve that return. However, in the case where the LoSAP plan's fiduciary net position does not sufficiently cover the projected benefit payments within the period, a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale is used instead of the long-term expected rate of return. It is the County's intention to pay the full recommended actuarial contribution amount each year.

The discount rate to measure the total pension liability was estimated to be 3.00%. The projection of cash flows used to determine the discount rate assumed that the County's contributions will be made each year as recommended by the actuarially determined contribution amount.

Changes in Net Pension Liability. Illustration 13-20 presents the changes in net pension liability from June 30, 2020 to June 30, 2021, which is the measurement date for the fiscal year ended June 30, 2022.

Illustration 13-20 Prince William County - LoSAP Plan Changes in Net Pension Liability				
		Total Pension Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net Pension Liability
Balances on June 30, 2020 for FY 2021	\$	28,323	18,155	10,168
Changes for the year:				
Service cost		432	-	432
Interest		854	-	854
Differences between expected and actual experience		39	-	39
Changes of assumptions		(20)	-	(20)
Contributions - employer		-	1,536	(1,536)
Net investment income		-	547	(547)
Benefit payments, including refunds of employee contributions		(567)	(567)	-
Administrative expenses		-	(155)	155
Net changes		738	1,361	(623)
Balances on June 30, 2021 for FY 2022	\$	29,061	19,516	9,545

Sensitivity of the Net pension Liability to Changes in the Discount Rate. Illustration 13-21 presents the net pension liability of the County measured as of Jun 30, 2021, for the fiscal year ended June 30, 2022, using the discount rate of 3.00%, as well as the County's net position liability calculated using a discount rate that is one percentage point lower (2.00%) and one percentage point higher (4.00%) than the current rate.

Illustration 13-21 Prince William County - LoSAP Plan Sensitivity of Net Pension Liability to Changes in the Discount Rate				
Measurement Date		1.00% Decrease (2.00%)	Current Discount Rate (3.00%)	1.00% Increase (4.00%)
June 30, 2022	\$	14,844	8,709	4,015
June 30, 2021	\$	15,659	9,545	4,870

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the fiscal year ended June 30, 2022, and measured as of June 30, 2021, the County recognized pension expense of \$987 and deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 13-22.

Illustration 13-22
Prince William County - LoSAP Plan
Deferred Outflows and (Inflows) of Resources
June 30, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	-
Change in actuarial assumptions	5	2
Net difference between projected and actual earnings on pension plan investments	104	-
Employer contributions subsequent to the measurement date	1,529	-
Total	\$ 1,638	2

\$1,529 was contributed to the LoSAP plan subsequent to the measurement date of June 30, 2021, and is reported as a deferred outflow of resources, which will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as displayed in Illustration 13-23.

Illustration 13-23
Prince William County - LoSAP Plan
Amortization of Deferred Outflow and (Inflow) of Resources

Fiscal Year Ending June 30,	
2023	\$ 99
2024	3
2025	3
2026	2
2027	-
Thereafter	-
Total	\$ 107

Fiduciary Net Position. The components of the net pension liability for the LoSAP Pension Plan as of June 30, 2022, are shown in Illustration 13-24.

Illustration 13-24
Prince William County - LoSAP Plan
LoSAP Plan Net Position Liability

Measurement Date		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Net Position as % of Total Pension Liability
June 30, 2022	\$	29,489	20,780	8,709	70.47%
June 30, 2021	\$	29,061	19,516	9,545	67.16%

D. Prince William County's 401(a) Money Purchase Plan

Plan Description and Administration. The 401(a) Money Purchase Plan (the Plan) is a defined contribution plan to provide County employees an additional way to save for retirement. On September 17, 2019, the Board of County Supervisors established a Board of Trustees per Resolution No. 19-444, adopted Bylaws, and appointed Trustees to serve as the investment fiduciary responsible for the selection and retention of professional advisors for the Plan's portfolio. The Director of Finance and the Human Resources Benefits Manager serve as non-rotating Trustees for the Plan in addition to four current employees and one retiree, who are nominated by the County Executive to the Board of County Supervisors to each serve a three-year term. Empower administers the Plan under the purview of the Trustees, who have administrative oversight and to ensure the proper administration of the Plan. In fiscal year 2022, the County contributed \$1,536 towards County employee's 401(a) accounts.

Benefits Provided. All full-time and part-time active employees who work at least 15 hours per week are eligible to participate in the Plan. Employees have a one-time, irrevocable opportunity to enroll upon commencement of employment. The Plan includes a 0.5% contribution from employees' gross salary on a pre-tax basis and receive an equal County match. Contributions may increase and decrease each fiscal year if approved by the Board of County Supervisors.

Employees who separate service with the County and withdraw funds from their account prior to age 59 ½ may incur an additional 10% tax penalty. Upon separation from the County, employees may elect to have their leave payout rolled into the Plan. As of July 2021, employees can borrow funds from their account in the Plan for any reason for as little as \$1,000 or up to 50% of their contributions. However, the employee must repay the loan via payroll deductions no later than 5 years with after-tax dollars. Additionally, the loan incurs interest at a rate of 1% above the prime rate and is deposited in the employee's account.

E. Prince William County Schools (PWCS) Pension Plans

Prince William County Schools, a component unit of the County, also participates the VRS Pension plans. The aggregate amount of net pension liability related deferred outflows of resources and deferred inflows of resources, and pension expense for the Schools' pension plans are summarized in Illustration 13-25.

Illustration 13-25 Prince William County Schools - Virginia Retirement System Plans Net Pension Liability and Related Amount June 30, 2022				
	Net Pension (Asset) Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Virginia Retirement System Plans				
VRS Pension Plans – For Non-Professional Group	(13,267)	11,363	28,710	313
VRS Pension Plans – For Professional Group	533,649	229,124	385,596	18,752
Total Schools' Pension Plans	\$ 520,382	240,487	414,306	19,065

Schools' Virginia Retirement System (VRS) Plans - Professional Group & Non-Professional Group

Plan Descriptions and Administration. All full-time, salaried permanent (professional) employees of public-school divisions are automatically covered by VRS Teacher Retirement Plan upon employment.

The VRS administers three different benefit structures for covered employees in both employee groups: Plan 1, Plan 2, and the Hybrid Retirement Plan (Hybrid Plan). Each of these benefit structures have different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are outline in detail in Illustration 13-2, with the exception of the following Provision which is different for school division employee.

Employees Covered by Benefit Terms. As of the June 30, 2019 actuarial valuations, the following employees of the non- professional group were covered by the benefit terms of the pension plan as displayed by Illustration 13-26.

Illustration 13-26
Schools' VRS Pension Plan – For Non-Professional Group
Plan Membership as of the Valuation Date of June 30, 2020

Inactive members or their beneficiaries currently receiving benefits	973
Inactive members:	
Vested inactive members	253
Non-vested inactive members	599
Inactive members active elsewhere in VRS	259
Total inactive members	1,111
Active members	1,840
Total covered employees	3,924

Contributions. The contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to the non-professional and professional groups by the Virginia General Assembly. Employees are required to contribute 5.0% of their compensation toward their retirement.

Non-professional group. The non-professional group's contractually required contribution rate for the year ended June 30, 2022, was 6.07% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the non-professional group were \$3,752 and \$3,654 for the years ended June 30, 2022, and June 30, 2021, respectively.

Professional group. Each professional group's contractually required contribution rate for the year ended June 30, 2022, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the professional group were \$106,712 and \$101,153 for the years ended June 30, 2022, and June 30, 2021, respectively.

Actuarial Assumptions. The total pension liability for general employees in the non-professional and professional group was based on an actuarial valuation as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Inflation	2.5%
Salary increases, including inflation (non-professional)	3.5% - 5.35%
Salary increases, including inflation (professional)	3.5% - 5.99%
Investment rate of return	6.75%, net pension plan investment expense, including inflation*

Mortality rates:

	Non-hazardous Duty for Non-professional Group	Professional Group
Pre-Retirement:	15% of deaths are assumed to be service related. Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.	15% of deaths are assumed to be service related. Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males.
Post-Retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males are forward 1 year; 105% of rates for females.
Post-Disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females.
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.	Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected Generationally.
Mortality Improvement:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2020, valuation was based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

	Non-hazardous Duty for Non-professional Group	Professional Group
Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality improvement Scale MP-2020.	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality improvement Scale MP-2020.
Retirement Rates:	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age.	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates:	Adjusted rates to better fit experience at each year age and service through 9 years of service.	Adjusted rates to better fit experience at each year age and service through 9 years of service.
Disability Rates:	No change	No change
Salary Scale:	No change	No change
Line of Duty Disability:	No change	No change

Long-Term Expected Rate of Return. The long-term expected rate of return on pension VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension VRS investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in Illustration 13-27.

Illustration 13-27 Prince William County Schools - Virginia Retirement System Pension Plans Long-Term Expected Rate of Return For the Year Ended June 30, 2022			
Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
	Inflation		2.50%
Expected arithmetic nominal return *			7.39%

* The above allocation provides a one-year expected return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate. The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that VRS member contributions will be made per the VRS Statutes, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2021, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2021, on, school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability. On June 30, 2022, the professional group reported a liability of \$533,649 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The professional group's proportion of the net pension liability was based on the professional group's actuarially determined employer contributions to the pension plan for the year ended June 30, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2021, the professional group's proportion was 6.87% as compared to 6.76% on June 30, 2020.

The non-professional net pension liability was measured as of June 30, 2021, for the fiscal year ended June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Changes in Net Pension Liability – Non-Professional Group. Illustration 13-28 presents the change in the net pension liability from June 30, 2020, to June 30, 2021, which is the measurement date for the fiscal year ended June 30, 2022.

Illustration 13-28				
Schools' VRS Pension Plan – For Non-Professional Group				
Changes in Net Pension Liability				
		Total Pension Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net Pension Liability
Balances on June 30, 2020 for FY 2021	\$	230,136	210,218	19,918
Changes for the year:				
Service cost		5,288	-	5,288
Interest		15,166	-	15,166
Changes of assumptions		7,189	-	7,189
Differences between expected and actual experience		2,140	-	2,140
Contributions – employer		-	3,238	(3,238)
Contributions - employee		-	2,790	(2,790)
Net investment income		-	57,078	(57,078)
Benefit payments, including refunds of employee contributions		(10,903)	(10,903)	-
Administrative expenses		-	(143)	143
Other changes		-	5	(5)
Net changes		18,880	52,065	(33,185)
Balances on June 30, 2021 for FY 2022	\$	249,016	262,283	(13,267)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate– Non-Professional Group. Illustration 13-29 presents the net pension liability / (asset) of the non-professional group measured as of June 30, 2021, for the fiscal year ended June 30, 2022, using the discount rate of 6.75%, as well as the non-professional group's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

Illustration 13-29				
Schools' VRS Pension Plan – For Non-Professional Group				
Sensitivity of Net Pension Liability / (Asset) to Changes in the Discount Rate				
		1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Schools' Non-Professional Group's Net Pension Liability / (Asset)	\$	18,077	(13,267)	(39,261)

Illustration 13-30 presents the professional group's proportionate share of the net pension liability measured as of June 30, 2020, for the fiscal year ended June 30, 2021, using the discount rate of 6.75%, as well as the professional group's proportionate share of the net pension liability calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

Illustration 13-30 Schools' VRS Pension Plan – For Professional Group Sensitivity of Net Pension Liability to Changes in the Discount Rate			
	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Schools' Professional Group's Proportionate Share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 1,029,913	533,649	125,405

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions– Non-Professional Group.

For the year ended June 30, 2021, the non-professional group recognized pension benefit of \$313. On June 30, 2021, the non-professional group reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 13-31.

Illustration 13-31 Schools' VRS Pension Plan – For Non-Professional Group Deferred Outflows and (Inflows) of Resources June 30, 2022		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,499	397
Change in actuarial assumptions	6,112	-
Net difference between projected and actual earnings on pension plan investments	-	28,313
Employer contributions subsequent to the measurement date	3,752	-
Total	\$ 11,363	28,710

\$3,752 reported as deferred outflows of resources related to pensions resulting from PWCS' non-professional group contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses in future reporting periods displayed in Illustration 13-32.

Illustration 13-32 Schools' VRS Pension Plan – For Non-Professional Group Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal Year Ending June 30,		
2023	\$	(3,070)
2024		(3,770)
2025		(5,647)
2026		(8,612)
2027		-
Thereafter		-
Total	\$	<u>(21,099)</u>

(Amounts expressed in thousands)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—Professional Group. For the year ended June 30, 2021, PWCS recognized pension expense of \$18,752 related to the professional group. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

On June 30, 2022, the professional group's reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 13-33.

Illustration 13-33 Schools' VRS Pension Plan – For Professional Group Deferred Outflows and (Inflows) of Resources		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	45,453
Change in actuarial assumptions	93,494	-
Net difference between projected and actual earnings on pension plan investments	-	336,290
Changes in proportion and differences between Employer Contributions and proportionate share of contributions	28,918	3,853
Employer contributions subsequent to the measurement date	106,712	-
Total	\$ 229,124	385,596

PWCS' professional group contribution of \$106,712, made subsequent to the measurement date and reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods presented in Illustration 13-34.

Illustration 13-34 Schools' VRS Pension Plans – For Professional Group Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal Year Ending June 30,		
2023	\$	(58,263)
2024		(53,108)
2025		(61,306)
2026		(90,629)
2027		122
Thereafter		-
Total	\$	(263,184)

Pension Plan Data. The VRS issues a publicly available Annual Comprehensive Financial report (ACFR) that includes financial statements and required supplementary information (RSI) for the plans administered by VRS. A copy of the 2021 VRS ACFR may be obtained for the VRS web site at www.varetire.org, or by writing to VRS' Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

NOTE (14) – OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS AND (OPEB) MASTER TRUST FUND

Prince William County Other Post-Employment Benefit Plans (OPEB)

The County maintains five OPEB plans for its employees; two Virginia Retirement System (VRS) plans, and three plans that participate in the OPEB Master Trust Fund:

- VRS OPEB Group Life Insurance Program (GLI) Plan
- VRS Health Insurance Credit Program (HIC) Plan
- OPEB Master Trust Plans:
 - Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)
 - Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit Plan (County RHICP)
 - Prince William County Line of Duty Act Plan (LODA Plan)

The aggregate amount of the County's net OPEB (asset) liability, related deferred outflows of resources and deferred inflows of resources, and OPEB expense for the County's OPEB plans are summarized in Illustration 14-1 below.

Illustration 14-1 Prince William County's Other Post-Employment Benefit (OPEB) Plans Net OPEB Liability (Asset) and Related Amounts June 30, 2022				
	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
MEASUREMENT DATE 6/30/2021				
Virginia Retirement System Plans:				
VRS Group Life Insurance Program	18,010	9,669	6,900	1,217
VRS Retiree Health Insurance Credit	3,902	1,049	535	427
MEASUREMENT DATE 6/30/2022				
OPEB Master Trust Fund Plans:				
County Premium Plan	7,768	2,216	3,403	808
County RHICP	21,876	4,920	820	2,437
Total OPEB – County Funded	\$ 51,556	17,854	11,658	4,889
MEASUREMENT DATE 6/30/2022				
OPEB Master Trust Fund Plan*:				
County LODA Plan	\$ (230)	4,326	5,776	1,340
Primary Government:				
Governmental Funds (F)	\$ (187)	3,516	4,694	1,089
Component units:				
Adult Detention Center (E)	(43)	810	1,082	251
Subtotal Governmental Funds from LODA Plan	\$ (230)	4,326	5,776	1,340
Primary Government:				
Governmental Funds	\$ 44,805	15,593	10,138	4,248
Intra-County Services	1,752	614	400	165
Health Insurance	85	31	20	8
Subtotal Governmental Funds (from all other OPEB Plans (A))	46,642	16,238	10,558	4,421
Total Government Funds A+F excluding net OPEB assets) = H	46,642	19,754	15,252	5,510

(Amounts expressed in thousands)

Illustration 14-1 (cont'd)
Prince William County's Other Post-Employment Benefit (OPEB) Plans
Net OPEB Liability (Asset) and Related Amounts
June 30, 2022

		Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Primary Government-Business-Type					
Parks		34	11	7	3
Landfill		686	228	147	67
Total Proprietary Funds (B)		720	239	154	70
Total Primary Government (H+B)		47,362	19,993	15,406	5,580
Component units:					
Adult Detention Center (C)		4,194	1,456	946	398
Total OPEB - County Funded (H+B+C)	\$	51,556	21,449	16,352	5,978
School Board's OPEB Plans **					
School Board Premium	\$	(14,331)	3,715	32,883	(5,378)
Other School Board OPEB Plans		127,138	26,104	18,747	9,869
Total Component Units (D)		112,807	29,819	51,630	4,491
Total Component Unit*** (C+D+E excluding net OPEB Asset)		131,332	32,085	53,658	5,140
Total Reporting Entity (Sum A thru F, excluding net OPEB asset)	\$	164,363	52,078	69,064	10,720

Note: Amounts are allocated based on proportion of OPEB contributions paid.

*OPEB plan net assets cannot be netted against the net OPEB liabilities of other OPEB plans.

** Please see Schools separately issued financial statements for further information and Illustration 14-47 below.

*** Total Component Unit's Net OPEB Assets is \$14,374

A. County's Virginia Retirement System (VRS) – OPEB Plans County's VRS Plans Overview:

Plan Description and Administration. The County and the Adult Detention Center (ADC) component unit contribute to the Virginia Retirement System (VRS) Group Life Insurance (GLI) Program, a multi-employer, cost-sharing, defined benefit employee and Other Post-Employment Benefits (OPEB) plan. The County also participates in the Retiree Health Insurance Credit (HIC) Program OPEB Plan, a multiple-employer, agent defined benefit OPEB plan. Both, the GLI and HIC Programs, are administered by the VRS, along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia. All full-time, salaried permanent employees of the County and ADC are automatically covered by the VRS GLI and HIC Programs upon employment.

Professional and non-professional employees of the School Board are also covered by the VRS. Professional employees participate in a VRS statewide teacher cost-sharing pool, and non-professional employees participate as a separate group in the multi-employer, agent system. The Prince William County Public Schools OPEB plans are reported separately in their audited financial statements. Copies of these financial statements may be obtained by writing to the School Board's Finance Division at P.O. Box 389, Manassas, Virginia 20108.

Under the VRS HIC Program, members earn one month of service credit toward the benefit for each month they are employed and for which the County pays contributions to VRS. The retiree health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

1. County's Virginia Retirement System (VRS) – Group Life Insurance (GLI) Program Other Post-Employment Benefits (OPEB) Plan

Plan Description and Administration. The Virginia Retirement System (VRS) Group Life Insurance (GLI) Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI Program was established pursuant to § 51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI Program OPEB.

Summary of Significant Accounting Policies. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI Program OPEB, and GLI Program OPEB expense, information about the fiduciary net position of the VRS GLI Program OPEB and the additions to/deductions from the VRS GLI Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided. The specific information for GLI Program, including eligibility, coverage and benefits is set out in the table below:

County's VRS GROUP LIFE INSURANCE PROGRAM PROVISIONS
Eligible Employees The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program. Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.
Benefit Amounts The benefits payable under the Group Life Insurance Program have several components. • <i>Natural Death Benefit</i> – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • <i>Accidental Death Benefit</i> – The accidental death benefit is double the natural death benefit. • <i>Other Benefit Provisions</i> – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: • Accidental dismemberment benefit • Safety belt benefit • Repatriation benefit • Felonious assault benefit • Accelerated death benefit option
Reduction in benefit Amounts The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,722 as of June 30, 2022.

Contributions. The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2022, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. The County elects to pay the employee component with the employer component of the contribution. Contributions to the GLI Program from the County were \$4,746 and \$4,287 for the years ended June 30, 2022, and June 30, 2021, respectively.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB. On June 30, 2022, the County reported a liability of \$18,010 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the Net GLI OPEB Liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. The County's proportion of the Net GLI OPEB Liability was based on the County's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2021, the County's proportion was 1.54687% as compared to 1.48218% on June 30, 2020.

For the year ended June 30, 2022, the County recognized GLI OPEB expense of \$1,217. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

On June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the sources displayed in Illustration 14-2.

Illustration 14-2 County's Virginia Retirement System – Group Life Insurance (GLI) Program Other Post-Employment Benefits (OPEB) Plan Deferred Outflows and (Inflows) of Resources June 30, 2022		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,054	137
Change in actuarial assumptions	993	2,464
Net difference between projected and actual earnings on OPEB plan investments	-	4,299
Changes in Proportionate Share	1,876	-
Employer contributions subsequent to the measurement date	4,746	-
Total	\$ 9,669	6,900

\$4,746 reported as deferred outflows of resources related to the GLI OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as shown in Illustration 14-3.

Illustration 14-3
County's Virginia Retirement System – Group Life Insurance (GLI) Program Other Post-Employment Benefits (OPEB) Plan
Amortization of Deferred Outflows and (Inflows) of Resources

Fiscal Year Ending June 30,	
2023	\$ (408)
2024	(213)
2025	(279)
2026	(1,014)
2027	(63)
Thereafter	-
Total	\$ <u>(1,977)</u>

Actuarial Assumptions. The total GLI OPEB liabilities were based on actuarial valuations as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021 as displayed in Illustration 14-4.

Changes in Assumptions and Benefit Terms. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Illustration 14-4
County's Virginia Retirement System - Group Life Insurance (GLI) Program
Other Post -Employment Benefits (OPEB) Plan
Actuarial Methods and Assumptions

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75% net investment expense, including inflation*
Inflation	2.50%
Healthcare Trend Rate	N/A - the benefit is not based on healthcare costs but rather on compensation
General Employees:	
Payroll Growth	3.50%-5.35%, includes inflation
Mortality	
Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.
Post-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.

Illustration 14-4 (cont'd)
County's Virginia Retirement System - Group Life Insurance (GLI) Program
Other Post -Employment Benefits (OPEB) Plan
Actuarial Methods and Assumptions

Public Safety Employees with Hazardous Duty Benefits:

Payroll Growth	3.50%-4.75%, includes inflation
Mortality	
Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.

*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.

Actuarial Assumptions – General Employees

Mortality Rates (Pre-retirement, post- retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Actuarial Assumptions Public Safety Employees with Hazardous Duty Benefits

Mortality Rates (Pre-retirement, post- retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Net GLI OPEB Liability (NOL). The County's net OPEB liability for the GLI Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2020, net OPEB liability amounts for the GLI Program are displayed in Illustration 14-5.

Illustration 14-5 County's Virginia Retirement System – Group Life Insurance (GLI) Program Other Post-Employment Benefits (OPEB) Plan Net OPEB Liability				
Fiscal Year Ended:	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Net Position as % of Total OPEB Liability
June 30, 2022	\$ 55,337	37,327	18,010	67.5%

The total GLI OPEB liability is calculated by VRS' actuary, and each plan's fiduciary net position is reported in VRS' financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in VRS' notes to the financial statements and required supplementary information.

Long-Term Expected Rate of Return. The long-term expected rate of return on the VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in Illustration 14-6.

Illustration 14-6
County's Virginia Retirement System – Group Life Insurance (GLI) Program Other Post-Employment Benefits (OPEB) Plan
Long-Term Expected Rate of Return
For the Year Ended June 30, 2022

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return *	7.39%

* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate. The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions and the County will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2020, the rates contributed by the County for the GLI OPEB Program will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB Liability.

Sensitivity of the Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate Illustration 14-7 presents the County's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as the County's proportionate share of the net GLI OPEB liability calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

Illustration 14-7 County's Virginia Retirement System – Group Life Insurance (GLI) Program Other Post-Employment Benefits (OPEB) Plan Sensitivity of Net OPEB Liability Discount Rate			
Fiscal Year Ended:	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
June 30, 2022	\$ 26,313	18,010	11,305

Sensitivity of Proportionate Share of the Net GLI OPEB Liability to Changes in Healthcare Costs. There is no valuation health care cost trend assumption for the VRS GLI Program because the benefit provided to participants is not dependent on medical claims costs, but rather is based on each participant's compensation

GLI Fiduciary Net Position. Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2020 Annual Comprehensive Financial Report (ACFR). A copy of the 2021 VRS ACFR may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the VRS' Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

2. County's Virginia Retirement System (VRS) – Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB) Plan

Plan Description and Administration. The County's VRS Retiree Health Insurance Credit (HIC) Program Other Post- Employment Benefits (OPEB) Plan is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired County employees. The VRS Retiree Health Insurance Credit Program was established pursuant to § 51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent employees of the County are automatically covered under the VRS HIC OPEB upon employment. This plan is administered by VRS, along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The retiree health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

Summary of Significant Accounting Policies. For purposes of measuring the net County's VRS HIC OPEB liability, deferred outflows of resources and deferred inflows of resources related to the County's VRS HIC OPEB, and the County's VRS HIC OPEB expense, information about the fiduciary net position of the County's VRS HIC Plan; and the additions to/deductions from the County's VRS HIC Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided. The specific information about the County's HIC OPEB, including eligibility, coverage and benefits is set out in the table below:

County's VRS RETIREE HEALTH INSURANCE CREDIT PROGRAM PROVISIONS	
Eligible Employees	The County VRS Retiree Health Insurance Credit Program was established July 1, 1993, for retired County employees of employers who elect the benefit and who retire with at least 15 years of service credit. Eligible employees are enrolled automatically upon employment. They include: • Full-time permanent salaried employees of the County who are covered under the VRS pension plan are enrolled automatically upon employment.
Benefit Amounts	The County's VRS Retiree Health Insurance Credit Program provides the following benefits for eligible employees: • <i>At Retirement</i> – For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. • <i>Disability Retirement</i> – For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.
County VRS Retiree Health Insurance Credit Program Notes:	• The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. • No health insurance credit for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans. • Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the Retiree Health Insurance Credit as a retiree.

Employees Covered by Benefit Terms. As of the June 30, 2021, actuarial valuation, employees covered by the benefit terms of the VRS HIC OPEB Plan are displayed in Illustration 14-8.

Illustration 14-8 County's Virginia Retirement System Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB) Plan Plan Membership as of the Valuation Date of June 30, 2021	
Inactive plan members or their beneficiaries currently receiving benefits	1,073
Inactive members:	
Vested inactive members	63
Total inactive members	1,136
Active employees	3,899
Total covered members	5,035

Contributions. The contributions requirement for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to the County by the Virginia General Assembly. The County's contractually required employer contribution rate for the year ended June 30, 2022, was 0.18% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the VRS HIC Program were \$523 and \$522 for the years ended June 30, 2022 and June 30, 2021, respectively.

Net HIC OPEB Liability (NOL). The County's net VRS HIC OPEB liability was measured as of June 30, 2021. The total VRS HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Actuarial Assumptions. The total VRS HIC OPEB liability was based on actuarial valuations as of June 30, 2020, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021 as displayed in Illustration 14-9.

Illustration 14-9 County's Virginia Retirement System Retiree Health Insurance Credit (HIC) Program Other Post -Employment Benefits (OPEB) Plan Actuarial Methods and Assumptions	
Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75% net investment expense, including inflation*
Inflation	2.50%
Healthcare Trend Rate	N/A - the benefit is not based on healthcare costs but rather on compensation
General Employees:	
Payroll Growth	3.50%-5.35%, includes inflation
Mortality	
Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retirees Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
Public Safety Employees with Hazardous Duty Benefits:	
Payroll Growth	3.50%-4.75%, includes inflation
Mortality	
Pre-Retirement	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-Retirement	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-Disablement	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
*Administrative expenses as a percent of the fair value of assets for the last experience study were found to be approximately 0.06% of the assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 6.75% to simplify preparation of the OPEB liabilities.	

The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

Changes in Assumptions and Benefit Terms. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Actuarial Assumptions – General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Actuarial Assumptions Public Safety Employees with Hazardous Duty Benefits

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Long-Term Expected Rate of Return. The long-term expected rate of return on the VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in Illustration 14-10.

Illustration 14-10
County's Virginia Retirement System – Retiree Health Insurance Credit (HIC) Program
Other Post-Employment Benefits (OPEB) Plan
Long-Term Expected Rate of Return
For the Year Ended June 30, 2022

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average
Public Equity	34.00%	5.00%	1.70%
Fixed Income	15.00%	0.57%	0.09%
Credit Strategies	14.00%	4.49%	0.63%
Real Assets	14.00%	4.76%	0.67%
Private Equity	14.00%	9.94%	1.39%
MAPS - Multi-Asset Public Strategies	6.00%	3.29%	0.20%
PIP - Private Investment Partnership	3.00%	6.84%	0.21%
Total	100.00%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return *	7.39%

* The above allocation provides a one-year return of 7.39%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.94%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate. The discount rate used to measure the total VRS HIC OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2021, the rates contributed by the entity for the VRS HIC OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2021, on, employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the VRS HIC OPEB fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total VRS HIC OPEB liability.

Changes in Net VRS HIC OPEB Liability. Illustration 14-11 presents the change in the net OPEB liability from June 30, 2020 to June 30, 2021, which is the measurement date for the fiscal year ended June 30, 2022.

Illustration 14-11 County's Virginia Retirement System Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB) Plan Changes in Net OPEB Liability			
	Total OPEB Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net OPEB Liability
Balances on June 30, 2020 for FY 2021	\$ 8,294	3,836	4,458
Changes for the year:			
Service cost	195	-	195
Interest	540	-	540
Changes of assumptions	182	-	182
Differences between expected and actual experience	41	-	41
Contributions - employer	-	523	(523)
Net investment income	-	1,003	(1,003)
Benefit payments, including refund of employee contributions	(591)	(591)	-
Administrative expenses	-	(12)	12
Other costs	-	-	-
Net changes	367	923	(556)
Balances on June 30, 2021 for FY 2022	\$ 8,661	4,759	3,902

Sensitivity of the Net VRS HIC OPEB Liability to Changes in the Discount Rate. Illustration 14-12 presents the County VRS HIC's net OPEB liability measured as of June 30, 2021, for the fiscal year ended June 30, 2022, using the discount rate of 6.75%, as well as the County's net OPEB liability calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

Illustration 14-12 County's Virginia Retirement System Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB) Plan Sensitivity of Net OPEB Liability Discount Rate			
Fiscal Year Ended:	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
June 30, 2022	\$ 4,879	3,902	3,075

Sensitivity of the Net VRS HIC OPEB Liability to Changes in Healthcare Costs. There is no valuation health care cost trend assumption for the VRS HIC Program because the benefit provided to participants is not dependent on medical claims costs, but rather is based on each participant's insurance premiums paid.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VRS Health Insurance Credit Program OPEB. For the year ended June 30, 2022, the County recognized VRS HIC OPEB expense of \$427. On June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to the County VRS HIC OPEB Plan as displayed in Illustration 14-13.

Illustration 14-13 County's Virginia Retirement System Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB) Plan Deferred Outflows and (Inflows) of Resources June 30, 2021		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 246	-
Change in actuarial assumptions	280	53
Net difference between projected and actual earnings on OPEB plan investments	-	482
Employer contributions subsequent to the measurement date	523	-
Total	\$ 1,049	535

\$523 of the reported as VRS HIC's deferred outflows of resources is related to the County's contributions made subsequent to the measurement date and will be recognized as a reduction of the Net VRS HIC's OPEB Liability in the Fiscal Year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VRS HIC OPEB Plan will be recognized in the VRS HIC OPEB expense in future reporting periods displayed in Illustration 14-14.

Illustration 14-14 County's Virginia Retirement System Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB) Plan Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal Year Ending June 30,		
2023	\$	(35)
2024		(33)
2025		(33)
2026		(57)
2027		76
Thereafter		73
Total	\$	(9)

VRS HIC Fiduciary Net Position. Information about the VRS Retiree Health Insurance Credit's Fiduciary Net Position is available in the separately issued VRS 2020 Annual Comprehensive Financial Report (ACFR), which can be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the VRS' Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

B. County's Other Post-Employment Benefits (OPEB) Master Trust Plans

Plan Descriptions and Administration. The Prince William County Other Post-Employment Benefits (OPEB) Master Trust Fund, administered by Prince William County (the County) and the OPEB Master Trust Fund Finance Board (the Trustees), was established by the County Board on June 23, 2009, by Resolution No. 09-544 to provide funding for benefit payments on behalf of retirees and Consolidated Omnibus Budget Reconciliation Act (COBRA) participants. On June 30, 2009, funds were transferred to establish separate trust fund accounts for the four single- employer, defined benefit OPEB plans operating under the OPEB Master Trust:

- Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)
- Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit Plan (County RHICP)
- Prince William County Line of Duty Act Plan (LODA Plan)

The County participates in the County Premium Plan, County RHICP, and LODA Plan. The County Board approves the terms of their participating OPEB Master Trust Plans, and the Trustees administer the activity of the plans. The Trustees are comprised of three members: two finance directors representing the employer and one citizen member. The County does not issue separate stand- alone financial reports for their plans.

Contributions and earnings on the contributions to the OPEB Master Trust are irrevocable and can only be used by the Trust. All OPEB Trust plan assets are dedicated to providing OPEB benefits to plan members in accordance with benefit terms. OPEB plan assets are legally protected from the creditors of the County, Schools and the OPEB Trust Board and are legally protected from creditors of any plan members.

Illustration 14-15 is a summary of the Statement of Fiduciary Net Position of the Master Trust Fund Plans. See the proceeding discussion for further information on each plan.

Illustration 14-15 Prince William County – OPEB Master Trust Fund Statement of Fiduciary Net Positions June 30, 2022					
	County Premium Plan	County RHICP	LODA Plan	School Board Premium Plan	Total OPEB Master Trust
Assets:					
Restricted investments	\$ 21,898	22,898	20,928	48,355	114,079
Total assets	21,898	22,898	20,928	48,355	114,079
Liabilities:					
Accounts payable	1,676	2,196	974	8	4,854
Total liabilities	1,676	2,196	974	8	4,854
Net position:					
Net position restricted for OPEB	20,222	20,702	19,954	48,347	109,225
Total net position	\$ 20,222	20,702	19,954	48,347	109,225

(Amounts expressed in thousands)

Illustration 14-16 is a summary of the Statement of Changes in Fiduciary Net Position of the Master Trust Fund Plans.

Illustration 14-16 Prince William County – OPEB Master Trust Fund Statement of Changes in Fiduciary Net Position For the year ended June 30, 2022						
		County Premium Plan	County RHICP	LODA Plan	School Board Premium Plan	Total OPEB Master Trust
Additions:						
Employer contributions	\$	1,479	2,291	1,830	1,800	7,400
Total contributions		1,479	2,291	1,830	1,800	7,400
Investment income:						
Total investment income (loss)		(3,444)	(2,976)	(3,596)	(7,468)	(17,484)
Less: investment expense		(43)	(37)	(45)	(93)	(218)
Net investment income		(3,487)	(3,013)	(3,641)	(7,561)	(17,702)
Total additions		(2,008)	(722)	(1,811)	(5,761)	(10,302)
Deductions:						
Benefit payments		1,672	2,193	926	-	4,791
Administrative expenses		-	-	-	15	15
Total deductions		1,672	2,193	926	15	4,806
Change in net position:						
Net position, beginning of year		23,902	23,617	22,691	54,123	124,333
Net position, end of year	\$	20,222	20,702	19,954	48,347	109,225

(Amounts expressed in thousands)

Long-Term Expected Rate of Return. All OPEB Master Trust Plans' assets are commingled for investment purposes. However, only the assets for each Plan can be used to pay for the benefits of that specific Plan. The long-term expected rate of return on the County's Premium Plan's investments is derived using an economic building block approach that projects economic and corporate profit growth and takes into consideration the fundamental factors driving long-term real economic growth, expectations for inflation, productivity, and labor force growth. The target asset allocation and best estimate of geometric rates of return for each major asset class are summarized in Illustration 14-17.

Illustration 14-17 Prince William County – OPEB Master Trust Fund Long-Term Expected Rate of Return For the Year Ended June 30, 2022			
Asset Class	Target Allocation	Capital Market Assumptions	Expected Long-term Rate of Return
OPEB Master Trust Fund Investments:			
Domestic Equity	40.0%	7.6%	5.1%
International Developed Equity	15.0%	7.3%	4.8%
International Emerging Markets Equity	5.0%	7.7%	5.2%
Core Bonds	20.0%	3.9%	1.4%
Investment Grade Corporate Debt	10.0%	3.9%	1.4%
Emerging Markets Debt	5.0%	4.9%	2.4%
High Yield	5.0%	5.0%	2.5%
	<u>100.0%</u>		
		Inflation	2.5%
		Long-Term Expected Rate of Return	<u>6.6%</u>

Money Weighted Rate of Return. The annual money-weighted rate of return on OPEB plan investments calculated as the internal rate of return, net of plan investment expenses, is (13.58%) The money-weighted rate of return expresses investment performance, net of investment expenses, and adjusted for the changing amounts actually invested.

1. Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)

Plan Descriptions and Administration. The Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan) covers eligible retired employees and Consolidated Omnibus Budget Reconciliation Act (COBRA) eligible employees of the County, including all departments and agencies. The County Premium Plan provides limited health, dental and vision insurance benefits to eligible retirees and their eligible family members. To receive the subsidy, the participant must be eligible to retire or eligible for COBRA coverage and have coverage under the medical plan prior to termination. All employees who are retiree eligible or COBRA eligible have access to medical coverage. Dependents, including surviving spouses, are permitted access to medical coverage. No access to medical coverage is permitted after age 65. Eligible employees must elect coverage immediately upon retirement. Employees who terminate prior to retirement eligibility are not eligible for the County Premium Plan. Terminated employees can elect COBRA coverage for up to eighteen months if previously enrolled in the County Premium Plan. Terminated plan members and beneficiaries are required to pay 100% of published blended premium rates to the County.

Employees Covered by Benefit Terms. Illustration 14-18 summarizes the membership in the OPEB Master Trust Fund – County Premium Plan as of January 1, 2022, the latest actuarial valuations for the County.

Illustration 14-18 Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan) Plan Membership as of the Valuation Date of January 1, 2022	
Active employees	3,502
Inactive members receiving benefits	209
Total covered members	<u>3,711</u>

Contributions. Contribution requirements are established and may be amended by the County Board at any time via approved resolution. The County Board must provide 30 days' notice to establish new requirements or amend existing requirements including contributions to the Plan per Article X of the Trust Agreement. The County intends to contribute the entire annually actuarially determined contribution and invoices the Plan to recover the claims and administrative costs paid for during the fiscal year.

The County contributed \$1,479 to the OPEB Master Trust's County Premium Plan for the year ended June 30, 2022. The contribution amounts were determined using the actuarial valuations performed as of January 1, 2022 and valuation rolled forward to June 30, 2022. The actuarially determined contribution amount were derived with the expectation of financing costs for members benefits earned during the current fiscal year and include an additional amount to finance any unfunded accrued liability, if needed.

Net County Premium Plan OPEB Liability (NOL). The County's net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of January 1, 2022, using actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

The components of the net position liability for the County Premium Plan of the OPEB Master Trust Fund as of June 30, 2021 are shown in Illustration 14-19.

Illustration 14-19 Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan) Net OPEB Liability					
Fiscal Year Ended		Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Net Position as % of Total OPEB Liability
June 30, 2022	\$	27,990	20,222	7,768	72.25%

Actuarial Assumptions. The total OPEB liability for employees in the County's Premium Plan in the Master Trust Fund was calculated using the actuarial valuation performed as of January 1, 2022, using the Entry Age Normal actuarial cost method and the assumptions displayed in Illustration 14-20, applied to all periods included in the measurement year and rolled forward to the measurement date of June 30, 2022.

Illustration 14-20 Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan) Actuarial Methods and Assumptions	
Valuation Date	January 1, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Projected Payroll, closed
Remaining Amortization Period	16 years
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	6.75%, net of expenses
Inflation	2.50%
Payroll Growth	3.00%
Healthcare Cost Trend Rates	6.0% base; 3.94% ultimate (pre-Medicare); does not provide post-Medicare coverage

Changes in Assumptions and Benefit Terms. Changes to the actuarial assumptions related to the net position liability that was measured as of June 30, 2022 are as follows:

Mortality Rates (Pre-retirement, post- retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. Headcount weighted with Mortality Improvement Scale MP-2021
Long-Term Medical Trend	Updated to the latest model and the Cadillac tax was removed
Disability Rate for Sworn Officers	Increased from 60% to 70%
Discount Rate	Lowered from 7.00% to 6.75%

Discount Rate. The discount rate used to measure the total OPEB liability for the County's Premium Plan was 6.75%. The projection of cash flows used to determine the discount rate assumed that the County intends to contribute the full contribution amount actuarially determined and charge the Trust to recover any payments made for claims, net of retiree and COBRA insured premiums, made by the County during the current fiscal year. Since the Plan's current target allocation is 60% equity and 40% fixed income, the discount rate is realized. The returns presented below are calculated using geometric return projections based on long-term capital market assumptions. As a result, the Trust's fiduciary net position was projected to be available to make all projected benefit payments for eligible members. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net County Premium Plan OPEB Liability. Illustration 14-21 presents the changes in net OPEB liability from June 30, 2021 to June 30, 2022.

Illustration 14-21				
Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)				
Changes in Net OPEB Liability				
		Total OPEB Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net OPEB Liability
Balances on June 30, 2021	\$	27,142	23,902	3,240
Changes for the year:				
Service cost		1,250	-	1,250
Interest		1,849	-	1,849
Differences between expected and actual experience		(280)	-	(280)
Changes in assumptions		(299)	-	(299)
Contributions - employer		-	1,479	(1,479)
Net investment income		-	(3,487)	3,487
Benefit payments, including refund of employee contributions		(1,672)	(1,672)	-
Net changes		848	(3,680)	4,528
Balances on June 30, 2022	\$	27,990	20,222	7,768

Sensitivity of the Net County Premium Plan OPEB Liability to Changes in the Discount Rate. Illustration 14-22 presents the net OPEB liability of the County Premium Plan using the discount rate of 6.75%, as well as the net OPEB liability calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

Illustration 14-22				
Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)				
Sensitivity of Net OPEB Liability to Changes in the Discount Rate				
For the Year Ended June 30, 2022				
		1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
County's Net OPEB liability	\$	10,376	7,768	5,432

Sensitivity of the Net County Premium Plan OPEB Liability to Changes in the Healthcare Cost Trend Rate. Illustration 14-23 presents the net OPEB liability of the County Premium Plan using the current Healthcare Cost Trend Rate of 6.00% base with an 3.94% ultimate Medicare coverage and it is not applicable to post-Medicare coverage as well as the net OPEB liability (asset) calculated using a healthcare cost trend rate that is one percentage point lower (2.94%) and one percentage point higher (4.94%) than the current rate.

Illustration 14-23				
Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)				
Sensitivity of Net OPEB Liability (Asset) to Changes in the Medical Trend Rate				
For the Year Ended June 30, 2022				
		1.00% Decrease (2.94%)	Medical Trend (3.94%)	1.00% Increase (4.94%)
County's Net OPEB Liability	\$	4,677	7,768	11,420

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the County Premium Plan. For the year ended June 30, 2022, the County Premium Plan recognized OPEB expense of \$808. On June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources presented in Illustration 14-24.

Illustration 14-24 Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan) Deferred Outflows and (Inflows) of Resources June 30, 2022		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 930	1,940
Change in actuarial assumptions	-	1,463
Net difference between projected and actual earnings on OPEB plan investments	1,286	-
Total	\$ 2,216	3,403

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in the County Premium Plan's OPEB expense in future reporting periods displayed by Illustration 14-25.

Illustration 14-25 Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan) Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal Year Ending June 30,		
2023	\$	(656)
2024		(625)
2025		(594)
2026		906
2027		(100)
Thereafter		(118)
Total	\$	(1,187)

2. Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Plan

Plan Description and Administration. The Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit Plan (County RHICP) covers eligible employees or former employees of the County including all departments and agencies. The RHICP provides \$0.0055 per month, per year of service (maximum 30 years) paid for life towards the purchase of a medical insurance plan. Disabled employees receive the full 30-year allowance. However, employees disabled in-service, where the County pays the entire cost of insurance, do not receive the subsidy. The medical insurance plan can be the County Premium Plan or any

health plan of the retiree's choosing. To receive the subsidy, the retiree must have 15 years of service with the County and must be receiving a pension payment from the VRS or the County Supplemental Pension Plan. Terminated vested employees are allowed. The health insurance credit cannot be used for spousal coverage. The retirees are granted the option to participate by paying 100% of their monthly health insurance premium towards the County Premium Plan less \$0.0055 times years of service for a maximum health insurance credit rate of \$0.165 from the County.

Employees Covered by Benefit Terms. Illustration 14-26 summarizes the membership in the County RHICP as of January 1, 2022 the latest actuarial valuations for the County.

Illustration 14-26 Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Fund Plan Membership as of the Valuation Date of January 1, 2022	
Active employees	4,320
Inactive members receiving benefits	1,437
Total covered members	<u>5,757</u>

Contributions. Contribution requirements are established and may be amended by the County Board at any time via approved resolution. The County Board must provide 30 days' notice to establish new requirements or amend existing requirements including contributions to the Plan per Article X of the Trust Agreement. The County intends to contribute the entire annually actuarially determined contribution and invoices the Plan to recover the claims and administrative costs paid for during the fiscal year.

The County contributed \$2,291 to the County RHICP for the year ended June 30, 2022. The contribution amounts were determined using the actuarial valuations performed as of January 1, 2022 and rolled forward to June 30, 2022. The actuarially determined contribution amount were derived with the expectation of financing costs for members benefits earned during the current fiscal year and include an additional amount to finance any unfunded accrued liability, if needed.

Net County RHICP OPEB Liability (NOL). The County's net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of January 1, 2022, using actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022. The components of the net OPEB liability for the OPEB Master Trust's County RHICP are shown in Illustration 14-27.

Illustration 14-27					
Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Fund					
Net OPEB Liability					
Fiscal Year Ended		Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Net Position as % of Total OPEB Liability
June 30, 2022		\$ 42,578	20,702	21,876	48.62%

Actuarial Assumptions. The total OPEB liability for employees in the County's RHICP was calculated using the actuarial valuation performed as of January 1, 2022, using the Entry Age Normal actuarial cost method and the assumptions displayed in Illustration 14-28, applied to all periods included in the measurement year and rolled forward to the measurement date of June 30, 2022.

Illustration 14-28 Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Fund Actuarial Methods and Assumptions	
Valuation Date	January 1, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Projected Pay, closed
Remaining Amortization Period	16 years, closed
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	6.75%, net of expenses
Inflation	2.50%
Payroll Growth	3.00%
Healthcare Cost Trend Rates	Not applicable - This Plan does not depend on healthcare cost trend rates.

Changes in Assumptions and Benefit Terms. Changes to the actuarial assumptions related to the net position liability that was measured as of June 30, 2022 are as follows:

Mortality Rates (Pre-retirement, post- retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. Headcount weighted with Mortality Improvement Scale MP-2021
Disability Rate for Sworn Officers	Increased from 60% to 70%
Discount Rate	Lowered from 7.00% to 6.75%

Discount Rate. The discount rate used to measure the total OPEB liability for the County's RHICP was 6.75%. The projection of cash flows used to determine the discount rate assumed that the County intends to contribute the full contribution amount actuarially determined and charge the Trust to recover any payments made for claims, net of retiree and COBRA insured premiums, made by the County during the current fiscal year. Since the Plan's current target allocation is 60% equity and 40% fixed income, the discount rate is realized. The returns presented below are calculated using geometric return projections based on long-term capital market assumptions. As a result, the Trust's fiduciary net position was projected to be available to make all projected benefit payments for eligible members. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Net County RHICP OPEB Liability. Illustration 14-29 presents the changes in net pension liability from June 30, 2021 to June 30, 2022.

Illustration 14-29 Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Fund Changes in Net OPEB Liability			
	Total OPEB Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net OPEB Liability
Balances on June 30, 2021	\$ 38,394	23,618	14,776
Changes for the year:			
Service cost	803	-	803
Interest	2,604	-	2,604
Differences between expected and actual experience	2,577	-	2,577
Changes in assumptions	393	-	393
Contributions - employer	-	2,253	(2,253)
Net investment income	-	(2,976)	2,976
Benefit payments, including refund of employee contributions	(2,193)	(2,193)	-
Net changes	4,184	(2,916)	7,100
Balances on June 30, 2022	\$ 42,578	20,702	21,876

Sensitivity of the Net County RHICP OPEB Liability to Changes in the Discount Rate. Illustration 14-30 presents the net OPEB liability of the County using the discount rate of 6.75%, as well as the County's net OPEB liability calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

Illustration 14-30 Prince William County Post-Employment Medical Benefits Retiree Health Insurance Credit (County RHICP) Fund Sensitivity of Net OPEB Liability to Changes in the Discount Rate For the Year Ended June 30, 2022			
	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
County's Net OPEB Liability	\$ 26,730	21,876	17,786

Sensitivity of the Net County RHICP OPEB Liability to Changes in the Healthcare Cost Trend Rate. There is no valuation health care cost trend assumption for the Prince William County Credit Plan because the benefit provided to participants is not dependent on medical claims costs, but rather is equal to \$5.50 per month per year of service, up to a maximum of 30 years.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the County RHICP. For the year ended June 30, 2022, the County recognized OPEB expense of \$2,437. On June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources displayed in Illustration 14-31.

Illustration 14-31 Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Fund Deferred Outflows and (Inflows) of Resources June 30, 2022			
		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	2,801	254
Change in actuarial assumptions		344	566
Net difference between projected and actual earnings on OPEB plan investments		1,775	-
Total	\$	<u>4,920</u>	<u>820</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in the County RHICP's OPEB expense in future reporting periods as shown in Illustration 14-32.

Illustration 14-32 Prince William County Post-Employment Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Fund Amortization of Deferred Outflows and (inflows) of Resources			
Fiscal Year Ending June 30,			
2023	\$		601
2024			574
2025			541
2026			1,286
2027			378
Thereafter			720
Total	\$		<u>4,100</u>

3. Prince William County Line of Duty Act (LODA) Plan

Plan Descriptions and Administration. The County's Line of Duty Act (LODA) is authorized by the Code of Virginia §9.1-400 et seq. On June 5, 2012, the Board of County Supervisors authorized Resolution No. 12-588, pursuant to paragraph B2 of Item 258 of the Commonwealth Appropriations Act, to make an irrevocable election not to participate in the Commonwealth Line of Duty Act Fund on July 1, 2012. The County has assumed all responsibility for existing, pending or prospective claims for benefits approved and associated administrative costs made by the State Comptroller on behalf of Prince William County. On June 17, 2014, the Board of County Supervisors authorized Resolution No. 14-391 establishing the Line of Duty Act sub-account to fund covered employees and authorized annual contributions to the OPEB Master Trust Fund. The beginning liability for fiscal year 2014 was also transferred to the OPEB Master Trust Fund.

The County LODA Plan provides death, disability and healthcare benefits for public safety employees and volunteer firefighters who hold specified hazardous duty positions and who die or who become permanently disabled in the line of duty. The LODA Plan includes a \$100 life insurance benefit for death occurring as a direct or proximate result of duties, a \$25 death benefit for death by presumptive clause within five years of retirement, and lifetime medical benefits for the disabled employee and their surviving spouse with certified children covered to age 26, comparable to the medical coverage held by the deceased or disabled employee or volunteer at the time of the qualifying incident.

To be eligible to receive LODA benefits, the disabled or deceased employee or volunteer must be certified by the Virginia Department of Human Resource Management. To be eligible for the healthcare benefit portion of the plan, the employee or volunteer must subscribe to healthcare coverage under a medical plan prior to the date of incident. Eligible employees and/or family members are enrolled in a state-sponsored group healthcare plan or reimbursed for their healthcare premiums. Surviving spouses who remarry or children who marry and have access to other medical insurance coverage are no longer eligible for the healthcare benefits under the LODA Plan.

Certified LODA retirees and their beneficiaries are required to pay 0% of the Commonwealth premium rate state sponsored group healthcare plans. County employees covered by benefit terms. Illustration 14-39 summarizes the membership in the OPEB Master Trust Fund – County LODA Plan as of January 1, 2020, the latest actuarial valuations for the County.

Employees Covered by Benefit Terms. Illustration 14-33 summarizes the membership in the OPEB Master Trust Fund – County LODA Plan as of January 1, 2022 the latest actuarial valuations for the County.

Illustration 14-33 Prince William County Line of Duty Act (LODA) Trust Fund Plan Plan Membership as of the Valuation Date of January 1, 2022	
Active employees	2,308
Inactive members receiving benefits	45
Total covered members	<u>2,353</u>

Contributions. Contribution requirements are established and may be amended by the County Board at any time via approved resolution. The County Board must provide 30 days' notice to establish new requirements or amend existing requirements including contributions to the Plan per Article X of the Trust Agreement. The County intends to contribute the entire annually actuarially determined contribution and invoices the LODA Plan to recover the premiums, life insurance payout and administrative costs paid for during the fiscal year.

The County contributed \$1,830 to the LODA Plan for the year ended June 30, 2022. The contribution amounts were determined using the actuarial valuations performed as of January 1, 2022 and valuation rolled forward to June 30, 2022. The actuarially determined contribution amount were derived with the expectation of financing costs for members benefits earned during the current fiscal year and include an additional amount to finance any unfunded accrued liability, if needed.

Net OPEB Liability (Asset). The County's net OPEB liability (asset) was measured as of June 30, 2022. The total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation performed as of January 1, 2022, using actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Illustration 14-34 shows the net OPEB liability (asset) for the OPEB Master Trust's County LODA Plan was measured as of June 30, 2022.

Illustration 14-34 Prince William County Line of Duty Act (LODA) Trust Fund Plan Net OPEB Liability (Asset)					
Fiscal Year Ended:		Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)	Net Position as % of Total OPEB Liability (Asset)
June 30, 2022	\$	19,724	19,954	(230)	101.17%

Actuarial Assumptions. The total OPEB liability for employees in the County's LODA Plan was calculated using the actuarial valuation performed as of January 1, 2022, using the Entry Age Normal actuarial cost method and the assumptions displayed in Illustration 14-35, applied to all periods included in the measurement year and rolled forward to the measurement date of June 30, 2022.

Illustration 14-35
Prince William County Line of Duty Act (LODA) Trust Fund Plan
Actuarial Methods and Assumptions

Valuation Date	January 1, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Projected Pay, closed
Remaining Amortization Period	21 years, closed
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	6.75%, net of expenses
Inflation	2.50%
Payroll Growth	3.50%
Healthcare Cost Trend Rates	6.0% base; 3.94% ultimate (pre-Medicare); Virginia LODA and Medicare Part B coverage

Changes in Assumptions and Benefit Terms. Changes to the actuarial assumptions related to the net position liability that was measured as of June 30, 2022 are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. Headcount weighted with Mortality Improvement Scale MP-2021
Long-Term Medical Trend	Updated to the most recent model released by the Society of Actuaries (SOA); SOA Model 2022
Discount Rate	Lowered from 7.00% to 6.75%

Discount Rate. The discount rate used to measure the total OPEB liability for the County's LODA Plan was 6.75%. The projection of cash flows used to determine the discount rate assumed that the County intends to contribute the full contribution amount actuarially determined and charge the Trust to recover any payments made for claims, net of retiree and COBRA insured premiums, made by the County during the current fiscal year. Since the Plan's current target allocation is 60% equity and 40% fixed income, the discount rate is realized. The returns presented below are calculated using geometric return projections based on long-term capital market assumptions. As a result, the Trust's fiduciary net position was projected to be available to make all projected benefit payments for eligible members. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Net LODA OPEB Asset (NOA). Illustration 14-36 presents the changes in net pension liability (asset) from June 30, 2021 to June 30, 2022.

Illustration 14-36 Prince William County Line of Duty Act (LODA) Trust Fund Plan Changes in Net OPEB Liability (Asset)			
	Total OPEB Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net OPEB Liability (Asset)
Balances on June 30, 2021	\$ 17,837	22,691	(4,854)
Changes for the year:			
Service cost	1,795	-	1,795
Interest	1,213	-	1,213
Differences between expected and actual experience	(1,317)	-	(1,317)
Changes in assumptions	1,122	-	1,122
Contributions - employer	-	1,830	(1,830)
Net investment income	-	(3,641)	3,641
Benefit payments, including refund of employee contributions	(926)	(926)	-
Net changes	1,887	(2,737)	4,624
Balances on June 30, 2022	\$ 19,724	19,954	(230)

Sensitivity of the Net LODA OPEB Liability (Asset) to Changes in the Discount Rate. Illustration 14-37 presents the net OPEB liability (asset) of the County LODA Plan using the discount rate of 6.75%, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

Illustration 14-37 Prince William County Line of Duty Act (LODA) Trust Fund Plan Sensitivity of Net OPEB Liability (Asset) to Changes in the Discount Rate For the Year Ended June 30, 2022			
	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
County's Net OPEB Liability (Asset)	\$ 2,008	(230)	(2,111)

Sensitivity of the Net LODA OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate. Illustration 14-38 presents the net OPEB liability (asset) of the County LODA plan using the current Healthcare Cost Trend Rate of 6.00% base with 3.94% ultimate, Virginia LODA premiums and the Medicare B premiums, as well as the net OPEB liability (asset) calculated using a healthcare cost trend rate that is one percentage point lower (2.94%) and one percentage point higher (4.94%) than the current rate.

Illustration 14-38 Prince William County Line of Duty Act Plan (LODA Plan) Sensitivity of Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate For the Year Ended June 30, 2022			
	1.00% Decrease (2.94%)	Current Discount Rate (3.94%)	1.00% Increase (4.94%)
County's Net OPEB (Asset) Liability	\$ (3,058)	(230)	3,238

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA Plan. For the year ended June 30, 2022, the County recognized OPEB expense of \$1,340. On June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources displayed in Illustration 14-39.

Illustration 14-39 Prince William County Line of Duty Act (LODA) Trust Fund Plan Deferred Outflows and (Inflows) of Resources June 30, 2022		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 529	5,776
Change in actuarial assumptions	2,025	-
Net difference between projected and actual earnings on OPEB plan investments	1,772	-
Total	\$ 4,326	5,776

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in the County LODA Plan's OPEB expense in future reporting periods as shown in Illustration 14-40.

Illustration 14-40 Prince William County Line of Duty Act (LODA) Trust Fund Plan Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal Year Ending June 30,		
2023	\$	(90)
2024		(59)
2025		(33)
2026		724
2027		(307)
Thereafter		(1,685)
Total	\$	(1,450)

C. Prince William County School Board's (Schools') Other Post-Employment (OPEB) Plans

Prince William County Schools, a component unit of the County, maintains three OBB Plans; two Virginia Retirement (VRS) plans, and one plan that participates in the OPEB Master Trust Fund:

- VRS Group Life Insurance Program (GLI)
- VRS Health Insurance Credit Program (HIC)
- OPEB Master Trust Plan
 - Prince William County Public Schools Retiree Medical Program (Master Trust – School Board Premium Plan)

The aggregate amount of net OPEB liability (asset), related deferred outflows of resources and deferred inflows of resources, and OPEB expense for the Schools' OPEB plans are summarized in Illustration 14-41 below.

Illustration 14-41 Prince William County School Board's (Schools) Other Post-Employment Benefit (OPEB) Plans Net OPEB Liability (Asset) and Related Amounts				
MEASUREMENT DATE 6/30/2020	Net OPEB Liability (Asset)	Deferred Outflow of Resources	Deferred Inflows of Resources	OPEB Expense/ (Income)
VRS Group Life Insurance Program	\$ 37,971	12,028	14,808	2,016
VRS Health Insurance Credit				
Non-Professional Group	524	183	345	41
Professional Group	88,643	13,893	3,594	7,812
Total VRS Health Insurance Credit	89,167	14,076	3,939	7,853
Total OPEB – Schools Funded	\$ 127,138	26,104	18,747	9,869
School Board Premium Plan	\$ (14,331)	3,715	32,883	(5,378)

Prince William County Schools Board's (Schools) Virginia Retirement System (VRS) – Other Post-Employment Benefit (OPEB) Plans

1. School Board's (Schools') Virginia Retirement Systems (VRS) – General Life Insurance (GLI) Program

Plan Description and Administration. Schools participates in the VRS GLI Program to provide other postemployment benefits to eligible retired employees. The VRS GLI program is a multiple employer, cost-sharing, defined benefit plan. The GLI program was established pursuant to § 51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. It provides a basic group life insurance benefit for eligible employees.

All full-time, salaried permanent Schools employees are automatically covered by the VRS Group Life Insurance Program upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.

In addition to the Basic Group Life Insurance benefit, Schools employees are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For Schools employees who elect the optional group life insurance coverage, the insurer bills Schools directly for the premiums. Schools deducts these premiums from employees' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the VRS GLI Program OPEB.

Benefits Provided. The benefits payable under the GLI program have several components. (1) Natural Death Benefit, which is equal to the employee's covered compensation rounded to the next highest thousand and then doubled; (2) Accidental Death Benefit, which is double the natural death benefit; or (3) Other Benefit Provisions, which include accidental dismemberment benefit, safety belt benefit, repatriation benefit, felonious assault benefit and accelerated death benefit option.

Reduction in Benefits Provided. The benefit amounts provided to members covered under the GLI program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum Benefit Amount and COLA. For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI program. The minimum benefit was set at \$8 by statute in 2015. This amount is increased annually based on the

(Amounts expressed in thousands)

VRS Plan 2 cost-of-living adjustment and is currently \$8.7 as of June 30, 2022.

Contributions. The contribution requirements for Schools' GLI program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to Schools by the Virginia General Assembly. The total rate for the GLI program was 1.34% of covered employee compensation. This was allocated into an employee and employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all the employer contribution. Schools has elected to pay the employee share. Schools' contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from Schools to the VRS GLI program were \$3,817 and \$3,636 for the years ended June 30, 2022 and June 30, 2021, respectively.

Actuarial Assumptions, Long-Term Expected Return and Discount Rate. The actuarial assumptions and mortality rates, long-term expected return and discount rate used by VRS employee GLI program are the same as those used by VRS pension plan for General Employees in the non-professional and professional group.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB. At June 30, 2022, Schools reported a liability of \$37,971 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2021 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. Schools' proportion of the net GLI OPEB liability was based on Schools' actuarially determined employer contributions to the VRS GLI program for the year ended June 30, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2021, Schools' proportion for the professional and non-professional groups, respectively, was 2.97% and 0.29% as compared to 2.90% and 0.30% on June 30, 2020.

For the year ended June 30, 2022, Schools recognized GLI OPEB expense of \$2,016. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

On June 30, 2022, Schools reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources displayed in Illustration 14-42.

Illustration 14-42 School Board's (Schools) Virginia Retirement System (VRS) – Group Life Insurance (GLI) Plan Deferred Outflows and (Inflows) of Resources June 30, 2022		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,331	289
Change in actuarial assumptions	2,093	5,195
Net difference between projected and actual earnings on OPEB plan investments	-	9,063
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,787	261
Employer contributions subsequent to the measurement date	3,817	-
Total	\$ 12,028	14,808

\$3,817 reported as deferred outflow of resources related to the GLI OPEB resulting from Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in the future reporting periods displayed in Illustration 14-43.

Illustration 14-43 School Board's (Schools) Virginia Retirement System (VRS) –Group Life Insurance (GLI) Plan Amortization of Deferred Outflows and (Inflows) of Resources			
Fiscal Year Ending June 30,			
2023	\$		(1,411)
2024			(1,091)
2025			(1,204)
2026			(2,543)
2027			(348)
Total	\$		<u>(6,597)</u>

Sensitivity of the Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate. The following presents Schools' proportionate share of the VRS GLI program net OPEB liability using the discount rate of 6.75%, as well as the Schools' proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate displayed in Illustrations 14-44 and 14-45.

Illustration 14-44				
School Board's (Schools) Virginia Retirement System (VRS) – Group Life Insurance (GLI) Plan - Non-Professional Group				
Sensitivity of Net OPEB Liability to Changes in the Discount Rate				
June 30, 2022				
		1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Proportionate share of the VRS HIC				
OPEB Plan Net – GLI OPEB Liability	\$	4,994	3,418	2,145

Illustration 14-45				
School Board's (Schools) Virginia Retirement System (VRS) – Group Life Insurance (GLI) Plan - For Professional				
Sensitivity of Net OPEB Liability to Changes in the Discount Rate				
June 30, 2022				
		1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Proportionate share of the VRS HIC				
OPEB Plan Net – GLI OPEB Liability	\$	50,483	34,553	21,689

GLI Fiduciary Net Position. Detailed information about Schools' VRS HIC program's Fiduciary Net Position is available in the separately issued VRS Annual Comprehensive Financial Report (ACFR). A copy of the 2021 VRS ACFR may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the VRS' Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

2. Schools' Virginia Retirement Systems (VRS) – Health Insurance Credit (HIC) Program

Plan Description and Administration. Schools participates in the VRS HIC Program to provide other post-employment benefits to eligible retired employees. The VRS Teacher (professional) Employee HIC program is a multi-employer, cost-sharing plan, defined benefit plan. The VRS Prince William County Schools (non-professional) Employee HIC program is an agent, multi-employer, defined benefit plan. The HIC program provides a credit toward the cost of health insurance coverage for retired professional and non-professional employees.

The HIC program was established pursuant to §51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of public-school divisions are automatically covered by the VRS Teacher Employee HIC program. All full-time, salaried permanent (non-professional) employees of Schools are automatically covered by the VRS Prince William County Schools HIC program upon employment. These plans are administered by VRS. Members earn one month of service credit toward the benefit for each month they are employed and for which Schools pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

Benefits Provided. For professional employees who retire, the monthly benefit is \$0.004 per year of service per month with no cap on the benefit amount. For professional employees who retire on disability or go on long-term disability under the Virginia Long-term Disability Program (VLDP), the monthly benefit is either: (a) \$0.004 per month, multiplied by twice the amount of service credit, or (b) \$0.004 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower. For eligible non-professional employees who retire, the monthly benefit is \$0.0015 per year of service per month with a maximum benefit of \$0.045 per month. For eligible non-professional employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is \$0.045 per month.

The monthly HIC benefit cannot exceed the individual premium amount. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

Contributions – Non-Professional Group. The contribution requirement for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted because of funding provided to Schools by the Virginia General Assembly. The non-professional group's contractually required contribution rate for the year ended June 30, 2021 was 0.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from Schools to the VRS HIC program for the non-professional group were \$130 and \$126 for the years ended June 30, 2022 and June 30, 2021, respectively.

Contributions – Professional Group. The contribution requirement for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted because of funding provided to Schools by the Virginia General Assembly. Schools' contractually required employer contribution rate for the year ended June 30, 2021 was 1.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from Schools to the VRS HIC program for the professional group were \$7,705 and \$7,326 for the years ended June 30, 2022 and June 30, 2021, respectively.

Actuarial Assumptions, Long-Term Expected Rate of Return and Discount Rate. The actuarial assumptions and mortality rates, long-term expected return and discount rate used by VRS employee HIC program are the same as those used by VRS pension plan for General Employees in the non-professional and professional group.

Net VRS HIC OPEB Liability. Schools' proportion of the net VRS HIC program OPEB liability was based on the Schools actuarially determined employer contributions to the VRS HIC program OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2021, Schools' proportion of the VRS HIC program for professional group was 6.91% as compared to 6.78% on June 30, 2020.

Non-Professional Group:

Net VRS HIC OPEB Liability– Non-Professional Group. On June 30, 2022, the non-professional group reported a liability of \$524 for its proportionate share of the VRS HIC program net OPEB liability. The non-professional HIC program OPEB liability was measured as of June 30, 2021. The total non-professional HIC program OPEB liability used to calculate the net non-professional HIC program OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

Changes in Net VRS HIC OPEB Liability – Non-Professional Group. Illustration 14-46 present the change in the net OPEB liability from June 30, 2020 to June 30, 2021, which is the measurement date for June 30, 2022.

Illustration 14-46 School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan Non-Professional Groups Changes in Net OPEB Liability			
	Total OPEB Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net OPEB Liability
Balances on June 30, 2020 for FY 2021	\$ 2,621	1,737	884
Changes for the year:			
Service cost	68	-	68
Interest	172	-	172
Changes of assumptions	23	-	23
Differences between expected and actual experience	(44)	-	(44)
Contributions - employer	-	131	(131)
Net investment income	-	454	(454)
Benefit payments, including refund of employee contributions	(135)	(135)	-
Administrative expenses	-	(6)	6
Net changes	84	444	(360)
Balances on June 30, 2021 for FY 2022	\$ 2,705	2,181	524

Sensitivity of Net VRS HIC OPEB Liability to Changes in the Discount Rate – Non-Professional Group. Illustration 14-47 presents the VRS HIC program net OPEB liability of the non-professional group measured as of June 30, 2021, for the fiscal year ended June 30, 2022, using the discount rate of 6.75%, as well as the non-professional group's net HIC OPEB liability calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

Illustration 14-47 School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Non-Professional Groups Sensitivity of Net OPEB Liability to Changes in the Discount Rate June 30, 2022			
	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Proportionate share of the VRS HIC OPEB Plan Net HIC OPEB liability	\$ 848	524	251

Illustration 14-48 present the professional's group proportionate share of the VRS HIC program net liability measured as of June 30, 2020, for the fiscal year ended June 30, 2021, using the discount rate of 6.75%, as well as the professional group's proportionate share of the net HIC OPEB liability calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

Illustration 14-48				
School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Professional Groups				
Sensitivity of Net OPEB Liability to Changes in the Discount Rate				
June 30, 2022				
		1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Proportionate share of the VRS HIC OPEB Plan Net HIC OPEB liability	\$	99,787	88,643	79,212

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VRS Health Insurance Credit Program OPEB. – Non-Professional Group. For the year ended June 30, 2022, Schools recognized VRS HIC program OPEB expense of \$41 for the non-professional group. On June 30, 2022, Schools reported deferred outflows of resources and deferred inflows of resources related to the VRS HIC program OPEB for the non-professional group from the sources displayed in Illustration 14-49.

Illustration 14-49 School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan –Non-Professional Groups Deferred Outflows and (Inflows) of Resources June 30, 2022			
		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	111
Change in actuarial assumptions		53	16
Net difference between projected and actual earnings on HIC OPEB plan investments		-	218
Employer contributions subsequent to the measurement date		130	-
Total	\$	183	345

\$130 reported as deferred outflows of resources related to the non-professional group HIC OPEB resulting from Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net non-professional group HIC OPEB liability in the fiscal year ending June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the non-professional group HIC OPEB will be recognized in the OPEB expense in the future reporting periods shown in Illustration 14-50.

Illustration 14-50 School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Non-Professional Groups Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal Year Ending June 30,		
2023	\$	(76)
2024		(70)
2025		(62)
2026		(77)
2027		(6)
Thereafter		(1)
Total	\$	<u>(292)</u>

Professional Group:

On June 30, 2022, the professional group reported a liability of \$88,643 for its proportionate share of the VRS HIC program net OPEB liability. The net VRS HIC program OPEB liability was measured as of June 30, 2021 and the total VRS HIC program OPEB liability used to calculate the net VRS HIC program OPEB liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VRS Health Insurance Credit Program OPEB. – Professional Group. For the year ended June 30, 2022, Schools recognized VRS HIC program OPEB expense of \$7,812 for the professional group. On June 30, 2022, Schools reported deferred outflows of resources and deferred inflows of resources related to the Schools' VRS HIC OPEB program for the professional group from the sources displayed in Illustration 14-51.

Illustration 14-51 School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Professional Groups Deferred Outflows and (Inflows) of Resources June 30, 2022		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	1,547
Change in actuarial assumptions	2,396	356
Net difference between projected and actual earnings on HIC OPEB plan investments	-	1,168
Employer contributions and proportionate share of Contributions	3,792	523
Employer contributions subsequent to the measurement date	7,705	-
Total	\$ <u>13,893</u>	<u>3,594</u>

\$7,705 reported as deferred outflow of resources related to Schools' VRS HIC OPEB program for the professional resulting from Schools' contribution subsequent to the measurement date will be recognized as a reduction of the net professional group HIC OPEB liability in the fiscal year ending June 30, 2022.

Other amounts reported as deferred outflow of resources and the deferred inflow of resources related to Schools' VRS HIC OPEB program for the professional group will be recognized in the OPEB expense in the future reporting periods displayed in illustration 14-52.

Illustration 14-52 School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Professional Groups Amortization of Deferred Outflows and (Inflows) of Resources			
Fiscal Year Ending June 30,			
2023		\$	484
2024			470
2025			451
2026			294
2027			513
Thereafter			382
Total		\$	<u>2,594</u>

VRS HIC Fiduciary Net Position. Detailed information about Schools' VRS HIC program's Fiduciary Net Position is available in the separately issued VRS Annual Comprehensive Financial Report (ACFR). A copy of the 2021 VRS ACFR may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2021-annual-report.pdf>, or by writing to the VRS' Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

Prince William County School Board (Schools) – Other Post-Employment Benefits (OPEB) Master Trust Fund Plans

3. School Board Premium Plan

Plan Description and Administration. Schools contributes to the Prince William County OPEB Master Trust Fund in the School Boards Premium Plan, an agent multiple- employer defined benefit post-employment benefits trust fund administered by the County. As such, it is reported in accordance with GASB Statement 74.

The OPEB Master Trust is not a part of the Schools reporting entity and does not issue stand-alone financial statements. The OPEB Master Trust is part of the County's reporting entity and the County issues a publicly available ACFR that includes financial statements and RSI for the OPEB Master Trust. A copy of that report may be obtained by writing Prince William County at 1 County Complex Court, Prince William, Virginia 22192 or download from the County's website at <https://www.pwcva.gov/departments/finance/finance-and-revenue>.

All OPEB Master Trust Plans' assets are aggregated together for investment purposes. Please refer to the previous discussion in footnote 14, section B and Illustration 14-15 for overall OPEB Master Trust Plans' information, such as, long-term expected rate of return and annual money-weighted rate of return.

Contributions. The Schools' actuarially determined contribution amount for the year ended June 30, 2022, was \$3,714. This rate was based on an actuarially determined rate from an actuarial valuation as of July 1, 2022. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Schools into the OPEB Master Trust Fund were \$1,800 for both of the years ended June 30, 2022, and June 30, 2021, respectively. Additional information about Schools net benefits paid for the year ended June 30, 2022 are in Illustrations 14-16.

Net School Board Premium Plan OPEB Liability (Asset). The Schools' net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability (asset) used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021.

Illustration 14-53 Schools Board (Schools) Other Post-Employment Benefits (OPEB) Master Trust Fund Plans – School Board Premium Plan Net OPEB Liability / (Asset)					
Fiscal Year Ended:		Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability / (Asset)	Net Position as % of Total OPEB Liability / (Asset)
June 30, 2022	\$	39,388	48,347	(8,959)	122.7%

(Amounts expressed in thousands)

Sensitivity of the Net Premium Plan OPEB Liability (Asset) to Changes in the Discount Rate. Illustration 14-54 represents the net OPEB liability (asset) measured calculated using a discount rate of 6.75%, as well as the net OPEB liability (asset) calculated using a discount rate one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

Illustration 14-54 School Board (Schools) Other Post-Employment Benefits (OPEB) Master Trust Fund Plans – School Board Premium Plan Sensitivity of Net OPEB Liability / (Asset) to Changes in the Discount Rate			
	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Net OPEB Liability / (Asset) \$	(6,292)	(8,959)	(11,471)

Sensitivity of the Net School Board Premium Plan OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate. Illustration 14-55 represents the total and net OPEB liability (asset) calculated using the stated health care cost trend assumption, as well as the OPEB liability (asset) calculated using a healthcare cost trend rate of 3.94% as well as the net OPEB liability (asset) calculated using a discount rate of one percentage point lower (2.94%) and one percentage point higher (4.94%) than the assumed rate.

Illustration 14-55 School Board (Schools) Other Post-Employment Benefits (OPEB) Master Trust Fund Plans – School Board Premium Plan Sensitivity of Net OPEB Liability / (Asset) to Changes in the Healthcare Cost Trend Rate			
	1.00% Decrease (2.94%)	Current Discount Rate (3.94%)	1.00% Increase (4.94%)
Net OPEB Liability (Asset) \$	(12,642)	(8,959)	(4,774)

4. Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan (RHIPP)

Plan Description and Administration. Other post-employment benefits provided by Schools include a single employer defined benefit self-insurance medical plan and a retiree health insurance premium contribution plan that cover retirees until they reach 65 years of age. There is no coverage for retirees or their spouses once they attain age 65. Both plans were established under the authority of the School Board. Any amendments to the plans must be approved by the School Board.

The Schools' single-employer self-insurance medical plan allows retirees under age 65 to remain in the same medical and dental plan as active employees. Eligible retirees have the option to exchange their accrued, unused sick leave for a School Board contribution to offset the cost of the Schools health insurance premiums in retirement. The retiring employee must be between the ages of 55 and 65, have a minimum of 125 days of accrued sick leave, be currently enrolled in the Schools group health insurance plan, and meet the service requirements to participate in Schools' Retirement Opportunity Program.

The School Board will pay between 25 to 100 percent of the amount contributed by retirees who enrolled in the school division's post-retirement medical plan depending on the number of sick leave days exchanged. The plan became effective on July 1, 2000.

Employees Covered by Benefit Terms. Illustration 14-56 summarizes the membership in the OPEB Master Trust Fund – School Board Premium Plan as of July 1, 2020, the latest actuarial valuation.

Illustration 14-56 Prince William County Schools Board (Schools) - Retiree Health Insurance Premium Plan Plan Membership as of the Valuation Date of July 1, 2020	
Active employees	6,739
Inactive members receiving benefits	270
Total covered members	<u>7,009</u>

Contributions. Post-employment healthcare expenses, depending on the number of sick leave days exchanged, are made from the Health Insurance Fund, which is maintained on the full accrual basis of accounting. The School Board establishes employer contribution rates for plan participants and determines how the plan will be funded as part of the budgetary process each year. Retirees pay the full budgeted rates for coverage under the medical plan. Schools currently pays benefits on a pay-as-you-go basis and contributed \$1,800 to Schools' OPEB Master Trust Fund – School Board Premium Plan to fund the current year liability. For the year ended June 30, 2022, plan members received \$4,382 in benefits and contributed \$2,468 in premiums, resulting in net benefits paid by Schools of \$1,914.

Actuarial Assumptions. The Schools' total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement, unless otherwise specified in Illustration 14-57.

Illustration 14-57 Prince William County School Board (Schools) - Retiree Health Insurance Premium Plan Actuarial Methods and Assumptions													
Valuation date	July 1, 2020												
Measurement date	June 30, 2021												
Actuarial cost method	Entry Age Normal												
Asset valuation method	Fair value of assets, assets were assumed to earn 7.00% per annum												
Payroll growth	3.00% per year-used in level percentage of pay amortization												
Subsidy rate	It is assumed that all retirees will receive a 30.00% subsidy. This is based on the average of all current subsidies, and not an actual subsidy option.												
Medical trend	The medical trend assumption is based on a model developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The SOA Model was released in October 2010 and updated in September 2019. We have a blended medical trend rate of 2.00% using the following baseline assumptions were used as input variables into a model:												
	<table> <tr> <td>Rate of Inflation</td><td>2.5%</td></tr> <tr> <td>Rate of Growth in real income / GDP per capita</td><td>1.5%</td></tr> <tr> <td>Extra Trend due to Technology and other factors</td><td>1.1%</td></tr> <tr> <td>Expected Health Share of GDP in 2019</td><td>20.0%</td></tr> <tr> <td>Health Share of GDP Resistance Point</td><td>25.0%</td></tr> <tr> <td>Year of Limiting Cost Growth to GDP Growth</td><td>2075</td></tr> </table>	Rate of Inflation	2.5%	Rate of Growth in real income / GDP per capita	1.5%	Extra Trend due to Technology and other factors	1.1%	Expected Health Share of GDP in 2019	20.0%	Health Share of GDP Resistance Point	25.0%	Year of Limiting Cost Growth to GDP Growth	2075
Rate of Inflation	2.5%												
Rate of Growth in real income / GDP per capita	1.5%												
Extra Trend due to Technology and other factors	1.1%												
Expected Health Share of GDP in 2019	20.0%												
Health Share of GDP Resistance Point	25.0%												
Year of Limiting Cost Growth to GDP Growth	2075												
Discount rate / Investment rate of return	7.00% per annum. Because the plan's assets are currently 65.00% of the liabilities, and Schools intends to continue to contribute, the long-term expected rate of return on assets of 7.00% can be used as the discount rate.												

Illustration 14-57 (con't)
Prince William County School Board (Schools) - Retiree Health Insurance Premium Plan
Actuarial Methods and Assumptions

Coverage status and age of spouse	Active employees that currently have coverage: 35.00% are assumed to continue coverage in retirement. Females are assumed to be 3 years younger than male spouse. Of active employees electing retirement health coverage 25.00% are assumed to have spousal or family coverage. Of these 25.00% with spouse or family coverage, approximately 75.00% are assumed to have retiree and spouse and 25.00% have family coverage. Employees currently waiving coverage are assumed to continue to waive coverage in retirement.
Professional / Non-Professional	It is assumed that 80.00% of actives are professionals and 20.00% are non-professionals. This is used to determine the subsidy, since the active subsidy is different for professionals and non-professionals.
Amortization method	Unfunded (Surplus) liabilities are amortized using level percentage of projected pay.
Amortization period	The amortization period is closed and equals 27 years as of June 30, 2021.
Decrement assumptions	VRS Termination Rates for Teachers
Mortality assumption	None – not material, since benefits end at 65.

Claims assumptions:

The three Anthem plans are self-insured. To determine the assumed cost and the retiree contributions, we weighted the FY 2020 premium rates by the current enrollment. Gross claims are equal to the age adjusted assumed cost. The results were increased by a load of 1.25 so that the 2020 retiree portion of premiums would equal the expected FY 2020 retiree paid claims. The resulting average per age 65 claims were age adjusted. The chart below shows the current cost broken down between the published per capita cost (i.e., the blended rates) and the hidden subsidy.

Total Costs (per annum)	FYE 2022	
	Single	Family
1. Assumed Costs (Explicit costs)		
a. Pre-Medicare	\$8,351	\$18,595
2. Total Medicare Costs (including prescription drugs)		
a. Under 50	\$8,917	\$19,854
b. Age 50-54	\$11,099	\$24,713
c. Age 55-59	\$13,663	\$30,423
d. Age 60-64	\$16,778	\$37,358

Net RHICP OPEB Liability / (Asset). Schools' net OPEB liability / (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability / (asset) was determined by an actuarial valuation as of July 1, 2020.

Illustration 14-58 Prince William County School Board (Schools) - Retiree Health Insurance Premium Plan Net OPEB Liability / (Asset)					
Fiscal Year Ended:		Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability / (Asset)	Net Position as % of Total OPEB Liability / Asset
June 30, 2022	\$	39,793	54,124	(14,331)	136.01%

Illustration 14-59 presents the change in net OPEB liability (asset) from June 30 2020 to June 30, 2021, which is the measurement date for the fiscal year ended June 30, 2022.

Illustration 14-59 Prince William County School Board (Schools) - Retiree Health Insurance Premium Plan Changes in Net OPEB Liability / (Asset)				
		Total OPEB Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net OPEB Liability / (Asset)
Balances on June 30, 2020 for FY 2021	\$	38,601	41,603	(3,002)
Changes for the year:				
Service cost		2,152	-	2,152
Interest		2,578	-	2,578
Differences between expected and actual experience		(1,782)	-	(1,782)
Contributions - employer		-	3,556	(3,556)
Net investment income		-	10,721	(10,721)
Changes in Assumptions		-	-	-
Benefit payments, including refund of employee contributions		(1,756)	(1,756)	-
Administrative expenses		-	-	-
Net changes		1,192	12,521	(11,329)
Balances on June 30, 2021 for FY 2022	\$	39,793	54,124	(14,331)

Sensitivity of the RHIPP OPEB Liability (Asset) to Changes in the Discount Rate. Illustration 14-60 represents the net OPEB liability / (asset) measured as of June 30, 2020, for the fiscal year ended June 30, 2021, using the discount rate of 7.00% calculated using the discount rate of 7.00%, as well as what the net OPEB liability / (asset) calculated using a discount rate that is one percentage point lower (6.00%) and one percentage point higher (8.00%) than the current rate.

Illustration 14-60 Prince William County School Board (Schools) - Retiree Health Insurance Premium Plan Sensitivity of Net OPEB Liability / (Asset) to Changes in the Discount Rate				
		1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Net OPEB Liability (Asset)	\$	(11,376)	(14,331)	(17,049)

Sensitivity of the RHIPP OPEB Liability / (Asset) to Changes in the Healthcare Cost Trend Rate. Illustration 14-61 represents the total and net OPEB liability / (asset) calculated using the stated health care cost trend assumption of 4.00%, as well as the net OPEB liability / (asset) calculated using a healthcare cost trend rate that is one percentage point lower (3.00%) or one percentage point higher (5.00%) than the assumed trend rate.

Illustration 14-61				
Prince William County School Board (Schools) - Retiree Health Insurance Premium Plan				
Sensitivity of Net OPEB Liability / (Asset) to Changes in the Healthcare Cost Trend Rate				
		1.00% Decrease (3.00%)	Current Discount Rate (4.00%)	1.00% Increase (5.00%)
Net OPEB Liability (Asset)	\$	(18,445)	(14,331)	(9,526)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the RHIPP. For the year ended June 30, 2022, Schools recognized OPEB income of \$5,378. At June 30, 2022, Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources displayed in Illustration 14-62.

Illustration 14-62 Prince William County School Board (Schools) - Retiree Health Insurance Premium Plan Deferred Outflows and (Inflows) of Resources June 30, 2022			
		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	26,655
Change of Assumptions		-	166
Net difference between projected and actual earnings on OPEB plan investments		-	6,062
Employer contributions subsequent to the measurement date		3,715	-
Total	\$	3,715	32,883

\$3,715 reported as deferred outflows of resources related to OPEB resulting from Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense per Illustration 14-63.

Illustration 14-63 Prince William County Schools Retiree Health Insurance Premium Plan (Schools Premium Plan) Amortization of Deferred Outflows and (Inflows) of Resources			
Fiscal Year Ending June 30,			
2023		\$	(7,282)
2024			(7,240)
2025			(7,268)
2026			(4,713)
2027			(3,079)
Thereafter			(3,301)
Total		\$	(32,883)

NOTE (15) – SELF INSURANCE

The County and Adult Detention Center are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; the health of and injuries to its employees; and natural disasters.

The Prince William County Self-Insurance Group Casualty Pool (the Pool) provides coverage to the County and the Adult Detention Center. The Casualty Pool has a \$1,000 per occurrence retention of coverage, except ambulances and fire trucks, \$500 per occurrence retention of coverage, and it purchases commercial excess insurance with a \$10,000 per occurrence and \$20,000 annual aggregate limit, except for automobile liability coverage, which has a \$10,000 annual aggregate limit and public official liability which has a \$10,000 aggregate limit. The Prince William County Self-Insurance Group Workers' Compensation Association (the Association) provides coverage to the County and the Adult Detention Center. The Association has a \$1,500 per occurrence retention, and it purchases commercial excess coverage which provides statutory limits for workers' compensation claims of the \$1,500 per occurrence and a \$1,000 excess retention limit for employers' liability coverage.

The County's Self-Insurance Group Casualty Pool, Workers' Compensation and Other Self-Insurance plans are fully funded. Losses are charged to operations as incurred. The liability for unpaid losses for self-insurance is determined using case-basis evaluations and a provision for incurred but not reported losses that is based upon actuarial projections. Actuarial projections of ultimate losses are based on a composite of the self-insurance members' experience and property and casualty insurance industry data, which is used to supplement the limited historical experience and includes the effects of inflation and other factors. Claims liabilities include allocated loss adjustment expenses and are reported net of estimated claims. Due to the limited historical experience of the Prince William Self-Insurance Group Casualty Pool, Workers' Compensation and Other Self-Insurance, there exists a significant range of variability around the best estimate of the ultimate cost of settling all unpaid claims. Accordingly, the amount of the liability for unpaid losses and related expenses and the related provisions included in financial statements may be more or less than the actual cost of settling all unpaid claims. Adjustments to claim liabilities are made continually, based on subsequent developments and experience, and are included in operations as made.

The County's pre-65 retirees with over fifteen (15) years of service and permanent employees are eligible to enroll in one of three health insurance plans and a dental plan. All three health insurance plans include comprehensive medical, preventive care, vision, and prescription drug coverage. Three of the health insurance plans are self-insured with a \$225 specific individual stop loss limit. The dental plan is also self-insured. The basis for estimating incurred but not reported (IBNR) claims at year-end is an annual analysis performed by the plan's administrator. The County also offers fully insured HMO and vision options to employees. The County expended \$50,777 claims and administration in fiscal year 2022.

All the County's Self-Insurance plans also have excess reinsurance administered by a commercial insurance carrier. This is to prevent settlements from exceeding our insurance coverage at any time. In fiscal years 2022, 2021 and 2020, settlements did not exceed our insurance coverage in each of our Self-Insurance plans in each fiscal year.

Illustration 15-1 presents a reconciliation of the changes in the aggregate liabilities for claims for the current and prior fiscal years. These claims liabilities are included in accrued liabilities in the accompanying statement of fund net position (Exhibit 7 and Schedule 24).

Illustration 15-1
Prince William County Self-Insurance
Other Self Insurance, Casualty Pool, Workers' Compensation Association and Health Insurance
Changes in the Aggregate Liabilities for Claims

	Other Self- Insurance	Casualty Pool	Workers' Compensation Association	Health Insurance*	Total
Unpaid claims June 30, 2019	\$ 268	747	15,260	4,419	20,694
Total claims incurred, fiscal year 2020	-	659	4,015	46,033	50,707
Total claims paid, fiscal year 2020	(47)	(568)	(2,962)	(46,245)	(49,822)
Unpaid claims June 30, 2020	221	838	16,313	4,207	21,579
Total claims incurred, fiscal year 2021	-	452	3,761	45,945	50,158
Total claims paid, fiscal year 2021	(19)	(377)	(3,209)	(45,639)	(49,244)
Unpaid claims June 30, 2021	202	913	16,865	4,513	22,493
Total claims incurred, fiscal year 2022	18	562	5,475	50,777	56,832
Total claims paid, fiscal year 2022	(30)	(561)	(3,479)	(51,223)	(55,293)
Unpaid claims June 30, 2022	\$ 190	914	18,861	4,067	24,032

*Health Insurance column excludes certain fully insured HMO, vision premiums, flexible spending benefits and retiree insurance credit expenses.

NOTE (16) - INTERJURISDICTIONAL AGREEMENT

The County has entered into a contractual agreement with Fairfax County for the purpose of exchanging solid waste. The agreement allows for the sharing of solid waste facilities between counties. Revenues and expenses generated by this agreement are recorded in the Landfill enterprise fund with billing for any balances to occur during the second half of the fiscal year or reconciliation at the end the fiscal year. Neither party is obligated to make payment unless the funds have been appropriated. The agreement is cancelable by giving 120 days written notice. The amount due from Fairfax County is \$112 on June 30, 2022.

NOTE (17) - RELATED ORGANIZATIONS

A. Industrial Development Authority of the County of Prince William, Virginia

The Industrial Development Authority of the County of Prince William, Virginia (IDA) was established by the Board pursuant to Title 15.2, Chapter 49 of the Code of Virginia, commonly known as the Industrial Development and Revenue Bond Act of 1950, and later amended, and pursuant to Chapter 2, Article VI in the Code of the County of Prince William. The IDA is a separate and distinct legal entity from the County and considered a political subdivision of the Commonwealth governed by seven directors, who are appointed by the Board. The IDA is empowered, among other things, to acquire, construct, improve, maintain, equip, own, lease and dispose of parking and other facilities in the Commonwealth by encouraging other enterprises including institutions of higher education to relocate to the County and further the use of local agricultural products and natural resources.

The IDA does not have taxing authority to help finance such activities to facilitate the County's economic development initiatives. However, they can issue tax-exempt conduit debt with the approval of the County's Board, otherwise known as industrial development bonds, which is an alternative financing arrangement for outside enterprises. This type of bond is advantageous to outside enterprises because the bonds have lower issuance costs than other debt arrangements and extend to their buyers the federal and State tax-exempt status on interest earned. These bonds do not constitute indebtedness of the County or the Commonwealth and are secured solely by revenues received from the enterprises. The County has no financial responsibility for the day-to-day financial transactions for the IDA. More information about the IDA can be found at <https://www.pwcida.org/>.

B. Service Authority

The Prince William County Service Authority (Service Authority) was established under Title 15.1, Chapter 28 of the Code of Virginia, commonly known as the Virginia Water and Waste Authorities Act, and pursuant to an adopted resolution by the Board on January 11, 1983. It was chartered by the State Corporation Commission and is an independent public body responsible for providing a comprehensive county-wide water and sewer system. The daily management of the Service Authority is the responsibility of the General

Manager, who is appointed by the Service Authority's eight-member Board, who are appointed by the County Board. The Service Authority's Board is charged with carrying out the Service Authority's fiscal and management functions. Funds to finance operations and capital improvements are principally financed by user charges set by the Service Authority's Board and by issuing their own bonds. The Service Authority is an independent public body, who is solely responsible for all its outstanding debt.

Upon creation, the Service Authority assumed and manages the County's interest in the Upper Occoquan Sewage Authority (UOSA), a regional joint venture, to supplement the County's water and sewage capacity needs, especially as the County grows. In 1992, the County entered into a Service Agreement with the Service Authority for the Service Authority to assume and pay the County's remaining debt service balance due to UOSA for an annual contribution that declined over a period of years until paid off in 2021. On December 11, 2012, the County and the Service Authority amended their agreement whereby the Service Authority assumed the County's remaining debt service balance due to UOSA and established a non-cash credit for the benefit of the County of \$13,782, equal to the County's previous payments to UOSA. The County may use this credit to purchase water and sewer availability, or any Service Authority asset offered for sale and will be reduced accordingly. The balance of the County's unused portion of the credit on June 30, 2022, is \$9,023. More information about the Service Authority can be found at <https://www.pwcsa.org/>.

C. Northern Virginia Criminal Justice Training Academy-Emergency Vehicle Operations Center

The Northern Virginia Criminal Justice Training Academy (NVCJTA) was re-chartered by the Commonwealth of Virginia in 1997. It was originally established in 1965 as the Northern Virginia Police Academy. NVCJTA serves 17 participating law enforcement agencies in the Metropolitan DC area and partners with Fairfax County and Prince William County Criminal Justice Academies for operating and maintaining its Emergency Vehicle Operations Center (EVOC). In 2006, the County and some surrounding jurisdictions agreed to issue bonds to finance the construction and equip the EVOC. The County, specifically, agreed to pay up to 30% of the total debt service payments as well as a pro rata portion of operating and maintenance expenses as was approved by the Board of County Supervisors on September 6, 2005 via Resolution Number 05-770. The County has no role in managing the EVOC's day-to-day operations. The EVOC was completed in 2012.

On September 24, 2015, NVCJTA issued by means of Loudoun County's Industrial Development Authority the 2015 Private Placement Bonds in the amount of \$9,613 to advance refund the 2006 Series Revenue Bonds outstanding balance of \$11,990, with maturity date of June 1, 2026. In exchange for using the Center and taking advantage of the savings from refunding debt, the County agreed to pay \$3,800, a portion of the total debt service. The County Board commits funds during the general fund's annual budget adoption process. The County paid its portion of the 2015 Series Bonds debt service payments of \$337 and \$175 for the County's portion of operating expenses as of June 30, 2022. See Illustration 17-1 for future long-term obligations regarding County payments to cover the 2015 Series Bonds debt service.

Illustration 17-1 County's Share of NVCJTA Debt Service Requirements		
Fiscal Year Ending June 30,		
2023	\$	330
2024		323
2025		316
2026		292
	\$	<u>1,261</u>

More information about NVCJTA can be found at <https://www.nvcja.org/>.

D. Northern Virginia Transportation Authority

The Northern Virginia Transportation Authority (NVTa) was established under Title 33.2, Chapter 25 of the Code of Virginia, commonly known as the Northern Virginia Transportation Authority Act. NVTa serves the Counties of Arlington, Fairfax, Loudoun and Prince William, and the Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park and is governed by a Board of seventeen members, including the chief elected officer of each of the participating jurisdictions, or designee, serving 1-year terms, and other specific elected and appointed positions. It is a regional body that is focused on delivering real transportation solutions and value for Northern Virginia's transportation dollars by bringing Northern Virginia jurisdictions and agencies together to prioritize projects and implement solutions. NVTa has a technical advisory committee to provide recommendations on the development of transportation projects, funding strategies and other matters.

Effective July 1, 2013 authorized by House Bill 2313 passed by the Virginia General Assembly on April 3, 2013, the State retail sales and use tax increased from 5.0% to 6.0% in the Northern Virginia region. 0.3% of the 1.0% increase are earmarked revenues to be deposited in the State Highway Maintenance Operating Fund. However, the remaining 0.7% increase, the 2.0% transient occupancy tax, and fee on grantors of real property equal to \$0.15 per \$100 of real property sold by such persons in the Northern Virginia area are deposited with NVTA and used for transportation projects within Northern Virginia. The bill and Memorandum of Understanding with the jurisdictions, further states that 30% of these revenues are to be distributed to the participating jurisdictions on a pro rata basis for local transportation projects and 70% to be used for regional transportation projects after making debt service payments to be used at NVTA's discretion. NVTA is a separate legal entity from the County and is solely responsible for its own operations and debt. More information about NVTA can be found at <https://thenovaaauthority.org/>.

NOTE (18) - JOINT VENTURES

A. Potomac and Rappahannock Transportation Commission

The Potomac and Rappahannock Transportation Commission (PRTC), was created in fiscal year 1987 to levy a 2% Motor Fuel Tax authorized by the Commonwealth. The PRTC is a joint venture of the contiguous jurisdictions of Prince William and Stafford Counties and the Cities of Manassas, Manassas Park, and Fredericksburg and was established to improve transportation systems, composed of transit facilities, public highways and other modes of transport. While each jurisdiction effectively controls PRTC's use of Motor Fuel Tax proceeds from that jurisdiction, they do not have an explicit, measurable equity interest in PRTC. More information about PRTC can be found at <http://www.omninde.com>.

The PRTC's governing structure consists of a seventeen-member board of commissioners that includes thirteen locally elected officials from the six-member jurisdictions, three appointed commissioners from the General Assembly and one ex-officio representative representing from the Virginia Department of Rail and Public Transportation (VDRPT).

On December 16, 1997, the PRTC issued \$7,445 in Transportation Facilities Lease Revenue Refunding Bonds, Series 1997. The 1997 Bonds were issued to refinance certain of PRTC's outstanding indebtedness, originally incurred to finance the costs of the acquisition, design and construction of transportation facilities. The 1997 Bonds are limited obligations of PRTC payable solely from and secured by a pledge of (1) prior to March 1, 2000, a refunding escrow account, and (2) on and after March 1, 2000, (a) the County's portion of fuel tax revenues, (b) payments by the County to PRTC pursuant to their lease, subject to appropriation, and (c) certain funds and accounts established by indenture, including a debt service reserve fund. More information about PRTC can be found at: <https://www.omninde.com>.

Copies of PRTC's financial statements may be obtained by writing to PRTC Finance Division, 14700 Potomac Mills Road, Woodbridge, Virginia 22192.

NOTE (19) - COMMITMENTS AND CONTINGENCIES

Legal Matters

The County is liable with respect to lawsuits and other claims that arise in the ordinary course of business and in most cases, the outcome of these matters is not currently estimable. However, it is the opinion of the County that these matters will not have a material adverse effect on the County's financial position.

Virginia Railway Express

In May 2005, NVTC and PRTC entered a capitalized lease obligation on behalf of VRE in the amount of \$25,100 for the acquisition of 11 cab cars. As of June 30, 2022 the outstanding balance on the capitalized lease was approximately \$5,356.

In fiscal year 2008, VRE entered into an agreement with the Federal Railroad Administration (FRA) for a loan of up to \$72.5 million to purchase 50 Gallery railcars. In fiscal year 2009, the terms were amended to include ten additional Gallery railcars. A series of sixteen promissory notes were originally authorized and during fiscal year 2012 the balance on the individual notes were combined into a consolidated note. The note was secured by the revenues of VRE and the railcars. In fiscal year 2018, VRE entered into a financing agreement with the Virginia Resources Authority (VRA) for the purposes of refunding the FRA consolidated promissory note and reducing VRE's debt service costs. As required by the authorizing resolutions of the commissions and jurisdictions, the VRA refunding loan did not extend the term of the original borrowing and achieved net present value debt service savings of not less than three percent. The FRA note was refunded in full from the proceeds from the VRA financing, and VRE has pledged its revenues to the repayment of the principal, premium, and interest on the local bond purchased by VRA. The VRA Bond payable amount on June 30, 2022, was \$152,965.

The County, through its membership in the PRTC, has joined with other jurisdictions through a Master Agreement to bear certain costs associated with operating and ensuring the rail service as well as servicing the debt issued by NVTC. The Master Agreement requires that the County's governmental officers charged with preparing its annual budget include an amount equal to its share of the costs of the VRE. Each jurisdiction's share is determined by a formula set out in the Master Agreement. The County's share of this cost in fiscal year 2022 was \$1,542 and was provided by a direct transfer of funding in the Northern Virginia Transportation Authority (NVTA) 30% funds to the VRE. More information about VRE can be found at <https://www.vre.org>.

NOTE (20) – SUBSEQUENT EVENTS

National Opioid Settlement:

On August 1, 2022, the County received the first payment of \$145 from the National Opioid Settlement Directing Administrator as part of a nationwide settlement with various pharmaceutical distributors and an opioid manufacturer that helped fuel the opioid epidemic. Additional legal activities related to the opioid epidemic are still underway, including Virginia's pending \$80,000 settlement with another manufacturer.

In all, Virginia and its localities will receive approximately \$530,000 over a period of years in settlements with the drug distributors and a manufacturer. The Office of the Virginia Attorney General partnered with each of the Commonwealth's 133 cities and counties to reach 100% agreement in support of a structured program for distributing opioid settlement funds with the following terms:

- 55% of settlement funds will be allocated to the Commonwealth of Virginia.
- 30% of settlement funds will be allocated to Virginia's cities and counties and at least half of the funds must be spent on community-based opioid abuse prevention, treatment and recovery efforts.
- Each locality's allocation is based on specific local metrics, including the number of opioid-related emergency room visits and overdose deaths and the volume of opioid prescription drugs shipped into each locality.
- The remaining 55% of settlement funds will be administered by the new Opioid Abatement Authority, established in law by the 2021 Virginia General Assembly, to provide additional and ongoing support for local, regional and state opioid abuse abatement efforts.

Land Donation:

On September 6, 2022, the Board of County Supervisors approved Resolution No. 22-423 accepting and authorizing the execution of a deed of gift of historic preservation from the Commonwealth of Virginia Department of Historic Resources for the conveyance and placement of 1.4778 acres of land at 2251 Vantage Drive into a historic preservation and open-space easement.

Land Purchase:

On October 11, 2022, the Board of County Supervisors approved Resolution No. 22-471 authorizing the purchase of approximately 49.740 acres of land at 4940 Prince William Parkway for \$11,000. The County anticipates settlement in January 2023.

Bonds:

On October 25, 2022, the County sold Virginia Public School Authority Special Obligation Financing Bonds, Series 2022, in the par amount of \$42,400 with a true interest cost of 4.08%. The sale of the bonds was approved by the Board on October 11, 2022, by Resolution No. 22-476. The proceeds of the bonds provided funds for various Schools construction and renovation capital projects.



**PRINCE
WILLIAM
COUNTY**

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actuals	
BUDGETARY REVENUES:				
FROM LOCAL SOURCES:				
GENERAL PROPERTY TAXES:				
Real property taxes	\$ 803,180	739,749	754,729	14,980
Real and personal property taxes of public service corporations	21,476	21,476	22,688	1,212
Personal property taxes	107,227	170,658	197,865	27,207
Penalties and interest	8,627	8,627	10,174	1,547
Total general property taxes	940,510	940,510	985,456	44,946
OTHER LOCAL TAXES:				
Short term rental taxes	529	529	924	395
Local sales taxes	74,150	74,150	88,032	13,882
Consumer's utility taxes	13,540	13,540	15,278	1,738
Bank stock taxes	1,800	1,800	2,711	911
Motor vehicle license taxes	12,000	12,000	12,814	814
Recordation taxes	10,950	10,950	17,466	6,516
Business, professional and occupational license taxes	22,375	22,375	32,910	10,535
Public utility gross receipts taxes	1,424	1,424	1,978	554
Cigarette taxes	-	4,000	2,564	(1,436)
Transient occupancy taxes	2,465	2,465	4,120	1,655
Total other local taxes	139,233	143,233	178,797	35,564
PERMITS, PRIVILEGE FEES AND REGULATORY LICENSES:				
Animal licenses	141	246	236	(10)
Fire protection permits	1,150	141	139	(2)
Health protection permits	171	171	189	18
Cable franchise fees	1,150	1,150	1,225	75
Permits and other licenses	76	76	117	41
Total permits, privilege fees and regulatory licenses	2,688	1,784	1,906	122
FINES AND FORFEITURES:				
	3,386	3,386	1,757	(1,629)
FROM USE OF MONEY AND PROPERTY:				
Use of money	5,692	5,263	16,043	10,780
Use of property	982	986	1,233	247
Total revenues from use of money and property	6,674	6,249	17,276	11,027
CHARGES FOR SERVICES:				
Court costs	1,294	1,294	1,711	417
Correction and detention	1,101	1,101	295	(806)
Commonwealth's Attorney	89	89	12	(77)
Parks and recreation	8,548	8,548	4,906	(3,642)
Mental health and developmental disabilities	740	1,044	1,809	765
Welfare and social services	193	161	102	(59)
Library	282	282	181	(101)
Public safety	1,464	1,464	740	(724)
Facilities and fleet management	186	186	97	(89)
Other charges	385	385	425	40
Total charges for services	14,282	14,554	10,278	(4,276)
Total revenues from local sources	1,106,773	1,109,716	1,195,470	85,754

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actuals	
THE FEDERAL GOVERNMENT:				
Payments in lieu of taxes	75	75	85	10
Categorical aid grants:				
Aging programs	1,333	1,592	1,207	(385)
United States Department of Agriculture	110	110	69	(41)
Welfare programs	15,984	17,652	20,057	2,405
Mental health, developmental disabilities and substance abuse programs	2,958	6,118	3,721	(2,397)
Homeland Security grants	290	4,517	3,992	(525)
Other	1,195	2,281	2,236	(45)
Total revenues from the federal government	21,945	32,345	31,367	(978)
THE COMMONWEALTH:				
NONCATEGORICAL AID:				
Personal property tax relief act	54,288	54,288	54,288	-
Communications sales and use taxes	15,430	15,430	13,433	(1,997)
Anti-Annexation public safety	9,835	9,835	10,219	384
Mobile home taxes	44	44	13	(31)
Rental car taxes	865	865	1,340	475
Rolling stock taxes	93	93	90	(3)
Total noncategorical aid	80,555	80,555	79,383	(1,172)
SHARED EXPENDITURES:				
Commonwealth's Attorney	1,836	1,836	2,101	265
Sheriff	1,971	1,971	2,075	104
Director of Finance	759	759	758	(1)
Registrar	92	92	-	(92)
Clerk of the Court	1,924	2,301	2,237	(64)
Total shared expenditures	6,582	6,959	7,171	212
CATEGORICAL AID:				
Public safety	2,438	2,990	2,894	(96)
Fire programs	1,635	1,815	3,089	1,274
Library	252	310	300	(10)
Public assistance and welfare administration	25,055	30,104	24,176	(5,928)
Public health	303	303	815	512
Total categorical aid	29,683	35,522	31,274	(4,248)
OTHER CATEGORICAL AID:				
Aging program	461	537	510	(27)
Community services	9,786	18,615	18,049	(566)
Juvenile detention	3,036	3,036	2,410	(626)
Criminal justice services	1,029	1,029	1,115	86
Police extraditions	30	30	26	(4)
Sheriff extraditions	25	25	17	(8)
Victim / witness program	465	465	157	(308)
Other	3,036	3,036	(37)	(3,073)
Total other categorical aid	17,868	26,773	22,247	(4,526)
Total revenues from the Commonwealth	134,688	149,809	140,075	(9,734)

COUNTY OF PRINCE WILLIAM, VIRGINIA

General Fund

Schedule 1

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual

Page 3 of 5

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actuals	
LOCAL GOVERNMENTS:				
City of Manassas	5,734	5,734	6,197	463
City of Manassas Park	2,566	2,566	1,891	(675)
Total revenues from local governments	8,300	8,300	8,088	(212)
DONATIONS:				
Donations - Proffers	950	3,268	3,268	-
Donations - Other	320	298	370	72
Total donations	1,270	3,566	3,638	72
MISCELLANEOUS:				
Expenditure refunds	756	955	991	36
Other	327	436	541	105
Total miscellaneous revenues	1,083	1,391	1,532	141
Total budgetary revenues	1,274,059	1,305,127	1,380,170	75,043
BUDGETARY EXPENDITURES:				
GENERAL GOVERNMENTAL ADMINISTRATION:				
Board of County Supervisors	4,816	4,989	4,580	409
County Attorney	4,157	4,177	4,074	103
Executive Management	16,727	17,178	17,178	-
Finance	23,790	24,189	23,528	661
Human Rights	900	828	821	7
Board of Registration / Elections	3,476	3,181	3,096	85
Mailroom and Print Shop	680	791	729	62
Facility and Fleet Management	32,066	31,773	31,273	500
Contingency reserve	613	213	-	213
Total general governmental administration	87,225	87,319	85,279	2,040
JUDICIAL ADMINISTRATION:				
Commonwealth's Attorney	8,065	8,051	8,051	-
Sheriff	13,917	14,365	14,365	-
Juvenile and Domestic Relations Court	250	249	220	29
Clerk of Court / Judges Chambers	5,958	6,536	6,387	149
General District Court	943	680	590	90
Magistrates	114	114	112	2
Total judicial administration	29,247	29,995	29,725	270
PUBLIC SAFETY:				
Public Works - Development	2,673	2,496	2,354	142
Police	115,103	115,940	115,657	283
Juvenile Court Services Unit	1,476	1,490	1,375	115
Adult Detention Center	39,178	58,778	12,828	45,950
Correction and detention of youth	7,891	7,953	7,352	601
Criminal Justice Services	5,429	5,499	5,368	131
Public Safety Communications	13,082	13,035	12,846	189
Fire and Rescue	107,549	116,163	105,812	10,351
Northern Virginia Criminal Justice Training Academy	337	337	337	-
Total public safety	292,718	321,691	263,929	57,762

COUNTY OF PRINCE WILLIAM, VIRGINIA

General Fund

Schedule 1

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual

Page 4 of 5

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actuals	
PUBLIC WORKS:				
Public Works	1,242	2,149	2,149	-
Transportation	3,418	3,469	3,482	(13) A
Property and Miscellaneous Insurance	8,741	1,242	1,111	131
Total public works	13,401	6,860	6,742	118
HEALTH AND WELFARE:				
Social Services	68,801	77,403	68,721	8,682
Public Health	4,564	4,769	4,617	152
Community Services Board	45,214	58,039	53,868	4,171
Aging	7,826	8,370	7,444	926
Total health and welfare	126,405	148,581	134,650	13,931
EDUCATION:				
Schools	695,648	584,420	554,502	29,918
PARKS, RECREATIONAL AND CULTURAL:				
Parks and recreation	36,826	39,663	38,072	1,591
Library	19,418	19,563	19,291	272
Total parks, recreational and cultural	56,244	59,226	57,363	1,863
COMMUNITY DEVELOPMENT:				
Planning	7,711	8,547	4,834	3,713
Economic and community development	5,875	8,618	7,805	813
Extension and continuing education	1,045	1,118	1,044	74
Total community development	14,631	18,283	13,683	4,600
DEBT SERVICE:				
Principal retirement	21,186	123,658	123,658	-
Interest and other debt costs	15,107	44,976	44,538	438
Total debt service	36,293	168,634	168,196	438
Total budgetary expenditures	1,351,812	1,425,009	1,314,069	110,940
Excess / (deficiency) of budgetary revenues over / (under) expenditures budgetary expenditures	(77,753)	(119,882)	66,101	185,983
OTHER FINANCING SOURCES / (USES):				
TRANSFERS IN FROM:				
Special revenue funds	36,124	36,326	36,328	2
Capital projects funds	273	15,329	15,329	-
Internal service funds	2,000	2,000	2,000	-
Enterprise funds	1,418	1,568	1,568	-
Total transfers in	39,815	55,223	55,225	2
TRANSFERS OUT TO:				
Special revenue funds	(5,113)	(5,311)	(5,311)	-
Capital projects funds	(5,656)	(26,334)	(26,334)	-
Enterprise funds	(1,614)	(1,614)	(1,614)	-
Internal service funds	-	(1,121)	(1,121)	-
Total transfers out	(12,383)	(34,380)	(34,380)	-

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actuals	
NON-REVENUE RECEIPTS:				
Insurance claims and recoveries	-	-	16	16
Sale of surplus property	320	320	179	(141)
Total non-revenue receipts	320	320	195	(125)
Total other financing sources	27,752	21,163	21,040	(123)
Net change in budgetary fund balance	(50,001)	(98,719)	87,141	185,860
BUDGETARY FUND BALANCE, beginning of year	270,546	270,546	270,546	-
BUDGETARY FUND BALANCE, end of year	\$ 220,545	171,827	357,687	185,860
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 1)	\$ 6,674	6,249	17,276	11,027
Current year fair value adjustment	-	-	(60,559)	(60,559)
From use of money and property (Exhibit 5)	6,674	6,249	(43,283)	(49,532)
Cumulative fair value adjustments of prior periods	-	-	(6,080)	(6,080)
BUDGETARY FUND BALANCE, end of year	220,545	171,827	357,687	185,860
Total adjustments	-	-	(66,639)	(66,639)
FUND BALANCE, end of year	\$ 220,545	171,827	291,048	119,221

Expenditures in all governmental funds of the County were within authorized budget limitations, except for:

A - Transportation costs exceeded the amount budgeted for fiscal year 2022 due to additional salary costs of position reclassifications and the continued use of temporary employees.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 2

Special Revenue Fund - COVID-19 Response

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
From use of money and property	\$ -	-	400	400
Intergovernmental revenues:				
Federal	-	1,483	25,154	23,671
Total budgetary revenues	-	1,483	25,554	24,071
BUDGETARY EXPENDITURES:				
General government administration	-	7,183	5,292	1,891
Public safety	-	11,858	7,171	4,687
Health and welfare	-	12,566	3,988	8,578
Community development	-	12,949	8,703	4,246
Total budgetary expenditures	-	44,556	25,154	19,402
Net change in budgetary fund balance	-	(43,073)	400	43,473
BUDGETARY FUND BALANCE, beginning of year	309	309	309	-
BUDGETARY FUND BALANCE, end of year	\$ 309	(42,764)	709	43,473
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 2)	\$ -	-	400	400
Current year fair value adjustment	-	-	(2,551)	(2,551)
From use of money and property (Exhibit 5)	-	-	(2,151)	(2,151)
Cumulative fair value adjustments of prior periods	-	-	(193)	(193)
BUDGETARY FUND BALANCE, end of year	309	(42,764)	709	43,473
Total adjustments	-	-	(2,744)	(2,744)
FUND BALANCE, end of year	\$ 309	(42,764)	(2,035)	40,729

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 3A

Changes in Net Pension Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages and years)

Virginia Retirement System - All Pension Plans										
Changes in the County's Net Pension Liability and Related Ratios - Last 10 Fiscal Years										
Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Information for FY 2013 and earlier is not available.										
Total pension liability										
Service cost	\$ 41,062	39,422	35,162	33,491	30,983	29,376	28,708	28,205		
Interest	98,993	92,310	88,053	84,034	78,978	75,010	71,222	67,389		
Changes of benefit terms	-	-	-	-	21,630	-	-	-		
Differences between expected and actual experience	(10,237)	33,766	7,503	(2,509)	2,494	1,128	(757)	-		
Changes of assumptions	64,281	-	40,798	-	(8,860)	-	-	-		
Benefit payments including refunds of member contributions	(69,129)	(63,844)	(59,907)	(55,297)	(50,666)	(47,001)	(43,108)	(38,578)		
Net change in total pension liability	124,970	101,654	111,609	59,719	74,559	58,513	56,065	57,016		
Total pension liability - beginning	1,501,123	1,399,469	1,287,860	1,228,141	1,153,582	1,095,069	1,039,004	981,988		
Total pension liability - ending (a)	\$ 1,626,093	1,501,123	1,399,469	1,287,860	1,228,141	1,153,582	1,095,069	1,039,004		
Plan fiduciary net position										
Contributions - employer	\$ 44,968	38,018	35,323	32,552	30,826	32,010	30,571	30,488		
Contributions - member	15,375	15,122	13,922	13,721	12,645	12,336	11,628	11,385		
Net investment income	330,609	22,732	75,210	78,483	116,130	16,623	41,324	122,481		
Benefit payments, including refunds of member contributions	(69,129)	(63,844)	(59,907)	(55,297)	(50,666)	(47,001)	(43,108)	(38,578)		
Administrative expense	(810)	(770)	(736)	(671)	(665)	(579)	(558)	(651)		
Other	31	(28)	(47)	(72)	(104)	(8)	(8)	7		
Net change in plan fiduciary net position	321,044	11,230	63,765	68,716	108,166	13,381	39,849	125,132		
Plan fiduciary net position - beginning	1,203,151	1,191,921	1,128,156	1,059,440	951,274	937,893	898,044	772,912		
Plan fiduciary net position - ending (b)	\$ 1,524,195	1,203,151	1,191,921	1,128,156	1,059,440	951,274	937,893	898,044		
County's net pension liability - ending (a)-(b)	\$ 101,898	297,972	207,548	159,704	168,701	202,308	157,176	140,960		
Plan fiduciary net position as a percentage of the total pension liability (b)/(a)	93.73%	80.15%	85.17%	87.60%	86.26%	82.46%	85.65%	86.43%		
Covered payroll	\$ 320,018	306,566	280,007	271,552	255,547	242,735	242,757	230,499		
County's net pension liability as a percentage of covered payroll	31.84%	97.20%	74.12%	58.81%	66.02%	83.35%	64.75%	61.15%		
Expected average remaining service years of all participants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
See Note 13 Illustration 13-5 for expected arithmetic nominal rate of return	7.39%	7.14%	7.63%	7.63%	12.21%	1.77%	4.60%	15.85%		

Notes to Schedule:

Projected benefit payments. Calculations assume that the County will continue to make all required actuarially determined contributions.

Based on that assumption, the plan's fiduciary net position is expected to make all future benefit payments of current plan members.

Changes of benefit terms. There have been no changes in benefit terms.

Changes of assumptions. The following changes in actuarial assumptions were made effective June 30, 2020 based on the most recent experience study of the Plan for the four-year period ending June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019:

General Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Public Safety Employees with Hazardous Duty Benefits:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 3B

Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages, ratios and years)

Virginia Retirement System - All Pension Plans											
Schedule of County Contributions - Last 10 Fiscal Years											
	Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
								Information for FY 2013 and earlier is not available.			
Actuarially determined contribution	\$	45,866	45,001	38,018	35,323	32,552	30,826	32,010	30,571	30,488	
Contributions in relation to the actuarially determined contribution		45,866	45,001	38,018	35,323	32,552	30,826	32,010	30,571	30,488	
Contribution deficiency (excess)	\$	-	-	-	-	-	-	-	-	-	
Covered payroll	\$	327,933	320,018	306,566	280,007	265,226	255,547	242,735	242,757	230,499	
Contributions as a percentage of covered payroll ¹		13.99%	14.06%	12.40%	12.62%	12.27%	12.06%	13.19%	12.59%	13.23%	

¹ Contribution rates are set and contributed based on pensionable earnings only.

Notes to Schedule:

Valuation date. Actuarially determined contribution rates are calculated as of the beginning of the fiscal year (July 1) for the two years immediately following the fiscal year. Actuarial valuations are performed every year.

Methods and assumptions used in calculations of actuarially determined contributions:

Actuarial cost method	Entry Age
Amortization method	Level percent of pay, closed
Remaining amortization period	14-23 years
Asset valuation method	5-year smoothed fair value
Investment rate of return	6.75%
Salary increases	3.50% - 5.35%
Inflation	2.50%
Cost-of-living adjustments	2.25% - 2.50%

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 4A

Changes in Net Pension Liability (Asset) and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages and years)

Prince William County Supplemental Plan for Police Officers and Uniformed Fire and Rescue Personnel (Supplemental Pension Plan) Changes in the County's Net Pension (Asset) Liability and Related Ratios - Last 10 Fiscal Years									
Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014
Information for FY 2013 and earlier is not available.									
Total pension liability									
Service cost	\$ 2,955	2,647	2,701	2,043	2,005	1,946	1,747	1,747	1,602
Interest	2,934	2,863	2,664	2,631	2,478	2,417	2,301	2,260	2,118
Changes of benefit terms	4,026	-	-	-	-	-	-	-	238
Differences between expected and actual experience	-	(1,760)	(469)	(281)	-	(1,070)	-	(1,365)	-
Changes of assumptions	-	-	694	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(2,895)	(2,509)	(2,778)	(2,248)	(2,294)	(2,591)	(2,149)	(1,980)	(1,905)
Net change in total pension liability	7,020	1,241	2,812	2,145	2,189	702	1,899	662	2,053
Total pension liability - beginning	44,915	43,674	40,862	38,717	36,528	35,826	33,927	33,265	31,212
Total pension liability - ending (a)	\$ 51,935	44,915	43,674	40,862	38,717	36,528	35,826	33,927	33,265
Plan fiduciary net position									
Contributions - employer	\$ 1,953	2,030	1,921	1,372	1,294	1,199	1,137	1,083	1,007
Contributions - member	1,953	2,030	1,921	1,372	1,294	1,199	1,137	1,083	1,007
Net investment income	(6,278)	10,951	812	1,924	2,469	3,905	119	(339)	4,438
Benefit payments, including refunds of member contributions	(2,895)	(2,509)	(2,779)	(2,247)	(2,294)	(2,591)	(2,148)	(1,980)	(1,905)
Administrative expense	(200)	(182)	(143)	(71)	(90)	(93)	(116)	(83)	(109)
Net change in plan fiduciary net position	(5,467)	12,320	1,732	2,350	2,673	3,619	129	(236)	4,438
Plan fiduciary net position - beginning	55,731	43,411	41,679	39,329	36,656	33,037	32,908	33,144	28,706
Plan fiduciary net position - ending (b)	\$ 50,264	55,731	43,411	41,679	39,329	36,656	33,037	32,908	33,144
County's net pension (asset) liability - ending (a)-(b)	\$ 1,671	(10,816)	263	(817)	(612)	(128)	2,789	1,019	121
Plan fiduciary net position as a percentage of the total pension (asset) liability (b) / (a)	96.78%	124.08%	99.40%	102.00%	101.58%	100.35%	92.22%	97.00%	99.64%
Covered payroll	\$ 135,641	140,944	133,390	95,289	89,833	83,241	78,968	75,229	73,505
County's net pension (asset) liability as a percentage of covered payroll	1.23%	-7.67%	0.20%	-0.86%	-0.68%	-0.15%	3.53%	1.35%	0.16%
Expected average remaining service years of all participants	9	9	7	7	7	7	8	8	8
Annual money-weighted rate of return	-10.88%	25.90%	1.87%	4.88%	6.80%	11.75%	-0.03%	-1.12%	15.73%

Notes to Schedule:

Changes of benefit terms. For participants with credited service on or after 7/1/2021, the temporary annuity amount under Option 2 increased from \$640 to \$790 per month, the temporary annuity amount under the Disability Benefit increased from \$320 per month to \$395 per month, and the line of duty Pre-Retirement Death Benefit increased from \$115,200 to \$142,200.

Changes of assumptions. The rate of investment return decreased from 7.00% to 6.75%. Sworn and uniformed Sheriff's Office and sworn Adult Detention Center personnel were added effective July 1, 2019.

Projected benefit payments. Calculations assume that the County will continue to make all required actuarially determined contributions. Based on that assumption, the plan's fiduciary net position is expected to make all future benefit payments of current plan members.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 4B

Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages, ratios and years)

Prince William County Supplemental Plan for Police Officers and Uniformed Fire and Rescue Personnel (Supplemental Pension Plan)											
Schedule of County Contributions - Last 10 Fiscal Years											
Fiscal Year		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
								Information for FY 2013 and earlier is not available.			
Actuarially determined contribution	\$	1,533	1,593	1,534	1,096	1,087	1,007	1,137	1,083	1,058	
Contributions in relation to the											
actuarially determined contribution		1,953	2,030	1,921	1,372	1,294	1,199	1,137	1,083	1,007	
Contribution deficiency (excess)	\$	(420)	(437)	(387)	(276)	(207)	(192)	-	-	51	
Covered payroll	\$	135,641	140,944	133,390	95,289	89,833	83,241	78,968	75,229	73,505	
Contributions as a percentage of covered payroll ¹		1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.37%	

¹ The rates shown are as a percentage of pensionable covered payroll. Contribution rates are set and contributed based on pensionable earnings only. These amounts were recalculated for prior fiscal years to pensionable earnings per GASB 67.

Notes to Schedule:

Valuation date. Actuarially determined contribution rates are calculated as of the beginning of each fiscal year (July 1).

Actuarial valuations are performed every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate
Amortization method	Aggregate
Remaining amortization period	The benefits are funded as a level percent of payroll over the expected future working lifetime of current active participants
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increases	4.50%, including inflation
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Retirement age	Rates vary by participant age and service
Mortality	RP-2000 Combined Healthy Table with Blue Collar adjustment with generational projection by scale AA. 20% of active participant deaths are assumed to be line-of-duty.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 5A

Changes in Net Pension Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages and years)

Prince William County Volunteer Fire and Rescue Personnel Length of Service Award Program (LoSAP) Changes in the County's Net Pension Liability and Related Ratios - Last 10 Fiscal Years										
Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<i>Information for FY 2013 and earlier is not available.</i>										
Total pension liability										
Service cost	\$ 370	432	429	522	235	252	286	290	308	
Interest	873	854	839	838	958	930	911	885	821	
Differences between expected and actual experience	(173)	39	(202)	(335)	(168)	(291)	(471)	(392)	-	
Changes of assumptions	53	(20)	(80)	(330)	11,019	22	70	-	-	
Benefit payments, including refunds of member contributions	(695)	(567)	(489)	(505)	(447)	(397)	(362)	(345)	(338)	
Net change in total pension liability	428	738	497	190	11,597	516	434	438	791	
Total pension liability - beginning	29,061	28,323	27,826	27,636	16,039	15,523	15,089	14,651	13,860	
Total pension liability - ending (a)	\$ 29,489	29,061	28,323	27,826	27,636	16,039	15,523	15,089	14,651	
Plan fiduciary net position										
Contributions - employer	\$ 1,525	1,536	1,156	941	798	811	853	940	2,115	
Net investment income	582	547	517	488	463	428	409	372	354	
Benefit payments, including refunds of member contributions	(695)	(567)	(489)	(505)	(447)	(397)	(362)	(345)	(338)	
Administrative expense	(148)	(155)	(79)	(46)	(54)	(62)	(37)	(34)	(61)	
Net change in plan fiduciary net position	1,264	1,361	1,105	878	760	780	863	933	2,070	
Plan fiduciary net position - beginning	19,516	18,155	17,050	16,172	15,412	14,632	13,769	12,836	10,766	
Plan fiduciary net position - ending (b)	\$ 20,780	19,516	18,155	17,050	16,172	15,412	14,632	13,769	12,836	
County's net pension liability - ending (a)-(b)	\$ 8,709	9,545	10,168	10,776	11,464	627	891	1,320	1,815	
Plan fiduciary net position as a percentage of the total pension liability (b)/(a)	70.47%	67.16%	64.10%	61.27%	58.52%	96.09%	94.26%	91.25%	87.61%	
County's net pension liability as a percentage of covered payroll*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Expected average remaining service years of all participants	1.08	1.13	1.32	2.11	2.41	2.60	2.97	3.39	N/A	
Annual money-weighted rate of return	3.02%	3.00%	3.00%	2.98%	3.00%	2.94%	2.95%	2.90%	2.95%	

* All volunteer fire and rescue personnel are not compensated.

Notes to Schedule:

Changes of benefit terms. There have been no changes in benefit terms.

Changes of assumptions. There have been no changes in assumptions.

Projected benefit payments. Calculations assume that the County will continue to make all required actuarially determined contributions.

Based on that assumption, the plan's fiduciary net position is expected to make all future benefit payments of current plan members.

COUNTY OF PRINCE WILLIAM, VIRGINIA
Schedule 5B
Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages, ratios and years)

Prince William County Volunteer Fire and Rescue Personnel Length of Service Award Program (LoSAP)											
Schedule of County Contributions - Last 10 Fiscal Years											
	Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Information for FY 2013 and earlier is not available.											
Actuarially determined contribution	\$	1,529	1,536	1,156	941	798	811	853	940	2,115	
Contributions in relation to the											
actuarially determined contribution		1,529	1,536	1,156	941	798	811	853	940	2,115	
Contribution deficiency (excess)	\$	-	-	-	-	-	-	-	-	-	-
Covered payroll		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of											
covered payroll		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

Valuation date. Actuarially determined contribution rates are calculated as of the beginning of each fiscal year (July 1).

Actuarial valuations are performed every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Prior to 7/1/2018, Aggregate, Level Dollar; Starting with 7/1/2018, Entry Age Normal, Level Dollar
Amortization method	Level dollar amortization
Remaining amortization period	Level Dollar over the expected working lifetime of current active participants
Asset valuation method	Fair Value
Inflation	Not Applicable
Salary increases	Not Applicable to Volunteers
Investment rate of return	3.00%
Retirement age	Low to Medium Rates between Ages 60 and 69; 100% at age 70
Mortality	Society of Actuaries Public Safety (Above-Median Income) Mortality Table adjusted by Scale MP-2020

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 6A

Schedule Changes in the County's Proportionate Share of Net OPEB Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages and years)

Virginia Retirement System - Group Life Insurance Program (GLI)
Changes in the County's Proportionate Share of Net OPEB Liability and Related Ratios - Last 10 Fiscal Years

Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<i>Information for FY 2016 and earlier is not available.</i>										
Prince William County's Proportion of the Net GLI OPEB Liability	1.54687%	1.48218%	1.43243%	1.39846%	1.35566%					
Prince William County's Proportionate Share of the Net GLI OPEB Liability	\$ 18,010	24,735	23,309	21,239	20,400					
Employer's Payroll	320,018	306,566	280,808	271,552	255,547					
Prince William County's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	5.63%	8.07%	8.30%	7.82%	7.98%					
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	67.45%	52.64%	52.00%	51.22%	48.86%					

Notes to Schedule:

Projected benefit payments. Calculations assume that the County will continue to make all required actuarially determined contributions

Based on that assumption, the plan's fiduciary net position is expected to make all future benefit payments of current plan members

Changes of benefit terms. There have been no changes in benefit terms.

Changes of assumptions. The following changes in actuarial assumptions were made effective June 30, 2021 based on the most recent experience study of the Plan for the four-year period ending June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019:

General Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Public Safety Employees with Hazardous Duty Benefits:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 6B

Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages, ratios and years)

Virginia Retirement System - Group Life Insurance Program											
Schedule of County Contributions - Last 10 Fiscal Years											
	Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$	4,746	4,287	1,586	1,460	1,383	1,300	1,288	1,223	1,197	1,144
Contributions in relation to the											
contractually required contribution		4,746	4,287	1,586	1,460	1,383	1,300	1,288	1,223	1,197	1,144
Contribution deficiency (excess)	\$	-	-	-	-	-	-	-	-	-	-
Covered payroll	\$	327,933	320,018	306,566	280,808	265,909	255,547	250,061	242,930	230,688	225,905
Contributions as a percentage of											
covered payroll ¹		1.45%	1.34%	0.52%	0.52%	0.52%	0.51%	0.52%	0.50%	0.52%	0.51%

¹ Contribution rates are set and contributed based on pensionable earnings only.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 7A

Changes in Net OPEB Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages and years)

Virginia Retirement System - Health Insurance Credit Plan Changes in the County's Net OPEB Liability and Related Ratios - Last 10 Fiscal Years										
Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<i>Information for FY 2016 and earlier is not available.</i>										
Total OPEB liability										
Service cost	\$ 195	188	177	169	161					
Interest on total OPEB liability	540	521	509	493	487					
Differences between expected and actual experience	41	149	113	63	-					
Changes in benefit terms		(2)	-	-	-					
Changes of assumptions	182	-	197	-	(149)					
Benefit payments	(591)	(566)	(500)	(513)	(337)					
Net change in total OPEB liability	367	290	496	212	162					
Total OPEB liability - beginning	8,294	8,004	7,508	7,296	7,134					
Total OPEB liability - ending (a)	\$ 8,661	8,294	8,004	7,508	7,296					
Plan fiduciary net position										
Contributions - employer	\$ 523	498	460	437	411					
Net investment income	1,003	76	233	248	358					
Benefit payments, including refunds of member contributions	(591)	(566)	(500)	(513)	(337)					
Administrative expense	(12)	(6)	(5)	(6)	(6)					
Other	-	-	-	(18)	18					
Net change in plan fiduciary net position	923	-	188	148	444					
Plan fiduciary net position - beginning	3,836	3,836	3,648	3,500	3,056					
Plan fiduciary net position - ending (b)	\$ 4,759	3,836	3,836	3,648	3,500					
County's net OPEB liability - ending (a)-(b)	\$ 3,902	4,458	4,168	3,860	3,796					
Plan fiduciary net position as a percentage of the total OPEB liability (b) / (a)	54.95%	46.26%	47.93%	48.59%	47.97%					
Covered payroll	\$ 320,018	306,566	280,007	271,552	255,547					
County's net OPEB liability as a percentage of covered payroll	1.22%	1.45%	1.49%	1.42%	1.49%					
Expected average remaining service years of all participants	N/A	N/A	N/A	N/A	N/A					
See Note 14 Illustration 14-10 for expected arithmetic nominal rate of return	7.39%	7.14%	7.63%	7.09%	11.71%					

Notes to Schedule:

Projected benefit payments. Calculations assume that the County will continue to make all required actuarially determined contributions.

Based on that assumption, the plan's fiduciary net position is expected to make all future benefit payments of current plan members.

Changes of benefit terms. There have been no changes in benefit terms.

Changes of assumptions. The following changes in actuarial assumptions were made effective June 30, 2021 based on the most recent experience study of the Plan for the four-year period ending June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019:

General Employees:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

Public Safety Employees with Hazardous Duty Benefits:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. Increased disability life expectancy. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience and changed final retirement age from 65 to 70
Withdrawal Rates	Decreased rates
Disability Rates	No change
Salary Scale	No change
Line of Duty Disability	No change
Discount Rate	No change

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 7B

Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages, ratios and years)

Virginia Retirement System - Health Insurance Credit Plan										
Schedule of County Contributions - Last 10 Fiscal Years										
Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 523	522	498	460	437	411	376	357	371	363
Contributions in relation to the net position restricted for contractually required contribution	523	522	498	460	437	411	376	357	371	363
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 320,018	290,028	276,527	255,529	248,097	255,547	220,911	212,264	204,740	198,448
Contributions as a percentage of covered payroll ¹	0.16%	0.18%	0.18%	0.18%	0.18%	0.16%	0.17%	0.17%	0.18%	0.18%

¹ Contribution rates are set and contributed based on pensionable earnings only.

Notes to Schedule:

Changes of benefit terms. There have been no changes in benefit terms.

Methods and assumptions used in calculations of actuarially determined contributions:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent Closed
Remaining amortization period	14-23 years
Asset valuation method	Fair Value
Investment rate of return*	6.75%
Projected salary increases*	3.50 – 5.35%
*Includes inflation at	2.50%

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 8A

Changes in Net OPEB Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages and years)

OPEB Master Trust Fund - County Premium Plan Changes in the County's Net OPEB Liability and Related Ratios - Last 10 Fiscal Years										
Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<i>Information for FY 2016 and earlier is not available.</i>										
Total OPEB liability										
Service cost	\$ 1,250	1,202	1,163	1,119	1,285	1,234				
Interest on total OPEB liability	1,849	1,736	1,705	1,608	1,785	1,673				
Differences between expected and actual experience	(280)	214	1,230	(37)	(4,473)	34				
Changes of assumptions	(299)	-	(1,664)	-	(428)	-				
Benefit payments	(1,672)	(1,400)	(2,097)	(1,228)	(777)	(1,261)				
Net change in total OPEB liability	848	1,752	337	1,462	(2,608)	1,680				
Total OPEB liability - beginning	27,142	25,390	25,053	23,591	26,199	24,519				
Total OPEB liability - ending (a)	\$ 27,990	27,142	25,390	25,053	23,591	26,199				
Plan fiduciary net position										
Contributions - employer	\$ 1,479	1,475	1,428	1,521	1,954	1,884				
Net investment income	(3,444)	5,663	1,313	1,244	1,310	1,285				
Benefit payments, including refunds of member contributions	(1,672)	(1,400)	(2,097)	(1,228)	(777)	(1,261)				
Asset adjustment	-	-	-	-	-	(1,609)				
Administrative expense	(43)	-	-	-	-	(3)				
Net change in plan fiduciary net position	(3,680)	5,738	644	1,537	2,487	296				
Plan fiduciary net position - beginning	23,902	18,164	17,520	15,983	13,496	13,200				
Plan fiduciary net position - ending (b)	\$ 20,222	23,902	18,164	17,520	15,983	13,496				
County's net OPEB liability - ending (a)-(b)	\$ 7,768	3,240	7,226	7,533	7,608	12,703				
Plan fiduciary net position as a percentage of the total OPEB liability (b) / (a)	72.25%	88.06%	71.54%	69.93%	67.75%	51.51%				
Covered payroll	\$ 327,933	320,018	306,566	280,007	271,552	292,195				
County's net OPEB liability as a percentage of covered payroll	2.37%	1.01%	2.36%	2.69%	2.80%	4.35%				
Expected average remaining service years of all participants	8	8	8	8	8	8				
Annual money-weighted rate of return	-13.58%	26.05%	6.53%	6.79%	7.84%	10.17%				

Notes to Schedule:

Changes of benefit terms. There have been no changes in benefit terms.

Changes of assumptions. The following changes in actuarial assumptions were made effective June 30, 2022:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2021
Decrement Rates	Updated to Virginia's top 10 employer group tables from the latest VRS experience study report
Long-Term Medical Trend	Updated to the latest model released by the Society of Actuaries and excludes the impact of the Cadillac Tax
Discount Rate	Decreased from 7.00% to 6.75%

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 8B

Schedule of County Contribution - Other Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages, ratios and years)

OPEB Master Trust Fund - County Premium Plan											
Schedule of County Contributions - Last 10 Fiscal Years											
Fiscal Year		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$	1,479	1,475	1,428	1,521	1,500	1,884	1,623	1,567	2,085	2,072
Contributions in relation to the											
actuarially determined contribution		1,479	1,475	1,428	1,521	1,954	1,884	1,623	1,567	2,085	2,072
Contribution deficiency (excess)	\$	-	-	-	-	(454)	-	-	-	-	-
Covered payroll	\$	327,933	320,018	306,566	280,007	271,552	292,195	280,308	256,956	258,704	247,366
Contributions as a percentage of											
covered payroll ¹		0.45%	0.46%	0.47%	0.54%	0.72%	0.64%	0.58%	0.61%	0.81%	0.84%

¹ The rates shown are as a percentage of total covered payroll.

Notes to Schedule:

Changes of benefit terms. There have been no changes in benefit terms.

Methods and assumptions used to determine contribution rates:

Valuation Date	1/1/2022
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percentage of Projected Payroll, closed
Remaining amortization period	16 years, closed
Asset valuation method	Market Value of Assets
Investment rate of return	6.75%, net of expenses
Payroll growth rate	3.00%
Inflation	2.50%
Healthcare cost trend rate	The trend for 2022 is 6.00%. The ultimate trend is 3.94%.

Changes of assumptions. The following changes in actuarial assumptions were made effective June 30, 2022:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2021
Decrement Rates	Updated to Virginia's top 10 employer group tables from the latest VRS experience study report
Long-Term Medical Trend	Updated to the latest model released by the Society of Actuaries and excludes the impact of the Cadillac Tax
Discount Rate	Decreased from 7.00% to 6.75%

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 9A

Changes in Net OPEB Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages and years)

OPEB Master Trust Fund - County Retiree Health Insurance Credit Plan										
Changes in the County's Net OPEB Liability and Related Ratios - Last 10 Fiscal Years										
Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Information for FY 2016 and earlier is not available.										
Total OPEB liability										
Service cost	\$	803	803	744	744	755	755			
Interest on total OPEB liability		2,604	2,533	2,443	2,368	2,335	2,254			
Differences between expected and actual experience		2,577	(180)	874	(52)	(245)	(163)			
Changes of assumptions		393	-	(640)	-	(443)	-			
Benefit payments		(2,193)	(2,085)	(2,047)	(1,957)	(1,867)	(1,647)			
Net change in total OPEB liability		4,184	1,071	1,374	1,103	535	1,199			
Total OPEB liability - beginning		38,394	37,323	35,949	34,846	34,311	33,112			
Total OPEB liability - ending (a)	\$	42,578	38,394	37,323	35,949	34,846	34,311			
Plan fiduciary net position										
Contributions - employer	\$	2,291	2,137	2,091	1,977	2,311	2,267			
Net investment income		(3,013)	4,587	1,054	1,007	1,115	1,479			
Benefit payments, including refunds of member contributions		(2,194)	(2,085)	(2,047)	(1,957)	(1,867)	(1,647)			
Asset adjustment		-	-	-	-	-	1,609			
Net change in plan fiduciary net position		(2,916)	4,639	1,098	1,027	1,559	3,708			
Plan fiduciary net position - beginning		23,618	18,979	17,881	16,854	15,295	11,587			
Plan fiduciary net position - ending (b)	\$	20,702	23,618	18,979	17,881	16,854	15,295			
County's net OPEB liability - ending (a)-(b)	\$	21,876	14,776	18,344	18,068	17,992	19,016			
Plan fiduciary net position as a percentage of the total OPEB liability (b) / (a)		48.62%	61.51%	50.85%	49.74%	48.37%	44.58%			
Covered payroll	\$	327,933	320,018	306,566	280,007	271,552	292,195			
County's net OPEB liability as a percentage of covered payroll		6.67%	4.62%	5.98%	6.45%	6.63%	6.51%			
Expected average remaining service years of all participants		8	8	8	8	8	8			
Annual money-weighted rate of return		-13.58%	26.05%	6.53%	6.79%	7.84%	10.17%			

Notes to Schedule:

Changes of benefit terms. There have been no changes in benefit terms.

Changes of assumptions. The following changes in actuarial assumptions were made effective June 30, 2022:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2021
Decrement Rates	Updated to Virginia's top 10 employer group tables from the latest VRS experience study report
Long-Term Medical Trend	Updated to the latest model released by the Society of Actuaries and excludes the impact of the Cadillac Tax
Discount Rate	Decreased from 7.00% to 6.75%

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 9B

Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages, ratios and years)

OPEB Master Trust Fund - County Retiree Health Insurance Credit Plan											
Schedule of County Contributions - Last 10 Fiscal Years											
Fiscal Year		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$	2,291	2,137	2,091	1,977	1,967	2,267	2,061	2,023	2,107	2,082
Contributions in relation to the actuarially determined contribution		2,291	2,137	2,091	1,977	2,311	2,267	2,061	2,023	2,107	2,082
Contribution deficiency (excess)	\$	-	-	-	-	(344)	-	-	-	-	-
Covered payroll	\$	327,933	320,018	306,566	280,007	271,552	292,195	280,308	256,956	258,704	247,366
Contributions as a percentage of covered payroll ¹		0.70%	0.67%	0.68%	0.71%	0.85%	0.78%	0.74%	0.79%	0.81%	0.84%

¹ The rates shown are as a percentage of total covered payroll.

Notes to Schedule:

Changes of benefit terms. There have been no changes in benefit terms.

Methods and assumptions used to determine contribution rates.

Valuation Date	1/1/2022
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percentage of Projected Payroll, closed
Remaining amortization period	16 years, closed
Asset valuation method	Market Value of Assets
Investment rate of return	6.75%, net of OPEB Trust investment expense
Payroll growth rate	3.50%
Inflation	2.50%
Healthcare cost trend rate	Not applicable

Changes of assumptions. The following changes in actuarial assumptions were made effective June 30, 2022:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2021
Decrement Rates	Updated to Virginia's top 10 employer group tables from the latest VRS experience study report.
Long-Term Medical Trend	Updated to the latest model released by the Society of Actuaries and excludes the impact of the Cadillac Tax.
Discount Rate	Decreased from 7.00% to 6.75%

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 10A

Changes in Net OPEB Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages and years)

OPEB Master Trust Fund - County Line of Duty Act Plan										
Changes in the County's Net OPEB Liability and Related Ratios - Last 10 Fiscal Years										
Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
						<i>Information for FY 2016 and earlier is not available.</i>				
Total OPEB liability										
Service cost	\$ 1,795	1,726	1,113	1,071	1,087	1,044				
Interest on total OPEB liability	1,213	1,082	1,367	1,270	1,002	920				
Differences between expected and actual experience	(1,317)	(51)	(5,869)	(188)	907	45				
Changes of assumptions	1,122	-	12	-	1,695	-				
Benefit payments	(926)	(793)	(763)	(750)	(810)	(815)				
Net change in total OPEB liability	1,887	1,964	(4,140)	1,403	3,881	1,194				
Total OPEB liability - beginning	17,837	15,873	20,013	18,610	14,729	13,535				
Total OPEB liability - ending (a)	\$ 19,724	17,837	15,873	20,013	18,610	14,729				
Plan fiduciary net position										
Contributions - employer	\$ 1,830	1,875	1,788	1,526	1,476	1,424				
Net investment income	(3,597)	4,988	1,144	1,034	1,071	1,169				
Benefit payments, including refunds of member contributions	(926)	(793)	(763)	(750)	(810)	(815)				
Administrative expense	(44)	(39)	-	-	-	-				
Net change in plan fiduciary net position	(2,737)	6,031	2,169	1,810	1,737	1,778				
Plan fiduciary net position - beginning	22,691	16,660	14,491	12,681	10,944	9,166				
Plan fiduciary net position - ending (b)	\$ 19,954	22,691	16,660	14,491	12,681	10,944				
County's net OPEB liability - ending (a)-(b)	\$ (230)	(4,854)	(787)	5,522	5,929	3,785				
Plan fiduciary net position as a percentage of the total OPEB liability (b) / (a)	101.17%	127.21%	104.96%	72.41%	68.14%	74.30%				
Covered payroll	\$ 135,641	140,944	135,139	112,846	106,195	83,241				
County's net OPEB liability (asset) as a percentage of covered payroll	-0.17%	-3.44%	-0.58%	4.89%	5.58%	4.55%				
Expected average remaining service years of all participants	12	12	12	12	12	12				
Annual money-weighted rate of return	-13.58%	26.05%	6.53%	6.79%	7.84%	10.17%				

Notes to Schedule:

Changes of benefit terms. There have been no changes in benefit terms.

Changes of assumptions. The following changes in actuarial assumptions were made effective June 30, 2022:

Discount Rate	Decreased from 7.00% to 6.75%
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COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 10B

Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages, ratios and years)

OPEB Master Trust Fund - County Line of Duty Act Plan Schedule of County Contributions - Last 10 Fiscal Years											
	Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$	1,830	1,875	1,788	1,526	1,472	1,424	1,529	1,474	3,165	5,312
Contributions in relation to the actuarially determined contribution		1,830	1,875	1,788	1,526	1,476	1,424	1,529	1,474	7,778	-
Contribution deficiency (excess)	\$	-	-	-	-	(4)	-	-	-	(4,613)	5,312
Covered payroll	\$	135,641	140,944	135,139	112,846	106,195	83,241	79,081	95,795	86,476	105,805
Contributions as a percentage of covered payroll ¹		1.35%	1.33%	1.32%	1.35%	1.39%	1.71%	1.93%	1.54%	8.99%	0.00%

¹ The rates shown are as a percentage of total covered payroll.

Notes to Schedule:

Changes of benefit terms. There have been no changes in benefit terms.

Methods and assumptions used to determine contribution rates:

Valuation Date	1/1/2022
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percentage of Projected Payroll, closed
Remaining amortization period	21 years, closed
Asset valuation method	Market Value of Assets
Investment rate of return	6.75%, net of OPEB Trust investment expense
Payroll growth rate	3.50%
Inflation	2.50%
Healthcare cost trend rate	The trend for 2022 is 6.00%. The ultimate trend is 3.94%.

Changes of assumptions. The following changes in actuarial assumptions were made effective June 30, 2022:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables, headcount weighted Mortality Improvement Scale MP-2021
Decrement Rates	Updated to Virginia's top 10 employer group tables from the latest VRS experience study report.
Long-Term Medical Trend	Updated to the latest model released by the Society of Actuaries and excludes the impact of the
Discount Rate	Decreased from 7.00% to 6.75%

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 11A

Changes in Net OPEB Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages and years)

OPEB Master Trust Fund - Schools Premium Plan										
Changes in the County's Net OPEB Liability and Related Ratios - Last 10 Fiscal Years										
Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
						<i>Information for FY 2016 and earlier is not available.</i>				
Total OPEB liability										
Service cost	\$ 2,238	2,152	2,913	2,801	3,015	2,624				
Interest on total OPEB liability	2,670	2,578	3,903	3,709	4,652	4,691				
Changes of benefit terms	-	-	-	-	-	-				
Differences between expected and actual experience	492	(1,782)	(22,626)	(594)	(18,166)	-				
Changes of assumptions	(3,891)	-	(220)	-	-	-				
Benefit payments/refunds	(1,914)	(1,756)	(3,045)	(3,060)	(3,042)	(3,329)				
Net change in total OPEB liability	(405)	1,192	(19,075)	2,856	(13,541)	3,986				
Total OPEB liability - beginning	39,793	38,601	57,676	54,820	68,361	64,375				
Total OPEB liability - ending (a)	\$ 39,388	39,793	38,601	57,676	54,820	68,361				
Plan fiduciary net position										
Contributions - employer	\$ 1,800	1,800	1,800	1,800	1,000	1,000				
Net investment income	(7,577)	10,736	2,478	2,248	2,340	2,619				
Administrative expense	-	(15)	-	(2)	(7)	-				
Net change in plan fiduciary net position	(5,777)	12,521	4,278	4,046	3,333	3,619				
Plan fiduciary net position - beginning	54,124	41,603	37,325	33,279	29,946	26,327				
Plan fiduciary net position - ending (b)	\$ 48,347	54,124	41,603	37,325	33,279	29,946				
School's net OPEB liability - ending (a)-(b)	\$ (8,959)	(14,331)	(3,002)	20,352	21,541	38,415				
Plan fiduciary net position as a percentage of the total OPEB liability (b) / (a)	122.75%	136.01%	107.78%	64.71%	60.71%	43.81%				
Covered payroll	\$ 703,886	668,814	655,997	615,455	599,822	576,721				
School's net OPEB liability as a percentage of covered payroll	-1.27%	-2.14%	-0.46%	3.31%	3.59%	6.66%				
Expected average remaining service years of all participants	6	8	8	7	8	8				
Annual money-weighted rate of return	-13.58%	26.05%	6.53%	6.79%	7.84%	10.17%				

Notes to Schedule:

Projected benefit payments. Calculations assume that the County will continue to make all required actuarially determined contributions.

Based on that assumption, the plan's fiduciary net position is expected to make all future benefit payments of current plan members.

Changes of benefit terms. There have been no changes in benefit terms.

Changes of assumptions. The following changes in actuarial assumptions were made effective June 30, 2022:

Long-Term Medical Trend	Updated to the latest model released by the Society of Actuaries Long-Run Medical Cost Trend Model.
Decrement Rates	Updated to Virginia's top 10 employer group tables from the latest VRS experience study report.
Discount Rate	Decreased from 7.00% to 6.75%

Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages, ratios and years)

OPEB Master Trust Fund - Schools Premium Plan											
Schedule of County Contributions - Last 10 Fiscal Years											
	Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$	3,714	3,556	4,845	4,860	4,041	4,328	3,412	4,700	7,762	8,580
Contributions in relation to the actuarially determined contribution		3,714	3,556	4,845	4,860	4,041	4,328	3,412	4,700	7,762	8,580
Other contributions in relation to the actuarially determined contribution		-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$	-	-	-	-	-	-	-	-	-	-
Covered payroll	\$	703,886	668,814	655,997	615,455	599,822	576,721	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll ¹		0.53%	0.53%	0.74%	0.79%	0.67%	0.75%	N/A	N/A	N/A	N/A

¹ The rates shown are as a percentage of total covered payroll.**Notes to Schedule:***Changes of benefit terms.* There have been no changes in benefit terms.*Methods and assumptions used to determine contribution rates:*

Valuation Date	7/1/2021
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percentage of Projected Payroll, closed
Remaining amortization period	28 years
Asset valuation method	Fair Value
Investment rate of return	6.75%, net of OPEB Trust investment expense
Payroll growth rate	3.00%
Inflation	2.50%
Healthcare cost trend rate	Not available.

Changes of assumptions. There have been no changes in assumptions.



**PRINCE
WILLIAM
COUNTY**

Nonmajor Governmental Funds and Capital Projects

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The County has the following special revenue funds:

FIRE & RESCUE LEVY SPECIAL REVENUE FUND

The Fire & Rescue Levy Special fund is used to account for the fire and rescue services. Revenues are principally derived from tax levy and interest earnings. Expenditures consist of the cost of delivering fire and rescue services.

TRANSPORTATION DISTRICTS

The Transportation Districts receives revenues from special tax levies, user fees, and interest earnings. These revenues are used primarily to pay debt service payments incurred in construction of streets and roads.

STORMWATER MANAGEMENT DISTRICT / GYPSY MOTH AND FOREST PEST MANAGEMENT

The Stormwater Management District / Gypsy Moth and Forest Pest Management Levy receives revenues from permits and development fees, charges for services, Federal and State grants, interest earnings and special tax levies. Expenditures consist of the cost of promoting storm water drainage and construction projects, maintaining water quality and protecting the environment.

DEVELOPMENT FEE SERVICES

Development Fee Services receives revenues from permits, privilege fees, and regulatory licenses related to land and building development. Expenditures consist primarily of the cost of conducting review, inspection, and planning services.

HOUSING AUTHORITIES

Housing receives revenue primarily from Federal housing grants that are used to develop affordable housing opportunities for County residents.

COMMUNITY DEVELOPMENT AUTHORITIES

Community Development Authorities receives revenue from special assessments collected by the County and distributed to Board established special taxing districts. Expenditures consist of public improvements including roads, utility infrastructure and water and sanitary sewer facilities, etc. within the boundaries of the Community Development Authorities.

EMERGENCY MEDICAL SERVICE

Emergency Medical Services receives revenue from ambulatory transport charges associated with fire and rescue emergency services delivery.

TRANSIENT OCCUPANCY TAX

Transient Occupancy Tax receives revenue from a 2.0% tax on the charge for the occupancy of any room or space in the County. As a member of the Northern Virginia Transportation Authority (NVTA), State statute has earmarked these revenues to be used for public transportation purposes only.

GRANTOR'S / DEED TAX

Grantor's / Deed Tax receives revenue from a fee imposed on each deed, instrument or writing by which lands, tenements, or other real property located in the County is sold or otherwise conveyed to a purchaser. As a member of NVTA, State statute has earmarked these revenues to be used for public transportation purposes only.

OTHER

Other special revenue funds receives revenues for the benefit of the Animal Shelter, such as fees for animal-friendly license plates.

Capital Projects Funds

Capital projects funds are used to account for projects.

OTHER CAPITAL PROJECTS

Other Capital Projects Fund is used to account for the resources and expenditures related to construction projects such as libraries and parks, facilities to be used by police, detention and fire and rescue agencies, and storm water management ponds and channels.

EDUCATION CAPITAL PROJECTS FUND

Education Capital Projects Fund is used to account for the resources obtained exclusively for the construction of school building and other school projects (proceeds from bonds). Such resources are immediately provided to the School Board Component Unit in support of these projects.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Nomajor Governmental Funds - Special Revenue Funds and Capital Project Funds

Combining Balance Sheet

June 30, 2022

(amounts expressed in thousands)

Schedule 12

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	Special Revenue Funds					
	Stormwater Management					
	District / Gypsy					
	Fire & Rescue	Transportation	Moth and Forest	Development		Community
	Levy	Districts	Pest Management	Fee Services	Housing	Development
						Authorities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
ASSETS:						
Equity in pooled cash and investments	\$	42,506	1,602	7,228	13,562	470
Restricted cash and temporary investments		5	-	-	-	-
Property taxes receivable, net		82	4	3	-	1
Accounts receivable, net		162	6	111	41	-
Due from other governmental units		-	-	-	53	-
Inventory		-	-	23	-	-
Total assets	\$	42,755	1,612	7,365	13,603	471
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE						
LIABILITIES:						
Accounts payable	\$	1,720	85	109	81	-
Wages and benefits payable		-	-	189	817	110
Deposits and escrows		1	-	-	-	-
Prepaid taxes		4,264	102	142	-	460
Due to other governmental units		-	-	24	-	-
Retainages		5	-	-	-	-
Unearned revenues		-	-	728	13	-
Total liabilities		5,990	187	1,192	911	460
DEFERRED INFLOWS OF RESOURCES:						
Deferred inflows related to unavailable taxes		57	-	2	-	-
Total deferred inflows of resources		57	-	2	-	-
FUND BALANCES:						
Non-spendable		-	-	23	-	-
Restricted		36,708	1,425	6,148	12,692	11
Committed		-	-	-	-	-
Total fund balances		36,708	1,425	6,171	12,692	11
Total liabilities, deferred inflows of resources and fund balances	\$	42,755	1,612	7,365	13,603	471

Special Revenue Funds				Capital Projects Funds			
Emergency Medical Services	Transient Occupancy Tax	Grantor's / Deed Tax	Other	Other	Other Education	Total	
4,802	5,612	31,385	215	41,687	-	155,455	ASSETS AND DEFERRED OUTFLOWS OF RESOURCES
-	-	-	-	1,807	-	1,812	ASSETS:
-	-	-	-	-	-	90	Equity in pooled cash and investments
1,010	561	100	1	-	-	1,992	Restricted cash and temporary investments
578	-	-	-	54	-	685	Property taxes receivable, net
-	-	-	-	-	-	23	Accounts receivable, net
6,390	6,173	31,485	216	43,548	-	160,057	Due from other governmental units
							Inventory
							Total assets
							LIABILITIES, DEFERRED INFLOWS OF
							RESOURCES AND FUND BALANCE
							LIABILITIES:
27	-	-	-	6,577	-	8,646	Accounts payable
43	-	-	-	-	-	1,159	Wages and benefits payable
-	-	-	42	-	-	43	Deposits and escrows
-	-	-	-	-	-	4,968	Prepaid taxes
-	-	-	-	-	-	24	Due to other governmental units
-	-	-	-	1,807	-	1,812	Retainages
-	-	-	-	3,000	-	3,741	Unearned revenues
70	-	-	42	11,384	-	20,393	Total liabilities
							DEFERRED INFLOWS OF RESOURCES:
-	-	-	-	-	-	59	Deferred inflows related to unavailable taxes
-	-	-	-	-	-	59	Total deferred inflows of resources
							FUND BALANCES:
-	-	-	-	-	-	23	Non-spendable
6,320	6,173	31,485	174	-	-	107,418	Restricted
-	-	-	-	32,164	-	32,164	Committed
6,320	6,173	31,485	174	32,164	-	139,605	Total fund balances
6,390	6,173	31,485	216	43,548	-	160,057	Total liabilities, deferred inflows of resources and fund balances

COUNTY OF PRINCE WILLIAM, VIRGINIA

Nonmajor Governmental Funds - Special Revenue Funds and Capital Projects Funds

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

Schedule 13

Page 1 of 2

	Special Revenue Funds					
	Stormwater Management District/Gypsy					
	Fire & Rescue Levy	Transportation Districts	Moth and Forest Pest Management	Development Fee Services	Housing	Community Development Authorities
REVENUES:						
General property taxes	\$ 55,568	1,142	1,742	-	-	3,115
Other local taxes	-	-	-	-	-	-
Permits, privilege fees and regulatory licenses	-	-	387	21,358	-	-
From use of money and property	(4,934)	(136)	(646)	(547)	(7)	-
Charges for services	-	15	8,679	1,265	1,146	-
Intergovernmental revenues:						
Federal	-	-	-	-	33,033	-
State	-	-	-	(6)	433	-
Donations	-	-	22	-	-	-
Miscellaneous	393	-	-	18	-	-
Total revenues	51,027	1,021	10,184	22,088	34,605	3,115
EXPENDITURES:						
Public safety - Public Works	27,262	-	-	16,761	-	-
Public works - Public Works	-	256	-	-	-	-
Community development - Housing	-	-	-	-	32,897	-
Community development - Public Works	-	-	7,035	5,882	-	-
Community Development Authorities	-	-	-	-	-	3,169
Capital outlay	-	-	-	-	-	-
Total expenditures	27,262	256	7,035	22,643	32,897	3,169
OTHER FINANCING SOURCES / (USES):						
Transfers in from:						
General fund	-	-	36	5,047	227	-
Special revenue funds	-	-	-	-	-	-
Transfers out to:						
General fund	(28,151)	(697)	(1,337)	(1,963)	(345)	(8)
Special revenue funds	-	-	(2,196)	-	-	-
Internal service funds	(98)	-	(19)	(382)	-	-
Issuance of debt	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-
Sale of surplus property	10	-	65	-	-	-
Total other financing sources / (uses)	(28,239)	(697)	(3,451)	2,702	(118)	(8)
Net change in fund balances	(4,474)	68	(302)	2,147	1,590	(62)
FUND BALANCE, beginning of year	41,182	1,357	6,473	10,545	4,692	73
FUND BALANCE, end of year	\$ 36,708	1,425	6,171	12,692	6,282	11

Special Revenue Funds				Capital Projects Funds			
Emergency Medical Services	Transient Occupancy Tax	Grantor's / Deed Tax	Other	Other	Other Education	Total	
-	-	-	-	-	-	61,567	REVENUES:
-	2,455	7,604	-	-	-	10,059	General property taxes
-	-	-	-	-	-	21,745	Other local taxes
(316)	(303)	(1,657)	(9)	1	-	(8,554)	Permits, privilege fees and regulatory licenses
7,667	-	-	-	-	-	18,772	From use of money and property
-	-	-	-	250	-	33,283	Charges for services
5	-	-	3	(272)	-	163	Intergovernmental revenues:
-	-	-	11	-	-	33	Federal
-	-	-	-	-	-	411	State
7,356	2,152	5,947	5	(21)	-	137,479	Donations
							Miscellaneous
							Total revenues
1,409	150	-	7	-	-	45,589	EXPENDITURES:
-	-	-	-	-	-	256	Public safety - Public Works
-	-	-	-	-	-	32,897	Public works - Public Works
-	-	-	-	-	-	12,917	Community development - Housing
-	-	-	-	-	-	3,169	Community development - Public Works
-	-	-	-	33,915	64,942	98,857	Community Development Authorities
1,409	150	-	7	33,915	64,942	193,685	Capital outlay
							Total expenditures
							OTHER FINANCING SOURCES / (USES):
-	-	-	-	12,706	-	18,016	Transfers in from:
-	-	-	-	2,196	-	2,196	General fund
(3,827)	-	-	-	(1,990)	-	(38,318)	Special revenue funds
-	-	-	-	-	-	(2,196)	Transfers out to:
-	-	-	-	-	-	(499)	General fund
-	-	-	-	-	58,855	58,855	Special revenue funds
-	-	-	-	-	6,087	6,087	Internal service funds
-	-	-	-	847	-	922	Issuance of debt
(3,827)	-	-	-	13,759	64,942	45,063	Premium on debt
2,120	2,002	5,947	(2)	(20,177)	-	(11,143)	Sale of surplus property
4,200	4,171	25,538	176	52,341	-	150,748	Total other financing sources / (uses)
6,320	6,173	31,485	174	32,164	-	139,605	Net change in fund balances
							FUND BALANCE, beginning of year
							FUND BALANCE, end of year

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 14

Special Revenue Fund - Fire & Rescue Levy

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
General property taxes	\$ 54,622	54,622	55,568	946
From use of money and property	381	381	782	401
Miscellaneous	381	-	393	393
Total budgetary revenues	55,384	55,003	56,743	1,740
BUDGETARY EXPENDITURES:				
Public Safety - Fire & Rescue	33,912	32,762	27,262	5,500
Total budgetary expenditures	33,912	32,762	27,262	5,500
OTHER FINANCING SOURCES (USES):				
Transfers out to:				
General fund	(28,151)	(28,151)	(28,151)	-
Internal service funds	(98)	(98)	(98)	-
Sales of surplus property	-	-	10	10
Total other financing uses	(28,249)	(28,249)	(28,239)	10
Net change in budgetary fund balance	(6,777)	(6,008)	1,242	7,250
BUDGETARY FUND BALANCE, beginning of year	42,359	42,359	42,359	-
BUDGETARY FUND BALANCE, end of year	\$ 35,582	36,351	43,601	7,250
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 14)	\$ 381	381	782	401
Current year fair value adjustment	-	-	(5,716)	(5,716)
From use of money and property (Schedule 13)	381	381	(4,934)	(5,315)
Cumulative fair value adjustments of prior periods	-	-	(1,177)	(1,177)
BUDGETARY FUND BALANCE, end of year	35,582	36,351	43,601	7,250
Total adjustments	-	-	(6,893)	(6,893)
FUND BALANCE, end of year	\$ 35,582	36,351	36,708	357

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 15

Special Revenue Fund - Transportation Districts

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With
	Original	Final	Actuals	Final Budget Favorable (Unfavorable)
BUDGETARY REVENUES:				
General property taxes	\$ 1,055	1,055	1,142	87
From use of money and property	7	7	21	14
Charges for services	-	-	15	15
Total budgetary revenues	1,062	1,062	1,178	116
BUDGETARY EXPENDITURES:				
Public works - Public Works	365	385	256	129
Total budgetary expenditures	365	385	256	129
OTHER FINANCING USES:				
Transfers out to:				
General fund	(697)	(697)	(697)	-
Total other financing sources/ (uses)	(697)	(697)	(697)	-
Net change in budgetary fund balance	-	(20)	225	245
BUDGETARY FUND BALANCE, beginning of year	1,404	1,404	1,404	-
BUDGETARY FUND BALANCE, end of year	\$ 1,404	1,384	1,629	245
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 15)	\$ 7	7	21	14
Current year fair value adjustment	-	-	(157)	(157)
From use of money and property (Schedule 13)	7	7	(136)	(143)
Cumulative fair value adjustments of prior periods	-	-	(47)	(47)
BUDGETARY FUND BALANCE, end of year	1,404	1,384	1,629	245
Total adjustments	-	-	(204)	(204)
FUND BALANCE, end of year	\$ 1,404	1,384	1,425	41

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 16

Special Revenue Fund - Stormwater Management District/Gypsy Moth and Forest Pest Management

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
General property taxes	\$ 1,512	1,512	1,742	230
Permits, privilege fees and regulatory licenses	-	-	387	387
From use of money and property	130	130	107	(23)
Charges for services	8,900	8,900	8,679	(221)
Intergovernmental revenues:				
Donations	-	20	22	2
Total budgetary revenues	10,542	10,562	10,937	375
BUDGETARY EXPENDITURES:				
Community development - Public Works	7,994	12,472	7,035	5,437
Total budgetary expenditures	7,994	12,472	7,035	5,437
OTHER FINANCING SOURCES / (USES):				
Transfers in from:				
General fund	-	36	36	-
Transfers out from:				
General fund	(1,337)	(1,337)	(1,337)	-
Internal service funds	(19)	(19)	(19)	-
Capital projects funds	(2,196)	(2,196)	(2,196)	-
Sale of surplus property	-	-	65	65
Total other financing sources / (uses)	(3,552)	(3,516)	(3,451)	65
Net change in budgetary fund balance	(1,004)	(5,426)	451	5,877
BUDGETARY FUND BALANCE, beginning of year	6,641	6,641	6,641	-
BUDGETARY FUND BALANCE, end of year	\$ 5,637	1,215	7,092	5,877
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 16)	\$ 130	130	107	(23)
Current year fair value adjustment	-	-	(753)	(753)
From use of money and property (Schedule 13)	130	130	(646)	(776)
Cumulative fair value adjustments of prior periods	-	-	(168)	(168)
BUDGETARY FUND BALANCE, end of year	5,637	1,215	7,092	5,877
Total adjustments	-	-	(921)	(921)
FUND BALANCE, end of year	\$ 5,637	1,215	6,171	4,956

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 17

Special Revenue Fund - Development Fee Services

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With
	Original	Final	Actuals	Final Budget Favorable (Unfavorable)
BUDGETARY REVENUES:				
Permits, privilege fees and regulatory licenses	\$ 18,321	18,860	21,358	2,498
From use of money and property	55	55	97	42
Charges for services	1,124	1,124	1,265	141
Intergovernmental revenues:				
State	-	-	(6)	(6)
Miscellaneous	268	25	18	(7)
Total budgetary revenues	19,768	20,064	22,732	2,668
BUDGETARY EXPENDITURES:				
Public safety - Public Works	16,272	16,826	16,761	65
Community development - Public Works	6,732	6,727	5,882	845
Total budgetary expenditures	23,004	23,553	22,643	910
OTHER FINANCING SOURCES / (USES):				
Transfers in from:				
General fund	4,886	5,047	5,047	-
Transfers out to:				
General fund	(1,963)	(1,963)	(1,963)	-
Internal service funds	(382)	(382)	(382)	-
Total other financing sources	2,541	2,702	2,702	-
Net change in budgetary fund balance	(695)	(787)	2,791	3,578
BUDGETARY FUND BALANCE, beginning of year	10,436	10,436	10,436	-
BUDGETARY FUND BALANCE, end of year	\$ 9,741	9,649	13,227	3,578
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 17)	\$ 55	55	97	42
Current year fair value adjustment	-	-	(644)	(644)
From use of money and property (Schedule 13)	55	55	(547)	(602)
Cumulative fair value adjustments of prior periods	-	-	109	109
BUDGETARY FUND BALANCE, end of year	9,741	9,649	13,227	3,578
Total adjustments	-	-	(535)	(535)
FUND BALANCE, end of year	\$ 9,741	9,649	12,692	3,043

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 18

Special Revenue Fund - Housing

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
From use of money and property	\$ -	-	1	1
Charges for services	7,970	7,970	1,146	(6,824)
Intergovernmental revenues:				
Federal	34,955	39,767	33,033	(6,734)
State	-	432	433	1
Miscellaneous	145	-	-	-
Total budgetary revenues	43,070	48,169	34,613	(13,556)
BUDGETARY EXPENDITURES:				
Community development - Housing	43,200	54,794	32,897	21,897
Total budgetary expenditures	43,200	54,794	32,897	21,897
OTHER FINANCING SOURCES / (USES):				
Transfers in from:				
General fund	227	227	227	-
Transfers out to:				
General fund	(143)	(345)	(345)	-
Total other financing sources / (uses)	84	(118)	(118)	-
Net change in budgetary fund balance	(46)	(6,743)	1,598	8,341
BUDGETARY FUND BALANCE, beginning of year	4,692	4,692	4,692	-
BUDGETARY FUND BALANCE, end of year	\$ 4,646	(2,051)	6,290	8,341
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 18)	\$ -	-	1	1
Current year fair value adjustment	-	-	(8)	(8)
From use of money and property (Schedule 13)	-	-	(7)	(7)
BUDGETARY FUND BALANCE, end of year	4,646	(2,051)	6,290	8,341
Total adjustments	-	-	(8)	(8)
FUND BALANCE, end of year	\$ 4,646	(2,051)	6,282	8,333

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 19

SPECIAL REVENUE FUND - Community Development Authorities

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
General property taxes	\$ 3,012	3,177	3,115	(62)
Total budgetary revenues	3,012	3,177	3,115	(62)
BUDGETARY EXPENDITURES:				
Community Development Authorities	3,005	3,169	3,169	-
Total budgetary expenditures	3,005	3,169	3,169	-
OTHER FINANCING USES:				
Transfers out to:				
General fund	(8)	(8)	(8)	-
Total other financing sources / (uses)	(8)	(8)	(8)	-
Net change in budgetary fund balance	(1)	-	(62)	(62)
BUDGETARY FUND BALANCE, beginning of year	73	73	73	-
BUDGETARY FUND BALANCE, end of year	\$ 72	73	11	(62)

Note to Schedule:

GAAP basis equals Budgetary basis.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 20

Special Revenue Fund - Emergency Medical Services

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
From use of money and property	\$ -	-	46	46
Charges for services	5,762	5,762	7,667	1,905
Intergovernmental revenues:				
State	-	-	5	5
Total budgetary revenues	5,762	5,762	7,718	1,956
BUDGETARY EXPENDITURES:				
Public safety - Public Works	1,539	1,586	1,409	177
Total budgetary expenditures	1,539	1,586	1,409	177
OTHER FINANCING USES:				
Transfers out to:				
General fund	(3,827)	(3,827)	(3,827)	-
Total other financing sources / (uses)	(3,827)	(3,827)	(3,827)	-
Net change in budgetary fund balance	396	349	2,482	2,133
BUDGETARY FUND BALANCE, beginning of year	4,253	4,253	4,253	-
BUDGETARY FUND BALANCE, end of year	\$ 4,649	4,602	6,735	2,133
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 20)	\$ -	-	46	46
Current year fair value adjustment	-	-	(362)	(362)
From use of money and property (Schedule 13)	-	-	(316)	(316)
Cumulative fair value adjustments of prior periods	-	-	(53)	(53)
BUDGETARY FUND BALANCE, end of year	4,649	4,602	6,735	2,133
Total adjustments	-	-	(415)	(415)
FUND BALANCE, end of year	\$ 4,649	4,602	6,320	1,718

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 21

Special Revenue Fund - Transient Occupancy Tax

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
Other local taxes	\$ 1,400	1,400	2,455	1,055
From use of money and property	-	-	48	48
Total budgetary revenues	1,400	1,400	2,503	1,103
BUDGETARY EXPENDITURES:				
Public safety - Public Works	-	150	150	-
Total budgetary expenditures	-	150	150	-
Net change in budgetary fund balance	1,400	1,250	2,353	1,103
BUDGETARY FUND BALANCE, beginning of year	4,152	4,152	4,152	-
BUDGETARY FUND BALANCE, end of year	\$ 5,552	5,402	6,505	1,103
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 21)	\$ -	-	48	48
Current year fair value adjustment	-	-	(351)	(351)
From use of money and property (Schedule 13)	-	-	(303)	(303)
Cumulative fair value adjustments of prior periods	-	-	19	19
BUDGETARY FUND BALANCE, end of year	5,552	5,402	6,505	1,103
Total adjustments	-	-	(332)	(332)
FUND BALANCE, end of year	\$ 5,552	5,402	6,173	771

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 22

Special Revenue Fund - Grantor's / Deed Tax

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
Other local taxes	\$ -	-	7,604	7,604
From use of money and property	-	-	265	265
Total budgetary revenues	-	-	7,869	7,869
Net change in budgetary fund balance	-	-	7,869	7,869
BUDGETARY FUND BALANCE, beginning of year	25,620	25,620	25,620	-
BUDGETARY FUND BALANCE, end of year	\$ 25,620	25,620	33,489	7,869
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 22)	\$ -	-	265	265
Current year fair value adjustment	-	-	(1,922)	(1,922)
From use of money and property (Schedule 13)	-	-	(1,657)	(1,657)
Cumulative fair value adjustments of prior periods	-	-	(82)	(82)
BUDGETARY FUND BALANCE, end of year	25,620	25,620	33,489	7,869
Total adjustments	-	-	(2,004)	(2,004)
FUND BALANCE, end of year	\$ 25,620	25,620	31,485	5,865

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 23

Special Revenue Fund - Other

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual
(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With
	Original	Final	Actuals	Final Budget Favorable (Unfavorable)
BUDGETARY REVENUES:				
From use of money and property	\$ -	-	3	3
Intergovernmental revenues:				
State	-	10	3	(7)
Donations	1	-	11	11
Total budgetary revenues	1	10	17	7
BUDGETARY EXPENDITURES:				
Public safety - Public Works	10	10	7	3
Total budgetary expenditures	10	10	7	3
Net change in budgetary fund balance	(9)	-	10	10
BUDGETARY FUND BALANCE, beginning of year	177	177	177	-
BUDGETARY FUND BALANCE, end of year	\$ 168	177	187	10
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 23)	\$ -	-	3	3
Current year fair value adjustment	-	-	(12)	(12)
From use of money and property (Schedule 13)	-	-	(9)	(9)
Cumulative fair value adjustments of prior periods	-	-	(1)	(1)
BUDGETARY FUND BALANCE, end of year	168	177	187	10
Total adjustments	-	-	(13)	(13)
FUND BALANCE, end of year	\$ 168	177	174	(3)



**PRINCE
WILLIAM
COUNTY**

Nonmajor Proprietary Funds

INNOVATION TECHNOLOGY PARK FUND

Innovation Technology Park Fund provides land for economic development purposes.

PARKS & RECREATION FUND

The Prince William Department of Parks, Recreation and Tourism provides recreational service to the County residents at the golf course and Waterworks and Splashdown Water Parks.

COUNTY OF PRINCE WILLIAM, VIRGINIA
Nonmajor Proprietary Funds
Combining Statement of Net Position
June 30, 2022
(amounts expressed in thousands)

Schedule 24
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	Innovation Technology Park	Parks & Recreation	Total
ASSETS			
Current assets:			
Equity in pooled cash and investments	\$ 10,861	50	10,911
Restricted cash and temporary investments	-	417	417
Accounts receivable, net	37	111	148
Inventory	4,393	69	4,462
Advances and prepaid items	-	20	20
Total current assets	15,291	667	15,958
Noncurrent assets:			
Capital assets:			
Land and construction in progress	1,084	2,630	3,714
Buildings and other capital assets, net of depreciation	-	1,091	1,091
Total noncurrent assets	1,084	3,721	4,805
Total assets	16,375	4,388	20,763
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	-	6	6
Deferred outflows related to pensions	-	83	83
Deferred outflows related to OPEB	-	11	11
Total deferred outflows of resources	-	100	100
LIABILITIES			
Current liabilities:			
Accounts payable	-	290	290
Wages and benefits payable	-	137	137
Deposits and escrows	19	9	28
Accrued interest	-	44	44
Unearned revenues	-	210	210
Current portion of bonds payable	-	665	665
Current portion of bond premiums	-	97	97
Current portion of compensated absences	-	1	1
Total current liabilities	19	1,453	1,472

COUNTY OF PRINCE WILLIAM, VIRGINIA
Nonmajor Proprietary Funds
Combining Statement of Net Position
June 30, 2022
(amounts expressed in thousands)

Schedule 24
Page 2 of 2

	Innovation Technology Park	Parks & Recreation	Total
Noncurrent liabilities:			
Bonds payable, net of current portion	-	2,860	2,860
Bond premiums, net of current portion	-	386	386
Net pension liabilities	-	65	65
Net OPEB liabilities	-	34	34
Compensated absences	-	9	9
Total noncurrent liabilities	-	3,354	3,354
Total liabilities	19	4,807	4,826
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	-	110	110
Deferred inflows related to OPEB	-	7	7
Total deferred inflows of resources	-	117	117
NET POSITION			
Net investments in capital assets	1,084	(281)	803
Unrestricted	15,272	(155)	15,117
Total net position / (deficit)	\$ 16,356	(436)	15,920

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 25

Nonmajor Proprietary Funds

Combining Schedule of Revenue, Expenditures and Changes in Net Position

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Innovation Technology Park	Parks & Recreation	Total
OPERATING REVENUES:			
Charges for services	\$ 848	4,401	5,249
Miscellaneous	89	-	89
Total operating revenues	937	4,401	5,338
OPERATING EXPENSES:			
Personnel expenses	-	1,279	1,279
Contractual services	106	2,782	2,888
Materials / supplies	-	720	720
Depreciation and amortization	-	194	194
Other	30	8	38
Total operating expenses	136	4,983	5,119
Operating income / (loss)	801	(582)	219
NON-OPERATING REVENUES / (EXPENSES):			
Interest income	(609)	120	(489)
Interest and other debt costs	-	(185)	(185)
Total non-operating revenues / (expenses)	(609)	(65)	(674)
Income / (loss) before transfers	192	(647)	(455)
TRANSFERS:			
Transfers in from:			
General fund	35	1,579	1,614
Transfers out to:			
General fund	(150)	-	(150)
Total transfers	(115)	1,579	1,464
Change in net position	77	932	1,009
NET POSITION, beginning of the year	16,279	(1,368)	14,911
NET POSITION, end of the year	\$ 16,356	(436)	15,920

Internal Service Funds

Internal Service Funds provide for the financing of goods or services on a cost-reimbursement basis by one department or agency to other departments or agencies within the County. The County has the following internal service funds:

INTRA-COUNTY SERVICES

The Construction Crew provides roads and sidewalk construction and maintenance on County property; Data Processing provides computer operations and software applications; and Fleet Management provides fleet operations and maintenance services.

SELF-INSURANCE

Three self-insurance programs provide the County with liability, property damage, casualty and workers' compensation insurance.

HEALTH INSURANCE

The Health Insurance Fund provides self-insurance medical and dental coverage for employees and fully insured HMO and vision coverage. Flexible spending benefits and an additional insurance credit for retirees is also a component of this fund.

COUNTY OF PRINCE WILLIAM, VIRGINIA
Internal Service Funds
Combining Statement of Net Position
June 30, 2022
(amounts expressed in thousands)

Schedule 26

	Intra-County Services	Other Self-Insurance	Self-Insurance Casualty Pool	Self-Insurance Workers' Compensation Association	Health Insurance	Total
ASSETS						
Current assets:						
Equity in pooled cash and investments	\$ 13,573	264	-	-	35,365	49,202
Restricted cash and temporary investments	-	-	1,285	8,848	-	10,133
Investments	-	-	989	24,844	-	25,833
Accounts receivable, net	25	1	5	450	4,980	5,461
Due from other governmental units	583	-	-	-	6	589
Inventory	339	-	-	-	-	339
Advances and prepaid items	225	-	259	48	8	540
Total current assets	14,745	265	2,538	34,190	40,359	92,097
Noncurrent assets:						
Restricted investments	-	-	500	750	-	1,250
Capital assets:						
Land and construction in progress	440	-	-	-	-	440
Buildings and other capital assets, net of depreciation	6,598	-	-	-	-	6,598
Total noncurrent assets	7,038	-	500	750	-	8,288
Total assets	21,783	265	3,038	34,940	40,359	100,385
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	4,548	-	-	-	240	4,788
Deferred outflows related to OPEB	614	-	-	-	31	645
Total deferred outflows of resources	5,162	-	-	-	271	5,433
LIABILITIES						
Current liabilities:						
Accounts payable	2,443	-	202	153	2,612	5,410
Wages and benefits payable	693	-	-	-	-	693
Unpaid losses, related liabilities and IBNR	-	190	427	2,432	4,067	7,116
Current portion of surplus distribution payables	-	-	375	461	-	836
Current portion of compensated absences	145	-	-	-	-	145
Total current liabilities	3,281	190	1,004	3,046	6,679	14,200
Noncurrent liabilities:						
Unpaid losses, related liabilities and IBNR	-	-	487	16,429	-	16,916
Surplus distribution payables	-	-	5	814	-	819
Net pension liabilities	3,534	-	-	-	186	3,720
Net OPEB liabilities	1,752	-	-	-	85	1,837
Compensated absences	1,891	-	-	-	-	1,891
Total noncurrent liabilities	7,177	-	492	17,243	271	25,183
Total liabilities	10,458	190	1,496	20,289	6,950	39,383
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	6,012	-	-	-	316	6,328
Deferred inflows related to OPEB	400	-	-	-	20	420
Total deferred inflows of resources	6,412	-	-	-	336	6,748
NET POSITION						
Net investment in capital assets	7,038	-	-	-	-	7,038
Restricted for self-insurance funds	-	-	500	2,964	4	3,468
Unrestricted	3,037	75	1,042	11,687	33,340	49,181
Total net position	\$ 10,075	75	1,542	14,651	33,344	59,687

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 27

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Intra-County Services	Other Self- Insurance	Self- Insurance Casualty Pool	Self- Insurance Workers' Compensation Association	Health Insurance	Total
OPERATING REVENUES:						
Charges for services	\$ 49,913	-	2,387	6,967	65,394	124,661
Miscellaneous	536	1	-	-	5,599	6,136
Total operating revenues	50,449	1	2,387	6,967	70,993	130,797
OPERATING EXPENSES:						
Personal services	14,979	-	-	-	798	15,777
Contractual services	23,111	-	1,003	821	5,259	30,194
Materials / supplies	10,289	-	-	-	4	10,293
Depreciation and amortization	(1,176)	-	-	-	-	(1,176)
Other	809	-	-	-	15	824
Claims and premiums	94	-	737	522	60,927	62,280
OPEB costs	-	-	-	-	4,931	4,931
Losses and loss adjustment expenses	-	-	562	5,475	(446)	5,591
Total operating expenses	48,106	-	2,302	6,818	71,488	128,714
Operating income / (loss)	2,343	1	85	149	(495)	2,083
NON-OPERATING REVENUES / (EXPENSES):						
Interest income	(1,121)	(15)	(88)	(1,265)	(2,309)	(4,798)
Gain on sale of capital assets	36	-	-	-	-	36
Total non-operating revenues / (expenses)	(1,085)	(15)	(88)	(1,265)	(2,309)	(4,762)
Loss before transfers and capital contributions	1,258	(14)	(3)	(1,116)	(2,804)	(2,679)
TRANSFERS:						
Transfers in from:						
General fund	1,121	-	-	-	-	1,121
Special revenue funds	401	-	-	-	-	401
Fire & rescue levy funds	-	-	-	-	98	98
Transfers out to:						
General fund	-	-	-	-	(2,000)	(2,000)
Total transfers	1,522	-	-	-	(1,902)	(380)
Change in net position	2,780	(14)	(3)	(1,116)	(4,706)	(3,059)
NET POSITION, beginning of year	7,295	89	1,545	15,767	38,050	62,746
NET POSITION, end of year	\$ 10,075	75	1,542	14,651	33,344	59,687

	Intra- County Services	Other Self- Insurance	Self- Insurance Casualty Pool	Self- Insurance Workers' Compensation Association	Health Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 50,046	-	2,284	6,422	65,397	124,149
Cash received / (paid) from / (to) other entities	(45)	1	-	-	5,035	4,991
Payments for claims and premiums	-	(12)	(1,090)	(4,174)	(65,412)	(70,688)
Payments to suppliers for goods and services	(32,284)	-	(1,131)	(861)	(4,838)	(39,114)
Payments to employees for services	(16,183)	-	-	-	(789)	(16,972)
Net cash provided / (used) by operating activities	1,534	(11)	63	1,387	(607)	2,366
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Surplus distributions paid	-	-	(3)	(61)	-	(64)
Transfers in	1,522	-	-	-	98	1,620
Transfers out	-	-	-	-	(2,000)	(2,000)
Net cash provided / (used) by non-capital financing activities	1,522	-	(3)	(61)	(1,902)	(444)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition of capital assets	(1,755)	-	-	-	-	(1,755)
Proceeds from the sale of capital assets	36	-	-	-	-	36
Net cash used by capital and related financing activities	(1,719)	-	-	-	-	(1,719)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from maturities of investments	-	-	800	5,589	-	6,389
Purchases of investments	-	-	(800)	(15,024)	-	(15,824)
Interest and dividends received / (used) on investments	(1,121)	(15)	10	302	(2,305)	(3,129)
Net cash provided / (used) by investing activities	(1,121)	(15)	10	(9,133)	(2,305)	(12,564)
Net increase / (decrease) in cash and cash equivalents	216	(26)	70	(7,807)	(4,814)	(12,361)
CASH AND CASH EQUIVALENTS, beginning of year	13,357	290	1,215	16,655	40,179	71,696
CASH AND CASH EQUIVALENTS, end of year	\$ 13,573	264	1,285	8,848	35,365	59,335

COUNTY OF PRINCE WILLIAM, VIRGINIA

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

Schedule 28

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	Intra-County Services	Other Self-Insurance	Self-Insurance Casualty Pool	Self-Insurance Workers' Compensation Association	Health Insurance	Total
RECONCILIATION OF OPERATING INCOME / (LOSS) TO NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES:						
Operating income / (loss)	\$ 2,343	1	85	149	(495)	2,083
Adjustments to reconcile operating income / (loss) to net cash provided / (used) by operating activities:						
Depreciation and amortization	(1,176)	-	-	-	-	(1,176)
Dividends applied to premiums	-	-	(103)	(545)	-	(648)
Change in assets:						
(Increase) / decrease in:						
Accounts receivable	134	-	-	(343)	(561)	(770)
Due from other governmental units	(583)	-	-	-	-	(583)
Due from related party	-	-	168	170	-	338
Inventory	(32)	-	-	-	-	(32)
Advances and prepaid items	-	-	(92)	(39)	71	(60)
Change in deferred outflows of resources:						
Increase (decrease) in:						
Deferred outflows of resources related to pensions	335	-	-	-	(25)	310
Deferred outflows of resources related to OPEB	(175)	-	-	-	(12)	(187)
Change in liabilities:						
Increase / (decrease) in:						
Accounts payable and personnel costs	2,005	-	4	(1)	815	2,823
Unpaid losses, related liabilities and IBNR	-	(12)	1	1,996	(446)	1,539
Other noncurrent liabilities	(7,233)	-	-	-	(273)	(7,506)
Change in deferred inflows of resources:						
(Increase) / decrease in:						
Deferred inflows of resources related to pensions	5,940	-	-	-	313	6,253
Deferred inflows of resources related to OPEB	(24)	-	-	-	6	(18)
Total adjustments	(809)	(12)	(22)	1,238	(112)	283
Net cash provided / (used) by operating activities	\$ 1,534	(11)	63	1,387	(607)	2,366



**PRINCE
WILLIAM
COUNTY**

Fiduciary & Custodial Funds

Fiduciary funds are used to report assets held in a trustee or agency on behalf of others. Such funds cannot be used to support the County's programs. The County uses fiduciary funds to report the financial activities related to: pensions, other post-employment benefits (OPEB) obligations, and the related assets held to fund those obligations, as well as for trust arrangements with private organizations.

Custodial funds are used to account for assets held by the County on behalf of individuals, or collected on behalf of other governments and paid to the other government.

- The Special Welfare Fund, the Community Service Board Payees Fund, and the Housing Family Self-Sufficiency (FSS) Recipients Fund are used to account for receipts and disbursements of monies for certain County welfare, mental health services and FSS program recipients.
- The Innovation Owners Association Fund is operated by the County on behalf of the Innovation Owners Association (Association), which manages general community costs for property owners in the Innovation Park corridor.
- Sales Tax Due to Towns Fund is used to record the portion of sales taxes collected by the County that are due to the Towns of Dumfries, Quantico, Occoquan, and Haymarket located within the County boundaries. The Towns' portions are paid on a monthly basis.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 29

Fiduciary Funds**Combining Statement of Fiduciary Net Position - Pension and Other Post-Employment Benefits (OPEB) Master Trust Funds**

June 30, 2022

(amounts expressed in thousands)

	Pension	OPEB Master	
	Trust Funds	Trust Fund	Total
ASSETS			
Restricted cash	\$ 412	-	412
Accounts receivables	206	-	206
Restricted investments:			
Money market mutual funds	553	7,776	8,329
Equity investments	28,721	56,235	84,956
Real asset investments	5,702	11,191	16,893
Fixed income investments	12,423	38,877	51,300
Diversified investments	2,324	-	2,324
Life insurance annuity	20,809	-	20,809
Total investments	70,532	114,079	184,611
Total assets	71,150	114,079	185,229
LIABILITIES			
Accounts payable	106	4,854	4,960
Total liabilities	106	4,854	4,960
NET POSITION			
Net position restricted for pensions	71,044	-	71,044
Net position restricted for OPEB	-	109,225	109,225
Total net position	\$ 71,044	109,225	180,269

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 30

Fiduciary Funds

Combining Statement of Changes in Fiduciary Net Position - Pension and Other Post-Employment Benefits (OPEB) Master Trust Funds

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Pension Trust Funds	OPEB Master Trust Fund	Total
ADDITIONS			
Contributions:			
Member	\$ 1,953	-	1,953
Employer	3,478	7,400	10,878
Total Contributions	5,431	7,400	12,831
Investment income:			
Interest and dividends	1,835	2,966	4,801
Net depreciation in fair value of investments	(7,402)	(20,450)	(27,852)
Total investment income	(5,567)	(17,484)	(23,051)
Less: investment expenses	(129)	(218)	(347)
Net investment income	(5,696)	(17,702)	(23,398)
Total additions	(265)	(10,302)	(10,567)
DEDUCTIONS			
Pension and OPEB payments	3,161	4,791	7,952
Refund of members' contributions	429	-	429
Administrative expenses	348	15	363
Total deductions	3,938	4,806	8,744
Change in net position	(4,203)	(15,108)	(19,311)
NET POSITION, beginning of year	75,247	124,333	199,580
NET POSITION, end of year	\$ 71,044	109,225	180,269

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 31

Fiduciary Funds

Combining Statement of Fiduciary Net Position - Pension Trust Funds

June 30, 2022

(amounts expressed in thousands)

	Supplemental Pension Plan Trust Fund	Length of Service Award Program (LoSAP) Trust Fund	Total Pension Trust Funds
ASSETS			
Restricted cash	\$ 412	-	412
Accounts receivable	206	-	206
Restricted investments:			
Money market mutual funds	553	-	553
Equity investments	28,721	-	28,721
Real asset investments	5,702	-	5,702
Fixed return investments	12,423	-	12,423
Diversified investments	2,324	-	2,324
Life insurance annuity	-	20,809	20,809
Total investments	49,723	20,809	70,532
Total assets	50,341	20,809	71,150
LIABILITIES			
Accounts payable	77	29	106
Total liabilities	77	29	106
NET POSITION			
Net position restricted for pensions	50,264	20,780	71,044
Total net position	\$ 50,264	20,780	71,044

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 32

Fiduciary Funds

Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Supplemental Pension Plan Trust Fund	Length of Service Award Program (LoSAP) Trust Fund	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Member	\$ 1,953	-	1,953
Employer	1,953	1,525	3,478
Total contributions	3,906	1,525	5,431
Investment income:			
Interest and dividends	1,253	582	1,835
Net depreciation in fair value of investments	(7,402)	-	(7,402)
Total investment income	(6,149)	582	(5,567)
Less: investment expenses	(129)	-	(129)
Net investment income	(6,278)	582	(5,696)
Total additions	(2,372)	2,107	(265)
DEDUCTIONS			
Benefit payments	2,466	695	3,161
Refund of members' contributions	429	-	429
Administrative expenses	200	148	348
Total deductions	3,095	843	3,938
Change in net position	(5,467)	1,264	(4,203)
NET POSITION, beginning of year	55,731	19,516	75,247
NET POSITION, end of year	\$ 50,264	20,780	71,044

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 33

Fiduciary Funds

Combining Statement of Fiduciary Net Position - Other Post-Employment Benefits (OPEB) Master Trust Fund

June 30, 2022

(amounts expressed in thousands)

		County OPEB County OPEB Premium Plan Trust Fund	County OPEB Retiree Health Insurance Credit Plan (RHICP) Trust Fund	County OPEB LODA Trust Fund	Schools OPEB Premium Plan Trust Fund	Total OPEB Master Trust Fund
ASSETS						
Restricted investments	\$	21,898	22,898	20,928	48,355	114,079
Total assets		21,898	22,898	20,928	48,355	114,079
LIABILITIES						
Accounts payable	\$	1,676	2,196	974	8	4,854
Total liabilities		1,676	2,196	974	8	4,854
NET POSITION						
Net position restricted for OPEB		20,222	20,702	19,954	48,347	109,225
Total net position	\$	20,222	20,702	19,954	48,347	109,225

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 34

Fiduciary Funds

Combining Statement of Changes in Fiduciary Net Position - Other Post-Employment Benefits (OPEB) Master Trust Fund

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	County OPEB Premium Plan Trust Fund	County OPEB Retiree Health Insurance Credit Plan (RHICP) Trust Fund	County OPEB LODA Trust Fund	Schools OPEB Premium Plan Trust Fund	Total OPEB Master Trust Fund
ADDITIONS					
Contributions:					
Employer	\$ 1,479	2,291	1,830	1,800	7,400
Investment income:					
Interest and dividends	589	507	607	1,263	2,966
Net depreciation in fair value of investments	(4,033)	(3,483)	(4,203)	(8,731)	(20,450)
Total investment income	(3,444)	(2,976)	(3,596)	(7,468)	(17,484)
Less: investment expenses	(43)	(37)	(45)	(93)	(218)
Net investment income	(3,487)	(3,013)	(3,641)	(7,561)	(17,702)
Total additions	(2,008)	(722)	(1,811)	(5,761)	(10,302)
DEDUCTIONS					
Benefit payments	1,672	2,193	926	-	4,791
Administrative expenses	-	-	-	15	15
Total deductions	1,672	2,193	926	15	4,806
Change in net position	(3,680)	(2,915)	(2,737)	(5,776)	(15,108)
NET POSITION, beginning of year	23,902	23,617	22,691	54,123	124,333
NET POSITION, end of year	\$ 20,222	20,702	19,954	48,347	109,225

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 35

Fiduciary Funds

Combining Statement of Fiduciary Net Position - Custodial Funds

June 30, 2022

(amounts expressed in thousands)

	Special Welfare	Community Service Board Payees	Housing FSS Recipients	Innovation Owner's Association	Sales Tax Due To Towns	Total
ASSETS						
Equity in pooled cash and investments	\$ 105	-	535	370	-	1,010
Cash held by other fiscal agents	-	79	-	-	-	79
Accounts receivable, net	-	-	2	40	-	42
Total assets	105	79	537	410	-	1,131
LIABILITIES						
Accounts payable	-	-	-	399	-	399
Escrow and deposits	-	-	527	-	-	527
Total liabilities	-	-	527	399	-	926
NET POSITION						
Net position restricted for other purposes	105	79	10	11	-	205
Total net position	\$ 105	79	10	11	-	205

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 36

Fiduciary Funds

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Special Welfare	Community Services Board Payees	Housing FSS Recipients	Innovation Owners' Association	Sales Tax Due To Towns	Total
ADDITIONS						
Collections on behalf of individuals for programs	\$ 76	425	-	-	-	501
Sales taxes collected for other governments	-	-	-	-	830	830
Investment Income:						
Interest and dividends	1	-	8	(24)	-	(15)
Total investment income	1	-	8	(24)	-	(15)
Total additions	77	425	8	(24)	830	1,316
DEDUCTIONS						
Payments on behalf of individuals for programs	55	447	-	135	-	637
Payment of sales taxes to other governments	-	-	-	-	830	830
Miscellaneous	-	-	-	(162)	-	(162)
Total deductions	55	447	-	(27)	830	1,305
Change in net position	22	(22)	8	3	-	11
NET POSITION, beginning of year	83	101	2	8	-	194
NET POSITION, end of year	\$ 105	79	10	11	-	205



**PRINCE
WILLIAM
COUNTY**

DISCRETELY PRESENTED COMPONENT UNIT

Adult Detention Center

The Adult Detention Center derives revenues from the County and charges for services. The Adult Detention Center statements include revenues and expenditures for the general operation and capital projects of the Prince William-Manassas regional adult detention center as well as accounts for the fiduciary activities of the inmates' accounts.



**PRINCE
WILLIAM
COUNTY**

COUNTY OF PRINCE WILLIAM, VIRGINIA
Discretely Presented Component Unit - Adult Detention Center
Combining Statement of Net Position
June 30, 2022
(amounts expressed in thousands)

Schedule 37

	Governmental Fund Types		
	General Operating	Capital Projects	Total
ASSETS			
Equity in pooled cash and investments	\$ 15,368	1,968	17,336
Cash held by other fiscal agents	2,458	-	2,458
Restricted cash and temporary investments	-	35	35
Accounts receivable, net	28	-	28
Due from other governmental units	633	-	633
Total assets	\$ 18,487	2,003	20,490
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 335	94	429
Wages and benefits payable	1,485	-	1,485
Retainages	-	35	35
Total liabilities	1,820	129	1,949
FUND BALANCES:			
Assigned	424	4,683	5,107
Unassigned	16,243	(2,809)	13,434
Total fund balances	16,667	1,874	18,541
Total liabilities and fund balances	\$ 18,487	2,003	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 99,040
Assets used in governmental activities are not financial resources, therefore, are not reported in the funds:	
Net pension assets	1,644
Net OPEB assets	43
GASB 68 and 75 requires that deferred inflow and outflows of resources be reported:	
Deferred outflows related to pensions	11,070
Deferred inflows related to pensions	(15,140)
Deferred outflows related to OPEB	2,266
Deferred inflows related to OPEB	(2,028)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Current year net pension liabilities	(8,245)
Current year net OPEB liabilities	(4,194)
Compensated absences	(4,060)
Net position of governmental activities	\$ 98,937

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 38

Discretely Presented Component Unit - Adult Detention Center

Page 1 of 2

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Governmental Fund Types		Total
	General Operating	Capital Projects	
REVENUES:			
From use of money and property	\$ (307)	-	(307)
Charges for services	1,023	-	1,023
Intergovernmental revenues:			
Federal	502	-	502
State	14,493	22,457	36,950
Local	37,313	-	37,313
Miscellaneous	980	-	980
Total revenues	54,004	22,457	76,461
EXPENDITURES:			
Public safety	47,935	25,623	73,558
Total expenditures	47,935	25,623	73,558
Excess of revenues over expenditures	6,069	(3,166)	2,903
OTHER FINANCING SOURCES / (USES):			
Transfers in	-	116	116
Transfers out	(116)	-	(116)
Total other financing sources / (uses)	(116)	116	-
Net change in fund balances	5,953	(3,050)	2,903
FUND BALANCES, beginning of year	10,714	4,924	
FUND BALANCES, end of year	\$ 16,667	1,874	

COUNTY OF PRINCE WILLIAM, VIRGINIA

Discretely Presneted Component Unit - Adult Detention Center

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

Schedule 38

Page 2 of 2

	<u>Total</u>
Net change in fund balances	2,903
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.	
Add capital acquisitions	731
Subtract depreciation and amortization expense	(4,054)
Subtract net book value of assets removed from service	-
Assets used in governmental activities are not financial resources, are not reported in the funds:	
Add current years' net pension assets	1,644
Add current year's net OPEB assets	43
Subtract prior years' net OPEB assets	(784)
GASB 68 and 75 requires reporting deferred inflows and outflows of resources:	
Add current year's deferred outflows related to pensions	11,070
Add current year's deferred outflows related to OPEB	2,266
Subtract prior year's deferred outflows related to pensions	(12,649)
Subtract prior year's deferred outflows related to OPEB	(1,354)
Subtract current year's deferred inflows related to pensions	(15,140)
Subtract current year's deferred inflows related to OPEB	(2,028)
Add prior year's deferred inflows related to pensions	398
Add prior year's deferred inflows related to OPEB	2,392
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Subtract current year's pensions	(8,245)
Subtract current year's OPEB	(4,194)
Subtract current year's compensated absences liability	(4,060)
Add prior year's pensions	26,501
Add prior year's OPEB	4,195
Add prior year's compensated absences liability	4,370
Change in Adult Detention Center net position	\$ <u><u>4,005</u></u>

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 39

Discretely Presented Component Unit -Adult Detention Center (General Operating Fund)

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2022

(amounts expressed in thousands)

	Budgeted Amounts		2022	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
From use of money and property	\$ -	-	(307)	(307)
Charges for services	486	486	1,023	537
Intergovernmental revenues:				
Federal	293	293	502	209
State	13,424	14,341	14,493	152
Local:				
Manassas	4,330	4,330	3,059	(1,271)
Manassas Park	713	713	470	(243)
Prince William County	33,484	33,477	33,784	307
Miscellaneous	-	-	980	980
Total revenues	52,730	53,640	54,004	364
BUEDGETARY EXPENDITURES:				
Public safety - Adult Detention	52,645	52,842	47,935	4,907
Total budgetary expenditures	52,645	52,842	47,935	4,907
OTHER FINANCING SOURCES USES:				
Transfers out to:				
Capital projects funds	(116)	(116)	(116)	-
Total other financing uses	(116)	(116)	(116)	-
Net change in budgetary fund balance	(31)	682	5,953	5,271
BUDGETARY FUND BALANCE, beginning of year	10,714	10,714	10,714	-
BUDGETARY FUND BALANCE, end of year	\$ 10,683	11,396	16,667	5,271
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 39)	\$ -	-	(307)	(307)
From use of money and property (Schedule 38)	-	-	(307)	(307)
BUDGETARY FUND BALANCE, end of year	10,683	11,396	16,667	5,271
FUND BALANCE, end of year	\$ 10,683	11,396	16,667	5,271

DEBT OBLIGATIONS

The schedules of bonds and other long-term debt detail including maturity dates and variable interest rates of the governmental funds' and enterprise funds' general obligation bonds, revenue bonds, notes payable, school bonds, and state literary funds.

(Amounts Expressed in thousands)														
Description	Authorized	Issued	Date Issued	Total Outstanding at June 30, 2022					Total Outstanding (Not Matured) at June 30, 2022	Interest Rate (%)	Maturing Annually			
				General County Related Debt	Road Related Debt	Adult Detention Center Related Debt	Park Related Debt	School Board Related Debt			Amount	Fiscal Year		
General Obligation Bonds and Revenue Bonds:														
2006 Referendum														
	\$	101,110	28,635	31-Jul-13	\$	-	3,752	-	538	-	4,290	5.00 3.00	1,430 1,430	2023 thru 2024 2025
		-	61,805	29-Jul-15		8,158	11,247	-	2,225	-	21,630	5.00 3.00 3.00	3,090 3,090 3,090	2023 thru 2026 2027 thru 2028 2031
Total 2006 Referendum		101,110	90,440			8,158	14,999	-	2,763	-	25,920			
Revenue Bonds		30,985	23,355	1-Mar-16		16,335	-	-	-	-	16,335	5.00 5.00 4.00 3.50	1,170 1,165 1,165 1,165	2023 thru 2027 2028 2029 thru 2032 2033 thru 2036
		54,590	44,770	29-Oct-20		25,390	-	17,135	-	-	42,525	5.00 5.00 5.00 3.00 2.00 2.13	2,245 2,240 2,235 2,235 2,235 2,230	2023 thru 2028 2029 2030 thru 2035 2036 2037 thru 2040 2041
Total Revenue Bonds		85,575	68,125			41,725	-	17,135	-	-	58,860			
School Bonds		52,660	52,660	16-May-02		-	-	-	-	2,630	2,630	5.10	2,630	2023
		80,675	80,675	15-May-03		-	-	-	-	8,060	8,060	4.60	4,030	2023 thru 2024
		48,795	48,795	13-May-04		-	-	-	-	7,315	7,315	5.10 5.10	2,440 2,435	2023 thru 2024 2025
		62,320	62,320	12-May-05		-	-	-	-	12,460	12,460	5.10 4.35	3,115 3,115	2023 thru 2025 2026
		61,605	61,605	11-May-06		-	-	-	-	15,400	15,400	4.60 5.10	3,080 3,080	2023 thru 2026 2027
		64,975	64,975	10-May-07		-	-	-	-	19,475	19,475	5.10 4.48 4.50 5.10	3,250 3,245 3,245 3,245	2023 2024 2025 thru 2026 2027 thru 2028
		45,890	45,890	15-May-08		-	-	-	-	16,055	16,055	5.10 5.10 4.60	2,295 2,290 2,290	2023 thru 2027 2028 2029
		51,020	51,020	15-May-09		-	-	-	-	20,400	20,400	5.05 4.05 5.05 4.30 5.05 4.43	2,550 2,550 2,550 2,550 2,550 2,550	2023 thru 2025 2026 2027 2028 2029 2030
		69,280	59,990	31-Jul-13		-	-	-	-	6,000	6,000	5.00	3,000	2023 thru 2024
		91,910	82,545	23-Sep-14		-	-	-	-	45,385	45,385	5.00 5.00 3.00 2.50 3.00 3.25 3.25 3.00 3.00	4,130 4,125 4,125 4,125 4,125 4,125 4,125 4,125 4,125	2023 thru 2024 2025 2026 2027 2028 2029 2030 2032 2034 thru 2035
		108,990	98,485	29-Jul-15		-	-	-	-	49,250	49,250	5.00 3.00 3.13	4,925 4,925 4,925	2023 thru 2026 2027 thru 2031 2032
		139,480	120,220	29-Mar-16		-	-	-	-	90,150	90,150	5.00 3.00	6,010 6,010	2023 thru 2030 2031 thru 2037
		219,695	77,660	9-Mar-17		-	-	-	-	58,235	58,235	5.00 4.00 3.00 3.13 3.25 3.38	3,885 3,885 3,880 3,880 3,880 3,880	2023 thru 2027 2028 thru 2029 2030 thru 2031 2032 thru 2034 2035 thru 2036 2037
		245,340	115,895	24-May-18		-	-	-	-	92,720	92,720	5.00 4.00 3.13 3.38	5,795 5,795 5,795 5,795	2023 thru 2030 2031 thru 2033 2034 thru 2035 2036 thru 2038
General Obligation Bonds and Revenue Bonds (cont'd):														
		378,500	109,155	29-Oct-19		-	-	-	-	98,235	98,235	5.00 5.00 3.00	5,460 5,455 5,455	2023 thru 2031 2032 2033 thru 2040
		119,450	106,510	15-Oct-20		-	-	-	-	101,180	101,180	4.00 4.00 1.38 1.50 1.63 1.75 1.88 2.00	5,330 5,325 5,325 5,325 5,325 5,325 5,325 5,325	2023 2024 thru 2031 2032 2033 2034 2035 thru 2036 2037 thru 2038 2039 thru 2044

Total Outstanding at June 30, 2022												
Description	Authorized	Issued	Date Issued	General County Related Debt	Road Related Debt	Adult Detention Center Related Debt	Park Related Debt	School Board Related Debt	Total Outstanding (Not Matured) at June 30, 2022	Interest Rate (%)	Maturing Annually	
											Amount	Fiscal Year
	325,000	58,855	21-Oct-21	-	-	-	-	58,855	58,855	4.00	2,945	2023 thru 2033
										3.00	2,940	2034
										1.85	2,940	2035
										1.90	2,940	2036
										2.00	2,940	2037
										2.05	2,940	2038
										2.10	2,940	2039
										2.15	2,940	2040
										2.20	2,940	2041
										2.25	2,940	2042
Taxable - Local Build America Bonds	60,765	56,445	13-May-10	-	-	-	-	36,270	36,270	4.82	4,030	2023
										4.97	4,030	2024
										5.07	4,030	2025
										5.17	4,030	2026
										5.56	4,030	2027 thru 2031
School Bonds												
Taxable-Direct Payment Qualified School Construction Bonds ¹	9,800	9,685	8-Jul-10	-	-	-	-	2,850	2,850	-	570	2023 thru 2027
Total School Bonds	2,236,150	1,363,385		-	-	-	-	740,925	740,925			
Refunding Bonds:												
	59,000	35,550	29-Feb-12	-	26,242	-	1,088	-	27,330	4.00	3,695	2023
										5.00	5,590	2024
										5.00	6,610	2025
										5.00	3,695	2026
										5.00	3,690	2027
										5.00	2,025	2028 thru 2029
	115,000	50,940	29-Mar-16	-	-	-	-	50,940	50,940	5.00	3,210	2023
										5.00	2,940	2024
										5.00	8,275	2025
										5.00	8,310	2026
										5.00	8,350	2027
										5.00	6,055	2028
										5.00	8,385	2029
										5.00	5,415	2030
	378,500	24,465	29-Oct-19	-	-	-	-	34,055	34,055	1.87	285	2023
										1.92	290	2024
										1.97	295	2025
										2.16	305	2026
										2.21	310	2027
										2.30	2,625	2028
										2.40	295	2029
										2.50	3,270	2030
										2.60	8,770	2031
										2.70	8,625	2032
										2.75	6,175	2033
										2.80	2,810	2034
Taxable Bonds:												
	640,140	24,465	18-Jun-20	-	12,061	-	329	4,400	16,790	5.00	6,775	2023
										5.00	4,925	2024
										5.00	710	2025
										5.00	715	2026
										5.00	725	2027
										5.00	730	2028
										5.00	735	2029
										5.00	735	2030
										5.00	740	2031
Taxable Bonds:												
	640,140	72,220	18-Jun-20	9,569	25,415	-	4,021	32,275	71,280	0.73	945	2023
										0.82	950	2024
										0.94	960	2025
										1.09	2,380	2026
										1.30	2,350	2027
										1.41	2,325	2028
										1.57	5,355	2029
										1.62	5,255	2030
										1.72	6,185	2031
										1.77	5,060	2032
										1.82	13,955	2033
										1.87	9,625	2034
										1.92	8,040	2035
										1.97	7,895	2036
Total Refunding Bonds	1,832,780	207,640		9,569	63,718	-	5,438	121,670	200,395			
Total General Obligation Bonds and Revenue Bonds	\$ 4,255,615	\$ 1,729,590		\$ 59,452	\$ 78,717	\$ 17,135	\$ 8,201	\$ 862,595	\$ 1,026,100			
Capital Debt:												
Refunding VRA - Yorkshire Fire Station	\$ 3,000	2,780	2-Nov-10	\$ 310	-	-	-	-	310	5.10	310	2023
Refunding VRA - Western District Police	16,000	13,165	2-Nov-10	1,475	-	-	-	-	1,475	5.10	1,475	2023
Refunding VRA - Nokesville Fire Station	3,000	2,180	2-Nov-10	430	-	-	-	-	430	5.10	215	2023 thru 2024
Refunding VRA - Spriggs Road	10,100	10,095	27-Jun-12	-	3,990	-	-	-	3,990	5.13	1,000	2023 thru 2024
										4.83	995	2025
										4.82	995	2026

Amounts expressed in thousands)

Description	Authorized	Issued	Date Issued	Total Outstanding at June 30, 2022					Total Outstanding (Not Matured) at June 30, 2022	Interest Rate (%)	Maturing Annually	
				General County Related Debt	Road Related Debt	Adult Detention Center Related Debt	Park Related Debt	School Board Related Debt			Amount	Fiscal Year
Refunding VRA - Nokesville Fire Station	900	880	27-Jun-12	170	-	-	-	-	170	5.13	85	2023 thru 2024
Refunding COP	50,000	35,205	26-Mar-13	6,251	-	7,225	109	-	13,585	5.00	3,495	2023
										5.00	3,500	2024
										5.00	3,510	2025
										5.00	1,540	2026 thru 2027
Refunding VRA - Spricer Fire Station	880	880	5-Nov-14	295	-	-	-	-	295	5.13	100	2023
										3.81	100	2024
										5.13	95	2025
Refunding VRA - River Oaks Fire Station	2,330	2,330	5-Nov-14	1,155	-	-	-	-	1,155	5.13	235	2023
										3.87	230	2024
										5.13	230	2025 thru 2026
										4.82	230	2027
Refunding VRA - Antioch Fire Station	2,215	2,215	5-Nov-14	1,225	-	-	-	-	1,225	5.13	245	2023
										3.88	245	2024
										5.13	245	2025 thru 2026
										4.84	245	2027
Refunding VRA - Roads	6,245	6,245	5-Nov-14	-	3,455	-	-	-	3,455	5.13	690	2023
										3.91	690	2024
										5.13	690	2025 thru 2026
										4.82	695	2027
Refunding VRA - Birchdale Fire Station	2,140	2,140	5-Nov-14	1,490	-	-	-	-	1,490	5.13	215	2023
										3.90	215	2024
										5.13	215	2025 thru 2026
										4.84	210	2027 thru 2029
Refunding VRA - Roads	3,010	3,010	5-Nov-14	-	2,095	-	-	-	2,095	5.13	300	2023
										3.87	300	2024
										5.13	300	2025 thru 2026
										4.81	300	2027
										4.83	300	2028
										4.84	295	2029
Refunding VRA - Roads	29,925	18,855	5-Nov-14	-	15,060	-	-	-	15,060	5.13	1,895	2023
										3.90	1,885	2024
										5.13	1,880	2025
										5.13	1,885	2026
										4.83	1,885	2027
										4.82	1,885	2028
										4.82	1,880	2029
										3.43	1,865	2030
Total Capital Debt	\$ 129,745	99,980		\$ 12,801	24,600	7,225	109	-	44,735			
Total General Obligation, Revenue Bonds, Capital Debt and Other Long-Term Debt	\$ 4,385,360	1,829,570		\$ 72,253	103,317	24,360	8,310	862,595	1,070,835			

A - Qualified School Construction Bonds (QSCB) are authorized by the federal government through the American Recovery and Reinvestment Act (ARRA) of 2009. The bonds provided reimbursement of interest paid by a credit from the US Treasury via VPSA.

COUNTY OF PRINCE WILLIAM, VIRGINIA
Governmental Funds
Schedule of Bonds and Other Long-Term Debt

Schedule 41

June 30, 2022

(amounts expressed in thousands)

Amounts Expressed in thousands									
Total Outstanding at June 30, 2022									
Description	Authorized	Issued	Date Issued	Parks & Recreation	Total Outstanding (Not Matured) at June 30, 2022	Interest Rate (%)	Maturing Annually		
							Amount	Fiscal Year	
Revenue Bonds:									
Refunding Bonds	\$	5,410	4,810	29-Oct-20	3,525	3,525	5.00	665	2023
							5.00	700	2024
							5.00	725	2025
							5.00	765	2026
							5.00	670	2027
Total Revenue Bonds	\$	5,410	4,810		3,525	3,525			
Total Bonds, Capital Leases and Other Long-Term Debt	\$	5,410	4,810		3,525	3,525			

STATISTICAL SECTION

(Unaudited)



STATISTICAL SECTION



**PRINCE
WILLIAM
COUNTY**

STATISTICAL SECTION

This section of Prince William County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information relays about the County's overall financial health.

Unless otherwise noted, the information in these tables are derived from the Annual Comprehensive Financial Reports for the relevant year.

Page

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time. 258

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the real estate tax, as well as other revenue sources. 268

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional future debt. 276

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place. 283

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs. 286

Other Statistical Tables

These schedules present other information useful to certain readers of the County's financial statements. 292

COUNTY OF PRINCE WILLIAM, VIRGINIA
TABLE 1 - Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting; amounts expressed in thousands)

Page 1 of 2

	2013	2014	2015	2016 as restated ^d	2017 as restated ^e
Governmental activities:					
Net Investment in capital assets	\$ 405,803	\$ 432,016	\$ 459,442	\$ 442,098	\$ 485,264
Restricted	116,177	140,516	159,366	170,299	140,373
Unrestricted	(572,683)	(620,271)	(753,856)	(885,739)	(994,204)
Total governmental activities net position	\$ (50,703)	\$ (47,739)	\$ (135,048)	\$ (273,342)	\$ (368,567)
Business-type activities:					
Net Investment in capital assets	\$ 36,810	\$ 37,943	\$ 44,021	\$ 32,870	\$ 40,381
Unrestricted	(146)	3,818	(5,808)	6,280	9,522
Total business-type activities net position	\$ 36,664	\$ 41,761	\$ 38,213	\$ 39,150	\$ 49,903
Primary government:					
Net Investment in capital assets	\$ 442,613	\$ 469,959	\$ 503,463	\$ 474,968	\$ 525,645
Restricted	116,177	140,516	159,366	170,299	140,373
Unrestricted	(572,829)	(616,453)	(759,664)	(879,459)	(984,682)
Total primary government net position	\$ (14,039)	\$ (5,978)	\$ (96,835)	\$ (234,192)	\$ (318,664)
Component units:^d					
Net Investment in capital assets	\$ 1,195,075	\$ 1,247,771	\$ 1,326,687	\$ 1,416,258	\$ 1,522,452
Restricted	43,091	50,515	66,882	198,106	173,810
Unrestricted	114,809	114,162	(737,984)	(700,164)	(860,881)
Total component units net position	\$ 1,352,975	\$ 1,412,448	\$ 655,585	\$ 914,200	\$ 835,381
Total reporting entity:					
Net Investment in capital assets ^b	\$ 1,051,232	\$ 1,121,735	\$ 1,222,302	\$ 1,891,226	\$ 1,367,824
Restricted ^b	139,850	168,908	183,503	368,405	163,665
Unrestricted	147,854	115,827	(847,055)	(1,579,623)	(1,014,772)
Total reporting entity net position	\$ 1,338,936	\$ 1,406,470	\$ 558,750	\$ 680,008	\$ 516,717

^a Component unit net position represents a significant portion of net position for the total reporting entity.

^b The sum of the rows does not equal the amount reported for the total reporting entity because certain debt related to the School Board, and the Adult Detention Center Component Units is reflected in the primary government's general governmental activities. See Exhibit 1 for further details.

^c The Park Authority Component Unit was dissolved and became the County Department of Parks & Recreation (now Parks, Recreation, and Tourism) effective FY 2013. The Convention & Visitors Bureau became a component unit of the County effective FY 2013, but was dissolved and incorporated into the Parks & Recreation department in FY 2018.

^d FY 2016 figures were adjusted and restated in FY 2017. FY 2017 figures were restated in FY 2018.

^e FY 2017 figures were not adjusted and restated for Convention and Visitors Bureau since the merger occurred July 1, 2018.

^f FY 2019 figures were adjusted and restated in FY 2020.

TABLE 1 - Net Position by Component

Page 2 of 2

2018	2019 as restated ^f	2020	2021	2022	
\$ 505,044	\$ 539,411	\$ 547,230	\$ 541,191	\$ 594,573	Governmental activities:
95,769	97,235	110,355	126,398	136,757	Net Investment in capital assets
(1,010,760)	(924,368)	(931,915)	(951,452)	(926,367)	Restricted
					Unrestricted
\$ (409,947)	\$ (287,722)	\$ (274,330)	\$ (283,863)	\$ (195,037)	Total governmental activities net position
\$ 38,545	\$ 39,852	\$ 39,222	\$ 44,730	\$ 48,421	Business-type activities:
12,147	22,939	28,721	27,218	23,690	Net Investment in capital assets
					Unrestricted
\$ 50,692	\$ 62,791	\$ 67,943	\$ 71,948	\$ 72,111	Total business-type activities net position
\$ 543,589	\$ 579,263	\$ 586,452	\$ 585,921	\$ 642,994	Primary government:
95,769	97,235	110,355	126,398	136,757	Net Investment in capital assets
(998,613)	(901,429)	(903,194)	(924,234)	(902,677)	Restricted
					Unrestricted
\$ (359,255)	\$ (224,931)	\$ (206,387)	\$ (211,915)	\$ (122,926)	Total primary government net position
\$ 1,572,907	\$ 1,689,674	\$ 1,809,830	\$ 1,862,670	\$ 1,906,046	Component units: ^d
231,206	104,459	80,492	142,111	237,960	Net Investment in capital assets
(823,297)	(732,730)	(714,995)	(626,918)	(559,980)	Restricted
					Unrestricted
\$ 980,816	\$ 1,061,403	\$ 1,175,327	\$ 1,377,863	\$ 1,584,026	Total component units net position
\$ 2,215,208	\$ 1,501,676	\$ 1,566,473	\$ 2,512,932	\$ 2,595,767	Total reporting entity:
130,578	201,694	143,811	204,168	327,990	Net Investment in capital assets ^b
(1,724,225)	(866,898)	(741,344)	(1,551,152)	(1,462,657)	Restricted ^b
					Unrestricted
\$ 621,561	\$ 836,472	\$ 968,940	\$ 1,165,948	\$ 1,461,100	Total reporting entity net position

COUNTY OF PRINCE WILLIAM, VIRGINIA

Table 2 - Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting; amounts expressed in thousands)

Page 1 of 2

	2013	2014	2015	2016 as restated ^b	2017 as restated ^b	2018	2019 as restated ^c	2020 as restated ^d	2021	2022
Primary Government:										
Expenses										
Governmental activities:										
General government administration	\$ 37,932	\$ 34,857	\$ 34,865	\$ 40,258	\$ 50,059	\$ 47,002	\$ 47,572	\$ 51,328	\$ 95,112	\$ 87,723
Judicial administration	19,524	20,060	20,581	21,960	22,458	21,557	23,677	26,943	29,253	30,826
Public safety	234,880	238,965	243,870	270,610	295,806	292,517	335,421	323,824	375,682	303,227
Public works	72,924	91,874	88,390	96,977	81,479	112,634	107,447	102,006	93,970	98,907
Health and welfare	75,909	76,638	81,711	88,726	92,898	95,658	100,931	111,427	136,895	139,577
Education	463,154	461,676	513,087	672,297	554,522	589,737	468,667	633,749	694,445	660,808
Parks, recreational and cultural	34,077	36,059	37,150	78,278	50,250	49,000	57,677	56,706	51,025	67,560
Community development	53,726	59,129	64,674	37,307	66,559	71,037	65,623	76,709	90,729	76,136
Interest on long-term debt	43,086	47,553	45,104	47,263	54,176	51,305	49,473	49,964	49,053	46,526
Pension	--	--	(12,502)	--	--	--	--	--	--	--
Total governmental activities expenses	<u>1,035,212</u>	<u>1,066,811</u>	<u>1,116,930</u>	<u>1,353,676</u>	<u>1,268,207</u>	<u>1,330,447</u>	<u>1,256,488</u>	<u>1,432,656</u>	<u>1,616,164</u>	<u>1,511,290</u>
Business-type activities:										
Landfill	15,832	17,327	17,337	16,613	16,195	14,745	14,749	16,922	20,122	19,730
Nonmajor Enterprise Funds	--	--	--	--	--	--	--	--	--	5,304
Parks and Recreation	19,729	14,793	14,865	6,427	6,445	6,943	6,336	5,038	4,293	--
Innovation Technology Park	60	75	405	340	458	268	590	756	746	--
Total business-type activities expenses	<u>35,621</u>	<u>32,195</u>	<u>32,607</u>	<u>23,380</u>	<u>23,098</u>	<u>21,956</u>	<u>21,675</u>	<u>22,716</u>	<u>25,161</u>	<u>25,034</u>
Total primary government expenses	<u>\$ 1,070,833</u>	<u>\$ 1,099,006</u>	<u>\$ 1,149,537</u>	<u>\$ 1,377,056</u>	<u>\$ 1,291,305</u>	<u>\$ 1,352,403</u>	<u>\$ 1,278,163</u>	<u>\$ 1,455,372</u>	<u>\$ 1,641,325</u>	<u>\$ 1,536,324</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government administration	\$ 590	\$ 571	\$ 568	\$ 2,263	\$ 1,969	\$ 1,996	\$ 1,925	\$ 1,988	\$ 1,643	\$ 1,764
Judicial administration	4,929	4,079	4,238	1,939	1,982	1,695	2,030	1,930	2,133	1,724
Public safety	12,220	13,177	13,249	11,113	24,005	14,572	15,514	13,958	11,937	15,380
Public works	8,248	8,237	8,725	8,796	8,523	8,533	8,748	8,957	8,983	9,178
Health and welfare	1,345	1,113	1,477	6,635	977	1,332	1,543	1,252	1,082	2,102
Education	--	--	--	--	--	641	--	--	--	--
Parks, recreational and cultural	548	641	580	8,695	8,992	8,302	8,123	5,951	2,716	5,087
Community development	18,973	20,708	20,194	15,527	12,164	18,382	17,551	16,976	16,801	19,224
Operating grants and contributions	77,104	80,159	79,740	85,699	89,962	96,631	101,515	112,289	185,504	159,259
Capital grants and contributions	29,858	42,961	49,298	76,627	56,635	80,752	77,737	75,846	110,246	124,577
Total governmental activities program revenues	<u>153,815</u>	<u>171,646</u>	<u>178,069</u>	<u>217,294</u>	<u>205,209</u>	<u>232,836</u>	<u>234,686</u>	<u>239,147</u>	<u>341,045</u>	<u>338,295</u>
Business-type activities:										
Charges for services:										
Landfill	17,556	18,008	18,805	19,660	19,568	19,879	20,381	19,797	20,094	20,141
Nonmajor Enterprise Funds	10,904	11,783	11,991	13,588	9,534	5,632	7,932	6,616	8,950	5,249
Capital grants and contributions	27	20	--	--	--	--	--	--	--	97
Total business-type activities program revenues	<u>28,487</u>	<u>29,811</u>	<u>30,796</u>	<u>33,248</u>	<u>29,102</u>	<u>25,511</u>	<u>28,313</u>	<u>26,413</u>	<u>29,044</u>	<u>25,487</u>
Total primary government program revenues	<u>\$ 182,302</u>	<u>\$ 201,457</u>	<u>\$ 208,865</u>	<u>\$ 250,542</u>	<u>\$ 234,311</u>	<u>\$ 258,347</u>	<u>\$ 262,999</u>	<u>\$ 265,560</u>	<u>\$ 370,089</u>	<u>\$ 363,782</u>
Net (Expense)/Revenue										
Governmental activities	\$ (881,397)	\$ (895,165)	\$ (938,861)	\$ (1,136,382)	\$ (1,062,998)	\$ (1,097,611)	\$ (1,021,802)	\$ (1,193,509)	\$ (1,275,119)	\$ (1,172,995)
Business-type activities	(7,134)	(2,384)	(1,811)	9,868	6,004	3,555	6,638	3,697	3,883	453
Total primary government net (expense)/revenue	<u>\$ (888,531)</u>	<u>\$ (897,549)</u>	<u>\$ (940,672)</u>	<u>\$ (1,126,514)</u>	<u>\$ (1,056,994)</u>	<u>\$ (1,094,056)</u>	<u>\$ (1,015,164)</u>	<u>\$ (1,189,812)</u>	<u>\$ (1,271,236)</u>	<u>\$ (1,172,542)</u>
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes										
Real property	\$ 551,951	\$ 571,847	\$ 599,802	\$ 628,960	\$ 650,851	\$ 679,762	\$ 713,059	\$ 754,989	\$ 787,059	\$ 839,452
Personal property	85,515	96,013	104,060	114,750	128,280	137,198	150,269	162,528	175,182	203,679
Local sales	55,169	56,511	59,709	60,551	63,022	64,566	68,710	72,342	80,140	88,032
Consumers utility	13,490	13,766	13,974	13,977	14,196	14,417	14,443	14,408	13,266	15,278
Telecommunications sales and use tax	--	--	--	--	--	--	--	--	14,443	--
Cable franchise tax	--	--	--	--	--	--	--	--	--	--
Business, professional and occupational license	22,913	23,772	24,744	25,065	25,341	26,554	26,945	28,236	29,882	32,910
Recordation	10,277	7,879	8,868	10,613	11,149	9,839	10,687	13,016	20,067	17,466
Motor vehicle licenses	7,877	7,907	8,053	8,260	8,409	8,845	8,987	9,086	12,550	12,814
Other local taxes	3,369	3,096	3,425	3,721	4,030	4,025	13,215	12,311	14,499	16,744
Short term rental, bank stock, public utility gross receipts	2,973	3,226	3,292	3,350	3,733	4,102	4,431	4,006	5,213	5,614
Grants and contributions not restricted to specific programs	81,785	81,878	82,278	85,327	81,728	81,058	80,200	81,030	77,581	77,339
Investment earnings/(losses)	(1,558)	26,049	20,548	26,736	11,123	13,727	43,026	38,443	15,825	(48,810)
Gain on disposition of capital assets	--	--	--	17	649	161	745	--	--	277
Donations	--	--	--	--	--	--	--	--	--	237
Miscellaneous	37,530	12,522	19,304	12,480	24,112	8,322	12,200	15,919	30,526	835
Special item - transfer of volunteer fire and rescue operations	--	--	--	2,929	13,026	--	--	--	--	--
Transfers	(376)	(6,337)	465	792	(4,377)	4,010	(2,890)	587	3,205	(46)
Total governmental activities	<u>870,915</u>	<u>898,129</u>	<u>948,522</u>	<u>997,528</u>	<u>1,035,272</u>	<u>1,056,586</u>	<u>1,144,027</u>	<u>1,206,901</u>	<u>1,279,438</u>	<u>1,261,821</u>

COUNTY OF PRINCE WILLIAM, VIRGINIA

Table 2 - Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting; amounts expressed in thousands)

Page 2 of 2

	2013	2014	2015	2016 as restated ^b	2017 as restated ^b	2018	2019 as restated ^c	2020 as restated ^d	2021	2022
Business-type activities:										
Investment earnings/(losses)	(99)	307	389	533	--	57	1,494	1,060	104	(1,671)
Gain/(loss) on disposition of capital assets	--	--	--	--	--	--	--	--	990	57
Miscellaneous	816	837	979	933	1,215	1,187	1,077	982	990	1,278
Transfers	376	6,337	(465)	(792)	4,377	(4,010)	2,890	(587)	(3,205)	46
Total business-type activities	1,093	7,481	903	674	5,592	(2,766)	5,461	1,455	(1,121)	(290)
Total primary government	\$ 872,008	\$ 905,610	\$ 949,425	\$ 998,202	\$ 1,040,864	\$ 1,053,820	\$ 1,149,488	\$ 1,208,356	\$ 1,262,902	\$ 1,261,531
Change in Net Position										
Governmental activities	\$ (10,482)	\$ 2,964	\$ 9,661	\$ (138,854)	\$ (27,726)	\$ (41,666)	\$ 122,225	\$ 13,392	\$ 4,319	\$ 88,826
Cumulative effect of restatement- Gov't Activities	--	--	(96,970)	--	(15,068)	--	--	--	594	--
Business-type activities	(6,041)	5,097	(908)	10,542	11,596	789	12,099	5,152	2,762	163
Cumulative effect of restatement - Business-type Activities	--	--	(2,640)	--	--	--	--	--	--	--
Total primary government	\$ (16,523)	\$ 8,061	\$ (90,857)	\$ (128,312)	\$ (31,198)	\$ (40,877)	\$ 134,324	\$ 18,544	\$ 7,675	\$ 88,989
Component Units: ^a										
Expenses										
School Board	\$ 982,546	\$ 998,911	\$ 1,046,510	\$ 1,059,657	\$ 1,149,263	\$ 1,163,792	\$ 1,183,841	\$ 1,296,560	\$ 1,380,099	\$ 1,394,559
Adult Detention Center	46,030	44,629	42,366	48,241	44,712	43,365	43,742	51,908	56,297	72,456
Convention & Visitors Bureau	1,253	1,188	1,288	1,275	1,178	--	--	--	--	--
Total component unit expenses	1,029,829	1,044,728	1,090,164	1,109,173	1,195,153	1,207,157	1,227,583	1,348,468	1,436,396	1,467,015
Program Revenues										
Charges for services	24,230	24,087	23,795	24,429	25,735	26,138	25,457	18,009	5,785	17,808
Operating grants and contributions	146,617	149,565	158,349	168,110	179,935	182,304	182,964	185,517	295,190	332,983
Capital grants and contributions	113	108	116	124	119	123	128	119	127	130
Total component unit program revenues	170,960	173,760	182,260	192,663	205,789	208,565	208,549	203,645	301,102	350,921
General Revenues and Other										
Changes in Net Position										
Payment from primary government	556,524	560,412	615,939	783,479	672,345	717,067	633,538	774,951	826,798	807,843
Grants and contributions not restricted to specific programs	354,051	359,939	373,325	381,856	401,967	419,099	452,149	471,510	491,034	522,564
Investment earnings/(losses)	1,892	3,261	3,125	3,489	2,603	2,700	8,669	7,117	3,162	(16,938)
Gain on disposition of capital assets	--	--	4	(1)	--	--	--	11	--	--
Miscellaneous	3,604	6,829	3,216	3,734	5,523	5,447	4,631	5,158	6,451	8,788
Total general revenues and other changes in net position	916,071	930,441	995,609	1,172,557	1,082,438	1,144,313	1,098,987	1,258,747	1,327,445	1,322,257
Cumulative effect of restatement	--	--	(844,568)	--	--	--	--	--	10,385	--
Total component unit change in net position	\$ 57,202	\$ 59,473	\$ (756,863)	\$ 256,047	\$ 93,074	\$ 145,721	\$ 79,953	\$ 113,924	\$ 202,536	\$ 206,163

^a The Park Authority Component Unit was dissolved and became the County Department of Parks and Recreation (now Parks, Recreation and Tourism) effective FY 2013. The Convention and Visitors Bureau became a component unit of the County effective FY 2013, but was dissolved and incorporated into the Parks & Recreation department in FY 2018.

^b FY 2016 figures were adjusted and restated in FY 2017. FY 2017 figures were restated in FY 2018.

^c FY 2019 figures were adjusted and restated in FY 2020.

^d FY2020 figures were adjusted and restated due to GASB 84 implementation in FY2021.

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 3 - Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting; amounts expressed in thousands)

Page 1 of 2

	2013	2014	2015	2016	2017
General Fund:					
Non-spendable	\$ 299	\$ 222	\$ 178	\$ 142	\$ 178
Restricted	2,101	3,693	13,224	12,833	10,350
Committed	81,114	67,735	58,692	105,707	92,852
Assigned	8,137	6,442	29,847	7,733	9,123
Unassigned	67,075	69,669	73,055	76,747	79,769
Total General Fund	<u>\$ 158,726</u>	<u>\$ 147,761</u>	<u>\$ 174,996</u>	<u>\$ 203,162</u>	<u>\$ 192,272</u>
Streets & Roads:					
Non-spendable	\$ 23	\$ 229	\$ 221	\$ 331	\$ 297
Restricted	--	--	--	--	--
Committed	36,818	50,371	28,643	50,546	59,278
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
Total Streets & Roads	<u>\$ 36,841</u>	<u>\$ 50,600</u>	<u>\$ 28,864</u>	<u>\$ 50,877</u>	<u>\$ 59,575</u>
COVID-19 Response:					
Non-spendable	\$ --	\$ --	\$ --	\$ --	\$ --
Restricted	--	--	--	--	--
Committed	--	--	--	--	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
Total COVID-19 Response Funds	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Nonmajor Governmental Funds:					
Non-spendable	\$ 41	\$ 11	\$ 11	\$ 2,167	\$ 34
Restricted	83,788	96,303	103,383	101,851	76,440
Committed	65,874	51,735	28,140	80,720	77,439
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
Total Nonmajor Governmental Funds	<u>\$ 149,703</u>	<u>\$ 148,049</u>	<u>\$ 131,534</u>	<u>\$ 184,738</u>	<u>\$ 153,913</u>

TABLE 3 - Fund Balances, Governmental Funds

Page 2 of 2

2018	2019	2020	2021	2022	
					General Fund:
\$ 288	\$ 396	\$ 262	\$ 297	\$ 294	Non-spendable
9,941	9,524	9,445	9,505	11,780	Restricted
89,315	88,951	118,703	142,265	152,750	Committed
12,096	9,025	9,217	16,940	27,253	Assigned
82,107	87,335	91,405	95,459	98,971	Unassigned
<u>\$ 193,747</u>	<u>\$ 195,231</u>	<u>\$ 229,032</u>	<u>\$ 264,466</u>	<u>\$ 291,048</u>	Total General Fund
					Streets & Roads:
\$ 296	\$ 301	\$ 301	\$ --	\$ --	Non-spendable
--	--	--	--	--	Restricted
34,639	33,636	37,594	37,310	32,173	Committed
--	--	--	--	--	Assigned
--	--	--	--	--	Unassigned
<u>\$ 34,935</u>	<u>\$ 33,937</u>	<u>\$ 37,895</u>	<u>\$ 37,310</u>	<u>\$ 32,173</u>	Total Streets & Roads
					COVID-19 Response:
\$ --	\$ --	\$ --	\$ 9	\$ 4	Non-spendable
--	--	--	107	--	Restricted
--	--	--	--	--	Committed
--	--	--	--	--	Assigned
--	--	--	--	(2,039)	Unassigned
<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 116</u>	<u>\$ (2,035)</u>	Total COVID-19 Response Funds
					Nonmajor Governmental Funds:
\$ 18	\$ 23	\$ 68	\$ 2,187	\$ 23	Non-spendable
71,233	73,575	84,991	96,220	107,418	Restricted
63,963	71,175	55,105	52,341	32,164	Committed
--	--	--	--	--	Assigned
--	--	(29)	--	--	Unassigned
<u>\$ 135,214</u>	<u>\$ 144,773</u>	<u>\$ 140,135</u>	<u>\$ 150,748</u>	<u>\$ 139,605</u>	

COUNTY OF PRINCE WILLIAM, VIRGINIA
TABLE 4 - Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting; dollar amounts expressed in thousands)

Page 1 of 2

	2013 ^a	2014	2015	2016 as restated ^b	2017
REVENUES:					
General property taxes	\$ 636,789	\$ 667,497	\$ 703,097	\$ 703,952	\$ 780,642
Other local taxes	116,068	116,157	122,065	125,537	129,880
Permits, privilege fees and regulatory licenses	16,354	17,389	17,057	2,295	19,867
Fines and forfeitures	3,260	3,252	3,168	2,952	2,732
Other local taxes	--	--	--	--	--
Grantor / deed tax ^c	--	--	--	--	--
From use of money and property	(6,422)	14,434	12,456	14,702	1,477
Charges for services	27,240	27,886	28,806	14,379	33,420
Intergovernmental revenues:					
Federal	49,644	51,378	48,313	19,322	65,147
State	118,507	137,111	141,743	122,798	153,173
Local	6,884	7,435	9,679	7,302	6,947
Donations	20	1,897	1,723	--	731
Miscellaneous	27,284	11,592	18,083	14,038	23,819
Total revenues	995,628	1,056,028	1,106,190	1,027,277	1,217,835
EXPENDITURES:					
General government administration	36,788	34,966	37,651	39,108	44,340
Judicial administration	18,388	19,190	19,681	20,174	21,292
Public safety	228,769	232,492	241,360	188,460	272,018
Public works	30,522	31,441	30,857	31,420	31,269
Health and welfare	75,066	76,549	80,840	85,237	89,166
Education	463,652	466,249	508,016	425,142	551,880
Parks, recreational and cultural	26,550	28,507	31,085	43,943	44,186
Community development	48,555	53,185	53,879	10,503	58,165
Debt service:					
Principal retirement	69,858	72,969	76,750	77,784	86,849
Interest and other debt costs	41,991	42,546	42,476	45,231	47,888
Intergovernmental - arbitrage rebate	--	--	--	--	--
Capital outlays	53,426	76,086	85,565	--	94,440
Total expenditures	1,093,565	1,134,180	1,208,160	967,002	1,341,493
Excess (deficiency) of revenues over (under) expenditures	(97,937)	(78,152)	(101,970)	60,275	(123,658)
OTHER FINANCING SOURCES (USES):					
Transfers in	58,513	73,278	54,852	120,687	85,749
Transfers out	(62,825)	(93,780)	(54,508)	(149,036)	(90,895)
Sale of lease participation certificates	--	--	--	--	--
Issuance of debt	--	--	--	--	--
Bonds, notes and capital leases	65,675	88,625	82,545	--	77,660
Refunding bonds	46,180	--	35,675	2,935	--
Premium on sale of bonds	12,301	10,309	7,247	--	6,554
Premium from refunding bonds	9,048	--	6,219	189	--
Payments to escrow agent	(54,689)	--	(41,508)	(3,068)	--
Prince William Service Authority credit	--	--	--	--	--
Loan payables	--	--	--	--	--
Insurance recoveries	100	9	10	12	61
Sale of surplus property	252	851	422	2,094	599
Total other financing sources (uses)	74,555	79,292	90,954	(26,187)	79,728
Net change in fund balances	\$ (23,382)	\$ 1,140	\$ (11,016)	\$ 34,088	\$ (43,930)
Debt service as a percentage of noncapital expenditures	10.37%	10.35%	10.12%	13.24%	10.33%

^a Beginning in FY2013, the Park Authority Component Unit merged its functions into the

^b FY 2016 figures were adjusted and restated in FY 2017.

^c Prior to FY 2019, these taxes were included in 'Other local taxes'. Please see Footnote 17 for additional information.

TABLE 4 - Changes in Fund Balances, Governmental Funds

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2018	2019	2020	2021	2022	
\$ 818,357	\$ 862,399	\$ 914,031	\$ 961,162	\$ 1,047,023	REVENUES:
132,348	147,417	153,405	175,617	188,856	General property taxes
19,141	20,156	19,847	20,888	23,651	Other local taxes
3,050	3,456	2,705	1,788	1,757	Permits, privilege fees and regulatory licenses
--	--				Fines and forfeitures
--	--				Transient occupancy tax ^c
4,112	28,750	20,978	69	(56,927)	Grantor / deed tax ^c
32,621	31,821	28,460	22,619	29,050	From use of money and property
					Charges for services
54,902	55,060	62,046	141,499	99,805	Intergovernmental revenues:
137,416	144,857	148,932	159,701	169,519	Federal
47,101	60,272	48,273	50,810	44,641	State
--	--	--	--	3,671	Local
12,011	12,528	18,930	30,890	6,923	Donations
					Miscellaneous
<u>1,261,059</u>	<u>1,366,716</u>	<u>1,417,607</u>	<u>1,565,043</u>	<u>1,557,969</u>	Total revenues
					EXPENDITURES:
42,300	45,704	46,519	78,209	90,571	General government administration
21,052	22,512	26,039	27,290	29,725	Judicial administration
279,766	327,582	315,061	367,510	316,689	Public safety
32,063	33,523	31,800	7,372	6,998	Public works
96,955	104,378	111,455	130,729	138,638	Health and welfare
591,463	473,433	506,729	567,166	554,502	Education
47,160	49,645	50,559	50,535	57,363	Parks, recreational and cultural
58,932	58,519	62,978	75,827	71,369	Community development
					Debt service:
93,220	97,685	93,610	101,010	123,658	Principal retirement
48,688	48,358	47,675	45,426	44,538	Interest and other debt costs
--	--				Intergovernmental - arbitrage rebate
122,321	114,778	226,895	248,188	182,160	Capital outlays
<u>1,433,920</u>	<u>1,376,117</u>	<u>1,519,320</u>	<u>1,699,262</u>	<u>1,616,211</u>	Total expenditures
(172,861)	(9,401)	(101,713)	(134,219)	(58,242)	Excess (deficiency) of revenues over (under) expenditures
					OTHER FINANCING SOURCES (USES):
91,372	116,454	100,632	89,049	86,870	Transfers in
(88,194)	(118,600)	(91,718)	(80,527)	(86,536)	Transfers out
--	--				Sale of lease participation certificates
--	--	240,450	151,280	58,855	Issuance of debt
115,895	--	--	--	--	Bonds, notes and capital leases
--	--	(817)	--	--	Refunding bonds
11,371	--	--	17,468	6,087	Premium on sale of bonds
--	--	19,646	--	--	Premium from refunding bonds
--	--	(133,805)	--	--	Payments to escrow agent
--	--				Prince William Service Authority credit
--	21,153	--	--	--	Loan payables
26	13	14	18	16	Insurance recoveries
282	426	432	1,915	1,101	Sale of surplus property
<u>130,752</u>	<u>19,446</u>	<u>134,834</u>	<u>179,203</u>	<u>66,393</u>	Total other financing sources (uses)
\$ <u>(42,109)</u>	\$ <u>10,045</u>	\$ <u>33,121</u>	\$ <u>44,984</u>	\$ <u>8,151</u>	Net change in fund balances
10.32%	10.61%	9.30%	8.62%	10.41%	Debt service as a percentage of noncapital expenditures

COUNTY OF PRINCE WILLIAM, VIRGINIA**TABLE 5 - Changes in Net Position, Supplemental Retirement Plan**

Last Ten Fiscal Years

(amounts expressed in thousands)

Page 1 of 2

	2013	2014	2015	2016	2017
Additions					
Member contributions	\$ 946	\$ 1,007	\$ 1,083	\$ 1,137	\$ 1,199
Employer contributions	946	1,007	1,083	1,137	2,010
Investment income (net of expenses)	<u>2,449</u>	<u>4,438</u>	<u>(339)</u>	<u>119</u>	<u>4,341</u>
Other Income	--	--	--	--	--
Total additions to plan net position	<u>4,341</u>	<u>6,452</u>	<u>1,827</u>	<u>2,393</u>	<u>7,550</u>
Deductions					
Pension payments	1,981	1,810	1,883	2,004	2,837
Refund of members' contribution	84	95	97	144	151
Administrative expenses	<u>57</u>	<u>109</u>	<u>83</u>	<u>116</u>	<u>163</u>
Other expenses					
Total deductions to plan net position	<u>2,122</u>	<u>2,014</u>	<u>2,063</u>	<u>2,264</u>	<u>3,151</u>
Change in net position	<u>\$ 2,219</u>	<u>\$ 4,438</u>	<u>\$ (236)</u>	<u>\$ 129</u>	<u>\$ 4,399</u>

TABLE 5 - Changes in Net Position, Supplemental Retirement Plan

Page 2 of 2

2018	2019	2020	2021	2022	
\$ 1,294	\$ 1,372	\$ 1,921	\$ 2,030	\$ 1,953	Additions
2,092	2,313	3,077	3,566	1,953	Member contributions
2,933	2,416	1,329	11,487	(6,278)	Employer contributions
--	--	--	12	--	Investment income (net of expenses)
6,319	6,101	6,327	17,095	(2,372)	Other Income
					Total additions to plan net position
2,639	2,623	2,923	2,855	2,466	Deductions
102	129	345	222	429	Pension payments
148	118	222	337	200	Refund of members' contribution
					Administrative expenses
					Other expenses
2,889	2,870	3,490	3,414	3,095	Total deductions to plan net position
\$ 3,430	\$ 3,231	\$ 2,837	\$ 13,681	\$ (5,467)	Change in net position

COUNTY OF PRINCE WILLIAM, VIRGINIA
TABLE 6 - General Governmental Revenues by Source^a

Last Ten Fiscal Years

(modified accrual basis of accounting; dollar amounts expressed in thousands)

Page 1 of 2

Fiscal Year	Taxes ^b	Licenses, Fees & Permits	Fines & Forfeitures	Use of Money & Property ^c	Charges for Services
2013	\$ 752,856	\$ 16,354	\$ 3,260	\$ (3,386)	\$ 50,179
2014	\$ 783,654	\$ 17,389	\$ 3,252	\$ 18,762	\$ 50,964
2015	\$ 825,162	\$ 17,057	\$ 3,168	\$ 16,747	\$ 51,847
2016	\$ 869,840	\$ 18,039	\$ 2,953	\$ 21,495	\$ 49,818
2017	\$ 910,522	\$ 19,867	\$ 2,732	\$ 6,471	\$ 57,324
2018	\$ 950,705	\$ 19,141	\$ 3,050	\$ 9,539	\$ 57,256
2019	\$ 1,018,777	\$ 20,156	\$ 3,456	\$ 41,465	\$ 55,244
2020	\$ 1,076,413	\$ 19,847	\$ 2,705	\$ 30,157	\$ 45,753
2021	\$ 1,082,490	\$ 20,887	\$ 1,788	\$ 3,373	\$ 26,383
2022	\$ 1,181,588	\$ 23,651	\$ 1,757	\$ (57,234)	\$ 35,522
Change 2013 - 2022	56.95%	44.62%	-46.10%	1590.31%	-29.21%

^a Includes revenues of the General Fund, Special Revenue Funds, Capital Projects Funds and the School Board and Adult Detention Center Component Units.

^b Tax revenues exclude reimbursements from the Commonwealth under the Personal Property Tax Relief Act (PPTRA).

^c Fluctuations in revenue from the use of money can be primarily attributed to favorable or unfavorable market conditions.

^d Beginning with fiscal year 2000, the State reimbursed the County for personal property tax for non-business use vehicles under the PPTRA. The State reimbursement is classified as inter-governmental revenue. The PPTRA reimbursement rates were 61.5% for fiscal years 2007 through 2008. Beginning fiscal year 2009, the reimbursement rate is set at the fiscal year 2008 *dollar* amount of \$54.3M.

TABLE 6A - General Governmental Tax Revenues by Source

Last Ten Fiscal Years

(modified accrual basis of accounting; dollar amounts expressed in thousands)

Fiscal Year	Real Estate	Personal Property ^a	Public Service	Total General ^b Property Taxes	Sales Tax
2013	\$ 533,024	\$ 81,783	\$ 19,511	\$ 634,318	\$ 55,169
2014	\$ 557,068	\$ 95,270	\$ 18,809	\$ 671,147	\$ 56,511
2015	\$ 581,640	\$ 100,093	\$ 18,650	\$ 700,383	\$ 59,709
2016	\$ 610,844	\$ 110,676	\$ 19,954	\$ 741,474	\$ 60,551
2017	\$ 632,422	\$ 123,696	\$ 21,204	\$ 777,322	\$ 63,022
2018	\$ 660,476	\$ 131,700	\$ 22,101	\$ 814,277	\$ 64,566
2019	\$ 695,169	\$ 143,557	\$ 21,674	\$ 860,400	\$ 68,710
2020	\$ 733,071	\$ 156,474	\$ 22,683	\$ 912,228	\$ 72,341
2021	\$ 764,351	\$ 171,063	\$ 22,429	\$ 957,843	\$ 80,140
2022	\$ 816,926	\$ 201,846	\$ 24,197	\$ 1,042,969	\$ 88,032
Change 2013 - 2022	53.26%	146.81%	24.02%	64.42%	59.57%

^a Personal property tax revenues exclude reimbursements from the Commonwealth under the PPTRA.

^b Excludes administration fees and interest related to property taxes. These revenues are included in "All Other" column.

TABLE 6 - General Governmental Revenues by Source^a

Page 2 of 2

Inter-Governmental ^d					Fiscal Year
PPTRA	All Others	Miscellaneous	Total		
\$ 54,288	\$ 690,633	\$ 30,632	\$ 1,594,816	2013	
\$ 54,288	\$ 722,269	\$ 17,826	\$ 1,668,403	2014	
\$ 54,288	\$ 757,092	\$ 23,207	\$ 1,748,568	2015	
\$ 54,288	\$ 801,685	\$ 18,945	\$ 1,837,063	2016	
\$ 54,288	\$ 857,810	\$ 31,588	\$ 1,940,602	2017	
\$ 54,288	\$ 878,004	\$ 17,773	\$ 1,989,756	2018	
\$ 54,288	\$ 966,701	\$ 17,863	\$ 2,177,950	2019	
\$ 54,288	\$ 966,280	\$ 23,985	\$ 2,219,428	2020	
\$ 54,288	\$ 1,235,020	\$ 39,217	\$ 2,463,446	2021	
\$ 54,288	\$ 2,455,621	\$ 29,457	\$ 3,724,650	2022	
0.00%	255.56%	-3.84%	133.55%	Change 2013 - 2022	

BPOL						Fiscal Year
Utility Taxes	Tax	All Other ^b	Total			
\$ 13,490	\$ 22,913	\$ 26,966	\$ 752,856		2013	
\$ 13,766	\$ 23,772	\$ 18,458	\$ 783,654		2014	
\$ 13,974	\$ 24,744	\$ 26,352	\$ 825,162		2015	
\$ 13,977	\$ 25,065	\$ 28,773	\$ 869,840		2016	
\$ 14,196	\$ 25,341	\$ 30,641	\$ 910,522		2017	
\$ 14,417	\$ 26,554	\$ 30,891	\$ 950,705		2018	
\$ 14,443	\$ 26,945	\$ 48,279	\$ 1,018,777		2019	
\$ 14,408	\$ 28,236	\$ 49,200	\$ 1,076,413		2020	
\$ 13,266	\$ 29,882	\$ 55,647	\$ 1,136,778		2021	
\$ 15,278	\$ 32,910	\$ 56,687	\$ 1,235,876		2022	
					Change	
13.25%	43.63%	43.63%	64.16%		2013 - 2022	

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 7 - Assessed Value and Actual Value of Taxable Real Property

Last Ten Fiscal Years

(tax rates per \$100 of assessed value; amounts expressed in thousands)

Fiscal Year	Residential ^a	Apartments ^a	Commercial & Industrial ^a	Public Service ^a	Vacant Land & Other ^a	Total Taxable Assessed Value	Total Direct Tax Rate ^b	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2013	\$33,769,506	\$1,911,766	\$6,210,947	\$1,521,977	\$170,032	\$43,584,228	\$1.28590	\$50,810,494	85.78%
2014	\$35,821,828	\$2,185,291	\$6,597,590	\$1,501,931	\$171,126	\$46,277,766	\$1.25620	\$57,109,671	81.03%
2015	\$39,073,111	\$2,525,672	\$6,802,104	\$1,531,397	\$161,172	\$50,093,456	\$1.22120	\$57,663,419	86.87%
2016	\$41,983,238	\$2,856,819	\$7,179,333	\$1,678,330	\$166,961	\$53,864,681	\$1.19360	\$60,222,753	89.44%
2017	\$43,393,628	\$3,020,162	\$7,406,620	\$1,782,650	\$161,469	\$55,764,529	\$1.19500	\$61,527,421	90.63%
2018	\$44,665,855	\$3,047,465	\$8,185,594	\$1,826,020	\$166,147	\$57,891,081	\$1.20670	\$65,844,401	87.92%
2019	\$46,722,672	\$3,243,286	\$9,258,196	\$1,804,079	\$185,978	\$61,214,211	\$1.20750	\$69,155,694	88.52%
2020	\$48,810,816	\$3,416,858	\$9,638,310	\$1,888,134	\$186,227	\$63,940,345	\$1.20750	\$69,062,205	92.58%
2021	\$51,343,233	\$3,712,614	\$10,570,898	\$1,890,494	\$195,932	\$67,713,170	\$1.20750	\$72,791,360	93.02%
2022	\$55,749,465	\$3,946,600	\$10,848,981	\$1,993,711	\$190,994	\$72,729,751	\$1.19750	\$78,076,174	93.15%

^a Net of tax-exempt property:

2013	\$3,316,592	2018	\$4,323,692
2014	\$3,705,018	2019	\$4,445,054
2015	\$3,761,235	2020	\$4,839,651
2016	\$3,901,930	2021	\$4,959,366
2017	\$4,113,361	2022	\$5,914,501

^b See Table 8, Direct and Overlapping Property Tax Rates.

TABLE 7A - Commercial to Total Assessment Ratio, Construction, and Bank Deposits

Last Ten Fiscal Years

(dollar amounts expressed in millions)

Fiscal	Commercial as a Percent of Total Taxable		New Construction ^a						Bank Deposits ^b
	Commercial to Total	Commercial & Public Service to Total	Residential		Non-Residential				
			Permits	Value	Permits	Value			
2013	14.3%	17.7%	\$ 1,542	\$ 282	233	\$ 233	\$ 4,082		
2014	14.3%	17.5%	\$ 1,396	\$ 290	193	\$ 236	\$ 4,201		
2015	13.6%	16.6%	\$ 1,401	\$ 261	225	\$ 145	\$ 4,378		
2016	13.3%	16.4%	\$ 1,295	\$ 224	136	\$ 137	\$ 4,492		
2017	13.3%	16.5%	\$ 1,399	\$ 339	177	\$ 546	\$ 4,535		
2018	14.1%	17.3%	\$ 1,310	\$ 245	125	\$ 124	\$ 4,625		
2019	15.1%	18.1%	\$ 1,086	\$ 218	108	\$ 788	\$ 4,838		
2020	15.1%	18.0%	\$ 1,339	\$ 255	67	\$ 312	\$ 5,715		
2021	15.6%	18.4%	\$ 1,444	\$ 313	73	\$ 169	\$ 6,952		
2022	14.9%	17.7%	\$ 1,157	\$ 312	58	\$ 317	\$ 7,200		

^a Building Development Division, Department of Public Works.

^b Includes deposits in commercial banks, savings banks and credit unions at June 30 for year shown. 2012-2021, Federal Deposit Insurance Corporation, (commercial and savings bank deposits) and National Credit Union Administration (credit union deposits).



**PRINCE
WILLIAM
COUNTY**

COUNTY OF PRINCE WILLIAM, VIRGINIA**TABLE 8 - Direct and Overlapping Real Estate Tax Rates**

Last Ten Fiscal Years

(tax rates per \$100 of assessed value)

Page 1 of 2

Type of Tax	2013	2014	2015	2016	2017
PRINCE WILLIAM COUNTY					
<i>Countywide Tax Levies:</i>					
Real Estate - General Fund	\$ 1.20900	\$ 1.18100	\$ 1.14800	\$ 1.12200	\$ 1.12200
Fire and Rescue Levy (Countywide)	\$ 0.07440	\$ 0.07270	\$ 0.07070	\$ 0.06910	\$ 0.07050
Mosquito & Forest Pest Management (Countywide)	\$ 0.00250	\$ 0.00250	\$ 0.00250	\$ 0.00250	\$ 0.00250
Total Direct Tax Rate	<u>\$ 1.28590</u>	<u>\$ 1.25620</u>	<u>\$ 1.22120</u>	<u>\$ 1.19360</u>	<u>\$ 1.19500</u>
<i>Service District Levies -</i>					
Bull Run	\$ 0.20100	\$ 0.18300	\$ 0.14710	\$ 0.13770	\$ 0.13770
Lake Jackson	\$ 0.17500	\$ 0.16500	\$ 0.16500	\$ 0.16500	\$ 0.16500
<i>Transportation District Levies -</i>					
Prince William Parkway	\$ 0.20000	\$ 0.20000	\$ 0.20000	--	--
234-Bypass	\$ 0.02000	\$ 0.02000	\$ 0.02000	\$ 0.02000	\$ 0.02000
OVERLAPPING GOVERNMENTS					
<i>Real Estate Tax Levy:</i>					
Town of Dumfries	\$ 0.27733	\$ 0.27330	\$ 0.23330	\$ 0.18990	\$ 0.18990
Town of Haymarket	\$ 0.16400	\$ 0.13900	\$ 0.13900	\$ 0.12900	\$ 0.14600
Town of Occoquan	\$ 0.10000	\$ 0.11000	\$ 0.11000	\$ 0.11000	\$ 0.12000
Town of Quantico	\$ 0.20000	\$ 0.20000	\$ 0.20000	\$ 0.20000	\$ 0.20000

TABLE 8 - Direct and Overlapping Real Estate Tax Rates

Page 2 of 2

2018	2019	2020	2021	2022	Type of Tax
PRINCE WILLIAM COUNTY					
<i>Countywide Tax Levies:</i>					
\$ 1.12500	\$ 1.12500	\$ 1.12500	\$ 1.12500	\$ 1.11500	Real Estate - General Fund
\$ 0.07920	\$ 0.08000	\$ 0.08000	\$ 0.08000	\$ 0.08000	Fire and Rescue Levy (Countywide)
\$ 0.00250	\$ 0.00250	\$ 0.00250	\$ 0.00250	\$ 0.00250	Mosquito & Forest Pest Management (Countywide)
<u>\$ 1.20670</u>	<u>\$ 1.20750</u>	<u>\$ 1.20750</u>	<u>\$ 1.20750</u>	<u>\$ 1.19750</u>	Total Direct Tax Rate
<i>Service District Levies -</i>					
\$ 0.13110	\$ 0.12630	\$ 0.12300	\$ 0.12300	\$ 0.12300	Bull Run
\$ 0.16500	\$ 0.16500	\$ 0.16500	\$ 0.16500	\$ 0.16500	Lake Jackson
<i>Transportation District Levies -</i>					
--	--	--	--	--	Prince William Parkway
\$ 0.02000	\$ 0.02000	\$ 0.02000	\$ 0.02000	\$ 0.02000	234-Bypass
OVERLAPPING GOVERNMENTS					
<i>Real Estate Tax Levy:</i>					
\$ 0.18990	\$ 0.18990	\$ 0.18990	\$ 0.18990	\$ 0.18990	Town of Dumfries
\$ 0.14600	\$ 0.14600	\$ 0.13600	\$ 0.13600	\$ 0.13600	Town of Haymarket
\$ 0.12000	\$ 0.12000	\$ 0.12000	\$ 0.12000	\$ 0.12000	Town of Occoquan
\$ 0.20000	\$ 0.20000	\$ 0.20000	\$ 0.20000	\$ 0.20000	Town of Quantico

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 9 - Principal Real Property Tax Payers

Current Year and Nine Years Ago

(dollar amounts expressed in thousands)

Taxpayer	2022			2013		
	Taxable Assessed Value	Percentage of Total County Taxable Assessed		Taxable Assessed Value	Percentage of Total County Taxable Assessed	
		Rank	Value ^a		Rank	Value ^a
VA Electric & Power Company	\$ 1,842,499	1	2.22%	\$ 755,920	1	1.73%
Northern Virginia Electric Co-op	839,381	2	1.01%	271,275	2	0.62%
Abteen Ventures, LLC	455,771	3	0.55%			
Mall at Potomac Mills, LLC	381,303	4	0.46%	97,162	6	0.22%
Washington Gas Light Company	368,330	5	0.44%	100,812	5	0.23%
Bourzou Ventures LLC	329,248	6	0.40%			
Amazon Data Services, Inc	314,298	7	0.38%			
Verizon South, Inc.	284,478	8	0.34%	156,121	3	0.36%
Powerloft @ Innovation I LLC	162,384	9	0.20%			
Virginia-American Water CO.	138,508	10	0.17%			
Woodbridge Station Apartments, LLC				136,075	4	0.31%
Stellar Chatsworth LLC				96,449	7	0.22%
TR Rollings Brook Corp.				94,942	8	0.22%
Prince William Square Investors, LLC				93,924	9	0.22%
Manassas Owner, LLC				74,880	10	0.17%
	<u>\$ 5,116,199</u>		<u>6.17%</u>	<u>\$ 1,877,560</u>		<u>4.30%</u>

^a See Table 7 for a ten-year listing of Taxable Assessed Values.

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 10 - Real Property Tax Levies and Collections

Last Ten Fiscal Years

(dollar amounts expressed in thousands)

Fiscal Year	Collected within the Fiscal Year of the Levy				Total Collections to Date			
	Total Adjusted Tax Levy ^a	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy Collected		
2013	\$ 553,424	\$ 551,222	99.6%	\$ 1,651	\$ 552,873	99.9%		
2014	\$ 573,203	\$ 571,425	99.7%	\$ 1,393	\$ 572,818	99.9%		
2015	\$ 603,171	\$ 601,267	99.7%	\$ 1,487	\$ 602,754	99.9%		
2016	\$ 630,485	\$ 629,017	99.8%	\$ 358	\$ 629,375	99.8%		
2017	\$ 653,759	\$ 651,883	99.7%	\$ 1,096	\$ 652,979	99.9%		
2018	\$ 682,368	\$ 681,108	99.8%	\$ 613	\$ 681,721	99.9%		
2019	\$ 714,169	\$ 712,882	99.8%	\$ 834	\$ 713,716	99.9%		
2020	\$ 754,389	\$ 745,087	98.8%	\$ 1,131	\$ 746,219	98.9%		
2021	\$ 793,370	\$ 786,135	99.1%	\$ 3,047	\$ 789,182	99.5%		
2022	\$ 837,960	\$ 835,402	99.7%	\$ --	\$ 835,402	99.7%		

^a Total tax levy includes gross real estate and public service taxes less adjustments to tax due made prior to payment.

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 11 - Ratios of Outstanding Debt by Type, Primary Government and Component Units

Last Ten Fiscal Years

(dollar amounts expressed in thousands)

Page 1 of 2

	2013	2014	2015	2016	2017
Primary Government					
<i>Governmental Activities:</i>					
General Obligation Bonds ^a					
General Government	\$ 127,400	\$ 140,032	\$ 126,438	\$ 197,564	\$ 181,934
School Board-Related	579,969	594,188	628,638	793,235	815,195
Park Related	6,651	9,746	9,069	14,421	13,606
IDA Lease Revenue Bonds	5,325	4,355	3,345	2,290	1,175
IDA Loan	--	--	--	--	--
Literary Fund Loans	2,500	2,250	2,000	--	--
Real Property Capital Leases					
General Government	133,415	122,609	110,324	96,720	86,026
Adult Detention Center	23,405	21,680	19,955	18,230	15,596
Park Related	385	352	644	395	268
Equipment Capital Leases	1,456	951	539	110	--
<i>Business-Type Activities:</i>					
Solid Waste System Revenue Bonds**	1,590	--	--	--	--
Parks & Recreation Revenue Bonds	11,031	10,525	10,555	9,965	9,355
Parks & Recreation Equipment Capital Leases	889	596	295	99	--
Total Primary Government	<u>\$ 894,016</u>	<u>\$ 907,284</u>	<u>\$ 911,802</u>	<u>\$ 1,133,029</u>	<u>\$ 1,123,155</u>
Percentage of Personal Income ^b	3.75%	3.66%	3.55%	4.27%	4.05%
Per Capita ^b	2,100	2,092	2,065	2,519	2,462
Total Reporting Entity Outstanding Debt	\$ 894,016	\$ 907,284	\$ 911,802	\$ 1,133,029	\$ 1,123,155
Less: Self-Supporting Revenue and Other Bonds	<u>13,510</u>	<u>11,121</u>	<u>10,850</u>	<u>10,064</u>	<u>9,355</u>
Net Tax-Supported Debt	<u>\$ 880,506</u>	<u>\$ 896,163</u>	<u>\$ 900,952</u>	<u>\$ 1,122,965</u>	<u>\$ 1,113,800</u>

** Self-supporting from non-general tax revenue source.

^a Includes general obligation bonds associated with School Board-related Debt and Park related debt;

See Exhibit 1.

^b See Table 16 for personal income and population data.

^c Parks & Recreation revenue bonds are presented net of unamortized premium and unamortized deferred loss on refunding. See Illustration 10-7 in the Notes to the Financial Statements for details.

TABLE 11 - Ratios TABLE 11 - Ratios of Outstanding Debt by Type, Primary Government and Component Units

Page 2 of 2

2018	2019	2020	2021	2022	
					Primary Government
					<i>Governmental Activities:</i>
					General Obligation Bonds ^a
\$ 167,369	\$ 152,782	\$ 140,868	\$ 171,372	\$ 155,304	General Government
865,535	796,785	845,159	879,359	862,595	School Board-Related
11,816	10,833	9,893	8,839	8,201	Park Related
--	--	--	--	--	IDA Lease Revenue Bonds
--	21,153	21,153	21,153	--	IDA Loan
--	--	--	--	--	Literary Fund Loans
					Real Property Capital Leases
77,630	65,985	57,591	45,898	37,401	General Government
13,890	12,202	10,533	8,877	7,225	Adult Detention Center
235	203	171	140	109	Park Related
--	--	--	--	--	Equipment Capital Leases
					<i>Business-Type Activities:</i>
					Solid Waste System Revenue Bonds**
8,725	6,090	5,410	4,155	3,525	Parks & Recreation Revenue Bonds ^c
--	--	--	--	--	Parks & Recreation Equipment Capital Leases
<u>\$ 1,145,200</u>	<u>\$ 1,066,033</u>	<u>\$ 1,090,778</u>	<u>\$ 1,139,793</u>	<u>\$ 1,074,360</u>	Total Primary Government
3.98%	3.56%	3.41%	3.56%	3.36%	Percentage of Personal Income ^b
2,490	2,298	2,331	2,333	2,181	Per Capita ^b
\$ 1,145,200	\$ 1,066,033	\$ 1,090,778	\$ 1,139,793	\$ 1,074,360	Total Reporting Entity Outstanding Debt
<u>8,725</u>	<u>6,090</u>	<u>5,410</u>	<u>4,155</u>	<u>3,525</u>	Less: Self-Supporting Revenue and Other Bonds
<u>\$ 1,136,475</u>	<u>\$ 1,059,943</u>	<u>\$ 1,085,368</u>	<u>\$ 1,135,638</u>	<u>\$ 1,070,835</u>	Net Tax-Supported Debt

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 12 - Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(amounts expressed in thousands, except percentage and per capita)

Fiscal Year	General Obligation Bonds ^a	Solid Waste System Revenue Bonds	Total	Percentage of Estimated Actual Taxable Value of Property ^b	Per Capita ^c
2013	\$ 714,020	\$ 1,590	\$ 715,610	1.41%	\$ 1,681
2014	\$ 743,966	--	\$ 743,966	1.30%	\$ 1,716
2015	\$ 764,145	--	\$ 764,145	1.33%	\$ 1,730
2016	\$ 1,005,220	--	\$ 1,005,220	1.67%	\$ 2,234
2017	\$ 1,010,735	--	\$ 1,010,735	1.64%	\$ 2,216
2018	\$ 1,044,720	--	\$ 1,044,720	1.59%	\$ 2,271
2019	\$ 960,400	--	\$ 960,400	1.39%	\$ 2,070
2020	\$ 995,920	--	\$ 995,920	1.44%	\$ 2,128
2021	\$ 1,059,570	--	\$ 1,059,570	1.46%	\$ 2,168
2022	\$ 1,026,100	--	\$ 1,026,100	1.13%	\$ 2,118

^a Includes general obligation bonds associated with School Board-related and Adult Detention Center-related debt; excludes Literary Fund loans, if any. See also Table 11.

^b See Table 7 for property value data.

^c See Table 16 for population data.

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 13 - Direct and Overlapping Governmental Activities Debt (based on assessed values)

June 30, 2022

(dollar amounts expressed in thousands)

	Outstanding on June 30, 2022	Percent Applicable to County	Amount Applicable to County	Percent of Assessed Value ^b
Direct:				
Net Tax Supported Debt ^a	\$ 1,070,835	100.00%	\$ 1,070,835	1.5814%
Overlapping:				
Town of Dumfries	9,100	100.00%	9,100	0.0134%
Town of Haymarket	434 ^d	100.00%	434	0.0006%
Town of Occoquan	--	100.00%	--	0.0000%
Town of Quantico	56,096	100.00%	56,096	0.0828%
Heritage Hunt Commercial Community Development Authority Special Assessment Bonds Series 1999 B	658	100.00%	658	0.0010%
Virginia Gateway Community Development Authority Refunding Bond Series 1999 and 2003 B	6,635	100.00%	6,635	0.0098%
Cherry Hill Community Development Authority Special Assessment Bonds Series 2015	29,010	100.00%	29,010	0.0428%
Northern Virginia Transportation Commission - Virginia Railway Express ^c	176,378	32.32%	57,004	0.0842%
Northern Virginia Criminal Justice Training Academy (NVCJTA) ^c	3,631	34.97%	1,270	0.0019%
Total Overlapping Governmental Activities Debt	\$ 281,942	56.82%	\$ 160,207	0.2366%
Total Direct and Overlapping Governmental Activities Debt	\$ 1,352,777	99.80%	\$ 1,231,042	1.8180%

^a From Table 11.

^b Assessed value of taxable property is from Table 7.

^c Amount applicable determined on basis other than assessed value of taxable property.

^d Equals Outstanding Debt less amounts due within 1 year, per FY2019 Annual Comprehensive Report (latest available at publication)

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 14 - Debt Ratio Information

Last Ten Fiscal Years

(dollar amounts expressed in thousands)

Page 1 of 2

The issuance of bonds by Virginia counties is not subject to statutory limitation. However, counties generally are prohibited from issuing general obligation bonds unless the issuance of such bonds has been approved by public referendum. This referendum requirement does not apply to bonds for capital projects for school purposes sold to the Literary Fund or the Virginia Public School Authority.

The Board of County Supervisors also has established self-imposed limits which provide that tax supported debt should not exceed 3% of the net assessed valuation of taxable property in the County, and that annual debt service should not exceed 10% of annual governmental revenues. The County's standing with respect to its self-imposed limits is below.

	2013	2014	2015	2016	2017
General Government ^a					
Principal	\$ 69,858	\$ 72,969	\$ 76,750	\$ 78,093	\$ 86,849
Interest ^b	41,991	42,546	42,476	46,072	47,888
Debt Service on Net Tax-Supported Debt	\$ 111,849	\$ 115,515	\$ 119,226	\$ 124,165	\$ 134,737
Total Government Expenditures ^c	\$ 1,461,112	\$ 1,491,793	\$ 1,557,703	\$ 1,610,616	\$ 1,734,264
Ratio of Debt Service to Expenditures	7.7%	7.7%	7.7%	7.7%	7.8%
Total Revenues ^d	\$ 1,493,495	\$ 1,636,801	\$ 1,611,230	\$ 1,496,700	\$ 1,649,319
Ratio of Debt Service to Revenues	7.5%	7.1%	7.4%	8.3%	8.2%
Net Tax-Supported Debt ^e	\$ 880,506	\$ 896,163	\$ 900,952	\$ 1,122,965	\$ 1,113,800
Assessed Value of Taxable Property ^f	\$ 47,672,172	\$ 50,601,568	\$ 54,623,175	\$ 58,854,961	\$ 61,335,721
Ratio of Net Tax-Supported Debt to Assessed Value	1.8%	1.8%	1.6%	1.9%	1.8%

^a Includes debt service expenditures of the General Fund, Special Revenue Funds (excluding the PRTC lease), Capital Projects Funds, and the School Board and Adult Detention Center Component Units.

^b Excludes bond issuance and other costs.

^c Total expenditures excluding capital projects from Table 22.

^d Includes revenues of the General Fund, Special Revenue Funds and the School Board and Adult Detention Center Component Units.

^e From Table 11.

^f From Table 7 and Table 21.

TABLE 14 - Debt Ratio Information

Page 2 of 2

2018	2019	2020	2021	2022	
\$ 93,220	\$ 97,685	\$ 93,610	\$ 101,010	\$ 123,658	General Government ^a
48,688	48,358	47,675	45,426	44,538	Principal
\$ 141,908	\$ 146,043	\$ 141,285	\$ 146,436	\$ 168,196	Interest ^b
\$ 1,731,969	\$ 1,867,084	\$ 1,962,416	\$ 2,084,360	\$ 2,238,422	Debt Service on Net Tax-Supported Debt
8.2%	7.8%	7.2%	7.0%	7.5%	Total Government Expenditures ^c
					Ratio of Debt Service to Expenditures
\$ 1,802,191	\$ 2,067,001	\$ 2,139,662	\$ 2,271,858	\$ 2,430,571	Total Revenues ^d
7.9%	7.1%	6.6%	6.4%	6.9%	Ratio of Debt Service to Revenues
\$ 1,136,475	\$ 1,059,943	\$ 1,085,368	\$ 1,135,638	\$ 1,070,835	Net Tax-Supported Debt ^e
\$ 63,755,919	\$ 67,613,073	\$ 70,811,690	\$ 74,307,125	\$ 82,833,973	Assessed Value of Taxable Property ^f
1.8%	1.6%	1.5%	1.5%	1.3%	Ratio of Net Tax-Supported Debt to Assessed Value

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 15 - Revenue Bond Coverage for Solid Waste System Revenue Bonds

Last Ten Fiscal Years

(dollar amounts expressed in thousands)

Fiscal Year	System Revenues ^a	Operating Expenses and Transfers ^b	Closure Payment	Net Revenue Available for Debt Service	Debt Service Payments ^c		Total	Coverage ^d
					Principal	Interest		
2013	\$ 18,339	\$ 10,735	\$ 1,749	\$ 5,855	\$ 1,535	\$ 156	\$ 1,691	3.46
2014	\$ 18,820	\$ 5,623	\$ 3,775	\$ 9,422	\$ 1,590	\$ --	\$ 1,590	5.93
2015	\$ 19,735	\$ 12,673	\$ 2,386	\$ 4,676	\$ --	\$ --	\$ --	n/a ^e
2016	\$ 20,455	\$ 11,200	\$ 1,484	\$ 7,771	\$ --	\$ --	\$ --	n/a ^e
2017	\$ 20,416	\$ 12,710	\$ 1,951	\$ 5,755	\$ --	\$ --	\$ --	n/a ^e
2018	\$ 21,033	\$ 12,870	\$ 657	\$ 7,506	\$ --	\$ --	\$ --	n/a ^e
2019	\$ 22,679	\$ 14,801	\$ 2,612	\$ 5,266	\$ --	\$ --	\$ --	n/a ^e
2020	\$ 21,449	\$ 13,864	\$ 2,863	\$ 4,722	\$ --	\$ --	\$ --	n/a ^e
2021	\$ 20,860	\$ 11,664	\$ 2,603	\$ 6,593	\$ --	\$ --	\$ --	n/a ^e
2022	\$ 20,147	\$ 17,266	\$ 4,962	\$ (2,081)	\$ --	\$ --	\$ --	n/a ^e

^a Includes "Total Operating Revenues", "Grants from the Commonwealth," and "Interest and Miscellaneous Income" from the Statement of Revenues, Expenses and Changes in Fund Net Position.

^b Includes "Total Operating Expenses" (exclusive of "Depreciation" and "Closure Expense"), and "Transfers", from the Statement of Revenues, Expenses, and Changes in Fund Net Position.

^c Principal, accreted value of and interest (including other debt costs) paid during the fiscal year on bonded indebtedness of the Solid Waste System.

^d Required coverage is 1.15.

^e Principal on Solid Waste Revenue Bonds was retired during FY 2014.

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 16 - Demographic and Economic Statistics

Last Ten Years

Year	Population ^a	Personal Income ^b (in thousands)	Per Capita Income ^b	Fall School Enrollment ^c	Average Civilian Labor Force ^d	Average Unemployment Rate ^d
2012	418,107	\$23,723,247	\$48,873	81,937	230,053	5.3%
2013	425,681	\$23,853,483	\$48,200	83,551	233,155	5.2%
2014	433,621	\$24,764,045	\$49,423	85,055	234,967	4.8%
2015	441,627	\$25,686,545	\$50,485	86,641	234,238	4.4%
2016	449,864	\$26,519,844	\$51,548	87,823	237,291	3.7%
2017	456,126	\$27,708,764	\$53,104	89,378	243,231	3.5%
2018	459,966	\$28,772,615	\$54,733	90,595	246,394	2.9%
2019	463,867	\$29,818,072	\$55,393	90,876	250,974	2.5%
2020	467,935	\$31,964,080	\$57,989	92,270	247,971	9.6%
2021	488,629	\$33,168,415	\$58,765	92,271	242,644	4.5%
2022	484,472	\$35,456,728	\$59,812	90,135	247,241	2.8%

^a US Census for 2020, other years are Annual Population Estimates from Prince William County Geographic Information Systems (<http://www.pwcgov.org/government/dept/doit/gis>)

^b Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Includes cities of Manassas and Manassas Park (data as of June 30).

2019 and 2020 data estimated based upon ten-year growth rates on BEA data from 2009 through 2018.

^c Fall Membership by Division, by Grade for Prince William County Schools, Virginia Department of Education

^d Bureau of Labor Statistics, LAUS data

TABLE 16A - Comparative Demographic Statistics

2010 & 2020 U.S. Census Bureau Data

	2010	2020			
	Prince William County	Prince William County	Washington MSA	Virginia	United States
Population^a:					
Median age	33.5	35.4	37.2	37.8	38.5
Percent school age	23.1%	19.8%	18.2%	16.1%	16.5%
Percent working age	61.9%	62.6%	63.6%	61.9%	61.0%
Percent 65 and over	6.8%	10.8%	12.2%	16.3%	16.8%
Education^b:					
High school or higher	87.6%	89.2%	93.3%	90.3%	88.5%
Bachelor's degree or higher	36.9%	41.9%	66.9%	39.5%	32.9%
Income^b:					
Median family income	\$102,117	\$107,707	\$105,224	\$76,398	\$64,994
Percent below poverty level	4.4%	4.9%	9.8%	102.0%	11.6%
Housing:					
Number persons / household ^a	3.1	3.2	2.2	2.6	2.6
Percent owner occupied ^b	73.2%	73.1%	42.8%	66.7%	64.4%
Owner occupied median value ^b	\$316,600	\$390,500	\$640,833	\$282,800	\$229,800

^a U.S. Bureau of the Census Bureau, 2010 and 2020 Census Data.

^b U.S. Bureau of the Census Bureau, 2010 and 2020 American Community Survey-1 Year Estimates.

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 17 - Principal Employers

Current Year and Nine Years Ago

Employer ^a	2022			2013		
	Ownership	Rank	Number of Employees ^b	Ownership	Rank	Number of Employees ^b
Prince William County School Board	Local Government	1	1000 and over	Local Government	1	1000 and over
County of Prince William	Local Government	2	1000 and over	Local Government	3	1000 and over
U.S. Department of Defense	Federal Government	3	1000 and over	Federal Government	2	1000 and over
Wal Mart	Private	4	1000 and over	Private	4	1000 and over
Sentara Healthcare/Potomac Hospital Corporation	Private	5	1000 and over	Private	6	1000 and over
Morale Welfare and Recreation	Federal Government	6	1000 and over	Federal Government	5	1000 and over
Target Corporation	Private	8	500 to 999	Private	10	500 to 999
Wegmans Store #07	Private	7	500 to 999	Private	7	500 to 999
Fishel Company	Private	9	500 to 999			
Minnieland Private Day School				Private	8	500 to 999
North Virginia Community College				State Government	9	500 to 999
The Home Depot	Private	10	500 to 999			

^a All data provided by the Virginia Employment Commission (1st Quarter, 2022 & 2013).

^b Prince William County is prohibited from publishing the actual number of employees per the Confidential Information Protection and Statistical Efficiency Act of 2002 – Title V of Public Law 107-347.

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 18 - Full-Time Equivalent County Government Employees by Function

Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Board of Supervisors	25.00	25.00	25.00	25.00	25.00	26.00	26.00	26.00	26.00	26.00
County Attorney	27.00	27.00	27.00	27.00	28.00	28.00	28.00	29.00	29.00	29.00
Audit Services	7.00	1.00	1.00	1.00	1.00	--	--	--	--	--
Office of Executive Management ^b	24.00	25.00	25.00	26.00	26.00	26.00	28.00	29.00	26.00	29.00
Office of Management & Budget ^b	11.00	11.00	11.00	12.00	13.00	13.00	12.00	12.00	12.00	12.00
Human Resources ^b	18.50	23.50	23.50	23.50	26.50	26.50	26.50	29.50	31.50	32.50
Technology and Support Services	79.00	79.00	87.88	88.88	91.88	91.88	94.88	105.88	104.88	104.88
Finance	155.00	156.00	156.00	158.00	159.00	161.00	162.00	170.00	172.00	176.00
Human Rights	5.00	5.00	5.00	5.00	5.00	6.00	7.00	6.25	7.00	7.00
Board of Registration/Elections	11.00	13.00	13.00	14.00	14.00	14.00	14.00	15.00	17.00	17.00
Facilities & Fleet Management	--	--	--	--	--	--	--	--	154.47	163.47
Judicial Administration										
Commonwealth Attorney	43.00	44.00	44.00	44.00	45.00	50.00	50.00	50.00	50.00	59.00
Sheriff	94.50	94.50	94.50	96.50	100.50	102.50	102.50	106.50	107.50	110.50
Juvenile and Domestic Relations Court	8.00	8.00	8.00	6.00	6.00	6.00	6.00	6.00	2.00	2.00
Clerk of Court/Judges Chambers	55.00	55.00	55.00	56.00	58.00	58.00	58.00	61.00	61.00	65.00
General District Court	1.00	1.00	1.00	1.00	1.00	1.00	1.00	3.00	3.00	5.00
Law Library	1.00	1.00	1.00	1.00	1.00	1.00	--	--	--	--
Public Safety										
Public Works - Development										
Police	763.00	792.00	820.00	847.00	854.00	871.00	886.00	901.00	901.00	909.00
Criminal Justice Services	39.60	39.60	39.60	39.60	42.60	43.60	44.60	44.60	47.60	50.60
Public Safety Communications	103.00	103.00	103.00	109.00	113.00	112.00	113.00	118.00	121.00	120.00
Fire Service	549.70	574.70	589.70	614.70	662.70	722.70	751.70	759.70	760.70	774.70
Contingency Reserve - Homeland Security										
Public Works										
Public Works	232.31	234.45	238.54	237.17	241.76	247.72	250.72	238.17	123.86	202.00
Transportation	50.80	50.80	50.80	42.80	43.80	44.80	44.80	47.80	47.80	47.80
Solid Waste	59.72	59.72	59.72	60.72	60.72	60.72	62.72	65.72	65.72	--
Fleet Management	35.15	35.15	35.15	35.15	35.15	35.15	35.15	44.41	--	--
Small Project Construction	17.34	17.20	15.11	14.98	14.39	14.43	14.43	12.43	16.42	--
Upper Occoquan Sewage Authority										
Health & Welfare										
Social Services	309.39	307.46	306.46	322.26	331.26	352.26	359.76	390.76	402.23	428.23
Public Health	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Community Services Board	279.88	286.71	294.21	293.96	316.26	331.76	345.76	348.76	382.76	393.76
At-Risk Youth and Family Services	4.60	5.00	6.00	--	--	--	--	--	--	--
Office on Aging	32.14	32.14	32.14	32.14	32.28	32.28	31.28	33.75	34.00	34.00
Parks, Recreational and Cultural										
Parks										
Library	163.33	163.86	179.51	208.48	208.16	208.16	208.16	208.14	208.14	
Parks & Recreation	377.00	382.07	391.68	396.58	408.57	411.16	416.62	432.12	432.62	435.94
Tourism ^a	--	--	--	--	--	8.47	7.20	9.00	8.50	5.00
Planning/Community Development										
Development Services	88.50	95.50	107.00	112.00	112.00	113.00	116.00	117.00	118.00	120.00
Office of Planning	32.50	33.50	29.00	29.00	29.00	29.00	30.00	31.00	31.00	31.00
Economic and Community Development	13.00	13.00	13.00	13.00	13.00	13.00	14.00	17.00	20.00	20.00
Housing & Community Development	27.00	27.00	24.00	24.00	24.00	24.00	24.00	24.00	25.00	25.00
Extension and Continuing Education	7.81	7.14	7.14	7.14	6.87	6.87	5.11	5.11	7.71	7.71
Transportation										
Total Primary Government	<u>3,754.37</u>	<u>3,832.60</u>	<u>3,923.24</u>	<u>4,028.16</u>	<u>4,154.00</u>	<u>4,296.56</u>	<u>4,380.49</u>	<u>4,501.20</u>	<u>4,561.01</u>	<u>4,446.69</u>
Component Units										
Education										
School Board	10,237.30	10,337.00	10,562.00	10,713.65	11,008.73	11,354.30	11,538.00	11,954.00	11,968.00	12,138.00
Public Safety										
Adult Detention Center	337.00	339.00	348.40	349.40	351.20	377.40	422.40	450.40	446.40	440.40
Parks, Recreational and Cultural										
Park Authority ^a	--	--	--	--	--	--	--	--	--	--
Convention & Visitors Bureau ^a	8.00	9.00	8.00	8.00	7.00	--	--	--	--	--
Total Reporting Entity	<u>14,336.67</u>	<u>14,517.60</u>	<u>14,841.64</u>	<u>15,099.21</u>	<u>15,520.93</u>	<u>16,028.26</u>	<u>16,340.89</u>	<u>16,905.60</u>	<u>16,975.41</u>	<u>17,025.09</u>

Sources: Primary Government and ADC data taken from the PWC Adopted Fiscal Plan; School Board and Park Authority data is obtained directly from each organization.

^aThe Park Authority was dissolved and became County Department of Parks & Recreation effective FY 2013. The Convention and Visitors Bureau became a component unit of the County effective FY 2013, but was dissolved and incorporated into the Parks & Recreation department in FY 2018.

COUNTY OF PRINCE WILLIAM, VIRGINIA
TABLE 19 - Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Judicial Administration¹										
Land Records Instruments Recorded	102,141	73,107	73,232	76,868	96,302	82,909	78,898	94,710	155,991	103,971
Civil Cases Concluded	3,018	7,198	9,161	2,760	2,841	2,641	5,270	3,841	3,205	3,100
Criminal Cases Concluded	5,163	5,505	5,825	5,023	4,905	4,853	4,904	4,259	3,001	4,263
Public Safety										
<i>Fire & Rescue:</i> ²										
Fire Incidents	5,513	5,826	6,142	6,263	8,070	9,069	8,619	9,084	8,886	*
EMS Incidents	26,188	26,299	27,423	28,925	29,532	29,730	30,922	30,315	31,508	*
<i>Police:</i> ³										
Criminal Arrests	13,392	*	12,532	11,408	8,610	10,937	12,166	12,664	8,291	*
Calls for Service Handled	224,977	214,050	226,520	225,850	217,306	228,639	245,584	239,830	160,898	*
<i>Jail:</i> ⁴										
Inmate Population	977	1,043	1,060	965	1,040	1,061	920	528	561	442
Public Works⁵										
Facilities Constructed	--	--	--	2	--	2	--	2	--	1
Health & Welfare										
Total CSB Clients Served ⁶	8,041	8,818	8,949	9,506	9,762	9,832	10,135	9,275	10,696	11,294
Children Services Act Residential Placements ⁷	110	108	95	104	118	139	127	102	83	65
Parks, Recreational and Cultural										
Participant Visits ⁸	3,390	3,490	3,398	3,399	3,255	3,654	3,497	1,898	1,045	1,893
Library Patrons (Library Card Holders) ⁹	332,700	324,826	314,723	318,175	337,904	346,268	298,497	292,194	303,531	317,535
Planning/Community Development¹⁰										
Non-Residential Permits	1,470	1,394	1,350	1,355	1,228	1,202	1,212	1,008	1,030	1,030
Residential Permits	4,542	4,649	4,605	5,224	5,163	5,203	4,701	4,814	6,347	6,347

¹Office of the Clerk of the Circuit Court

²Annual Fiscal Plan - Office of the Chief Program

³Annual Fiscal Plan - Police Operations Program

⁴Adult Detention Center

⁵Facilities Construction Management, Department of Public Works

⁶Community Services Board

⁷Department of Social Services

⁸Department of Parks and Recreation

⁹Prince William County Library

¹⁰Building Development Division, Department of Public Works

* Not available

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 20 - Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Administrative buildings	4	4	4	4	4	4	4	4	4	4
Judicial Administration										
Courthouse complex	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police stations	2	2	2	2	2	3	3	3	3	3
Fire stations	21	21	21	21	21	21	21	21	21	21
Public Works										
Fleet/fuel facilities	3	3	3	3	4	4	5	5	3	3
Health & Welfare										
Senior centers	2	2	2	2	2	2	2	2	2	2
Group homes/clinics	5	5	5	5	5	5	5	5	5	6
Housing/shelters	6	6	5	5	5	5	5	5	5	5
Parks, Recreational and Cultural										
Athletic fields ^a	277	277	301	281	283	288	210	268	268	268
Aquatics & fitness center	2	2	2	2	2	2	2	2	2	2
Baseball stadium	1	1	1	1	1	1	1	1	1	1
Community centers	3	3	3	3	3	3	3	3	3	3
Hiking and fitness trails (in miles)	33	33	43	43	45	45	59	59	59	59
Indoor gymnasiums ^a	69	69	36	69	69	69	33	33	33	33
Indoor ice rinks	2	2	2	2	2	2	2	2	2	2
Marinas	2	2	2	2	2	2	2	2	2	2
Miniature golf courses	2	2	2	2	2	2	2	2	2	2
Nature areas	8	8	8	8	8	8	8	8	8	8
Outdoor basketball courts	27	27	27	27	27	27	27	27	27	27
Outdoor swimming pools	4	4	4	4	4	4	4	4	4	4
Outdoor volleyball courts	9	9	9	11	17	18	18	18	18	18
Picnic shelters	63	63	63	68	78	77	72	77	77	77
Playgrounds	36	36	36	37	37	37	43	43	43	45
Regulation golf courses	4	4	4	4	4	4	3	3	3	3
Skateboard/BMX courses	3	3	3	3	3	3	3	3	3	3
Tennis & racquetball courts	28	28	28	29	29	29	28	29	29	37
Waterparks	2	2	2	2	2	2	2	2	2	2
Regional and community libraries	4	4	4	6	6	6	6	7	7	7
Neighborhood libraries	6	6	6	5	5	5	5	5	5	5

Sources: Various county departments.

Note: No capital asset indicators are available for the planning/community development function.

^a Includes School Board school facilities programmed by the Parks Department.

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 21 - Personal Property Tax Rates and Assessments^a

Last Ten Fiscal Years

(tax rates per \$100 of assessed value; amounts expressed in thousands)

Page 1 of 2

	2013	2014	2015	2016	2017
Personal Property Tax Rates					
Personal Property Class:					
General Class	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000
Heavy Equipment and Machinery	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000
Computer Equipment	\$ 1.25000	\$ 1.25000	\$ 1.25000	\$ 1.25000	\$ 1.25000
Farmers Machinery and Tools	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Aircraft (small scheduled)	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Aircraft (all other aircraft)	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Mining & Manufacturing Tools	\$ 2.00000	\$ 2.00000	\$ 2.00000	\$ 2.00000	\$ 2.00000
Mobile Homes	\$ 1.20900	\$ 1.18100	\$ 1.14800	\$ 1.12200	\$ 1.12200
Research & Development	\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000
Van Pool Vans	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Emergency Volunteer Vehicles	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Auxiliary Volunteer Fire Vehicles	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Vehicles Modified for Disabled	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Watercraft-Recreation Use Only	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Watercraft-Weighing 5 tons or more	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Camping Trailers and Motor Homes	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Owned by Certain Elderly and Handicapped Persons	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Personal Property Assessments^c					
Locally Assessed Value	\$ 4,083,424	\$ 4,320,401	\$ 4,526,613	\$ 4,986,744	\$ 5,568,159
Public Service Value ^b	\$ 4,520	\$ 3,401	\$ 3,106	\$ 3,536	\$ 3,033
Total Personal Property Assessments	<u>\$ 4,087,944</u>	<u>\$ 4,323,802</u>	<u>\$ 4,529,719</u>	<u>\$ 4,990,280</u>	<u>\$ 5,571,192</u>

^a Fiscal year values represent the assessed value for the prior January 1 (e.g. fiscal year 2015 values are based on the January 1, 2014 assessment).

^b Public Service property is valued by the State Corporation Commission and the Department of Taxation at prevailing assessment ratios.

^c The estimated market value of personal property is assumed to equal 100% of the assessed value.

TABLE 21 - Personal Property Tax Rates and Assessments^a

Page 2 of 2

2018	2019	2020	2021	2022	
					Personal Property Tax Rates
					Personal Property Class:
\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	General Class
\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	Heavy Equipment and Machinery
\$ 1.25000	\$ 1.25000	\$ 1.35000	\$ 1.50000	\$ 1.65000	Computer Equipment
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Farmers Machinery and Tools
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Aircraft (small scheduled)
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Aircraft (all other aircraft)
\$ 2.00000	\$ 2.00000	\$ 2.00000	\$ 2.00000	\$ 2.00000	Mining & Manufacturing Tools
\$ 1.12500	\$ 1.12500	\$ 1.12500	\$ 1.11500	\$ 1.03000	Mobile Homes
\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000	Research & Development
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Van Pool Vans
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Emergency Volunteer Vehicles
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Auxiliary Volunteer Fire Vehicles
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Vehicles Modified for Disabled
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Watercraft-Recreation Use Only
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Watercraft-Weighing 5 tons or more
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Camping Trailers and Motor Homes
					Owned by Certain Elderly and
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Handicapped Persons
\$ 5,861,397	\$ 6,395,587	\$ 6,867,508	\$ 8,602,122	\$10,097,632	Locally Assessed Value
\$ 3,440	\$ 3,274	\$ 3,837	\$ 3,912	\$ 6,590	Public Service Value ^b
<u>\$ 5,864,837</u>	<u>\$ 6,398,862</u>	<u>\$ 6,871,345</u>	<u>\$ 8,606,034</u>	<u>\$ 10,104,222</u>	Total Personal Property Assessments

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 22 - General Governmental Expenditures by Function^a

Last Ten Fiscal Years

(amounts expressed in thousands)

Page 1 of 2

Fiscal Year	General Government	Judicial Administration	Public Safety	Public Works	Health & Welfare	Education
2013	\$ 36,788	\$ 18,388	\$ 244,577	\$ 30,522	\$ 75,066	\$ 868,818
2014	\$ 34,966	\$ 19,190	\$ 251,009	\$ 31,441	\$ 76,549	\$ 881,432
2015	\$ 37,651	\$ 19,681	\$ 257,076	\$ 30,857	\$ 80,840	\$ 927,408
2016	\$ 39,122	\$ 20,175	\$ 276,656	\$ 31,633	\$ 85,237	\$ 945,468
2017	\$ 44,340	\$ 21,292	\$ 311,046	\$ 31,269	\$ 89,166	\$ 1,000,063
2018	\$ 42,300	\$ 21,052	\$ 254,657	\$ 32,063	\$ 96,955	\$ 1,036,942
2019	\$ 45,704	\$ 22,512	\$ 341,278	\$ 33,523	\$ 104,378	\$ 1,065,482
2020	\$ 46,519	\$ 26,039	\$ 361,849	\$ 31,800	\$ 111,455	\$ 1,115,516
2021	\$ 78,209	\$ 27,290	\$ 387,274	\$ 7,372	\$ 130,729	\$ 1,180,688
2022	\$ 90,571	\$ 29,725	\$ 376,468	\$ 6,998	\$ 138,638	\$ 1,286,770

^a Includes expenditures of the General Fund, Special Revenue Funds, Capital Projects Funds and the School Board and Adult Detention Component Units excluding inter-entity expenditures between primary government and component units.

^b Includes principal retirement, interest and other debt costs, and intergovernmental rebate.

TABLE 22A - Capital Projects Expenditures by Function^a

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	General Government	Judicial Administration	Public Safety	Public Works	Education	Parks, Recreation & Culture
2013	\$ 642	\$ --	\$ 2,955	\$ 42,080	\$ 83,232	\$ 6,263
2014	\$ 812	\$ 2	\$ 1,559	\$ 60,125	\$ 90,892	\$ 11,767
2015	\$ 379	\$ 142	\$ 3,502	\$ 57,318	\$ 128,605	\$ 22,370
2016	\$ 147	\$ 11	\$ 10,409	\$ 64,141	\$ 133,195	\$ 18,743
2017	\$ 3,511	\$ 365	\$ 34,487	\$ 47,833	\$ 155,581	\$ 3,885
2018	\$ 1,324	\$ 632	\$ 26,941	\$ 80,010	\$ 96,351	\$ 6,459
2019	\$ 6,432	\$ 1,100	\$ 45,243	\$ 80,386	\$ 144,499	\$ 6,140
2020	\$ 10,259	\$ 350	\$ 14,506	\$ 58,780	\$ 171,038	\$ 9,150
2021	\$ 13,803	\$ 3,166	\$ 15,855	\$ 87,368	\$ 117,934	\$ 3,010
2022	\$ 11,419	\$ 294	\$ 6,864	\$ 83,301	\$ 188,501	\$ 6,300

^a Includes expenditures for capital projects in the Capital Projects Funds of the Primary Government and the School Board and Adult Detention Center Component Units.

Convention & Visitors Bureau^a

TABLE 22 - General Governmental Expenditures by Function^a

Page 2 of 2

	Parks, Recreation & Culture		Community Development		Capital Projects		Debt Service ^b		Total	Fiscal Year
\$	26,550	\$	48,555	\$	136,658	\$	111,849	\$	1,597,771	2013
\$	28,507	\$	53,185	\$	166,978	\$	115,515	\$	1,658,772	2014
\$	31,085	\$	53,879	\$	214,170	\$	119,226	\$	1,771,873	2015
\$	34,797	\$	53,363	\$	229,154	\$	124,165	\$	1,839,770	2016
\$	44,186	\$	58,165	\$	251,255	\$	134,737	\$	1,985,519	2017
\$	47,160	\$	58,932	\$	219,906	\$	141,908	\$	1,951,875	2018
\$	49,645	\$	58,519	\$	287,672	\$	146,043	\$	2,154,756	2019
\$	50,559	\$	62,978	\$	272,511	\$	141,285	\$	2,234,927	2020
\$	50,535	\$	75,827	\$	249,594	\$	146,436	\$	2,333,954	2021
\$	57,363	\$	71,369	\$	305,719	\$	168,196	\$	2,531,817	2022

	Community Development		Health & Welfare		Total	Fiscal Year
\$	1,486	\$	--	\$	136,658	2013
\$	1,821	\$	--	\$	166,978	2014
\$	1,854	\$	--	\$	214,170	2015
\$	2,508	\$	--	\$	229,154	2016
\$	5,538	\$	55	\$	251,255	2017
\$	7,829	\$	360	\$	219,906	2018
\$	3,545	\$	327	\$	287,672	2019
\$	8,300	\$	128	\$	272,511	2020
\$	8,456	\$	--	\$	249,594	2021
\$	8,874	\$	165	\$	305,719	2022

COUNTY OF PRINCE WILLIAM, VIRGINIA**TABLE 23 - Miscellaneous Statistical Data**

June 30, 2022

Date of County Organization:	March 25, 1731
Form of Government:	County Executive (as provided for by the Code of Virginia)
Area:	348 Square Miles
Number of general County personnel (full-time equivalent)	3,242
Services of Primary Government:	
Fire protection:	
Number of stations	19
Number of career employees	702
Number of volunteers	391
Police protection:	
Number of stations	3
Number of police officers	628
Public Safety Communications:	
Number of employees	120
Recreation (Parks & Recreation Department):	
Acres developed or reserved for County parks	4,937
Tourism	
Tourist information center visitors	n/a*
Services not included in the Primary Government:	
Education (School Board Component Unit):	
Number of public elementary, middle, and other schools	84
Number of public high schools	13
Fall Membership, fiscal year 2017	90,135
Number of personnel (full-time equivalent)	12,138
Correctional Operations (ADC Component Unit)	
Capacity of main jail, Central jail, and modular jail	427
Capacity of work-release center	15
Number of personnel (full-time equivalent)	349
Other statistical data:	
Elections:	
Registered voters at last general election	305,042
Number of votes cast in last general election	153,000
Percent voting in last general election	50%
Water and Wastewater Treatment	
<i>(provided by Prince William County Service Authority):</i>	
Miles of water mains	1,308
Miles of sanitary sewer mains	1,150

* The Visitor Center was closed in 2020 and re-opened as an unmanned kiosk. No Visitor Information is available.

Gas, electricity and telephone are furnished by private corporations. Water and sewage treatment for serviceable areas not covered by the Service Authority is provided by other private corporations.

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 24 - Schedule of Surety Bonds

June 30, 2022

Hartford Fire Insurance Company

Crime/Faithful Performance of Duty Blanket Bond

(Insured: Prince William County, Prince William County - Manassas Regional Adult Detention Center)

Honesty Blanket Bond

(Insured: Same as Above)

Public Official Bond - Michelle L. Attreed, Director of Finance / CFO

Public Official Bond - Courtney Tierney, Director of Social Services

Travelers Casualty & Surety Company *(Provided by the Commonwealth of Virginia for Constitutional Officers)*

Surety Bond - Michelle L. Attreed, Director of Finance / CFO

Surety Bond - Jacqueline C. Smith, Clerk of the Court

Surety Bond - Glendell Hill, Sheriff

Surety Bond - Peter Meletis, Jail Superintendent

Surety Bond - Elijah T. Johnson, Acting County Executive



Prince William County, Virginia

Department of Finance
1 County Complex Court
Prince William, VA 22192
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