



PRINCE WILLIAM
Finance

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FY2023

For the Year Ended June 30, 2023

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County of Prince William, Virginia

Annual Comprehensive Financial Report

for the Fiscal Year Ended June 30, 2023

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COUNTY EXECUTIVE

Christopher Shorter*

**As of June 30, 2023*

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**PRINCE
WILLIAM**
— **COUNTY**

INTRODUCTORY SECTION

Letter of Transmittal

Certificate of Achievement for Excellence in Financial Reporting

Organization of the County Government

PRINCE WILLIAM
— Facilities and Fleet Management
FIRST ELECTRIC VEHICLE

INTRODUCTORY SECTION



The Board of County Supervisors

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Margaret Angela Franklin

Tom Gordy

Yesli Vega

Bob Weir

March 15, 2024

**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, 2023. 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, 2023, 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, 2023. 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 subsequent to 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 Chair and six of the current board members took office in January 2020, following an election held on November 5, 2019, and serve until December 31, 2023. The eighth member, serving the Gainesville Magisterial District, took office at the end of February 2023, following a special election held on February 21, 2023, and serves until December 31, 2023.

The County provides a full range of local government services including police, fire and rescue, court administration, education, planning, development, libraries, parks, recreational and tourism services, health and social services, public improvements, and general administration. The County's School Board and Adult Detention Center 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 home to a community of residents with a rich cultural identity. The County demographer¹ estimates the population at 491,693 as of second quarter 2023, a two percent increase over the 2020 U.S. Census total of 482,204. Population growth is expected to rise steadily, supported 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 2022 American Community Survey², approximately 25.8 percent of the population are of Hispanic or Latino origin, 42.4 percent of residents are white, 20.4 percent are black or African American, and 10.2 percent are Asian. Approximately 26.3 percent of the County's population is under the age of 18,

¹ Source: Prince William County GIS: <https://demographics-pwccgov.hub.arcgis.com/pages/population-estimates>

² Source: <https://data.census.gov/table?q=prince+william+county&y=2022>

while 16.7 percent is 60 or above. Prince William County continues to maintain its family-oriented tradition, reflected by 25.9 percent of households containing married-couple families with children under 18 years old. An estimated 52.7 percent of employed residents work within Prince William County, while 39.0 percent are employed outside the County. The mean travel time to work is 35.5 minutes. Prince William County's median household income of \$120,398 is 40 percent above the statewide median of \$85,873 and 2.5 percent higher than the Washington D.C. MSA median of \$117,432.

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 an evolving economic climate. Identifying the County's strengths and vulnerabilities, combined with developing robust planning around various 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. Despite one of the Federal Reserve's most aggressive monetary tightening phases and now war-plagued commodity markets, economic activity has remained relatively strong. Consumers are still spending, and companies are still hiring and investing, albeit not at the same pace as last year. Even though the economy has surpassed expectations thus far this year, the outlook remains clouded. Most economists agree that an economic slowdown seems plausible, however, the odds of a recession cannot be ignored.

Easing inflationary pressure coupled with resilient economic growth has led many investors and economists to embrace the idea of a rare "soft landing" – a scenario in which the economy gradually cools without falling into a recession. But some market observers are quick to counter this outcome by suggesting the 525 basis points of interest rate increases implemented by the Federal Reserve have yet to be felt by the broader economy. A former President of the Federal Reserve Bank of New York believes three key questions must be considered when assessing the possibility of a soft landing. One, because monetary policy typically works with long and variable lags, will the cumulative impact of interest rate increases continue to mount? Two, will the Federal Reserve's current policy stance be restrictive enough to dampen economic growth? And three, is the current unemployment rate consistent with benign inflation? He further suggests the Federal Reserve's ability to move markets through advance communication of future policy initiatives has led to "considerable evidence that lags have shortened, meaning that the economy has felt nearly all of the impact of the Fed's actions," a notion that holds true both nationally, regionally, and locally.

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 Northern Virginia remains the world's largest data center market, development is starting to migrate south.

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. Nearly 82 percent of the County's real estate tax base (including apartments) consists of residential housing. Slightly under 18 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 decrease the 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. Notably, for FY 2024, the Board further lowered the real estate tax rate to \$0.966 per \$100 of assessed value, under the \$1 dollar mark.

FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
\$1.03	\$1.115	\$1.125	\$1.125	\$1.125

While recent measurements of housing market activity, such as pending sales of existing homes and new home sales, suggest that residential real estate sector has stabilized, affordability remains a challenge for many potential buyers amid elevated prices, high financing rates and a dearth of inventory. “The recovery has not taken place, but the housing recession is over,” the National Association of Realtors chief economist, said in a statement. “Given the ongoing job additions, any meaningful decline in mortgage rates could lead to a rush of buyers later in the year and into the next.” At the time of this writing, Freddie Mac’s Primary Mortgage Survey indicates the average 30-year fixed rate mortgage stands at 7.63%, a high mark for 2023 and 94 basis points above the 52-week average of 6.69%. In a note, Freddie Mac said “Not only are homebuyers feeling the impact of rising rates, but homebuilders are as well. Incoming data shows that the construction of new homes rebounded in September but as rates keep rising, home builders appear to be losing confidence. As a result, construction could trend down in the short-term.” Virginia Realtors current monthly Flash Survey indicated the organization’s Buyer Activity Index decreased to 59 from 63 in May. Approximately 40% of realtors assessed buyer activity in their local market as “high” or “very high”, while roughly 22% rated buyer activity as “low” or “very low”. According to Virginia Realtors, a separate index that measures realtors’ opinions about how the market will be performing three months in the future remained unchanged at 57 in June from the prior month. Approximately 32% of survey participants thought buyer activity over the next three months would be strong in their respective markets versus 33% in May.

Category	June 2023	June 2022	Increase/(Decrease)
Median Sold Price	\$550,000	\$542,000	1.4%
Units Sold	560	744	(24.7%)
Active Listings	412	634	(35.0%)
Average Days on Market	11	8	37.5%
New Listings	507	973	(47.9%)

Source: MarketStats by Bright MLS

A leading indicator of housing market conditions is new building permit activity. From 2018 through 2022, permits issued for new construction have averaged 1,522 per year. Peak permit activity occurred in 2019, driven primarily by a surge in multi-family projects. On average, single-family permits issued represented nearly 40 percent of all activity for calendar years 2018 through 2022.

Calendar Year	Single Family	Townhouse	Condo/Apartment	Total
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	373	432	126	931
2023 (Jan-Jun)	218	237	38	578

Source: Prince William Co. Development Services

As pandemic impacts continued to fade during FY 2023, Prince William County’s commercial real estate sector profile improved, led primarily by the industrial sector profile. According to Costar Realty Group (Costar), the vacancy rate on June 30, 2023, was 3.8 percent, a decline of 0.1 percent from year-end fiscal 2022. Total rentable building area (RBA) remained in a range of 53.3 – 54.8 million square feet. Virginia Realtors noted in a recent commercial real estate report that strong demand and limited availability of industrial space continues to propel rents higher. Retail properties within most metro areas have been marked by a steady increase in rents as vacancies have trended down, while, except for the first two Amazon buildings in Arlington, Virginia having been completed, the office sector has largely experienced a sluggish pace of net absorption.

Personal property tax, the most significant single revenue source following real estate tax, generated a substantial 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, elevated values for new and used vehicles during tax year 2022, driven by a backdrop of lean, but improving, inventory levels, also contributed to the gain. Local sales tax also increased significantly 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 local sales tax receipts. While the increase was below the levels established in personal property tax and local sales tax, Business, Professional and Occupational License Tax (BPOL) outperformed original expectations as well. The same factors that drove sales tax collections buttressed BPOL receipts as well.

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 (effective July 1, 2022).

Prince William County's labor market retained a relatively healthy profile during FY 2023, highlighted in part by a modest decrease in the unemployment rate to 2.7% from 2.8% at the end of the prior fiscal year. Over the final quarter of FY 2023, the number of employed residents increased to 4,118, buoyed by a labor force that grew to 263,632 from 259,597. The total number of unemployed citizens grew by 898 from April through June but when measured on a quarter-over-quarter basis, Bureau of Labor Statistics data indicated a net decrease of 83. While the availability of granular data to assess the overall state of the County's job market is limited, a leading indicator that can be utilized to measure labor market conditions are monthly initial claims for unemployment insurance. During the quarter, the average initial claims per month decreased to 393 versus a per month average of 513 over the previous quarter. Considering the downward trajectory of claims over the quarter, a reasonable conclusion can be made that evidence of broad-based labor market weakness has yet to emerge.

According to data from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages, at-place employment in Prince William County grew 3.5 percent to 135,978 in the 1st quarter of 2023 from 131,319 versus one year prior. Establishments of employment in the County increased 8.5 percent to 11,422 in the 1st quarter of 2023 compared to 10,525 the previous year. By comparison, Washington D.C. Metropolitan area establishments grew by 6.6 percent and statewide establishments grew by 10.5 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 rose 10.0 percent to \$1,176 during the 1st quarter of 2023 versus \$1,070 when compared to the same period one year prior. In contrast, average weekly wages in the Washington D.C. Metropolitan area increased 6.9 percent to \$1,908 from \$1,785, while Virginia weekly wages increased 8.2 percent to \$1,477 from \$1,365 over the same time frame.

As Prince William County has emerged from the impacts of the COVID-19 pandemic, County staff has sought avenues to deploy federal funds to enhance future economic growth prospects. One such example is the County's IGNITE Startup Grant program which began accepting applications on January 10, 2023, from high growth companies seeking to expand or locate operations in Prince William County. The \$1 million dollar fund leverages federal American Rescue Plan Act (ARPA) funds to enhance opportunities for funding, education, and networking during key years for scaling startups and high growth businesses. Depending on the applicant's qualifications, grants will be offered in tranches of \$25 thousand, \$50 thousand, and \$100 thousand. "Prince William County has the makers of Northern Virginia. We have entrepreneurs who invent, tinker, fabricate, and manufacture in a low-cost ecosystem," said Christina Winn, Prince William County's Executive Director of Economic Development. "This is an opportunity

for entrepreneurs and innovators who have a compelling product or idea that can be tested and executed in the market.”

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, with the most recent update to these long-standing Principles occurring 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. In fact, each year the County Executive reports on the County’s compliance with the Principles to the Board.

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 48 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 2023 for fiscal year 2024 to fiscal year 2028. Integral to the 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 factors 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. This Plan is used to guide decisions about resource allocation in the FY 2024 through FY 2028 annual budgets. The goal statements associated with each of these seven goal areas are as follows:



For the past several decades, the County has independently conducted regular community surveys to gauge resident satisfaction with existing services, including 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 \$1.38 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 2024-2029 CIP provides \$877.8 million for transportation roadway and sidewalk improvement projects; \$91.5 million for human services projects, namely a new Crisis Receiving Center, Juvenile Services Center, an eastern Homeless Navigation Center; \$14.7 million for countywide space initiatives, technology improvements, and environmental sustainability efforts; \$197.2 million for public safety projects, including \$27.3 million for the expansion of the Public Safety Training Center, \$150.9 million for the renovation and expansion of the Judicial Center and \$19.0 million for a new Fire & Rescue Station; \$194.9 million for community development projects, including \$67.5 million for various parks and recreation projects such as improvements/expansions at Howison Park, Doves Landing Park, Neabsco District Park, Fuller Heights Park, Hellwig Park, and the Potomac Heritage National Scenic Trail as well as other greenway and park facility improvements; \$55.5 million for landfill related capping and lining projects; \$21.5 million for watershed management projects; \$53.0 million for various building and facility capital maintenance projects. The School System's Capital Program totals approximately \$1.84 billion for fiscal years 2024 to 2033 and includes the construction of six new schools, replacement of one school, renovations and/or improvements to 14 schools as well as other repair, maintenance, and renovation projects at various school facilities. Permanent capacity is set to increase by 6,184 seats over the next ten years with completion of the school facility construction identified within the School System's Capital Program.

The fiscal year 2024 capital projected expenditures for the County government are estimated at \$311.3 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 2024 Adopted Budget supports vital services for vulnerable families and individuals, including the financing and operating costs for the newly acquired Crisis Receiving Center (CRC) which will provide capacity and access for adolescents and adults experiencing mental health and substance use crises, thereby reducing time to treatment. In

addition, community partner organizations serving the County are supported with a five percent donation increase. 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 capital build-out of the CRC. The project includes adult mental health services, including eight beds and eight recliners. Finally, funding is included for a new eastern end, approximately 30,000 square feet, Homeless Navigation Center (HNC). The HNC will provide overnight, temporary, emergency sheltering and wrap-around services for up to 50 adults experiencing homelessness. 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.

Wellbeing is largely impacted by one's quality of life and the Strategic Plan calls for the County to enhance multi-generational community enrichment and community engagement that contribute to a healthy community. Parks and recreation facilities are an essential service in Prince William County and are often a standard indicator for measuring quality of life. The abundance, variety, and quality of recreational offerings often correlates with how a community ranks on livability in citizen satisfaction surveys. In addition to fostering physical and emotional well-being, communities leverage parks and recreation facilities to tell a community's story, create a sense of place, and bridge social divides. The Prince William County Department of Parks & Recreation (DPR) manages 5,000+ acres of parkland comprised of more than 80 park properties and 60+ miles of trails. DPR operates a diverse portfolio of recreational facilities, services, and programs, hosting many patrons annually and providing unique leisure experiences for residents of all ages, abilities, and recreational interests. During 2022-2023, the Board allocated over \$17 million of American Rescue Plan Act (ARPA) funding to various park related capital projects. Completed during FY 2023 was Rollins Ford Park, a 69-acre park that includes two rectangular fields, parking, playgrounds, pavilions, basketball court, dog park, restroom/concession auxiliary building, walking trails, and wildflower meadows. Improvements to Catharpin Park were also completed in FY 2023, adding a new auxiliary building to house restrooms and concessions near the baseball fields.

Parks are so important to residents that voters 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.

As part of the FY 2024 budget, funds were also allocated for the County's marketing campaign for the 2024 Solheim Cup. The Solheim Cup is held every two years and features the twelve best U.S. players from the Ladies Professional Golf Association (LPGA) and the twelve best European players from the Ladies European Tour (LET). This premiere golf tournament is slated to be held in Prince William County on September 10-14, 2024.



Safe & Secure Community – The Board's ongoing commitment to keeping the community safe and secure is evident in the FY 2024 Budget. As law enforcement agencies throughout the country are experiencing workforce shortages, recruitment and retention remain top priorities. The FY 2024 Budget provides increases for sworn staff to ensure compensation competitiveness with neighboring

jurisdictions as well as funding for hiring incentives for hard to fill public safety positions. The FY 2024 Budget also includes funding for the implementation of a Community Safety Initiative to build community collaboration through

a proactive focus on prevention, intervention, and diversion. Funds are also included to complete the three-year staffing plan for the Office of the Commonwealth Attorney to address felony and misdemeanor caseloads. In addition, funding is allocated for a veterinary clinic at the new Animal Services Center to improve animal care. Finally, the FY 2024 Budget includes the financing and operating costs for the newly acquired firearms training facility, fire apparatus replacements, and a new renovation and rebuild program for existing stations within the County's Fire & Rescue System. Future capital improvements include the construction of Fire & Rescue Station 27; expansion of the Public Safety Training Center for new public safety recruit and in-service training purposes; and a renovation to the existing Judicial Center to address courtroom and parking needs at the Judicial Center Complex. Funding is also included to replace public safety 800 MHz radios and the build-out of the firing range facility to support the County's training range needs.



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 & Tourism's mission is to serve as the first point of contact for startup, relocating, and existing businesses to create an abundance of high paying jobs in targeted industry sectors for residents and grow the commercial tax base. The Department of Economic Development & Tourism improves the County's economic base by encouraging new businesses to locate in the County, retain existing businesses and encouraging 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 & Tourism was accredited by the International Economic Development Council (IEDC) and is one of only 74 economic development organizations globally that are accredited and one of three in the Commonwealth of Virginia.

Since the inclusion of economic development in the strategic goals of the County in the mid-1990s, 661 new and expanding companies have announced their intention to invest approximately \$20 billion and add over 24,000 jobs to the Prince William County economy. Of these announcements, 520 or 78 percent were targeted industry businesses accounting for \$19 billion (95%) of the total investment and 19,982 (80%) of the total jobs. Today, the County is home to over 11,000 businesses, an increase of 42 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, Loudoun County, City of Manassas, City of Manassas Park, and Prince William County Department of Economic Development & Tourism. This nine-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 makes 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, 148 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 \$8.9 billion of intended capital investment and will create 5,209 new jobs, 4,856 (93%) of which fall within the County's targeted industry sectors, underscoring the valuable workforce proposition the County presents. In January 2022, the County contracted with Camoin Associates to conduct an

independent analysis to determine the past performance of targeted industries, provide future industry projections, and compare that with available zoned and planned commercial land to determine the pipeline of suitable land for economic development purposes for the next 20 years.

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 approximately ten million square feet of data center space, representing approximately \$14 billion in capital investment and more than 2,000 highly skilled jobs. Another approximately two million square feet of data center space is in the pipeline and is expected to bring roughly \$3 billion in capital investment and over 300 new jobs. 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 numerous information technology and advanced manufacturing companies. Of the roughly 1,500 acres comprising Innovation Park, only approximately 112 acres remain undeveloped. 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, NCS Technologies, Inc., a headquarters and advanced manufacturing facility, and Planet Direct, a full-service direct mail production facility. 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. The Prince William Science Accelerator, home to nine commercially available public-private wet lab spaces, 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. To date, two tenant companies have graduated into their own private labs and headquarters in Innovation Park – Ceres Nanosciences and Serpin Pharma. More recently, in 2022, the NOVA Bioscience Center opened its doors in Innovation Park. This 30,000 square foot, level 2 wet lab space financed through a public-private partnership 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. This innovative collaboration between the County and Holladay Properties won a 2022 Achievement Award from the Virginia Association of Counties (VACo) for delivering a product suitable for one of the fastest-growing biotechnology clusters in the region. The Virginia Serious Game Institute (VSGI), also located at Innovation Park, concentrates on game-related applied research, incubation of new innovative companies, and offers outreach to teach and educate students of all ages. Affiliated with George Mason University, the VSGI supports entrepreneurial and innovation goals by cultivating and supporting Mason-founded startups, rapid prototype development, high-value job creation, and regional economic development through serious game technology discovery to improve the human condition. Site work is underway on University Village and Innovation Town Center, a 130-acre master planned town center, adjacent to the George Mason Science & Technology campus, that will include 2,662 residential units and two million square feet of commercial space.

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, with three of the six planned buildings already complete. The second campus is planned for 860,000 square feet of space in four buildings, the first of which received its occupancy permit in January

2023. Another 1.5 million square foot data center campus is also being built by QTS at Innovation Park. Two buildings are already occupied and another three are under construction. Also under construction is a two-building, 242,000 square foot industrial facility owned by Matan Redstone Industrial. The first building is scheduled for occupation in the fall of 2023 and is fully leased to DHL.

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 sold to accommodate the co-location of a 92-room boutique hotel and the relocation and expansion of Murlarkey Distillery into a 25,000 square-foot rickhouse and bottling facility near this already popular destination venue. Site work is underway, and opening is planned for December 2024.

Sprouts Farmers Market, an organic grocer opened in May 2023 in 26,300 square feet of renovated space in the Manaport Plaza shopping center located in Manassas, bringing 110 new jobs to the County. Sprouts Farmers Markets is differentiated in the grocery store category by its fresh produce section placed in the center of every store, as well as its corporate mission to provide wholesome and innovative products produced with ingredients such as organic, plant-based, and gluten-free. With nearly 400 stores in 23 states, the Prince William location is only the second in Virginia. In 2022, Amazon Fresh opened its largest store in the nation at Sudley Manor Square in the heart of the Rt. 234 business corridor. The location was previously home to retailers like Kmart and Prince William County Department of Economic Development & Tourism worked with the Prince William Board of County Supervisors to include "Innovative Retail" in the Targeted Industry Status (TIS) program, allowing the project to receive expedited permitting.

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 opportunities for businesses looking to locate or expand in the County. Within the boundaries of Potomac Communities is Potomac Shores, a master planned 1,900-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, a town center, a river walk promenade, and integrated green space. To date, almost 2,000 of the 3,987 planned homes in Potomac Shores have been sold. Furthermore, the groundbreaking for the VRE station, station house, and parking garage with retail occurred in the spring of 2023. The four-level, 166,000 square foot garage will include nearly 400 parking spaces and feature a public boardwalk area along the east side with expansive views of the Potomac River. Landscaping with a gazebo and viewing benches will help to make this a focal point of the community and attract visitors to the future retail and restaurant operators located within the Potomac Shores Town Center. Already, the owner of Fatty's Taphouse, a local seafood and "comfort food" restaurant with locations in Stafford and Fredericksburg announced plans to open a third restaurant at a waterfront location in Potomac Shores. Also 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.

Belmont Bay, a 300-acre mixed-use community adjacent to the Potomac River is George Mason University's Potomac Science Center, is 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 highly skilled talent pipeline 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. These educational offerings all support targeted industries for Prince William County.

Redevelopment initiatives are taking hold along the eastern Route 1 corridor. The County launched a Richmond Highway grant program entitled "Route One Refresh", making a total of \$3 million available for business assistance grants to cover costs associated with the renaming of Route 1. Over \$500 million has been invested for massive road and infrastructure improvements to widen the 12-mile stretch of U.S. Route 1 through 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 Crossing will be the County's first vertically integrated mixed-use transit-oriented town center and is strategically located in a federal Opportunity Zone. The \$380 million, 20-acre assembled parcel project will include 970-residential units with a mix of 140,000 square feet of retail and commercial office space and will be conveniently located across from the North Woodbridge VRE station. Phase One site plans were approved in July 2023 and building plans are currently under review. The Quartz District, a mixed-use town center, is planned near the intersection of Prince William Parkway and Minnieville Road. The development will include up to 1,015 residential units and 374,000 square feet of non-residential uses, including 235,000 square feet of office product and 100,000 square feet of retail anchored by a premier organic grocer, Whole Foods. Interchange improvement plans and initial on-site development plans are currently under design with groundbreaking expected in late 2023 to early 2024. Three affordable housing projects are also 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. Site plans for the project have been approved and building plans are currently in progress. Bonds to support the project were issued through the Industrial Development Authority of Prince William (IDA) to assist the Lawson Companies in financing the acquisition, construction, rehabilitation, and equipping of this multifamily residential rental housing project. The project consists of eight modern, four-story buildings containing approximately 342 residential units, representing approximately 338,000 net rentable square feet, located on approximately 21.4 acres of land on Annapolis Way. The Jefferson Plaza Affordable Housing project on the redevelopment corridor seeks to redevelop an underutilized shopping center with 240 affordable multifamily rental units. Rezoning for the project has been approved. Finally, KCG Development announced the groundbreaking of Park Landing in February 2023. This new age-restricted, affordable rental community, benefiting Prince William County seniors, is located on Noble Pond Way in Woodbridge and will offer 250 one- and two-bedroom apartment homes for active adults over age 55. Bond funding for the project was secured by the developer through the IDA.

Two targeted industry projects were announced for the eastern redevelopment corridor. The 95 East Distribution Center project, located on an 8.23-acre site where older warehouses were demolished, is under construction and expected to be completed in the fall of 2023. The 113,490 square foot distribution center represents approximately \$22.9 million in capital investment and will create an estimated 100 distribution jobs. Approximately 83,753 square feet of the space is already pre-leased to a distribution tenant. Belmont Logistics is a 36.6-acre redevelopment project with three new buildings planned.

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. The Board also approved a major update to the Comprehensive Plan in December 2022 which guides the future growth, redevelopment, and preservation in the County as well as investments in future public infrastructure through the year 2040. The updated

Comprehensive Plan includes a new shared vision for land use, housing, mobility, electrical utility services, and sanitary sewer throughout the County.

The County's Department of Economic Development & Tourism started a small business development program in 2019, just before the COVID-19 pandemic. While the department stood up numerous grant programs funded largely by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) to help small businesses recover from the economic impacts of the pandemic, the County's small business program is relatively young among surrounding Northern Virginia counterparts. As such, the Department commissioned a small business study by Camoin Associates/Entreworks to assess unique challenges faced by businesses operated by minorities, immigrants, veterans, women, and low-income owners. The study employed qualitative and quantitative data to perform a landscape assessment, identify challenges and make recommendations on potential small business programs in the future. The 85-page study revealed obstacles including access to capital, technical assistance, and professional networks and provided strategic recommendations for growing the department's small business program.

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 2022 alone, counselors served over 467 customers in 1,161 one-on-one sessions resulting in over \$9 million in capital formation and 374 new and retained jobs in the region.

Lastly, integral to the Department of Economic Development & Tourism's small business development program is the Department of Development Services' small business project management program, an initiative designed to provide early assistance to small businesses building a new structure or moving into existing space by assigning a team of experts to guide and streamline the entire process from purchasing/leasing property, design, permitting, construction, and inspections to avoid delays.

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 steadfast commitment to a quality public school system 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 100 schools and education centers, 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 and the 36th largest school division in the country and employs over 12,000 teachers, administrators, and support personnel. The current School Board members were elected in November 2019 and serve a four-year term beginning January 1, 2020. The September 2023 student enrollment count for all Prince William County Schools is 89,205 students, down 1.1% or 1,021 students from FY 2023 to FY 2024.

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, or 3,448 new students. The FY 2024 Adopted School Division Budget supports the cost of educating 1,794 more students over the FY 2023 approved budget; start-up costs for “Woodbridge Area” elementary school, scheduled to open in August

2025; compensation and benefit adjustments; and new resources to fund the School Division's Strategic Plan commitments in learning and achievement for all; positive climate and culture; family and community engagement; and organizational coherence. Resources include funding for 75 special education teacher assistants; 14 instructional coaches previously funded by the Elementary and Secondary School Emergency Relief (ESSER); 9.5 positions to staff three additional pre-K classes; 73 school safety and security positions; \$4.5 million to fund international faculty; \$3.3 million for the Teacher in Residency Program; 62 parent liaison positions (also previously ESSER funded); \$0.3 million in additional robotics program funding; \$0.3 million for translation services; \$1.5 million to replace 800 MHz radios; \$0.6 million for Budgeting for Adequacy; \$0.3 million to fund four transportation liaisons; \$0.3 million to fund a Comprehensive Staffing Study; and \$2.3 million to match the Governor's introduced state funding for one-time bonuses for instructional and support positions.

In the past five years, four new schools and additions to eleven existing schools have been constructed, adding capacity for approximately 7,330 students. The new schools include one elementary school (John D. Jenkins), one middle school (Potomac Shores), one high school (Gainesville) and one nontraditional school (Independence). The existing schools receiving classroom additions include six elementary schools (Antietam, Lake Ridge, Leesylvania, Minnieville, Pattie and Springwoods) and five middle schools (Beville, Gainesville, Lake Ridge, Reagan, and Unity Braxton). Major renovations were also completed at 17 facilities and over \$21.9 million in major maintenance and Title IX projects were completed. Also, lighting, boilers, chillers, and other infrastructure upgrades were completed at many schools. Additionally, the School Division continues to assess and improve school safety, including multi-million-dollar enhancements in new school design and upgrades to existing buildings by providing controlled access entryways.

Projects completed during FY 2023 include an eleven-classroom addition to Gainesville Middle School and a six-classroom addition to Reagan Middle School, a renovation of Bennett Elementary School, and fenestration improvements at Osbourn Park High School, Unity Reed High School, and Graham Park Middle School. Scheduled for completion in FY 2024 include the new construction of Innovation Elementary School and "Woodbridge Area" Elementary School as well as site-specific projects at Gar-Field High School, Osbourn Park High School, Rippon Middle School, and Woodbridge High School to install artificial turf, concession buildings, a new track, lighting, and/or cosmetology lab space. Renovations to the Security Operations Center (Building 19) and the Brentsville Transportation Center are also slated to be complete in FY 2024.

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, 87 schools earned Virginia accreditation for the 2022-2023 school year based on recent performance measures, according to Virginia Department of Education (VDOE). Six schools received accreditation with conditions and one school is still pending review by VDOE. 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 School Division's 91.78% on-time graduation rate for 2021-2022 exceeds both the state and national averages. 40% of Prince William County graduates in 2022-2023 earned at least one qualifying score on an Advanced Placement, International Baccalaureate, or Cambridge examination. In addition, 48% of graduates in 2022-2023 earned advanced exam credit or dual enrollment and the percentage of students meeting or exceeding SAT college readiness benchmarks in 2022-2023 was 53%. In 2022-2023 there were 1,209 summa cum laude graduates with a class size of 6,091, representing almost 20%. In fact, the School System's 2023 graduates were awarded more than \$119 million in scholarships. This is an increase of \$28 million over the scholarships awarded to the class of 2022 and an 87% increase over 2021.



Environmental Conservation – The County's 2021–2024 Strategic Plan promotes the preservation and protection of the natural environment as the foundation for public health, welfare, and quality of life. The FY 2024 Budget includes increased investment in watershed projects to improve water quality and stormwater infrastructure. The County's watershed capital projects support the Environmental

Conservation strategic goal by restoring streams and constructing drainage improvements consistent with state and federal water quality mandates. The budget also includes funding for a reforestation program to initiate and direct the transformation of land in response to the loss of forests and increased capacity is included in the budget for litter control activities and landscaping/beautification throughout the County.



Sustainable Growth – It is vital that future growth be planned in a sustainable manner while also preserving the County's rich and diverse cultural history. An important objective in the County's 2021-2024 Strategic Plan is to promote the sustainable consumption of energy and natural resources to ensure the health of current and future generations. The County's FY 2024 Budget provides funding for an Energy Program Manager to support and implement the Climate Mitigation and Resiliency goals in the Community Energy and Sustainability Master Plan (CESMP), which was presented to the Board in October 2023. The CESMP was developed through a collaborate effort of key stakeholders from County departments and input by the Prince William County Sustainability Commission. The Sustainability Commission membership includes Board appointed citizens and representatives from the local utilities industry who serve in an ex-officio participant capacity. On the capital improvement front, the FY 2024-2029 CIP includes investment in the landfill's capital infrastructure to increase its capacity by more than 35 years while strictly adhering to state and federal environmental regulations. In addition, members of both the Board of County Supervisors and the School Board voiced support for the need for collaboration to collectively address sustainability goals and initiatives in Prince William County resulting in the creation of a Joint Environmental Taskforce (JET) to address sustainability, clean energy opportunities, and operational resiliency for all government buildings and services, thereby leveraging the assets of the entire county to reduce the costs of moving toward clean energy options, and herein defines the scope of its mission, membership, staff support, and reporting timeline.



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 2023 include the Balls Ford Road interchange and the Van Buren Road environmental study. The Balls Ford Road interchange project included the construction of a new diverging diamond interchange at the Route 234 Bypass (Prince William Parkway) and relocated Balls Ford Road (Route 621). A grade-separated overpass crossing of relocated Balls Ford Road over Line B of the Norfolk Southern Railroad was also constructed and Balls Ford Road was relocated as a new four-lane road with a raised median between Devlin Road and Doane Drive. The Van Buren Road environmental study entailed completing the National Environmental Policy Act (NEPA) study for the four-lane extension of Van Buren Road between Route 234 and Cardinal Drive. The NEPA study is a preliminary step in the design and construction of the Van Buren Road extension.

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 2024-2029 CIP, the County's allocated 30 percent funding, totaling \$53.6 million, has been programmed to support NVTa eligible County-managed Road projects. Another \$4.9 million

is allocated to support VRE commuter rail operations in fiscal year 2024. The County successfully competes for 70 percent funding each year, with over \$462.2 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. The debt service to construct these mobility bond projects is planned in the County's Adopted Budget and Five-Year Plan.

The \$877.8 million transportation CIP for fiscal years 2024-2029 aims to further advance the transportation & mobility strategic goals by including \$5.7 million for the Balls Ford Road widening project; \$20.5 million for Neabsco Mills Road widening project; \$21 million for the new Potomac/Neabsco Mills commuter parking garage; \$9.7 million for the Brentsville Road interchange; \$113 million for the University Boulevard interchange and extension; \$164.6 million for improvements to Route 1 from Brady's Hill Road to Route 234; \$4 million for improvements to Route 1 from Featherstone Road to Mary's Way; \$283.2 million for a new Route 28 Bypass; \$21.8 million for improvements to Old Bridge Road and its intersections at Gordon Boulevard and Occoquan Road; \$29.5 million for the intersection of Prince William Parkway and Old Bridge Road; \$1 million for sidewalk improvements to Old Bridge Road; \$29.1 million for the extension of Summit School Road and widening of Telegraph Road; \$63.5 million for the widening of Devlin Road; \$2.9 million for improvements to Fuller Road and Fuller Heights Road; \$69.9 million for an interchange at Minnieville Road and Prince William Parkway; \$30.9 million for North Woodbridge mobility improvements at Annapolis Way and Marina Way; \$1.1 million for the Clover Hill Road and Prince William Parkway interchange; \$2.4 million for Ellicott Street (Occoquan Greenway Connector); \$1.2 million for sidewalk improvements to Sudley Manor Drive; \$1.9 million for a pedestrian bridge over James Madison Highway; and \$0.6 million for a right turn lane at Pageland Lane.

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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 42nd 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. A Certificate of Achievement is valid for a period of one year only. We believe that the FY 2023 Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and 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, 2022. This was the 37th 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 17th time the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2022. This award program is designed to encourage local governments to extract information from their Annual Comprehensive 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, 2022, report is still pending review by the GFOA.

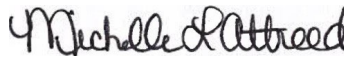
Many staff members in the Finance Department's Financial Reporting and Control Division prepared this report and we thank them for their efforts. This report satisfies both generally accepted accounting principles and applicable legal requirements. Staffs' hard work, professional dedication, and continuing efforts to improve the quality of this report are a direct benefit to all that read and use it, such as bondholders, the investment community, businesses,

taxpayers, and grantor agencies. 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. This Annual Comprehensive Financial Report reflects the County's commitment to the residents of Prince William County, the Board of County Supervisors, and the financial community to provide information in conformance with the highest standards of financial accountability and stewardship.

In Service,

A handwritten signature in black ink, reading "Chris Shorter".

Christopher J. Shorter
County Executive

A handwritten signature in black ink, reading "Michelle L. Attreed".

Michelle L. Attreed
Chief Financial Officer





Government Finance Officers Association

Certificate of
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in Financial
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Presented to

**County of Prince William
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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.

The Chair and seven other board members took office in January 2024, following an election held on November 7, 2023, and serve a four-year term until December 31, 2027.

Chair, At-Large Deshundra Jefferson	Occoquan District Kenny A. Boddye, Vice Chair
Neabsco District Victor S. Angry	Potomac District Andrea O. Bailey
Woodbridge District Margaret Angela Franklin	Brentsville District Tom Gordy
Coles District Yesli Vega	Gainesville District Bob Weir

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.

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

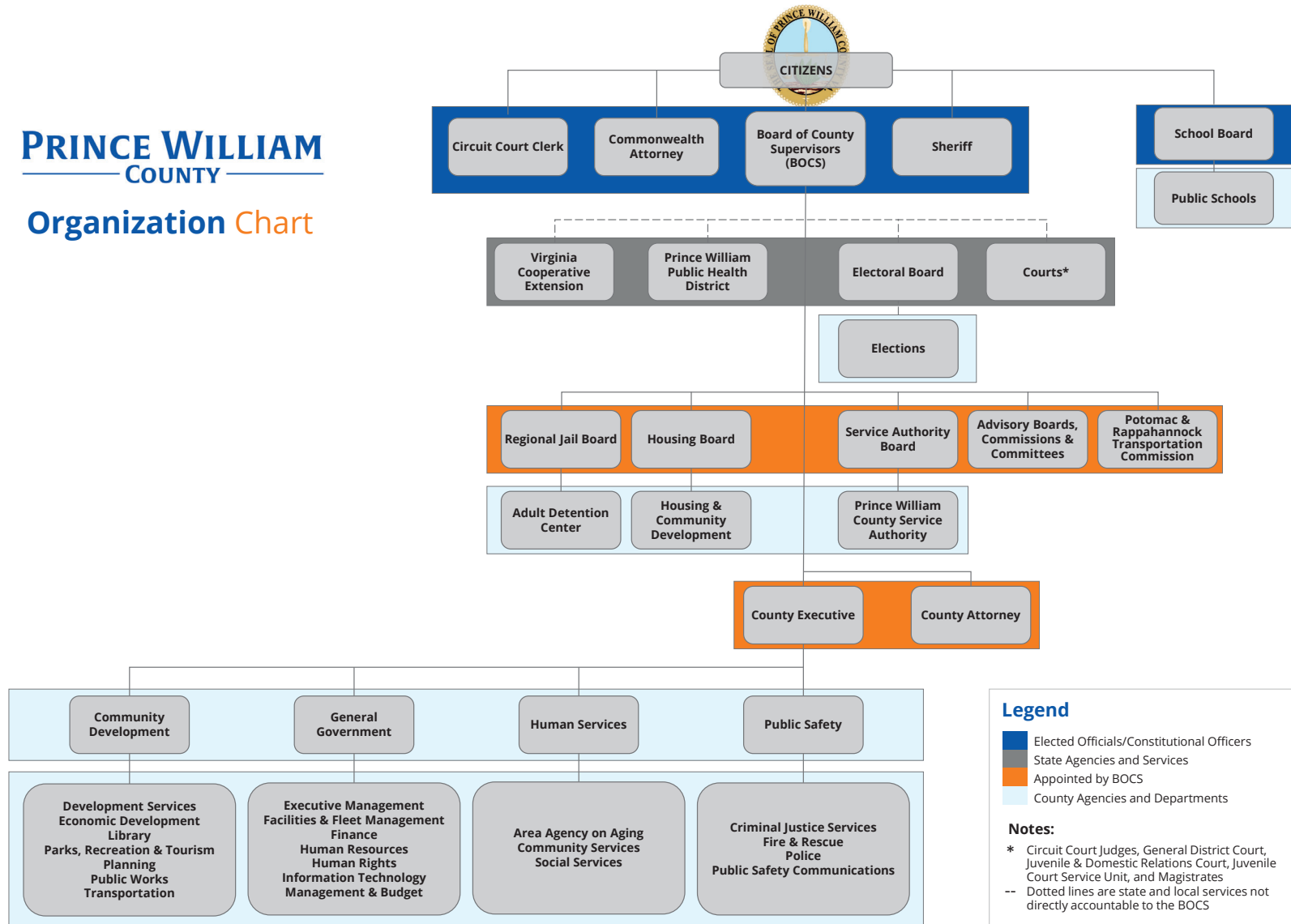
Along with the Board, County residents elect three constitutional officers -- the Clerk of the Circuit Court for a term of eight years, and the Sheriff and Commonwealth's Attorney each for terms of four years. The Virginia General Assembly appoints the Judges of the Circuit Court, the General District 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/Chief Financial

Officer, 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



FY2023 Budget – Org Chart



**PRINCE
WILLIAM**
— **COUNTY**

A photograph of a modern library interior, featuring rows of bookshelves, study tables, and comfortable seating areas with patterned sofas and armchairs. The scene is overlaid with a semi-transparent blue filter. The bottom of the page is decorated with large, abstract geometric shapes in orange and blue.

FINANCIAL SECTION

Report of Independent Auditors

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Supplementary Information

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, 2023, 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, 2023, 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 March 15, 2024, 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.

A handwritten signature in cursive script that reads "Cherry Bekaert LLP".

Tysons Corner, Virginia
March 15, 2024



Management's Discussion and Analysis June 30, 2023 (amounts expressed in millions)

Prince William County's 2023 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, 2023. 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 supplemental information section that presents combining statements for nonmajor governmental funds, internal service funds, fiduciary funds, and 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 position.
- 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,

FINANCIAL HIGHLIGHTS

- The total reporting entity, which includes component units, has positive net position of \$1,796 at June 30, 2023, which represents an increase of \$335 or 22.9 percent from the prior year.
- The total cost of the County's governmental programs increased by \$194, or 12.6 percent, to \$1,730 during fiscal year 2023, while the County's total revenues increased \$268, up 16.5 percent, to \$1,893.
- Net position of governmental activities increased to (\$32), or 83.6 percent, from (\$195) in the prior year. The County's total costs in governmental activities increased \$187 or 12.4 percent from prior year, while program revenues increased by \$90 or 26.5% and tax revenues increased by \$99 or 8.0%.
- At June 30, 2023, the County had \$976 of debt outstanding, including \$846 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, 2023 exceeded its assets and deferred outflows by \$32 (net deficit).
- Total net position of the County's business-type activities remained the same as prior year at \$72 as revenues continued to stay at the same pace as expenses.
- At the end of the current year, the unassigned fund balance was \$111, 40.6 percent of the total general fund revenues. The unassigned fund balance increased 11.9 percent from the prior year. The increase is primarily attributable to a decrease in general fund costs during the fiscal year.
- General fund revenues exceeded budget by \$40; alternatively, expenditure savings of \$57 under budget helped to provide additional available resources to fund the County's reserves in accordance with the Principles of Sound Financial Management for future appropriation.
- As of January 1, 2023, (the assessment date pertinent to real estate taxes supporting fiscal year 2024) the total assessed values of taxable property decreased by 0.1 percent compared to the prior year, with residential values accounting for 76.1 percent of the total assessed values. Real estate taxes contributed 45.9 percent of the total revenues for the primary government of the County during fiscal year 2023.

such as the County's pension and other post-employment benefit plans; the special welfare program; and the community 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 supplemental information 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-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-1
Required Components of
Prince William County's Annual Comprehensive Financial Report

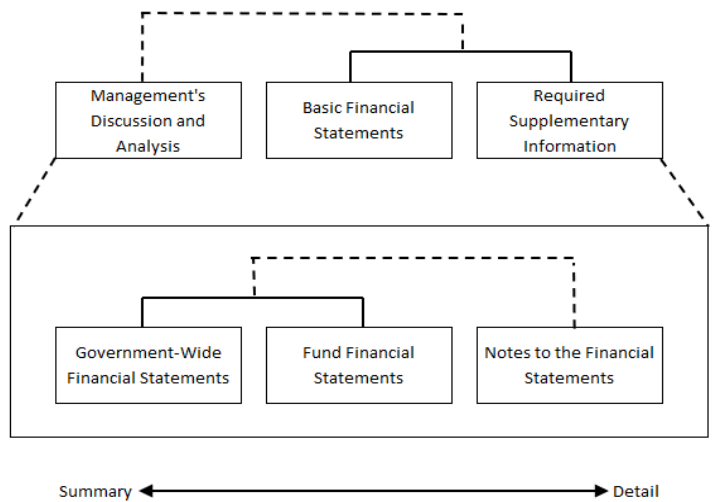


Figure A-2

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	• Statement of Net Position	• 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 short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the County's funds do not currently contain capital assets although they could
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 specific revenues, such as, 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. As the fiduciary, 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.

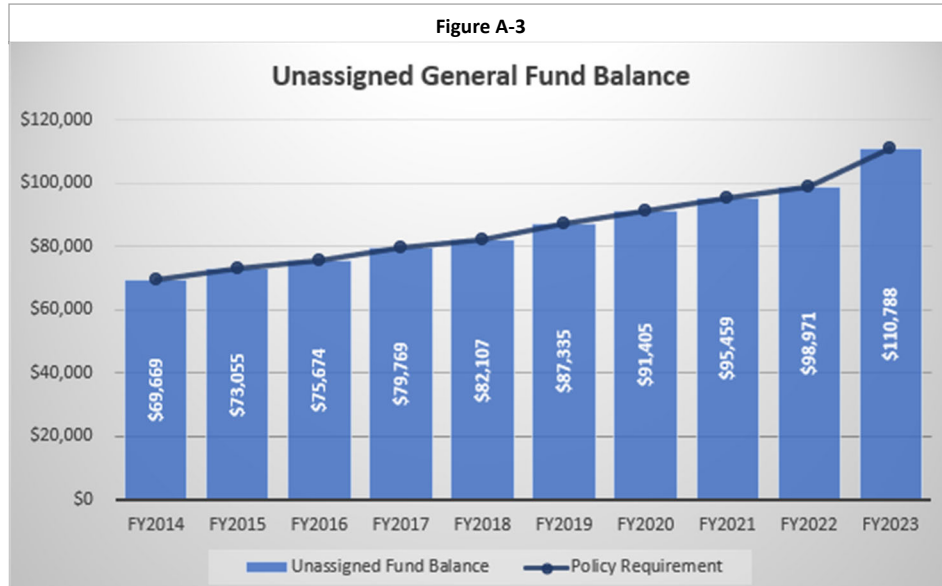
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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 \$459, a decrease of \$2 with the combined fund balance in the prior year.

- The County's General Fund balance decreased \$18, or 6.3 percent, while revenues increased \$158 or 11.9 percent, fueled mainly by increases in general property and other local taxes. The general property tax increase was due to increases in assessed values of residential real estate from the prior year, while the increase in other local taxes was mainly due to the food and beverage taxes coming on board in fiscal year 2023. This increase was offset by higher expenditure increases year over year.
- The Capital Projects Streets & Roads fund balances, which tends to fluctuate from one year to the next due to the accumulation and subsequent expenditure of funds for major capital improvement projects, increased by \$10 or 31.4 percent during the current year due to the expenditure of funds on numerous projects.
- The financial results as detailed in the governmental funds demonstrate the County's accountability to its five strategic goal areas of robust economy; safe and secure community; health, wellbeing and human services; quality education and workforce development; and environmental conservation; and sustainable growth aligned to address the impact of population growth and increased needs of the community.
 - ◆ Debt service costs decreased \$24 or 14.4 percent during fiscal year 2023 to \$144. The County continued its mobility goal of alleviating congestion by investing \$139 in the construction of various streets and roads during fiscal year 2023. 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 \$677 compared with \$554 in the prior year. This represents a 22 percent increase as the County dedicated funding to reduce class sizes.

Proprietary Funds

Unrestricted net position of the Landfill decreased by \$32 in fiscal year 2023, due mostly to increases in liabilities of \$27. Unrestricted net position of the nonmajor funds increased \$3 with increases in revenues of Innovation Technology Park (Innovation) offset by the increase in personnel and material and contractual services costs for both Innovation Technology Park Fund and Parks and Recreation Enterprise Fund. See the Statement of Cash Flows, for the proprietary funds for 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 \$57 lower than the final budget amounts and budgetary revenues exceeded the final budget by more than \$40. These two factors, combined with the effect of transfers to other funds, resulted in a decrease in the total fund balance of the General Fund, of \$18 during the fiscal year. The most significant revenue variances were related to other local taxes (\$19 higher than final budget) and general property taxes (\$14 higher than final budget) resulting from increases in assessed values. Actual expenditures were lower in all categories, most notably public safety 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 \$1,461 by \$335 or 22.9 percent to \$1,796.

Governmental Activities

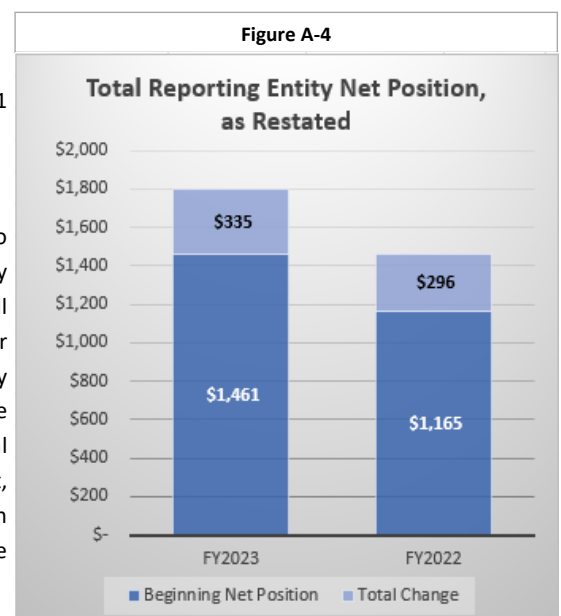
Net position of the County's governmental activities increased \$163 or 83.6 percent to (\$32) during the year. The deficit net position of the primary government results largely from the County's increased expenditures for the updated compensation policy as well as the County issuing debt to finance 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, transportation and mobility, safe and secure community, and sustainable growth strategic goals, and thereby increase services and improve the quality of life in Prince William County.

As of June 30, 2023, the County has \$975 of outstanding bonded debt (compared with \$1,026 as of June 30, 2022) of which \$912 is related to assets donated to other entities as follows:

- \$829; Prince William County School Board
- \$67; Commonwealth of Virginia
- \$16; Prince William County Adult Detention Center

This represents 93.5 percent of the County's total general obligation 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 and expenditures of the County's governmental activities increased compared to those of the prior year.



**Table A-1
Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government		Total Reporting Entity (Including Component Units)	
	2023	2022	2023	2022	2023	2022	2023	2022
Current assets and other	\$ 1,276	1,005	61	50	1,337	1,055	2,142	1,820
Capital assets	746	681	53	53	799	734	2,758	2,639
Total assets	2,022	1,686	114	103	2,136	1,789	4,900	4,459
Deferred outflows of resources	143	168	1	2	144	170	394	453
Other liabilities	806	575	8	4	814	579	1,022	772
Long-term liabilities	1,307	1,295	33	27	1,340	1,322	2,206	2,015
Total liabilities	2,113	1,870	41	31	2,154	1,901	3,228	2,787
Deferred inflows of resources	84	179	1	2	85	181	270	664
Net position:								
Net investment in capital assets	669	595	49	48	718	643	2,678	2,595
Restricted	148	136	29	-	177	136	362	328
Unrestricted	(849)	(926)	(5)	24	(854)	(902)	(1,244)	(1,462)
Total net position	\$ (32)	(195)	73	72	41	(123)	1,796	1,461

Business-Type Activities:

The net position of the County's business-type activities decreased 1.5 percent to \$72 in fiscal year 2023 compared to \$72 in 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 \$164 during fiscal year 2023. The assets and deferred outflows of resources of the primary government are more than the liabilities and deferred inflows of resources by \$41.

The component units (Prince William County School Board and Adult Detention Center) are a significant portion of the total reporting entity, the assets of which represent 56.42 percent of the total reporting entity. Component unit net position increased 10.8 percent to \$1,755 during 2023, with an increase in funding of \$2 from the County as well as increased funding from the State of \$53. The net position of the primary government of \$41 combined with the net position of the component units of \$1,755 resulted in total net position for the total reporting entity of \$1,796.

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 increased by \$261 or 16.3 percent to \$1,861, and total expenses increased 12.4 percent to \$1,698, which, after considering the effect of transfers, resulted in a \$163 increase in net position during the current year, compared to \$89 increase in the prior year.

Tax revenues account for 71.5 percent of revenues related to governmental activities (see Figure A-5). Tax revenues increased by \$99 or 8.0 percent, driven mainly to an increase in real estate tax revenues from \$839 in fiscal year 2022 to \$869 in fiscal year 2023. There was a decrease of 7.5 percent in the total direct tax rate while increased assessed value pushed real estate tax revenues higher during fiscal year 2023. Increased levels of support received from both the state and federal government coupled with gains on investment market values helped to mitigate the impact of the rising 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. Commercial and industrial values, and apartment real estate values were relatively flat year over year.

Table A-2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government		Total Reporting Entity (Including Component Units)	
	2023	2022	2023	2022	2023	2022	2023	2022
Program revenues:								
Charges for services	\$ 57	54	31	26	88	80	118	98
Operating grants and contributions	220	160	-	-	220	160	527	493
Capital grants and contributions	153	125	-	-	153	125	176	125
General revenues:								
Taxes:								
Real property	869	839	-	-	869	839	869	839
Personal property	229	204	-	-	229	204	229	204
Other taxes	233	189	-	-	233	189	233	189
Payment from primary government	-	-	-	-	-	-	829	808
Grants and contributions not restricted to specific programs	78	77	-	-	78	77	655	600
Unrestricted investment (losses) earnings	18	(49)	-	(2)	18	(51)	20	(68)
Miscellaneous	5	1	1	1	6	2	15	11
Total revenues	1,862	1,600	32	25	1,894	1,625	3,671	3,299
Expenses:								
General government administration	138	88	-	-	138	88	138	88
Judicial administration	33	31	-	-	33	31	33	31
Public safety	386	302	-	-	386	302	386	302
Public works	145	98	23	20	168	118	168	118
Health and welfare	156	140	-	-	156	140	156	140
Education	685	661	-	-	685	661	685	661
Parks, recreational, and cultural	36	68	6	5	42	73	42	73
Community development	77	76	2	-	79	76	79	76
Interest on long-term debt	43	47	-	-	43	47	43	47
Component units	-	-	-	-	-	-	1,605	1,467
Total expenses	1,699	1,511	31	25	1,730	1,536	3,335	3,003
Excess/(deficiency) in net position								
before transfers	163	89	1	-	164	89	336	296
Transfers	-	-	-	-	-	-	-	-
Increase/(decrease) in net position	163	89	1	-	164	89	336	296
Net position, beginning of year	(195)	(284)	72	72	(123)	(212)	1,461	1,165
Net position, end of year	(32)	(195)	73	72	41	(123)	1,797	1,461

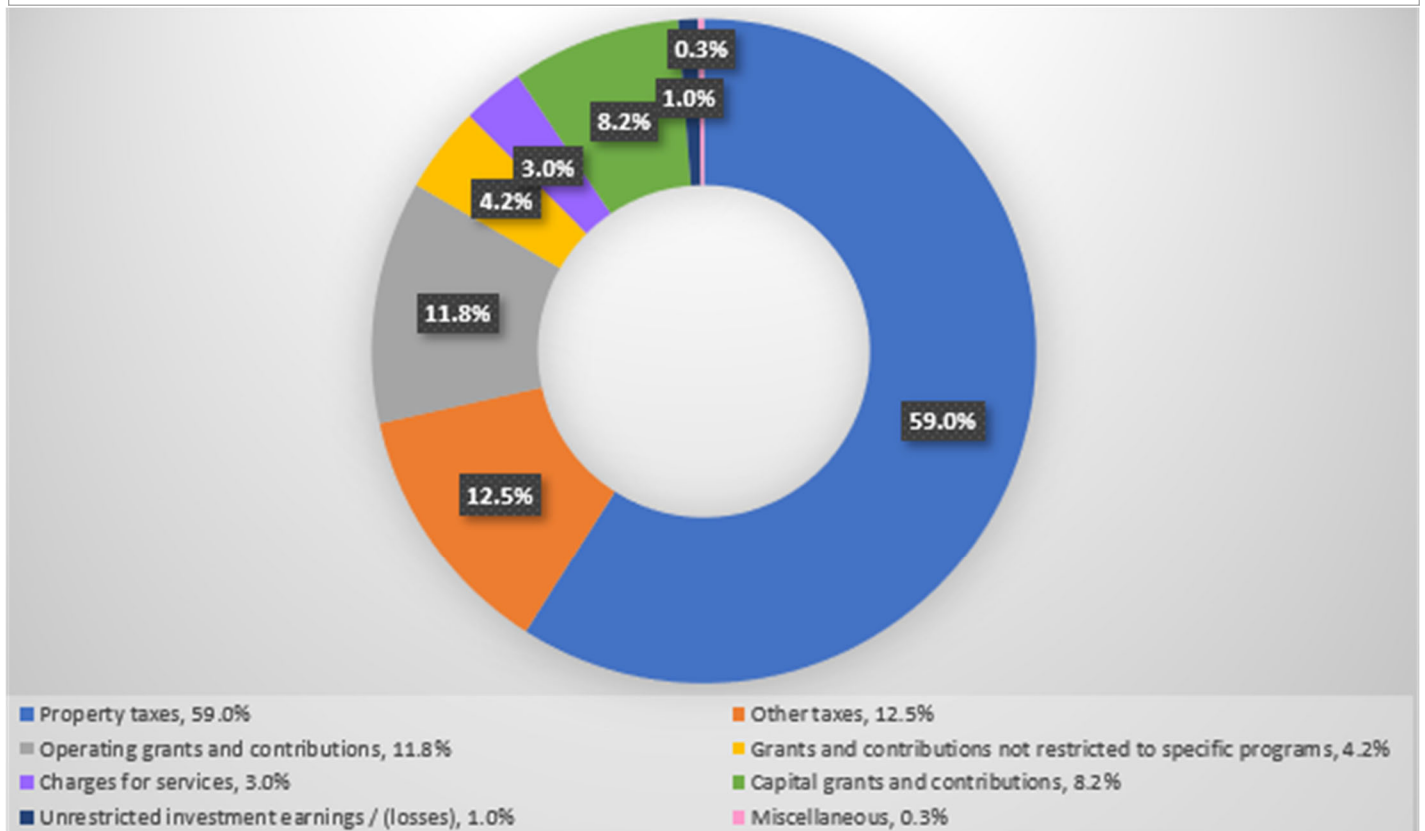
The County generally uses the positive net position to finance the continuing operations of the Landfill, Innovation Technology Park and Parks and Recreation Enterprise Funds.

The total reporting entity net position increased by \$343 in fiscal year 2023. Factors impacting the change in net position include total revenues of \$3,670 (11.2 percent higher than fiscal year 2022) which exceeded total expenses of \$3,327, (11.0 percent higher than expenses of the prior year).

The County's Primary Government total revenues increased to \$1,893 (see Table A-2). Approximately 59 percent of the County's revenue comes from ad valorem taxes. The County's total revenue is divided into three major sources: 70.2 percent of every dollar raised comes from some type of tax; 23.9 percent of revenues come from federal, state, and local aid; charges for services comprise 4.6 percent and the remaining 1.3 percent is from other sources.

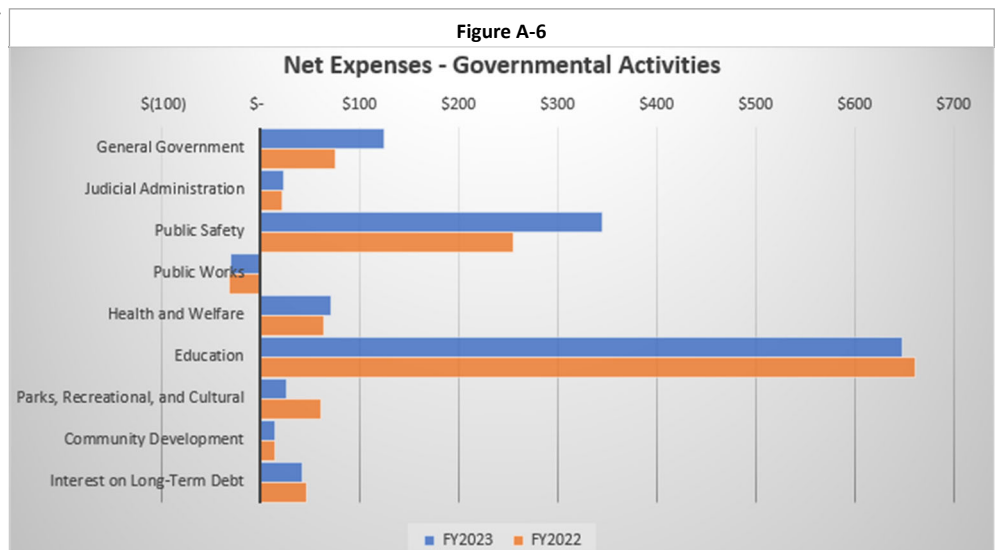
The total cost of all County programs and services increased by \$193 or 12.6 percent to \$1,729. The County's expenses cover a range of services, with 63.3 percent related to public safety and education (see Table A-2). Quality education, workforce development, and safe and secure

Figure A-5



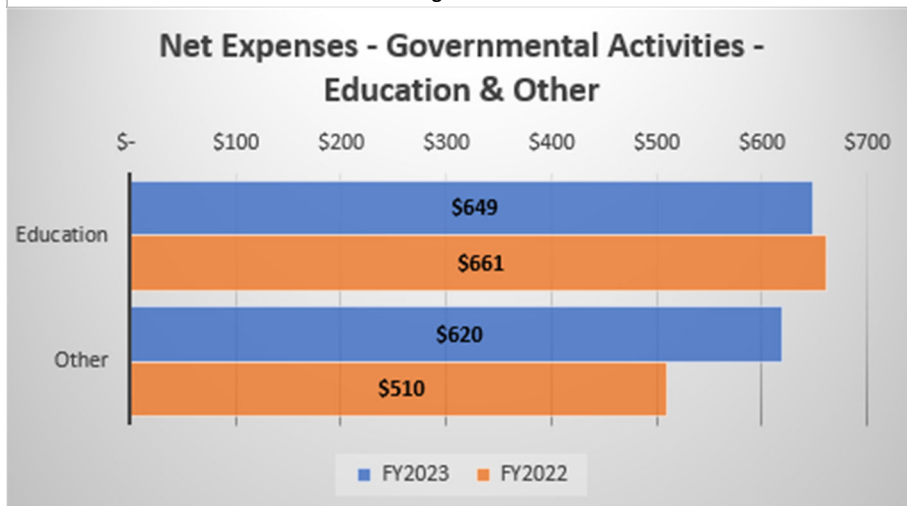
Local sales tax revenues produced a 5.9 percent increase from \$88 in fiscal year 2022 to \$93 in fiscal year 2023 and the implementation of the food and beverage tax of \$41 accounted for nearly all of the increase in ‘Other taxes’ as shown in Table A-2. Operating grants and contributions increased by 37.5 percent, while capital grants and contributions increased by 22.4 percent. Investment gains incurred in fiscal year 2023 were \$19, up from a loss of \$50 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. The Board of County Supervisors created the class size reduction grant to assist the School Board in complying with maximum class-sizes permitted under Virginia law. The grant provided up to one million dollars in addition to the revenue sharing agreement with the County. Student enrollment as of September 2023, as reported to the Virginia Department of Education, for all Prince William County Schools is 89,205 students, decreasing by 1,021 students or 1.0 percent, from fiscal year 2022.



Net expenses for Public Works were favorable by \$29 compared to \$31 in fiscal year 2022, with operating grants and contributions revenues outpacing expenditures during fiscal year 2023. Education and Parks, Recreation & Cultural agencies both saw reductions in net expenses year over year. Public Safety and General Government expenses increased year over year due to the County’s compensation policy changes implemented in fiscal year 2023.

Figure A-7



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.

The cost of all governmental activities this year was \$1,698. Some of the costs were paid by:

Other governments and organizations that subsidized certain programs with grants and contributions of \$373.

Those who directly benefited from the programs by paying charges for services \$56.

Business-Type Activities

Revenues of the County's business-type activities increased by \$5 to \$32 and expenses of \$31, increased by \$6 as compared to the prior year (refer to Table A-2). Factors contributing to these results include:

- Charges for services of \$31, increased for Innovation Technology Park, remained relatively flat for Parks and Recreation and increased slightly for Landfill.
- Expenses increased at the same rate as operating revenues, up from \$24 in fiscal year 2022 to \$31 in fiscal year 2023.
- These conditions contributed to a net income before transfers of \$1, a \$1 decline from the prior year. The County's business-type activities had miscellaneous revenue \$1 positive change in net position of \$1 during the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2023, the total reporting entity had invested \$2,757 in a broad range of capital assets, including land, buildings, improvements, machinery and equipment, library collections, infrastructure, right-to-use assets and construction in progress (see Table A-3). This amount represents a net increase (including additions and deductions) of \$118 or 4.5 percent, over fiscal year 2022. The Primary Government had invested \$798 in capital assets, net of accumulated depreciation. Accumulated depreciation remained stable between fiscal year 2023 and 2023.

Table A-3 County's Capital Assets				
	Total Primary Government		Total Reporting Entity	
	2023	2022	2023	2022
Land and Construction in Progress	\$ 237	217	417	419
Buildings and other capital assets, net of depreciation and amortization	562	517	2,342	2,220
Total Capital Assets	\$ 799	734	2,759	2,639

More detailed information about the County's capital assets is presented in Note 11 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 2023 included \$5 expended for building and improvement sites and \$2 for equipment.
- The School Board reported capital asset increases of \$57, which included decreases to construction in progress projects of \$31 for the completion of construction for Innovation Elementary school, \$93 increase in buildings and improvements to sites with the completion of major renovations at 6 schools, \$10 increase in land for the purchase of new building sites, and \$3 in vehicles with the replacement of 39 buses and 16 trucks as well as the purchase of 13 additional cars during the fiscal year.
- The Adult Detention Center (ADC) component unit's assets had a minimal decrease of \$3 with the completion of improvement projects.

Long Term Debt And Other Obligations

At year-end the County's governmental activities had total debt and other obligations of \$1,438, of which, bonded debt outstanding represented \$975, all of which is backed by the full faith and credit of the government. Of the County's bonded debt, \$55 represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

The County's total debt and obligations increased to \$1,471 during the current fiscal year. The key components of the current year activities were the issuance of school-related debt totaling \$59, an increase of \$11 due to accounting report changes for subscription liabilities principal retirements of \$161 during the fiscal year. More detailed information about the County's long-term debt is presented in Note 12 to the financial statements.

Bond Ratings

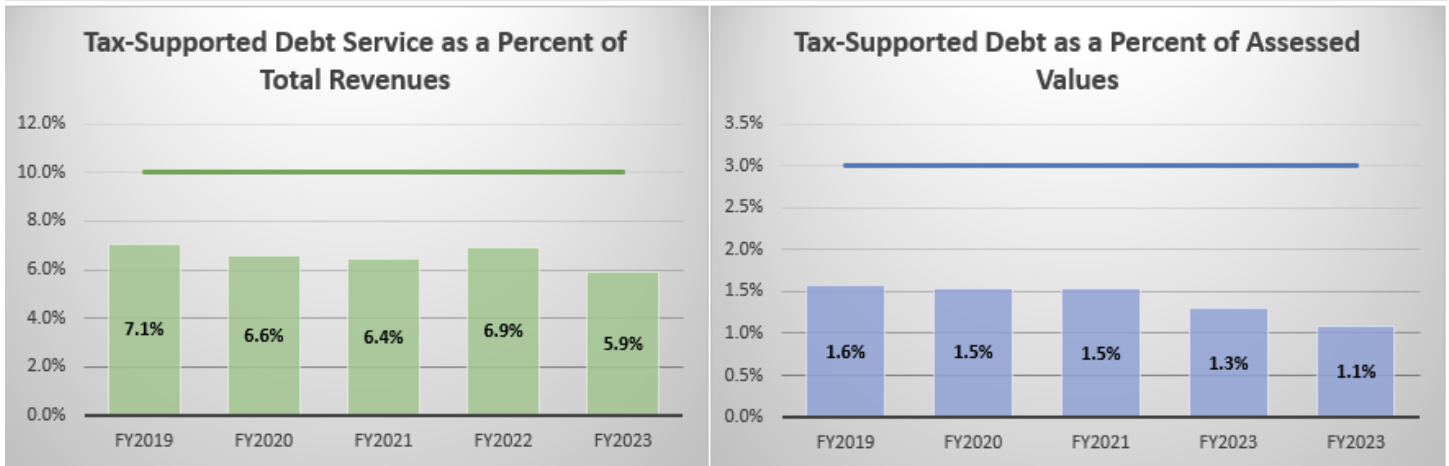
The County maintained ratings of AAA from Fitch Ratings, Aaa from Moody's Investors Services and AAA from S&P Global. These ratings are the highest ratings awarded to a local government and is an achievement held by less than one percent of local governments nationwide. All three ratings were reconfirmed during fiscal year 2023.

Table A-4 County's Long-Term Debt and Other Obligations						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
General obligation bonds:						
Tax-exempt bonds	\$ 761	814	-	-	761	814
Taxable bonds	160	153	-	-	160	153
Revenue tax-exempt bonds	55	59	3	4	58	63
Total bonded debt	976	1,026	3	4	979	1,030
Capital debt obligation	35	45	-	-	35	45
Loans payable	-	-	-	-	-	-
Surplus distribution payable	2	2	-	-	2	2
Lease liabilities	38	31	-	-	38	31
Net pension & OPEB liabilities	210	149	3	2	213	151
Unpaid losses and related liabilities	29	24	-	-	29	24
Compensated absences	52	45	-	-	52	45
Unamortized premium	97	106	-	-	97	106
Accrued closure liability	-	-	27	21	27	21
Total long-term debt and other obligations	\$ 1,439	1,428	33	27	1,472	1,455

Limitations on Debt

The County has no legal limitations on the amount of debt it can issue. The Board, however, 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, 2023, the amount of tax-supported debt outstanding represented 1.1 percent of the total assessed valuation of taxable real and personal property of \$93 billion at January 1, 2022, which is the valuation date to determine fiscal year 2023 tax revenues. Annual debt service payments during fiscal year 2022 represented 5.4 percent of total 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



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 made funding available through the American Rescue Plan Act of 2021 (ARPA) to continue to aid localities in their response to the health crisis and economic recovery. Expenditures of this federal funding are subject to audit by the grantor under the Uniform Guidance, *Title 2 of the Code of Federal Regulations Part 200*, 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 Compliance Report for further information, which 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 decreased the real estate tax rate to \$1.0300 per \$100 of assessed value in fiscal year 2023.
- The real estate tax base has increased from \$74.3 billion supporting fiscal year 2022, to \$82.8 billion for fiscal year 2023, which is an increase of 11.5 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 financedirectoroffice@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 the County's operational results 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, 2023
(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	\$ 1,065,448	27,996	1,093,444	682,150	1,775,594
Cash held by other fiscal agents	-	-	-	2,380	2,380
Investments	27,475	-	27,475	-	27,475
Property taxes receivable, net	18,987	-	18,987	-	18,987
Accounts receivable, net	26,929	391	27,320	3,237	30,557
Lease receivable, current	946	-	946	-	946
Interest receivable	8	-	8	-	8
Internal balances	344	(344)	-	-	-
Due from other governmental units	105,312	99	105,411	52,683	158,094
Due from primary government	-	-	-	17,938	17,938
Notes receivable, current	-	-	-	-	-
Investment in direct financing leases	2,983	-	2,983	-	2,983
Inventory	697	3,649	4,346	6,940	11,286
Advances and prepaid items	1,253	20	1,273	3	1,276
Lease receivables, noncurrent	2,968	-	2,968	-	2,968
Net OPEB assets	851	-	851	9,143	9,994
Restricted assets:					
Temporarily restricted:					
Restricted cash and temporary investments	10,968	29,358	40,326	30,042	70,368
Restricted investments	1,250	-	1,250	-	1,250
Water and sewer availability credit	9,400	-	9,400	-	9,400
Capital assets:					
Land and construction in progress	204,422	32,561	236,983	179,862	416,845
Buildings and other capital assets, net of depreciation	542,155	19,738	561,893	1,779,721	2,341,614
Total assets	2,022,396	113,468	2,135,864	2,764,099	4,899,963
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refundings	22,003	5	22,008	-	22,008
Deferred outflows related to pensions	104,530	1,106	105,636	217,174	322,810
Deferred outflows related to OPEB	16,224	173	16,397	33,223	49,620
Total deferred outflows of resources	142,757	1,284	144,041	250,397	394,438
LIABILITIES					
Accounts payable	112,314	731	113,045	29,721	142,766
Wages and benefits payable	14,399	178	14,577	132,826	147,403
Due to other funds	-	-	-	-	-
Due to other governmental units	2,179	-	2,179	138	2,317
Due to component units	17,938	-	17,938	-	17,938
Accrued interest	13,178	36	13,214	-	13,214
Deposits and escrows	48,482	28	48,510	-	48,510
Prepaid taxes	346,003	-	346,003	-	346,003
Unearned revenue	118,319	6,200	124,519	14,372	138,891
Retainage	1,689	-	1,689	5,592	7,281
Noncurrent liabilities:					
Due within one year	131,736	826	132,562	25,277	157,839
Due in more than one year	1,307,000	32,645	1,339,645	866,081	2,205,726
Total liabilities	2,113,237	40,644	2,153,881	1,074,007	3,227,888

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

COUNTY OF PRINCE WILLIAM, VIRGINIA
Statement of Net Position
June 30, 2023
(amounts expressed in thousands)

Exhibit 1
Page 2 of 2

	Primary Government				
	Governmental Activities	Business-Type Activities	Total	Component Units	Total Reporting Entity
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to leases	3,901	-	3,901	-	3,901
Deferred inflows related to pensions	68,293	759	69,052	147,239	216,291
Deferred inflows related to OPEB	11,621	95	11,716	38,571	50,287
Total deferred inflows of resources	83,815	854	84,669	185,810	270,479
NET POSITION					
Net investment in capital assets	669,445	49,057	718,502	1,959,583	2,706,832 ^A
Restricted for:					
Capital projects	-	29,054	29,054	23,533	23,840 ^A
Net OPEB assets	851	-	851	9,143	9,994
Special levy districts	42,707	-	42,707	-	42,707
Development fee services	13,757	-	13,757	-	13,757
Housing	8,305	-	8,305	-	8,305
Transient occupancy tax	8,572	-	8,572	-	8,572
Grantor's / deed tax	36,709	-	36,709	-	36,709
Internal service fund	10,530	-	10,530	-	10,530
Public safety	4,641	-	4,641	-	4,641
Grants	10,713	-	10,713	-	10,713
Donations	1,635	-	1,635	-	1,635
Water and sewer availability credit	9,400	-	9,400	-	9,400
Education	-	-	-	152,090	152,090
Unrestricted	(849,164)	(4,857)	(854,021)	(389,670)	(1,243,691)
Total net position / (deficit)	\$ (31,899)	73,254	41,355	1,754,679	1,796,034

^A The sum of the columns does not equal the Total Reporting Entity column by a difference of \$851,205 because the debt related to the School Board (\$829,399) and the debt related to the Adult Detention Center (\$21,806) 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 (\$28,747) with a corresponding decrease in the Restricted Capital Projects row.

COUNTY OF PRINCE WILLIAM, VIRGINIA
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Exhibit 2
Page 1 of 2

(amounts expressed in thousands)

		Program Revenues			Net (Expense) Revenue	
					Total Primary Government	
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Primary Government:						
Governmental activities:						
General government administration	\$ 138,072	1,737	10,846	-	(125,489)	-
Judicial administration	32,976	1,361	7,140	-	(24,475)	-
Public safety	386,346	14,239	16,185	11,235	(344,687)	-
Public works	144,493	10,354	22,905	141,142	29,908	-
Health and welfare	155,569	1,159	83,822	-	(70,588)	-
Education	685,309	-	36,094	-	(649,215)	-
Parks, recreational and cultural	36,130	7,939	1,015	224	(26,952)	-
Community development	77,383	19,732	42,777	-	(14,874)	-
Interest on long-term debt	43,134	-	-	-	(43,134)	-
Total governmental activities	1,699,412	56,521	220,784	152,601	(1,269,506)	-
Business-type activities:						
Public works	23,767	21,713	-	103	-	(1,951)
Parks, recreational and cultural	5,975	4,484	-	-	-	(1,491)
Community development	1,529	4,863	-	-	-	3,334
Total business-type activities	31,271	31,060	-	103	-	(108)
Total primary government	\$ 1,730,683	87,581	220,784	152,704	(1,269,506)	(108)
Component Units:						
School Board	\$ 1,551,715	29,493	289,379	22,737	-	-
Adult Detention Center	53,500	903	16,761	-	-	-
Total component units	\$ 1,605,215	30,396	306,140	22,737	-	-
Total reporting entity	\$ 3,335,898	117,977	526,924	175,441	(1,269,506)	(108)
General revenues:						
Taxes:						
Real property				\$	868,571	-
Personal property					228,713	-
Local sales					93,246	-
Consumer's utility					15,408	-
Business, professional and occupational licenses (BPOL)					34,636	-
Food and beverage					41,127	-
Recordation					11,138	-
Motor vehicle licenses					12,947	-
Other local taxes					24,893	-
Payments from primary government					-	-
Grants and contributions not restricted to specific programs:						
Federal revenues					84	-
State revenues					69,422	-
Local revenues					8,873	-
Investment income					18,346	207
Miscellaneous					5,522	762
Transfers					(282)	282
Total general revenues and transfers					1,432,644	1,251
Change in net position					163,138	1,143
NET POSITION, beginning of year					(195,037)	72,111
NET POSITION, end of year				\$	(31,899)	73,254

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

and Changes in Net Position			
Total Primary Government			
Total	Component Units	Total Reporting	Functions / Programs
			Primary Government:
			Governmental activities:
(125,489)	-	(125,489)	General government administration
(24,475)	-	(24,475)	Judicial administration
(344,687)	-	(344,687)	Public safety
29,908	-	29,908	Public works
(70,588)	-	(70,588)	Health and welfare
(649,215)	-	(649,215)	Education
(26,952)	-	(26,952)	Parks, recreational and cultural
(14,874)	-	(14,874)	Community development
(43,134)	-	(43,134)	Interest on long-term debt
(1,269,506)	-	(1,269,506)	Total governmental activities
			Business-type activities:
(1,951)	-	(1,951)	Public works
(1,491)	-	(1,491)	Parks, recreational and cultural
3,334	-	3,334	Community development
(108)	-	(108)	Total business-type activities
(1,269,614)	-	(1,269,614)	Total primary government
			Component Units:
-	(1,210,106)	(1,210,106)	School Board
-	(35,836)	(35,836)	Adult Detention Center
-	(1,245,942)	(1,245,942)	Total component units
(1,269,614)	(1,245,942)	(2,515,556)	Total reporting entity
			General revenues:
			Taxes:
868,571	-	868,571	Real property
228,713	-	228,713	Personal property
93,246	-	93,246	Local sales
15,408	-	15,408	Consumer's utility
34,636	-	34,636	Business, professional and occupational licenses (BPOL)
41,127	-	41,127	Food and beverage
11,138	-	11,138	Recordation
12,947	-	12,947	Motor vehicle licenses
24,893	-	24,893	Other local taxes
-	828,394	828,394	Payments from primary government
			Grants and contributions not restricted to specific programs:
84	974	1,058	Federal revenues
69,422	569,629	639,051	State revenues
8,873	5,848	14,721	Local revenues
18,553	2,326	20,879	Investment income
6,284	9,424	15,708	Miscellaneous
-	-	-	Transfers
1,433,895	1,416,595	2,850,490	Total general revenues and transfers
164,281	170,653	334,934	Change in net position
(122,926)	1,584,026	1,461,100	NET POSITION, beginning of year
41,355	1,754,679	1,796,034	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, 2023

(amounts expressed in thousands)

		Capital Projects Fund		
	General Fund	Streets & Roads	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Equity in pooled cash and investments	\$ 786,763	38,620	193,712	1,019,095
Restricted cash and temporary investments	21	219	1,448	1,688
Property taxes receivable, net	17,845	-	1,142	18,987
Accounts receivable, net	15,749	541	5,261	21,551
Due from other funds	344	-	-	344
Due from other governmental units	25,605	77,602	1,686	104,893
Investment in direct financing leases	2,983	-	-	2,983
Inventory	269	-	19	288
Advances and prepaid items	-	-	4	4
Total assets	\$ 849,579	116,982	203,272	1,169,833
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$ 86,176	14,853	7,339	108,368
Wages and benefits payable	13,671	-	469	14,140
Due to other governmental units	417	1,732	30	2,179
Deposits and escrows	48,439	-	43	48,482
Prepaid taxes	320,153	-	25,851	346,004
Unearned revenue	97,933	-	20,386	118,319
Retainage	21	220	1,448	1,689
Total liabilities	566,810	16,805	55,566	639,181
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to unavailable taxes	7,529	-	554	8,083
Deferred inflows related to unavailable settlements	-	-	3,135	3,135
Deferred inflows related to unavailable transportation revenues	-	57,881	-	57,881
Deferred inflows related to direct financing arrangements	2,690	-	-	2,690
Total deferred inflows of resources	10,219	57,881	3,689	71,789
FUND BALANCES				
Non-spendable	269	-	23	292
Restricted	11,200	-	116,284	127,484
Committed	123,142	42,296	28,286	193,724
Assigned	27,152	-	-	27,152
Unassigned	110,788	-	(576)	110,212
Total fund balances	272,551	42,296	144,017	458,864
Total liabilities, deferred inflows of resources and fund balances	\$ 849,580	116,982	203,272	1,169,834

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

COUNTY OF PRINCE WILLIAM, VIRGINIA

Exhibit 4

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2023

(amounts expressed in thousands)

Fund balances--total governmental funds (Exhibit 3)	\$	458,864
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Capital assets, net of accumulated depreciation and amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds (excludes \$11,388, related to Internal Service Fund assets, which is included in Internal Service Fund net position below).		735,189
Deferred outflows of resources are not financial resources and, therefore, are not reported in the funds:		
Deferred loss on refundings		22,003
Deferred outflows related to pensions (excludes \$3,630 related to Internal Service Fund)		100,900
Deferred outflows related to OPEB (excludes \$507 related to Internal Service Fund)		15,717
Deferred inflows of resources are not available to pay for current-period expenditures:		
Deferred inflows related to unavailable transportation revenues		57,881
Deferred inflows related to unavailable settlements		3,135
Deferred inflows related to unavailable taxes		8,083
Deferred inflows related to direct financing arrangements		2,690
Deferred inflows related to leases		(3,901)
Deferred inflows related to pensions (excludes \$2,490 related to Internal Service Fund)		(65,803)
Deferred inflows related to OPEBs (excludes \$273 related to Internal Service Fund)		(11,348)
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. (Exhibit 7)	\$	54,589
Interest on long-term debt is not accrued in governmental funds, but rather, is recognized as an expenditure when due (excluding \$115 related to Internal Service Fund)		(13,064)
Sewer and water availability credits were not recognized in the governmental funds, but rather, are recognized as an expenditure when used.		9,400
Assets are not due in the current period, and, therefore, are not reported in the funds:		
Lease receivables		3,922
Net OPEB assets		851
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 \$7,460 related to Internal Service Fund)		(202,283)
Bonds payable		(146,787)
School bonds payable		(829,398)
Capital debt liabilities		(34,475)
Lease liabilities		(29,374)
Software subscription liabilities (excludes \$3,834 related to Internal Service Fund)		(3,715)
Compensated absences (excludes \$2,066 related to Internal Service Fund)		(50,122)
Operating settlement - School Board		(17,938)
Premiums on bonds issued		(96,915)
Total long-term liabilities		(1,355,309)
Net position of governmental activities (Exhibit 1)	\$	(31,899)

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, 2023

(amounts expressed in thousands)

	Capital Projects Fund		Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Streets & Roads		
REVENUES:				
General property taxes	\$ 1,024,681	-	69,169	1,093,850
Other local taxes	224,859	-	8,537	233,396
Permits, privilege fees and regulatory licenses	1,951	-	22,977	24,928
Fines and forfeitures	1,927	-	-	1,927
From use of money and property	4,271	(358)	1,506	5,419
Charges for services	12,069	-	17,597	29,666
Intergovernmental revenues:				
Federal	35,296	19,069	92,379	146,744
State	147,031	43,222	8,960	199,213
Local	8,873	75,194	-	84,067
Donations	10,903	-	12	10,915
Miscellaneous	5,307	1,265	2,503	9,075
Total revenues	1,477,168	138,392	223,640	1,839,200
EXPENDITURES:				
Current:				
General government administration	96,847	-	8,708	105,555
Judicial administration	34,035	-	-	34,035
Public safety	308,193	-	48,232	356,425
Public works	7,141	-	434	7,575
Health and welfare	150,524	-	6,840	157,364
Education	677,245	-	-	677,245
Parks, recreational and cultural	64,325	-	-	64,325
Community development	11,497	-	56,841	68,338
Debt service:				
Principal retirement	102,575	-	-	102,575
Interest and other debt costs	41,340	-	-	41,340
Capital outlays	-	139,448	133,213	272,661
Total expenditures	1,493,722	139,448	254,268	1,887,438
Deficiency of revenues under expenditures	(16,554)	(1,056)	(30,628)	(48,238)
OTHER FINANCING SOURCES (USES):				
Transfers in	57,654	27,635	30,587	115,876
Transfers out	(59,810)	(16,456)	(38,379)	(114,645)
Issuance of debt	-	-	42,400	42,400
Premium on debt	-	-	2,409	2,409
Insurance claims and recoveries	17	-	-	17
Sale of surplus property	196	-	58	254
Total other financing sources (uses), net	(1,943)	11,179	37,075	46,311
Net change in fund balances	(18,497)	10,123	6,447	(1,927)
FUND BALANCE, beginning of year	291,048	32,173	137,570	460,791
FUND BALANCE/(DEFICIT), end of year	\$ 272,551	42,296	144,017	458,864

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, 2023

(amounts expressed in thousands)

Exhibit 6**Page 1 of 2**

Net change in fund balances--total governmental funds (Exhibit 5)	\$	(1,927)
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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 \$385 related to assets included in Internal Service Fund	\$	103,932	
Add donated infrastructure for public works		1,411	
Add donated equipment for parks, recreation and cultural		224	
Subtract depreciation and amortization (excludes (\$3,205) related to assets included in Internal Service Fund net position below)		(48,018)	57,549

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.

(252)

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

Add revenues recognized for the water and sewer availability credits refunded			377
Add amortized premiums			11,458
Add current year's long-term lease receivables (Note 6)		3,922	
Subtract prior year's long-term lease receivables		(548)	3,374
Add current year's deferred inflows related to direct financing arrangements		2,690	
Subtract prior year's deferred inflows related to direct financing arrangements		(3,850)	(1,160)
Add current year's deferred inflows related to unavailable transportation revenue		57,881	
Subtract prior year's deferred inflows related to unavailable transportation revenue		(56,014)	1,867
Add current year's deferred inflows related to uncollectible tax billings (Note 3)		8,083	
Subtract prior year's deferred inflows related to uncollectible tax billings		(4,650)	3,433
Add current year's deferred inflows related to unavailable settlements			3,135

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 12):

Add debt principal repayment		102,575	
Subtract premium		(2,409)	
Subtract issuance of debt		(42,400)	57,766

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, 2023
(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		(205)
Software subscription interest expense (excludes \$8,890 related to Internal Service Fund)		(74)
Amortized bond refunding losses		(2,978)
Add prior year lease liabilities	30,732	
Subtract current year's lease liabilities	<u>(29,374)</u>	1,358
Add prior year's subscription liabilities, restated (excludes \$7,165 for Internal Service Fund)	4,309	
Subtract current year's subscription liabilities (excludes \$5,322 for Internal Service Fund)	<u>(3,716)</u>	593
Add prior year operating settlement - School Board	54,513	
Subtract current year's operating settlement - School Board	<u>(17,938)</u>	36,575
Add prior year deferred inflows related to leases	552	
Subtract current year's deferred inflows related to leases	<u>(3,901)</u>	(3,349)
Add prior year's net pension accruals (excludes \$5,260 for Internal Service Fund)	127,827	
Subtract current year's net pension accruals (excludes \$4,563 for Internal Service Fund)	<u>(121,915)</u>	5,912
Add prior year's net OPEB accrual (excludes \$1,612 for Internal Service Fund)	40,341	
Subtract current year's net OPEB accrual (excludes \$1,523 for Internal Service Fund)	<u>(40,046)</u>	295
Add prior year's accrued interest liability	14,541	
Subtract current year's accrued interest liability	<u>(13,063)</u>	1,478
Add prior year's compensated absences liability (excludes \$2,036 for Internal Service Fund)	43,133	
Subtract current year's compensated absences liability (excludes \$2,066 for Internal Service Fund)	<u>(50,122)</u>	(6,989)

Internal Services 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 Fund's change in net position (Exhibit 8)	<u>(5,098)</u>
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Change in net position of governmental activities (Exhibit 2)	<u><u>\$ 163,138</u></u>
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COUNTY OF PRINCE WILLIAM, VIRGINIA**Proprietary Funds****Statement of Net Position**

June 30, 2023

(amounts expressed in thousands)

Exhibit 7**Page 1 of 2**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Landfill	Nonmajor Funds	Total	
ASSETS				
Current assets:				
Equity in pooled cash and investments	\$ 12,875	15,121	27,996	46,352
Restricted cash and temporary investments	29,054	304	29,358	9,280
Investments	-	-	-	27,475
Accounts receivable, net	309	82	391	5,378
Due from other governmental units	99	-	99	419
Inventory	14	3,635	3,649	408
Advances and prepaid items	-	20	20	1,249
Total current assets	42,351	19,162	61,513	90,561
Noncurrent assets:				
Restricted investments	-	-	-	1,250
Capital assets:				
Land and construction in progress	28,911	3,650	32,561	440
Buildings and other capital assets, net of depreciation	18,615	1,123	19,738	10,948
Total noncurrent assets	47,526	4,773	52,299	12,638
Total assets	89,877	23,935	113,812	103,199
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding	-	5	5	-
Deferred outflows related to pensions	1,042	64	1,106	3,630
Deferred outflows related to OPEB	162	11	173	507
Total deferred outflows of resources	1,204	80	1,284	4,137
	91,081			
LIABILITIES				
Current liabilities:				
Accounts payable	551	180	731	3,944
Wages and benefits payable	73	105	178	259
Due to other funds	-	344	344	-
Accrued interest	-	36	36	115
Subscription liabilities	-	-	-	1,488
Deposits and escrows	-	28	28	-
Unearned revenues	5,958	242	6,200	-
Unpaid losses, related liabilities and IBNR	-	-	-	7,036
Current portion of surplus distributions payable	-	-	-	225
Current portion of bonds payable	-	700	700	-
Current portion of bond premiums	-	97	97	-
Current portion of compensated absences	28	1	29	147
Total current liabilities	6,610	1,733	8,343	13,214

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

COUNTY OF PRINCE WILLIAM, VIRGINIA

Proprietary Funds

Statement of Net Position

June 30, 2023

(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	27,444	-	27,444	-
Subscription liabilities	-	-	-	3,834
Unpaid losses, related liabilities and IBNR	-	-	-	22,127
Surplus distributions payable	-	-	-	1,430
Bonds payable, net of current portion	-	2,160	2,160	-
Bond premiums, net of current portion	-	290	290	-
Net pension liabilities	1,638	101	1,739	5,703
Net OPEB liabilities	591	39	630	1,757
Compensated absences	372	10	382	1,919
Total noncurrent liabilities	30,045	2,600	32,645	36,770
Total liabilities	36,655	4,333	40,988	49,984
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	715	44	759	2,490
Deferred inflows related to OPEB	89	6	95	273
Total deferred inflows of resources	804	50	854	2,763
NET POSITION				
Net investments in capital assets	47,526	1,531	49,057	11,388
Restricted	29,054	-	29,054	10,530
Unrestricted	(22,958)	18,101	(4,857)	32,671
Total net position	\$ 53,622	19,632	73,254	54,589

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, 2023

(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Landfill	Nonmajor Funds	Total	
OPERATING REVENUES:				
Charges for services	\$ 21,713	9,347	31,060	133,068
Intergovernmental revenues:				
Federal	12	-	12	-
State	91	-	91	-
Miscellaneous	762	-	762	5,590
Total operating revenues	22,578	9,347	31,925	138,658
OPERATING EXPENSES:				
Personnel expenses	5,218	1,459	6,677	17,018
Contractual services	5,645	4,008	9,653	30,456
Materials / supplies	4,023	848	4,871	10,292
Depreciation and amortization	2,061	152	2,213	3,205
Costs from sale of land	-	839	839	-
Closure expenses	6,451	-	6,451	-
Claims and premiums	-	-	-	65,663
OPEB costs	-	-	-	5,067
Losses and loss adjustment expenses	-	-	-	11,050
Other	290	45	335	827
Total operating expenses	23,688	7,351	31,039	143,578
Operating income / (losses)	(1,110)	1,996	886	(4,920)
NON-OPERATING REVENUES / (EXPENSES):				
Interest income and investment losses	60	147	207	1,444
Interest and other debt costs	-	(153)	(153)	(123)
Gain on sale of capital assets	(79)	-	(79)	14
Total non-operating revenues / (expenses)	(19)	(6)	(25)	1,335
Income / (loss) before transfers	(1,129)	1,990	861	(3,585)
TRANSFERS:				
Transfers in	63	1,722	1,785	1,483
Transfers out	(1,503)	-	(1,503)	(2,996)
Total transfers, net	(1,440)	1,722	282	(1,513)
Change in net position	(2,569)	3,712	1,143	(5,098)
NET POSITION, beginning of the year	56,191	15,920	72,111	59,687
NET POSITION, end of the year	\$ 53,622	19,632	73,254	54,589

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

COUNTY OF PRINCE WILLIAM, VIRGINIA**Proprietary Funds****Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2023

(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	\$ 26,357	9,477	35,834	133,007
Cash received / (paid) from / (to) other entities	878	-	878	5,928
Payments for claims and premiums	-	-	-	(76,448)
Payments to suppliers for goods and services	(10,345)	(4,679)	(15,024)	(44,021)
Payments to employees for services	(5,811)	(1,497)	(7,308)	(18,207)
Payments of closure expenses	(24)	-	(24)	-
Net cash provided by / (used) by operating activities	11,055	3,301	14,356	259
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Proceeds from notes receivable	174	-	174	-
Transfers in	63	1,722	1,785	1,483
Transfers out	(1,503)	-	(1,503)	(2,991)
Net cash provided / (used) by non-capital financing activities	(1,266)	1,722	456	(1,508)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	-	(120)	(120)	(390)
Proceeds from the sale of capital assets	(2,048)	-	(2,048)	14
Principal paid on bonds, leases, subscriptions, and other debt	-	(665)	(665)	(1,843)
Interest paid on bonds, leases, subscriptions, and other debt costs	-	(257)	(257)	(8)
Net cash provided / (used) by capital and related financing activities	(2,048)	(1,042)	(3,090)	(2,227)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from maturities of investments	-	-	-	45
Purchases of investments	-	-	-	(1,815)
Interest and dividends received on investments	118	116	234	1,543
Net cash used by investing activities	118	116	234	(227)
Net increase (decrease) in cash and cash equivalents	7,859	4,097	11,956	(3,703)
CASH AND CASH EQUIVALENTS, beginning of year	34,070	11,328	45,398	59,335
CASH AND CASH EQUIVALENTS, end of year	\$ 41,929	15,425	57,354	55,632

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

COUNTY OF PRINCE WILLIAM, VIRGINIA**Proprietary Funds****Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2023

(amounts expressed in thousands)

Exhibit 9

Page 2 of 2

	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	\$ (1,110)	1,996	886	(4,920)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	2,061	152	2,213	3,205
Change in assets:				
(Increase) / decrease in:				
Accounts receivable	(124)	98	(26)	107
Due from other governmental units	13	-	13	170
Inventory	(4)	827	823	(69)
Change in deferred outflows of resources:				
(Increase) / decrease in:				
Loss on refunding	-	1	1	-
Deferred outflows related to pensions	446	19	465	1,158
Deferred outflows related to OPEB	66	-	66	138
Change in liabilities:				
Increase / (decrease) in:				
Accounts payable and personnel costs	(565)	(142)	(707)	(1,870)
Due to other funds	-	344	344	-
Unearned revenues	4,768	32	4,800	-
Accrued closure liability	6,427	-	6,427	-
Unpaid losses, related liabilities and IBNR	-	-	-	5,131
Other noncurrent liabilities	387	41	428	1,903
Change in deferred inflows of resources:				
Increase / (decrease) in:				
Deferred inflows related to pensions	(1,252)	(66)	(1,318)	(3,838)
Deferred inflows related to OPEB	(58)	(1)	(59)	(147)
Total adjustments	12,165	1,305	13,470	5,179
Net cash provided by / (used) by operating activities	\$ 11,055	3,301	14,356	259

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

COUNTY OF PRINCE WILLIAM, VIRGINIA**Exhibit 10****Fiduciary Funds****Statement of Fiduciary Net Position**

June 30, 2023

(amounts expressed in thousands)

		Other Post-Employment Benefits (OPEB) and Pension Trust Funds	Custodial Funds
ASSETS			
Equity in pooled cash and investments	\$	-	540
Cash held by other fiscal agents		-	74
Restricted cash		1,441	-
Accounts receivable, net		87	2
Restricted investments:			
Money market mutual funds		1,409	-
Equity investments		108,611	-
Real asset investments		6,054	-
Fixed income investments		60,308	-
Diversified investments		2,433	-
Life insurance annuity		22,245	-
Total investments		201,060	-
Total assets		202,588	616
LIABILITIES			
Accounts payable		4,835	6
Escrow and deposits		-	456
Total liabilities		4,835	462
NET POSITION			
Net position restricted for pensions		77,846	-
Net position restricted for OPEB		119,907	-
Net position restricted for other purposes		-	154
Total net position	\$	197,753	154

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, 2023

(amounts expressed in thousands)

	Other Post-Employment Benefits (OPEB) and Pension Trust Funds	Custodial Funds
ADDITIONS		
Contributions:		
Member	\$ 2,029	-
Employer	10,136	-
Total contributions	12,165	-
Collections on behalf of individuals for programs	-	492
Sales taxes collected for other governments	-	817
Investment loss:		
Interest and dividends	5,533	6
Net depreciation in fair value of investments	9,316	-
Total investment loss	14,849	6
Less: investment expenses	(316)	-
Net investment loss	14,533	6
Total additions / (loss)	26,698	1,315
DEDUCTIONS		
Pension and OPEB payments	8,667	-
Refund of members' contributions	269	-
Administrative expenses	278	-
Payments on behalf of individuals for programs	-	544
Payments of sales taxes to other governments	-	817
Miscellaneous expenses	-	5
Total deductions	9,214	1,366
Change in net position	17,484	(51)
NET POSITION, beginning of year	180,269	205
NET POSITION, end of year	\$ 197,753	154

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

COUNTY OF PRINCE WILLIAM, VIRGINIA**Component Units****Combining Balance Sheet**

June 30, 2023

(amounts expressed in thousands)

Exhibit 12**Page 1 of 2**

	Prince William County School Board	Adult Detention Center	Total
ASSETS			
Equity in pooled cash and investments	\$ 662,472	19,678	682,150
Cash held by other fiscal agents	-	2,380	2,380
Accounts receivable, net	3,226	11	3,237
Due from other governmental units	51,629	1,054	52,683
Due from primary government	17,938	-	17,938
Inventory	6,940	-	6,940
Advances and prepaid items	3	-	3
Net OPEB assets	8,969	174	9,143
Restricted assets:			
Restricted cash and temporary investments	30,042	-	30,042
Capital assets:			
Land and construction in progress	179,862	-	179,862
Buildings and other capital assets, net of depreciation	1,683,771	95,950	1,779,721
Total assets	2,644,852	119,247	2,764,099
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	208,409	8,765	217,174
Deferred outflows related to OPEB	31,583	1,640	33,223
Total deferred outflows of resources	239,992	10,405	250,397
LIABILITIES			
Accounts payable	28,400	1,321	29,721
Wages and benefits payable	132,252	574	132,826
Due to other governmental units	138	-	138
Unearned revenues	14,372	-	14,372
Retainage	5,592	-	5,592
Noncurrent liabilities:			
Due within one year	24,941	336	25,277
Due in more than one year	845,625	20,456	866,081
Total liabilities	1,051,320	22,687	1,074,007
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	141,611	5,628	147,239
Deferred inflows related to OPEB	37,097	1,474	38,571
Total deferred inflows of resources	178,708	7,102	185,810

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

COUNTY OF PRINCE WILLIAM, VIRGINIA**Component Units****Combining Balance Sheet**

June 30, 2023

(amounts expressed in thousands)

Exhibit 12**Page 2 of 2****NET POSITION**

Net investment in capital assets	1,863,633	95,950	1,959,583
Restricted for:			
Capital projects	23,533	-	23,533
Food and nutrition services	83,936	-	83,936
Grants	56,753	-	56,753
Student activities	10,038	-	10,038
Other purposes	10,506	-	10,506
Unrestricted	(393,583)	3,913	(389,670)
Total net position	\$ 1,654,816	99,863	1,754,679

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

COUNTY OF PRINCE WILLIAM, VIRGINIA

Exhibit 13

Component Units

Page 1 of 2

Combining Statement of Activities

For the Fiscal Year Ended June 30, 2023

(amounts expressed in thousands)

		Program Revenues		
		Charges for	Operating	Capital Grants
		Services	Grants and	and
Functions / Programs	Expenses		Contributions	Contributions
School Board:				
Instruction	\$ 982,466	2,700	238,830	126
Support services	560,697	25,221	45,558	22,611
Interest on long-term debt	555	-	-	-
Business-type activities	2,621	1,572	-	-
Education foundation	5,376	-	4,991	-
School Board Total	1,551,715	29,493	289,379	22,737
Adult Detention Center	53,500	903	16,761	-
Total component units	\$ 1,605,215	30,396	306,140	22,737

Net (Expense) / Revenue and Changes in Net Position

		School Board		Adult Detention Center		Total Functions / Programs	
						School Board	
	(740,810)		-		(740,810)		Instruction
	(467,307)		-		(467,307)		Support services
	(555)		-		(555)		Interest on long-term debt
	(1,049)		-		(1,049)		Business-type activities
	(385)		-		(385)		Education foundation
	<u>(1,210,106)</u>		<u>-</u>		<u>(1,210,106)</u>		School Board Total
	-		(35,836)		(35,836)		Adult Detention Center
	<u>(1,210,106)</u>		<u>(35,836)</u>		<u>(1,245,942)</u>		Total component units
						General revenues:	
\$	797,629		30,765		828,394		Payment from primary government
	974		-		974		Federal revenues
	569,629		-		569,629		State revenues
	-		5,848		5,848		Local revenues
	2,219		107		2,326		Investment earnings
	9,382		42		9,424		Miscellaneous
	<u>1,379,833</u>		<u>36,762</u>		<u>1,416,595</u>		Total general revenues
	169,727		926		170,653		Change in net position
	<u>1,485,089</u>		<u>98,937</u>		<u>1,584,026</u>		NET POSITION, beginning of year
\$	<u>1,654,816</u>		<u>99,863</u>		<u>1,754,679</u>		NET POSITION - end of year

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023
(amounts expressed in thousands, except percentages, ratios and years)

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Prince William, Virginia (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, 2023.

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 (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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The following are related organizations where none of the inclusion criteria have been met (see Note 19):

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.
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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.
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Northern Virginia Transportation Authority (NVTa)	Authorized by the Code of Virginia. Focused on delivering real transportation solutions and value for Northern Virginia's transportation.
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Illustration 1-1 (cont'd)
Potential Component Units

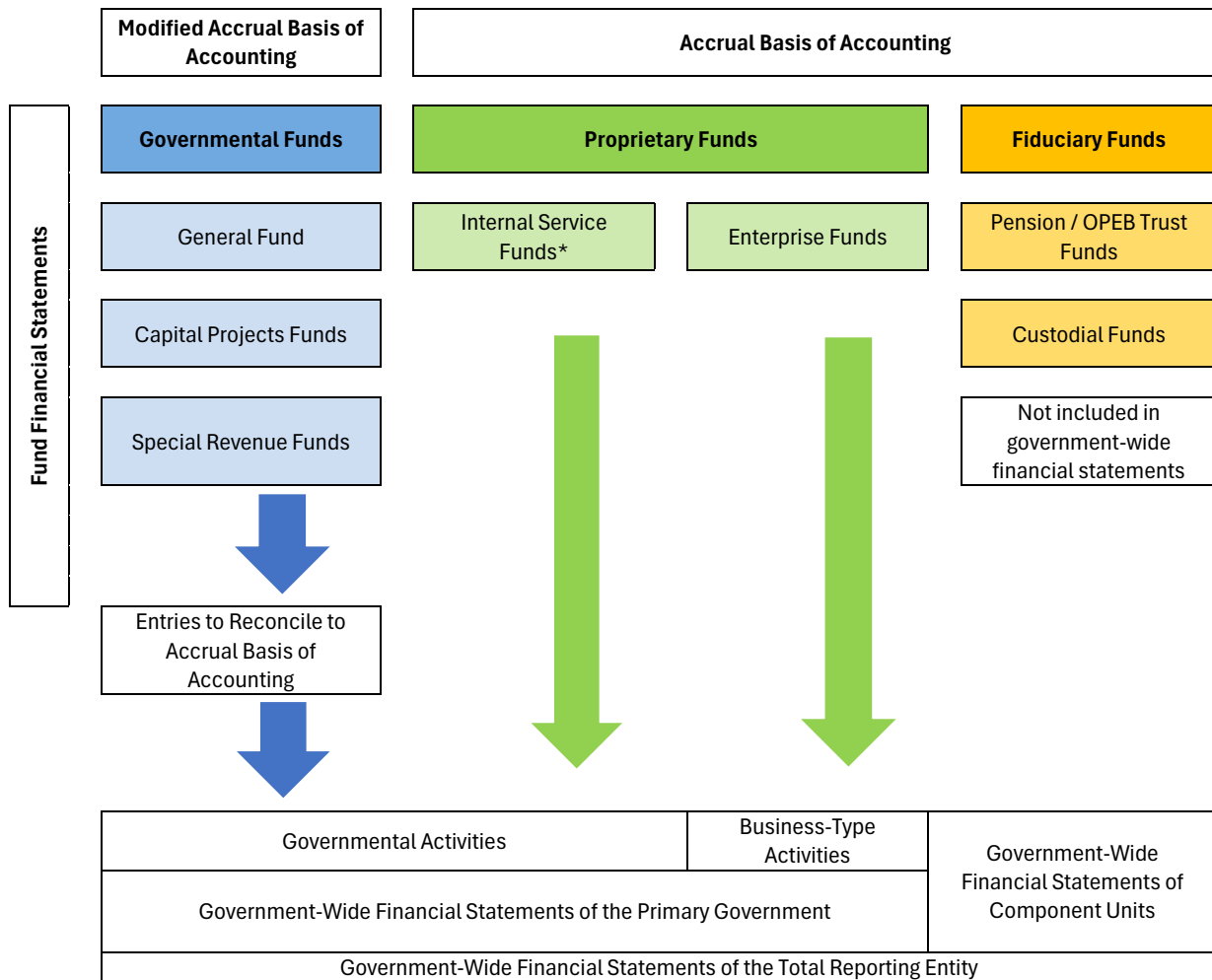
The following are joint ventures where there is an ongoing financial responsibility, but no ongoing financial interest and no explicit and measurable equity interest is deemed to exist (see Note 20):

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).

Illustration 1-2
Basis of Financial Statement Presentation



* The County's Internal Service Funds predominately serve other funds of the County.

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 balance/net position (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 proprietary 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.

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 program, 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 (ADC), and one that provides health insurance for eligible participating County employees.

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 funds' 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 effect of inter-fund activity has been eliminated from the government-wide financial statements. The excess revenues or expenses for the funds are allocated to the appropriate functional activity in 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 (SPP) 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 with the Towns of Dumfries, Quantico, Occoquan, and Haymarket.

The County's fiduciary funds are presented in the fund financial statements by type (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 SPP 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 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).

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 13.

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. See Note 2 for more information.

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 unobservable for the asset or liability and are based on the best available information.

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 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 (tangible) 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 right-to-use subscription information technology arrangements and software purchases costing at least one hundred thousand dollars (\$100,000).

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:

Infrastructure	10-50 years
Buildings	20-40 years
Improvements to sites	2-50 years
Equipment	2-20 years
Vehicles	3-10 years
Library collections	5 years
Other Intangible assets	5-15 years

Right-to-use assets are amortized over the term of their arrangements.

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.

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 the normal life of the capital asset.

For more information on capital assets, see Note 11.

M. 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 non-cancellable 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 non-cancellable 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. See Note 6 for more information.

N. Software-Based Information Technology Arrangements (SBITAs)

Key estimates and judgments related to Software-Based Information Technology Arrangements (SBITAs) include how the County determines (1) the discount rate it uses to discount the expected vendor payments to present value, (2) term, and (3) vendor payments.

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

The County is a customer in agreements for various subscription-based information technology software assets. The County recognizes a SBITA liability and an intangible right-to-use subscription asset in the government-wide financial statements. Subscription assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the Statement of Net Position.

The agreement term includes the non-cancellable period of the arrangement. Vendor payments included in the measurement of the SBITA liability are comprised of fixed payments and any other product costs that the County is reasonably certain to utilize. Payments that are based on performance, usage or usage seats are considered variable and are not included in the calculation. Those payments are expensed as incurred. In determining the subscription asset 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 agreement term if the subscription asset is reasonably certain to be extended.

The County monitors changes in circumstances that would require a remeasurement of its subscription assets and will remeasure the subscription assets and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. See Note 7 for more information.

O. 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 net assets 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 refundings 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 net assets 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: unavailable taxes, unavailable settlements, unavailable transportation revenues, direct financing arrangements, lease revenues, pensions, and OPEB.

P. 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. See Note 15 for more information.

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. See Note 16 for more information.

Q. 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. Assigned fund balances represent resources that are earmarked for a specific ongoing purpose. Committed fund balances represent resources that have been legally designated by the Board of County Supervisors for a specific purpose, such as, various reserves. These funds cannot be used unless the Board of County Supervisors budgets and appropriates the specific use of these funds in a separate legal action. Unassigned fund balance is the residual classification for the General Fund.

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. See Note 13 for more information.

R. 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. See Note 12 for more information.

S. Implementation of GASB 96, Software-Based Information Technology Arrangements

For the year ended June 30, 2023, the County, Schools and ADC implemented the Government Accounting Standards Board (GASB) No. 96, *Software-Based Information Technology Arrangements (SBITAs)*, and are reflected in the financial statements. Issued in May 2020, the primary objective of this statement is to improve financial reporting and enhance comparability of financial statements among governments by establishing a definition for SBITAs and provide uniform financial reporting for transactions that meet the definition. Based on the principle, these agreements provide the government the right to use an underlying asset. Under this Statement, a government is required to recognize a subscription liability and an intangible right- to-use subscription asset. See Note 7 for more information.

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 State Corporation Commission (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 weighted average maturity (WAM) of the County's investments as of June 30, 2023.

Illustration 2-1
Fair Value and Weighted Average Maturity of Investments
June 30, 2023

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)	\$ 416,879	0.003
State Non-Arbitrage Program (SNAP)	28,747	0.003
PFM Money Market	10,524	0.003
Other Money Market	1,998	0.003
NOW Accounts	55,863	0.003
Commercial Paper	4,973	0.110
Certificate of Deposits	20,558	1.178
U.S. Treasury Notes	28,365	2.085
U.S. Government Agency Securities	763,998	3.899
Corporate Bonds	247,599	2.395
Municipal Bonds	285,623	4.533
Total Primary Government, School Board, and ADC	1,865,127	
Total Reporting Entity Investments	\$ 1,865,127	2.655

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). County policy permits investment in negotiable certificates of deposit issued by domestic banks and domestic offices of foreign banks provided a minimum of two of the following ratings are present: at least P-1 by Moody's Investors Service, at least A-1 by Standard and Poor's, or at least F1 by Fitch Ratings. The County may also invest in corporate notes provided a minimum of two of the following ratings are present: at least Aa by Moody's Investors Service, at least AA by Standard and Poor's, or at least AA by Fitch Ratings. 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 that has received at least two of the following ratings: at least Prime-1 by Moody's Investors Service, at least A1 by Standard & Poor's, or at least F1 Fitch Ratings Inc., 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, or its guarantor, has averaged \$3 million per year for the previous five years and all existing senior bonded indebtedness of the issuer, or its guarantor, 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 bankers' 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 must have a rating of at least A-1 by

(Amounts expressed in thousands)

Standard and Poor's and P-1 by Moody's Investors Service and 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, 2023, are presented in illustration 2-2.

Illustration 2-2 Primary Government, School Board, and ADC Investment Credit Risk June 30, 2023		
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	22.35%
State Non-Arbitrage Program (SNAP)	AAA	1.54%
PFM Money Market	AAA	0.56%
Other Money Market	AAA	0.11%
NOW Accounts	Not applicable	3.00%
Commercial Paper	A-1+	0.27%
Certificate of Deposits	Not applicable	1.10%
U.S. Treasury Notes	AA or higher	1.52%
U.S. Government Agency Securities	Aa+ or Higher	40.96%
Corporate Bonds	AA- or Higher	13.28%
Municipal Bonds	AA- or Higher	15.31%
		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. Government/Treasury Obligations, 100% for Federal Agencies/GSEs (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); 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, 5% in any non-Virginia issuer and no more than 10% of non-Virginia issuance); 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:

- **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, 2023. 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 2-3 Supplemental Pension Plan Fair Value and Weighted Average Maturity/Duration of Investments June 30, 2023		
Investment Type	Fair Value	Weighted-Average Maturity(a)/Modified Duration (b) (Years)
SPP Trust Fund Investments:		
Money Market Mutual Funds	\$ 682	0.101 (a)
U.S. Treasury Notes	4,208	9.79 (b)
US Government Agency Securities	6,646	6.66 (b)
Corporate Bonds	1,475	5.43 (b)
Tactical Asset Allocation Funds	2,433	Not applicable
Equity Mutual Funds	32,627	Not applicable
Real Assets	6,054	Not applicable
Total Supplemental Pension Plan Trust Fund Investments	\$ <u>54,125</u>	

- **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, 2023, is presented in Illustration 2-4.

Illustration 2-4 Supplemental Pension Plan Credit Risk June 30, 2023		
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	7.77%
US Government Agency Securities	AAA	12.28%
Corporate Bonds	A1 or higher	2.73%
Tactical Asset Allocation Funds	Not rated	4.50%
Equity Mutual Funds	Not rated	60.27%
Real Assets	Not rated	11.19%
		<u>100.00%</u>

- Concentration of Credit Risk** – The long-term objective of the SPP is to achieve a total return equivalent to or greater than the 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, 2023			
Asset Class	Policy Target Percent	Policy Range Percent (+/-)	Actual Percentage
SPP Trust Fund Investments:			
Diversified	5%	5%	5%
Equity	60%	10%	57%
Real Assets	10%	5%	13%
Fixed Income	25%	5%	24%
Cash Equivalents	0%	0%	1%
	<u>100%</u>		<u>100.00%</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, 2023, the SPP's investments were in money market, bond and equity mutual funds and therefore not subject to concentration of credit risk.

(Amounts expressed in thousands)

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, 2023.

Illustration 2-6 LoSAP Fair Value and Weighted Average Maturity/Duration of Investments June 30, 2023		
Investment Type	Fair Value	Weighted-Average Maturity (a) / Modified Duration (b) (Years)
LoSAP Trust Fund Investments:		
Money Market Mutual Funds	51	0.003
Life Insurance Funds - Mass Mutual Annuity	\$ 22,245	Not Applicable
	<u>22,296</u>	

- **Concentration of Credit Risk** – As of June 30, 2023, 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, 2023. 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, 2023

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	\$ 676	0.003(a)
Equity Mutual Funds	75,984	Not applicable
Bond Funds:		
Baird Core Plus Bond	\$ 13,131	6.06(b)
BBH Limited Duration	1,092	0.85(b)
DoubleLine Core Fixed Income	5,745	6.30(b)
ishares Core total US Aggregate	6,999	6.30(b)
iShares 5-10 Year IG Corporate Bond	2,507	6.18(b)
MainStay MacKay High Yield Corp Bond Fund	2,105	3.41(b)
PGIM Total Return Bond	10,670	6.10(b)
Voya Intermediate Bond	5,730	6.42(b)
Total Bond Funds	47,979	
Total OPEB Master Trust Fund Investments	\$ 124,639	

The OPEB Master Trust's rating and credit exposure as of June 30, 2023, is shown in illustration 2-8.

Illustration 2-8
Other Post-Employment Benefits Master Trust (OPEB) Credit Risk
June 30, 2023

Investment Type	Credit Quality (Rating)	Credit Exposure as a % of Total Investments
OPEB Master Trust Fund Investments:		
Money Market Mutual Funds	AAA	0.54%
Equity Mutual Funds	Not rated	60.96%
Bond Funds:		
Baird Core Plus Bond	A	10.54%
BBH Limited Duration	A	0.88%
DoubleLine Core Fixed Income	A	4.61%
ishares Core total US Aggregate	AA	5.62%
iShares 5-10 Year IG Corporate Bond	A	2.00%
MainStay MacKay High Yield Corp Bond Fund	BB	1.69%
PGIM Total Return Bond	AA	8.56%
Voya Intermediate Bond	A	4.60%
		100.00%

(Amounts expressed in thousands)

- **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, 2023			
Asset Class	Policy Target Percent	Policy Range Percent	Actual Percent
OPEB Master Trust Fund Investments:			
Domestic Equity	39%	19% - 59%	40%
International Equity	21%	1% - 41%	20%
Other Growth Assets	0%	0% - 20%	0%
Fixed Income	40%	20% - 60%	39%
Other Income Assets	0%	0% - 20%	0%
Real Assets	0%	0% - 20%	0%
Cash Equivalents	0%	0% - 20%	1%
	<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. 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, 2023, 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.

There are no investments other than those issued or explicitly guaranteed by the U.S. Government that represent 5% or more of the OPEB Master Trust fiduciary net position.

5. Reconciliation of Cash and Investments

Reconciliation of total cash and investments to the government-wide financial statements on June 30, 2023, is shown in Illustration 2- 10.

Illustration 2-10

Reconciliation of Cash and Investments to Government-Wide Financial Statements

June 30, 2023

Investments						
Primary Government and Component Units	\$					1,865,127
SPP Trust Fund						54,125
LoSAP Trust Fund						22,296
OPEB Master Trust Fund						124,639
Total Investments						2,066,187
Add: Cash on hand						41
Deposits						13,954
Total Cash and Investments						2,080,182
Less: SPP Trust Fund’s cash and investments						(55,566)
LoSAP Trust Fund cash and investments						(22,296)
OPEB Master Trust Fund cash and investments						(124,639)
Custodial Funds equity in pooled cash and investments						(614)
Total Reporting Entity cash and investments	\$					1,877,067

		Governmental Activities	Business-Type Activities	Total	Component Units	Total Reporting Entity
Primary Government, School Board, ADC						
Equity in Pooled Cash and Investments	\$	1,065,448	27,996	1,093,444	682,150	1,775,594
Cash held by other fiscal agents		-	-	-	2,380	2,380
Investments		27,475	-	27,475	-	27,475
Restricted Cash and Temporary Investments		10,968	29,358	40,326	30,042	70,368
Restricted Investments		1,250	-	1,250	-	1,250
Total Cash and Investments	\$	1,105,141	57,354	1,162,495	714,572	1,877,067

6. 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). 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, 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 unobservable for the asset or liability and are significant to the fair value measurement. Fair values of the County's investment portfolio are estimated using unadjusted prices obtained by its investment manager from third party pricing services, where available. For securities where the County is unable to obtain fair values from a pricing service or broker, fair values are estimated using information obtained from the

(Amounts expressed in thousands)

Restricted cash and investments consist of a closure fund required by the Virginia Resource Authority (VRA) for the Landfill, 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, 2023		
	Restricted Cash & Temporary Investments	Restricted Investments
Primary Government		
General Fund:		
Retainage	\$ 21	\$ -
Total General Fund	21	-
Streets & Roads Capital Projects Funds:		
Retainage	219	-
Total Capital Projects Funds	219	-
Nonmajor Governmental Funds:		
Retainage	1,448	-
Total Other Governmental Funds	1,448	-
Enterprise Funds:		
Landfill VRA Closure Fund	29,054	-
Nonmajor Enterprise Funds	304	-
Total Enterprise Funds	29,358	-
Internal Service Funds:		
PWSIG	9,280	-
Insurance Pool Collateral	-	1,250
Total Internal Service Funds	9,280	1,250
Total Primary Government	40,326	1,250
Component Units		
School Board:		
School Bonds	28,747	-
Education Foundation	1,295	-
Total School Board	30,042	-
Total Component Units	30,042	-
Total Reporting Entity	\$ 70,368	\$ 1,250

NOTE (3) - PROPERTY TAXES AND ACCOUNTS RECEIVABLE

The County's real estate and personal property taxes are levied respectively as of the July 1, 2023, 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, 2023. 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, 2022, upon which the July 1, 2022, levy was based, was approximately \$83 billion.

Current real estate and personal property tax collections for the year ended June 30, 2023, were 91.2% and 97.8%, respectively of the July 1, 2022, 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, 2023, related to property taxes due on July 17, 2023 of the following fiscal year are recorded as deferred inflows of resources on June 30, 2023.

The County calculates its allowance for uncollectible accounts using historical collection data. Taxes receivable as of June 30, 2023, is detailed in Illustration 3-1.

Illustration 3-1 Property Taxes Receivable June 30, 2023			
	Gross Tax Receivable	Allowance for Uncollectible Accounts	Net Tax Receivable
Real estate taxes	\$ 17,067	2,549	14,518
Personal property taxes	11,694	7,225	4,469
Total	\$ 28,761	9,774	18,987

Accounts receivables are recorded net of allowance for uncollectible accounts as shown in Illustration 3-2 as of June 30, 2023.

Illustration 3-2 Accounts Receivable June 30, 2023				
	Primary Government	Component Units		Reporting Entity Total
		School Board	ADC	
Accrued interest	\$ 5,627	-	-	5,627
Enterprise operations	734	-	-	734
Utility / consumption taxes	3,709	-	-	3,709
Transient occupancy taxes	2,000	-	-	2,000
Stormwater management fees	157	-	-	157
Other post-employment benefits	4,892	-	-	4,892
Other	11,977	3,226	11	15,214
Total accounts receivable	29,096	3,226	11	32,333
Allowance for doubtful accounts	(1,776)	-	-	(1,776)
Total Accounts Receivables, Net	\$ 27,320	3,226	11	30,557

NOTE (4) - INVESTMENT IN DIRECT FINANCING ARRANGEMENTS

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 4-1 shows the investment in direct financing leases as of June 30, 2023.

Illustration 4-1 Investment in Direct Financing Arrangements June 30, 2023	
	Volunteer Fire & Rescue Companies
Total minimum payments to be received	\$ 2,983
Less: Unearned revenue	(293)
Net investment in direct financing agreements	2,690

(Amounts expressed in thousands)

Illustration 4-2 shows the scheduled minimum lease payments as of June 30, 2023.

Illustration 4-2 Investment in Direct Financing Arrangements Scheduled Minimum Payments			
Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 845	110	955
2025	540	78	618
2026	445	53	498
2027	440	31	471
2028	210	15	225
2029 thru 2032	210	6	216
Total	\$ 2,690	293	2,983

NOTE (5) – UNEARNED REVENUE/DEFERRED INFLOWS OF RESOURCES

Unearned revenue, as shown in Illustration 5-1, represents amounts for which asset recognition criteria were met, but for which revenue recognition criteria were not met.

Illustration 5-1 Unearned Revenue June 30, 2023	
Primary Government	
Other Unearned Revenue – Prepaid recreation fees, developer fees, health premiums and other	\$ 124,519
Total Primary Government	124,519
Component Unit	
School Board	14,372
Total Component Unit	14,372
Total Reporting Entity	\$ 138,891

Deferred inflows of resources, as shown in Illustration 5-2, represents amounts for which asset recognition criteria were met, but which were not available to finance expenditures of the current period under the accrual basis of accounting.

Illustration 5-2 Deferred Inflows of Resources June 30, 2023	
Primary Government	
Deferred inflows related to leases (Note 6)	\$ 3,901
Deferred inflows related to pensions (Note 15)	69,052
Deferred inflows related to OPEB (Note 16)	11,716
Total Primary Government	84,669
Component Units	
Deferred inflows related to pensions (Note 15)	147,239
Deferred inflows related to OPEB (Note 16)	38,571
Total Component Unit	185,810
Total Reporting Entity	\$ 270,479

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, 2023.

Illustration 5-3
Governmental Funds' Deferred Inflows of Resources
June 30, 2023

General Fund	
Unavailable taxes – Taxes not paid within sixty days of June 30, 2023	\$ 7,529
Deferred inflows related to direct financing arrangements (Note 4)	2,690
Total General Fund	<u>10,219</u>
Streets and Roads Capital Projects Fund	
Unavailable transportation revenue -- Revenue not received within sixty day of June 30, 2023	57,881
Total Street and Roads Capital Projects Fund	<u>57,881</u>
Other Governmental Funds	
Unavailable taxes – Taxes not paid within sixty days of June 30, 2023	554
Unavailable settlements	3,135
Total Other Governmental Fund	<u>3,689</u>
Total Deferred Inflows of Resources of Governmental Funds	<u>\$ 71,789</u>

NOTE (6) – LEASES

Leases Receivable: The County leases land and buildings to third parties. The balance of these leases is reported in Governmental Activities at June 30, 2023, and are detailed in Illustration 6-1.

Illustration 6-1
Governmental Activities' Lease Receivables
June 30, 2023

	Lease Term		Discount Rate	Beginning Balance	Balance at June 30, 2023	Due Within One Year	Revenues	
	Beginning	Ending					Lease	Interest
Land (Cell Tower)	7/1/2021	11/30/2026	0.52%	\$ 163	124	40	37	1
Land (Cell Tower)	7/1/2021	11/30/2031	1.03%	161	167	17	21	2
Land (Cell Tower)	7/1/2021	10/31/2023	0.18%	45	-	-	38	-
Building	7/1/2021	11/7/2038	0.13%	178	168	10	11	2
Building	6/1/2023	7/31/2026	2.91%	-	2,700	849	73	6
Land	7/1/2021	2/22/2041	1.64%	-	755	30	83	22
				<u>\$ 547</u>	<u>3,914</u>	<u>946</u>	<u>263</u>	<u>33</u>

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 \$208 for the year ended June 30, 2023.

Lease Payable: The County has entered into lease agreements for land and 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 2.93% depending on the term of the lease agreement. Illustration 6-2 is a summary by function of the lease liabilities related to these agreements at June 30, 2023.

Illustration 6-2 Governmental Activities' Lease Liabilities June 30, 2023					
	Commencement	Termination	Beginning Balance	Balance at June 30, 2023	Due Within One Year
Land leases:					
General government administration	7/1/2021	6/30/2023	\$ 7	-	-
Building leases:					
General government administration	7/1/2021	3/31/2031	26,692	22,281	5,254
Public works	7/1/2021	6/30/2026	7,901	4,585	1,734
Health and welfare	7/1/2021	9/30/2023	63	12	12
Community development	7/1/2021	5/31/2023	175	2,496	287
Total building leases			34,831	29,374	7,287
Total lease liabilities			\$ 34,838	29,374	7,287

The future minimum principal and interest lease payments as of June 30, 2023, are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2024	\$ 7,287	\$ 246	\$ 7,533
2025	6,338	200	6,538
2026	5,131	157	5,288
2027	2,957	123	3,080
2028	1,991	97	2,088
2029-2033	5,670	156	5,826
	\$ 29,374	\$ 979	\$ 30,353

NOTE (7) - SOFTWARE-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

SBITA Payable: The County has entered into arrangements to utilize various subscription-based information technology software licenses. The agreements are presented with interest rates ranging from 1.60% to 2.76% depending on the term of the agreement and the incremental borrowing rate at the commencement of the agreement term.

Illustration 7-1 is a summary by function of the SBITA liabilities related to these agreements at June 30, 2023.

Illustration 7-1 Governmental Activities' SBITA Liabilities June 30, 2023					
	Commencement	Termination	Initial Liability	Balance at June 30, 2023	Due Within One Year
Software-Based Information Technology Agreements:					
General government administration	7/1/2022	6/30/2027	\$ 7,165	5,323	1,488
Public safety	7/1/2022	6/30/2027	3,768	3,090	672
Parks & Recreation	7/1/2022	6/30/2031	541	625	196
Total SBITA liabilities			\$ 11,474	9,038	2,356

(Amounts expressed in thousands)

The future minimum principal and interest agreement payments as of June 30, 2023, were as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2024	\$ 2,356	176	2,532
2025	2,179	122	2,301
2026	2,167	72	2,239
2027	1,504	27	1,531
2028	199	22	221
2029-2030	633	31	664
	<u>\$ 9,038</u>	<u>450</u>	<u>9,488</u>

NOTE (8) - DUE FROM AND TO OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of June 30, 2023, are detailed in Illustration 8-1.

Illustration 8-1 Due from Other Governmental Units June 30, 2023			
PRIMARY GOVERNMENT			
General Fund:			
From other localities	\$	98	
From the Federal Government		3,163	
From the Commonwealth			
Local sales taxes		15,615	
Other		<u>6,729</u>	\$ 25,605
Street & Road Capital Projects Fund:			
From the Federal Government		18,134	
From the Commonwealth		30,939	
From other localities		<u>28,529</u>	77,602
Nonmajor Governmental Funds:			
From the Federal Government		1,356	
From the Commonwealth		<u>330</u>	1,686
Landfill Enterprise Fund:			
From other localities		<u>99</u>	99
Internal Service Funds:			
From other localities		<u>419</u>	419
Total Primary Government			<u>105,411</u>
COMPONENT UNITS			
School Board:			
From the Federal Government		29,938	
From the Commonwealth		<u>21,691</u>	51,629
Adult Detention Center:			
From other localities		<u>1,054</u>	1,054
Total Component Units			<u>52,683</u>
Total Reporting Entity			<u>\$ 158,094</u>

(Amounts expressed in thousands)

Illustration 8-2 details the amounts due to other governmental units as of June 30, 2023.

Illustration 8-2 Due to Other Governmental Units June 30, 2023			
PRIMARY GOVERNMENT			
General Fund:			
To Other Localities	\$	329	
To the Federal Government		<u>88</u>	\$ 417
Streets & Roads Capital Projects Fund:			
To Other Localities		<u>1,732</u>	1,732
Nonmajor Governmental Funds:			
To the Commonwealth		<u>30</u>	<u>30</u>
Total Primary Government			<u>2,179</u>
Total Reporting Entity			<u>\$ 2,179</u>

NOTE (9) – TRANSFERS

Interfund transfers are used to provide funding for operations and capital projects. Transfers move revenue from the fund the appropriated budget requires to collect it to the fund that the appropriated budget requires to expend it as well as use unrestricted revenues collected in the General Fund to fund operations accounted for in other funds in accordance to the adopted budget. Illustration 9-1 details the transfers between funds for the year ended June 30, 2023.

Illustration 9-1 Inter-fund Transfers For the Year Ended June 30, 2023					
Transfer to General Fund from:			Transfer from General Fund to:		
Streets & Roads - Capital Projects Fund	\$	16,456	\$	27,293	Streets & Roads – Capital Projects Fund
Nonmajor Governmental Funds		36,699		30,587	Nonmajor Governmental Funds
Landfill - Enterprise Fund		1,503		63	Landfill - Enterprise Fund
Nonmajor Enterprise Funds		-		1,722	Nonmajor Enterprise Funds
Internal Service Funds		2,996		145	Internal Service Funds
Total General Fund Transfers In		57,654		59,810	Total General Fund Transfers Out
Transfer to Streets & Roads - Capital Projects Fund from:			Transfer from Streets & Roads - Capital Projects Fund to:		
General Fund		27,293		16,456	General Fund
Nonmajor Governmental Funds		342		-	Nonmajor Governmental Funds
Total Streets & Roads - Capital Projects Fund Transfers In		27,635		16,456	Total Streets & Roads - Capital Projects Fund Transfers Out
Transfer to Nonmajor Governmental Funds from:			Transfer from Nonmajor Governmental Funds to:		
General Fund		30,587		36,698	General Fund
Streets & Roads - Capital Projects Fund		-		342	Streets & Roads - Capital Projects Fund
Internal Service Funds		-		1,339	Internal Service Funds
Total Nonmajor Governmental Funds Transfers In		30,587		38,379	Total Nonmajor Governmental Fund Transfers Out
Transfers to Landfill Enterprise Fund from:			Transfers from Landfill Enterprise Fund to:		
General Fund		63		1,503	General Fund
Total Landfill Enterprise Fund Transfers In		63		1,503	Total Landfill Enterprise Fund Transfers Out
Transfers to Nonmajor Enterprise Fund from:			Transfers from Nonmajor Enterprise Fund to:		
General Fund		1,722		-	General Fund
Total Nonmajor Enterprise Funds Transfers In		1,722		-	Total Nonmajor Enterprise Funds
Transfers to Internal Service Funds from:			Transfers from Internal Service Funds to:		
General Fund		145		2,996	General Fund
Nonmajor Governmental Funds		1,338		-	Nonmajor Governmental Funds
Total Internal Service Funds Transfers In		1,483		2,996	Total Internal Service Funds Transfers Out
Total Primary Government Transfers In	\$	119,144	\$	119,144	Total Primary Government Transfers Out

(Amounts expressed in thousands)

NOTE (10) – 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, 2023, amounts reported as due from the primary government and due to the component units were \$17,938.

NOTE (11) - CAPITAL ASSETS

Illustration 11-1 summarizes the changes in capital assets of the governmental activities for the year ended June 30, 2023.

Illustration 11-1 Governmental Activities – Changes in Capital Assets					
	June 30, 2022 as previously reported	July 1, 2022 as restated*	Additions/ Transfers	Deletions/ Transfers	June 30, 2023
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 131,149	131,149	30,005	(1,368)	159,786
Construction in progress	48,212	42,688	59,699	(57,751)	44,636
Total capital assets not being depreciated	179,361	173,837	89,704	(59,119)	204,422
Capital assets being depreciated/amortized:					
Buildings and improvements to sites	378,337	378,337	42,189	(804)	419,722
Equipment	107,441	107,441	6,873	(7,022)	107,292
Vehicles	75,325	75,325	13,648	(1,767)	87,206
Infrastructure	257,546	257,546	1,411	-	258,957
Library collections	14,635	14,635	1,687	(1,317)	15,005
Other Intangibles	66,416	63,500	295	(2,853)	60,942
Intangible right-to-use assets:					
Land	13	13	-	(13)	-
Buildings	38,027	38,027	6,853	(529)	44,351
Software subscriptions	-	19,913	213	-	20,126
Total depreciable capital assets	937,740	954,737	73,169	(14,305)	1,013,601
Less accumulated depreciation/amortization for:					
Buildings and improvements to sites	(154,220)	(154,220)	(12,237)	98	(166,359)
Equipment	(84,053)	(84,053)	(10,380)	6,554	(87,879)
Vehicles	(51,171)	(51,171)	(6,890)	1,767	(56,294)
Infrastructure	(76,651)	(76,652)	(5,689)	-	(82,341)
Library collections	(12,285)	(12,285)	(1,142)	1,317	(12,110)
Other Intangibles	(50,041)	(49,464)	(2,296)	5,188	(46,572)
Intangible right-to-use assets:					
Land	(6)	(6)	(7)	13	-
Building	(7,775)	(7,775)	(8,400)	466	(15,709)
Software subscriptions	-	(583)	(3,599)	-	(4,182)
Total accumulated depreciation/amortization	(436,202)	(436,209)	(50,640)	15,403	(471,446)
Total depreciable capital assets, net	501,538	518,528	22,529	1,098	542,155
Capital assets, net	\$ 680,899	692,365	112,233	(58,021)	746,577
*Restatement of capital assets as of July 1, 2022 is a result of implementing GASB Statement No. 96, <i>Subscription-Based Information Technology Arrangements</i> , during fiscal year 2023. For additional information, see Note 1N and 7					

(Amounts expressed in thousands)

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

General government administration	\$	19,159
Judicial administration		1,016
Public safety		10,511
Public works		4,263
Health and welfare		369
Parks, recreational and cultural		5,828
Community development		6,289
Capital assets held by the internal service funds		3,205
Total	\$	<u>50,640</u>

Illustration 11-2 summarizes the changes in capital assets of the business-type activities for the year ended June 30, 2023.

Illustration 11-2 Business-type Activities – Changes in Capital Assets				
	June 30, 2022	Additions/ Transfers	Deletions/ Transfers	June 30, 2023
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 31,554	-	-	31,554
Construction in progress	6,318	-	(5,311)	1,007
Total capital assets not being depreciated	37,872	-	(5,311)	32,561
Capital assets being depreciated:				
Buildings and improvements to sites	73,270	4,953	-	78,223
Equipment	9,114	2,122	(530)	10,706
Vehicles	3,327	497	(575)	3,249
Infrastructure	1,566	-	-	1,566
Total depreciable capital assets	87,277	7,572	(1,105)	93,744
Less accumulated depreciation for:				
Buildings and improvements to sites	(64,614)	(1,194)	-	(65,808)
Equipment	(5,307)	(730)	358	(5,679)
Vehicles	(2,376)	(211)	575	(2,012)
Infrastructure	(429)	(78)	-	(507)
Total accumulated depreciation	(72,726)	(2,213)	933	(74,006)
Total depreciable capital assets, net	14,551	5,359	(172)	19,738
Capital assets, net	\$ 52,423	5,359	(5,483)	52,299

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

Landfill	\$	2,061
Parks, recreational and cultural		152
Total	\$	<u>2,213</u>

(Amounts expressed in thousands)

Illustration 11-3 summarizes the changes in capital assets of the Adult Detention Center component unit activities for the year ended June 30, 2023.

Illustration 11-3 Adult Detention Center Component Unit – Changes in Capital Assets				
	June 30, 2022	Additions / Transfers	Deletions / Transfers	June 30, 2023
Adult Detention Center:				
Capital assets not being depreciated:				
Land	\$ 31	-	-	31
Construction in progress	-	170	(170)	-
Total capital assets not being depreciated	31	170	(170)	31
Capital assets being depreciated:				
Buildings and improvements to sites	130,645	896	-	131,541
Equipment	3,357	12	-	3,369
Vehicles	816	-	-	816
Total depreciable capital assets	134,818	908	-	135,726
Less accumulated depreciation for:				
Buildings and improvements to sites	(33,523)	(3,347)	(38)	(36,908)
Equipment	(1,619)	(547)	-	(2,166)
Vehicles	(667)	(66)	-	(733)
Total accumulated depreciation	(35,809)	(3,960)	(38)	(39,807)
Total depreciable capital assets, net	99,009	(3,052)	(38)	95,919
Capital assets, net	\$ 99,040	(2,882)	(208)	95,950

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

Public safety	\$ 3,960
Total	\$ 3,960

Illustration 11-4 summarizes the construction in progress of governmental activities.

Illustration 11-4 Construction in Progress June 30, 2023			
	Amount Authorized	Expended to Date	Project Balance
PRIMARY GOVERNMENT			
Potomac Heritage National Scenic Trail - Featherstone Segment	\$ 873	674	199
Potomac Heritage National Scenic Trail - Heritage Harbor	100	6	94
Broad Run Trail	780	699	81
Lake Ridge Trail	1,812	1,292	520
Neabsco Trail	637	336	301
Neabsco Commuter Garage/Potomac Town Center Commuter Lot	53,074	10,439	42,635
Rollins Ford Park - Phase II	10,086	8,540	1,546
Courthouse Security System	3,309	3,028	281
Animal Service Center Expansion	1,278	6	1,272
Human Capital Management System Replacement	8,208	285	7,923
Dove's Landing Park Improvements	2,481	17	2,464

(Amounts expressed in thousands)

Illustration 11-4 (cont'd)
Construction in Progress
June 30, 2023

	Amount Authorized	Expended to Date	Project Balance
PRIMARY GOVERNMENT (cont'd)			
Potomac Heritage National Scenic Trail - Neabsco Creek Wetlands Boardwalk	1,204	621	583
Potomac Heritage National Scenic Trail - Rippon Landing	505	366	139
Security at County Facilities	545	535	10
Covered Storage - Parks	450	81	369
Orchard Bridge Park Field Improvements	51	28	23
Lake Ridge Marina - Dock Replacement	625	28	597
Howison Park Improvements	397	296	101
Cloverdale Park Improvements	352	347	5
Long Park Improvements	350	206	144
Marumsco Acres Park ADA Access	225	8	217
Automated Flood Warning Systems	60	2	58
Trails, Open Space and Access	1,350	19	1,331
Howison Park Improvements	6,013	41	5,972
Hellwig Park Artificial Turf	263	189	74
Catharpin Baseball ADA Sidewalk Improvements	160	15	145
Cloverdale ADA Site Improvements (Phase I)	850	706	144
Forest Greens Disc Golf	117	106	11
Juvenile Services Center	3,000	180	2,820
Homeless Navigation Center-East	2,000	333	1,667
Fire & Rescue Station 27	1,400	219	1,181
Public Safety Training Center	3,000	180	2,820
Park Entry Sign Refreshes	1,000	16	984
Broad Run Greenway Improvements	550	13	537
Prince William Golf Course Bunker Replacement	500	9	491
Prince William Golf Course Cart Path Paving	250	218	32
Braemar Park Improvements	575	8	567
Pat White Elevator	978	171	807
Ellis Baron Park	450	18	432
Catharpin Park Parking Lot Paving	750	363	387
Birchdale Park Playground/Shelter Replacement	500	6	494
Cloverdale Comfort Station Improvements	500	4	496
Ali Krieger Site Improvements	250	10	240
Forest Greens Golf Course Cart Replacement	450	2	448
Anne Moncure Wall Park Improvements	350	60	290
Brittany Park Improvements	150	98	52
Forest Greens Irrigation Pump Replacement	150	146	4
Locust Shade Maintenance Building	1,700	433	1,267
Veterans Park Improvements Phase II	600	177	423
Marumsco Acre Lake Upgrades Phase II	547	642	(95)
Emergency Operations Center	5,000	467	4,533
Crisis Receiving and Stabilization Center	27,373	1,396	25,977
Chinn Aquatic Fitness Center Sauna Renovation	374	355	19
Judicial Center Renovation	21,703	772	20,931
Judicial Center Building Management System Replacement	137	128	9
Mike Pennington Scenario Based Training Center	2,204	112	2,092
Broadcast Production System	1,250	10	1,240
Edward Byrne Memorial Justice Assistance Grant (JAG)	111	111	-
Fire & Rescue Vehicles	7,101	7,101	-
Other Improvements and Equipment	2,706	1,619	1,087
IT Equipment	287	287	-
	\$ 185,351	44,636	140,715

(Amounts expressed in thousands)

Construction in progress for business-type activities as of June 30, 2023, is \$1,006. 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 \$5,312 deletion of the construction in progress as of June 30, 2023, recorded in the Public Works (Landfill) enterprise fund includes capitalization of Landfill Liner Phase III, Cell A.

Illustration 11-5 summarizes the changes in capital assets of the School Board component unit activities for the year ended June 30, 2023.

Illustration 11-5 School Board Component Unit – Changes in Capital Assets				
	June 30, 2022	Additions / Transfers	Deletions / Transfers	June 30, 2023
School Board:				
Capital assets not being depreciated:				
Land	\$ 110,879	9,848	-	120,727
Construction in progress	90,436	93,798	(125,099)	59,135
Total capital assets not being depreciated	201,315	103,646	(125,099)	179,862
Capital assets being depreciated/amortized:				
Buildings and improvements to sites	2,135,187	93,212	-	2,228,399
Equipment	55,128	1,493	(415)	56,206
Vehicles	116,712	7,369	(4,769)	119,312
Library collections	3,890	1,172	(758)	4,304
Intangibles - software	5,840	-	-	5,840
Intangible - right to use assets	-	31,886	-	31,886
Total depreciable capital assets	2,316,757	135,132	(5,942)	2,445,947
Less accumulated depreciation/amortization for:				
Buildings and improvements to sites	(601,835)	(41,372)	-	(643,207)
Equipment	(42,868)	(2,159)	296	(44,731)
Vehicles	(59,400)	(8,171)	4,467	(63,104)
Library collections	(2,007)	(862)	758	(2,111)
Intangibles - software	(4,955)	(332)	-	(5,287)
Intangibles - right to use assets	-	(3,736)	-	(3,736)
Total accumulated depreciation/amortization	(711,065)	(56,632)	5,521	(762,176)
Total depreciable capital assets, net	1,605,692	78,500	(421)	1,683,771
Capital assets, net	\$ 1,807,007	182,146	(125,520)	1,863,633

(Amounts expressed in thousands)

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

Instruction:		
Regular	\$	40,711
Special		1,066
Other		4
Support Services:		
General administration		1,017
Student services		9
Curricular/staff development		12
Pupil transportation		8,429
Maintenance		369
Central business services		4,737
Food and nutrition services		94
Business-Type Activities:		
Aquatics Center		184
Total	\$	<u>56,632</u>

NOTE (12) - DEBT, LONG-TERM LIABILITIES, & DEFERRED OUTFLOWS OF RESOURCES

The following debt was issued during fiscal year 2023:

On October 11, 2022, the Board of County Supervisors approved Resolution No. 22-476 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 \$185,695 to finance various capital Schools improvement projects. On November 10, 2022, the County sold the VPSA Special Obligation School Financing Bonds Series VPSA 2022 in the amount of \$42,400 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, 2023, including interest payments, are shown in Illustration 12-1.

Illustration 12-1			
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:			
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	11,150	2,437	13,587
2029 thru 2033	45,234	7,197	52,431
2034 thru 2038	25,427	1,776	27,203
2039 thru 2043	6,702	208	6,910
Subtotal	146,787	26,940	173,727
Designated for School Board Projects			
Fiscal Year Ending June 30:			
2024	74,796	30,942	105,738
2025	70,910	27,464	98,374
2026	68,520	24,197	92,717
2027	65,450	21,142	86,592
2028	61,815	17,768	79,583
2029 thru 2033	265,066	53,808	318,874
2034 thru 2038	173,598	18,502	192,100
2039 thru 2043	49,243	2,538	51,781
Subtotal	829,398	196,361	1,025,759
Total	\$ 976,185	223,301	1,199,486

The annual debt service requirements of all bonds outstanding in business-type activities as of June 30, 2023, including interest payments, are shown in Illustration 12-2.

Illustration 12-2			
Business-type Activities – Debt Service Requirements – Revenue Bonds			
Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 700	126	826
2025	725	90	815
2026	765	53	818
2027	670	17	687
Subtotal	2,860	286	3,146
Add: unamortized premium on issuance of revenue bonds	387		
Total	\$ 3,247		

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

Illustration 12-3 presents a summary of minimum capital debt obligations.

Illustration 12-3 Capital Debt Obligations				
Fiscal Year Ending June 30,		Principal	Interest	Total
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		2,395	237	2,632
2029 thru 2031		4,250	153	4,403
Total	\$	34,475	4,014	38,489

Changes in Long-Term Liabilities:

Changes in long-term liabilities of governmental activities for the year ended June 30, 2023, are shown in Illustration 12-4.

Illustration 12-4 Governmental Activities – Changes in Long-Term Liabilities June 30, 2023							
	June 30, 2022 as previously reported	July 1, 2022 as restated*	Additions	Reductions	June 30, 2023	Due in More Than One Year	Due Within One Year
General obligation bonds:							
Designated for Roads, Parks and Other							
General County projects	\$ 163,505	163,505	-	(16,718)	146,787	130,003	16,784
Designated for School Board projects	862,595	862,595	42,400	(75,597)	829,398	754,602	74,796
Subtotal general obligation bonds	1,026,100	1,026,100	42,400	(92,315)	976,185	884,605	91,580
Unamortized premium on issuance of general obligation bonds	100,091	100,091	2,409	(10,149)	92,351	82,308	10,043
General obligation bonds, net	1,126,191	1,126,191	44,809	(102,464)	1,068,536	966,913	101,623
Capital debt obligations	44,735	44,735	-	(10,260)	34,475	26,010	8,465
Unamortized premium on issuance of capital debt obligations	5,875	5,875	-	(1,311)	4,564	3,417	1,147
Capital debt obligations, net	50,610	50,610	-	(11,571)	39,039	29,427	9,612
Surplus distribution payable	1,655	1,655	-	-	1,655	1,430	225
Lease liabilities (Note 6)	30,732	30,732	6,227	(7,585)	29,374	22,087	7,287
Subscription liabilities (Note 7)*	-	11,474	213	(2,649)	9,038	6,682	2,356
Net pension liabilities (Note 15)	101,978	101,978	396,404	(335,666)	162,716	162,716	-
Net OPEB liabilities (Note 16)	46,642	46,642	4,335	(3,952)	47,025	47,025	-
Unpaid losses and related liabilities (Note 17)	24,032	24,032	65,450	(60,319)	29,163	22,127	7,036
Compensated absences	45,169	45,169	27,926	(20,905)	52,190	48,593	3,597
Total	\$ 1,427,009	1,438,483	545,364	(545,111)	1,438,736	1,307,000	131,736
* Restatement of capital assets and subscription liabilities as of July 1, 2022 is a result of implementing GASB Statement No. 96, Software-Based Information Technology Agreements during fiscal year 2023. For additional information see Notes 1N and 7.							

Long-term liabilities of governmental activities are generally liquidated by the General Fund. 3.39% of compensated absences were paid for using internal service funds during fiscal year 2023.

Changes in long-term liabilities of business-type activities for the year ended June 30, 2023, are shown in illustration 12-5.

Illustration 12-5 Business-Type Activities – Changes in Long-Term Liabilities June 30, 2023							
	Beginning Balance	Additions	Reductions	Ending Balance	Due in More Than One Year	Due Within One Year	
Revenue bonds	\$ 3,525	-	(665)	2,860	2,160	700	
Unamortized premium on issuance of revenue bonds	483	-	(96)	387	290	97	
Revenue bonds, net	4,008	-	(761)	3,247	2,450	797	
Accrued closure liabilities (Note 14)	21,017	6,427	-	27,444	27,444	-	
Net pension liabilities (Note 15)	1,221	1,861	(1,343)	1,739	1,739	-	
Net OPEB liabilities (Note 16)	720	117	(207)	630	630	-	
Compensated absences	459	1,014	(1,062)	411	382	29	
Total	\$ 27,425	9,419	(3,373)	33,471	32,645	826	

Changes in deferred outflows of resources of governmental activities for the year ended June 30, 2023, are shown in Illustration 12-6.

Illustration 12-6 Governmental Activities – Changes in Deferred Outflows of Resources June 30, 2023				
	Beginning Balance	Additions	Reductions	Ending Balance
Loss on refundings	\$ 24,981	-	(2,978)	22,003
Related to pensions (Note 15)	123,169	104,530	(123,169)	104,530
Related to OPEB (Note 16)	19,754	16,224	(19,754)	16,224
Total	\$ 167,904	120,754	(145,901)	142,757

Changes in deferred outflows of resources of business-type activities for the year ended June 30, 2023, are shown in Illustration 12-7.

Illustration 12-7 Business-Type Activities – Changes in Deferred Outflows of Resources June 30, 2023				
	Beginning Balance	Additions	Reductions	Ending Balance
Unamortized loss on refunding	\$ 6	-	(1)	5
Related to pensions (Note 15)	1,571	1,106	(1,571)	1,106
Related to OPEB (Note 16)	239	174	(240)	173
Total	\$ 1,816	1,280	(1,812)	1,284

(Amounts expressed in thousands)

Changes in long-term liabilities of the component units for the year ended June 30, 2023, are shown in illustration 12-8.

Illustration 12-8
Component Units – Changes in Long-Term Liabilities
June 30, 2023

	Beginning Balance	Additions	Reductions	Ending Balance	Due in More Than One Year	Due Within One Year
School Board:						
Pollution remediation	\$ 893	1,312	(1,559)	646	-	646
Subscription liabilities	-	31,886	(4,234)	27,652	22,900	4,752
Claims liabilities	15,150	114,032	(112,656)	16,526	5,575	10,951
Net pension liabilities (Note 15)	520,382	567,853	(431,715)	656,520	656,520	-
Net OPEB liabilities (Note 16)	127,138	39,532	(40,786)	125,884	125,884	-
Compensated absences	41,229	10,765	(8,656)	43,338	34,746	8,592
Total School Board component unit	704,792	765,380	(599,606)	870,566	845,625	24,941
Adult Detention Center:						
Net pension liabilities (Note 15)	8,245	25,163	(20,902)	12,506	12,506	-
Net OPEB liabilities (Note 16)	4,194	541	(941)	3,794	3,794	-
Compensated absences	4,060	1,630	(1,198)	4,492	4,156	336
Total Adult Detention Center component unit	16,499	27,334	(23,041)	20,792	20,456	336
Total	\$ 721,291	792,714	(622,647)	891,358	866,081	25,277

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, 2023, \$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, 2023, the County has outstanding debt of \$829,398 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, 2023, the County has outstanding debt of \$21,806 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 (13) - FUND BALANCES / NET POSITION

Illustration 13-1 details the fund balances of the County's Governmental funds and Adult Detention Center (ADC) component unit on June 30, 2023.

Illustration 13-1 Fund Balances June 30, 2023					
	Governmental Funds				
	Capital Projects Fund				
	General Fund	Streets & Roads	Nonmajor Governmental Funds	Total Governmental Funds	ADC Component Unit
Nonspendable Fund Balance:					
Inventory	\$ 269	-	19	288	-
Advances and prepaids	-	-	4	4	-
Total Nonspendable Fund Balance	269	-	23	292	-
Restricted Fund Balance:					
Grants	10,713	-	-	10,713	-
General government administration	-	-	45,470	45,470	-
Public safety	-	-	38,456	38,456	-
Public works	-	-	9,247	9,247	-
Health and welfare	-	-	9,345	9,345	-
Parks	487	-	-	487	-
Community development	-	-	13,766	13,766	-
Total Restricted fund balance	11,200	-	116,284	127,484	-
Committed Fund Balance:					
Capital reserve	89,413	-	-	89,413	-
Revenue stabilization reserve	29,543	-	-	29,543	-
Economic development opportunity fund (EDOF)	4,586	-	-	4,586	-
General government administration	22,370	-	-	22,370	-
Judicial administration	916	-	-	916	-
Public safety	-	-	-	-	-
Public works	19,971	42,296	-	62,267	-
Health and welfare	-	-	11,563	11,563	-
Education	20,242	-	-	20,242	-
Parks, recreational, and cultural	5,031	-	6,092	11,123	-
Community development	1,205	-	10,631	11,836	-
Mark to Market Adjustment	(70,135)	-	-	(70,135)	-
Total Committed Fund Balance	123,142	42,296	28,286	193,724	-
Assigned Fund Balance:					
General government administration	9,422	-	-	9,422	-
Judicial administration	583	-	-	583	-
Public safety	5,428	-	-	5,428	1,978
Public works	765	-	-	765	-
Health and welfare	7,460	-	-	7,460	-
Parks, recreational, and cultural	2,498	-	-	2,498	-
Community development	996	-	-	996	-
Total Assigned Fund Balance	27,152	-	-	27,152	1,978
Total Unassigned Fund Balance	110,788	-	(576)	110,212	19,250
Total Fund Balance	\$ 272,551	42,296	144,017	458,864	21,228

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

(Amounts expressed in thousands)

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.

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 13-2 details the encumbrances of the County's Governmental funds and Adult Detention Center (ADC) component unit on June 30, 2023.

Illustration 13-2 Encumbrances June 30, 2023					
Governmental Funds					
		Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds	ADC Component Unit
		Streets & Roads			
	General Fund				
Encumbrances	\$ 27,152	93,449	43,742	164,343	1,990

NOTE (14) – LANDFILL / CLOSURE AND POST CLOSURE CARE COST

In fiscal year 2023, 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 \$27,444 reported as landfill closure and post closure care liability at June 30, 2023, represents the cumulative amount reported to date based on the use of 100% of the Phase I landfill, and 52.2% 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 69.0%.

The total maximum exposure liability for closure and post closure care for Phases II and III of the landfill is estimated at \$54,257 at June 30, 2023. The County has paid \$3,525 of closure costs as of June 30, 2023. The County will recognize the remaining total estimated cost of closure and post closure care for the southern portion of the landfill of \$23,288 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 2023. 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 during 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 (15) - 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 or SPP)
- Prince William County Volunteer Fire and Rescue Personnel Length of Service Award Program (LoSAP)

The aggregate amount of net pension liability, related deferred outflows of resources, deferred inflows of resources, and pension expense for the County's pension plans as of June 30, 2023, with measurement date of June 30, 2022, are summarized in Illustration 15- 1 below.

Illustration 15-1 Prince William County Defined Benefit Pension Plans Net Pension Liability and Related Amounts June 30, 2023				
MEASUREMENT DATE 6/30/22	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Virginia Retirement System	\$ 166,581	106,007	72,757	42,048
Supplemental Pension Plan	1,670	6,809	1,910	4,859
Length of Service Award Program	8,710	1,584	13	786
Total Pension	\$ 176,961	114,400	74,680	47,693
Primary Government:				
Governmental Activities	\$ 157,013	100,900	65,803	42,032
Intra-County Services	5,433	3,458	2,372	1,530
Health Insurance	270	172	118	76
Total Governmental Activities	162,716	104,530	68,293	43,638
Parks	101	64	44	28
Landfill	1,638	1,042	715	461
Total Proprietary Funds	1,739	1,106	759	489
Total Primary Government (A)	164,455	105,636	69,052	44,127
Component Unit:				
Adult Detention Center (B)	12,506	8,764	5,628	3,566
Total Pension - County Funded (A+B)	\$ 176,961 *	114,400	74,680	47,693
School District's Pensions Plans (C)**	\$ 656,520	208,410	141,611	44,206
Total Component Units (B+C)	669,026	217,174	147,239	47,772
Total Reporting Entity (A+B+C)	\$ 833,481 *	322,810	216,291	91,899
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 Illustration 15-25 for further information on Schools pension plans.				

(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 15-2.

Illustration 15-2 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.	<p>The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <p>The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</p> <p>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.</p> <p>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.</p>

Illustration 15-2 (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		
<p><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.</p> <p><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.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>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.</p>	<p><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.</p> <p><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.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>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.</p>	<p><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.</p> <p><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.</p> <p>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.</p>
Retirement Contributions		
<p>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.</p>	<p>Same as Plan 1.</p>	<p>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.</p> <p>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.</p>

Illustration 15-2 (cont'd)
Prince William County - Virginia Retirement System (VRS) Pension Plan VRS Retirement Plan Provisions

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
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.	<p>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.</p> <p>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.</p>
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.	Same as Plan 1.	<p>Defined Benefit Component: 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.</p> <p>Defined Contributions Component: 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.</p>
Members are always 100% vested in the contributions that they make.		Members are always 100% vested in the contributions that they make.

Illustration 15-2 (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 (cont'd)		
		<p><i>Defined Benefit Component (cont'd):</i> 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.</p> <p>After two years, a member is 50% vested and may withdraw 50% of County and Schools contributions.</p> <p>After three years, a member is 75% vested and may withdraw 75% of County and Schools contributions.</p> <p>After four or more years, a member is 100% vested and may withdraw 100% of County and Schools contributions.</p> <p>Distributions not required, except as governed by law.</p>
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.	<p><i>Defined Benefit Component:</i> See definition under Plan 1.</p> <p><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.</p>
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		
VRS: 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%.	VRS: 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.	<p><i>Defined Benefit Component:</i> VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>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.</p>

Illustration 15-2 (cont'd)
Prince William County - Virginia Retirement System (VRS) Pension Plan VRS Retirement Plan Provisions

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
Service Retirement Multiplier (cont'd)		
<p><i>Sheriffs and regional jail superintendents:</i> The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p><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</p>	<p><i>Sheriffs and regional jail superintendents:</i> Same as Plan 1.</p> <p><i>County hazardous duty employees:</i> Same as Plan 1.</p>	<p><i>Sheriffs and regional jail superintendents:</i> Not applicable.</p> <p><i>County hazardous duty employees:</i> Not applicable.</p> <p><i>Defined Contribution Component:</i> Not applicable.</p>
Normal Retirement Age		
<p><i>VRS:</i> Age 65.</p> <p><i>County hazardous duty employees:</i> Age 60.</p>	<p><i>VRS:</i> Normal Social Security retirement age.</p> <p><i>County hazardous duty employees:</i> Same as Plan 1.</p>	<p><i>Defined Benefit Component: VRS:</i> Same as Plan 2.</p> <p><i>County hazardous duty employees:</i> Not applicable.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
Earliest Unreduced Retirement Eligibility		
<p><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.</p> <p><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.</p>	<p><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.</p> <p><i>County hazardous duty employees:</i> Same as Plan 1.</p>	<p><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.</p> <p><i>County hazardous duty employees:</i> Not applicable.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
Earliest Reduced Retirement Eligibility		
<p><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.</p> <p><i>County hazardous duty employees:</i> Age 50 with at least five years of service credit.</p>	<p><i>VRS:</i> Age 60 with at least five years (60 months) of service credit.</p> <p><i>County hazardous duty employees:</i> Same as Plan 1.</p>	<p><i>Defined Benefit Component:</i> <i>VRS:</i> Age 60 with at least five years (60 months) of service credit.</p> <p><i>County hazardous duty employees:</i> Not applicable.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

(Amounts expressed in thousands)

Illustration 15-2 (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		
<p>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%.</p> <p><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.</p> <p>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.</p> <p><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.</p> <p>The member retires on disability.</p> <p>The member retires directly from short- term or long-term disability.</p> <p>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.</p> <p>The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit.</p> <p>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.</p>	<p>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%.</p> <p><i>Eligibility:</i> Same as Plan 1.</p> <p><i>Exceptions to COLA Effective Dates:</i> Same as Plan 1.</p>	<p><i>Defined Benefit Component:</i> Same as Plan 2.</p> <p>Defined Contribution Component: Not applicable.</p> <p><i>Eligibility:</i> Same as Plan 1 and Plan 2.</p> <p><i>Exceptions to COLA Effective Dates:</i> Same as Plan 1 and Plan 2.</p>

Illustration 15-2 (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.	<p>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.</p> <p>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.</p>
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.	<p><i>Defined Benefit Component:</i> Same as Plan 1, with the following exception: Hybrid Retirement Plan members are ineligible for ported service.</p> <p><i>Defined Contribution Component:</i> Not applicable.</p>

Employees Covered by Benefit Terms. As of June 30, 2022, actuarial valuation, the following County employees were covered by benefit terms of the pension plan in Illustration 15-3.

Illustration 15-3
Prince William County - Virginia Retirement System (VRS) Pension Plan
Plan Membership as of the Valuation Date of June 30, 2022

Inactive plan members or their beneficiaries currently receiving benefits	2,699
Inactive members:	
Vested inactive members	873
Non-vested inactive members	1,608
Inactive members active elsewhere in VRS	747
Total inactive members	3,228
Active employees	4,335
Total covered members	10,262

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, 2023, was 15.74% of the covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$52,826 and \$45,866 for the years ended June 30, 2023, and June 30, 2022, 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, 2022. The total pension liability used to calculate the NPL 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, 2022.

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, 2021, using the Entry Age Normal actuarial cost method and the assumptions displayed in Illustration 15-4, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Illustration 15-4 Prince William County - Virginia Retirement System Pension Plan Actuarial Methods and Assumptions as of the Valuation Date of June 30, 2022	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent closed
Asset Valuation Method	5-year smoothed fair value
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation*
Inflation	2.50%
Payroll Growth Rate	3.50%-5.35%, includes inflation
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
Beneficiaries and Survivors	Pub-2010 Amount Weight Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

Illustration 15-4 (cont'd)
Prince William County - Virginia Retirement System Pension Plan
Actuarial Methods and Assumptions as of the Valuation Date of June 30, 2022

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
Beneficiaries and Survivors	Pub-2010 Amount Weight Safety Contingent Annuitant Rates projected generationally with a Modified MP-2020 Improvement Scale; 110% of rates for males and females set forward 2 years
Mortality Improvement	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

* 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, 2021, 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
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 15-5.

Illustration 15-5
Prince William County - Virginia Retirement System Pension Plans
Long-Term Expected Rate of Return
For the Year Ended June 30, 2023

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return *
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
	Inflation		2.50%
	Expected arithmetic nominal return **		7.83%

* The above allocation provides a one-year expected return of 7.83%. 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 6.72%, 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 System member contributions will be made per the VRS Statutes and the County's 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. For the fiscal year ended June 30, 2023, the rate contributed by the

County's VRS Retirement Plan will be subject to the portion of the VRS Board certified rates that are funded by the Virginia General Assembly. From July 1, 2022, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the VRS 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.

Changes in Net Pension Liability. Illustration 15-6 presents the changes in net position liabilities from June 30, 2021 to June 30, 2022, which is the measurement date for the fiscal year ended June 30, 2023.

Illustration 15-6 Prince William County - Virginia Retirement System Pension Plan Changes in Net Pension Liability			
	Total Pension Liability	Plan Fiduciary Net Position-Increase (Decrease)	Net Pension Liability
Balances on June 30, 2021 for FY 2022	\$ 1,626,093	1,524,195	101,898
Changes for the year:			
Service cost	44,387	-	44,387
Interest	110,266	-	110,266
Differences between expected and actual experience	(30,830)	-	(30,830)
Contributions - employer	-	45,826	(45,826)
Contributions - employee	-	16,005	(16,005)
Net investment income	-	(1,778)	1,778
Benefit payments, including refunds of employee contributions	(73,804)	(73,804)	-
Administrative expenses	-	(945)	945
Other changes	-	32	(32)
Net changes	50,019	(14,664)	64,683
Balances on June 30, 2022 for FY 2023	\$ 1,676,112	1,509,531	166,581

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. Illustration 15-7 presents the net pension liability of the County measured as of June 30, 2022, for the fiscal year ended as of June 30, 2023, 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 15-7 Prince William County - Virginia Retirement System Pension Plan Sensitivity of Net Pension Liability (Asset) to Changes in the Discount Rate June 30, 2023			
	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
County's Net Pension Liability	\$ 392,374	166,581	(18,537)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the fiscal year ended June 30, 2023, and measured as of June 30, 2022, the County recognized pension expense of \$42,048. On June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the sources displayed in Illustration 15-8.

Illustration 15-8 Prince William County - Virginia Retirement System Pension Plan Deferred Outflows and (Inflows) of Resources June 30, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,636	29,913
Change in actuarial assumptions	41,545	-
Net difference between projected and actual earnings on pension plan investments	-	42,844
Employer contributions subsequent to the measurement date	52,826	-
Total	\$ 106,007	72,757

\$52,826 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, 2024.

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 15-9.

Illustration 15-9 Prince William County - Virginia Retirement System Pension Plan Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal Year Ending June 30,		
2024	\$	1,296
2025		(9,726)
2026		(28,205)
2027		17,059
2028		-
Thereafter		-
Total	\$	(19,576)

Pension Plan Data. Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2022 Annual Comprehensive Financial Report (ACFR). A copy of the 2022 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

B. 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 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, 2021 actuarial valuation, is presented in Illustration 15-10.

Illustration 15-10 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, 2023, 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 \$2,163 and \$2,521 for the years ended June 30, 2023, and June 30, 2022, respectively.

Net Pension Liability. The County's net pension liability was measured as of June 30, 2022. 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, 2022. 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 15-11, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Illustration 15-11
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 that was measured as of June 30, 2022.

Long-Term Expected Rate of Return. 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, 2023, are summarized in Illustration 15-12. Also see the discussion of the pension plan's investment policy in Note 2.

Illustration 15-12
Prince William County - Supplemental Pension Plan
Long-Term Expected Rate of Return
For the Year Ended June 30, 2023

Asset Class	Target Allocation	Benchmark Index	Long Term Real Annualized Return*
Domestic Equity	40.0%	Russell 3000	8.7%
International Equity Developed	17.0%	Blended Developed	6.0%
International Equity Emerging	8.0%	MSCI Emerging Markets	8.1%
Real assets	10.0%	NCREIF NFI-ODCE	6.1%
Fixed Income US Investment Grade	25.0%	Bloomberg Int. Gov/Cred	1.2%
	<u>100.0%</u>		5.6%

*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, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.69%. 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 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.

Changes in Net Pension Liability. Illustration 15-13 presents the changes in net pension liability from June 30, 2021, to June 30, 2022, which is the measurement date for the fiscal year ended June 30, 2023.

Illustration 15-13 Prince William County - Supplemental Pension Plan Changes in Net Pension Liability (Asset)			
	Total Pension Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net Pension Liability (Asset)
Balances on June 30, 2021 for FY 2022	\$ 44,916	55,732	(10,816)
Changes for the year:			
Service cost	2,954	-	2,954
Interest	2,934	-	2,934
Differences between expected and actual experience	4,026	-	4,026
Contributions - employer	-	1,953	(1,953)
Contributions - employee	-	1,953	(1,953)
Net investment income	-	(6,278)	6,278
Benefit payments, including refunds of employee contributions	(2,895)	(2,895)	-
Administrative expenses	-	(200)	200
Net changes	7,019	(5,467)	12,486
Balances on June 30, 2022 for FY 2023	\$ 51,935	50,265	1,670

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. Illustration 15-14 presents the net pension liability of the County measures as of June 30, 2022, for the fiscal year ending June 30, 2023, using the discount rate of 6.75% for the measurement date as of June 30, 2022. Therefore, both discount rates are used in the sensitivity analysis to calculate the County's net pension liability one percentage point lower (5.75%) and one percentage point higher (7.75%) from the current discount rate (6.75%).

Illustration 15-14 Prince William County - Supplemental Pension Plan Sensitivity of Net Pension Liability to Changes in the Discount Rate			
Fiscal Year Ended:	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
June 30, 2023	\$ 3,913	(105)	(3,775)
June 30, 2022	\$ 5,588	1,670	(1,900)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the fiscal year ended June 30, 2023, and measured as of June 30, 2022, the County recognized pension expense of \$4,859. On June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 15-15.

Illustration 15-15 Prince William County - Supplemental Pension Plan Deferred Outflows and (Inflows) of Resources June 30, 2023		
MEASUREMENT DATE 6/30/22	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	1,910
Changes of assumptions	396	-
Net difference between projected and actual earnings on pension plan investments	4,250	-
Employer contributions subsequent to the measurement date	2,163	-
Total	\$ 6,809	1,910

The \$2,163 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, 2022, will be recognized as a reduction of the net pension liability for the fiscal year ended June 30, 2024. 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 15-16.

Illustration 15-16 Prince William County - Supplemental Pension Plan Amortization of Deferred Outflow and (Inflow) of Resources	
Fiscal Year Ending June 30,	
2023	\$ 637
2024	621
2025	215
2026	1,850
2027	(196)
Thereafter	(391)
Total	\$ 2,736

Fiduciary Net Position. The components of the net pension liability for the Supplemental Pension Plan as of June 30, 2023, are shown in Illustration 15-17.

Illustration 15-17 Prince William County - Supplemental Pension Plan Supplemental Pension Plan Net Pension Liability / (Asset)				
Fiscal Year as of:	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability / (Asset)	Net Position as % of Total Pension Liability
June 30, 2023	\$ 55,479	55,584	(105)	100.19%
June 30, 2022	\$ 51,935	50,264	1,670	96.78%

C. 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 \$10.00 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, \$10.00 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, 2022, actuarial valuation, is presented in Illustration 15-18.

Illustration 15-18 Prince William County - LoSAP Plan Plan Membership as of July 1, 2022	
Inactive plan members or their beneficiaries currently receiving benefits	291
Inactive members not currently receiving benefits:	
Vested inactive members	1,268
Total inactive members	1,268
Active participants	333
Total covered members	1,892

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 \$1,561 and \$1,529 for the years ended June 30, 2023, and June 30, 2022, respectively.

Net Pension Liability. The County's net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of July 1, 2022, using actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions. The total pension liability for employees in the LoSAP plan was based on an actuarial valuation as of July 1, 2022, using the Entry Age Normal actuarial cost method and the assumptions displayed in Illustration 15-19, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Illustration 15-19
Prince William County- LoSAP Plan
Actuarial Valuation Methods and Assumptions as of July 1, 2022

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, 2023.

Long-term Expected Rate of Return. On June 30, 2023, 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, 2023, 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, 2023, was 3.01%. 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 15-20 presents the changes in net pension liability from June 30, 2021 to June 30, 2022, which is the measurement date for the fiscal year ended June 30, 2023.

Illustration 15-20 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, 2021 for FY 2022	\$ 29,061	19,516	9,545
Changes for the year:			
Service cost	370	-	370
Interest	873	-	873
Differences between expected and actual experience	(173)	-	(173)
Changes of assumptions	53	-	53
Contributions - employer	-	1,524	(1,524)
Net investment income	-	582	(582)
Benefit payments, including refunds of employee contributions	(695)	(695)	-
Administrative expenses	-	(148)	148
Net changes	428	1,263	(835)
Balances on June 30, 2022 for FY 2023	\$ 29,489	20,779	8,710

Sensitivity of the Net pension Liability to Changes in the Discount Rate. Illustration 15-21 presents the net pension liability of the County measured as of Jun 30, 2023, for the fiscal year ended June 30, 2023, 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 15-21 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% Increase (4.00%)
June 30, 2023	\$ 14,038	7,941	3,256
June 30, 2022	\$ 14,844	8,710	4,015

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the fiscal year ended June 30, 2023, and measured as of June 30, 2023, the County recognized pension expense of \$786 and deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 15-22.

Illustration 15-22 Prince William County - LoSAP Plan Deferred Outflows and (Inflows) of Resources June 30, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19	-
Change in actuarial assumptions	4	13
Employer contributions subsequent to the measurement date	1,561	-
Total	\$ 1,584	13

\$1,561 was contributed to the LoSAP plan subsequent to the measurement date of June 30, 2023, 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, 2024. 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 15-23.

Illustration 15-23 Prince William County - LoSAP Plan Amortization of Deferred Outflow and (Inflow) of Resources		
Fiscal Year Ending June 30,		
2023	\$	(3)
2024		5
2025		5
2026		3
2027		-
Thereafter		-
Total	\$	<u>10</u>

Fiduciary Net Position. The components of the net pension liability for the LoSAP Pension Plan as of June 30, 2023, are shown in Illustration 15-24.

Illustration 15-24 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, 2023	\$	30,167	22,226	7,941	73.68%
June 30, 2022	\$	29,489	20,779	8,710	70.46%

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 Chief Financial Officer 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 2023, the County contributed \$1,717 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 15-25.

Illustration 15-25
Prince William County Schools - Virginia Retirement System Plans
Net Pension Liability and Related Amount
June 30, 2023

	Net Pension Asset	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Virginia Retirement System Plans				
VRS Pension Plans – For Non-Professional Group	3,665	8,615	7,595	41,993
VRS Pension Plans – For Professional Group	652,855	199,795	134,016	2,213
Total Schools' Pension Plans	\$ 656,520	208,410	141,611	44,206

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 15-2, with the exception of the following Provision which is different for school division employee.

Employees Covered by Benefit Terms. As of the June 30, 2021 actuarial valuations, the following employees of the non- professional group were covered by the benefit terms of the pension plan as displayed by Illustration 15-26.

Illustration 15-26
Schools' VRS Pension Plan – For Non-Professional Group
Plan Membership as of the Valuation Date of June 30, 2021

Inactive members or their beneficiaries currently receiving benefits	1,036
Inactive members:	
Vested inactive members	275
Non-vested inactive members	640
Inactive members active elsewhere in VRS	263
Total inactive members	1,178
Active members	1,746
Total covered employees	3,960

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, 2023, was 6.07% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 \$4,137 and \$3,752 for the years ended June 30, 2023, and June 30, 2022, respectively.

Professional group. Each professional group's contractually required contribution rate for the year ended June 30, 2023, was 16.62% 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, 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 \$119,545 and \$106,712 for the years ended June 30, 2023, 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, 2021, 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, 2022.

Inflation	2.5%
Salary increases, including inflation (non-professional)	3.5% - 5.35%
	Salary increases, including inflation (professional)
	3.5% - 5.95%
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.	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, 2021, 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
Discount Rate	No Change	No Change

(Amounts expressed in thousands)

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 15-27.

Illustration 15-27
Prince William County Schools - Virginia Retirement System Pension Plans
Long-Term Expected Rate of Return
For the Year Ended June 30, 2023

Asset Class (Strategy)	Target Allocation	**Arithmetic Long-Term Expected Rate of Return	*Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
Inflation			2.50%
Expected arithmetic nominal return **			7.83%

* The above allocation provides a one-year expected return of 7.83%. 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 6.72%, 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, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from June 30, 2021, actuarial valuations, whichever was greater. From July 1, 2022, 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, 2023, the professional group reported a liability of \$652,855 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2022, the professional group's proportion was 6.87% as compared to 6.76% on June 30, 2021.

The non-professional net pension liability was measured as of June 30, 2022, for the fiscal year ended June 30, 2023. The total pension liability used to calculate the net pension 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, 2022.

Changes in Net Pension Liability – Non-Professional Group. Illustration 15-28 presents the change in the net pension liability from June 30, 2021 to June 30, 2022, which is the measurement date for the fiscal year ended June 30, 2023.

Illustration 15-28 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, 2021 for FY 2022	\$ 249,016	262,283	(13,267)
Changes for the year:			
Service cost	4,842	-	4,842
Interest	16,709	-	16,709
Differences between expected and actual experience	1,070	-	1,070
Contributions – employer	-	3,263	(3,263)
Contributions - employee	-	2,827	(2,827)
Net investment income	-	(242)	242
Benefit payments, including refunds of employee contributions	(12,631)	(12,631)	-
Administrative expenses	-	(164)	164
Other changes	-	5	(5)
Net changes	9,990	(6,942)	16,932
Balances on June 30, 2022 for FY 2023	\$ 259,006	255,341	3,665

Sensitivity of the Net Pension Liability to Changes in the Discount Rate– Non-Professional Group. Illustration 15-29 presents the net pension liability of the non-professional group measured as of June 30, 2022, for the fiscal year ended June 30, 2023, using the discount rate of 6.75%, as well as the non-professional group's net pension 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.

Illustration 15-29 Schools' VRS Pension Plan – For Non-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' Non-Professional Group's Net Pension Liability / (Asset)	\$ 37,295	3,665	(23,777)

Illustration 15-30 presents the professional group's proportionate share of the net pension liability measured as of June 30, 2022, for the fiscal year ended June 30, 2023, 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 15-30
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	\$ 1,166,049	652,855	235,002

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions– Non-Professional Group. For the year ended June 30, 2023, the non-professional group recognized pension expense of \$2,213. On June 30, 2023, the non- professional group reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 15-31.

Illustration 15-31
Schools' VRS Pension Plan – For Non-Professional Group
Deferred Outflows and (Inflows) of Resources
June 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,594	87
Change in actuarial assumptions	2,884	-
Net difference between projected and actual earnings on pension plan investments	-	7,508
Employer contributions subsequent to the measurement date	4,137	-
Total	\$ 8,615	7,595

\$4,137 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, 2024. 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 15-32.

Illustration 15-32
Schools' VRS Pension Plan – For Non-Professional Group
Amortization of Deferred Outflows and (Inflows) of Resources

Fiscal Year Ending June 30,	
2024	\$ 108
2025	(1,769)
2026	(5,000)
2027	3,544
2028	-
Thereafter	-
Total	\$ (3,117)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions– Professional Group. For the year ended June 30, 2023, PWCS recognized pension expense of \$41,993 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, 2023, the professional group's reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 15-33.

Illustration 15-33 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	\$ -	45,017
Change in actuarial assumptions	61,551	
Net difference between projected and actual earnings on pension plan investments	-	85,119
Changes in proportion and differences between Employer Contributions and proportionate share of contributions	18,699	3,880
Employer contributions subsequent to the measurement date	119,545	-
Total	\$ 199,795	134,016

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, 2024. 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 15-34.

Illustration 15-34 Schools' VRS Pension Plans – For Professional Group Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal Year Ending June 30,		
2024	\$	(15,445)
2025		(23,625)
2026		(52,881)
2027		38,185
2028		-
Thereafter		-
Total	\$	(53,766)

Pension Plan Data. Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2022 ACFR. A copy of the 2022 VRS ACFR may be downloaded from the VRS website at varetire.org/pdf/publications/2022-annualreport.pdf, or by writing to the VRS's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE (16) – OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLANS AND (OPEB) MASTER TRUST FUND

1. 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 16-1 below.

Illustration 16-1 Prince William County's Other Post-Employment Benefit (OPEB) Plans Net OPEB Liability (Asset) and Related Amounts June 30, 2023				
	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
MEASUREMENT DATE 6/30/2022				
Virginia Retirement System Plans:				
VRS Group Life Insurance Program	\$ 18,063	7,804	4,166	969
VRS Retiree Health Insurance Credit	4,477	1,499	309	497
MEASUREMENT DATE 6/30/2023				
OPEB Master Trust Fund Plans:				
County Premium Plan	7,726	1,581	2,522	1,225
County RHICP	21,183	3,935	986	2,824
Total OPEB – County Funded	\$ 51,449	14,819	7,983	5,515
MEASUREMENT DATE 6/30/2023				
OPEB Master Trust Plan*:				
County LODA Plan	\$ (1,025)	3,224	5,207	1,634
Primary Government:				
Governmental Activities (F)	\$ (851)	2,675	4,321	1,356
Component units:				
Adult Detention Center (E)	(174)	549	886	278
Subtotal Governmental Activities from LODA Plan	\$ (1,025)	3,224	5,207	1,634
Primary Government:				
Governmental Activities	\$ 45,268	13,040	7,027	4,850
Intra-County Services	1,675	484	260	179
Health Insurance	82	25	13	9
Subtotal Governmental Activities (from all other OPEB Plans (A))	47,025	13,549	7,300	5,038
Total Government Activities A+F excluding net OPEB assets) = H	47,025	16,224	11,621	6,394

(Amounts expressed in thousands)

Illustration 16-1 (cont'd)
Prince William County's Other Post-Employment Benefit (OPEB) Plans
Net OPEB Liability (Asset) and Related Amounts
June 30, 2023

	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Primary Government-Business-Type				
Parks	\$ 39	11	6	4
Landfill	591	162	89	66
Total Proprietary Funds (B)	630	173	95	70
Total Primary Government (H+B)	47,655	16,397	11,716	6,464
Component units:				
Adult Detention Center (C)	3,794	1,092	588	407
Total OPEB - County Funded (H+B+C)	\$ 51,449	17,489	12,304	6,871
School Board's OPEB Plans **				
School Board Premium	\$ (8,969)	7,008	24,303	(4,508)
Other School Board Pension Plans	125,884	24,574	12,794	9,255
Total Component Units (D)	116,915	31,582	37,097	4,747
Total Component Unit*** (C+D+E excluding net OPEB Asset)	129,678	33,223	38,571	5,432
Total Reporting Entity (Sum A thru F, excluding net OPEB asset)	\$ 168,364	49,620	50,287	11,896
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 16-47 below.				
*** Total Component Unit's Net OPEB Assets is \$9,143				

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
<p>Eligible Employees</p> <p>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.</p>
<p>Benefit Amounts</p> <p>The benefits payable under the Group Life Insurance Program have several components.</p> <p><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.</p> <p><i>Accidental Death Benefit</i> – The accidental death benefit is double the natural death benefit.</p> <p><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:</p> <ul style="list-style-type: none">Accidental dismemberment benefitSafety belt benefitRepatriation benefitFelonious assault benefitAccelerated death benefit option
<p>Reduction in benefit Amounts</p> <p>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.</p>
<p>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</p> <p>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 \$8,984 as of June 30, 2023.</p>

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, 2023, 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 \$4,313 and \$4,746 for the years ended June 30, 2023, and June 30, 2022, 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, 2023, the County reported a liability of \$18,063 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2022 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, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022, the County's proportion was 1.50009% as compared to 1.54687% on June 30, 2021.

For the year ended June 30, 2023, the County recognized GLI OPEB expense of \$969. 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, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the sources displayed in Illustration 16-2.

Illustration 16-2 County's Virginia Retirement System – Group Life Insurance (GLI) Program Other Post-Employment Benefits (OPEB) Plan Deferred Outflows and (Inflows) of Resources June 30, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,430	725
Change in actuarial assumptions	674	1,759
Net difference between projected and actual earnings on OPEB plan investments	-	1,129
Changes in Proportionate Share	1,387	553
Employer contributions subsequent to the measurement date	4,313	-
Total	\$ 7,804	4,166

\$4,313 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 16-3.

Illustration 16-3
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,		
2024	\$	70
2025		4
2026		(712)
2027		206
2028		(243)
Total	\$	(675)

Actuarial Assumptions. The total GLI OPEB liabilities were based on actuarial valuations as of June 30, 2021, 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, 2022, as displayed in Illustration 16-4.

Illustration 16-4
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 Healthy Retiree Rates projected generally; 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.
Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

(Amounts expressed in thousands)

Illustration 16-4 (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.
Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

*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 generally accepted accounting principles (GAAP), less the associated fiduciary net position. As of the measurement date of June 30, 2022, net OPEB liability amounts for the GLI Program are displayed in Illustration 16-5.

Illustration 16-5 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, 2023		\$ 55,085	37,022	18,063	67.2%

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 GAAP 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 16-6.

Illustration 16-6 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, 2023			
Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
	Inflation		2.50%
	Expected arithmetic nominal return **		7.83%
<p>* The above allocation provides a one-year return of 7.83%. 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 6.72%, including expected inflation of 2.50%.</p> <p>**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%.</p>			

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, 2022, 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, 2022 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 16-7 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 16-7 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, 2023	\$ 26,283	18,063	11,419

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 2022 Annual Comprehensive Financial Report (ACFR). A copy of the 2022 VRS ACFR may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2022-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
<p>Eligible Employees</p> <p>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.</p> <p>Eligible employees are enrolled automatically upon employment. They include:</p> <p>Full-time permanent salaried employees of the County who are covered under the VRS pension plan are enrolled automatically upon employment.</p>
<p>Benefit Amounts</p> <p>The County's VRS Retiree Health Insurance Credit Program provides the following benefits for eligible employees:</p> <p><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.</p> <p><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.</p>
<p>County VRS Retiree Health Insurance Credit Program Notes:</p> <p>The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.</p> <p>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.</p> <p>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.</p>

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 16-8.

Illustration 16-8 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	1,124
Inactive members:	
Vested inactive members	60
Total inactive members	1,184
Active employees	3,941
Total covered members	5,125

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, 2023, 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 \$537 and \$523 for the years ended June 30, 2023 and June 30, 2022, respectively.

Net HIC OPEB Liability (NOL). The County's net VRS HIC OPEB liability was measured as of June 30, 2022. 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, 2022.

Actuarial Assumptions. The total VRS HIC OPEB liability was based on actuarial valuations as of June 30, 2021, 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, 2022 as displayed in Illustration 16-9.

Illustration 16-9 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, 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; 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.

(Amounts expressed in thousands)

Illustration 16-9 (cont'd)
County's Virginia Retirement System Retiree Health Insurance Credit (HIC) Program
Other Post-Employment Benefits (OPEB) Plan
Actuarial Methods and Assumptions

General Employees (cont'd):

Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

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.
Beneficiaries and Survivors	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years
Mortality Improvement Scale	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates

*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

(Amounts expressed in thousands)

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 and changed from rates based on age and service to rates based on service only to better fit experience and to be more consistent with Locals Top 10 Hazardous Duty
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 16-10.

Illustration 16-10 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, 2023			
Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average*
Public Equity	34.00%	5.71%	1.94%
Fixed Income	15.00%	2.04%	0.31%
Credit Strategies	14.00%	4.78%	0.67%
Real Assets	14.00%	4.47%	0.63%
Private Equity	14.00%	9.73%	1.36%
MAPS - Multi-Asset Public Strategies	6.00%	3.73%	0.22%
PIP - Private Investment Partnership	3.00%	6.55%	0.20%
Total	100.00%		5.33%
	Inflation		2.50%
**Expected arithmetic nominal return			7.83%
<p>* The above allocation provides a one-year return of 7.83%. 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 6.72%, including expected inflation of 2.50%.</p> <p>**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%.</p>			

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, 2022, 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, 2022, 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 16-11 presents the change in the net OPEB liability from June 30, 2021 to June 30, 2022, which is the measurement date for the fiscal year ended June 30, 2023.

Illustration 16-11 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, 2021 for FY 2022	\$ 8,661	4,759	3,902
Changes for the year:			
Service cost	233	-	233
Interest	579	-	579
Changes of assumptions	552	-	552
Differences between expected and actual experience	(176)	-	(176)
Contributions - employer	-	537	(537)
Net investment income	-	7	(7)
Benefit payments, including refund of employee contributions	(618)	(618)	-
Administrative expenses	-	(8)	8
Other costs	-	77	(77)
Net changes	570	(5)	575
Balances on June 30, 2022 for FY 2023	\$ 9,231	4,754	4,477

Sensitivity of the Net VRS HIC OPEB Liability to Changes in the Discount Rate. Illustration 16-12 presents the County VRS HIC's net OPEB liability measured as of June 30, 2022, for the fiscal year ended June 30, 2023, 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 16-12 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, 2023	\$ 5,496	4,477	3,613

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, 2023, the County recognized VRS HIC OPEB expense of \$497. On June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to the County VRS HIC OPEB Plan as displayed in Illustration 16-13.

Illustration 16-13 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, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 199	154
Change in actuarial assumptions	716	34
Net difference between projected and actual earnings on OPEB plan investments	-	121
Employer contributions subsequent to the measurement date	584	-
Total	\$ 1,499	309

\$584 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, 2024. 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 16-14.

Illustration 16-14 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,		
2024	\$	76
2025		76
2026		53
2027		185
2028		85
Thereafter		131
Total	\$	606

VRS HIC Fiduciary Net Position. Information about the VRS Retiree Health Insurance Credit's Fiduciary Net Position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (ACFR), which can be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2022-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 16-15 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 16-15 Prince William County – OPEB Master Trust Fund Statement of Fiduciary Net Positions June 30, 2023					
	County Premium Plan	County RHICP	LODA Plan	School Board Premium Plan	Total OPEB Master Trust
Assets:					
Restricted investments	\$ 23,556	24,672	23,946	52,465	124,639
Total assets	23,556	24,672	23,946	52,465	124,639
Liabilities:					
Accounts payable	1,433	2,250	1,041	8	4,732
Total liabilities	1,433	2,250	1,041	8	4,732
Net position:					
Net position restricted for OPEB	22,123	22,422	22,905	52,457	119,907
Total net position	\$ 22,123	22,422	22,905	52,457	119,907

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

Illustration 16-16 Prince William County – OPEB Master Trust Fund Statement of Changes in Fiduciary Net Position For the year ended June 30, 2023					
	County Premium Plan	County RHICP	LODA Plan	School Board Premium Plan	Total OPEB Master Trust
Additions:					
Employer contributions	\$ 1,513	2,366	1,896	10	5,785
Total contributions	1,513	2,366	1,896	10	5,785
Investment income:					
Total investment income	1,857	1,636	2,092	4,190	9,775
Less: investment expense	(40)	(35)	(44)	(90)	(209)
Net investment income	1,817	1,601	2,048	4,100	9,566
Total additions	3,330	3,967	3,944	4,110	15,351
Deductions:					
Benefit payments	1,429	2,247	993	-	4,669
Total deductions	1,429	2,247	993	-	4,669
Change in net position:	1,901	1,720	2,951	4,110	10,682
Net position, beginning of year	20,222	20,702	19,954	48,347	109,225
Net position, end of year	\$ 22,123	22,422	22,905	52,457	119,907

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 16-17.

Illustration 16-17 Prince William County – OPEB Master Trust Fund Long-Term Expected Rate of Return For the Year Ended June 30, 2023			
Asset Class	Target Allocation	Capital Market Assumptions	Expected Long-term Rate of Return
OPEB Master Trust Fund Investments:			
Domestic Equity	40.0%	7.7%	5.2%
International Developed Equity	15.0%	7.5%	5.0%
International Emerging Markets Equity	5.0%	7.5%	5.0%
Core Bonds	20.0%	4.0%	1.5%
Investment Grade Corporate Debt	10.0%	5.0%	2.5%
Emerging Markets Debt	5.0%	5.2%	2.7%
High Yield	5.0%	5.7%	3.2%
	100.0%		
		Inflation	2.5%
		Long-Term Expected Rate of Return	6.5%

(Amounts expressed in thousands)

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 8.55%. 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 16-18 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 16-18 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 \$1,513 to the OPEB Master Trust's County Premium Plan for the year ended June 30, 2023. 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, 2023. 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, 2023.

The components of the net position liability for the County Premium Plan of the OPEB Master Trust Fund as of June 30, 2023 are shown in Illustration 16-19.

Illustration 16-19 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, 2023	\$	29,850	22,124	7,726	74.12%

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 16-20, applied to all periods included in the measurement year and rolled forward to the measurement date of June 30, 2022.

Illustration 16-20
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	Fair Value of Assets
Investment Rate of Return	6.75%, net of expenses
Inflation	2.50%
Payroll Growth	3.00%
Healthcare Cost Trend Rates	5.8% 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, 2023 are as follows:

Disability Rate for Sworn Officers	Increased from 60% to 70%
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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 16-21 presents the changes in net OPEB liability from June 30, 2023 to June 30, 2023.

Illustration 16-21
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, 2022	\$ 27,990	20,222	7,768
Changes for the year:			
Service cost	1,468	-	1,468
Interest	1,840	-	1,840
Differences between expected and actual experience	(19)	-	(19)
Contributions - employer	-	1,513	(1,513)
Net investment income	-	1,818	(1,818)
Benefit payments, including refund of employee contributions	(1,429)	(1,429)	-
Net changes	1,860	1,902	(42)
Balances on June 30, 2023	\$ 29,850	22,124	7,726

(Amounts expressed in thousands)

Sensitivity of the Net County Premium Plan OPEB Liability to Changes in the Discount Rate. Illustration 16-22 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 16-22				
Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)				
Sensitivity of Net OPEB Liability to Changes in the Discount Rate				
June 30, 2023				
		1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
County's Net OPEB liability	\$	10,489	7,726	5,251

Sensitivity of the Net County Premium Plan OPEB Liability to Changes in the Healthcare Cost Trend Rate. Illustration 16-23 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 16-23				
Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)				
Sensitivity of Net OPEB Liability to Changes in the Medical Trend Rate				
June 30, 2023				
		1.00% Decrease (2.94%)	Medical Trend (3.94%)	1.00% Increase (4.94%)
County's Net OPEB Liability	\$	4,207	7,726	11,902

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the County Premium Plan. For the year ended June 30, 2023, the County Premium Plan recognized OPEB expense of \$1,225. On June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources presented in Illustration 16-24.

Illustration 16-24 Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan) Deferred Outflows and (Inflows) of Resources June 30, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 749	1,359
Change in actuarial assumptions	-	1,163
Net difference between projected and actual earnings on OPEB plan investments	832	-
Total	\$ 1,581	2,522

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 16-25.

Illustration 16-25 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,		
2024	\$	(726)
2025		(695)
2026		805
2027		(200)
2028		(48)
Thereafter		(77)
Total	\$	<u>(941)</u>

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 \$5.50 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 \$5.50 times years of service for a maximum health insurance credit rate of \$165.00 from the County.

Employees Covered by Benefit Terms. Illustration 16-26 summarizes the membership in the County RHICP as of January 1, 2022, the latest actuarial valuations for the County.

Illustration 16-26 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 \$2,366 to the County RHICP for the year ended June 30, 2023. The contribution amounts were determined using the actuarial valuations performed as of January 1, 2022, and rolled forward to June 30, 2023. 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, 2023. 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, 2023. The components of the net OPEB liability for the OPEB Master Trust's County RHICP are shown in Illustration 16-27.

Illustration 16-27
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, 2023	\$	43,605	22,422	21,183	51.42%

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 16-28, applied to all periods included in the measurement year and rolled forward to the measurement date of June 30, 2023.

Illustration 16-28
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	15 years, closed
Asset Valuation Method	Fair 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, 2023 are as follows:

Payroll Growth Rate	Decreased from 3.5% to 3.0%
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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 16-29 presents the changes in net pension liability from June 30, 2022 to June 30, 2023.

Illustration 16-29 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, 2022	\$ 42,578	20,702	21,876
Changes for the year:			
Service cost	902	-	902
Interest	2,784	-	2,784
Differences between expected and actual experience	(412)	-	(412)
Contributions - employer	-	2,366	(2,366)
Net investment income	-	1,601	(1,601)
Benefit payments, including refund of employee contributions	(2,247)	(2,247)	-
Net changes	1,027	1,720	(693)
Balances on June 30, 2023	\$ 43,605	22,422	21,183

Sensitivity of the Net County RHICP OPEB Liability to Changes in the Discount Rate. Illustration 16-30 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 16-30 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 June 30, 2023			
	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
County's Net OPEB Liability	\$ 26,118	21,183	17,022

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, 2023, the County recognized OPEB expense of \$2,824. On June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources displayed in Illustration 16-31.

Illustration 16-31 Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Fund Deferred Outflows and (Inflows) of Resources June 30, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,370	555
Change in actuarial assumptions	295	431
Net difference between projected and actual earnings on OPEB plan investments	1,270	-
Total	\$ 3,935	986

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 16-32.

Illustration 16-32 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,	
2024	\$ 475
2025	443
2026	1,187
2027	279
2028	297
Thereafter	268
Total	\$ 2,949

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 16-33 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 16-33 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	2,353

(Amounts expressed in thousands)

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 \$1,941 to the LODA Plan for the year ended June 30, 2023. The contribution amounts were determined using the actuarial valuations performed as of January 1, 2022, and valuation rolled forward to June 30, 2023. 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 Asset. The County's net OPEB asset was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB 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, 2023.

Illustration 16-34 shows the net OPEB asset for the OPEB Master Trust's County LODA Plan was measured as of June 30, 2023.

Illustration 16-34 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 Asset	Net Position as % of Total OPEB Liability
June 30, 2023	\$	21,880	22,905	(1,025)	104.68%

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 16-35, applied to all periods included in the measurement year and rolled forward to the measurement date of June 30, 2023.

Illustration 16-35 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	20 years, closed
Asset Valuation Method	Fair 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); 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, 2023, are as follows:

Payroll Growth Rate	Decreased from 3.5% to 3.0%
---------------------	-----------------------------

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 16-36 presents the changes in net OPEB asset from June 30, 2022 to June 30, 2023.

Illustration 16-36 Prince William County Line of Duty Act (LODA) Trust Fund Plan Changes in Net OPEB Asset			
	Total OPEB Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net OPEB Asset
Balances on June 30, 2022	\$ 19,724	19,954	(230)
Changes for the year:			
Service cost	1,908	-	1,908
Interest	1,296	-	1,296
Differences between expected and actual experience	(55)	-	(55)
Contributions - employer	-	1,896	(1,896)
Net investment income	-	2,048	(2,048)
Benefit payments, including refund of employee contributions	(993)	(993)	-
Net changes	2,156	2,951	(795)
Balances on June 30, 2023	\$ 21,880	22,905	(1,025)

Sensitivity of the Net LODA OPEB Liability (Asset) to Changes in the Discount Rate. Illustration 16-37 presents the net OPEB asset of the County LODA Plan using the discount rate of 6.75%, as well as what the net OPEB liability 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 16-37 Prince William County Line of Duty Act (LODA) Trust Fund Plan Sensitivity of Net OPEB Liability (Asset) to Changes in the Discount Rate June 30, 2023			
	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
County's Net OPEB Liability (Asset)	\$ 1,424	(1,025)	(3,088)

Sensitivity of the Net LODA OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate. Illustration 16-38 presents the net OPEB 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 16-38 Prince William County Line of Duty Act Plan (LODA Plan) Sensitivity of Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate June 30, 2023			
	1.00% Decrease (2.94%)	Current Discount Rate (3.94%)	1.00% Increase (4.94%)
County's Net OPEB (Asset) Liability	\$ (4,287)	(1,025)	2,990

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the LODA Plan. For the year ended June 30, 2023, the County recognized OPEB expense of \$1,634. On June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources displayed in Illustration 16-39.

Illustration 16-39 Prince William County Line of Duty Act (LODA) Trust Fund Plan Deferred Outflows and (Inflows) of Resources June 30, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 453	5,207
Change in actuarial assumptions	1,790	-
Net difference between projected and actual earnings on OPEB plan investments	981	-
Total	\$ 3,224	5,207

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 16-40.

Illustration 16-40 Prince William County Line of Duty Act (LODA) Trust Fund Plan Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal Year Ending June 30,		
2024	\$	(207)
2025		(181)
2026		576
2027		(455)
2028		(312)
Thereafter		(1,404)
Total	\$	(1,983)

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 16-41 below.

Illustration 16-41 Prince William County School Board's (Schools) Other Post-Employment Benefit (OPEB) Plans Net OPEB Liability (Asset) and Related Amounts June 30, 2023				
MEASUREMENT DATE 6/30/2021	Net OPEB Liability (Asset)	Deferred Outflow of Resources	Deferred Inflows of Resources	OPEB Expense/ (Income)
VRS Group Life Insurance Program	\$ 39,126	10,064	8,163	1,731
VRS Health Insurance Credit				
Non-Professional Group	702	385	226	6
Professional Group	86,056	14,125	4,405	7,518
Total VRS Health Insurance Credit	86,758	14,510	4,631	7,524
Total OPEB – Schools Funded	\$ 125,884	24,574	12,794	9,255
School Board Premium Plan	\$ (8,969)	7,008	24,303	(4,508)

1. Prince William County Schools Board's (Schools) Virginia Retirement System (VRS) – Other Post-Employment Benefit (OPEB) Plans

a. 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 \$8.0 by statute in 2015. This amount is increased annually based on

the VRS Plan 2 cost-of-living adjustment and is currently \$8.9 as of June 30, 2023.

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, 2023 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 \$4,268 and \$3,817 for the years ended June 30, 2023 and June 30, 2022, 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, 2023, Schools reported a liability of \$39,126 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2022 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, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2022, Schools' proportion for the professional and non-professional groups, respectively, was 2.96% and 0.29% as compared to 2.97% and 0.29% on June 30, 2021.

For the year ended June 30, 2023, Schools recognized GLI OPEB expense of \$1,731. 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, 2023, Schools reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources displayed in Illustration 16-42.

Illustration 16-42 School Board's (Schools) Virginia Retirement System (VRS) – Group Life Insurance (GLI) Plan Deferred Outflows and (Inflows) of Resources June 30, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,098	1,570
Change in actuarial assumptions	1,460	3,811
Net difference between projected and actual earnings on OPEB plan investments	-	2,445
Change in proportion and differences between employer contributions and proportionate share of contributions	1,238	337
Employer contributions subsequent to the measurement date	4,268	-
Total	\$ 10,064	8,163

\$4,268 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, 2024.

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 16-43.

Illustration 16-43 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,		
2024	\$	(307)
2025		(419)
2026		(1,754)
2027		433
2028		(320)
Total	\$	<u>(2,367)</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 Illustration 16-44.

Illustration 16-44 School Board's (Schools) Virginia Retirement System (VRS) – Group Life Insurance (GLI) Plan Sensitivity of Net OPEB Liability to Changes in the Discount Rate June 30, 2023			
	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	\$ 56,933	39,126	24,735

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 2022 VRS ACFR may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the VRS' Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

b. 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 \$40.00 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) \$40.00 per month, multiplied by twice the amount of service credit, or (b) \$40.00 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 \$1.50 per year of service per month with a maximum benefit of \$45.00 per month. For eligible non-professional employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is \$45.00 per month.

(Amounts expressed in thousands)

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 \$143 and \$130 for the years ended June 30, 2023, and June 30, 2022, 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, 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 Schools to the VRS HIC program for the professional group were \$8,632 and \$7,705 for the years ended June 30, 2023, and June 30, 2022, 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.

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, 2023 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2022, Schools' proportion of the VRS HIC program for professional group was 6.89% as compared to 6.91% on June 30, 2021.

Non-Professional Group:

Net VRS HIC OPEB Liability– Non-Professional Group. On June 30, 2023, the non-professional group reported a liability of \$702 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, 2022. 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 July 1, 2022, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Changes in Net VRS HIC OPEB Liability – Non-Professional Group. Illustration 16-45 present the change in the net OPEB liability from June 30, 2021 to June 30, 2022, which is the measurement date for June 30, 2023.

Illustration 16-45 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, 2021 for FY 2022	\$ 2,705	2,181	524
Changes for the year:			
Service cost	52	-	52
Interest	181	-	181
Changes of assumptions	242	-	242
Differences between expected and actual experience	(105)	-	(105)
Contributions - employer	-	135	(135)
Net investment income	-	3	(3)
Benefit payments, including refund of employee contributions	(149)	(149)	-
Administrative expenses	-	(4)	4
Other Costs	-	58	(58)
Net changes	221	43	178
Balances on June 30, 2022 for FY 2023	\$ 2,926	2,224	702

Sensitivity of Net VRS HIC OPEB Liability to Changes in the Discount Rate – Non-Professional Group. Illustration 16-46 presents the VRS HIC program net OPEB liability of the non-professional group measured as of June 30, 2022, for the fiscal year ended June 30, 2023, 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 16-46 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, 2023			
	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	\$ 1,048	702	411

Illustration 16-47 present the professional's group proportionate share of the VRS HIC program net liability measured as of June 30, 2022, for the fiscal year ended June 30, 2023, 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 16-47 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, 2023			
	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	\$ 96,986	86,056	76,791

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, 2023, Schools recognized VRS HIC program OPEB expense of \$6 for the non-professional group. On June 30, 2023, 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 16-48.

Illustration 16-48 School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan –Non-Professional Groups Deferred Outflows and (Inflows) of Resources June 30, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	170
Change in actuarial assumptions	242	5
Net difference between projected and actual earnings on OPEB plan investments	-	51
Employer contributions subsequent to the measurement date	143	-
Total	\$ 385	226

\$143 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, 2024.

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 16-49.

Illustration 16-49 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,		
2024	\$	(19)
2025		(10)
2026		(25)
2027		45
2028		21
Thereafter		4
Total	\$	16

Professional Group:

On June 30, 2023, the professional group reported a liability of \$86,056 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, 2022 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, 2021,00 and rolled forward to the measurement date of June 30, 2022.

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, 2023, Schools recognized VRS HIC program OPEB expense of \$7,518 for the professional group. On June 30, 2023, 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 16-50.

Illustration 16-50
School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Professional Groups
Deferred Outflows and (Inflows) of Resources
June 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	3,508
Change in actuarial assumptions	2,514	220
Net difference between projected and actual earnings on OPEB plan investments	-	86
Employer contributions and proportionate share of Contributions	2,979	591
Employer contributions subsequent to the measurement date	8,632	-
Total	\$ 14,125	4,405

\$8,632 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, 2024.

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 16-51.

Illustration 16-51
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,	
2024	\$ 377
2025	358
2026	200
2027	419
2028	34
Thereafter	(300)
Total	\$ 1,088

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 2022 VRS ACFR may be downloaded from the VRS website at <https://www.varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the VRS' Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

2. Prince William County School Board (Schools) – Other Post-Employment Benefits (OPEB) Master Trust Fund Plans

a. 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/department/finance/finance-and-revenue>.

All OPEB Master Trust Plans' assets are aggregated together for investment purposes. Please refer to the previous discussion in footnote 16, section B for long-term expected rate of return and annual money-weighted rate of return and Illustration 16-15 and 16-16 for overall OPEB Master Trust Plans' information.

Contributions. The Schools' actuarially determined contribution amount for the year ended June 30, 2023, was \$1,406 This rate was

(Amounts expressed in thousands)

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 \$1,720 and \$1,800 for years ended June 30, 2023, and June 30, 2022, respectively. Additional information about Schools net benefits paid for the year ended June 30, 2023, are in Illustrations 16-16.

Net School Board Premium Plan OPEB Asset. The Schools' net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of April 1, 2022.

Illustration 16-52 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 Asset	Net Position as % of Total OPEB Liability
June 30, 2023	\$	40,771	52,458	(11,687)	128.7%

Sensitivity of the Net Premium Plan OPEB Asset to Changes in the Discount Rate. Illustration 16-53 represents the net OPEB asset measured calculated using a discount rate of 6.75%, as well as the net OPEB asset calculated using a discount rate one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

Illustration 16-53 School Board (Schools) Other Post-Employment Benefits (OPEB) Master Trust Fund Plans – School Board Premium Plan Sensitivity of Net OPEB Asset to Changes in the Discount Rate June 30, 2023				
		1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Net OPEB Asset	\$	(8,941)	(11,687)	(14,258)

Sensitivity of the Net School Board Premium Plan OPEB Asset to Changes in the Healthcare Cost Trend Rate. Illustration 16-54 represents the total and net OPEB asset calculated using the stated health care cost trend assumption, as well as the OPEB asset calculated using a healthcare cost trend rate of 3.94% as well as the net OPEB 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 16-54 School Board (Schools) Other Post-Employment Benefits (OPEB) Master Trust Fund Plans – School Board Premium Plan Sensitivity of Net OPEB Asset to Changes in the Healthcare Cost Trend Rate June 30, 2023				
		1.00% Decrease (2.94%)	Current Discount Rate (3.94%)	1.00% Increase (4.94%)
Net OPEB Asset	\$	(15,791)	(11,687)	(6,950)

b. 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-

(Amounts expressed in thousands)

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 16-55 summarizes the membership in the OPEB Master Trust Fund – School Board Premium Plan as of April 1, 2022, the latest actuarial valuation.

Illustration 16-55 Prince William County Schools Board (Schools) - Retiree Health Insurance Premium Plan Plan Membership as of the Valuation Date of April 1, 2022	
Active employees	7,999
Inactive members receiving benefits	265
Total covered members	<u>8,264</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, 2023, plan members received \$4,914 in benefits and contributed \$2,911 in premiums, resulting in net benefits paid by Schools of \$2,003.

Actuarial Assumptions. The Schools' total OPEB liability was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement, unless otherwise specified in Illustration 16-56.

Illustration 16-56 Prince William County School Board (Schools) - Retiree Health Insurance Premium Plan Actuarial Methods and Assumptions	
Valuation date	April 1, 2022
Measurement date	June 30, 2023
Actuarial cost method	Entry Age Normal
Asset valuation method	Market value of assets, assets were assumed to earn 7% 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:
	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 2029 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	6.75% per annum.

Illustration 16-56 (cont'd)
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: 35.0% 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 25.0% are assumed to have spousal or family coverage. Of these 25.0% with spouse or family coverage, approximately 75.0% are assumed to have retiree and spouse and 25.0% have family coverage. Employees currently waiving coverage are assumed to continue to waive coverage in retirement.																											
Professional / Non-Professional	It is assumed that 80.0% 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 26 years as of June 30, 2022.																											
Decrement assumptions	VRS Termination Rates for Teachers																											
Mortality assumption	None – not material, since benefits end at 65.																											
Claims assumptions:	<p>The three Anthem plans are self-insured while the Kaiser plan is fully insured. To determine the assumed cost and the retiree contributions, we weighted the FY 2022 premium rates by the current enrollment. Gross claims are equal to the age adjusted assumed cost. The results were increased by a load of 1.20 to account for selection. The resulting average pre age 65 claims were age adjusted. The chart below shows the current cost broken down between the published per capital cost (i.e., the blended rates) and the hidden subsidy.</p> <table><tr><th colspan="3">FYE 2023</th></tr><tr><th>Total Costs (per annum)</th><th>Single</th><th>Family</th></tr><tr><td>1. Assumed Costs (Explicit costs)</td><td></td><td></td></tr><tr><td> a. Pre-Medicare</td><td>\$8,012</td><td>\$17,459</td></tr><tr><td>2. Total Medicare Costs (including prescription drugs)</td><td></td><td></td></tr><tr><td> a. Under 50</td><td>\$8,764</td><td>\$18,900</td></tr><tr><td> b. Age 50-54</td><td>\$10,797</td><td>\$23,527</td></tr><tr><td> c. Age 55-59</td><td>\$13,293</td><td>\$28,965</td></tr><tr><td> d. Age 60-64</td><td>\$16,324</td><td>\$35,568</td></tr></table>	FYE 2023			Total Costs (per annum)	Single	Family	1. Assumed Costs (Explicit costs)			a. Pre-Medicare	\$8,012	\$17,459	2. Total Medicare Costs (including prescription drugs)			a. Under 50	\$8,764	\$18,900	b. Age 50-54	\$10,797	\$23,527	c. Age 55-59	\$13,293	\$28,965	d. Age 60-64	\$16,324	\$35,568
FYE 2023																												
Total Costs (per annum)	Single	Family																										
1. Assumed Costs (Explicit costs)																												
a. Pre-Medicare	\$8,012	\$17,459																										
2. Total Medicare Costs (including prescription drugs)																												
a. Under 50	\$8,764	\$18,900																										
b. Age 50-54	\$10,797	\$23,527																										
c. Age 55-59	\$13,293	\$28,965																										
d. Age 60-64	\$16,324	\$35,568																										

Net RHICP OPEB Asset. Schools' net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of July 1, 2022 and rolled forward to measurement date of June 30, 2023.

Illustration 16-57
Prince William County School Board (Schools) - Retiree Health Insurance Premium Plan
Net OPEB Asset

Fiscal Year Ended:	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Asset	Net Position as % of Total OPEB Liability
June 30, 2023	\$ 39,388	48,357	(8,969)	122.77%

Illustration 16-58 presents the change in net OPEB liability (asset) from June 30, 2021 to June 30, 2022, which is the measurement date for the fiscal year ended June 30, 2023.

Illustration 16-58 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, 2021 for FY 2022	\$ 39,793	54,124	(14,331)
Changes for the year:			
Service cost	2,238	-	2,238
Interest	2,670	-	2,670
Differences between expected and actual experience	492	-	492
Contributions - employer	-	3,713	(3,713)
Net investment income	-	(7,566)	7,566
Changes in Assumptions	(3,891)	-	(3,891)
Benefit payments, including refund of employee contributions	(1,914)	(1,914)	-
Net changes	(405)	(5,767)	5,362
Balances on June 30, 2022 for FY 2023	\$ 39,388	48,357	(8,969)

Sensitivity of the RHIPP OPEB Asset to Changes in the Discount Rate. Illustration 16-59 represents the net OPEB asset measured as of June 30, 2022, for the fiscal year ended June 30, 2023, using the discount rate of 6.75%, as well as what the net OPEB asset 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 16-59 Prince William County School Board (Schools) - Retiree Health Insurance Premium Plan Sensitivity of Net OPEB Asset to Changes in the Discount Rate June 30, 2023			
	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
Net OPEB Asset	\$ (6,292)	(8,969)	(11,471)

Sensitivity of the RHIPP OPEB Asset to Changes in the Healthcare Cost Trend Rate. Illustration 16-60 represents the total and net OPEB asset calculated using the stated health care cost trend assumption of 4.00%, as well as the net OPEB 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 16-60 Prince William County School Board (Schools) - Retiree Health Insurance Premium Plan Sensitivity of Net OPEB Asset to Changes in the Healthcare Cost Trend Rate June 30, 2023			
	1.00% Decrease (3.00%)	Current Discount Rate (4.00%)	1.00% Increase (5.00%)
Net OPEB Liability (Asset)	\$ (12,642)	(8,969)	(4,744)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the RHIPP. For the year ended June 30, 2023, Schools recognized OPEB expense of \$4,508. At June 30, 2023, Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources displayed in Illustration 16-61.

Illustration 16-61 Prince William County School Board (Schools) - Retiree Health Insurance Premium Plan Deferred Outflows and (Inflows) of Resources June 30, 2023		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 411	20,923
Change of Assumptions	-	3,380
Net difference between projected and actual earnings on OPEB plan investments	4,594	-
Employer contributions subsequent to the measurement date	2,003	-
Total	\$ 7,008	24,303

\$2,003 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense per Illustration 16-63.

Illustration 16-62 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,		
2024		\$ (5,522)
2025		(5,551)
2026		(2,995)
2027		(1,362)
2028		(3,645)
Thereafter		(223)
Total		\$ (19,298)

NOTE (17) – 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, \$10 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 \$1,750 per occurrence retention, and it purchases commercial excess coverage which provides statutory limits for workers' compensation claims of the \$1,750 per occurrence and a \$1,000 maximum limit of indemnity per occurrence and aggregate 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

(Amounts expressed in thousands)

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 \$54,304 claims and administration in fiscal year 2023.

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 2023, 2022 and 2021, settlements did not exceed our insurance coverage in each of our Self-Insurance plans in each fiscal year.

Illustration 17-1 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 27).

Illustration 17-1 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, 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
Total claims incurred, fiscal year 2023	1	1,263	9,882	54,304	65,450
Total claims paid, fiscal year 2023	(148)	(1,320)	(4,452)	(54,399)	(60,319)
Unpaid claims June 30, 2023	\$ 43	857	24,291	3,972	29,163
*Health Insurance column excludes certain fully insured HMO, vision premiums, flexible spending benefits and retiree insurance credit expenses.					

NOTE (18) - 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 of 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 \$99 on June 30, 2023.

NOTE (19) - 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 eight-members of the Service Authority's Board 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, 2023, is \$9,400. 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 \$330 and \$126 for the County's portion of operating expenses as of June 30, 2021.

See Illustration 19-1 for future long-term obligations regarding County payments to cover the 2015 Series Bonds debt service.

Illustration 19-1 County's Share of NVCJTA Debt Service Requirements			
Fiscal Year Ending June 30,			
2024	\$		323
2025			316
2026			292
Total	\$		931

More information about NVCJTA can be found at <https://www.nvcja.org/>.

(Amounts expressed in thousands)

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 embraces 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 from the participating jurisdictions serving 1-year terms. 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://thenovaauthority.org/>.

NOTE (20) - 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 <https://www.omniride.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 the 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.omniride.com>.

Copies of PRTC's financial statements may be obtained by writing to PRTC Finance Division, 14700 Potomac Mills Road, Woodbridge, Virginia 22192.

NOTE (21) - 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.

Grant Funding

The County receives grant funding primarily from the federal government, which benefit initiatives across various County functional programs. Expenditures funded with grant funding are subject to audit by the grantor. The County is contingently liable to refund amounts received in excess of allowable expenditures. It is the opinion of the County that no material refunds will be required as a result of expenditures disallowed by the grantors.

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, 2023 the outstanding balance on the lease was approximately \$3,651.

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, 2023, was \$148,210.

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 2023 was \$4,389 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 (22) – SUBSEQUENT EVENTS

Land Sale:

On September 26, 2023, the Board of County Supervisors approved Resolution No. 23-481 authorizing the conveyance of approximately 9.15 acres of land and property at 7074 Currie Farm Drive for historic preservation purposes for a sales price of \$40. Settlement occurred in September 2023.

Bonds:

On October 25, 2023, the County sold Industrial Development Authority of Prince William County Facilities Revenue Bonds, Series 2023A, in the par amount of \$32,800 with a true interest cost of 4.16%, and Series 2023B in the par amount of \$16,380 with a true interest cost of 5.09%. The sale of the bonds was approved by the Board of County Supervisors on September 26, 2023, by Resolution No. 23-473. The proceeds of the bonds provided funds for the acquisition, construction, and improvement of the County's administrative facilities, a public safety training facility, and a crisis receiving center.

On November 9, 2023, the County sold Virginia Public School Authority Special Obligation Financing Bonds, Series 2023, in the par amount of \$135,815 with a true interest cost of 4.25%. The sale of the bonds was approved by the Board of County Supervisors on September 26, 2023, by Resolution No. 23-483. The proceeds of the bonds provided funds for various Schools capital improvement projects.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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 1 of 5

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
FROM LOCAL SOURCES:				
GENERAL PROPERTY TAXES:				
Real property taxes	\$ 798,256	788,559	769,076	(19,483)
Real and personal property taxes of public service corporations	20,741	20,741	20,871	130
Personal property taxes	354,587	192,128	223,742	31,614
Penalties and interest	10,015	9,349	10,992	1,643
Total general property taxes	1,183,599	1,010,777	1,024,681	13,904
OTHER LOCAL TAXES:				
Short term rental taxes	541	741	1,105	364
Local sales taxes	74,400	91,000	93,246	2,246
Food & beverage taxes	24,500	30,143	41,127	10,984
Consumer's utility taxes	13,675	13,675	15,408	1,733
Consumption taxes	-	1,400	1,997	597
Bank stock taxes	2,000	2,000	2,784	784
Motor vehicle license taxes	12,000	12,000	12,947	947
Recordation taxes	17,900	17,900	11,138	(6,762)
Business, professional and occupational license taxes	29,000	29,000	34,636	5,636
Public utility gross receipts taxes	1,400	-	86	86
Cigarette taxes	4,898	4,500	4,864	364
Transient occupancy taxes	4,000	4,000	5,521	1,521
Total other local taxes	184,314	206,359	224,859	18,500
PERMITS, PRIVILEGE FEES AND REGULATORY LICENSES:				
Animal licenses	143	246	247	1
Fire protection permits	1,279	141	185	44
Health protection permits	192	176	207	31
Cable franchise fees	1,279	1,050	1,224	174
Permits and other licenses	124	74	88	14
Total permits, privilege fees and regulatory licenses	3,017	1,687	1,951	264
FINES AND FORFEITURES:				
	5,663	3,386	1,927	(1,459)
FROM USE OF MONEY AND PROPERTY:				
Use of money	13,418	11,942	20,507	8,565
Use of property	1,015	986	1,228	242
Total revenues from use of money and property	14,433	12,928	21,735	8,807
CHARGES FOR SERVICES:				
Court costs	2,297	1,849	1,344	(505)
Correction and detention	1,905	1,101	382	(719)
Commonwealth's Attorney	178	89	17	(72)
Parks and recreation	13,112	8,548	7,749	(799)
Mental health and developmental disabilities	1,637	740	823	83
Welfare and social services	296	195	129	(66)
Library	410	282	190	(92)
Public safety	1,288	914	890	(24)
Facilities and fleet management	275	181	120	(61)
Other charges	400	382	425	43
Total charges for services	21,798	14,281	12,069	(2,212)
Total revenues from local sources	1,412,824	1,249,418	1,287,222	37,804

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 2 of 5

(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
THE FEDERAL GOVERNMENT:				
Payments in lieu of taxes	75	75	84	9
Aging programs	1,799	2,210	1,119	(1,091)
United States Department of Agriculture	162	110	70	(40)
Welfare programs	35,637	19,507	22,609	3,102
Mental health, developmental disabilities and substance abuse programs	6,545	5,533	4,325	(1,208)
Homeland Security grants	2,160	4,682	4,597	(85)
Other	3,171	3,384	2,492	(892)
Total revenues from the federal government	49,549	35,501	35,296	(205)
THE COMMONWEALTH:				
NONCATEGORICAL AID:				
Personal property tax relief act	54,287	54,287	54,287	-
Communications sales and use taxes	15,507	13,930	13,665	(265)
Anti-Annexation public safety	9,835	9,835	11,235	1,400
Mobile home taxes	67	36	56	20
Rental car taxes	1,520	1,520	1,331	(189)
Rolling stock taxes	93	90	83	(7)
Total noncategorical aid	81,309	79,698	80,657	959
SHARED EXPENDITURES:				
Commonwealth's Attorney	3,598	1,913	2,235	322
Sheriff	7,427	1,977	2,105	128
Finance	795	794	796	2
Registrar	184	92	144	52
Clerk of the Court	2,093	2,376	2,340	(36)
Transportation	-	-	101	101
Total shared expenditures	14,097	7,152	7,721	569
CATEGORICAL AID:				
Public safety	3,469	2,790	2,322	(468)
Fire programs	1,819	1,639	2,310	671
Economic development	-	200	-	(200)
Library	276	348	396	48
Public assistance and welfare administration	44,015	25,943	20,768	(5,175)
Public health	311	303	823	520
Total categorical aid	49,890	31,223	26,619	(4,604)
OTHER CATEGORICAL AID:				
Aging program	507	544	483	(61)
Community services	40,747	29,594	26,793	(2,801)
Juvenile detention	3,778	3,589	3,346	(243)
Criminal justice services	1,291	1,061	1,146	85
Police extraditions	60	30	22	(8)
Sheriff extraditions	33	25	5	(20)
Victim / witness program	1,033	517	142	(375)
Other	318	215	97	(118)
Total other categorical aid	47,767	35,575	32,034	(3,541)
Total revenues from the Commonwealth	193,063	153,648	147,031	(6,617)
LOCAL GOVERNMENTS:				
City of Manassas	7,906	6,703	6,836	133
City of Manassas Park	2,575	2,056	2,037	(19)
Total revenues from local governments	10,481	8,759	8,873	114

COUNTY OF PRINCE WILLIAM, VIRGINIA

General Fund

Schedule 1

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual

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(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actuals	
DONATIONS:				
Donations - Proffers	4,547	3,358	10,616	7,258
Donations - Other	2,879	2,697	287	(2,410)
Total donations	7,426	6,055	10,903	4,848
MISCELLANEOUS:				
Expenditure refunds	1,600	932	893	(39)
Other	618	580	4,414	3,834
Total miscellaneous revenues	2,218	1,512	5,307	3,795
Total budgetary revenues	1,675,561	1,454,893	1,494,632	39,739
BUDGETARY EXPENDITURES:				
GENERAL GOVERNMENTAL ADMINISTRATION:				
Board of County Supervisors	6,861	5,587	5,119	468
County Attorney	5,902	5,036	4,895	141
Executive Management	23,023	23,137	15,956	7,181
Finance	29,519	26,824	26,760	64
Human Rights	993	888	859	29
Board of Registration / Elections	5,143	4,490	3,780	710
Mailroom and Print Shop	1,328	879	797	82
Facility and Fleet Management	52,613	38,890	38,681	209
Contingency reserve	713	-	-	-
Total general governmental administration	126,095	105,731	96,847	8,884
JUDICIAL ADMINISTRATION:				
Commonwealth's Attorney	10,287	9,722	9,378	344
Sheriff	20,147	16,341	15,636	705
Juvenile and Domestic Relations Court	613	559	466	93
Clerk of Court / Judges Chambers	10,301	9,146	7,396	1,750
General District Court	2,012	1,286	1,040	246
Magistrates	210	120	119	1
Total judicial administration	43,570	37,174	34,035	3,139
PUBLIC SAFETY:				
Public Works - Development	3,164	2,743	2,690	53
Police	143,401	133,294	130,487	2,807
Juvenile Court Services Unit	1,914	1,684	1,590	94
Adult Detention Center	40,754	34,959	30,963	3,996
Correction and detention of youth	10,949	8,670	8,206	464
Criminal Justice Services	6,917	6,410	6,318	92
Public Safety Communications	16,751	14,679	14,486	193
Fire and Rescue	134,220	124,757	113,123	11,634
Northern Virginia Criminal Justice Training Academy	330	330	330	-
Total public safety	358,400	327,526	308,193	19,333
PUBLIC WORKS:				
Public Works	2,304	2,498	2,397	101
Transportation	6,168	5,901	4,093	1,808
Property and Miscellaneous Insurance	9,878	705	651	54
Total public works	18,350	9,104	7,141	1,963

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, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actuals	
HEALTH AND WELFARE:				
Social Services	106,882	84,566	75,080	9,486
Public Health	5,025	4,881	4,489	392
Community Services Board	86,666	68,171	62,370	5,801
Aging	10,056	9,465	8,585	880
Total health and welfare	208,629	167,083	150,524	16,559
EDUCATION:				
Schools	719,438	680,728	677,245	3,483
PARKS, RECREATIONAL AND CULTURAL:				
Parks and recreation	50,508	43,644	42,532	1,112
Library	25,245	22,106	21,793	313
Total parks, recreational and cultural	75,753	65,750	64,325	1,425
COMMUNITY DEVELOPMENT:				
Planning	6,591	3,118	3,000	118
Economic and community development	10,980	8,708	7,372	1,336
Extension and continuing education	1,649	1,330	1,125	205
Total community development	19,220	13,156	11,497	1,659
DEBT SERVICE:				
Principal retirement	101,358	102,575	102,575	-
Interest and other debt costs	25,901	41,457	41,340	117
Total debt service	127,259	144,032	143,915	117
Total budgetary expenditures	1,696,714	1,550,284	1,493,722	56,562
Excess / (deficiency) of budgetary revenues over / (under) expenditures budgetary expenditures	(21,153)	(95,391)	910	96,301
OTHER FINANCING SOURCES / (USES):				
TRANSFERS IN FROM:				
Special revenue funds	36,625	36,587	36,587	-
Capital projects funds	16,590	16,702	16,568	(134)
Internal service funds	2,000	2,000	2,996	996
Enterprise funds	1,503	1,503	1,503	-
Total transfers in	56,718	56,792	57,654	862
TRANSFERS OUT TO:				
Special revenue funds	(4,185)	(5,336)	(5,336)	-
Capital projects funds	(38,147)	(52,678)	(52,544)	134
Internal service funds	-	(145)	(145)	-
Enterprise funds	(1,614)	(1,785)	(1,785)	-
Total transfers out	(43,946)	(59,944)	(59,810)	134
NON-REVENUE RECEIPTS:				
Insurance claims and recoveries	-	-	17	17
Sale of surplus property	491	320	196	(124)
Total non-revenue receipts	491	320	213	(107)
Total other financing sources	13,263	(2,832)	(1,943)	889
Net change in budgetary fund balance	(7,890)	(98,223)	(1,033)	97,190
BUDGETARY FUND BALANCE, beginning of year	357,687	357,687	357,687	-
BUDGETARY FUND BALANCE, end of year	\$ 349,797	259,464	356,654	97,190

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, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 1)	\$ 14,433	12,928	21,735	8,807
Current year fair value adjustment	-	-	(17,464)	(17,464)
From use of money and property (Exhibit 5)	14,433	12,928	4,271	(8,657)
Cumulative fair value adjustments of prior periods	-	-	(66,639)	(66,639)
BUDGETARY FUND BALANCE, end of year	349,797	259,464	356,654	97,190
Total adjustments	-	-	(84,103)	(84,103)
FUND BALANCE, end of year	<u>\$ 349,797</u>	<u>259,464</u>	<u>272,551</u>	<u>13,087</u>



**PRINCE
WILLIAM**
— **COUNTY**

COUNTY OF PRINCE WILLIAM, VIRGINIA

Changes in Net Pension Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

Virginia Retirement System - All Pension Plans

Changes in the County's Net Pension Liability and Related Ratios - Last 10 Fiscal Years

(amounts expressed in thousands, except percentages and years)

Schedule 2A

Page 1 of 2

Fiscal Year	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 44,387	41,062	39,422	35,162	33,491
Interest	110,266	98,993	92,310	88,053	84,034
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(30,830)	(10,237)	33,766	7,503	(2,509)
Changes of assumptions	-	64,281	-	40,798	-
Benefit payments including refunds of member contributions	(73,804)	(69,129)	(63,844)	(59,907)	(55,297)
Net change in total pension liability	50,019	124,970	101,654	111,609	59,719
Total pension liability - beginning	1,626,093	1,501,123	1,399,469	1,287,860	1,228,141
Total pension liability - ending (a)	\$ 1,676,112	1,626,093	1,501,123	1,399,469	1,287,860
Plan fiduciary net position					
Contributions - employer	\$ 45,826	44,968	38,018	35,323	32,552
Contributions - member	16,005	15,375	15,122	13,922	13,721
Net investment income	(1,778)	330,609	22,732	75,210	78,483
Benefit payments, including refunds of member contributions	(73,804)	(69,129)	(63,844)	(59,907)	(55,297)
Administrative expense	(945)	(810)	(770)	(736)	(671)
Other	33	31	(28)	(47)	(72)
Net change in plan fiduciary net position	(14,663)	321,044	11,230	63,765	68,716
Plan fiduciary net position - beginning	1,524,195	1,203,151	1,191,921	1,128,156	1,059,440
Plan fiduciary net position - ending (b)	\$ 1,509,532	1,524,195	1,203,151	1,191,921	1,128,156
County's net pension liability - ending (a)-(b)	\$ 166,580	101,898	297,972	207,548	159,704
Plan fiduciary net position as a percentage of the total pension liability (b)/(a)	90.06%	93.73%	80.15%	85.17%	87.60%
Covered payroll	\$ 327,933	320,018	306,566	280,007	271,552
County's net pension liability as a percentage of covered payroll	50.80%	31.84%	97.20%	74.12%	58.81%
Expected average remaining service years of all participants	N/A	N/A	N/A	N/A	N/A
See Note 15 Illustration 15-5 for expected arithmetic nominal rate of return	7.83%	7.39%	7.14%	7.63%	7.63%

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. There have been no changes in assumptions.

2017	2016	2015	2014	2013	Fiscal Year
					Total pension liability
30,983	29,376	28,708	28,205	*	Service cost
78,978	75,010	71,222	67,389	*	Interest
21,630	-	-	-	*	Changes of benefit terms
2,494	1,128	(757)	-	*	Differences between expected and actual experience
(8,860)	-	-	-	*	Changes of assumptions
(50,666)	(47,001)	(43,108)	(38,578)	*	Benefit payments including refunds of member contributions
74,559	58,513	56,065	57,016	*	Net change in total pension liability
1,153,582	1,095,069	1,039,004	981,988	*	Total pension liability - beginning
1,228,141	1,153,582	1,095,069	1,039,004	*	Total pension liability - ending (a)
					Plan fiduciary net position
30,826	32,010	30,571	30,488	*	Contributions - employer
12,645	12,336	11,628	11,385	*	Contributions - member
116,130	16,623	41,324	122,481	*	Net investment income
(50,666)	(47,001)	(43,108)	(38,578)	*	Benefit payments, including refunds of member contributions
(665)	(579)	(558)	(651)	*	Administrative expense
(104)	(8)	(8)	7	*	Other
108,166	13,381	39,849	125,132	*	Net change in plan fiduciary net position
951,274	937,893	898,044	772,912	*	Plan fiduciary net position - beginning
1,059,440	951,274	937,893	898,044	*	Plan fiduciary net position - ending (b)
168,701	202,308	157,176	140,960	*	County's net pension liability - ending (a)-(b)
86.26%	82.46%	85.65%	86.43%	*	Plan fiduciary net position as a percentage of the total pension liability (b)/(a)
255,547	242,735	242,757	230,499	*	Covered payroll
66.02%	83.35%	64.75%	61.15%	*	County's net pension liability as a percentage of covered payroll
N/A	N/A	N/A	N/A	*	Expected average remaining service years of all participants
12.21%	1.77%	4.60%	15.85%	*	See Note 15 Illustration 15-5 for expected arithmetic nominal rate of return

* Information for FY 2013 is not available.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 2B

Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)

Page 1 of 2

Virginia Retirement System - All Pension Plans**Schedule of County Contributions - Last 10 Fiscal Years**

(amounts expressed in thousands, except percentages, ratios and years)

Fiscal Year		2023	2022	2021	2020	2019
Actuarially determined contribution	\$	52,826	45,866	45,001	38,018	35,323
Contributions in relation to the actuarially determined contribution		52,826	45,866	45,001	38,018	35,323
Contribution deficiency (excess)	\$	-	-	-	-	-
Covered payroll	\$	352,740	327,933	320,018	306,566	280,007
Contributions as a percentage of covered payroll ¹		14.98%	13.99%	14.06%	12.40%	12.62%

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%

2018	2017	2016	2015	2014	Fiscal Year
32,552	30,826	32,010	30,571	30,488	Actuarially determined contribution
32,552	30,826	32,010	30,571	30,488	Contributions in relation to the
-	-	-	-	-	actuarially determined contribution
					Contribution deficiency (excess)
265,226	255,547	242,735	242,757	230,499	Covered payroll
12.27%	12.06%	13.19%	12.59%	13.23%	Contributions as a percentage of
					covered payroll ¹

COUNTY OF PRINCE WILLIAM, VIRGINIA
Schedule 3A
Changes in Net Pension Liability (Asset) and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)
Page 1 of 2
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

(amounts expressed in thousands, except percentages and years)

Fiscal Year		2023	2022	2021	2020	2019
Total pension liability						
Service cost	\$	3,043	2,954	2,648	2,701	2,043
Interest		3,408	2,934	2,863	2,664	2,631
Changes of benefit terms		-	-	-	-	-
Differences between expected and actual experience		-	4,026	(1,760)	(469)	(281)
Changes of assumptions		-	-	-	694	-
Benefit payments, including refunds of member contributions		(2,907)	(2,895)	(2,509)	(2,778)	(2,248)
Net change in total pension liability		3,544	7,019	1,242	2,812	2,145
Total pension liability - beginning		51,935	44,916	43,674	40,862	38,717
Total pension liability - ending (a)	\$	55,479	51,935	44,916	43,674	40,862
Plan fiduciary net position						
Contributions - employer	\$	2,029	1,953	2,030	1,921	1,372
Contributions - member		2,029	1,953	2,030	1,921	1,372
Net investment income		4,346	(6,278)	10,952	812	1,924
Benefit payments, including refunds of member contributions		(2,907)	(2,896)	(2,509)	(2,779)	(2,247)
Administrative expense		(177)	(200)	(182)	(143)	(71)
Net change in plan fiduciary net position		5,320	(5,468)	12,321	1,732	2,350
Plan fiduciary net position - beginning		50,264	55,732	43,411	41,679	39,329
Plan fiduciary net position - ending (b)	\$	55,584	50,264	55,732	43,411	41,679
County's net pension (asset) liability - ending (a)-(b)	\$	(105)	1,671	(10,816)	263	(817)
Plan fiduciary net position as a percentage of the total pension (asset) liability (b) / (a)		100.19%	96.78%	124.08%	99.40%	102.00%
Covered payroll	\$	140,924	135,641	140,944	133,390	95,289
County's net pension (asset) liability as a percentage of covered payroll		-0.07%	1.23%	-7.67%	0.20%	-0.86%
Expected average remaining service years of all participants		9	9	9	7	7
Annual money-weighted rate of return		7.69%	-10.88%	25.90%	1.87%	4.88%

Notes to Schedule:
Changes of benefit terms. None

Changes of assumptions. None

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.

2018	2017	2016	2015	2014	Fiscal Year
					Total pension liability
2,005	1,946	1,747	1,747	1,602	Service cost
2,478	2,417	2,301	2,260	2,118	Interest
-	-	-	-	238	Changes of benefit terms
-	(1,070)	-	(1,365)	-	Differences between expected and actual experience
-	-	-	-	-	Changes of assumptions
(2,294)	(2,591)	(2,149)	(1,980)	(1,905)	Benefit payments, including refunds of member contributions
2,189	702	1,899	662	2,053	Net change in total pension liability
36,528	35,826	33,927	33,265	31,212	Total pension liability - beginning
38,717	36,528	35,826	33,927	33,265	Total pension liability - ending (a)
					Plan fiduciary net position
1,294	1,199	1,137	1,083	1,007	Contributions - employer
1,294	1,199	1,137	1,083	1,007	Contributions - member
2,469	3,905	119	(339)	4,438	Net investment income
(2,294)	(2,591)	(2,148)	(1,980)	(1,905)	Benefit payments, including refunds of member contributions
(90)	(93)	(116)	(83)	(109)	Administrative expense
2,673	3,619	129	(236)	4,438	Net change in plan fiduciary net position
36,656	33,037	32,908	33,144	28,706	Plan fiduciary net position - beginning
39,329	36,656	33,037	32,908	33,144	Plan fiduciary net position - ending (b)
(612)	(128)	2,789	1,019	121	County's net pension (asset) liability - ending (a)-(b)
101.58%	100.35%	92.22%	97.00%	99.64%	Plan fiduciary net position as a percentage of the total pension (asset) liability (b) / (a)
89,833	83,241	78,968	75,229	73,505	Covered payroll
-0.68%	-0.15%	3.53%	1.35%	0.16%	County's net pension (asset) liability as a percentage of covered payroll
7	7	8	8	8	Expected average remaining service years of all participants
6.80%	11.75%	-0.03%	-1.12%	15.73%	Annual money-weighted rate of return

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 3B

Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)

Page 1 of 2

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**

(amounts expressed in thousands, except percentages, ratios and years)

Fiscal Year		2023	2022	2021	2020	2019
Actuarially determined contribution	\$	1,649	1,533	1,593	1,534	1,096
Contributions in relation to the actuarially determined contribution		2,163	2,521	2,030	1,921	1,372
Contribution deficiency (excess)	\$	(514)	(988)	(437)	(387)	(276)
Covered payroll	\$	140,924	135,641	140,944	133,390	95,289
Contributions as a percentage of covered payroll ¹		1.53%	1.86%	1.44%	1.44%	1.44%

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 fair value
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.

2018	2017	2016	2015	2014	Fiscal Year
1,087	1,007	1,137	1,083	1,058	Actuarially determined contribution
1,294	1,199	1,137	1,083	1,007	Contributions in relation to the
(207)	(192)	-	-	51	actuarially determined contribution
					Contribution deficiency (excess)
89,833	83,241	78,968	75,229	73,505	Covered payroll
1.44%	1.44%	1.44%	1.44%	1.37%	Contributions as a percentage of
					covered payroll ¹

COUNTY OF PRINCE WILLIAM, VIRGINIA
Schedule 4A
Changes in Net Pension Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)
Page 1 of 2
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

(amounts expressed in thousands, except percentages and years)

Fiscal Year	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 357	370	432	429	522
Interest	886	873	854	839	838
Differences between expected and actual experience	60	(173)	39	(202)	(335)
Changes of assumptions	-	53	(20)	(80)	(330)
Benefit payments, including refunds of member contributions	(625)	(695)	(567)	(489)	(505)
Net change in total pension liability	678	428	738	497	190
Total pension liability - beginning	29,489	29,061	28,323	27,826	27,636
Total pension liability - ending (a)	\$ 30,167	29,489	29,061	28,323	27,826
Plan fiduciary net position					
Contributions - employer	\$ 1,561	1,525	1,536	1,156	941
Net investment income	670	582	547	517	488
Benefit payments, including refunds of member contributions	(625)	(695)	(567)	(489)	(505)
Administrative expense	(160)	(148)	(155)	(79)	(46)
Net change in plan fiduciary net position	1,446	1,264	1,361	1,105	878
Plan fiduciary net position - beginning	20,780	19,516	18,155	17,050	16,172
Plan fiduciary net position - ending (b)	\$ 22,226	20,780	19,516	18,155	17,050
County's net pension liability - ending (a)-(b)	\$ 7,941	8,709	9,545	10,168	10,776
Plan fiduciary net position as a percentage of the total pension liability (b)/(a)	73.68%	70.47%	67.16%	64.10%	61.27%
County's net pension liability as a percentage of covered payroll*	N/A	N/A	N/A	N/A	N/A
Expected average remaining service years of all participants	0.98	1.08	1.13	1.32	2.11
Annual money-weighted rate of return	3.01%	3.02%	3.00%	3.00%	2.98%

* 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.

2018	2017	2016	2015	2014	Fiscal Year
					Total pension liability
235	252	286	290	308	Service cost
958	930	911	885	821	Interest
					Differences between expected and
(168)	(291)	(471)	(392)	-	actual experience
11,019	22	70	-	-	Changes of assumptions
					Benefit payments, including refunds of
(447)	(397)	(362)	(345)	(338)	member contributions
11,597	516	434	438	791	Net change in total pension liability
16,039	15,523	15,089	14,651	13,860	Total pension liability - beginning
27,636	16,039	15,523	15,089	14,651	Total pension liability - ending (a)
					Plan fiduciary net position
798	811	853	940	2,115	Contributions - employer
463	428	409	372	354	Net investment income
					Benefit payments, including refunds of
(447)	(397)	(362)	(345)	(338)	member contributions
(54)	(62)	(37)	(34)	(61)	Administrative expense
760	780	863	933	2,070	Net change in plan fiduciary net position
15,412	14,632	13,769	12,836	10,766	Plan fiduciary net position - beginning
16,172	15,412	14,632	13,769	12,836	Plan fiduciary net position - ending (b)
11,464	627	891	1,320	1,815	County's net pension liability - ending (a)-(b)
58.52%	96.09%	94.26%	91.25%	87.61%	Plan fiduciary net position as a percentage of the total pension liability (b)/(a)
N/A	N/A	N/A	N/A	N/A	County's net pension liability as a percentage of covered payroll*
2.41	2.60	2.97	3.39	N/A	Expected average remaining service years of all participants
3.00%	2.94%	2.95%	2.90%	2.95%	Annual money-weighted rate of return

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 4B

Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)

Page 1 of 2

Prince William County Volunteer Fire and Rescue Personnel Length of Service Award Program (LoSAP)**Schedule of County Contributions - Last 10 Fiscal Years**

(amounts expressed in thousands, except percentages, ratios and years)

Fiscal Year		2023	2022	2021	2020	2019
Actuarially determined contribution	\$	1,561	1,524	1,536	1,156	941
Contributions in relation to the actuarially determined contribution		1,561	1,524	1,536	1,156	941
Contribution deficiency (excess)	\$	-	-	-	-	-
Covered payroll		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

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

2018	2017	2016	2015	2014	Fiscal Year
798	811	853	940	2,115	Actuarially determined contribution
798	811	853	940	2,115	Contributions in relation to the
-	-	-	-	-	actuarially determined contribution
					Contribution deficiency (excess)
N/A	N/A	N/A	N/A	N/A	Covered payroll
N/A	N/A	N/A	N/A	N/A	Contributions as a percentage of
					covered payroll

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 5A

Schedule Changes in the County's Proportionate Share of Net OPEB Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

Page 1 of 2

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

(amounts expressed in thousands, except percentages and years)

Fiscal Year		2022	2021	2020	2019	2018
Prince William County's Proportion of the Net GLI OPEB Liability		1.50009%	1.54687%	1.48218%	1.43243%	1.39846%
Prince William County's Proportionate Share of the Net GLI OPEB Liability	\$	18,063	18,010	24,735	23,309	21,239
Covered Payroll		327,933	320,018	306,566	280,808	271,552
Prince William County's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll		5.51%	5.63%	8.07%	8.30%	7.82%
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability		67.21%	67.45%	52.64%	52.00%	51.22%

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. There have been no changes in assumptions.

2017	2016	2015	2014	2013	Fiscal Year
1.35566%	*	*	*	*	Prince William County's Proportion of the Net GLI OPEB Liability
20,400	*	*	*	*	Prince William County's Proportionate Share of the Net GLI OPEB Liability
255,547	*	*	*	*	Employer's Payroll
7.98%	*	*	*	*	Prince William County's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll
48.86%	*	*	*	*	Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability

* Information for FY 2016 and earlier is not available.

COUNTY OF PRINCE WILLIAM, VIRGINIA**Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)****Virginia Retirement System - Group Life Insurance Program****Schedule of County Contributions - Last 10 Fiscal Years**

(amounts expressed in thousands, except percentages, ratios and years)

Schedule 5B

Page 1 of 2

Fiscal Year		2023	2022	2021	2020	2019
Contractually required contribution	\$	4,313	4,746	4,287	1,586	1,460
Contributions in relation to the contractually required contribution		4,313	4,746	4,287	1,586	1,460
Contribution deficiency (excess)	\$	-	-	-	-	-
Covered payroll	\$	352,740	327,933	320,018	306,566	280,808
Contributions as a percentage of covered payroll ¹		1.22%	1.45%	1.34%	0.52%	0.52%

¹ Contribution rates are set and contributed based on pensionable earnings only.

2018	2017	2016	2015	2014	Fiscal Year
1,383	1,300	1,288	1,223	1,197	Contractually required contribution
1,383	1,300	1,288	1,223	1,197	Contributions in relation to the
-	-	-	-	-	contractually required contribution
					Contribution deficiency (excess)
265,909	255,547	250,061	242,930	230,688	Covered payroll
0.52%	0.51%	0.52%	0.50%	0.52%	Contributions as a percentage of
					covered payroll ¹

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 6A

Changes in Net OPEB Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

Page 1 of 2

Virginia Retirement System - Health Insurance Credit Plan
Changes in the County's Net OPEB Liability and Related Ratios - Last 10 Fiscal Years

(amounts expressed in thousands, except percentages and years)

Fiscal Year	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 233	195	188	177	169
Interest on total OPEB liability	579	540	521	509	493
Differences between expected and actual experience	(176)	41	149	113	63
Changes in benefit terms	-	-	(2)	-	-
Changes of assumptions	552	182	-	197	-
Benefit payments	(618)	(591)	(566)	(500)	(513)
Net change in total OPEB liability	570	367	290	496	212
Total OPEB liability - beginning	8,661	8,294	8,004	7,508	7,296
Total OPEB liability - ending (a)	\$ 9,231	8,661	8,294	8,004	7,508
Plan fiduciary net position					
Contributions - employer	\$ 537	523	498	460	437
Net investment income	7	1,003	76	233	248
Benefit payments, including refunds of member contributions	(618)	(591)	(566)	(500)	(513)
Administrative expense	(8)	(12)	(6)	(5)	(6)
Other	77	-	-	-	(18)
Net change in plan fiduciary net position	(5)	923	-	188	148
Plan fiduciary net position - beginning	4,759	3,836	3,836	3,648	3,500
Plan fiduciary net position - ending (b)	\$ 4,754	4,759	3,836	3,836	3,648
County's net OPEB liability - ending (a)-(b)	\$ 4,477	3,902	4,458	4,168	3,860
Plan fiduciary net position as a percentage of the total OPEB liability (b) / (a)	51.50%	54.95%	46.26%	47.93%	48.59%
Covered payroll	\$ 320,018	290,028	276,527	255,529	248,097
County's net OPEB liability as a percentage of covered payroll	1.40%	1.35%	1.61%	1.63%	1.56%
Expected average remaining service years of all participants	N/A	N/A	N/A	N/A	N/A
See Note 16 Illustration 16-10 for expected arithmetic nominal rate of return	7.83%	7.39%	7.14%	7.63%	7.09%

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. There have been no changes in assumptions.

2017	2016	2015	2014	2013	Fiscal Year
					Total OPEB liability
161	*	*	*	*	Service cost
487	*	*	*	*	Interest on total OPEB liability
-	*	*	*	*	Differences between expected and actual experience
-	*	*	*	*	Changes in benefit terms
(149)	*	*	*	*	Changes of assumptions
(337)	*	*	*	*	Benefit payments
162	*	*	*	*	Net change in total OPEB liability
7,134	*	*	*	*	Total OPEB liability - beginning
7,296	*	*	*	*	Total OPEB liability - ending (a)
					Plan fiduciary net position
411	*	*	*	*	Contributions - employer
358	*	*	*	*	Net investment income
(337)	*	*	*	*	Benefit payments, including refunds of member contributions
(6)	*	*	*	*	Administrative expense
18	*	*	*	*	Other
444	*	*	*	*	Net change in plan fiduciary net position
3,056	*	*	*	*	Plan fiduciary net position - beginning
3,500	*	*	*	*	Plan fiduciary net position - ending (b)
3,796	*	*	*	*	County's net OPEB liability - ending (a)-(b)
47.97%	*	*	*	*	Plan fiduciary net position as a percentage of the total OPEB liability (b) / (a)
255,547	*	*	*	*	Covered payroll
1.49%	*	*	*	*	County's net OPEB liability as a percentage of covered payroll
N/A	*	*	*	*	Expected average remaining service years of all participants
11.71%	*	*	*	*	See Note 14 Illustration 14-10 for expected arithmetic nominal rate of return

* Information for FY 2016 and earlier is not available.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 6B

Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)

Page 1 of 2

Virginia Retirement System - Health Insurance Credit Plan**Schedule of County Contributions - Last 10 Fiscal Years**

(amounts expressed in thousands, except percentages, ratios and years)

Fiscal Year		2023	2022	2021	2020	2019
Contractually required contribution	\$	584	523	522	498	460
Contributions in relation to the net position						
restricted for contractually required contribution		584	523	522	498	460
Contribution deficiency (excess)	\$	-	-	-	-	-
Covered payroll	\$	327,933	320,018	290,028	276,527	255,529
Contributions as a percentage of						
covered payroll ¹		0.18%	0.16%	0.18%	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%

2018	2017	2016	2015	2014	Fiscal Year
437	411	376	357	371	Contractually required contribution net position restricted for
437	411	376	357	371	contractually required contribution
-	-	-	-	-	Contribution deficiency (excess)
248,097	255,547	220,911	212,264	204,740	Covered payroll
0.18%	0.16%	0.17%	0.17%	0.18%	Contributions as a percentage of covered payroll ¹

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 7A

Changes in Net OPEB Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

Page 1 of 2

OPEB Master Trust Fund - County Premium Plan

Changes in the County's Net OPEB Liability and Related Ratios - Last 10 Fiscal Years

(amounts expressed in thousands, except percentages and years)

Fiscal Year	2023	2022	2021	2020	2019
Total OPEB liability					
Service cost	\$ 1,468	1,250	1,202	1,163	1,119
Interest on total OPEB liability	1,840	1,849	1,736	1,705	1,608
Differences between expected and actual experience	(19)	(280)	214	1,230	(37)
Changes of assumptions	-	(299)	-	(1,664)	-
Benefit payments	(1,429)	(1,672)	(1,400)	(2,097)	(1,228)
Net change in total OPEB liability	1,860	848	1,752	337	1,462
Total OPEB liability - beginning	27,990	27,142	25,390	25,053	23,591
Total OPEB liability - ending (a)	\$ 29,850	27,990	27,142	25,390	25,053
Plan fiduciary net position					
Contributions - employer	\$ 1,513	1,479	1,475	1,428	1,521
Net investment income	1,857	(3,444)	5,663	1,313	1,244
Benefit payments, including refunds of member contributions	(1,429)	(1,672)	(1,400)	(2,097)	(1,228)
Asset adjustment	-	-	-	-	-
Administrative expense	(39)	(43)	-	-	-
Net change in plan fiduciary net position	1,902	(3,680)	5,738	644	1,537
Plan fiduciary net position - beginning	20,222	23,902	18,164	17,520	15,983
Plan fiduciary net position - ending (b)	\$ 22,124	20,222	23,902	18,164	17,520
County's net OPEB liability - ending (a)-(b)	\$ 7,726	7,768	3,240	7,226	7,533
Plan fiduciary net position as a percentage of the total OPEB liability (b) / (a)	74.12%	72.25%	88.06%	71.54%	69.93%
Covered payroll	\$ 352,740	327,933	320,018	306,566	280,007
County's net OPEB liability as a percentage of covered payroll	2.19%	2.37%	1.01%	2.36%	2.69%
Expected average remaining service years of all participants	8	8	8	8	8
Annual money-weighted rate of return	8.55%	-13.58%	26.05%	6.53%	6.79%

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%
---------------	-------------------------------

2018	2017	2016	2015	2014	Fiscal Year
					Total OPEB liability
1,285	1,234	*	*	*	* Service cost
1,785	1,673	*	*	*	* Interest on total OPEB liability
					Differences between expected and
(4,473)	34	*	*	*	* actual experience
(428)	-	*	*	*	* Changes of assumptions
(777)	(1,261)	*	*	*	* Benefit payments
(2,608)	1,680	*	*	*	* Net change in total OPEB liability
26,199	24,519	*	*	*	* Total OPEB liability - beginning
23,591	26,199	*	*	*	* Total OPEB liability - ending (a)
					Plan fiduciary net position
1,954	1,884	*	*	*	* Contributions - employer
1,310	1,285	*	*	*	* Net investment income
					Benefit payments, including refunds
(777)	(1,261)	*	*	*	* of member contributions
-	(1,609)	*	*	*	* Asset adjustment
-	(3)	*	*	*	* Administrative expense
2,487	296	*	*	*	* Net change in plan fiduciary net position
13,496	13,200	*	*	*	* Plan fiduciary net position - beginning
15,983	13,496	*	*	*	* Plan fiduciary net position - ending (b)
7,608	12,703	*	*	*	* County's net OPEB liability - ending (a)-(b)
67.75%	51.51%	*	*	*	Plan fiduciary net position as a percentage of the
					* total OPEB liability (b) / (a)
271,552	292,195	*	*	*	* Covered payroll
2.80%	4.35%	*	*	*	County's net OPEB liability as a percentage of
					* covered payroll
8	8	*	*	*	Expected average remaining service years of all
					* participants
7.84%	10.17%	*	*	*	* Annual money-weighted rate of return

* Information for FY 2016 and earlier is not available.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 7B

Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)

Page 1 of 2

OPEB Master Trust Fund - County Premium Plan**Schedule of County Contributions - Last 10 Fiscal Years**

(amounts expressed in thousands, except percentages, ratios and years)

Fiscal Year		2023	2022	2021	2020	2019
Actuarially determined contribution	\$	1,513	1,479	1,475	1,428	1,521
Contributions in relation to the actuarially determined contribution						
Contribution deficiency (excess)	\$	1,513	1,479	1,475	1,428	1,521
		-	-	-	-	-
Covered payroll	\$	352,740	327,933	320,018	306,566	280,007
Contributions as a percentage of covered payroll ¹		0.43%	0.45%	0.46%	0.47%	0.54%

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	15 years, closed
Asset valuation method	Fair value
Investment rate of return	6.75%, net of expenses
Payroll growth rate	3.00%
Inflation	2.50%
Healthcare cost trend rate	The trend for 2023 is 5.8%. The ultimate trend is 3.94%.

Changes of assumptions. For sworn officers in Public Safety, Adult Detention Center, and Police, the percentage of disabilities assumed to be line of duty (or service-related) and eligible for LODA benefits, and hence will not receive any benefits from the Premium Plan increased from 60% to 70% based on the most recent VRS experience study. Effective for the FYE 2023 ADC calculation.

2018	2017	2016	2015	2014	Fiscal Year
1,500	1,884	1,623	1,567	2,085	Actuarially determined contribution
1,954	1,884	1,623	1,567	2,085	Contributions in relation to the
(454)	-	-	-	-	actuarially determined contribution
					Contribution deficiency (excess)
271,552	292,195	280,308	256,956	258,704	Covered payroll
0.72%	0.64%	0.58%	0.61%	0.81%	Contributions as a percentage of
					covered payroll ¹

COUNTY OF PRINCE WILLIAM, VIRGINIA

Changes in Net OPEB Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

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

(amounts expressed in thousands, except percentages and years)

Schedule 8A

Page 1 of 2

Fiscal Year	2023	2022	2021	2020	2019
Total OPEB liability					
Service cost	\$ 902	803	803	744	744
Interest on total OPEB liability	2,784	2,604	2,533	2,443	2,368
Differences between expected and actual experience	(412)	2,577	(180)	874	(52)
Changes of assumptions	-	393	-	(640)	-
Benefit payments	(2,247)	(2,193)	(2,085)	(2,047)	(1,957)
Net change in total OPEB liability	1,027	4,184	1,071	1,374	1,103
Total OPEB liability - beginning	42,578	38,394	37,323	35,949	34,846
Total OPEB liability - ending (a)	\$ 43,605	42,578	38,394	37,323	35,949
Plan fiduciary net position					
Contributions - employer	\$ 2,366	2,291	2,137	2,091	1,977
Net investment income	1,601	(3,013)	4,587	1,054	1,007
Benefit payments, including refunds of member contributions	(2,247)	(2,194)	(2,085)	(2,047)	(1,957)
Asset adjustment	-	-	-	-	-
Net change in plan fiduciary net position	1,720	(2,916)	4,639	1,098	1,027
Plan fiduciary net position - beginning	20,702	23,618	18,979	17,881	16,854
Plan fiduciary net position - ending (b)	\$ 22,422	20,702	23,618	18,979	17,881
County's net OPEB liability - ending (a)-(b)	\$ 21,183	21,876	14,776	18,344	18,068
Plan fiduciary net position as a percentage of the total OPEB liability (b) / (a)	51.42%	48.62%	61.51%	50.85%	49.74%
Covered payroll	\$ 352,740	327,933	320,018	306,566	280,007
County's net OPEB liability as a percentage of covered payroll	6.01%	6.67%	4.62%	5.98%	6.45%
Expected average remaining service years of all participants	8	8	8	8	8
Annual money-weighted rate of return	8.55%	-13.58%	26.05%	6.53%	6.79%

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%
---------------	-------------------------------

2018	2017	2016	2015	2014	Fiscal Year
					Total OPEB liability
755	755	*	*	*	Service cost
2,335	2,254	*	*	*	Interest on total OPEB liability
					Differences between expected and
(245)	(163)	*	*	*	actual experience
(443)	-	*	*	*	Changes of assumptions
(1,867)	(1,647)	*	*	*	Benefit payments
535	1,199	*	*	*	Net change in total OPEB liability
34,311	33,112	*	*	*	Total OPEB liability - beginning
34,846	34,311	*	*	*	Total OPEB liability - ending (a)
					Plan fiduciary net position
2,311	2,267	*	*	*	Contributions - employer
1,115	1,479	*	*	*	Net investment income
					Benefit payments, including refunds
(1,867)	(1,647)	*	*	*	of member contributions
-	1,609	*	*	*	Asset adjustment
1,559	3,708	*	*	*	Net change in plan fiduciary net position
15,295	11,587	*	*	*	Plan fiduciary net position - beginning
16,854	15,295	*	*	*	Plan fiduciary net position - ending (b)
17,992	19,016	*	*	*	County's net OPEB liability - ending (a)-(b)
48.37%	44.58%	*	*	*	Plan fiduciary net position as a percentage
					of the total OPEB liability (b) / (a)
271,552	292,195	*	*	*	Covered payroll
6.63%	6.51%	*	*	*	County's net OPEB liability as a
					percentage of covered payroll
8	8	*	*	*	Expected average remaining service years
					of all participants
7.84%	10.17%	*	*	*	Annual money-weighted rate of return

* Information for FY 2016 and earlier is not available.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 8B

Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)

Page 1 of 2

OPEB Master Trust Fund - County Retiree Health Insurance Credit Plan**Schedule of County Contributions - Last 10 Fiscal Years**

(amounts expressed in thousands, except percentages, ratios and years)

Fiscal Year		2023	2022	2021	2020	2019
Actuarially determined contribution	\$	2,366	2,291	2,137	2,091	1,977
Contributions in relation to the actuarially determined contribution		2,366	2,291	2,137	2,091	1,977
Contribution deficiency (excess)	\$	-	-	-	-	-
Covered payroll	\$	352,740	327,933	320,018	306,566	280,007
Contributions as a percentage of covered payroll ¹		0.67%	0.70%	0.67%	0.68%	0.71%

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	15 years, closed
Asset valuation method	Fair value
Investment rate of return	6.75%, net of OPEB Trust investment expense
Payroll growth rate	3%
Inflation	2.50%
Healthcare cost trend rate	Not applicable

Changes of assumptions. For sworn officers in Public Safety, Adult Detention Center, and Police, the percentage of disabilities assumed to be line of duty (or service-related) and eligible for LODA benefits, and hence will not receive any benefits from the Credit Plan increased from 60% to 70% based on the most recent VRS experience study. Effective for the FYE 2023 ADC calculation. The payroll growth rate decreased from 3.5% to 3.0% effective for the FYE 2023 ADC calculation (remained at 3.5% for the FYE 2022 ADC).

2018	2017	2016	2015	2014	Fiscal Year
1,967	2,267	2,061	2,023	2,107	Actuarially determined contribution
2,311	2,267	2,061	2,023	2,107	Contributions in relation to the
(344)	-	-	-	-	actuarially determined contribution
					Contribution deficiency (excess)
271,552	292,195	280,308	256,956	258,704	Covered payroll
0.85%	0.78%	0.74%	0.79%	0.81%	Contributions as a percentage of
					covered payroll ¹

COUNTY OF PRINCE WILLIAM, VIRGINIA

Changes in Net OPEB Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

OPEB Master Trust Fund - County Line of Duty Act (LODA) Plan

Changes in the County's Net OPEB Liability and Related Ratios - Last 10 Fiscal Years

(amounts expressed in thousands, except percentages and years)

Schedule 9A

Page 1 of 2

Fiscal Year	2023	2022	2021	2020	2019
Total OPEB liability					
Service cost	\$ 1,908	1,795	1,726	1,113	1,071
Interest on total OPEB liability	1,296	1,213	1,082	1,367	1,270
Differences between expected and actual experience	(55)	(1,317)	(51)	(5,869)	(188)
Changes of assumptions	-	1,122	-	12	-
Benefit payments	(993)	(926)	(793)	(763)	(750)
Net change in total OPEB liability	2,156	1,887	1,964	(4,140)	1,403
Total OPEB liability - beginning	19,724	17,837	15,873	20,013	18,610
Total OPEB liability - ending (a)	\$ 21,880	19,724	17,837	15,873	20,013
Plan fiduciary net position					
Contributions - employer	\$ 1,896	1,830	1,875	1,788	1,526
Net investment income	2,092	(3,597)	4,988	1,144	1,034
Benefit payments, including refunds of member contributions	(993)	(926)	(793)	(763)	(750)
Administrative expense	(44)	(44)	(39)	-	-
Net change in plan fiduciary net position	2,951	(2,737)	6,031	2,169	1,810
Plan fiduciary net position - beginning	19,954	22,691	16,660	14,491	12,681
Plan fiduciary net position - ending (b)	\$ 22,905	19,954	22,691	16,660	14,491
County's net OPEB liability - ending (a)-(b)	\$ (1,025)	(230)	(4,854)	(787)	5,522
Plan fiduciary net position as a percentage of the total OPEB liability (b) / (a)	104.68%	101.17%	127.21%	104.96%	72.41%
Covered payroll	\$ 140,924	135,641	140,944	135,139	112,846
County's net OPEB liability (asset) as a percentage of covered payroll	-0.73%	-0.17%	-3.44%	-0.58%	4.89%
Expected average remaining service years of all participants	12	12	12	12	12
Annual money-weighted rate of return	8.55%	-13.58%	26.05%	6.53%	6.79%

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%
---------------	-------------------------------

2018	2017	2016	2015	2014	Fiscal Year
					Total OPEB liability
1,087	1,044	*	*	*	Service cost
1,002	920	*	*	*	Interest on total OPEB liability
907	45	*	*	*	Differences between expected and actual experience
1,695	-	*	*	*	Changes of assumptions
(810)	(815)	*	*	*	Benefit payments
3,881	1,194	*	*	*	Net change in total OPEB liability
14,729	13,535	*	*	*	Total OPEB liability - beginning
18,610	14,729	*	*	*	Total OPEB liability - ending (a)
					Plan fiduciary net position
1,476	1,424	*	*	*	Contributions - employer
1,071	1,169	*	*	*	Net investment income
(810)	(815)	*	*	*	Benefit payments, including refunds of member contributions
-	-	*	*	*	Administrative expense
1,737	1,778	*	*	*	Net change in plan fiduciary net position
10,944	9,166	*	*	*	Plan fiduciary net position - beginning
12,681	10,944	*	*	*	Plan fiduciary net position - ending (b)
5,929	3,785	*	*	*	County's net OPEB liability - ending (a)-(b)
68.14%	74.30%	*	*	*	Plan fiduciary net position as a percentage of the total OPEB liability (b) / (a)
106,195	83,241	*	*	*	Covered payroll
5.58%	4.55%	*	*	*	County's net OPEB liability (asset) as a percentage of covered payroll
12	12	*	*	*	Expected average remaining service years of all participants
7.84%	10.17%	*	*	*	Annual money-weighted rate of return

* Information for FY 2016 and earlier is not available.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 9B

Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)

Page 1 of 2

OPEB Master Trust Fund - County Line of Duty Act (LODA) Plan**Schedule of County Contributions - Last 10 Fiscal Years**

(amounts expressed in thousands, except percentages, ratios and years)

Fiscal Year		2023	2022	2021	2020	2019
Actuarially determined contribution	\$	1,941	1,830	1,875	1,788	1,526
Contributions in relation to the actuarially determined contribution		1,896	1,830	1,875	1,788	1,526
Contribution deficiency (excess)	\$	45	-	-	-	-
Covered payroll	\$	140,924	135,641	140,944	135,139	112,846
Contributions as a percentage of covered payroll ¹		1.35%	1.35%	1.33%	1.32%	1.35%

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	20 years, closed
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	The trend for 2023 is 5.8%. The ultimate trend is 3.94%.

Changes of assumptions. There have been no changes in assumptions.

2018	2017	2016	2015	2014	Fiscal Year
1,472	1,424	1,529	1,474	3,165	Actuarially determined contribution
1,476	1,424	1,529	1,474	7,778	Contributions in relation to the
(4)	-	-	-	(4,613)	actuarially determined contribution
					Contribution deficiency (excess)
106,195	83,241	79,081	95,795	86,476	Covered payroll
1.39%	1.71%	1.93%	1.54%	8.99%	Contributions as a percentage of
					covered payroll ¹

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 10A

Changes in Net OPEB Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)

Page 1 of 2

OPEB Master Trust Fund - Schools Premium Plan

Changes in the County's Net OPEB Liability and Related Ratios - Last 10 Fiscal Years

(amounts expressed in thousands, except percentages and years)

Fiscal Year	2023	2022	2021	2020	2019
Total OPEB liability					
Service cost	\$ 1,962	2,238	2,152	2,913	2,801
Interest on total OPEB liability	2,553	2,670	2,578	3,903	3,709
Differences between expected and actual experience	(1,130)	492	(1,782)	(22,626)	(594)
Changes of assumptions	-	(3,891)	-	(220)	-
Benefit payments/refunds	(2,003)	(1,914)	(1,756)	(3,045)	(3,060)
Net change in total OPEB liability	1,382	(405)	1,192	(19,075)	2,856
Total OPEB liability - beginning	39,388	39,793	38,601	57,676	54,820
Total OPEB liability - ending (a)	\$ 40,770	39,388	39,793	38,601	57,676
Plan fiduciary net position					
Contributions - employer	\$ -	1,800	1,800	1,800	1,800
Net investment income	4,100	(7,567)	10,736	2,478	2,248
Administrative expense	-	-	(15)	-	(3)
Net change in plan fiduciary net position	4,100	(5,767)	12,521	4,278	4,045
Plan fiduciary net position - beginning	48,356	54,123	41,602	37,324	33,279
Plan fiduciary net position - ending (b)	\$ 52,456	48,356	54,123	41,602	37,324
School's net OPEB liability - ending (a)-(b)	\$ (11,686)	(8,968)	(14,330)	(3,001)	20,352
Plan fiduciary net position as a percentage of the total OPEB liability (b) / (a)	128.66%	122.77%	136.01%	107.77%	64.71%
Covered payroll	\$ 719,230	703,886	668,814	655,997	615,455
School's net OPEB liability as a percentage of covered payroll	-1.62%	-1.27%	-2.14%	-0.46%	3.31%
Expected average remaining service years of all participants	6	6	8	8	7
Annual money-weighted rate of return	8.55%	-13.58%	26.05%	6.53%	6.79%

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:

Discount Rate	Decreased from 7.00% to 6.75%
---------------	-------------------------------

2018	2017	2016	2015	2014	Fiscal Year
					Total OPEB liability
3,015	2,624	*	*	*	Service cost
4,652	4,691	*	*	*	Interest on total OPEB liability
(18,166)	-	*	*	*	Differences between expected and actual experience
-	-	*	*	*	Changes of assumptions
(3,042)	(3,329)	*	*	*	Benefit payments/refunds
(13,541)	3,986	*	*	*	Net change in total OPEB liability
68,361	64,375	*	*	*	Total OPEB liability - beginning
54,820	68,361	*	*	*	Total OPEB liability - ending (a)
					Plan fiduciary net position
1,000	1,000	*	*	*	Contributions - employer
2,340	2,619	*	*	*	Net investment income
(7)	-	*	*	*	Administrative expense
3,333	3,619	*	*	*	Net change in plan fiduciary net position
29,946	26,327	*	*	*	Plan fiduciary net position - beginning
33,279	29,946	*	*	*	Plan fiduciary net position - ending (b)
21,541	38,415	*	*	*	School's net OPEB liability - ending (a)-(b)
60.71%	43.81%	*	*	*	Plan fiduciary net position as a percentage of the total OPEB liability (b) / (a)
599,822	576,721	*	*	*	Covered payroll
3.59%	6.66%	*	*	*	School's net OPEB liability as a percentage of covered payroll
8	8	*	*	*	Expected average remaining service years of all participants
7.84%	10.17%	*	*	*	Annual money-weighted rate of return

* Information for FY 2016 and earlier is not available.

COUNTY OF PRINCE WILLIAM, VIRGINIA
Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)
OPEB Master Trust Fund - Schools Premium Plan
Schedule of County Contributions - Last 10 Fiscal Years
(amounts expressed in thousands, except percentages, ratios and years)

Schedule 10B
Page 1 of 2

Fiscal Year		2023	2022	2021	2020	2019
Actuarially determined contribution	\$	2,002	3,714	3,556	4,845	4,860
Contributions in relation to the actuarially determined contribution		2,002	3,714	3,556	4,845	4,860
Contribution deficiency (excess)	\$	-	-	-	-	-
Covered payroll	\$	719,230	703,886	668,814	655,997	615,455
Contributions as a percentage of covered payroll ¹		0.28%	0.53%	0.53%	0.74%	0.79%

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	27 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.

2018	2017	2016	2015	2014	Fiscal Year
4,041	4,328	3,412	4,700	7,762	Actuarially determined contribution
4,041	4,328	3,412	4,700	7,762	Contributions in relation to the
-	-	-	-	-	actuarially determined contribution
					Contribution deficiency (excess)
599,822	576,721	N/A	N/A	N/A	Covered payroll
0.67%	0.75%	N/A	N/A	N/A	Contributions as a percentage of
					covered payroll ¹

COUNTY OF PRINCE WILLIAM, VIRGINIA

Nonmajor Governmental Funds - Special Revenue Funds and Capital Project Funds

Combining Balance Sheet

June 30, 2023

(amounts expressed in thousands)

Schedule 11

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		Special Revenue Funds							
		Fire & Rescue Levy	Transportation Districts	Stormwater Management District/Gypsy Moth and Forest Pest Management	Development Fee Services	Housing	Community Development Authorities	Emergency Medical Services	Transient Occupancy Tax
ASSETS:									
Equity in pooled cash and investments	\$	57,266	1,920	11,928	14,051	7,074	1,509	4,267	7,891
Restricted cash and temporary investments		-	-	-	-	-	-	-	-
Property taxes receivable, net		893	217	30	-	-	2	-	-
Accounts receivable, net		183	9	122	72	29	-	468	681
Due from other governmental units		-	-	-	-	1,324	-	308	-
Inventory		-	-	19	-	-	-	-	-
Advances and prepaid items		-	-	-	-	-	-	-	-
Total assets	\$	58,342	2,146	12,099	14,123	8,427	1,511	5,043	8,572
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE									
LIABILITIES:									
Accounts payable	\$	1,322	9	99	23	38	-	11	-
Wages and benefits payable		-	-	72	337	43	-	17	-
Due to other governmental units		-	-	30	-	-	-	-	-
Deposits and escrows		1	-	-	-	-	-	-	-
Prepaid taxes		23,042	507	800	-	-	1,502	-	-
Unearned revenues		-	-	3,444	6	41	-	-	-
Retainages		-	-	-	-	-	-	-	-
Total liabilities		24,365	516	4,445	366	122	1,502	28	-
DEFERRED INFLOWS OF RESOURCES:									
Deferred inflows related to unavailable taxes		536	-	18	-	-	-	-	-
Deferred inflows related to unavailable settlements		-	-	-	-	-	-	-	-
Total deferred inflows of resources		536	-	18	-	-	-	-	-
FUND BALANCES:									
Non-spendable		-	-	19	-	-	-	-	-
Restricted		33,441	1,630	7,617	13,757	8,305	9	5,015	8,572
Committed		-	-	-	-	-	-	-	-
Unassigned		-	-	-	-	-	-	-	-
Total fund balances		33,441	1,630	7,636	13,757	8,305	9	5,015	8,572
Total liabilities, deferred inflows of resources and fund balances	\$	58,342	2,146	12,099	14,123	8,427	1,511	5,043	8,572

Special Revenue Funds				Capital Projects Funds			
Grantor's / Deed Tax	Covid-19 Response	Opioid Settlement	Other	Other	Education	Total	
36,545	16,489	993	230	33,549	-	193,712	ASSETS:
-	-	-	-	1,448	-	1,448	Equity in pooled cash and investments
-	-	-	-	-	-	1,142	Restricted cash and temporary investments
164	245	3,287	1	-	-	5,261	Property taxes receivable, net
-	-	-	-	54	-	1,686	Accounts receivable, net
-	-	-	-	-	-	19	Due from other governmental units
-	4	-	-	-	-	4	Inventory
36,709	16,738	4,280	231	35,051	-	203,272	Advances and prepaid items
							Total assets
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE							
LIABILITIES:							
-	515	105	-	5,217	-	7,339	Accounts payable
-	-	-	-	-	-	469	Wages and benefits payable
-	-	-	-	-	-	30	Due to other governmental units
-	-	-	42	-	-	43	Deposits and escrows
-	-	-	-	-	-	25,851	Prepaid taxes
-	16,795	-	-	100	-	20,386	Unearned revenues
-	-	-	-	1,448	-	1,448	Retainages
-	17,310	105	42	6,765	-	55,566	Total liabilities
DEFERRED INFLOWS OF RESOURCES:							
-	-	-	-	-	-	554	Deferred inflows related to unavailable taxes
-	-	3,135	-	-	-	3,135	Deferred inflows related to unavailable settlements
-	-	3,135	-	-	-	3,689	Total deferred inflows of resources
FUND BALANCES:							
-	4	-	-	-	-	23	Non-spendable
36,709	-	1,040	189	-	-	116,284	Restricted
-	-	-	-	28,286	-	28,286	Committed
-	(576)	-	-	-	-	(576)	Unassigned
36,709	(572)	1,040	189	28,286	-	144,017	Total fund balances
36,709	16,738	4,280	231	35,051	-	203,272	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, 2023

(amounts expressed in thousands)

Schedule 12

Page 1 of 2

	Special Revenue Funds							
	Fire & Rescue Levy	Transportation Districts	Stormwater Management District/Gypsy Moth and Forest Pest Management	Development Fee Services	Housing	Community Development Authorities	Emergency Medical Services	Transient Occupancy Tax
REVENUES:								
General property taxes	\$ 60,063	1,618	2,007	-	-	5,481	-	-
Other local taxes	-	-	-	-	-	-	-	3,342
Permits, privilege fees and regulatory licenses	-	-	347	22,630	-	-	-	-
From use of money and property	(14)	1	18	(40)	(1)	-	18	32
Charges for services	-	9	9,878	958	780	-	5,972	-
Intergovernmental revenues:								
Federal	-	-	13	-	35,325	-	-	-
State	-	-	18	-	690	-	7	-
Donations	-	-	-	-	-	-	-	-
Miscellaneous	232	-	32	2	-	-	-	-
Total revenues	60,281	1,628	12,313	23,550	36,794	5,481	5,997	3,374
EXPENDITURES:								
General government administration	-	-	-	-	-	-	-	-
Public safety	29,510	-	-	17,999	-	-	3,506	150
Public works	-	434	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Community development	-	-	7,197	6,910	34,853	5,468	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	29,510	434	7,197	24,909	34,853	5,468	3,506	150
OTHER FINANCING SOURCES / (USES):								
Transfers in from:								
General fund	-	-	47	5,003	255	-	31	-
Transfers out to:								
General fund	(28,064)	(989)	(1,311)	(2,207)	(173)	(15)	(3,827)	-
Capital projects	-	-	-	-	-	-	-	-
Internal service funds	(98)	-	(19)	(382)	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Premium on debt	-	-	-	-	-	-	-	-
Sale of surplus property	-	-	48	10	-	-	-	-
Total other financing sources / (uses)	(28,162)	(989)	(1,235)	2,424	82	(15)	(3,796)	-
Net change in fund balances	2,609	205	3,881	1,065	2,023	(2)	(1,305)	3,224
FUND BALANCE, beginning of year	36,708	1,425	6,171	12,692	6,282	11	6,320	6,173
FUND BALANCE, end of year	\$ 39,317	1,630	10,052	13,757	8,305	9	5,015	9,397

Special Revenue Funds			
Grantor's / Deed Tax	Covid-19 Response	Opioid Settlement	Other
-	-	-	-
5,195	-	-	-
-	-	-	-
29	1,463	-	-
-	-	-	-
-	55,541	-	-
-	-	-	12
-	-	-	12
-	-	1,212	-
5,224	57,004	1,212	24
-	8,708	-	-
-	(2,942)	-	9
-	-	-	-
-	6,840	-	-
-	2,413	-	-
-	-	172	-
-	15,019	172	9
-	-	-	-
5,224	41,985	1,040	15
31,485	(2,035)	-	174
36,709	39,950	1,040	189

Capital Projects Funds	
Other	Education
-	-
-	-
-	-
-	-
-	-
1,500	-
8,233	-
-	-
1,025	-
10,758	-
-	-
-	-
-	-
-	-
88,232	44,809
88,232	44,809
-	-
-	-
(112)	-
(342)	-
(840)	-
-	42,400
-	2,409
-	-
23,957	44,809
(53,517)	-
32,164	-
(21,353)	-

Total
69,169
8,537
22,977
1,506
17,597
92,379
8,960
12
2,503
223,640
8,708
48,232
434
6,840
56,841
133,213
254,268
30,587
(36,698)
(342)
(1,339)
42,400
2,409
58
37,075
6,447
137,570
144,017

REVENUES:

General property taxes

Other local taxes

Permits, privilege fees and regulatory licenses

From use of money and property

Charges for services

Intergovernmental revenues:

Federal

State

Donations

Miscellaneous

Total revenues

EXPENDITURES:

General government administration

Public safety

Public works

Health and welfare

Community development

Capital outlay

Total expenditures

OTHER FINANCING SOURCES / (USES):

Transfers in from:

General fund

Transfers out to:

General fund

Capital projects funds

Internal service funds

Issuance of debt

Premium on debt

Sale of surplus property

Total other financing sources / (uses)

Net change in fund balances

FUND BALANCE, beginning of year

FUND BALANCE, end of year

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 13

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, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
General property taxes	\$ 62,118	62,118	60,063	(2,055)
From use of money and property	761	381	959	578
Miscellaneous	761	-	232	232
Total budgetary revenues	63,640	62,499	61,254	(1,245)
BUDGETARY EXPENDITURES:				
Public safety	63,073	38,460	29,510	8,950
Total budgetary expenditures	63,073	38,460	29,510	8,950
OTHER FINANCING USES:				
Transfers out to:				
General fund	(28,064)	(28,064)	(28,064)	-
Capital projects funds	(5,876)	(5,876)	(5,876)	-
Internal service funds	(98)	(98)	(98)	-
Total other financing uses	(34,038)	(34,038)	(34,038)	-
Net change in budgetary fund balance	(33,471)	(9,999)	(2,294)	7,705
BUDGETARY FUND BALANCE, beginning of year	43,601	43,601	43,601	-
BUDGETARY FUND BALANCE, end of year	\$ 10,130	33,602	41,307	7,705
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 13)	\$ 761	381	959	578
Current year fair value adjustment	-	-	(973)	(973)
From use of money and property (Schedule 12)	761	381	(14)	(395)
Cumulative fair value adjustments of prior periods	-	-	(6,893)	(6,893)
BUDGETARY FUND BALANCE, end of year	10,130	33,602	41,307	7,705
Total adjustments	-	-	(7,866)	(7,866)
FUND BALANCE, end of year	\$ 10,130	33,602	33,441	(161)

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 14

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, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
General property taxes	\$ 1,427	1,368	1,618	250
From use of money and property	14	7	37	30
Charges for services	-	-	9	9
Total budgetary revenues	1,441	1,375	1,664	289
BUDGETARY EXPENDITURES:				
Public works	632	501	434	67
Total budgetary expenditures	632	501	434	67
OTHER FINANCING USES:				
Transfers out to:				
General fund	(989)	(989)	(989)	-
Total other financing uses	(989)	(989)	(989)	-
Net change in budgetary fund balance	(180)	(115)	241	356
BUDGETARY FUND BALANCE, beginning of year	1,629	1,629	1,629	-
BUDGETARY FUND BALANCE, end of year	\$ 1,449	1,514	1,870	356
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 14)	\$ 14	7	37	30
Current year fair value adjustment	-	-	(36)	(36)
From use of money and property (Schedule 12)	14	7	1	(6)
Cumulative fair value adjustments of prior periods	-	-	(204)	(204)
BUDGETARY FUND BALANCE, end of year	1,449	1,514	1,870	356
Total adjustments	-	-	(240)	(240)
FUND BALANCE, end of year	\$ 1,449	1,514	1,630	116

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 15

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, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
General property taxes	\$ 1,707	1,632	2,007	375
Permits, privilege fees and regulatory licenses	394	300	347	47
From use of money and property	260	130	214	84
Charges for services	9,644	9,644	9,878	234
Intergovernmental revenues:				
Federal	-	-	13	13
State	-	18	18	-
Miscellaneous	-	-	32	32
Total budgetary revenues	12,005	11,724	12,509	785
BUDGETARY EXPENDITURES:				
Community development	11,503	8,722	7,197	1,525
Total budgetary expenditures	11,503	8,722	7,197	1,525
OTHER FINANCING SOURCES / (USES):				
Transfers in from:				
General fund	11	47	47	-
Transfers out from:				
General fund	(1,311)	(1,311)	(1,311)	-
Capital projects funds	(2,416)	(2,416)	(2,416)	-
Internal service funds	(19)	(19)	(19)	-
Sale of surplus property	-	-	48	48
Total other financing sources / (uses), net	(3,735)	(3,699)	(3,651)	48
Net change in budgetary fund balance	(3,233)	(697)	1,661	2,358
BUDGETARY FUND BALANCE, beginning of year	7,092	7,092	7,092	-
BUDGETARY FUND BALANCE, end of year	\$ 3,859	6,395	8,753	2,358
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 15)	\$ 260	130	214	84
Current year fair value adjustment	-	-	(196)	(196)
From use of money and property (Schedule 12)	260	130	18	(112)
Cumulative fair value adjustments of prior periods	-	-	(921)	(921)
BUDGETARY FUND BALANCE, end of year	3,859	6,395	8,753	2,358
Total adjustments	-	-	(1,117)	(1,117)
FUND BALANCE, end of year	\$ 3,859	6,395	7,636	1,241

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 16

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, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
Permits, privilege fees and regulatory licenses	\$ 21,371	20,208	22,630	2,422
From use of money and property	109	55	313	258
Charges for services	1,287	1,220	958	(262)
Intergovernmental revenues:				
State	6	-	-	-
Miscellaneous	293	25	2	(23)
Total budgetary revenues	23,066	21,508	23,903	2,395
BUDGETARY EXPENDITURES:				
Public safety	20,114	19,317	17,999	1,318
Community development	8,343	7,190	6,910	280
Total budgetary expenditures	28,457	26,507	24,909	1,598
OTHER FINANCING SOURCES / (USES):				
Transfers in from:				
General fund	4,009	5,003	5,003	-
Transfers out to:				
General fund	(2,207)	(2,207)	(2,207)	-
Internal service funds	(382)	(382)	(382)	-
Sale of surplus property	-	-	10	10
Total other financing sources, net	1,420	2,414	2,424	10
Net change in budgetary fund balance	(3,971)	(2,585)	1,418	4,003
BUDGETARY FUND BALANCE, beginning of year	13,227	13,227	13,227	-
BUDGETARY FUND BALANCE, end of year	\$ 9,256	10,642	14,645	4,003
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 16)	\$ 109	55	313	258
Current year fair value adjustment	-	-	(353)	(353)
From use of money and property (Schedule 12)	109	55	(40)	(95)
Cumulative fair value adjustments of prior periods	-	-	(535)	(535)
BUDGETARY FUND BALANCE, end of year	9,256	10,642	14,645	4,003
Total adjustments	-	-	(888)	(888)
FUND BALANCE, end of year	\$ 9,256	10,642	13,757	3,115

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 17

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, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
From use of money and property	\$ -	-	4	4
Charges for services	15,481	7,970	780	(7,190)
Intergovernmental revenues:				
Federal	49,080	37,154	35,325	(1,829)
State	292	710	690	(20)
Miscellaneous	290	-	-	-
Total budgetary revenues	65,143	45,834	36,799	(9,035)
BUDGETARY EXPENDITURES:				
Community development	73,333	56,209	34,853	21,356
Total budgetary expenditures	73,333	56,209	34,853	21,356
OTHER FINANCING SOURCES / (USES):				
Transfers in from:				
General fund	227	255	255	-
Transfers out to:				
General fund	(305)	(173)	(173)	-
Total other financing sources / (uses), net	(78)	82	82	-
Net change in budgetary fund balance	(8,268)	(10,293)	2,028	12,321
BUDGETARY FUND BALANCE, beginning of year	6,290	6,290	6,290	-
BUDGETARY FUND BALANCE, end of year	\$ (1,978)	(4,003)	8,318	12,321
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 17)	\$ -	-	4	4
Current year fair value adjustment	-	-	(5)	(5)
From use of money and property (Schedule 12)	-	-	(1)	(1)
Cumulative fair value adjustments of prior periods	-	-	(8)	(8)
BUDGETARY FUND BALANCE, end of year	(1,978)	(4,003)	8,318	12,321
Total adjustments	-	-	(13)	(13)
FUND BALANCE, end of year	\$ (1,978)	(4,003)	8,305	12,308

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 18

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, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
General property taxes	\$ 5,529	5,507	5,481	(26)
Total budgetary revenues	5,529	5,507	5,481	(26)
BUDGETARY EXPENDITURES:				
Community development	5,473	5,492	5,468	24
Total budgetary expenditures	5,473	5,492	5,468	24
OTHER FINANCING USES:				
Transfers out to:				
General fund	(8)	(15)	(15)	-
Total other financing sources / (uses), net	(8)	(15)	(15)	-
Net change in budgetary fund balance	48	-	(2)	(2)
BUDGETARY FUND BALANCE, beginning of year	11	11	11	-
BUDGETARY FUND BALANCE, end of year	<u>\$ 59</u>	<u>11</u>	<u>9</u>	<u>(2)</u>

Note to Schedule:

GAAP basis equals Budgetary basis.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 19

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, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
From use of money and property	\$ -	-	61	61
Charges for services	5,762	5,762	5,972	210
Intergovernmental revenues:				
State	-	-	7	7
Total budgetary revenues	5,762	5,762	6,040	278
BUDGETARY EXPENDITURES:				
Public safety	3,154	3,730	3,506	224
Total budgetary expenditures	3,154	3,730	3,506	224
OTHER FINANCING USES:				
Transfers in from:				
General fund	-	31	31	-
Transfers out to:				
General fund	(3,827)	(3,827)	(3,827)	-
Total other financing sources / (uses), net	(3,827)	(3,796)	(3,796)	-
Net change in budgetary fund balance	(1,219)	(1,764)	(1,262)	502
BUDGETARY FUND BALANCE, beginning of year	6,735	6,735	6,735	-
BUDGETARY FUND BALANCE, end of year	\$ 5,516	4,971	5,473	502
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 19)	\$ -	-	61	61
Current year fair value adjustment	-	-	(43)	(43)
From use of money and property (Schedule 12)	-	-	18	18
Cumulative fair value adjustments of prior periods	-	-	(415)	(415)
BUDGETARY FUND BALANCE, end of year	5,516	4,971	5,473	502
Total adjustments	-	-	(458)	(458)
FUND BALANCE, end of year	\$ 5,516	4,971	5,015	44

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, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actuals	
BUDGETARY REVENUES:				
Other local taxes	\$ 1,400	1,400	3,342	1,942
From use of money and property	-	-	171	171
Total budgetary revenues	1,400	1,400	3,513	2,113
BUDGETARY EXPENDITURES:				
Public safety	-	150	150	-
Total budgetary expenditures	-	150	150	-
OTHER FINANCING USES:				
Transfers out:				
Capital projects funds	-	(825)	(825)	-
Total other financing uses, net	-	(825)	(825)	-
Net change in budgetary fund balance	1,400	425	2,538	2,113
BUDGETARY FUND BALANCE, beginning of year	6,505	6,505	6,505	-
BUDGETARY FUND BALANCE, end of year	\$ 7,905	6,930	9,043	2,113
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 20)	\$ -	-	171	171
Current year fair value adjustment	-	-	(139)	(139)
From use of money and property (Schedule 12)	-	-	32	32
Cumulative fair value adjustments of prior periods	-	-	(332)	(332)
BUDGETARY FUND BALANCE, end of year	7,905	6,930	9,043	2,113
Total adjustments	-	-	(471)	(471)
FUND BALANCE, end of year	\$ 7,905	6,930	8,572	1,642

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 21

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, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With
	Original	Final	Actuals	Final Budget
				Favorable
				(Unfavorable)
BUDGETARY REVENUES:				
Other local taxes	\$ -	-	5,195	5,195
From use of money and property	-	-	772	772
Total budgetary revenues	-	-	5,967	5,967
Net change in budgetary fund balance	-	-	5,967	5,967
BUDGETARY FUND BALANCE, beginning of year	33,489	33,489	33,489	-
BUDGETARY FUND BALANCE, end of year	\$ 33,489	33,489	39,456	5,967
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 21)	\$ -	-	772	772
Current year fair value adjustment	-	-	(743)	(743)
From use of money and property (Schedule 12)	-	-	29	29
Cumulative fair value adjustments of prior periods	-	-	(2,004)	(2,004)
BUDGETARY FUND BALANCE, end of year	33,489	33,489	39,456	5,967
Total adjustments	-	-	(2,747)	(2,747)
FUND BALANCE, end of year	\$ 33,489	33,489	36,709	3,220

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 22

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, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actuals	
BUDGETARY REVENUES:				
From use of money and property	\$ -	-	1,463	1,463
Intergovernmental revenues:				
Federal	-	136	55,541	55,405
Total budgetary revenues	-	136	57,004	56,868
BUDGETARY EXPENDITURES:				
General government administration	7,883	9,531	8,708	823
Public safety	33,915	4,183	(2,942)	7,125
Health and welfare	18,455	10,549	6,840	3,709
Parks, recreation and cultural	150	-	-	-
Community development	13,308	6,864	2,413	4,451
Total budgetary expenditures	73,711	31,127	15,019	16,108
OTHER FINANCING USES:				
Transfers out:				
Capital projects funds	-	(40,522)	(40,522)	-
Total other financing uses, net	-	(40,522)	(40,522)	-
Net change in budgetary fund balance	(73,711)	(71,513)	1,463	72,976
BUDGETARY FUND BALANCE, beginning of year	709	709	709	-
BUDGETARY FUND BALANCE, end of year	\$ (73,002)	(70,804)	2,172	72,976
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 22)	\$ -	-	1,463	1,463
From use of money and property (Schedule 12)	-	-	1,463	1,463
Cumulative fair value adjustments of prior periods	-	-	(2,744)	(2,744)
BUDGETARY FUND BALANCE, end of year	(73,002)	(70,804)	2,172	72,976
Total adjustments	-	-	(2,744)	(2,744)
FUND BALANCE, end of year	\$ (73,002)	(70,804)	(572)	70,232

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 23

Special Revenue Fund - Opioid Settlement

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, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With Final Budget Favorable (Unfavorable)
	Original	Final	Actuals	
BUDGETARY REVENUES:				
Miscellaneous	\$ -	449	1,212	763
Total budgetary revenues	-	449	1,212	763
BUDGETARY EXPENDITURES:				
Community development	-	312	172	140
Total budgetary expenditures	-	312	172	140
Net change in budgetary fund balance	-	137	1,040	903
BUDGETARY FUND BALANCE, beginning of year	-	-	-	-
BUDGETARY FUND BALANCE, end of year	\$ -	137	1,040	903

Note to Schedule:

GAAP basis equals Budgetary basis.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 24

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, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With
	Original	Final	Actuals	Final Budget Favorable (Unfavorable)
BUDGETARY REVENUES:				
From use of money and property	\$ -	-	5	5
Intergovernmental revenues:				
State	16	10	12	2
Donations	-	-	12	12
Total budgetary revenues	16	10	29	19
BUDGETARY EXPENDITURES:				
Public safety	10	10	9	1
Total budgetary expenditures	10	10	9	1
Net change in budgetary fund balance	6	-	20	20
BUDGETARY FUND BALANCE, beginning of year	187	187	187	-
BUDGETARY FUND BALANCE, end of year	\$ 193	187	207	20
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 24)	\$ -	-	5	5
Current year fair value adjustment	-	-	(5)	(5)
From use of money and property (Schedule 12)	-	-	-	-
Cumulative fair value adjustments of prior periods	-	-	(13)	(13)
BUDGETARY FUND BALANCE, end of year	193	187	207	20
Total adjustments	-	-	(18)	(18)
FUND BALANCE, end of year	\$ 193	187	189	2



**PRINCE
WILLIAM**
— **COUNTY**

Nonmajor Proprietary Funds

INNOVATION TECHNOLOGY PARK

The Innovation Technology Park fund accounts for the sale of land for economic development purposes.

PARKS & RECREATION

The Department of Parks & Recreation fund accounts for recreational services to County residents at the golf course, Waterworks and Splashdown Water Parks.

COUNTY OF PRINCE WILLIAM, VIRGINIA**Nonmajor Proprietary Funds****Combining Statement of Net Position**

June 30, 2023

(amounts expressed in thousands)

Schedule 25

Page 1 of 2

	Innovation Technology Park	Parks & Recreation	Total
ASSETS			
Current assets:			
Equity in pooled cash and investments	\$ 15,121	-	15,121
Restricted cash and temporary investments	-	304	304
Accounts receivable, net	69	13	82
Inventory	3,553	82	3,635
Advances and prepaid items	-	20	20
Total current assets	18,743	419	19,162
Noncurrent assets:			
Capital assets:			
Land and construction in progress	1,084	2,566	3,650
Buildings and other capital assets, net of depreciation	-	1,123	1,123
Total noncurrent assets	1,084	3,689	4,773
Total assets	19,827	4,108	23,935
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refundings	-	5	5
Deferred outflows related to pensions	-	64	64
Deferred outflows related to OPEB	-	11	11
Total deferred outflows of resources	-	80	80
LIABILITIES			
Current liabilities:			
Accounts payable	-	180	180
Wages and benefits payable	-	105	105
Due to other funds	-	344	344
Accrued interest	-	36	36
Deposits and escrows	19	9	28
Unearned revenues	-	242	242
Current portion of bonds payable	-	700	700
Current portion of bond premiums	-	97	97
Current portion of compensated absences	-	1	1
Total current liabilities	19	1,714	1,733

COUNTY OF PRINCE WILLIAM, VIRGINIA**Nonmajor Proprietary Funds****Combining Statement of Net Position**

June 30, 2023

(amounts expressed in thousands)

Schedule 25

Page 2 of 2

	Innovation Technology Park	Parks & Recreation	Total
Noncurrent liabilities:			
Bonds payable, net of current portion	-	2,160	2,160
Bond premiums, net of current portion	-	290	290
Net pension liabilities	-	101	101
Net OPEB liabilities	-	39	39
Compensated absences	-	10	10
Total noncurrent liabilities	-	2,600	2,600
Total liabilities	19	4,314	4,333
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	-	44	44
Deferred inflows related to OPEB	-	6	6
Total deferred inflows of resources	-	50	50
NET POSITION			
Net investments in capital assets	1,084	447	1,531
Unrestricted	18,724	(623)	18,101
Total net position / (deficit)	\$ 19,808	(176)	19,632

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 26

Nonmajor Proprietary Funds

Combining Schedule of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2023

(amounts expressed in thousands)

	Innovation Technology Park	Parks & Recreation	Total
OPERATING REVENUES:			
Charges for services	\$ 4,863	4,484	9,347
Total operating revenues	4,863	4,484	9,347
OPERATING EXPENSES:			
Personnel expenses	-	1,459	1,459
Contractual services	660	3,348	4,008
Materials / supplies	-	848	848
Depreciation and amortization	-	152	152
Costs from sale of land	839	-	839
Other	30	15	45
Total operating expenses	1,529	5,822	7,351
Operating income / (loss)	3,334	(1,338)	1,996
NON-OPERATING REVENUES / (EXPENSES):			
Interest income	83	64	147
Interest and other debt costs	-	(153)	(153)
Total non-operating revenues / (expenses), net	83	(89)	(6)
Income / (loss) before transfers	3,417	(1,427)	1,990
TRANSFERS:			
Transfers in from:			
General fund	35	1,687	1,722
Total transfers	35	1,687	1,722
Change in net position	3,452	260	3,712
NET POSITION, beginning of the year	16,356	(436)	15,920
NET POSITION, end of the year	\$ 19,808	(176)	19,632



**PRINCE
WILLIAM**
— **COUNTY**

COUNTY OF PRINCE WILLIAM, VIRGINIA**Nonmajor Proprietary Funds****Combining Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2023

(amounts expressed in thousands)

Schedule 27

Page 1 of 2

	Business-Type Activities - Enterprise Funds		
	Innovation Technology Park	Parks & Recreation	Total Nonmajor Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 4,863	4,614	9,477
Payments to suppliers for goods and services	(689)	(3,990)	(4,679)
Payments to employees for services	-	(1,497)	(1,497)
Net cash provided by / (used) by operating activities	4,174	(873)	3,301
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers in	35	1,687	1,722
Net cash provided / (used) by non-capital financing activities	35	1,687	1,722
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	-	(120)	(120)
Principal paid on bonds, leases, subscriptions, and other debt	-	(665)	(665)
Interest paid on bonds, leases, subscriptions, and other debt costs	-	(257)	(257)
Net cash provided / (used) by capital and related financing activities	-	(1,042)	(1,042)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and dividends received on investments	51	65	116
Net cash used by investing activities	51	65	116
Net increase (decrease) in cash and cash equivalents	4,260	(163)	4,097
CASH AND CASH EQUIVALENTS, beginning of year	10,861	467	11,328
CASH AND CASH EQUIVALENTS, end of year	\$ 15,121	304	15,425

COUNTY OF PRINCE WILLIAM, VIRGINIA**Nonmajor Proprietary Funds****Combining Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2023

(amounts expressed in thousands)

Schedule 27

Page 2 of 2

	Business-type Activities - Enterprise Funds		
	Innovation		Total
	Technology	Parks &	Nonmajor
	Park	Recreation	Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED /			
(USED) BY OPERATING ACTIVITIES:			
Operating income	\$ 3,334	(1,338)	1,996
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	-	152	152
Change in assets:			
(Increase) / decrease in:			
Accounts receivable	-	98	98
Inventory	840	(13)	827
Change in deferred outflows of resources:			
(Increase) / decrease in:			
Loss on refunding	-	1	1
Deferred outflows related to pensions	-	19	19
Change in liabilities:			
Increase / (decrease) in:			
Accounts payable and personnel costs	-	(142)	(142)
Due to other funds	-	344	344
Unearned revenues	-	32	32
Other noncurrent liabilities	-	41	41
Change in deferred inflows of resources:			
Increase / (decrease) in:			
Deferred inflows related to pensions	-	(66)	(66)
Deferred inflows related to OPEB	-	(1)	(1)
Total adjustments	4,174	465	1,305
Net cash provided by / (used) by operating activities	\$ 7,508	(873)	3,301



**PRINCE
WILLIAM**
— **COUNTY**

Internal Service Funds

Internal Service Funds account for the financing of goods or services on a cost-reimbursement basis by one department or agency to other departments or agencies of 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 accounts for 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, 2023
(amounts expressed in thousands)

Schedule 28
Page 1 of 2

	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	\$ 15,276	259	-	-	30,817	46,352
Restricted cash and temporary investments	-	-	907	8,373	-	9,280
Investments	-	-	965	26,510	-	27,475
Accounts receivable, net	269	1	5	210	4,893	5,378
Due from other governmental units	419	-	-	-	-	419
Inventory	408	-	-	-	-	408
Advances and prepaid items	225	-	380	76	568	1,249
Total current assets	16,597	260	2,257	35,169	36,278	90,561
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 and amortization	10,948	-	-	-	-	10,948
Total noncurrent assets	11,388	-	500	750	-	12,638
Total assets	27,985	260	2,757	35,919	36,278	103,199
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	3,458	-	-	-	172	3,630
Deferred outflows related to OPEB	483	-	-	-	24	507
Total deferred outflows of resources	3,941	-	-	-	196	4,137
LIABILITIES						
Current liabilities:						
Accounts payable	2,545	-	282	113	1,004	3,944
Wages and benefits payable	259	-	-	-	-	259
Accrued interest	115	-	-	-	-	115
Subscription liabilities	1,488	-	-	-	-	1,488
Unpaid losses, related liabilities and IBNR	-	43	477	2,544	3,972	7,036
Current portion of surplus distribution payables	-	-	75	150	-	225
Current portion of compensated absences	147	-	-	-	-	147
Total current liabilities	4,554	43	834	2,807	4,976	13,214
Noncurrent liabilities:						
Subscription liabilities	3,834	-	-	-	-	3,834
Unpaid losses, related liabilities and IBNR	-	-	380	21,747	-	22,127
Surplus distribution payables	-	-	305	1,125	-	1,430
Net pension liabilities	5,433	-	-	-	270	5,703
Net OPEB liabilities	1,675	-	-	-	82	1,757
Compensated absences	1,919	-	-	-	-	1,919
Total noncurrent liabilities	12,861	-	685	22,872	352	36,770
Total liabilities	17,415	43	1,519	25,679	5,328	49,984
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	2,372	-	-	-	118	2,490
Deferred inflows related to OPEB	260	-	-	-	13	273
Total deferred inflows of resources	2,632	-	-	-	131	2,763

COUNTY OF PRINCE WILLIAM, VIRGINIA
Internal Service Funds
Combining Statement of Net Position
June 30, 2023
(amounts expressed in thousands)

Schedule 28
Page 2 of 2

	Intra-County Services	Other Self-Insurance	Self-Insurance Casualty Pool	Self-Insurance Workers' Compensation Association	Health Insurance	Total
NET POSITION						
Net investment in capital assets	11,388	-	-	-	-	11,388
Restricted	-	-	1,407	9,123	-	10,530
Unrestricted	491	217	(169)	1,117	31,015	32,671
Total net position	\$ 11,879	217	1,238	10,240	31,015	54,589

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 29

Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2023

(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	\$ 56,347	-	3,000	6,603	67,118	133,068
Miscellaneous	290	142	-	-	5,158	5,590
Total operating revenues	56,637	142	3,000	6,603	72,276	138,658
OPERATING EXPENSES:						
Personnel expenses	16,311	-	-	-	707	17,018
Contractual services	25,552	-	1,194	873	2,837	30,456
Materials / supplies	10,129	-	-	-	163	10,292
Depreciation and amortization	3,205	-	-	-	-	3,205
Claims and premiums	106	-	897	717	63,943	65,663
OPEB costs	-	-	-	-	5,067	5,067
Losses and loss adjustment expenses	-	-	1,263	9,882	(95)	11,050
Other	811	-	-	-	16	827
Total operating expenses	56,114	-	3,354	11,472	72,638	143,578
Operating income / (loss)	523	142	(354)	(4,869)	(362)	(4,920)
NON-OPERATING REVENUES / (EXPENSES):						
Interest income and investment losses	1,001	-	50	458	(65)	1,444
Interest and other debt costs	(123)	-	-	-	-	(123)
Gain on sale of capital assets	14	-	-	-	-	14
Total non-operating revenues / (expenses), net	892	-	50	458	(65)	1,335
Income / (loss) before transfers	1,415	142	(304)	(4,411)	(427)	(3,585)
TRANSFERS:						
Transfers in from:						
General fund	145	-	-	-	-	145
Special revenue funds	401	-	-	-	-	401
Capital projects	839	-	-	-	-	839
Fire & rescue levy funds	-	-	-	-	98	98
Transfers out to:						
General fund	(996)	-	-	-	(2,000)	(2,996)
Total transfers	389	-	-	-	(1,902)	(1,513)
Change in net position	1,804	142	(304)	(4,411)	(2,329)	(5,098)
NET POSITION, beginning of year	10,075	75	1,542	14,651	33,344	59,687
NET POSITION, end of year	\$ 11,879	217	1,238	10,240	31,015	54,589



**PRINCE
WILLIAM**
— **COUNTY**

COUNTY OF PRINCE WILLIAM, VIRGINIA
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023
(amounts expressed in thousands)

Schedule 30
Page 1 of 2

	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	\$ 56,102	-	3,000	6,843	67,062	133,007
Cash received / (paid) from / (to) other entities	455	142	-	-	5,331	5,928
Payments for claims and premiums	-	(147)	(2,217)	(5,169)	(68,915)	(76,448)
Payments to suppliers for goods and services	(36,566)	-	(1,235)	(941)	(5,279)	(44,021)
Payments to employees for services	(17,451)	-	-	-	(756)	(18,207)
Net cash provided / (used) by operating activities	2,540	(5)	(452)	733	(2,557)	259
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Transfers in	1,385	-	-	-	98	1,483
Transfers out	(991)	-	-	-	(2,000)	(2,991)
Net cash provided / (used) by non-capital financing activities	394	-	-	-	(1,902)	(1,508)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition of capital assets	(390)	-	-	-	-	(390)
Proceeds from the sale of capital assets	14	-	-	-	-	14
Principal paid on subscriptions	(1,843)	-	-	-	-	(1,843)
Interest paid on subscriptions costs	(8)	-	-	-	-	(8)
Net cash used by capital and related financing activities	(2,227)	-	-	-	-	(2,227)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from maturities of investments	-	-	25	20	-	45
Purchases of investments	-	-	(15)	(1,800)	-	(1,815)
Interest and dividends received / (used) on investments	996	-	64	572	(89)	1,543
Net cash provided / (used) by investing activities	996	-	74	(1,208)	(89)	(227)
Net increase / (decrease) in cash and cash equivalents	1,703	(5)	(378)	(475)	(4,548)	(3,703)
CASH AND CASH EQUIVALENTS, beginning of year	13,573	264	1,285	8,848	35,365	59,335
CASH AND CASH EQUIVALENTS, end of year	\$ 15,276	259	907	8,373	30,817	55,632

COUNTY OF PRINCE WILLIAM, VIRGINIA
Internal Service Funds

Schedule 30
Page 2 of 2

Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023
(amounts expressed in thousands)

	Intra- County Services	Other Self- Insurance	Self- Insurance Casualty Pool	Self- Insurance Workers' Compensation Association	Health Insurance	Totals
NET CASH						
PROVIDED / (USED) BY OPERATING ACTIVITIES:						
Operating income / (loss)	\$ 523	142	(354)	(4,869)	(362)	(4,920)
Adjustments to reconcile operating income / (loss) to net cash provided / (used) by operating activities:						
Depreciation and amortization	3,205	-	-	-	-	3,205
Change in assets:						
(Increase) / decrease in:						
Accounts receivable	(244)	-	-	240	111	107
Due from other governmental units	164	-	-	-	6	170
Inventory	(69)	-	-	-	-	(69)
Advances and prepaid items	-	-	(121)	(28)	(560)	(709)
Change in deferred outflows of resources:						
Increase / (decrease) in:						
Deferred outflows of resources related to pensions	1,090	-	-	-	68	1,158
Deferred outflows of resources related to OPEB	131	-	-	-	7	138
Change in liabilities:						
Increase / (decrease) in:						
Accounts payable and personnel costs	(302)	-	80	(40)	(1,608)	(1,870)
Unpaid losses, related liabilities and IBNR	-	(147)	(57)	5,430	(95)	5,131
Other noncurrent liabilities	1,822	-	-	-	81	1,903
Change in deferred inflows of resources:						
(Increase) / decrease in:						
Deferred inflows of resources related to pensions	(3,640)	-	-	-	(198)	(3,838)
Deferred inflows of resources related to OPEB	(140)	-	-	-	(7)	(147)
Total adjustments	2,017	(147)	(98)	5,602	(2,195)	5,179
Net cash provided / (used) by operating activities	\$ 2,540	(5)	(452)	733	(2,557)	259



**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 FSS Recipients Fund are used to account for receipts and disbursements of monies for certain County welfare, mental health services and Family Self-Sufficiency (FSS) program recipients.
- The Innovation Owners Association Fund is operated by the County on behalf of the Innovation Owners Association (Association) that reside in the Innovation corridor and manages general community costs on the Association's behalf.
- 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 within the County. The Towns' portions are paid on a monthly basis.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 31

Fiduciary Funds

Combining Statement of Fiduciary Net Position - Pension and Other Post-Employment Benefits (OPEB) Master Trust Funds

June 30, 2023

(amounts expressed in thousands)

	Pension Trust Funds	OPEB Master Trust Fund	Total
ASSETS			
Restricted cash	\$ 1,441	-	1,441
Accounts receivables	87	-	87
Restricted investments:			
Money market mutual funds	733	676	1,409
Equity investments	32,627	75,984	108,611
Real asset investments	6,054	-	6,054
Fixed income investments	12,329	47,979	60,308
Diversified investments	2,433	-	2,433
Life insurance annuity	22,245	-	22,245
Total investments	76,421	124,639	201,060
Total assets	77,949	124,639	202,588
LIABILITIES			
Accounts payable	103	4,732	4,835
Total liabilities	103	4,732	4,835
NET POSITION			
Net position restricted for pensions	77,846	-	77,846
Net position restricted for OPEB	-	119,907	119,907
Total net position	\$ 77,846	119,907	197,753

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 32

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, 2023

(amounts expressed in thousands)

	Pension Trust Funds	OPEB Master Trust Fund	Total
ADDITIONS			
Contributions:			
Member	\$ 2,029	-	2,029
Employer	4,351	5,785	10,136
Total Contributions	6,380	5,785	12,165
Investment income:			
Interest and dividends	1,894	3,639	5,533
Net depreciation in fair value of investments	3,180	6,136	9,316
Total investment income	5,074	9,775	14,849
Less: investment expenses	(107)	(209)	(316)
Net investment income	4,967	9,566	14,533
Total additions	11,347	15,351	26,698
DEDUCTIONS			
Pension and OPEB payments	3,998	4,669	8,667
Refund of members' contributions	269	-	269
Administrative expenses	278	-	278
Total deductions	4,545	4,669	9,214
Change in net position	6,802	10,682	17,484
NET POSITION, beginning of year	71,044	109,225	180,269
NET POSITION, end of year	\$ 77,846	119,907	197,753

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 33

Fiduciary Funds

Combining Statement of Fiduciary Net Position - Pension Trust Funds

June 30, 2023

(amounts expressed in thousands)

	Supplemental Pension Plan Trust Fund	Length of Service Award Program (LoSAP) Trust Fund	Total Pension Trust Funds
ASSETS			
Restricted cash	\$ 1,441	-	1,441
Accounts receivable	87	-	87
Restricted investments:			
Money market mutual funds	682	51	733
Equity investments	32,627	-	32,627
Real asset investments	6,054	-	6,054
Fixed return investments	12,329	-	12,329
Diversified investments	2,433	-	2,433
Life insurance annuity	-	22,245	22,245
Total investments	54,125	22,296	76,421
Total assets	55,653	22,296	77,949
LIABILITIES			
Accounts payable	69	34	103
Total liabilities	69	34	103
NET POSITION			
Net position restricted for pensions	55,584	22,262	77,846
Total net position	\$ 55,584	22,262	77,846

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 34

Fiduciary Funds

Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds

For the Fiscal Year Ended June 30, 2023

(amounts expressed in thousands)

	Supplemental Pension Plan Trust Fund	Length of Service Award Program (LoSAP) Trust Fund	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Member	\$ 2,029	-	2,029
Employer	2,029	2,322	4,351
Total contributions	4,058	2,322	6,380
Investment income:			
Interest and dividends	1,273	621	1,894
Net depreciation in fair value of investments	3,180	-	3,180
Total investment income	4,453	621	5,074
Less: investment expenses	(107)	-	(107)
Net investment income	4,346	621	4,967
Total additions	8,404	2,943	11,347
DEDUCTIONS			
Pension payments	2,638	1,360	3,998
Refund of members' contributions	269	-	269
Administrative expenses	177	101	278
Total deductions	3,084	1,461	4,545
Change in net position	5,320	1,482	6,802
NET POSITION, beginning of year	50,264	20,780	71,044
NET POSITION, end of year	\$ 55,584	22,262	77,846

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 35

Fiduciary Funds

Combining Statement of Fiduciary Net Position - Other Post-Employment Benefits (OPEB) Master Trust Fund

June 30, 2023

(amounts expressed in thousands)

	County OPEB Premium Plan Trust Fund	County OPEB Retiree Health Insurance Credit Plan Trust Fund	County OPEB LODA Trust Fund	Schools OPEB Premium Plan Trust Fund	Total OPEB Master Trust Fund
ASSETS					
Restricted investments	\$ 23,556	24,672	23,946	52,465	124,639
Total assets	<u>23,556</u>	<u>24,672</u>	<u>23,946</u>	<u>52,465</u>	<u>124,639</u>
LIABILITIES					
Accounts payable	\$ 1,433	2,250	1,041	8	4,732
Total liabilities	<u>1,433</u>	<u>2,250</u>	<u>1,041</u>	<u>8</u>	<u>4,732</u>
NET POSITION					
Net position restricted for OPEB	22,123	22,422	22,905	52,457	119,907
Total net position	<u>\$ 22,123</u>	<u>22,422</u>	<u>22,905</u>	<u>52,457</u>	<u>119,907</u>

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 36

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, 2023

(amounts expressed in thousands)

	County OPEB Premium Plan Trust Fund	County OPEB Retiree Health Insurance Credit Plan Trust Fund	County OPEB LODA Trust Fund	Schools OPEB Premium Plan Trust Fund	Total OPEB Master Trust Fund
ADDITIONS					
Contributions:					
Employer	\$ 1,513	2,366	1,896	10	5,785
Investment income:					
Interest and dividends	696	609	768	1,566	3,639
Net depreciation in fair value of investments	1,161	1,027	1,324	2,624	6,136
Total investment income	1,857	1,636	2,092	4,190	9,775
Less: investment expenses	(40)	(35)	(44)	(90)	(209)
Net investment income	1,817	1,601	2,048	4,100	9,566
Total additions	3,330	3,967	3,944	4,110	15,351
DEDUCTIONS					
OPEB payments	1,429	2,247	993	-	4,669
Total deductions	1,429	2,247	993	-	4,669
Change in net position	1,901	1,720	2,951	4,110	10,682
NET POSITION, beginning of year	20,222	20,702	19,954	48,347	109,225
NET POSITION, end of year	\$ 22,123	22,422	22,905	52,457	119,907

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 37

Fiduciary Funds

Combining Statement of Fiduciary Net Position - Custodial Funds

June 30, 2023

(amounts expressed in thousands)

		Special	Community		Innovation	Sales Tax	
		Welfare	Service Board	Housing	Owner's	Due To	Total
			Payees	FSS Recipients	Association	Towns	
ASSETS							
Equity in pooled cash and investments	\$	64	-	476	-	-	540
Cash held by other fiscal agents		-	74	-	-	-	74
Accounts receivable, net		-	-	2	-	-	2
Total assets		64	74	478	-	-	616
LIABILITIES							
Accounts payable		6	-	-	-	-	6
Escrow and deposits		-	-	456	-	-	456
Total liabilities		6	-	456	-	-	462
NET POSITION							
Net position restricted for other purposes		58	74	22	-	-	154
Total net position	\$	58	74	22	-	-	154

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 38

Fiduciary Funds

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds

For the Fiscal Year Ended June 30, 2023

(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	\$ 63	429	-	-	-	492
Sales taxes collected for other governments	-	-	-	-	817	817
Investment Income:						
Interest and dividends	-	-	12	(6)	-	6
Total investment income	-	-	12	(6)	-	6
Total additions	63	429	12	(6)	817	1,315
DEDUCTIONS						
Payments on behalf of individuals for programs	110	434	-	-	-	544
Payment of sales taxes to other governments	-	-	-	-	817	817
Miscellaneous	-	-	-	5	-	5
Total deductions	110	434	-	5	817	1,366
Change in net position	(47)	(5)	12	(11)	-	(51)
NET POSITION, beginning of year	105	79	10	11	-	205
NET POSITION, end of year	\$ 58	74	22	-	-	154



**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's financial 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.

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 39

Discretely Presented Component Unit - Adult Detention Center**Combining Balance Sheet**

June 30, 2023

(amounts expressed in thousands)

	Governmental Fund Types		
	General	Capital	
	Operating	Projects	Total
ASSETS			
Equity in pooled cash and investments	\$ 17,843	1,835	19,678
Cash held by other fiscal agents	2,380	-	2,380
Accounts receivable, net	11	-	11
Due from other governmental units	1,054	-	1,054
Total assets	\$ 21,288	1,835	23,123
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 1,321	-	1,321
Wages and benefits payable	574	-	574
Total liabilities	1,895	-	1,895
FUND BALANCES:			
Assigned	1,978	-	1,978
Unassigned	17,415	1,835	19,250
Total fund balances	19,393	1,835	21,228
Total liabilities and fund balances	\$ 21,288	1,835	

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.

\$ 95,950

Assets used in governmental activities are not financial resources, therefore, are not reported in the funds:

Net OPEB assets

174

GASB 68 and 75 requires that deferred inflows and outflows of resources be reported:

Deferred outflows related to pensions

8,765

Deferred outflows related to OPEB

1,640

Deferred inflows related to pensions

(5,628)

Deferred inflows related to OPEB

(1,474)

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

(12,506)

Current year net OPEB liabilities

(3,794)

Compensated absences

(4,492)

Net position of governmental activities (Exhibit 12)

\$ 99,863



**PRINCE
WILLIAM**
— **COUNTY**

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 40

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, 2023

(amounts expressed in thousands)

	Governmental Fund Types		Total
	General Operating	Capital Projects	
REVENUES:			
From use of money and property	\$ 107	-	107
Charges for services	903	-	903
Intergovernmental revenues:			
Federal	764	-	764
State	15,997	-	15,997
Local	36,613	-	36,613
Miscellaneous	42	-	42
Total revenues	54,426	-	54,426
EXPENDITURES:			
Public safety	51,584	155	51,739
Total expenditures	51,584	155	51,739
Excess of revenues over expenditures	2,842	(155)	2,687
OTHER FINANCING SOURCES / (USES):			
Transfers in	-	116	116
Transfers out	(116)	-	(116)
Total other financing sources / (uses)	(116)	116	-
Net change in fund balances	2,726	(39)	2,687
FUND BALANCES, beginning of year	16,667	1,874	
FUND BALANCES, end of year	\$ 19,393	1,835	

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 40

Discretely Presneted Component Unit - Adult Detention Center

Page 2 of 2

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2023

(amounts expressed in thousands)

	<u>Total</u>
Net change in fund balances	\$ 2,687
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	870
Subtract depreciation and amortization expense	(3,960)
Assets used in governmental activities are not financial resources, are not reported in the funds:	
Add current year's net OPEB assets	174
Subtract prior year's net pension assets	(1,644)
Subtract prior year's net OPEB assets	(43)
GASB 68 and 75 requires reporting deferred inflows and outflows of resources:	
Add current year's deferred outflows related to pensions	8,765
Add current year's deferred outflows related to OPEB	1,640
Subtract prior year's deferred outflows related to pensions	(11,070)
Subtract prior year's deferred outflows related to OPEB	(2,266)
Subtract current year's deferred inflows related to pensions	(5,628)
Subtract current year's deferred inflows related to OPEB	(1,474)
Add prior year's deferred inflows related to pensions	15,140
Add prior year's deferred inflows related to OPEB	2,028
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	(12,506)
Subtract current year's OPEB	(3,794)
Subtract current year's compensated absences liability	(4,492)
Add prior year's pensions	8,245
Add prior year's OPEB	4,194
Add prior year's compensated absences liability	4,060
Change in Adult Detention Center net position (Exhibit 13)	\$ <u>926</u>

COUNTY OF PRINCE WILLIAM, VIRGINIA

Schedule 41

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, 2023

(amounts expressed in thousands)

	Budgeted Amounts		2023	Variance With
	Original	Final	Actuals	Final Budget Favorable (Unfavorable)
BUDGETARY REVENUES:				
From use of money and property	\$ -	-	107	107
Charges for services	768	486	903	417
Intergovernmental revenues:				
Federal	377	841	764	(77)
State	14,792	13,811	15,997	2,186
Local:				
Manassas	4,467	4,238	5,389	1,151
Manassas Park	1,257	1,014	459	(555)
Prince William County	39,934	34,607	30,765	(3,842)
Miscellaneous	81	62	42	(20)
Total revenues	61,676	55,059	54,426	(633)
BUDGETARY EXPENDITURES:				
Public safety - Adult Detention	68,276	57,562	51,584	5,978
Total budgetary expenditures	68,276	57,562	51,584	5,978
OTHER FINANCING USES:				
Transfers out to:				
Capital projects funds	(116)	(116)	(116)	-
Total other financing uses	(116)	(116)	(116)	-
Net change in budgetary fund balance	(6,716)	(2,619)	2,726	5,345
BUDGETARY FUND BALANCE, beginning of year	16,667	16,667	16,667	-
BUDGETARY FUND BALANCE, end of year	\$ 9,951	14,048	19,393	5,345

Note:

GAAP basis equals Budgetary basis.

DEBT OBLIGATIONS

The schedules of bonds and other long-term debt detail the 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.

COUNTY OF PRINCE WILLIAM, VIRGINIA
Governmental Funds
Schedule of Bonds and Other Long-Term Debt
June 30, 2023
(amounts expressed in thousands)

Schedule 42
Page 1 of 5

Total Outstanding at June 30, 2023														
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, 2023	Interest Rate (%)	Maturing Annually			
											Amount	Fiscal Year		
General Obligation Bonds and Revenue Bonds:														
2006 Referendum														
	\$	101,110	28,635	31-Jul-13	\$	-	2,501	-	359	-	2,860	5.00	1,430	2024
												3.00	1,430	2025
		-	61,805	29-Jul-15		7,231	9,640	-	1,669	-	18,540	5.00	3,090	2024 thru 2026
												3.00	3,090	2027 thru 2028
												3.00	3,090	2031
Total 2006 Referendum	\$	101,110	90,440		\$	7,231	12,141	-	2,028	-	21,400			
Revenue Bonds														
	\$	30,985	23,355	1-Mar-16	\$	15,165	-	-	-	-	15,165	5.00	1,170	2024 thru 2027
												5.00	1,165	2028
												4.00	1,165	2029 thru 2032
												3.50	1,165	2033 thru 2036
		54,590	44,770	29-Oct-20		24,050	-	16,230	-	-	40,280	5.00	2,245	2024 thru 2028
												5.00	2,240	2029
												5.00	2,235	2030 thru 2035
												3.00	2,235	2036
												2.00	2,235	2037 thru 2040
												2.13	2,230	2041
Total Revenue Bonds	\$	85,575	68,125		\$	39,215	-	16,230	-	-	55,445			
School Bonds														
	\$	80,675	80,675	15-May-03	\$	-	-	-	-	4,030	4,030	4.60	4,030	2024
		48,795	48,795	13-May-04		-	-	-	-	4,875	4,875	5.10	2,440	2024
												5.10	2,435	2025
		62,320	62,320	12-May-05		-	-	-	-	9,345	9,345	5.10	3,115	2024 thru 2025
												4.35	3,115	2026
		61,605	61,605	11-May-06		-	-	-	-	12,320	12,320	4.60	3,080	2024 thru 2026
												5.10	3,080	2027
		64,975	64,975	10-May-07		-	-	-	-	16,225	16,225	4.48	3,245	2024
												4.50	3,245	2025 thru 2026
												5.10	3,245	2027 thru 2028
		45,890	45,890	15-May-08		-	-	-	-	13,760	13,760	5.10	2,295	2024 thru 2027
												5.10	2,290	2028
												4.60	2,290	2029
		51,020	51,020	15-May-09		-	-	-	-	17,850	17,850	5.05	2,550	2024 thru 2025
												4.05	2,550	2026
												5.05	2,550	2027
												4.30	2,550	2028
												5.05	2,550	2029
												4.43	2,550	2030
		69,280	59,990	31-Jul-13		-	-	-	-	3,000	3,000	5.00	3,000	2024

COUNTY OF PRINCE WILLIAM, VIRGINIA
Governmental Funds
Schedule of Bonds and Other Long-Term Debt
June 30, 2023
(amounts expressed in thousands)

Schedule 42
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Total Outstanding at June 30, 2023												
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, 2023	Interest Rate (%)	Maturing Annually	
											Amount	Fiscal Year
General Obligation Bonds and Revenue Bonds (cont'd):												
School Bonds (cont'd)	91,910	82,545	23-Sep-14	-	-	-	-	41,255	41,255	5.00	4,130	2024
										5.00	4,125	2025
										3.00	4,125	2026
										2.50	4,125	2027
										3.00	4,125	2028
										3.25	4,125	2029
										3.25	4,125	2030
										3.00	4,125	2032
										3.00	4,125	2034 thru 2035
	108,990	98,485	29-Jul-15	-	-	-	-	44,325	44,325	5.00	4,925	2024 thru 2026
										3.00	4,925	2027 thru 2031
										3.13	4,925	2032
	139,480	120,220	29-Mar-16	-	-	-	-	84,140	84,140	5.00	6,010	2024 thru 2030
										3.00	6,010	2031 thru 2037
	219,695	77,660	9-Mar-17	-	-	-	-	54,350	54,350	5.00	3,885	2024 thru 2027
										4.00	3,885	2028 thru 2029
										3.00	3,880	2030 thru 2031
										3.13	3,880	2032 thru 2034
										3.25	3,880	2035 thru 2036
										3.38	3,880	2037
	245,340	115,895	24-May-18	-	-	-	-	86,925	86,925	5.00	5,795	2024 thru 2030
										4.00	5,795	2031 thru 2033
										3.13	5,795	2034 thru 2035
										3.38	5,795	2036 thru 2038
	378,500	109,155	29-Oct-19	-	-	-	-	92,775	92,775	5.00	5,460	2024 thru 2031
										5.00	5,455	2032
										3.00	5,455	2033 thru 2040
	119,450	106,510	15-Oct-20	-	-	-	-	95,850	95,850	4.00	5,325	2024 thru 2031
										1.38	5,325	2032
										1.50	5,325	2033
										1.63	5,325	2034
										1.75	5,325	2035 thru 2036
										1.88	5,325	2037 thru 2038
										2.00	5,325	2039 thru 2041
	325,000	58,855	21-Oct-21	-	-	-	-	55,910	55,910	4.00	2,945	2024 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
	185,695	42,400	10-Nov-22	-	-	-	-	42,400	42,400	5.00	2,120	2024 thru 2037
										4.38	2,120	2038 thru 2039
										4.50	2,120	2040 thru 2041
										4.63	2,120	2042 thru 2043

COUNTY OF PRINCE WILLIAM, VIRGINIA
Governmental Funds
Schedule of Bonds and Other Long-Term Debt
June 30, 2023
(amounts expressed in thousands)

Schedule 42
Page 3 of 5

Total Outstanding at June 30, 2023												
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, 2023	Interest Rate (%)	Maturing Annually	
											Amount	Fiscal Year
General Obligation Bonds and Revenue Bonds (cont'd):												
School Bonds (cont'd)												
Taxable - Local Build America Bonds	60,765	56,445	13-May-10	-	-	-	-	32,240	32,240	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 A	9,800	9,685	8-Jul-10	-	-	-	-	2,280	2,280	-	570	2024 thru 2027
Total School Bonds	\$ 2,369,185	1,353,125		\$ -	-	-	-	713,855	713,855			
Refunding Bonds:												
Tax-Exempt Bonds:	\$ 59,000	35,550	29-Feb-12	\$ -	22,694	-	941	-	23,635	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	-	-	-	-	47,730	47,730	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
	640,140	24,465	18-Jun-20	-	7,715	-	109	2,191	10,015	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:	378,500	34,610	29-Oct-19	-	-	-	-	33,770	33,770	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

COUNTY OF PRINCE WILLIAM, VIRGINIA
Governmental Funds
Schedule of Bonds and Other Long-Term Debt
June 30, 2023
(amounts expressed in thousands)

Schedule 42
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Total Outstanding at June 30, 2023													
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, 2023	Interest Rate (%)	Maturing Annually		
											Amount	Fiscal Year	
Refunding Bonds (cont'd)													
Taxable Bonds (cont'd)	640,140	72,220	18-Jun-20	9,441	25,075	-	3,967	31,852	70,335	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	217,785		\$ 9,441	55,484	-	5,017	115,543	185,485				
Total General Obligation Bonds and Revenue Bonds	\$ 4,388,650	1,729,475		\$ 55,887	67,625	16,230	7,045	829,398	976,185				
Capital Debt:													
Refunding VRA - Nokesville Fire Station	\$ 3,000	2,180	2-Nov-10	\$ 215	-	-	-	-	215	5.10	215	2024	
Refunding VRA - Spriggs Road	10,100	10,095	27-Jun-12	-	2,990	-	-	-	2,990	5.13	1,000	2024	
										4.83	995	2025	
										4.82	995	2026	
Refunding VRA - Nokesville Fire Station	900	880	27-Jun-12	85	-	-	-	-	85	5.13	85	2024	
Refunding COP	50,000	35,205	26-Mar-13	4,437	-	5,576	77	-	10,090	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	195	-	-	-	-	195	3.81	100	2024	
										5.13	95	2025	
Refunding VRA - River Oaks Fire Station	2,330	2,330	5-Nov-14	920	-	-	-	-	920	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	980	-	-	-	-	980	3.88	245	2024	
										5.13	245	2025 thru 2026	
										4.84	245	2027	
Refunding VRA - Roads	6,245	6,245	5-Nov-14	-	2,765	-	-	-	2,765	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	1,275	-	-	-	-	1,275	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	-	1,795	-	-	-	1,795	3.87	300	2024	
										5.13	300	2025 thru 2026	
										4.81	300	2027	
										4.83	300	2028	
										4.84	295	2029	

COUNTY OF PRINCE WILLIAM, VIRGINIA
Governmental Funds
Schedule of Bonds and Other Long-Term Debt
June 30, 2023
(amounts expressed in thousands)

Schedule 42
Page 5 of 5

Total Outstanding at June 30, 2023													
Description	Authorized	Issued	Date Issued	General		Adult		School	Total	Interest	Maturing Annually		
				County	Road	Detention	Park	Board	Outstanding		Amount	Fiscal Year	
				Related	Related	Center	Related	Related	(Not Matured)	Rate			
				Debt	Debt	Related	Debt	Debt	at June 30, 2023	(%)			
Capital Debt (cont'd)													
Refunding VRA - Roads	29,925	18,855	5-Nov-14	-	13,165	-	-	-	13,165	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	\$	110,745	84,035	\$	8,107	20,715	5,576	77	-	34,475			
Total General Obligation,													
Revenue Bonds, Capital Debt and Other Long-Term Debt	\$	4,499,395	1,813,510	\$	63,994	88,340	21,806	7,122	829,398	1,010,660			

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 VP&A.

COUNTY OF PRINCE WILLIAM, VIRGINIA
Enterprise Funds
Schedule of Bonds and Other Long-Term Debt
June 30, 2023
(amounts expressed in thousands)

Schedule 43

Amounts Expressed in thousands									
Total Outstanding at June 30, 2023									
Description	Authorized	Issued	Date Issued	Parks & Recreation	Total Outstanding (Not Matured) at June 30, 2023	Interest Rate (%)	Maturing Annually		
							Amount	Fiscal Year	
Revenue Bonds:									
Refunding Bonds	\$ 5,410	4,810	29-Oct-20	\$ 2,860	2,860	5.00	700	2024	
						5.00	725	2025	
						5.00	765	2026	
						5.00	670	2027	
Total Revenue Bonds	\$ 5,410	4,810		\$ 2,860	2,860				
Total Bonds, Capital Debt and Other Long-Term Debt	\$ 5,410	4,810		\$ 2,860	2,860				



**PRINCE
WILLIAM**
— **COUNTY**

STATISTICAL SECTION

(Unaudited)



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 says about the County's overall financial health.

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

	Page
Financial Trends	270
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity	282
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.	
Debt Capacity	290
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 debt in the future.	
Demographic and Economic Information	297
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
Operating Information	304
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.	
Other Statistical Tables	310
These schedules present other information useful to certain readers of the County's financial statements.	

COUNTY OF PRINCE WILLIAM, VIRGINIA
TABLE 1 - Net Position by Component

Last Ten Fiscal Years

Page 1 of 2

(accrual basis of accounting; amounts expressed in thousands)

	2014	2015	2016 as restated ^c	2017 as restated ^d	2018	2019 as restated ^e
Governmental activities:						
Net Investment in capital assets	\$ 432,016	\$ 459,442	\$ 442,098	\$ 485,264	\$ 505,044	\$ 539,411
Restricted	140,516	159,366	170,299	140,373	95,769	97,235
Unrestricted	(620,271)	(753,856)	(885,739)	(994,204)	(1,010,760)	(924,368)
Total governmental activities net position	\$ (47,739)	\$ (135,048)	\$ (273,342)	\$ (368,567)	\$ (409,947)	\$ (287,722)
Business-type activities:						
Net Investment in capital assets	\$ 37,943	\$ 44,021	\$ 32,870	\$ 40,381	\$ 38,545	\$ 39,852
Restricted	--	--	--	--	--	--
Unrestricted	3,818	(5,808)	6,280	9,522	12,147	22,939
Total business-type activities net position	\$ 41,761	\$ 38,213	\$ 39,150	\$ 49,903	\$ 50,692	\$ 62,791
Primary government:						
Net Investment in capital assets	\$ 469,959	\$ 503,463	\$ 474,968	\$ 525,645	\$ 543,589	\$ 579,263
Restricted	140,516	159,366	170,299	140,373	95,769	97,235
Unrestricted	(616,453)	(759,664)	(879,459)	(984,682)	(998,613)	(901,429)
Total primary government net position	\$ (5,978)	\$ (96,835)	\$ (234,192)	\$ (318,664)	\$ (359,255)	\$ (224,931)
Component units:^a						
Net Investment in capital assets	\$ 1,247,771	\$ 1,326,687	\$ 1,416,258	\$ 1,522,452	\$ 1,572,907	\$ 1,689,674
Restricted	50,515	66,882	198,106	173,810	231,206	104,459
Unrestricted	114,162	(737,984)	(700,164)	(860,881)	(823,297)	(732,730)
Total component units net position	\$ 1,412,448	\$ 655,585	\$ 914,200	\$ 835,381	\$ 980,816	\$ 1,061,403
Total reporting entity:						
Net Investment in capital assets ^b	\$ 1,121,735	\$ 1,222,302	\$ 1,891,226	\$ 1,367,824	\$ 2,215,208	\$ 1,501,676
Restricted ^b	168,908	183,503	368,405	163,665	130,578	201,694
Unrestricted	115,827	(847,055)	(1,579,623)	(1,014,772)	(1,724,225)	(866,898)
Total reporting entity net position	\$ 1,406,470	\$ 558,750	\$ 680,008	\$ 516,717	\$ 621,561	\$ 836,472

^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 FY 2016 figures were adjusted and restated in FY 2017. FY 2017 figures were restated in FY 2018.

^d FY 2017 figures were not adjusted and restated for Convention and Visitors Bureau since the merger occurred July 1, 2018.

^e FY 2019 figures were adjusted and restated in FY 2020.

TABLE 1 - Net Position by Component
Page 2 of 2

2020	2021	2022	2023	
\$ 547,230	\$ 541,191	\$ 594,573	\$ 669,445	Governmental activities:
110,355	126,398	136,758	147,820	Net Investment in capital assets
(931,915)	(951,452)	(926,368)	(849,164)	Restricted
\$ (274,330)	\$ (283,863)	\$ (195,037)	\$ (31,899)	Unrestricted
				Total governmental activities net position
				Business-type activities:
\$ 39,222	\$ 44,730	\$ 48,421	\$ 49,057	Net Investment in capital assets
			29,054	Restricted
28,721	27,218	23,690	(4,857)	Unrestricted
\$ 67,943	\$ 71,948	\$ 72,111	\$ 73,254	Total business-type activities net position
				Primary government:
\$ 586,452	\$ 585,921	\$ 642,994	\$ 718,502	Net Investment in capital assets
110,355	126,398	136,758	176,874	Restricted
(903,194)	(924,234)	(902,678)	(854,021)	Unrestricted
\$ (206,387)	\$ (211,915)	\$ (122,926)	\$ 41,355	Total primary government net position
				Component units: ^a
\$ 1,809,830	\$ 1,862,670	\$ 1,906,046	\$ 1,959,583	Net Investment in capital assets
80,492	142,111	237,960	184,766	Restricted
(714,995)	(626,918)	(557,621)	(389,670)	Unrestricted
\$ 1,175,327	\$ 1,377,863	\$ 1,586,385	\$ 1,754,679	Total component units net position
				Total reporting entity:
\$ 1,566,473	\$ 2,512,932	\$ 2,595,767	\$ 2,706,832	Net Investment in capital assets ^b
143,811	204,168	327,991	332,893	Restricted ^b
(741,344)	(1,551,152)	(1,460,299)	(1,243,691)	Unrestricted
\$ 968,940	\$ 1,165,948	\$ 1,463,459	\$ 1,796,034	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 4

	2014	2015	2016 as restated ^b	2017 as restated ^b	2018
Primary Government:					
Expenses					
Governmental activities:					
General government administration	\$ 34,857	\$ 34,865	\$ 40,258	\$ 50,059	\$ 47,002
Judicial administration	20,060	20,581	21,960	22,458	21,557
Public safety	238,965	243,870	270,610	295,806	292,517
Public works	91,874	88,390	96,977	81,479	112,634
Health and welfare	76,638	81,711	88,726	92,898	95,658
Education	461,676	513,087	672,297	554,522	589,737
Parks, recreational and cultural	36,059	37,150	78,278	50,250	49,000
Community development	59,129	64,674	37,307	66,559	71,037
Interest on long-term debt	47,553	45,104	47,263	54,176	51,305
Pension	--	(12,502)	--	--	--
Total governmental activities expenses	<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>
Business-type activities:					
Landfill	17,327	17,337	16,613	16,195	14,745
Nonmajor enterprise funds	--	--	--	--	--
Parks, recreational and cultural	14,793	14,865	6,427	6,445	6,943
Innovation technology park	75	405	340	458	268
Community development	--	--	--	--	--
Total business-type activities expenses	<u>32,195</u>	<u>32,607</u>	<u>23,380</u>	<u>23,098</u>	<u>21,956</u>
Total primary government expenses	<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>
Program Revenues					
Governmental activities:					
Charges for services:					
General government administration	\$ 571	\$ 568	\$ 2,263	\$ 1,969	\$ 1,996
Judicial administration	4,079	4,238	1,939	1,982	1,695
Public safety	13,177	13,249	11,113	24,005	14,572
Public works	8,237	8,725	8,796	8,523	8,533
Health and welfare	1,113	1,477	6,635	977	1,332
Education	--	--	--	--	641
Parks, recreational and cultural	641	580	8,695	8,992	8,302
Community development	20,708	20,194	15,527	12,164	18,382
Operating grants and contributions	80,159	79,740	85,699	89,962	96,631
Capital grants and contributions	42,961	49,298	76,627	56,635	80,752
Total governmental activities program revenues	<u>171,646</u>	<u>178,069</u>	<u>217,294</u>	<u>205,209</u>	<u>232,836</u>
Business-type activities:					
Charges for services:					
Landfill	18,008	18,805	19,660	19,568	19,879
Parks, recreational and cultural	11,783	11,927	5,472	5,222	4,654
Community development	--	64	1,132	4,312	978
Capital grants and contributions	20	--	--	--	--
Total business-type activities program revenues	<u>29,811</u>	<u>30,796</u>	<u>26,264</u>	<u>29,102</u>	<u>25,511</u>
Total primary government program revenues	<u>\$ 201,457</u>	<u>\$ 208,865</u>	<u>\$ 243,558</u>	<u>\$ 234,311</u>	<u>\$ 258,347</u>
Net (Expense)/Revenue					
Governmental activities	\$ (895,165)	\$ (938,861)	\$ (1,136,382)	\$ (1,062,998)	\$ (1,097,611)
Business-type activities	(2,384)	(1,811)	2,884	6,004	3,555
Total primary government net (expense)/revenue	<u>\$ (897,549)</u>	<u>\$ (940,672)</u>	<u>\$ (1,133,498)</u>	<u>\$ (1,056,994)</u>	<u>\$ (1,094,056)</u>
General Revenues and Other					
Changes in Net Position					
Governmental activities:					
Taxes					
Real property	\$ 571,847	\$ 599,802	\$ 628,960	\$ 650,851	\$ 679,762
Personal property	96,013	104,060	114,750	128,280	137,198
Local sales	56,511	59,709	60,551	63,022	64,566
Consumers utility	13,766	13,974	13,977	14,196	14,417
Telecommunications sales and use tax	--	--	--	--	--
Food and beverage	--	--	--	--	--
Business, professional and occupational license	23,772	24,744	25,065	25,341	26,554
Recordation	7,879	8,868	10,613	11,149	9,839
Motor vehicle licenses	7,907	8,053	8,260	8,409	8,845
Other local taxes	3,096	3,425	3,721	4,030	4,025
Short term rental, bank stock, public utility gross receipts	3,226	3,292	3,350	3,733	4,102
Grants and contributions not restricted to specific programs	81,878	82,278	85,327	81,728	81,058

TABLE 2 - Changes in Net Position
Page 2 of 4

2019 as restated ^c	2020 as restated ^d	2021	2022	2023	
Primary Government:					
Expenses					
Governmental activities:					
\$ 47,572	\$ 51,328	\$ 95,112	\$ 87,723	\$ 138,072	General government administration
23,677	26,943	29,253	30,826	32,976	Judicial administration
335,421	323,824	375,682	303,227	386,346	Public safety
107,447	102,006	93,970	98,907	144,493	Public works
100,931	111,427	136,895	139,577	155,569	Health and welfare
468,667	633,749	694,445	660,808	685,309	Education
57,677	56,706	51,025	67,560	36,130	Parks, recreational and cultural
65,623	76,709	90,729	76,136	77,383	Community development
49,473	49,964	49,053	46,526	43,134	Interest on long-term debt
--	--	--	--	--	Pension
<u>1,256,488</u>	<u>1,432,656</u>	<u>1,616,164</u>	<u>1,511,290</u>	<u>1,699,412</u>	Total governmental activities expenses
Business-type activities:					
14,749	16,922	20,122	19,730	23,767	Landfill
--	--	--	5,304	--	Nonmajor enterprise funds
6,336	5,038	4,293	--	5,975	Parks, recreational and cultural
590	756	746	--	--	Innovation technology park
--	--	--	--	1,529	Community development
<u>21,675</u>	<u>22,716</u>	<u>25,161</u>	<u>25,034</u>	<u>31,271</u>	Total business-type activities expenses
<u>\$ 1,278,163</u>	<u>\$ 1,455,372</u>	<u>\$ 1,641,325</u>	<u>\$ 1,536,324</u>	<u>\$ 1,730,683</u>	Total primary government expenses
Program Revenues					
Governmental activities:					
Charges for services:					
\$ 1,925	\$ 1,988	\$ 1,643	\$ 1,764	\$ 1,737	General government administration
2,030	1,930	2,133	1,724	1,361	Judicial administration
15,514	13,958	11,937	15,380	14,239	Public safety
8,748	8,957	8,983	9,178	10,354	Public works
1,543	1,252	1,082	2,102	1,159	Health and welfare
--	--	--	--	--	Education
8,123	5,951	2,716	5,087	7,939	Parks, recreational and cultural
17,551	16,976	16,801	19,224	19,732	Community development
101,515	112,289	185,504	159,259	220,784	Operating grants and contributions
77,737	75,846	110,246	124,577	152,601	Capital grants and contributions
<u>234,686</u>	<u>239,147</u>	<u>341,045</u>	<u>338,295</u>	<u>429,906</u>	Total governmental activities program revenues
Business-type activities:					
Charges for services:					
20,381	19,797	20,094	20,141	21,713	Landfill
4,524	3,566	3,290	4,401	4,484	Parks, recreational and cultural
3,408	3,050	5,660	848	4,863	Community development
--	--	--	97	103	Capital grants and contributions
<u>28,313</u>	<u>26,413</u>	<u>29,044</u>	<u>25,487</u>	<u>31,163</u>	Total business-type activities program revenues
<u>\$ 262,999</u>	<u>\$ 265,560</u>	<u>\$ 370,089</u>	<u>\$ 363,782</u>	<u>\$ 461,069</u>	Total primary government program revenues
Net (Expense)/Revenue					
Governmental activities					
\$ (1,021,802)	\$ (1,193,509)	\$ (1,275,119)	\$ (1,172,995)	\$ (1,269,506)	
6,638	3,697	3,883	453	(108)	Business-type activities
<u>\$ (1,015,164)</u>	<u>\$ (1,189,812)</u>	<u>\$ (1,271,236)</u>	<u>\$ (1,172,542)</u>	<u>\$ (1,269,614)</u>	Total primary government net (expense)/revenue
General Revenues and Other					
Changes in Net Position					
Governmental activities:					
Taxes					
\$ 713,059	\$ 754,989	\$ 787,059	\$ 839,452	\$ 868,571	Real property
150,269	162,528	175,182	203,679	228,713	Personal property
68,710	72,342	80,140	88,032	93,246	Local sales
14,443	14,408	13,266	15,278	15,408	Consumers utility
--	--	14,443	--	--	Telecommunications sales and use tax
--	--	--	--	41,127	Food and beverage
26,945	28,236	29,882	32,910	34,636	Business, professional and occupational license
10,687	13,016	20,067	17,466	11,138	Recordation
8,987	9,086	12,550	12,814	12,947	Motor vehicle licenses
13,215	12,311	14,499	16,744	24,893	Other local taxes
4,431	4,006	5,213	5,614	--	Short term rental, bank stock, public utility gross receipts
80,200	81,030	77,581	77,339	78,379	Grants and contributions not restricted to specific programs

COUNTY OF PRINCE WILLIAM, VIRGINIA
TABLE 2 - Changes in Net Position

Last Ten Fiscal Years

Page 3 of 4

(accrual basis of accounting; amounts expressed in thousands)

	2014	2015	2016 as restated ^b	2017 as restated ^b	2018
Primary Government (cont'd):					
General Revenues and Other					
Changes in Net Position (cont'd)					
Governmental activities (cont'd):					
Investment earnings/(losses)	26,049	20,548	26,736	11,123	13,727
Gain on disposition of capital assets	--	--	17	649	161
Donations	--	--	--	--	--
Miscellaneous	12,522	19,304	12,480	24,112	8,322
Special item - transfer of volunteer fire and rescue operations	--	--	2,929	13,026	--
Transfers	(6,337)	465	792	(4,377)	4,010
Total governmental activities	<u>898,131</u>	<u>948,524</u>	<u>997,530</u>	<u>1,035,274</u>	<u>1,056,588</u>
Business-type activities:					
Investment earnings/(losses)	307	389	533	--	57
Gain/(loss) on disposition of capital assets	--	--	--	--	--
Miscellaneous	837	979	933	1,215	1,187
Transfers	6,337	(465)	(792)	4,377	(4,010)
Total business-type activities	<u>7,481</u>	<u>903</u>	<u>674</u>	<u>5,592</u>	<u>(2,766)</u>
Total primary government	<u>\$ 905,612</u>	<u>\$ 949,427</u>	<u>\$ 998,204</u>	<u>\$ 1,040,866</u>	<u>\$ 1,053,822</u>
Change in Net Position					
Governmental activities	\$ 2,964	\$ 9,661	\$ (138,852)	\$ (27,724)	\$ (41,666)
Cumulative effect of restatement- Gov't Activities	--	(96,970)	--	(15,068)	--
Business-type activities	5,097	(908)	10,542	11,596	789
Cumulative effect of restatement - Business-type Activities	--	(2,640)	--	--	--
Total primary government	<u>\$ 8,061</u>	<u>\$ (90,857)</u>	<u>\$ (128,310)</u>	<u>\$ (31,196)</u>	<u>\$ (40,877)</u>
Component Units: ^a					
Expenses					
School Board	\$ 998,911	\$ 1,046,510	\$ 1,059,657	\$ 1,149,263	\$ 1,163,792
Adult Detention Center	44,629	42,366	48,241	44,712	43,365
Convention & Visitors Bureau	1,188	1,288	1,275	1,178	--
Total component unit expenses	<u>1,044,728</u>	<u>1,090,164</u>	<u>1,109,173</u>	<u>1,195,153</u>	<u>1,207,157</u>
Program Revenues					
Charges for services	24,087	23,795	24,429	25,735	26,138
Operating grants and contributions	149,565	158,349	168,110	179,935	182,304
Capital grants and contributions	108	116	124	119	123
Total component unit program revenues	<u>173,760</u>	<u>182,260</u>	<u>192,663</u>	<u>205,789</u>	<u>208,565</u>
General Revenues and Other					
Changes in Net Position					
Payment from primary government	560,412	615,939	783,479	672,345	717,067
Grants and contributions not restricted to specific programs	359,939	373,325	381,856	401,967	419,099
Investment earnings/(losses)	3,261	3,125	3,489	2,603	2,700
Gain on disposition of capital assets	--	4	(1)	--	--
Miscellaneous	6,829	3,216	3,734	5,523	5,447
Total general revenues and other changes in net position	<u>930,441</u>	<u>995,609</u>	<u>1,172,557</u>	<u>1,082,438</u>	<u>1,144,313</u>
Total component unit change in net position	<u>\$ 59,473</u>	<u>\$ (756,863)</u>	<u>\$ 256,047</u>	<u>\$ 93,074</u>	<u>\$ 145,721</u>

^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.

TABLE 2 - Changes in Net Position
Page 4 of 4

2019 as restated ^c	2020 as restated ^d	2021	2022	2023	
					Primary Government (cont'd):
					General Revenues and Other
					Changes in Net Position (cont'd)
					Governmental activities (cont'd):
43,026	38,443	15,825	(48,810)	18,346	Investment earnings/(losses)
745	--	--	277	--	Gain on disposition of capital assets
--	--	--	237	--	Donations
12,200	15,919	30,526	835	5,522	Miscellaneous
--	--	--	--	--	Special item - transfer of volunteer fire and rescue operations
(2,890)	587	3,205	(46)	(282)	Transfers
<u>1,144,029</u>	<u>1,206,903</u>	<u>1,279,440</u>	<u>1,261,823</u>	<u>1,432,646</u>	Total governmental activities
					Business-type activities:
1,494	1,060	104	(1,671)	207	Investment earnings/(losses)
--	--	990	57	--	Gain/(loss) on disposition of capital assets
1,077	982	990	1,278	762	Miscellaneous
2,890	(587)	(3,205)	46	282	Transfers
<u>5,461</u>	<u>1,455</u>	<u>(1,121)</u>	<u>(290)</u>	<u>1,251</u>	Total business-type activities
<u>\$ 1,149,490</u>	<u>\$ 1,208,358</u>	<u>\$ 1,262,902</u>	<u>\$ 1,261,533</u>	<u>\$ 1,433,897</u>	Total primary government
					Change in Net Position
\$ 122,227	\$ 13,394	\$ 4,321	\$ 88,828	\$ 163,140	Governmental activities
--	--	594	--	--	Cumulative effect of restatement- Gov't Activities
12,099	5,152	2,762	163	1,143	Business-type activities
--	--	--	--	--	Cumulative effect of restatement - Business-type Activities
<u>\$ 134,326</u>	<u>\$ 18,546</u>	<u>\$ 7,677</u>	<u>\$ 88,991</u>	<u>\$ 164,283</u>	Total primary government
					Component Units: ^a
					Expenses
\$ 1,183,841	\$ 1,296,560	\$ 1,380,099	\$ 1,394,559	\$ 1,551,715	School Board
43,742	51,908	56,297	71,738	53,500	Adult Detention Center
--	--	--	--	--	Convention & Visitors Bureau
<u>1,227,583</u>	<u>1,348,468</u>	<u>1,436,396</u>	<u>1,466,297</u>	<u>1,605,215</u>	Total component unit expenses
					Program Revenues
25,457	18,009	5,785	16,989	30,396	Charges for services
182,964	185,517	295,190	332,983	306,140	Operating grants and contributions
128	119	127	130	22,737	Capital grants and contributions
<u>208,549</u>	<u>203,645</u>	<u>301,102</u>	<u>350,102</u>	<u>359,273</u>	Total component unit program revenues
					General Revenues and Other
					Changes in Net Position
633,538	774,951	826,798	807,843	828,394	Payment from primary government
452,149	471,510	491,034	522,564	576,451	Grants and contributions not restricted to specific programs
8,669	7,117	3,162	(16,938)	2,326	Investment earnings/(losses)
--	11	--	--	--	Gain on disposition of capital assets
4,631	5,158	6,451	8,788	9,424	Miscellaneous
					Total general revenues and other changes in net position
1,098,987	1,258,747	1,327,445	1,322,257	1,416,595	
<u>\$ 79,953</u>	<u>\$ 113,924</u>	<u>\$ 202,536</u>	<u>\$ 206,062</u>	<u>\$ 170,653</u>	Total component unit change in net position

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 3 - Fund Balances - Governmental Funds

Last Ten Fiscal Years

Page 1 of 2

(modified accrual basis of accounting; amounts expressed in thousands)

	2014	2015	2016	2017	2018
General Fund:					
Non-spendable	\$ 222	\$ 178	\$ 142	\$ 178	\$ 288
Restricted	3,693	13,224	12,833	10,350	9,941
Committed	67,735	58,692	105,707	92,852	89,315
Assigned	6,442	29,847	7,733	9,123	12,096
Unassigned	69,669	73,055	76,747	79,769	82,107
Total General Fund	<u>\$ 147,761</u>	<u>\$ 174,996</u>	<u>\$ 203,162</u>	<u>\$ 192,272</u>	<u>\$ 193,747</u>
Streets & Roads:					
Non-spendable	\$ 229	\$ 221	\$ 331	\$ 297	\$ 296
Committed	50,371	28,643	50,546	59,278	34,639
Total Streets & Roads	<u>\$ 50,600</u>	<u>\$ 28,864</u>	<u>\$ 50,877</u>	<u>\$ 59,575</u>	<u>\$ 34,935</u>
Nonmajor Governmental Funds:					
Non-spendable	\$ 11	\$ 11	\$ 2,167	\$ 34	\$ 18
Restricted	96,303	103,383	101,851	76,440	71,233
Committed	51,735	28,140	80,720	77,439	63,963
Unassigned	--	--	--	--	--
Total Nonmajor Governmental Funds	<u>\$ 148,049</u>	<u>\$ 131,534</u>	<u>\$ 184,738</u>	<u>\$ 153,913</u>	<u>\$ 135,214</u>

TABLE 3 - Fund Balances - Governmental
Funds Page 2 of 2

2019	2020	2021	2022	2023	
					General Fund:
\$ 396	\$ 262	\$ 297	\$ 294	\$ 269	Non-spendable
9,524	9,445	9,505	11,780	11,200	Restricted
88,951	118,703	142,265	152,750	123,142	Committed
9,025	9,217	16,940	27,253	27,152	Assigned
87,335	91,405	95,459	98,971	110,788	Unassigned
<u>\$ 195,231</u>	<u>\$ 229,032</u>	<u>\$ 264,466</u>	<u>\$ 291,048</u>	<u>\$ 272,551</u>	Total General Fund
					Streets & Roads:
\$ 301	\$ 301	\$ --	\$ --	\$ --	Non-spendable
33,636	37,594	37,310	32,173	42,296	Committed
<u>\$ 33,937</u>	<u>\$ 37,895</u>	<u>\$ 37,310</u>	<u>\$ 32,173</u>	<u>\$ 42,296</u>	Total Streets & Roads
					Nonmajor Governmental Funds:
\$ 23	\$ 68	\$ 2,196	\$ 27	\$ 23	Non-spendable
73,575	84,991	96,327	107,418	116,284	Restricted
71,175	55,105	52,341	32,164	28,286	Committed
--	(29)	--	(2,039)	(576)	Unassigned
<u>\$ 144,773</u>	<u>\$ 140,135</u>	<u>\$ 150,864</u>	<u>\$ 137,570</u>	<u>\$ 144,017</u>	Total Nonmajor Governmental Funds

COUNTY OF PRINCE WILLIAM, VIRGINIA
TABLE 4 - Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

Page 1 of 2

(modified accrual basis of accounting; dollar amounts expressed in thousands)

	2016					
	2013 ^a	2014	2015	as restated ^b	2017	2018
REVENUES:						
General property taxes	\$ 636,789	\$ 667,497	\$ 703,097	\$ 703,952	\$ 780,642	\$ 818,357
Other local taxes	116,068	116,157	122,065	125,537	129,880	132,348
Permits, privilege fees and regulatory licenses	16,354	17,389	17,057	2,295	19,867	19,141
Fines and forfeitures	3,260	3,252	3,168	2,952	2,732	3,050
From use of money and property	(6,422)	14,434	12,456	14,702	1,477	4,112
Charges for services	27,240	27,886	28,806	14,379	33,420	32,621
Intergovernmental revenues:						
Federal	49,644	51,378	48,313	19,322	65,147	54,902
State	118,507	137,111	141,743	122,798	153,173	137,416
Local	6,884	7,435	9,679	7,302	6,947	47,101
Donations	20	1,897	1,723	--	731	--
Miscellaneous	27,284	11,592	18,083	14,038	23,819	12,011
Total revenues	995,628	1,056,028	1,106,190	1,027,277	1,217,835	1,261,059
EXPENDITURES:						
General government administration	36,788	34,966	37,651	39,108	44,340	42,300
Judicial administration	18,388	19,190	19,681	20,174	21,292	21,052
Public safety	228,769	232,492	241,360	188,460	272,018	279,766
Public works	30,522	31,441	30,857	31,420	31,269	32,063
Health and welfare	75,066	76,549	80,840	85,237	89,166	96,955
Education	463,652	466,249	508,016	425,142	551,880	591,463
Parks, recreational and cultural	26,550	28,507	31,085	43,943	44,186	47,160
Community development	48,555	53,185	53,879	10,503	58,165	58,932
Debt service:						
Principal retirement	69,858	72,969	76,750	77,784	86,849	93,220
Interest and other debt costs	41,991	42,546	42,476	45,231	47,888	48,688
Capital outlays	53,426	76,086	85,565	--	94,440	122,321
Total expenditures	1,093,565	1,134,180	1,208,160	967,002	1,341,493	1,433,920
Excess (deficiency) of revenues over (under) expenditures	(97,937)	(78,152)	(101,970)	60,275	(123,658)	(172,861)
OTHER FINANCING SOURCES (USES):						
Transfers in	58,513	73,278	54,852	120,687	85,749	91,372
Transfers out	(62,825)	(93,780)	(54,508)	(149,036)	(90,895)	(88,194)
Sale of lease participation certificates	--	--	--	--	--	--
Issuance of debt	--	--	--	--	--	--
Bonds, notes and capital leases	65,675	88,625	82,545	--	77,660	115,895
Refunding bonds	46,180	--	35,675	2,935	--	--
Premium on sale of bonds	12,301	10,309	7,247	--	6,554	11,371
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	26
Sale of surplus property	252	851	422	2,094	599	282
Total other financing sources (uses)	74,555	79,292	90,954	(26,187)	79,728	130,752
Net change in fund balances	\$ (23,382)	\$ 1,140	\$ (11,016)	\$ 34,088	\$ (43,930)	\$ (42,109)
Debt service as a percentage of noncapital expenditures	10.37%	10.35%	10.12%	13.24%	10.33%	10.32%

^a Beginning in FY2013, the Park Authority Component Unit merged its functions into the County Government by creating a new Prince William County Department of Parks & Recreation.

^b FY 2016 figures were adjusted and restated in FY 2017.

TABLE 4 - Changes in Fund Balances - Governmental

Funds Page 2 of 2

2019	2020	2021	2022	2023	
					REVENUES:
\$ 862,399	\$ 914,031	\$ 961,162	\$ 1,047,023	\$ 1,093,850	General property taxes
147,417	153,405	175,617	188,856	233,396	Other local taxes
20,156	19,847	20,888	23,651	24,928	Permits, privilege fees and regulatory licenses
3,456	2,705	1,788	1,757	1,927	Fines and forfeitures
28,750	20,978	69	(56,927)	5,419	From use of money and property
31,821	28,460	22,619	29,050	29,666	Charges for services
					Intergovernmental revenues:
55,060	62,046	141,499	99,805	146,744	Federal
144,857	148,932	159,701	169,519	199,213	State
60,272	48,273	50,810	44,641	84,067	Local
--	--	--	3,671	10,915	Donations
12,528	18,930	30,890	6,923	9,075	Miscellaneous
<u>1,366,716</u>	<u>1,417,607</u>	<u>1,565,043</u>	<u>1,557,969</u>	<u>1,839,200</u>	Total revenues
					EXPENDITURES:
45,704	46,519	78,209	90,571	105,555	General government administration
22,512	26,039	27,290	29,725	34,035	Judicial administration
327,582	315,061	367,510	316,689	356,425	Public safety
33,523	31,800	7,372	6,998	7,575	Public works
104,378	111,455	130,729	138,638	157,364	Health and welfare
473,433	506,729	567,166	554,502	677,245	Education
49,645	50,559	50,535	57,363	64,325	Parks, recreational and cultural
58,519	62,978	75,827	71,369	68,338	Community development
					Debt service:
97,685	93,610	101,010	123,658	102,575	Principal retirement
48,358	47,675	45,426	44,538	41,340	Interest and other debt costs
114,778	226,895	248,188	182,160	272,661	Capital outlays
<u>1,376,117</u>	<u>1,519,320</u>	<u>1,699,262</u>	<u>1,616,211</u>	<u>1,887,438</u>	Total expenditures
<u>(9,401)</u>	<u>(101,713)</u>	<u>(134,219)</u>	<u>(58,242)</u>	<u>(48,238)</u>	Excess (deficiency) of revenues over (under) expenditures
					OTHER FINANCING SOURCES (USES):
116,454	100,632	89,049	86,870	165,515	Transfers in
(118,600)	(91,718)	(80,527)	(86,536)	(164,284)	Transfers out
--					Sale of lease participation certificates
--	240,450	151,280	58,855	42,400	Issuance of debt
--	--	--	--	--	Bonds, notes and capital leases
--	(817)	--	--	--	Refunding bonds
--	--	17,468	6,087	2,409	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
13	14	18	16	17	Insurance recoveries
426	432	1,915	1,101	254	Sale of surplus property
<u>19,446</u>	<u>134,834</u>	<u>179,203</u>	<u>66,393</u>	<u>46,311</u>	Total other financing sources (uses)
<u>\$ 10,045</u>	<u>\$ 33,121</u>	<u>\$ 44,984</u>	<u>\$ 8,151</u>	<u>\$ (1,927)</u>	Net change in fund balances
10.61%	9.30%	8.62%	10.41%	7.63%	Debt service as a percentage of noncapital expenditures

COUNTY OF PRINCE WILLIAM, VIRGINIA**TABLE 5 - Changes in Net Position - Supplemental Pension Plan**

Last Ten Fiscal Years

Page 1 of 2

(amounts expressed in thousands)

	2014	2015	2016	2017	2018
Additions					
Member contributions	\$ 1,007	\$ 1,083	\$ 1,137	\$ 1,199	\$ 1,294
Employer contributions	1,007	1,083	1,137	2,010	2,092
Investment income (net of expenses)	4,438	(339)	119	4,341	2,933
Other Income	--	--	--	--	--
Total additions to plan net position	6,452	1,827	2,393	7,550	6,319
Deductions					
Pension payments	1,810	1,883	2,004	2,837	2,639
Refund of members' contribution	95	97	144	151	102
Administrative expenses	109	83	116	163	148
Other expenses					
Total deductions to plan net position	2,014	2,063	2,264	3,151	2,889
Change in net position	\$ 4,438	\$ (236)	\$ 129	\$ 4,399	\$ 3,430

TABLE 5 - Changes in Net Position - Supplemental Pension Plan

Page 2 of 2

	2019	2020	2021	2022	2023	
						Additions
\$	1,372	\$ 1,921	\$ 2,030	\$ 1,953	\$ 2,029	Member contributions
	2,313	3,077	3,566	1,953	2,029	Employer contributions
	2,416	1,329	11,487	(6,278)	4,346	Investment income (net of expenses)
	--	--	12	--	--	Other Income
	6,101	6,327	17,095	(2,372)	8,404	Total additions to plan net position
						Deductions
	2,623	2,923	2,855	2,466	2,638	Pension payments
	129	345	222	429	269	Refund of members' contribution
	118	222	337	200	177	Administrative expenses
						Other expenses
	2,870	3,490	3,414	3,095	3,084	Total deductions to plan net position
\$	3,231	\$ 2,837	\$ 13,681	\$ (5,467)	\$ 5,320	Change in net position

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 6 - General Governmental Revenues by Source^a

Last Ten Fiscal Years

Page 1 of 2

(modified accrual basis of accounting; dollar amounts expressed in thousands)

Fiscal Year		Taxes ^b	Licenses, Fees & Permits	Fines & Forfeitures	Use of Money & Property ^c
2014	\$	783,654	\$ 17,389	\$ 3,252	\$ 18,762
2015	\$	825,162	\$ 17,057	\$ 3,168	\$ 16,747
2016	\$	869,840	\$ 18,039	\$ 2,953	\$ 21,495
2017	\$	910,522	\$ 19,867	\$ 2,732	\$ 6,471
2018	\$	950,705	\$ 19,141	\$ 3,050	\$ 9,539
2019	\$	1,018,777	\$ 20,156	\$ 3,456	\$ 41,465
2020	\$	1,076,413	\$ 19,847	\$ 2,705	\$ 30,157
2021	\$	1,082,490	\$ 20,887	\$ 1,788	\$ 3,373
2022	\$	1,181,590	\$ 23,651	\$ 1,757	\$ (57,234)
2023	\$	1,327,191	\$ 24,928	\$ 1,927	\$ 5,415
Change 2014 - 2023		69.36%	43.35%	-40.74%	-71.14%

^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 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
2014	\$	557,068	\$ 95,270	\$ 18,809	\$ 671,147
2015	\$	581,640	\$ 100,093	\$ 18,650	\$ 700,383
2016	\$	610,844	\$ 110,676	\$ 19,954	\$ 741,474
2017	\$	632,422	\$ 123,696	\$ 21,204	\$ 777,322
2018	\$	660,476	\$ 131,700	\$ 22,101	\$ 814,277
2019	\$	695,169	\$ 143,557	\$ 21,674	\$ 860,400
2020	\$	733,071	\$ 156,474	\$ 22,683	\$ 912,228
2021	\$	764,351	\$ 171,063	\$ 22,429	\$ 957,843
2022	\$	816,928	\$ 201,846	\$ 24,197	\$ 1,042,971
2023	\$	839,182	\$ 228,061	\$ 22,320	\$ 1,089,563
Change 2014 - 2023		50.64%	139.38%	18.67%	62.34%

^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
Charges for Services	PPTRA	All Others	Miscellaneous	Total		
\$ 50,964	\$ 54,288	\$ 722,269	\$ 17,826	\$ 1,668,403		2014
\$ 51,847	\$ 54,288	\$ 757,092	\$ 23,207	\$ 1,748,568		2015
\$ 49,818	\$ 54,288	\$ 801,685	\$ 18,945	\$ 1,837,063		2016
\$ 57,324	\$ 54,288	\$ 857,810	\$ 31,588	\$ 1,940,602		2017
\$ 57,256	\$ 54,288	\$ 878,004	\$ 17,773	\$ 1,989,756		2018
\$ 55,244	\$ 54,288	\$ 966,701	\$ 17,863	\$ 2,177,950		2019
\$ 45,753	\$ 54,288	\$ 966,280	\$ 23,985	\$ 2,219,428		2020
\$ 26,383	\$ 54,288	\$ 1,235,020	\$ 39,217	\$ 2,463,446		2021
\$ 35,522	\$ 54,288	\$ 2,450,780	\$ 29,457	\$ 3,719,811		2022
\$ 46,113	\$ 54,288	\$ 2,839,431	\$ 38,368	\$ 4,337,661		2023
-9.52%	0.00%	293.13%	115.24%	159.99%	Change 2014 - 2023	

Sales Tax	Utility Taxes	BPOL Tax	All Other ^b	Total	Fiscal Year
\$ 56,511	\$ 13,766	\$ 23,772	\$ 18,458	\$ 783,654	2014
\$ 59,709	\$ 13,974	\$ 24,744	\$ 26,352	\$ 825,162	2015
\$ 60,551	\$ 13,977	\$ 25,065	\$ 28,773	\$ 869,840	2016
\$ 63,022	\$ 14,196	\$ 25,341	\$ 30,641	\$ 910,522	2017
\$ 64,566	\$ 14,417	\$ 26,554	\$ 30,891	\$ 950,705	2018
\$ 68,710	\$ 14,443	\$ 26,945	\$ 48,279	\$ 1,018,777	2019
\$ 72,341	\$ 14,408	\$ 28,236	\$ 49,200	\$ 1,076,413	2020
\$ 80,140	\$ 13,266	\$ 29,882	\$ 55,647	\$ 1,136,778	2021
\$ 88,032	\$ 15,278	\$ 32,910	\$ 56,687	\$ 1,235,878	2022
\$ 93,246	\$ 15,408	\$ 34,636	\$ 16,686	\$ 1,249,540	2023
65.01%	11.93%	45.70%	-9.60%	59.45%	Change 2014 - 2023

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 7 - Assessed Value and Actual Value of Taxable Real Property

Last Ten Fiscal Years

Page 1 of 2

(tax rates per \$100 of assessed value; amounts expressed in thousands)

Fiscal Year	Residential ^a	Apartments ^a	Commercial & Industrial ^a	Public Service ^a
2014	\$35,821,828	\$2,185,291	\$6,597,590	\$1,501,931
2015	\$39,073,111	\$2,525,672	\$6,802,104	\$1,531,397
2016	\$41,983,238	\$2,856,819	\$7,179,333	\$1,678,330
2017	\$43,393,628	\$3,020,162	\$7,406,620	\$1,782,650
2018	\$44,665,855	\$3,047,465	\$8,185,594	\$1,826,020
2019	\$46,722,672	\$3,243,286	\$9,258,196	\$1,804,079
2020	\$48,810,816	\$3,416,858	\$9,638,310	\$1,888,134
2021	\$51,343,233	\$3,712,614	\$10,570,898	\$1,890,494
2022	\$55,749,465	\$3,946,600	\$10,848,981	\$1,993,711
2023	\$63,300,359	\$4,640,249	\$12,929,788	\$2,023,556

^a Net of tax-exempt property:

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
2018	\$4,323,692	2023	\$6,587,098

^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		
	Commercial to Total	Commercial & Public Service to Total	Residential		
			Permits	Value	
2014	14.3%	17.5%	\$ 1,396	\$ 290	
2015	13.6%	16.6%	\$ 1,401	\$ 261	
2016	13.3%	16.4%	\$ 1,295	\$ 224	
2017	13.3%	16.5%	\$ 1,399	\$ 339	
2018	14.1%	17.3%	\$ 1,310	\$ 245	
2019	15.1%	18.1%	\$ 1,086	\$ 218	
2020	15.1%	18.0%	\$ 1,339	\$ 255	
2021	15.6%	18.4%	\$ 1,444	\$ 313	
2022	14.9%	17.7%	\$ 1,157	\$ 312	
2023	15.6%	18.0%	\$ 5,372	\$ 312	

^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. 2014-2023, Federal Deposit Insurance Corporation, (commercial and savings bank deposits) and National Credit Union Administration (credit union deposits).

TABLE 7 - Assessed Value and Actual Value of Taxable Real Property
Page 2 of 2

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
\$171,126	\$46,277,766	\$1.25620	\$57,109,671	81.03%
\$161,172	\$50,093,456	\$1.22120	\$57,663,419	86.87%
\$166,961	\$53,864,681	\$1.19360	\$60,222,753	89.44%
\$161,469	\$55,764,529	\$1.19500	\$61,527,421	90.63%
\$166,147	\$57,891,081	\$1.20670	\$65,844,401	87.92%
\$185,978	\$61,214,211	\$1.20750	\$69,155,694	88.52%
\$186,227	\$63,940,345	\$1.20750	\$69,062,205	92.58%
\$195,932	\$67,713,170	\$1.20750	\$72,791,360	93.02%
\$190,994	\$72,729,751	\$1.19750	\$78,076,174	93.15%
\$250,732	\$83,144,684	\$1.10750	\$90,468,108	91.90%

New Construction ^a				
Non-Residential				
Permits	Value	Bank Deposits ^b		
193	\$	236	\$	4,201
225	\$	145	\$	4,378
136	\$	137	\$	4,492
177	\$	546	\$	4,535
125	\$	124	\$	4,625
108	\$	788	\$	4,838
67	\$	312	\$	5,715
73	\$	169	\$	6,952
58	\$	317	\$	7,200
1,181	\$	1,304	\$	6,989

COUNTY OF PRINCE WILLIAM, VIRGINIA**TABLE 8 - Direct and Overlapping Real Estate Tax Rates**

Last Ten Fiscal Years

Page 1 of 2

(tax rates per \$100 of assessed value)

Type of Tax	2014	2015	2016	2017	2018
PRINCE WILLIAM COUNTY					
<i>Countywide Tax Levies:</i>					
Real Estate - General Fund	\$1.18100	\$1.14800	\$1.12200	\$1.12200	\$1.12500
Fire and Rescue Levy (Countywide)	\$0.07270	\$0.07070	\$0.06910	\$0.07050	\$0.07920
Mosquito & Forest Pest Management (Countywide)	\$0.00250	\$0.00250	\$0.00250	\$0.00250	\$0.00250
Total Direct Tax Rate	<u>\$1.25620</u>	<u>\$1.22120</u>	<u>\$1.19360</u>	<u>\$1.19500</u>	<u>\$1.20670</u>
Service District Levies -					
Bull Run	\$0.18300	\$0.14710	\$0.13770	\$0.13770	\$0.13110
Lake Jackson	\$0.16500	\$0.16500	\$0.16500	\$0.16500	\$0.16500
Transportation District Levies -					
Prince William Parkway	\$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	\$0.27330	\$0.23330	\$0.18990	\$0.18990	\$0.18990
Town of Haymarket	\$0.13900	\$0.13900	\$0.12900	\$0.14600	\$0.14600
Town of Occoquan	\$0.11000	\$0.11000	\$0.11000	\$0.12000	\$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

2019	2020	2021	2022	2023	Type of Tax
PRINCE WILLIAM COUNTY					
<i>Countywide Tax Levies:</i>					
\$1.12500	\$1.12500	\$1.12500	\$1.11500	\$ 1.03000	Real Estate - General Fund
\$0.08000	\$0.08000	\$0.08000	\$0.08000	\$ 0.07500	Fire and Rescue Levy (Countywide)
\$0.00250	\$0.00250	\$0.00250	\$0.00250	\$ 0.00250	Mosquito & Forest Pest Management (Countywide)
<u>\$1.20750</u>	<u>\$1.20750</u>	<u>\$1.20750</u>	<u>\$1.19750</u>	<u>\$ 1.10750</u>	Total Direct Tax Rate
Service District Levies -					
\$0.12630	\$0.12300	\$0.12300	\$0.12300	\$ 0.09500	Bull Run
\$0.16500	\$0.16500	\$0.16500	\$0.16500	\$ 0.15000	Lake Jackson
Transportation District Levies -					
--	--	--	--	--	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	\$0.13600	\$0.13600	\$0.13600	\$ 0.11700	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	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value ^a	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value ^a
VIRGINIA ELECTRIC & POWER COMPANY	\$ 1,824,470	1	2.19%	\$ 749,739	1	1.62%
NORTHERN VIRGINIA ELECTRIC CO-OP	866,835	2	1.04%	269,224	3	0.58%
AMAZON DATA SERVICES INC	707,691	3	0.85%	-		-
BOURZOU VENTURES LLC	531,493	4	0.64%	-		-
ABTEEN VENTURES LLC	462,926	5	0.56%	-		-
MALL AT POTOMAC MILLS LLC	349,862	6	0.42%	472,547	2	1.02%
VERIZON SOUTH INC.	268,459	7	0.32%	154,562	4	0.33%
POWERLOFT @ INNOVATION I LLC	166,079	8	0.20%	-		-
ARCADIA RUN LLC	154,896	9	0.19%	-		-
VIRGINIA-AMERICAN WATER CO.	150,529	10	0.18%	-		-
Washington Gas Light Company	-		-	103,569	5	0.22%
Stellar Chatsworth LLC	-		-	99,496	6	0.21%
KIR Smoketown Station LP	-		-	91,348	7	0.20%
Woodbridge Station Apartments LLC	-		-	85,801	8	0.19%
Fairfield Potomac Club, Inc.	-		-	71,926	9	0.16%
Manassas Owner LLC	-		-	63,983	10	0.14%
	<u>\$ 5,483,239</u>		<u>6.59%</u>	<u>\$ 2,162,195</u>		<u>4.67%</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	
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%	\$ 675	\$ 836,077	99.8%	
2023	\$ 907,491	\$ 820,549	90.4%	\$ --	\$ 820,549	90.4%	

^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

Page 1 of 2

(dollar amounts expressed in thousands)

	2014	2015	2016	2017	2018
Primary Government					
<i>Governmental Activities:</i>					
General Obligation Bonds ^a					
General Government	\$ 140,032	\$ 126,438	\$ 197,564	\$ 181,934	\$ 167,369
School Board-Related	594,188	628,638	793,235	815,195	865,535
Park Related	9,746	9,069	14,421	13,606	11,816
IDA Lease Revenue Bonds	4,355	3,345	2,290	1,175	--
IDA Loan	--	--	--	--	--
Literary Fund Loans	2,250	2,000	--	--	--
Real Property Capital Leases					
General Government	122,609	110,324	96,720	86,026	77,630
Adult Detention Center	21,680	19,955	18,230	15,596	13,890
Park Related	352	644	395	268	235
Equipment Capital Leases	951	539	110	--	--
<i>Business-Type Activities:</i>					
Parks & Recreation Revenue Bonds	10,525	10,555	9,965	9,355	8,725
Parks & Recreation Equipment Capital Leases	596	295	99	--	--
Total Primary Government	\$ 907,284	\$ 911,802	\$ 1,133,029	\$ 1,123,155	\$ 1,145,200
Percentage of Personal Income ^b	3.66%	3.55%	4.27%	4.05%	3.98%
Per Capita ^b	2,092	2,065	2,519	2,462	2,490
Total Reporting Entity Outstanding Debt	\$ 907,284	\$ 911,802	\$ 1,133,029	\$ 1,123,155	\$ 1,145,200
Less: Self-Supporting Revenue and Other Bonds	11,121	10,850	10,064	9,355	8,725
Net Tax-Supported Debt	\$ 896,163	\$ 900,952	\$ 1,122,965	\$ 1,113,800	\$ 1,136,475

** 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 12-2 in the Notes to the Financial Statements for details.

TABLE 11 - Ratios of Outstanding Debt by Type - Primary Government and Component Units
Page 2 of 2

	2019	2020	2021	2022	2023	
						Primary Government
						<i>Governmental Activities:</i>
						General Obligation Bonds ^a
\$	152,782	\$ 140,868	\$ 171,372	\$ 155,304	\$ 139,742	General Government
	796,785	845,159	879,359	862,595	829,398	School Board-Related
	10,833	9,893	8,839	8,201	7,045	Park Related
	--	--	--	--	--	IDA Lease Revenue Bonds
	21,153	21,153	21,153	--	--	IDA Loan
	--	--	--	--	--	Literary Fund Loans
	65,985	57,591	45,898	37,401	28,822	Real Property Capital Leases
	12,202	10,533	8,877	7,225	5,576	General Government
	203	171	140	109	77	Adult Detention Center
	--	--	--	--	--	Park Related
						Equipment Capital Leases
	6,090	5,410	4,155	3,525	2,860	<i>Business-Type Activities:</i>
	--	--	--	--	--	Parks & Recreation Revenue Bonds ^c
						Parks & Recreation Equipment Capital Leases
\$	<u>1,066,033</u>	\$ <u>1,090,778</u>	\$ <u>1,139,793</u>	\$ <u>1,074,360</u>	\$ <u>1,013,520</u>	Total Primary Government
	3.56%	3.41%	3.56%	3.38%	3.19%	Percentage of Personal Income ^b
	2,298	2,331	2,333	2,181	2,061	Per Capita ^b
\$	<u>1,066,033</u>	\$ <u>1,090,778</u>	\$ <u>1,139,793</u>	\$ <u>1,074,360</u>	\$ <u>1,013,520</u>	Total Reporting Entity Outstanding Debt
	<u>6,090</u>	<u>5,410</u>	<u>4,155</u>	<u>3,525</u>	<u>2,860</u>	Less: Self-Supporting Revenue and Other Bonds
\$	<u><u>1,059,943</u></u>	\$ <u><u>1,085,368</u></u>	\$ <u><u>1,135,638</u></u>	\$ <u><u>1,070,835</u></u>	\$ <u><u>1,010,660</u></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
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%	\$ 2,197
2022	\$ 1,026,100	\$ --	\$ 1,026,100	1.31%	\$ 2,083
2023	\$ 976,185	\$ --	\$ 976,185	1.08%	\$ 1,985

^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, 2023

(dollar amounts expressed in thousands)

	Outstanding on June 30, 2023	Percent Applicable to County	Amount Applicable to County	Percent of Assessed Value ^b
Direct:				
Net Tax Supported Debt ^a	\$ 1,010,660	100.00%	\$ 1,010,660	1.2155%
Overlapping:				
Town of Dumfries	78	100.00%	78	0.0001%
Town of Haymarket	^d Not Available ^d	Not Available ^d	Not Available ^d	Not Available
Town of Occoquan	--	100.00%	--	0.0000%
Town of Quantico	63	100.00%	63	0.0001%
Heritage Hunt Commercial Community Development Authority Special Assessment Bonds Series 1999 B	569	100.00%	569	0.0007%
Virginia Gateway Community Development Authority Refunding Bond Series 1999 and 2003 B	5,990	100.00%	5,990	0.0072%
Cherry Hill Community Development Authority Special Assessment Bonds Series 2015	^d Not Available	Not Available ^d	Not Available ^d	Not Available
Northern Virginia Transportation Commission - Virginia Railway Express ^c	170,475	32.32%	55,096	0.0663%
Northern Virginia Criminal Justice Training Academy (NVCJTA) ^c	^d 2,740	32.44% ^d	889 ^d	0.0011%
Total Overlapping Governmental Activities Debt	\$ 179,914	34.84%	\$ 62,685	0.0754%
Total Direct and Overlapping Governmental Activities D	\$ 1,190,574	90.15%	\$ 1,073,345	1.2909%

^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 Information was not available at the time of report issuance.

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.

	2014	2015	2016	2017	2018
General Government ^a					
Principal	\$ 72,969	\$ 76,750	\$ 78,093	\$ 86,849	\$ 93,220
Interest ^b	42,546	42,476	46,072	47,888	48,688
Debt Service on Net Tax-Supported Debt	\$ 115,515	\$ 119,226	\$ 124,165	\$ 134,737	\$ 141,908
Total Government Expenditures ^c	\$ 1,491,793	\$ 1,557,703	\$ 1,610,616	\$ 1,734,264	\$ 1,731,969
Ratio of Debt Service to Expenditures	7.7%	7.7%	7.7%	7.8%	8.2%
Total Revenues ^d	\$ 1,636,801	\$ 1,611,230	\$ 1,496,700	\$ 1,649,319	\$ 1,802,191
Ratio of Debt Service to Revenues	7.1%	7.4%	8.3%	8.2%	7.9%
Net Tax-Supported Debt ^e	\$ 896,163	\$ 900,952	\$ 1,122,965	\$ 1,113,800	\$ 1,136,475
Assessed Value of Taxable Property ^f	\$ 50,601,568	\$ 54,623,175	\$ 58,854,961	\$ 61,335,721	\$ 63,755,919
Ratio of Net Tax-Supported Debt to Assessed Value	1.8%	1.6%	1.9%	1.8%	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 from 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

2019		2020		2021		2022		2023		
\$	97,685	\$	93,610	\$	101,010	\$	123,658	\$	102,575	General Government ^a
	48,358		47,675		45,426		44,538		41,340	Principal
\$	146,043	\$	141,285	\$	146,436	\$	168,196	\$	143,915	Interest ^b
										Debt Service on Net Tax-Supported Debt
\$	1,867,084	\$	1,962,416	\$	2,084,360	\$	2,238,422	\$	2,394,583	Total Government Expenditures ^c
	7.8%		7.2%		7.0%		7.5%		6.0%	Ratio of Debt Service to Expenditures
\$	2,067,001	\$	2,139,662	\$	2,271,858	\$	2,430,571	\$	2,384,087	Total Revenues ^d
	7.1%		6.6%		6.4%		6.9%		6.0%	Ratio of Debt Service to Revenues
\$	1,059,943	\$	1,085,368	\$	1,135,638	\$	1,070,835	\$	1,010,660	Net Tax-Supported Debt ^e
\$	67,613,073	\$	70,811,690	\$	74,307,125	\$	82,833,973	\$	94,269,475	Assessed Value of Taxable Property ^f
	1.6%		1.5%		1.5%		1.3%		1.1%	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		
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	\$ 20,245	\$ 13,615	\$ 4,962	\$ 1,668	\$ --	\$ --	\$ --	n/a ^e
2023	\$ 32,132	\$ 23,236	\$ 6,451	\$ 2,445	\$ --	\$ --	\$ --	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
2014	433,621	\$24,635,153	\$48,841	85,055	234,967	4.8%
2015	441,627	\$25,526,460	\$49,762	86,641	234,238	4.4%
2016	449,864	\$26,373,844	\$50,769	87,823	237,291	3.7%
2017	456,126	\$27,520,527	\$52,157	89,378	243,231	3.5%
2018	459,966	\$28,565,133	\$53,655	90,595	246,394	2.9%
2019	463,867	\$29,767,221	\$55,297	90,876	250,974	2.5%
2020	467,935	\$31,773,057	\$58,552	92,270	247,971	9.6%
2021	482,204	\$33,838,564	\$62,083	92,271	242,644	4.5%
2022	492,576	\$34,799,313	\$63,701	90,135	247,241	2.8%
2023	491,693	\$36,199,969	\$64,695	89,205	263,603	2.7%

^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).
 2022 data estimated based upon ten-year growth rates on BEA data from 2020

^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 Ten Years Ago

Employer ^a	2023			2014		
	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
U.S. Department of Defense	Federal Government	2	1000 and over	Federal Government	2	1000 and over
County of Prince William	Local Government	3	1000 and over	Local Government	3	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
Wegmans Store #07	Private	7	500 to 999	Private	7	500 to 999
Target Corporation	Private	8	500 to 999	Private	10	500 to 999
The Fishel Company	Private	9	500 to 999			
The Home Depot	Private	10	500 to 999			
Northern Virginia Community College				State Government	8	500 to 999
Minnieland Private Day School				Private	9	500 to 999

a All data provided by the Virginia Employment Commission (1st Quarter, 2023 & 2014).

b Prince William County is prohibited from publishing the actual number of employees per the Confidential Information Protection and Statitistical Efficiency Act of 2002 - Title V of Public Law 107-347.



**PRINCE
WILLIAM**
— **COUNTY**

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 18 - Full-Time Equivalent County Government Employees by Function

Last Ten Fiscal Years

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Function	Full-Time Equivalent Employees as of June 30				
	2014	2015	2016	2017	2018
Primary Government					
General Government					
Board of Supervisors	25.00	25.00	25.00	25.00	26.00
County Attorney	27.00	27.00	27.00	28.00	28.00
Audit Services	1.00	1.00	1.00	1.00	--
Office of Executive Management ^b	25.00	25.00	26.00	26.00	26.00
Office of Management & Budget ^b	11.00	11.00	12.00	13.00	13.00
Human Resources ^b	23.50	23.50	23.50	26.50	26.50
Technology and Support Services	79.00	87.88	88.88	91.88	91.88
Finance	156.00	156.00	158.00	159.00	161.00
Human Rights	5.00	5.00	5.00	5.00	6.00
Board of Registration/Elections	13.00	13.00	14.00	14.00	14.00
Facilities & Fleet Management	--	--	--	--	--
Judicial Administration					
Commonwealth Attorney	44.00	44.00	44.00	45.00	50.00
Sheriff	94.50	94.50	96.50	100.50	102.50
Juvenile and Domestic Relations Court	8.00	8.00	6.00	6.00	6.00
Clerk of Court/Judges Chambers	55.00	55.00	56.00	58.00	58.00
General District Court	1.00	1.00	1.00	1.00	1.00
Law Library	1.00	1.00	1.00	1.00	1.00
Public Safety					
Public Works - Development					
Police	792.00	820.00	847.00	854.00	871.00
Criminal Justice Services	39.60	39.60	39.60	42.60	43.60
Public Safety Communications	103.00	103.00	109.00	113.00	112.00
Fire Service	574.70	589.70	614.70	662.70	722.70
Contingency Reserve - Homeland Security					
Public Works					
Public Works	234.45	238.54	237.17	241.76	247.72
Transportation	50.80	50.80	42.80	43.80	44.80
Solid Waste	59.72	59.72	60.72	60.72	60.72
Fleet Management	35.15	35.15	35.15	35.15	35.15
Small Project Construction	17.20	15.11	14.98	14.39	14.43
Upper Occoquan Sewage Authority					
Health & Welfare					
Social Services	307.46	306.46	322.26	331.26	352.26
Public Health	3.60	3.60	3.60	3.60	3.60
Community Services Board	286.71	294.21	293.96	316.26	331.76
At-Risk Youth and Family Services	5.00	6.00	--	--	--
Office on Aging	32.14	32.14	32.14	32.28	32.28
Parks, Recreational and Cultural					
Library	163.86	179.51	208.48	208.16	208.16
Parks & Recreation	382.07	391.68	396.58	408.57	411.16
Tourism ^a	--	--	--	--	8.47
Planning/Community Development					
Development Services	95.50	107.00	112.00	112.00	113.00
Office of Planning	33.50	29.00	29.00	29.00	29.00
Economic and Community Development	13.00	13.00	13.00	13.00	13.00
Housing & Community Development	27.00	24.00	24.00	24.00	24.00
Extension and Continuing Education	7.14	7.14	7.14	6.87	6.87
Transportation					
Total Primary Government	3,832.60	3,923.24	4,028.16	4,154.00	4,296.56

TABLE 18 - Full-Time Equivalent County Government Employees by Function

Page 2 of 4

Full-Time Equivalent Employees as of June 30					Function
2019	2020	2021	2022	2023	
Primary Government					
General Government					
26.00	26.00	26.00	26.00	26.00	Board of Supervisors
28.00	29.00	29.00	29.00	33.00	County Attorney
--	--	--	--	--	Audit Services
28.00	29.00	26.00	29.00	31.00	Office of Executive Management ^b
12.00	12.00	12.00	12.00	12.00	Office of Management & Budget ^b
26.50	29.50	31.50	32.50	34.50	Human Resources ^b
94.88	105.88	104.88	104.88	104.88	Technology and Support Services
162.00	170.00	172.00	176.00	185.00	Finance
7.00	6.25	7.00	7.00	6.00	Human Rights
14.00	15.00	17.00	17.00	17.00	Board of Registration/Elections
--	--	154.47	163.47	162.47	Facilities & Fleet Management
Judicial Administration					
50.00	50.00	50.00	59.00	67.00	Commonwealth Attorney
102.50	106.50	107.50	110.50	114.50	Sheriff
6.00	6.00	2.00	2.00	2.00	Juvenile and Domestic Relations Court
58.00	61.00	61.00	65.00	71.00	Clerk of Court/Judges Chambers
1.00	3.00	3.00	5.00	5.00	General District Court
--	--	--	--	--	Law Library
Public Safety					
Public Works - Development					
886.00	901.00	901.00	909.00	923.40	Police
44.60	44.60	47.60	50.60	50.60	Criminal Justice Services
113.00	118.00	121.00	120.00	123.00	Public Safety Communications
751.70	759.70	760.70	774.70	777.70	Fire Service
Contingency Reserve - Homeland Security					
Public Works					
250.72	238.17	123.86	202.00	204.00	Public Works
44.80	47.80	47.80	47.80	51.00	Transportation
62.72	65.72	65.72	--	--	Solid Waste
35.15	44.41	--	--	--	Fleet Management
14.43	12.43	16.42	--	--	Small Project Construction
Upper Occoquan Sewage Authority					
Health & Welfare					
359.76	390.76	402.23	428.23	440.23	Social Services
3.60	3.60	3.60	3.60	8.60	Public Health
345.76	348.76	382.76	393.76	431.01	Community Services Board
--	--	--	--	--	At-Risk Youth and Family Services
31.28	33.75	34.00	34.00	34.00	Office on Aging
Parks, Recreational and Cultural					
208.16	208.14	208.14		208.14	Library
416.62	432.12	432.62	435.94	447.60	Parks & Recreation
7.20	9.00	8.50	5.00	6.00	Tourism ^a
Planning/Community Development					
116.00	117.00	118.00	120.00	130.00	Development Services
30.00	31.00	31.00	31.00	32.00	Office of Planning
14.00	17.00	20.00	20.00	20.00	Economic and Community Development
24.00	24.00	25.00	25.00	26.50	Housing & Community Development
5.11	5.11	7.71	7.71	7.71	Extension and Continuing Education
Transportation					
4,380.49	4,501.20	4,561.01	4,446.69	4,792.84	Total Primary Government

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 18 - Full-Time Equivalent County Government Employees by Function (cont'd)

Last Ten Fiscal Years

Page 3 of 4

Function	Full-Time Equivalent Employees as of June 30				
	2014	2015	2016	2017	2018
Component Units					
Education					
School Board	10,337.00	10,562.00	10,713.65	11,008.73	11,354.30
Public Safety					
Adult Detention Center	339.00	348.40	349.40	351.20	377.40
Parks, Recreational and Cultural					
Park Authority ^a	--	--	--	--	--
Convention & Visitors Bureau ^a	9.00	8.00	8.00	7.00	--
Total Reporting Entity	<u>16,531.60</u>	<u>16,856.64</u>	<u>17,115.21</u>	<u>17,537.93</u>	<u>18,046.26</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.

^bBeginning fiscal year 2012, the Human Resources and the Office of Management & Budget are shown as separate functions.

TABLE 18 - Full-Time Equivalent County Government Employees by Function (cont'd)

Page 4 of 4

Full-Time Equivalent Employees as of June 30					Function
2019	2020	2021	2022	2023	
					Component Units
					Education
11,538.00	11,954.00	11,968.00	12,138.00	12,852.00	School Board
					Public Safety
422.40	450.40	446.40	440.40	439.40	Adult Detention Center
					Parks, Recreational and Cultural
--	--		--	--	Park Authority ^a
--	--		--	--	Convention & Visitors Bureau ^a
<u>18,359.89</u>	<u>18,925.60</u>	<u>18,996.41</u>	<u>19,047.09</u>	<u>20,107.24</u>	Total Reporting Entity

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 19 - Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Judicial Administration¹										
Land Records Instruments Recorded	73,107	73,232	76,868	96,302	82,909	78,898	94,710	155,991	103,971	60,609
Civil Cases Concluded	7,198	9,161	2,760	2,841	2,641	5,270	3,841	3,205	3,100	3,124
Criminal Cases Concluded	5,505	5,825	5,023	4,905	4,853	4,904	4,259	3,001	4,263	4,026
Public Safety										
<u>Fire & Rescue:²</u>										
Fire Incidents	5,826	6,142	6,263	8,070	9,069	8,619	9,084	8,886	9,368	*
EMS Incidents	26,299	27,423	28,925	29,532	29,730	30,922	30,315	31,508	40,489	*
<u>Police:³</u>										
Criminal Arrests	*	12,532	11,408	8,610	10,937	12,166	12,664	8,291	7,573	*
Calls for Service Handled	214,050	226,520	225,850	217,306	228,639	245,584	239,830	160,898	166,939	*
<u>Jail:⁴</u>										
Inmate Population	1,043	1,060	965	1,040	1,061	920	528	561	442	467
Public Works⁵										
Facilities Constructed	--	--	2	--	2	--	2	--	1	1
Health & Welfare										
Total CSB Clients Served ⁶	8,818	8,949	9,506	9,762	9,832	10,135	9,275	10,696	11,294	11,705
Children Services Act Residential Placements ⁷	108	95	104	118	139	127	102	83	65	59
Parks, Recreational and Cultural										
Participant Visits ⁸	3,490	3,398	3,399	3,255	3,654	3,497	1,898	1,045	1,893	1,731
Library Patrons (Library Card Holders) ⁹	324,826	314,723	318,175	337,904	346,268	298,497	292,194	303,531	317,535	344,334
Planning/Community Development¹⁰										
Non-Residential Permits	1,394	1,350	1,355	1,228	1,202	1,212	1,008	1,030	1,030	1,181
Residential Permits	4,649	4,605	5,224	5,163	5,203	4,701	4,814	6,347	6,347	5,372

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	3	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	4	4	5	5	3	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	6	6
Housing/shelters	6	5	5	5	5	5	5	5	5	5
Parks, Recreational and Cultural										
Athletic fields ^a	277	301	281	283	288	210	268	268	268	273
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	43	43	45	45	59	59	59	59	61
Indoor gymnasiums ^a	69	36	69	69	69	33	33	33	33	34
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	1
Nature areas	8	8	8	8	8	8	8	8	8	8
Outdoor basketball courts	27	27	27	27	27	27	27	27	27	28
Outdoor swimming pools	4	4	4	4	4	4	4	4	4	4
Outdoor volleyball courts	9	9	11	17	18	18	18	18	18	18
Picnic shelters	63	63	68	78	77	72	77	77	77	78
Playgrounds	36	36	37	37	37	43	43	43	45	47
Regulation golf courses	4	4	4	4	4	3	3	3	3	3
Skateboard/BMX courses	3	3	3	3	3	3	3	3	3	3
Tennis & racquetball courts	28	28	29	29	29	28	29	29	37	44
Waterparks	2	2	2	2	2	2	2	2	2	2
Regional and community libraries	4	4	6	6	6	6	7	7	7	6
Neighborhood libraries	6	6	5	5	5	5	5	5	5	6

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

Page 1 of 2

(tax rates per \$100 of assessed value; amounts expressed in thousands)

	2014	2015	2016	2017	2018
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	\$ 1.18100	\$ 1.14800	\$ 1.12200	\$ 1.12200	\$ 1.12500
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	\$ 4,320,401	\$ 4,526,613	\$ 4,986,744	\$ 5,568,159	\$ 5,861,397
Public Service Value ^b	\$ 3,401	\$ 3,106	\$ 3,536	\$ 3,033	\$ 3,440
Total Personal Property Assessments	<u>\$ 4,323,802</u>	<u>\$ 4,529,719</u>	<u>\$ 4,990,280</u>	<u>\$ 5,571,192</u>	<u>\$ 5,864,837</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

2019	2020	2021	2022	2023	
					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	\$ 1.35000	\$ 1.50000	\$ 1.65000	\$ 2.15000	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	\$ 1.11500	\$ 1.03000	\$ 0.96600	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
\$ 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	
\$ 6,395,587	\$ 6,867,508	\$ 8,602,122	\$ 10,097,632	\$ 11,120,213	Locally Assessed Value
\$ 3,274	\$ 3,837	\$ 3,912	\$ 6,590	\$ 4,578	Public Service Value ^b
<u>\$ 6,398,862</u>	<u>\$ 6,871,345</u>	<u>\$ 8,606,034</u>	<u>\$ 10,104,222</u>	<u>\$ 11,124,791</u>	Total Personal Property Assessments

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 22 - General Governmental Expenditures by Function^a

Last Ten Fiscal Years

Page 1 of 2

(amounts expressed in thousands)

Fiscal Year	General Government	Judicial Administration	Public Safety	Public Works	Health & Welfare	Education
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	\$ 388,792	\$ 6,998	\$ 138,638	\$ 1,286,770
2023	\$ 105,555	\$ 34,035	\$ 325,462	\$ 7,575	\$ 157,364	\$ 1,488,014

^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
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
2023	\$ 33,172	\$ 287	\$ 31,712	\$ 139,448	\$ 123,792	\$ 7,143

^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
\$ 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	\$ 2,544,141	2022
\$ 64,325	\$ 68,338	\$ 396,454	\$ 143,915	\$ 2,791,037	2023

Community Development	Health & Welfare	Total	Fiscal Year
\$ 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
\$ 10,066	\$ 351	\$ 345,971	2023

COUNTY OF PRINCE WILLIAM, VIRGINIA**TABLE 23 - Miscellaneous Statistical Data**

June 30, 2023

Page 1 of 2

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	21
Number of career employees	702
Number of volunteers	388
Police protection:	
Number of stations	3
Number of police officers	707
Public Safety Communications:	
Number of employees	123
Recreation (Parks & Recreation Department):	
Acres developed or reserved for County parks	5,053
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 2023	89,205
Number of personnel (full-time equivalent)	12,852
Correctional Operations (ADC Component Unit)	
Capacity of main jail, central jail, and modular jail	497
Capacity of work-release center	11
Number of personnel (full-time equivalent)	327

COUNTY OF PRINCE WILLIAM, VIRGINIA**TABLE 23 - Miscellaneous Statistical Data (cont'd)**

June 30, 2023

Page 2 of 2

Other statistical data:

Elections:

Registered voters at last general election	315,827
Number of votes cast in last general election	151,592
Percent voting in last general election	48%

Water and Wastewater Treatment

(provided by Prince William County Service Authority):

Miles of water mains	1,315
Miles of sanitary sewer mains	1,153

** 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, 2023

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)*

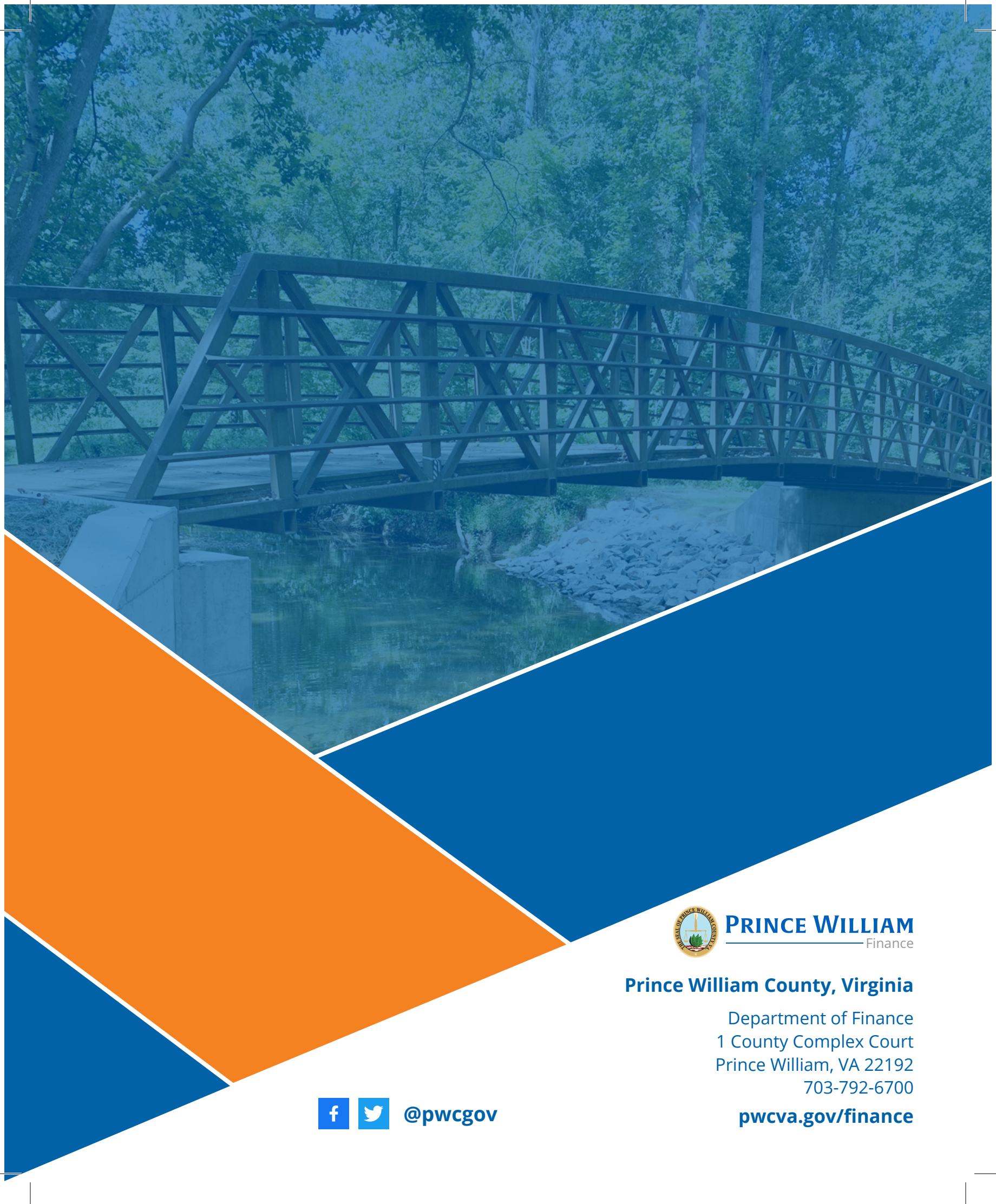
Surety Bond - Michelle L. Attreed, Director of Finance / CFO

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
Finance

Prince William County, Virginia

Department of Finance
1 County Complex Court
Prince William, VA 22192
703-792-6700

pwcva.gov/finance



@pwcgov



PRINCE WILLIAM
Finance

Compliance Report

FY2023

For the Year Ended June 30, 2023

pwcva.gov/finance

COUNTY OF PRINCE WILLIAM, VIRGINIA
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**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

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

We have audited, in accordance with the 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, the 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, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements and have issued our report thereon dated March 15, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not considered to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of finding and response as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County’s Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County’s response to the finding identified in our audit and described in the accompanying schedule of finding and response. The County’s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Cherry Bekaert LLP".

Tysons Corner, Virginia
March 15, 2024

Report of Independent Auditor on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Supervisors
Prince William County, Virginia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Prince William, Virginia's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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 Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the 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, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise County's basic financial statements. We issued our report thereon dated March 15, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Tysons Corner, Virginia
March 29, 2024

Report of Independent Auditor on Compliance with Commonwealth of Virginia's Laws, Regulations, Contracts, and Grants

To the Board of Supervisors
County of Prince William, Virginia

We have audited, 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, the financial statements of the governmental activities, 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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 15, 2024.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of the Commonwealth of Virginia's laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, the objective of our audit of the basic financial statements was not to provide an opinion on overall compliance with such provisions and, accordingly, we do not express such an opinion.

The following is a summary of the Commonwealth of Virginia's laws, regulations, contracts, and grants for which we performed tests of compliance:

Code of Virginia		State Agency Requirements
Budget and Appropriation Laws	Procurement	Education
Cash and Investments	Unclaimed Property	Children's Services Act Funds
Conflicts of Interest	Property Taxes	Social Services
Intergovernmental Revenues	Debt Provisions	Fire Programs Aid to Localities Stormwater Utility

The results of our tests disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with the Specifications, as described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001.

County's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance with certain provisions of the Commonwealth of Virginia's laws, regulations, contracts, and grants and the results of that testing, and not to provide an opinion on the County's compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP
Tysons Corner, Virginia
March 29, 2024

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
OFFICE OF NATIONAL DRUG CONTROL POLICY:				
* Pass-Through Payments from Mercyhurst University:				
High Intensity Drug Trafficking Area (HIDTA) Project	7.999	not available	\$ 781	\$ -
Total Office of National Drug Control Policy			<u>781</u>	<u>-</u>
DEPARTMENT OF AGRICULTURE:				
* Direct Payments:				
Child and Adult Care Food Program (CACFP)	10.558 ¹	not applicable	20	-
Urban Agriculture and Innovative Production (UAIP) Competitive Grants Program	10.935	not applicable	12	-
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Education:				
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grants	10.649	DOE86556	6	-
* Department of Health:				
Child and Adult Care Food Program (CACFP)	10.558 ¹	not available	84	-
* Department of Social Services:				
* SNAP Cluster				
State Administrative Matching Grant for the Supplemental Nutrition Assistance Program	10.561	45213-90303 46010-90212 46010-90666 46010-91103 46010-91104 46010-91403 46010-91404 46010-92103 46010-92104	7,723	-
* Child Nutrition Cluster ²				
* Department of Agriculture & Consumer Services:				
National School Lunch Program (NSLP) - Commodities	10.555 ⁴	not available	1,667	-
* Department of Education:				
School Breakfast Program (SBP)	10.553 ³	179001-40591	7,864	-
National School Lunch Program (NSLP)	10.555 ⁴	179001-40623	28,264	-
Fresh Fruit and Vegetable Program	10.582	179001-40599	313	-
* Department of Juvenile Justice:				
School Breakfast Program (SBP)	10.553 ³	360001-40591 360003-40591	23	-
National School Lunch Program (NSLP)	10.555 ⁴	360001-40611 360001-40622 360003-40611	39	-
Total Department of Agriculture			<u>46,015</u>	<u>-</u>

¹ ALN 10.558 Total \$104

² Child Nutrition Cluster (ALN 10.553/10.555/10.559/10.582) Total \$38,170

³ ALN 10.553 Total \$7,887

⁴ ALN 10.555 Total \$29,970

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION:				
* Direct Payments:				
Chesapeake Bay Studies	11.457	not applicable	155	-
Total Department of National Oceanic And Atmospheric Administration			155	-
DEPARTMENT OF DEFENSE:				
* Direct Payments:				
Junior ROTC Program	12.000	not applicable	775	-
Student Achievement at Military-Connected Schools	12.556	not applicable	200	-
Language Grant Program	12.900	not applicable	20	-
Total Department of Defense			995	-
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
* Direct Payments:				
* CDBG - Entitlement Grants Cluster ⁵				
Community Development Block Grants / Entitlement Grants	14.218	not applicable	2,512	-
Community Development Block Grants / Entitlement Grants – COVID-19	14.218	not applicable	132	-
Emergency Solutions Grant Program	14.231 ⁶	not applicable	138	-
Emergency Solutions Grant Program – COVID-19	14.231 ⁶	not applicable	314	-
HOME Investment Partnerships Program	14.239	not applicable	976	-
Continuum of Care Program	14.267	not applicable	369	-
* Housing Vouchers Cluster ⁸				
Section 8 Housing Choice Vouchers	14.871	not applicable	30,960	-
* Pass-Through Payments from Northern Virginia Planning District Commission:				
Housing Opportunities for Persons with AIDS	14.241	not available	184	-
* Pass-Through Payments from Commonwealth of Virginia:				
Department of Housing and Community Development:				
Emergency Solutions Grant Program – COVID-19	14.231 ⁶	458004-117617	542	459
* Pass-Through Payments from Virginia Housing Development Authority:				
Housing Counseling Assistance Program	14.169	182100-65100	42	-
Total Department of Housing and Urban Development			36,169	459

⁵ CDBG - Entitlement Grants Cluster (ALN 14.218) Total \$2,644

⁶ ALN 14.231 Total \$994

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF THE INTERIOR:				
* Direct Payments:				
Recreation and Visitor Services	15.225	not applicable	10	-
Payments in Lieu of Taxes (PILT) - Public Law # 97-258	15.226	not applicable	84	-
* Pass-Through Payments from Commonwealth of Virginia:				
Department of Historic Resources:				
Historic Preservation Fund Grants-In-Aid	15.904	502005-117447	30	-
Total Department of the Interior			<u>124</u>	<u>-</u>
DEPARTMENT OF JUSTICE:				
* Direct Payments:				
Missing and Exploited Children (MEC) Program	16.543	not applicable	25	-
State Criminal Alien Assistance Program	16.606	not applicable	749	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	not applicable	108	-
Equitable Sharing Program	16.922	not applicable	290	-
* Pass-Through Payments from Commonwealth of Virginia:				
Department of Criminal Justice Services:				
Juvenile Justice and Delinquency Prevention	16.540	390002-117106	61	-
Crime Victim Assistance	16.575	390002-116418 390002-118457 390002-120577	305	-
STOP Violence Against Women Formula Grants	16.588	390002-118418 390002-120580	31	-
* Pass-Through Payments from George Mason University: Congressionally Recommended Awards	16.753	not available	135	-
Total Department of Justice			<u>1,704</u>	<u>-</u>
DEPARTMENT OF TRANSPORTATION:				
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Motor Vehicles:				
Alcohol Open Container Requirements	20.607	605007-52071 605007-53084	67	-
Highway Planning and Construction (Federal-Aid Highway Program)	20.205	not available	28,076	-

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF TRANSPORTATION (cont'd):				
* Pass-Through Payments from Commonwealth of Virginia (cont'd):				
* Highway Safety Cluster ⁷ State and Community Highway Safety	20.600	605007-52000 605007-52069 605007-52258 605007-53011 605007-53077 605007-53081 605007-53085	90	-
National Priority Safety Programs	20.616	605007-52070	2	-
Total Department of Transportation			<u>28,235</u>	<u>-</u>
DEPARTMENT OF THE TREASURY:				
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Treasury: Coronavirus Relief Fund – COVID-19	21.019	not available	2,745	-
Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19	21.027 ⁸	not available	56,940	8,472
* Department of Department of Social Services: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19	21.027 ⁸	46010-95050	26	-
* Department of Behavioral Health & Developmental Services: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19	21.027 ⁸	445006-56100 445006-56200	167	-
* Pass-Through Payments from Virginia Tourism Corporation: Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19	21.027 ⁸	not available	317	-
Total Department of the Treasury			<u>60,195</u>	<u>8,472</u>
DEPARTMENT OF VETERANS AFFAIRS:				
* Direct Payments:				
Veterans Medical Care Benefits	64.009	not applicable	83	-
Total Department of Veterans Affairs			<u>83</u>	<u>-</u>
ENVIROMENTAL PROTECTION AGENCY:				
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Forestry: Geographic Programs - Chesapeake Bay Program	66.466	501005-109824	13	-
Total Environmental Protection Agency			<u>13</u>	<u>-</u>

⁷ Highway Safety Cluster (ALN 20.600 & 20.616) Total \$92

⁸ Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) – COVID-19 (ALN 21.027 Total) \$57,450

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF EDUCATION:				
* Direct Payments:				
Impact Aid (Title VII of ESEA)	84.041	not applicable	530	-
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Education:				
Adult Education - Basic Grants to States	84.002 ⁹	179001-61380	128	-
Title I Grants to Local Educational Agencies (Title I, Part A of The ESEA)	84.010	179001-42901 179001-42935	13,390	-
Title I Program for Neglected & Delinquent Children	84.013	179001-42948	88	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	179001-61095	1,247	-
Twenty-First Century Community Learning Centers	84.287	179001-60565	534	-
English Language Acquisition State Grants	84.365	179001-60512	2,837	-
Supporting Effective Instruction State Grants	84.367	179001-61480	1,756	-
Safe & Drug-Free Schools & Communities - State Grants	84.186	179001-60511	1,158	-
Education Stabilization Fund (ESF) – COVID-19	84.425C ¹⁰	179001-APE70037	11	-
Education Stabilization Fund (ESF) – COVID-19	84.425U ¹⁰	179001-APE70037	269	-
Education Stabilization Fund (ESF) – COVID-19	84.425D ¹⁰	179001-APE50193 179001-APE50195	54,553	-
* Special Education Cluster (IDEA) ¹¹				
Special Education - Preschool Grants (IDEA Preschool)	84.173	179001-62521	683	-
Special Education - Grants to States (IDEA, Part B)	84.027	179001-43071	19,242	-
* Department of Behavioral Health & Developmental Services:				
Special Education - Grants for Infants & Families	84.181 ¹²	445007-43087 445007-43086	422	-
Special Education - Grants for Infants & Families – COVID-19	84.181 ¹²	445007-43901	262	-
* Department of Aging:				
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	not available	423	-
* Pass-Through Payments from Prince William County				
Adult Education - Basic Grants to States	84.002 ⁹	not available	445	-
* Pass-Through Payments from Manassas City:				
Adult Education - Basic Grants to States	84.002 ⁹	not available	68	-
* Pass-Through Payments from Manassas Park:				
Adult Education - Basic Grants to States	84.002 ⁹	not available	26	-

⁹ ALN 84.002 Total \$667

¹⁰ ALN 84.425 Total \$54,833

¹¹ Special Education Cluster (IDEA) (ALN 84.027/84.173) Total \$19,925

¹² ALN 84.181 Total \$684

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF EDUCATION (cont'd):				
* Pass-Through Payments from College of William and Mary				
Education for Homeless Children and Youth	84.196 ¹³	not available	58	-
Education for Homeless Children and Youth – COVID-19	84.196 ¹³	not available	28	-
Total Department of Education			98,158	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
* Direct Payments:				
* Head Start Cluster ¹⁴				
Head Start	93.600	not applicable	3,930	-
Head Start – COVID-19	93.600	not applicable	410	-
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Aging:				
State Health Insurance Assistance Program (SHIP)	93.324	455004-117058	33	-
Special Programs for the Aging - Title VII, Chapter 2-Long-Term Care Ombudsman Services for Older Individuals (State Grants for Long-Term Care Ombudsman Services)	93.042	455006-120296 455006-122540	19	-
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	455004-122542	2	-
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	45504-114556 45504-117252	6	-
National Family Caregiver Support, Title III, Part E	93.052	455004-120297 455004-122561	112	-
* Aging Cluster ¹⁵				
Special Programs for the Aging - Title III, Part B Grants for Supportive Services and Senior Centers	93.044	455004-120261 455004-122543	266	-
Special Programs for the Aging - Title III, Part C Nutrition Services	93.045 ¹⁶	457003-120262 457001-120263 457001-122546 457003-122560	323	-
Nutrition Services – COVID-19	93.045 ¹⁶	457003-119119 457003-119138	166	-
Nutrition Services Incentive Program	93.053	457001-120260 457001-122547	50	-
Medicare Enrollment Assistance Program	93.071	455004-122030 455004-122549	53	-
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	93.761	499033-112274 499033-119122	3	-

¹³ ALN 84.196 Total \$86

¹⁴ Head Start Cluster (ALN 93.600) Total \$4,340

¹⁵ Aging Cluster (ALN 93.044/93.045/93.053) Total \$805

¹⁶ ALN 93.045 Total \$489

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF HEALTH AND HUMAN SERVICES (cont'd):				
* Pass-Through Payments from Commonwealth of Virginia (cont'd):				
* Department of Health:				
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) – COVID-19	93.323	not available	143	-
* Department of Behavioral Health & Developmental Services:				
Guardianship Assistance	93.090	46010-91128 46010-91428 46010-92128	2	-
Projects for Assistance in Transition from Homelessness (PATH)	93.150	445006-51101 445006-51102	130	-
Community-Based Child Abuse Prevention Grants	93.590	not available	28	-
Block Grants for Community Mental Health Services	93.958 ¹⁷	445006-52201 445006-52202	454	-
Block Grants for Community Mental Health Services – COVID-19	93.958 ¹⁷	445006-59001 445006-59002	875	-
Block Grants for the Prevention & Treatment of Substance Abuse	93.959 ¹⁸	445001-50252 445001-50272	1,389	-
Block Grants for the Prevention & Treatment of Substance Abuse – COVID-19	93.959 ¹⁸	445001-59110 445001-59112 445001-59910	700	-
Opioid State Targeted Response (STR)	93.788	445001-53004 445001-53005 445001-53025 445001-53035	174	-
* Department of Social Services:				
Title IV-E Prevention Program	93.472	46010-91151 46010-91451 46010-92151 46905-90300	69	-
Temporary Assistance for Needy Families (TANF)	93.558	45201-90603 45212-90366 45212-90377 46010-90665 46010-91109 46010-91110 46010-91111 46010-91112 46010-91127 46010-91130 46010-92109 46010-92110 46010-92111 46010-92112 46010-92127 46010-92130	1,723	-

¹⁷ ALN 93.958 Total \$1,329

¹⁸ ALN 93.959 Total \$2,089

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF HEALTH AND HUMAN SERVICES (cont'd):				
* Pass-Through Payments from Commonwealth of Virginia (cont'd):				
* Department of Social Services (cont'd):				
Promoting Safe & Stable Families	93.556	46010-91129 46010-92129 46902-90359 46902-90360 46902-90361	204	-
Refugee & Entrant Assistance - State - Administered Programs	93.566	46010-91113 46010-92113 49102-90623	451	-
Low-Income Home Energy Assistance	93.568	46010-91114 46010-92114	283	-
Chafee Education and Training Vouchers Program (ETV)	93.599	46902-90353	4	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	46010-91131 46010-92131	2	-
Foster Care - Title IV-E	93.658	46010-90209 46010-91105 46010-91106 46010-91107 46010-91133 46010-91138 46010-91147 46010-91405 46010-91406 46010-91407 46010-91433 46010-91438 46010-91447 46010-92105 46010-92106 46010-92107 46010-92133 46010-92138 46010-92147 46901-90635 46901-90636 46901-90637 46901-90638 46901-90639 46901-90640 46901-90656 46901-90657 46901-90658 46901-90681 46902-90047	2,294	-
Adoption Assistance - Title IV-E	93.659	46010-90214 46010-91108 46010-91408 46010-92108 46903-90606 46903-90607 46903-90627	1,338	-

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF HEALTH AND HUMAN SERVICES (cont'd):				
* Pass-Through Payments from Commonwealth of Virginia (cont'd):				
* Department of Social Services (cont'd):				
Social Services Block Grant	93.667	46010-91120 46010-91122 46010-91123 46010-91124 46010-91125 46010-91126 46010-91142 46010-91157 46010-92120 46010-92122 46010-92123 46010-92124 46010-92125 46010-92126 46010-92142 46010-92157 46802-90340 46802-90379 46802-90308 46902-90351 46902-90357 46902-90358 46903-90648	1,604	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674 ¹⁹	46010-91134 46010-92134 46902-90356	24	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood – COVID-19	93.674 ¹⁹	46902-90270	30	-
Elder Abuse Prevention Interventions Program – COVID-19	93.747	46802-90384 46802-90387	4	-
Children's Health Insurance Program (CHIP)	93.767	46010-90161 46010-90668 46010-91102 46010-91402 46010-92102	48	-
* Child Care Development Fund (CCDF) Cluster ²⁰ Child Care and Development Block Grant – COVID-19	93.575	46010-90785	35	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	45215-90566 46010-91116 46010-91117 46010-91118 46010-92116 46010-92117 46010-92118	386	-

¹⁹ ALN 93.674 Total \$54

²⁰ Child Care and Development Fund (CCDF) Cluster (ALN 93.575/93.596) Total \$421

COUNTY OF PRINCE WILLIAM, VIRGINIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2023
(amounts expressed in thousands)

Federal Granting Agency/Recipient Pass-Through Agency/Grant Program	Assistance Listing Number	Pass-Through Agency Identifying Number	Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF HEALTH AND HUMAN SERVICES (cont'd):				
* Pass-Through Payments from Commonwealth of Virginia (cont'd):				
* Department of Social Services (cont'd):				
* Medicaid Cluster ²¹				
Medical Assistance Program (Medicaid; Title XIX)	93.778	46010-90160 46010-90213 46010-90667 46010-91101 46010-91146 46010-91150 46010-91401 46010-91446 46010-91450 46010-92101 46010-92146 46010-92150	4,087	-
* Department of Aging:				
Medical Assistance Program (Medicaid; Title XIX)	93.778	455004-46200 45506-46200	5	-
* Department of Medicaid Services:				
Medical Assistance Program (Medicaid; Title XIX)	93.778	not available	443	-
Total Department of Health and Human Services			<u>22,302</u>	<u>-</u>
DEPARTMENT OF HOMELAND SECURITY:				
* Direct Payments:				
Emergency Management Performance Grants (EMPG) – COVID-19	97.042 ²²	not applicable	420	-
Homeland Security Grant Program (HSGP)	97.067 ²³	not applicable	7	-
* Pass-Through Payments from Northern Virginia Emergency Response System:				
Homeland Security Grant Program (HSGP)	97.067 ²³	not available	5	-
* Pass-Through Payments from Commonwealth of Virginia:				
* Department of Emergency Management:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters) – COVID-19	97.036	776002-116792 776002-118558	5,228	-
Emergency Management Performance Grants (EMPG)	97.042 ²²	775001-117463	60	-
Homeland Security Grant Program (HSGP)	97.067 ²³	not available	462	-
Total Department of Homeland Security			<u>6,182</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 301,111</u>	<u>\$ 8,931</u>

²¹ Medicaid Cluster (ALN 93.778) Total \$4,535

²² ALN 97.042 Total \$480

²³ ALN 97.067 Total \$474

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023
(amounts expressed in thousands)

NOTE (1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes all federal grant activity of the County during fiscal year 2023. This schedule has been prepared on the modified accrual basis of accounting, as defined in Note 1C, of the County's Annual Comprehensive Financial Report (ACFR).

The County did use the 10% de minimus indirect cost rate for some grants.

The County operates on a contractual basis with its grant partners, except for some subrecipients, who were awarded funding from the County's allotment of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), SLFRF – COVID-19 (ALN 21.027) and Emergency Solutions Grant Program – COVID-19 (ALN 14.231).

NOTE (2) – SCOPE OF AUDIT PURSUANT TO TITLE 2 US CODE OF FEDERAL REGULATIONS PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

Illustration 1-1 presents the reconciliation of the ACFR Exhibit 5 and 8 and Schedule 39 and the School Board's separately issued ACFR Exhibit 5 to the SEFA. A copy of the County's ACFR may be obtained through the County's website at www.pwcgov.org. A copy of the School Board's ACFR may be obtained through the School's website at www.pwcs.edu.

Illustration 1-1	
Reconciliation of Annual Comprehensive Financial Statements to the Schedule of Expenditures of Federal Awards (SEFA)	
County's Total Federal Revenue per Exhibit 5 and 8 and Schedule 39 per County's ACFR	\$ 147,520
School's Total Federal Revenue per School's ACFR	145,962
Less: School ACFR adjustment	(23)
	<u>293,459</u>
Items expended from Restricted Fund Balance:	
Equitable Sharing Program (DOJ) (ALN 16.922)	78
Highway Planning and Construction (ALN 20.205)	8,986
Child Care and Development Block Grant (ALN 93.575)	95
Items not subject to Single Audit:	
U. S. Marshals/I.N.S. purchase of service agreement	(102)
Payments from BABS and QSCBS receipts received by the County	(1,085)
Adjustments related to presentation - SEFA only adjustments	(320)
Total Expenditures of Federal Awards per SEFA	<u>\$ 301,111</u>

NOTE (3) – COGNIZANT AGENCY

The U. S. Department of Housing and Urban Development is the County's cognizant audit agency for the Single Audit.

NOTE (4) – NONCASH FEDERAL AWARDS EXPENDED

The value of food distribution - commodities received by the County during fiscal year 2023 was \$8 (ALN 10.555) and the value of equipment received by the County during fiscal year 2023 was \$5 (ALN 97.067). These amounts have been included in the SEFA and in the County's ACFR.

During fiscal year 2023, the County received and expended \$4,785 in surplus food commodities from the federal government. At year end, \$53 of food commodities received from the federal government have been included in inventories and recorded as unavailable revenue.

PRINCE WILLIAM COUNTY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

A. Summary of Auditor's Results:

- a. The type of auditor's report issued on the basic financial statements: **Unmodified opinion**
- b. Significant deficiencies in internal control disclosed by the audit of the financial statements: **Yes**
- c. Material weaknesses in internal control disclosed by the audit of financial statements: **No**
- d. Noncompliance, which is material to the financial statements: **No**
- e. Significant deficiencies in internal control over major programs: **None reported**
- f. Material weaknesses in internal control over major programs: **None reported**
- h. Any audit findings which are required to be reported in accordance with §200.516(a) of the Uniform Guidance: **No**
- i. The programs tested as major programs and type of audit report issued on compliance were:

Assistance Listing Number	Name of Federal Program or Cluster	Audit Report Issued
10.561	State Administrative Matching Grant for Food Stamp Program (SNAP Cluster)	Unmodified
14.231	Emergency Solutions Grant Program	Unmodified
21.027	Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	Unmodified
84.425	Education Stabilization Fund	Unmodified
93.558	Temporary Assistance for Needy Families (TANF) Cluster	Unmodified
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Unmodified
93.778	Medical Assistance Program (Medicaid Cluster)	Unmodified

- j. Dollar threshold used to distinguish between type A and type B programs: **\$3,000,000**
- k. Prince William County qualified as a low-risk auditee in accordance with §200.520(a) of the Uniform Guidance: **No**

PRINCE WILLIAM COUNTY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

A. Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

a. Finding 2023-001: Significant Deficiency – Internal Control over Financial Reporting – Annual External Financial Reporting in Accordance with Accounting Principles Generally Accepted in the United States of America

Criteria: An effective system of internal control contemplates that management prepare financial statements that are accurate and in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Part of achieving that objective requires maintaining accurate and complete general and subsidiary ledgers, along with records supporting the existence, completeness, and valuation of all assets, deferred flows of resources, liabilities, revenues, and expenses/expenditures.

Condition: Annually, the County's Department of Finance oversees the preparation, processing, and recordation of thousands of financial transactions that ultimately will be reflected in the Annual Comprehensive Financial Report produced within the County's Department of Finance. During the external financial statement audit, an instance was identified where prepaid taxes were not properly allocated to the funds to which they applied.

Cause: The County's Department of Finance lacks sufficient technical resources, both personnel and technology, to complete an accurate annual financial period close and produce compliant financial statements while adhering to externally imposed financial reporting deadlines.

Effect: Although the County's financial system is able to accurately capture the collection of taxes paid prior to the funding period, the allocation of those prepayments to certain special revenue funds was not performed accurately. This resulted in an understatement of pooled cash and an understatement of prepaid taxes (a liability). The amount of the understatement in the nonmajor governmental funds and the overstatement in the general fund was approximately \$14.8 million.

Repeat Finding: Yes, see prior year finding 2022-001.

Recommendation: We recommend the County design and incorporate a more formal ACFR compilation and review process.

Views of Responsible Officials and Planned Corrective Action: Management concurs with this finding. The County's Finance Department has proactively taken action to adequately document the system generated reports and procedures necessary to properly record the year-end tax allocations and entries. Management believes this situation is an isolated occurrence due to the turnover of several employees in key positions in the department's Financial Reporting & Control Division and Tax Administration. It is also important to note this finding did not impact the results of operations (i.e., income and expenditures or fund balances in the General Fund).

PRINCE WILLIAM COUNTY, VIRGINIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

B. Findings and Questioned Costs Relating to Compliance with Commonwealth of Virginia Laws, Regulations, Contracts, and Grants:

a. Finding 2023-002: Non-material Noncompliance – Conflict of Interests

Criteria: Section 2.2-3115 of the *Code of Virginia* requires that certain local government officials and employees file a Statement of Economic Interest (“SOEI”), Financial Disclosure Statement (“FDS”), and/or Real Estate Disclosure (“RE”) form with the clerk of the local governing body by February 1st or prior to assuming office or taking employment.

Condition: Out of a total of three hundred and six (306) officials and employees required to file a SOEI, FDS and/or a RE form, we noted eight (8) instances in which the official or employee did not complete their disclosure requirements.

Cause: The County lacks the legal mechanism to enforce compliance with Section 2.2-3115 of the *Code of Virginia*. However, the Prince William County Clerk to the Board of County Supervisors’ Office (“Clerk’s Office”) does have procedures in place to notify and disseminate the required forms to qualified individuals prior to the due date and follows up with several communications once the due date has passed to encourage compliance.

Effect: Non-compliance could result in action by the Commonwealth Attorney’s Office through the assessment of a \$250 civil penalty against non-compliant individuals.

Repeat Finding: Yes, see prior year finding 2022-003.

Recommendation: Local government officials should complete the SOEI, FDS and/or RE forms in accordance with prescribed requirements.

Views of Responsible Officials and Planned Corrective Action: The Clerk to the Board of County Supervisor’s Office is only required to distribute the annual forms and maintain the forms which are filed and has a system in place to facilitate this process. Annually, the Clerk’s Office notifies individuals who are appointed to the Board, Committees, and Commissions as well as applicable existing PWC employees, to encourage them to file their SOEI, Financial Disclosure Statement, and/or Real Estate Disclosure Form timely. The Clerk’s Office cannot compel individuals to comply with the law as the County lacks the authority to enforce such compliance. Only the Commonwealth Attorney can enforce compliance against individuals by assessing a civil penalty. Therefore, the County fulfills its obligations under the Virginia Code by encouraging compliance. The Clerk’s Office will continue to follow their existing process to compel required individuals to submit their forms timely and utilize existing systems to collect and maintain these files.



The Board of County Supervisors

Ann B. Wheeler, Chair

Margaret Angela Franklin, Vice Chair

Victor S. Angry

Andrea O. Bailey

Kenny A. Boddie

Pete Candland

Jeanine M. Lawson

Yesli Vega

COUNTY OF PRINCE WILLIAM, VIRGINIA

CORRECTIVE ACTION PLAN

For the Year Ended June 30, 2023

A. Finding 2023-001: Significant Deficiency – Internal Control over Financial Reporting – Annual External Financial Reporting in Accordance with Accounting Principles Generally Accepted in the United States of America

Name of Contact Person: Terri Whitt, Comptroller, and Charles Hunter, Assistant Director of Finance for Tax Administration

Corrective Action: The Financial Reporting & Control and Tax Administration Divisions will continue to document the system generated reports and procedures necessary to properly record the year-end tax allocations and entries when turnover in key positions occur.

Proposed Completion Date: Immediately

B. Finding 2023-002: Non-Material Noncompliance – Conflict of Interests

Name of Contact Person: Andrea Madden, Clerk to Board of County Supervisors (BOCS)

Corrective Action: The Clerk to the Board of County Supervisor's Office is only required to distribute the annual forms and maintain the forms which are filed and has a system in place to facilitate this process. Annually, the Clerk's Office notifies individuals who are appointed to the Board, Committees, and Commissions as well as applicable existing PWC employees, to encourage them to file their SOEI, Financial Disclosure Statement, and/or Real Estate Disclosure Form timely. The Clerk's Office cannot compel individuals to comply with the law as the County lacks the authority to enforce such compliance. Only the Commonwealth Attorney can enforce compliance against individuals by assessing a civil penalty. Therefore, the County fulfills its obligations under the Virginia Code by encouraging compliance. The Clerk's Office will continue to follow their existing process to compel required individuals to submit their forms timely and utilize existing systems to collect and maintain these files.

Proposed Completion Date: Immediately

COUNTY OF PRINCE WILLIAM, VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2023
(amounts expressed in thousands)

A. Status of Prior Year Findings:

a. Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:

i. 2022-001: Material Weakness – Internal Control Over Financial Reporting – Annual External Financial Reporting in Accordance with Accounting Principles Generally Accepted in the United States of America

Summary of Finding: Annually, the County's Department of Finance oversees the preparation, processing, and recordation of thousands of financial transactions that ultimately are reflected in the ACFR produced within the Finance Department. Additionally Governmental Accounting Standards Board ("GASB") Statement No. 87, Leases, became effective on July 1, 2021. During the external audit, instances were identified which required adjustment to properly reflect supported financial statement amounts and implement GASB 87.

Corrective Action Taken: Management concurs with Finding 2022-001. The Finance Department has been stretched beyond its typical workloads in calendar years 2020, 2021, 2022, even when considering the overtime worked to complete deliverables, such as, the Annual Comprehensive Financial Report (ACFR) and related external audit as well as the accurate recording and reporting of financial activity. The Finance Department's permanent workload has steadily increased and outpaced Finance's workforce capacity over the last decade. The increase in the number and complexity of transactions has strained the Financial Reporting & Control (FRC) Division to manage the increasing workloads and to complete the ACFR and annual external audit timely, despite the seasoned team's best efforts and dedication. With the adoption of the County's FY 2023 budget, the Board of County Supervisors (BOCS) took action to begin to address the staffing in the Finance Department by authorizing four (4) new FTEs for FRC. These four positions have since been successfully filled. After a decade of nominal increases in FRC's staffing (15 FTEs in 2012 vs. 16 FTEs in 2022), even the four new positions granted in the FY 2023 Adopted Budget do not entirely address the staffing needs to handle current workload demands nor future County growth, new projects and the level of effort required to implement new accounting pronouncements. Additionally, as this finding points out, the ability to produce quality work even with experienced staff, temporary employees, and contractors has proved difficult due to the strain on the Finance Department's workforce. This issue will continue to be exacerbated if staffing issues are not fully addressed. To respond to the finding, Finance is working to expeditiously and adequately train the four new personnel so they can effectively make a positive difference in the year end closing and audit process. However, there is still a limit to the remediation efforts without adding additional FTEs to further distribute the ever-growing workloads and demands the County has come to expect the Finance Department to achieve.

Status Update: With the adoption of the County's FY 2023 budget, the Board of County Supervisors (BOCS) took action to begin to address the staffing in the Finance Department by authorizing four (4) new FTEs for FRC. FRC quickly hired personnel to fill the 4 new FTEs to start addressing strained workload capacity within FRC. We also implemented process improvements around year-end accruals and analyzed the annual activity presented in the ACFR to assist with identifying any material adjustments. However, FRC continues to not have enough personnel and technological

COUNTY OF PRINCE WILLIAM, VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2023
(amounts expressed in thousands)

tools to address the increased workload experienced by the County's growth over the last 10 years and to compile mandatory statutory reports timely.

Repeat Finding: This is a repeat finding with regards to County instances in FY 2023. Please see 2023-001.

ii. **2022-002: Significant Deficiency – Vendor Management**

Summary of Finding: In FY 2023, the County experienced two instances in which an individual(s) impersonated vendors of the County and were able to successfully request modifications to existing user accounts within the County's vendor management system. Once granted access to the vendor management system, the individuals made unauthorized changes to the vendors' electronic payment information. Following these unauthorized changes, multiple legitimate payments totaling \$4.1 million were directed by the County to bank accounts not controlled by those vendors. All but approximately \$0.2 million of the misdirected payments were subsequently recovered by the County after the receiving financial institution flagged the transactions and alerted the County's financial institution of the irregularity.

Corrective Action Taken: Management concurs with Finding 2022-002. The County's Department of Finance and Department of Information Technology took immediate action to strengthen internal controls over the vendor maintenance files, including additional staff training, an additional level of supervisory approval and a process redesign. The County workforce authenticates to the Mobius system through Multi-Factor Authentication (MFA). The County is also working with its third-party implementor, AST, and software provider, Oracle, to explore the implementation of MFA for supplier contacts. In addition, management requested the Board Audit Committee take action to modify the Calendar Year 2022 Internal Audit Plan to add an independent forensic audit of the vendor maintenance files.

Status Update: Prince William County is reviewing the feasibility of its financial management system's "out-of-the-box" multi-factor authentication process to determine if the application has the needed functionality requirements to adequately reduce the risks associated with this finding while meeting County needs. If not, the County has been able to successfully test and work towards a configuration in the system to enable multi-factor authentication for supplier accounts which will include workload and tasks for the Department of Information Technology (DOIT) and the Finance Department's Financial System Services Vendor Management team. The County is estimating that the software will be fully implemented by the end of fiscal year 2024. This finding is remediated as there were no other instances in fiscal year 2023 and Financial System Services implemented an annual review process of all active supplier accounts.

COUNTY OF PRINCE WILLIAM, VIRGINIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2023
(amounts expressed in thousands)

b. Findings and Questioned Costs Relating to Compliance with Commonwealth of Virginia Laws, Regulations, Contracts, and Grants

i. 2022-003: Non-material Noncompliance – Conflict of Interest

Summary of Finding: Out of a total of three hundred and eleven (311) officials and employees required to file a SOEI, FDS and/or a RE form, we noted twelve (12) instances in which the official or employee did not complete their disclosure requirements.

Corrective Action Taken: Management concurs with Finding 2022-003. The Clerk to the Board of County Supervisor's Office is only required to distribute the annual forms and maintain the forms which are filed and has a system in place to facilitate this process. Annually, the Clerk's Office notifies individuals who are appointed to the Board, Committees, and Commissions as well as applicable existing PWC employees, to encourage them to file their SOEI, Financial Disclosure Statement, and/or Real Estate Disclosure Form timely. The Clerk's Office cannot compel individuals to comply with the law as the County lacks the authority to enforce such compliance. Only the Commonwealth Attorney can enforce compliance against individuals by assessing a civil penalty. Therefore, the County fulfills its obligations under the Virginia Code by encouraging compliance. The Clerk's Office will continue to follow their existing process to compel required individuals to submit their forms timely and utilize existing systems to collect and maintain these files.

Status Update: The Clerk's Office continues to follow their internal processes to compel those appointed to the Board, Committees, and Commissions as well as applicable existing PWC employees to file their SOEI, Financial Disclosure Statement, and/or Real Estate Disclosure Form timely.

Repeat Finding: This is a repeat finding with regards to County instances in FY 2023. Please see 2023-002.



**PRINCE
WILLIAM**
— **COUNTY**



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