

# Comprehensive Annual Financial Report

For the fiscal year ended  
June 30, 2003



**Prince William County  
Public Schools**  
Prince William County, Virginia  
A Component Unit of Prince William County





Prince William County Public Schools  
A Component Unit of Prince William County, Virginia  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2003

## School Board

Lucy S. Beauchamp, Chairperson *(At-Large)*  
Stephen R. Wassenberg, Vice Chairperson *Occoquan District*  
William Hundley, *Coles District*  
Lyle G. Beefelt, *Brentsville District*  
Joan R. Ferlazzo, *Dumfries District*  
Steve Keen, *Woodbridge District*  
Donald P. Richardson, *Gainesville District*  
Julie C. Lucas, *Neabsco District*

Superintendent of Schools  
Edward L. Kelly

Director of Finance  
David S. Cline

Department of Finance  
14800 Joplin Road  
Manassas, Virginia 20108  
(703)-791-8753



This Report Prepared By:

Department of Finance  
14800 Joplin Road  
Manassas, Virginia 20108  
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Director of Finance  
David S. Cline

Supervisor of Fiscal Operations  
John M. Wallingford

Chief Accountant  
Patricia Townsend

Accountants  
Kathleen Addison  
Maria Cavin  
Karen Myers



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# Introductory Section

Letter of Transmittal  
List of Elected Officials  
Organizational Chart





# Prince William County Public Schools

P.O. Box 389  
Manassas, VA 20108  
703-791-7200

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Edward Kelly  
Superintendent of Schools

November 13, 2003

**Mr. Chairman, Members of the County Board of Supervisors:  
Madam Chairman, Members of the School Board:  
Citizens of the County of Prince William Virginia:**

We are pleased to present the Comprehensive Annual Financial Report of the Prince William County Public Schools (PWCPs), a component unit of Prince William County, Virginia, for the year ended June 30, 2003.

This report consists of management's representations concerning the finances of PWCPs. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the PWCPs has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the PWCPs' financial statements in conformity with accounting principles generally accepted in the United States. Because the cost of internal controls should not outweigh their benefits, the PWCPs' comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

PWCPs' financial statements have been audited by Ernst & Young LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of PWCPs for the fiscal year ended June 30, 2003 are free of material misstatement. The independent audit involved 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the PWCPs' financial statements for the fiscal year ended June 30, 2003, are fairly presented in conformity with GAAP. The report of independent auditors is presented as the first component of the financial section of this report.

The independent audit of PWCPs was part of a broader, federally mandated "Single Audit" for Prince William County (County) 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 federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP requires 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 is designed to complement the MD&A and should be read in conjunction with it. PWCPs' MD&A can be found immediately following the report of independent auditors.

## **Profile of the Government**

Prince William County is located in Northern Virginia, approximately 35 miles southwest of Washington D.C. and encompasses an area of 348 square miles. Prince William County has, within its boundaries, the independent cities of Manassas and Manassas Park and the incorporated towns Dumfries, Haymarket, Occoquan and Quantico. The cities of Manassas and Manassas Park have their own public school divisions.

PWCPS is a corporate body operating under the constitution of the Commonwealth of Virginia and the Code of Virginia. The eight members of the School Board are elected by the citizens of the County to serve four-year terms. One member represents each of the County's seven magisterial districts and the chairman serves at large. PWCPS is organized to focus on meeting the needs of its 63,109 students while managing 75 schools and centers.

## **Local Economy**

The population of the County has grown at an average annual rate of 3.06 percent over the past decade and the vast majority of those County residents succeeded in finding employment. The Virginia Employment Commission estimated the County's at-place employment (jobs located in the County) was 86,767 in the fourth quarter of 2002, up from 84,569 in the fourth quarter of 2001. Retail and wholesale trades provided the largest share, 31 percent, of those jobs.

The County had a civilian labor force of 163,863 and unemployment rate of 2.9 percent as of August 2003, according to the Virginia Employment Commission. The unemployment rates at that time in Virginia and the United States were 3.8 percent and 6.0 percent, respectively. The Census Bureau's most recent estimates indicate that the County's median household income rose from \$52,078 in 1990 to \$70,334 in 2002.

The County's real estate tax base consists primarily of residential housing. Commercial, industrial and public service properties as of 2002 accounted for 19 percent of the real estate tax base. Assessed values of residential property continued to climb reflecting strong local housing demand fueled by record low interest rates. The average assessed value of all residential property units in the County in 2002 was \$189,946 compared to \$160,116 in 2001. As of July 2003, year-to-date home sales in the County were 5,770 units compared to 5,363 units during the same period last year, according to the Virginia Association of Realtors. The pace of home sales continued at near-record levels. The average time a home stayed on the market was 32 days versus 27 days for the same period in 2002.

Maintaining an economic development climate that will attract and foster the expansion of environmentally-sound industries that create quality jobs, diversify the non-residential tax base, and allow people to live and work in the County is one of Prince William County's five strategic goals. Since 1997, 155 companies announced they would locate or expand their operations within the County. From the resulting new business locations, 8,760 high-tech jobs were created and \$2.04 billion was invested.

The County's economic strength has allowed the Board of County Supervisors to reduce the tax rate on programmable computer equipment and peripherals from \$3.70 to \$1.25 per \$100 of assessed value, making it the lowest in the region and creating a strong incentive for firms to locate in the County. The Board, in a cooperative agreement with the School Board, also reduced the real estate tax rate by \$.20 from fiscal year 2000 to 2004 to \$1.16 per \$100 of assessed value. While Virginia and many surrounding local jurisdictions struggle with budget deficits, the County ended fiscal year 2003 with a general revenue surplus of \$13.5 million due to responsible financial planning and a strong housing market. The vibrancy of the County's economy was further reflected when Fitch IBCA and Moody's Investors Service reiterated the County's bond ratings of AA+ and Aa1, respectively in the spring of 2003.

In spite of the County's progress, challenges remain at the State level. The Commonwealth of Virginia continues to face budget issues. Thanks to bipartisan agreement and significant spending cuts, Governor Warner and the General Assembly closed the \$3.8 billion shortfall that existed when the Governor took office. State revenues have continued to decline, leading to a re-estimate of the Commonwealth's revenue forecast and the implementation of Virginia State budget reductions. Since the County's State-funded revenues comprise such a small portion of total revenues, the estimated State-specific budget cuts will total less than 1% of the County's revenue base.

The County has avoided the budget woes experienced at the state level because of the robust real estate sector, healthy consumer consumption, and the tremendous increase in Federal defense spending. These factors should continue to provide the basis for a healthy local economy over the next year.

## **Long-term Financial Planning**

Each year PWCPs prepares a five year budget plan. This plan incorporates expected revenue and expenditure growth to determine how future needs will be met. The goals of this five year plan are as follows:

1. To maintain current instructional, support, and extracurricular programs and services.
2. To provide services to new students.
3. To construct and operate the new schools and facilities identified in the Capital Improvements Program.
4. To complete all critical capital projects identified in the Capital Improvements Program.
5. To maintain competitive salaries and benefits for all employees.

Each year PWCPs prepares a ten year Capital Improvements Plan (CIP). The CIP provides for the projected investment needs both with regard to new facilities and maintenance projects required to keep PWCPs facilities in good operating condition. This document also provides the necessary input for the five year budget plan with regard to debt service.

The County has adopted several policy documents, including the Strategic Plan, the Comprehensive Plan, and the Principles of Sound Financial Management that help guide in both the general management, and financial management of PWCPs.

## **Cash Management and Investments**

The County is the custodian of all cash and investments except for the Student Activity funds. These funds are held in local banks within the guidelines of Virginia State Law.

## **Risk Financing**

PWCPs maintains a separate self-insurance program for its workers' compensation insurance. The activities of these programs are reported in the Internal Service Funds. Revenues come primarily from other schools' funds through "premiums" set to cover estimated self-insured claims and liabilities, excess, and other insurance premiums and operating expenses. Claims incurred (both reported and unreported) through June 30, 2003, are recorded as accrued liabilities. The program has sufficient reserves to cover its estimated claims liability. Please see note 6 of the financial statements for additional information.

## **Health Benefits**

PWCPs participates in a Consortium Group Health Insurance Program made up of employers who provide health insurance to their employees and dependents under one program. Each participant in the program is separately rated and has separate accounting. Anthem Blue Cross/Blue Shield is the plan administrator. Delta Dental Plan of Virginia, Inc. (Delta Dental) is the dental insurance carrier. All full-time and part-time employees who are working at least 17½ hours per week are eligible to enroll in the health insurance program. There are two (2) plans offered through the PWCPs insurance program. An employee may choose either the HMO plan called "*Healthkeepers Product 20*", or the PPO plan called "*KeyCare 15 Plus*". The two plans include comprehensive medical, preventive care, vision, and prescription drug coverage. The basis for estimating incurred but not reported claims at year-end is an annual analysis performed by the plan's administrator. For the fiscal year ended June 30, 2003 PWCPs spent \$26,182,319 on self insured health insurance claims. The activities of these programs are reported in the Internal Service Funds. Revenues are primarily derived from other PWCPs funds, employee contributions and retiree contributions through premiums established by the insurance carriers.

## **Pension Benefits and Other Postemployment Benefits**

PWCPs contributes to the Virginia Retirement System (VRS), an agent and cost-sharing multiple-employer public employee retirement system. The system acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia. All full-time, salaried permanent employees must participate in the VRS. Benefit provisions and all other requirements are established by state statute.

PWCPS also offers, to all except substitute and temporary employees, a tax deferred annuity plan (TDC). PWCPS contributes money on the employee's behalf to purchase annuities after the employee has completed three (3) years of service with PWCPS. The School Board's contribution increases each time an employee has completed five (5), ten (10), and fifteen (15) years of service. At the end of the current year the cap on the employer contribution was \$3,002.

PWCPS provides limited postretirement health and dental benefits as provided for in Virginia state law to retirees who have 15 or more years of service with PWCPS. Retirees are granted the option to participate by paying 100% of their monthly health insurance premium to PWCPS' plan or to the carrier of their choice less a maximum credit of \$75. As of the end of the current fiscal year, there were 1,010 retirees receiving these benefits. The plan is financed by payments from Prince William County Public Schools to the VRS. For fiscal year 2003, the contribution made by PWCPS was \$1,593,814. The surplus funds are not considered advance funded because PWCPS, its employees, and retirees have no vested rights to access the excess funds. GAAP do not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

### ***Financial Reporting Certificate Awards***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School Board for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2002. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a governmental entity financial report. In order to be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A GFOA Certificate is the highest form of recognition awarded in the field of governmental financial reporting and is valid for a period of one year only. We believe that our current CAFR continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine the School Board's eligibility for another certificate award.

Also, the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the School Board for its CAFR for the fiscal year ended June 30, 2002. ASBO sponsors this Certificate of Excellence in Financial Reporting program to foster excellence in the preparation and issuance of school system annual financial reports. This prestigious international certificate award is the highest form of recognition in school financial reporting and is valid for a period of one year only. We believe that our current CAFR conforms also to the ASBO Certificate of Excellence program requirements, and we are submitting it to the ASBO to determine the School Board's eligibility for another certificate award.

### ***Acknowledgments***

Many professional staff members in the Finance Office of PWCPS contributed to the preparation of this report. Their hard work, professional dedication and continuing efforts to produce and improve the quality of this report are a direct benefit to all that read and use it. We would also like to acknowledge the cooperation and assistance of the PWCPS' departments and agencies throughout the year in the efficient administration of the PWCPS' financial operations. Additionally, we would like to thank the financial reporting and control division of the Prince William County who has helped support the efforts of PWCPS in the preparation of this report.

This comprehensive annual financial report reflects the PWCPS' commitment to the citizens of Prince William County, the Board of County Supervisors, the County School Board, and the financial community to provide information in conformance with the highest standards of financial accountability.

Respectfully,

Edward L. Kelly  
Division Superintendent

David S. Cline  
Director of Finance



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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Prince William County  
Public Schools, Virginia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*William Robert Pate*  
President

*Jeffrey R. Emer*  
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2002

Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

  
President

  
Executive Director

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# Organization of Prince William County Schools

## The Prince William County School Board

Lucy S. Beauchamp Chairperson, *At-Large*

Stephen R. Wassenberg Vice Chairperson, *Occoquan District*

William Hundley, *Coles District*

Lyle G. Beefelt, *Brentsville District*

Joan R. Ferlazzo, *Dumfries District*

Steve Keen, *Woodbridge District*

Donald P. Richardson, *Gainesville District*

Julie C. Lucas, *Neabsco District*

## School Division Administration

Dr. Edward L. Kelly  
Superintendent of Schools

Pamela K. Gauch  
Associate Superintendent  
Instruction

Robert Ferrebee  
Associate Superintendent  
Management

David Miller  
Associate Superintendent  
School Services

Alison Nourse-Miller  
Associate Superintendent  
Area 1 Schools

Wayne Mallard  
Associate Superintendent  
Area 2 Schools

Kris Pedersen  
Associate Superintendent  
Area 3 Schools

William Ashby Birchette, III  
Associate Superintendent  
Area 4 Schools

David S. Cline  
Director of Finance

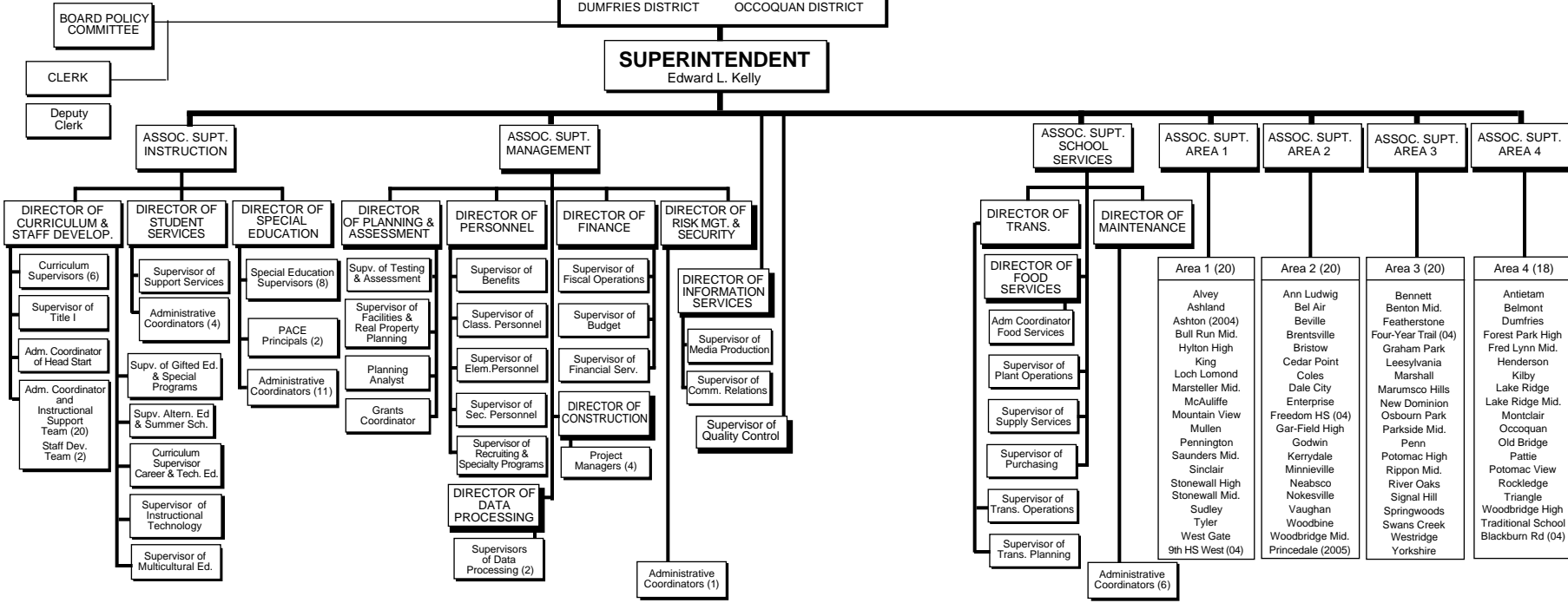
John M. Wallingford  
Supervisor of Fiscal Operations

**2003-2004  
Organizational  
Chart  
Prince William County  
Public Schools**

**SCHOOL BOARD**

<b>LUCY S. BEAUCHAMP</b> CHAIRMAN AT-LARGE	<b>WILLIAM H. HUNDLEY</b> COLES DISTRICT
<b>DONALD P. RICHARDSON</b> VICE CHAIRMAN GAINESVILLE DISTRICT	<b>STEVEN KEEN</b> WOODBIDGE DISTRICT
<b>LYLE G. BEEFELT</b> BRENTSVILLE DISTRICT	<b>JULIE LUCAS</b> NEABSCO DISTRICT
<b>JOAN R. FERLAZZO</b> DUMFRIES DISTRICT	<b>STEPHEN WASSENBERG</b> OCCOQUAN DISTRICT

**SUPERINTENDENT**  
Edward L. Kelly



# Financial Section

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





## Report of Independent Auditors

The School Board of  
Prince William County Public Schools

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Prince William County Public Schools (PWCPS) as of and for the year ended June 30, 2003, which collectively comprise the PWCPS's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the PWCPS's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Student Activity Fund, which represents 52 percent of the assets of the aggregate remaining fund information. Those financial statements, which were presented on the basis of cash receipts and disbursements, were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Student Activity Fund, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and *Specifications for Audits of Counties, Cities, and Towns* (2002 Revision) issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

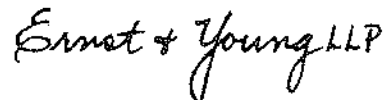
In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Prince William County Public Schools, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report as of and for the period ended June 30, 2003, on our consideration of Prince William County Public Schools'

internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's discussion and analysis on pages 13 through 24, and the Schedule of Funding Progress on page 50, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Prince William County Schools' basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for the purpose of additional analysis and are not required as part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of the other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical tables have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.



October 24, 2003

**Prince William County Public Schools**  
*Management's Discussion and Analysis*  
*For the Year Ended June 30, 2003*

This section of the Prince William County Public Schools' (PWCPSS) annual financial report presents our discussion and analysis of the districts financial performance during the fiscal year ended June 30, 2003 (FY 2003). Please read it in conjunction with the transmittal letter at the front of this report and the school divisions' financial statements, which immediately follow this section. (Table values expressed in thousands)

**Financial Highlights**

- General revenues accounted for \$561.9 million or 88% of all revenues. Program specific revenues in the form of charges for services, grants, and contributions accounted for \$78.2 million or 12% of total revenues of \$640.1 million.
- The school division had \$521.9 million in expenses related to governmental activities of which \$78.2 million was offset by program specific charges, grants, or contributions. General revenues, primarily County and State, were adequate to fund the remaining expenses.
- Net assets increased by \$118.1 million to a total of \$626.6 million. The value of net assets reflects the financial health of the school division and includes certain assets procured with debt. The school division is a component unit of, and fiscally dependent on Prince William County. As such, all debt related to school division assets is shown on the County's Statement of Net Assets.
- On September 30, 2002 (FY 2003) student membership was 60,234, an increase of 3,299 students, or 5.8% greater than the FY 2002 Approved budget. The student membership was also 226 students greater than projected for FY 2003. The additional students, plus changes in the demographic makeup of the student population, required additional funding of \$4.8 million.
- The school division received an additional \$9.2 million in County revenue for PWCPSS' share of FY 2002 revenues that exceeded the original FY 2002 revenue projections. These funds were used to support the local cost of the additional students and to fund capital projects.
- Bull Run and Marsteller Middle Schools and Ashland Elementary School were opened in September 2002. The new Marsteller Middle School replaced a building of the same name in Manassas City that was closed.

**Using this Comprehensive Annual Financial Report**

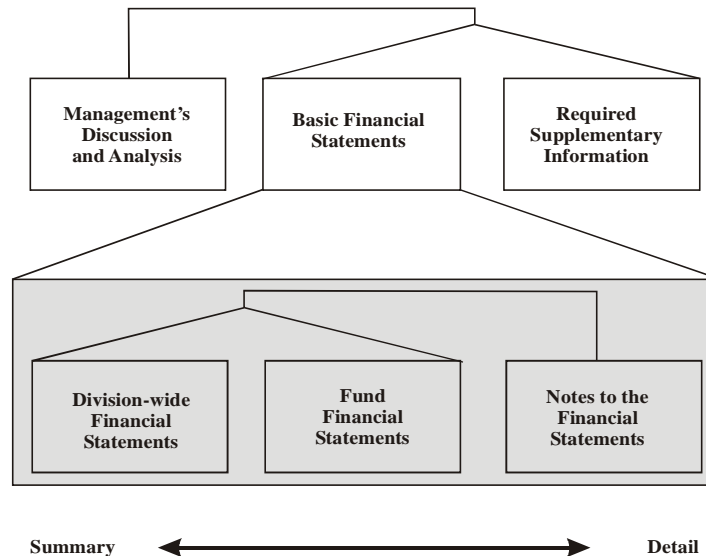
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the school division.

- The first two statements are *division-wide financial statements* that provide both *short-term* and *long-term* information about the school divisions *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the division, reporting the divisions' operations in *more detail* than the division-wide statements.
- The *governmental funds statements* describe how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short- and long-term* financial information about the activities that the division operates *like businesses*.
- *Fiduciary funds* statements provide information about the financial relationships in which the division acts solely as a *trustee or agent*.

The basic financial statements also include notes that explain some of the information in the statements and provide more detailed data.

**Prince William County Public Schools**  
*Management's Discussion and Analysis*  
*For the Year Ended June 30, 2003*

**Organization of Prince William County Public Schools Annual Financial Report**



<b>Major Features of the Division-Wide and Fund Financial Statements</b>				
	Division-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire school division (except fiduciary funds)	The activities of the school division that are not proprietary or fiduciary, such as special education and building maintenance	Activities the school division operates similar to private businesses: self insurance and health insurance	Instances in which the school division administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	<ul style="list-style-type: none"> <li>•Statement of net assets</li> <li>•Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>•Balance sheet</li> <li>•Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>•Statement of fund net assets</li> <li>•Statement of cash flows</li> <li>•Statement of revenues, expenditures, and changes in fund net assets</li> </ul>	<ul style="list-style-type: none"> <li>•Statement of fiduciary net assets</li> <li>•Statement of changes in fiduciary net assets</li> </ul>
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities 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; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during 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 the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

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### **Division-wide Statements**

The division-wide statements report information about Prince William County Public Schools as a whole using accounting methods similar to those used in private-sector companies. While this document contains a number of funds used by PWCPSS to provide programs and activities, the view of PWCPSS, as a whole, looks at all financial transactions and asks the question, "How did we do financially during FY 2003?" The Statement of Net Assets and the Statement of Activities answer this question. These statements report all of the assets and liabilities using the accrual basis of accounting. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The two division-wide statements report PWCPSS' *net assets* and how they have changed. Net assets – the difference between PWCPSS' assets and liabilities – are one way to measure the divisions financial health or position.

- Over time increase or decreases in the division's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of PWCPSS, additional non-financial factors may also be relevant, such as changes in the County tax base, the condition of school buildings and other facilities, required educational programs, and other factors.

In the Statement of Net Assets and the Statement of Activities, PWCPSS reports only activities related to governmental-type activities, since it has no business-type activities. PWCPSS' governmental-type activities include: regular instruction, special instruction, other instruction, instructional leadership, general administration, student services, curricular/staff development, pupil transportation, operations, utilities, maintenance, central business services, supply services, capital projects, reimbursement to the county for debt service, food services, and community services operations.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about PWCPSS' most significant or "major" funds. Funds are accounting devices that PWCPSS uses to help keep track of specific sources of funding and spending for particular purposes:

PWCPSS has three types of funds:

- *Governmental Funds:* Most of PWCPSS' activities are reported in governmental funds, which focus on how much money flows into and out of those funds and the balances remaining at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of PWCPSS' general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer resources that can be spent in the near future to finance educational programs. Because the governmental funds information does not encompass the additional long-term focus of the division-wide statements, additional information has been added in the form of reconciliations between the total fund balances of the governmental funds and the total net assets of the division-wide activities. An additional reconciliation is added to explain the differences between the net change in fund balance and the change in net assets of the school division.
- *Proprietary Funds:* Proprietary funds are reported on a full accrual and economic resources focus. PWCPSS uses internal service funds (one kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. PWCPSS has two internal service funds, the Self Insurance fund and the Health Insurance fund.

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- *Fiduciary Funds:* PWCPSS is a trustee or *fiduciary* for the Northern Virginia Regional Special Education Fund. All of the fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. These activities are excluded from PWCPSS' division-wide statements because PWCPSS cannot use these assets to finance its operation. The student activity monies are also accounted for in this fund type, as an agency fund.

**Financial Analysis of PWCPSS as a Whole**

**Net Assets:**

The condensed statement of net assets below describes the financial position of PWCPSS on June 30, 2003. The largest portion of PWCPSS net assets reflects its investment in capital assets (buildings, land, equipment, and construction-in-progress). Capital assets account for 75.9 % of the total net assets and have increased by \$68.8 million since June 30, 2002. This increase is primarily the result of continued construction necessary to house the continuing growth in the student population. These capital assets are not net of related debt because, as a component unit (school division) in Virginia, PWCPSS does not have the authority to issue debt. All debt is issued by Prince William County and, therefore, shown as a liability on their Statement of Net Assets. In years where there are substantial additions to capital assets that are funded through the issuance of debt, the school division will have substantial increases in net assets. A more detailed discussion on debt is contained in a later section entitled "Outstanding Long-Term Debt".

The other components of net assets are restricted net assets and unrestricted net assets. Restricted net assets represent those resources that have externally imposed constraints on their use. Restricted net assets increased by \$32.8 million during the current fiscal year reflecting an increase in PWCPSS resources restricted for specific construction projects. Unrestricted net assets are those resources that may be used to meet the obligations placed on PWCPSS by its creditors and to pay for ongoing operations of the school division. At the end of the fiscal year unrestricted net assets amounted to \$47.8 million, an increase of \$21.6 million. All three components of net assets show positive balances.

<b>Condensed Statement of Net Assets</b>			
(\$000s)			
<b>Governmental</b>			
<b>Activities</b>			
	<u>2003</u>	<u>2002</u>	<u>Percent</u> <u>Change</u>
<b>Assets</b>			
Current and other assets	\$247,345	\$185,584	33.3%
Capital Assets	475,548	406,747	16.9%
<b>Total Assets</b>	722,893	592,331	22.0%
<b>Liabilities</b>			
Current Liabilities	72,292	65,201	10.9%
Long-term liabilities	24,039	18,638	29.0%
<b>Total Liabilities</b>	96,331	83,839	14.9%
<b>Net Assets</b>			
Invested in capital assets	475,548	406,747	16.9%
Restricted	108,257	75,502	43.4%
Unrestricted	42,757	26,243	62.9%
<b>Total Net Assets</b>	\$626,562	\$508,492	23.2%

**Prince William County Public Schools**  
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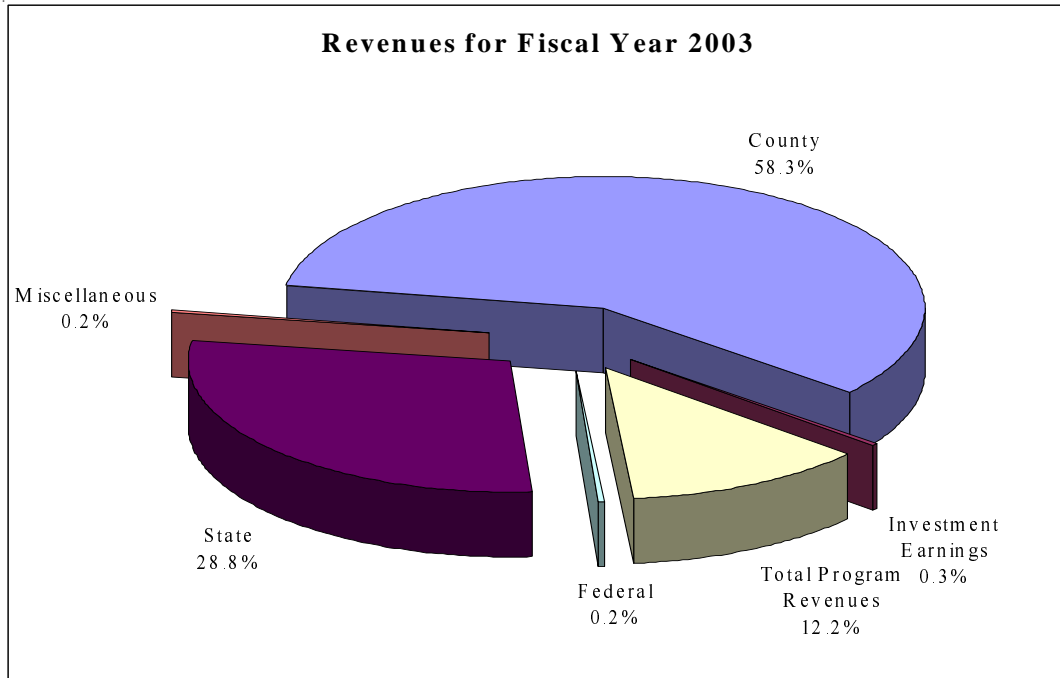
<b>Changes in Net Assets</b>			
(\$000s)			
	<b>Governmental Activities</b>		<b>Percent Change</b>
	<u>2003</u>	<u>2002</u>	
<b>Revenues</b>			
Program revenues			
Charges for services	\$19,214	\$19,649	-2.2%
Operating grants and contributions	58,089	56,136	3.5%
Capital grants and contributions	881	1,653	-46.7%
General revenues			
Federal	1,489	1,043	42.8%
State aid	184,092	166,653	10.5%
County	362,496	302,203	20.0%
Unrestricted investment earnings	2,013	3,076	-34.6%
Other	11,781	2,958	298.3%
<b>Total Revenues</b>	<u><b>640,055</b></u>	<u><b>553,371</b></u>	<b>15.7%</b>
<b>Expenses</b>			
Instruction			
Regular	248,579	222,940	11.5%
Special	58,979	51,884	13.7%
Other	6,122	5,945	3.0%
Instructional leadership	33,494	30,166	11.0%
<b>Total Instruction</b>	<u><b>347,174</b></u>	<u><b>310,935</b></u>	<b>11.7%</b>
Support Services			
General administration	3,950	3,290	20.1%
Student services	5,659	4,876	16.1%
Curricular/Staff development	8,979	8,735	2.8%
Pupil transportation	27,121	26,796	1.2%
Operations	16,908	14,705	15.0%
Utilities	14,590	11,865	23.0%
Maintenance	13,334	11,960	11.5%
Central business services	28,298	25,189	12.3%
Supply services	3,414	3,249	5.1%
Reimbursement to County for debt service	33,682	28,462	18.3%
Food service	18,427	16,813	9.6%
Community service operations	449	392	14.5%
<b>Total Support Services</b>	<u><b>174,811</b></u>	<u><b>156,332</b></u>	<b>11.8%</b>
<b>Total Expenses</b>	<u><b>521,985</b></u>	<u><b>467,267</b></u>	<b>11.7%</b>
<b>Change in net assets</b>	<b>118,070</b>	<b>86,104</b>	<b>37.1%</b>
<b>Net assets, beginning of year</b>	<u><b>508,492</b></u>	<u><b>422,388</b></u>	<b>20.4%</b>
<b>Net assets, end of year</b>	<u><u><b>\$626,562</b></u></u>	<u><u><b>\$508,492</b></u></u>	<b>23.2%</b>

**Changes in net assets:**

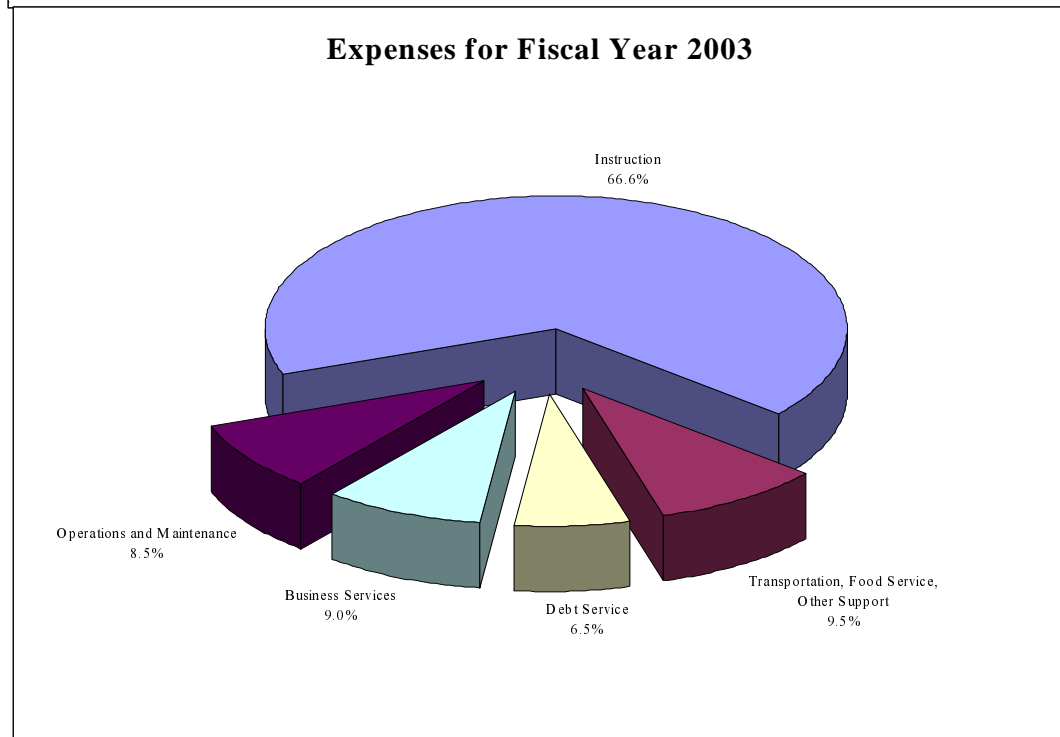
Total revenues increased by \$86.7 million for a 15.7% increase over fiscal year 2002. This is primarily the result of increased revenue from the County that amounts to \$60.3 million or a 20% increase over fiscal year 2002. This increase is a function of the overall growth in general county revenues and the cooperative funding formula. State revenue increased \$17.4 million, or 10.5% due to both the increased growth in student enrollment and the recalculation of state funding that occurs in the first year of the state biennial budget. Federal revenues increased over fiscal year 2002 by a total of \$446 thousand or 42.8%.

The total cost of all programs increased by 11.7% to \$521.9 million in fiscal year 2003. 76.3% of the division's expenses are related to the instruction of and caring for the needs of students (instruction, transportation, student service, and food service). The division's business and administrative activities accounted for 9% of total costs while operations and maintenance amounted to 8.5% of total cost. Reimbursements to the County for debt service totaled 6.5% of fiscal year 2003 costs.

For the fiscal year ended 2003, revenues exceeded expenses by a total of 118.1 million. A substantial portion of this excess is the recognition of revenues associated with capital outlay related to PWCPS continued expansion of facilities.



Note: Total Program Revenues reflect revenue from County, State, Federal and Other sources that are dedicated to specific programs or expense areas.



Expenses are summarized for display purposes. Each section may include one or more specific program area.



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**Governmental Activities**

The two primary sources of revenue for the school division are from Prince William County and the Commonwealth (State) of Virginia. Funding from the County is provided through a revenue sharing agreement whereby the school division receives 56.75% of general county revenue. The budget is developed based upon projected revenue for that year. In the following fiscal year, revenues are adjusted to reflect the difference between projected and actual revenues (plus or minus). FY 2003 County funding was increased by \$9.2 million due to additional recognized revenues from FY 2002.

State funding is provided through a formula that calculates the state share of the cost of education, as determined in the Standards of Quality (SOQ), including basic aid, categorical areas, and sales tax. State funding in FY 2003 increased for two primary reasons. First, State funding for basic and categorical aid increased as a result of the biennial recalculation of required state funding as defined in the state SOQ. Second, State funding also increases with growth in enrollment. State revenue increased from FY 2002 as a result of the state funding their share of the SOQ cost of the additional 2,411 students in the school division; an increase in student population of 4.2%.

The FY 2003 expense budget was adjusted to fund schools and central departments for the costs of the additional student enrollment. The Net Cost of Governmental Activities table shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for government-type activities, the total cost of services and the net cost of services. The net cost of services reflects the support to be provided by tax revenue, state aid, and federal aid not restricted to specific programs.

<b>Net Cost of Governmental Activities</b>						
(\$000s)						
	Total Cost of Services			Net Cost of Services		
	2003	2002	Percentage Change	2003	2002	Percentage Change
<b>Instruction</b>						
Regular	\$248,579	\$222,940	11.5%	\$227,136	\$200,312	13.4%
Special	58,979	51,884	13.7%	32,006	27,203	17.7%
Other	6,122	5,945	3.0%	945	2,425	-61.0%
Instructional leadership	33,494	30,166	11.0%	33,494	30,166	11.0%
Total Instruction	<u>347,174</u>	<u>310,935</u>	11.7%	<u>293,581</u>	<u>260,106</u>	12.9%
<b>Support Services</b>						
General administration	3,950	3,290	20.1%	3,950	3,290	20.1%
Student services	5,659	4,876	16.1%	5,579	4,814	15.9%
Curricular/Staff development	8,979	8,735	2.8%	8,959	7,877	13.7%
Pupil transportation	27,122	26,796	1.2%	27,023	26,673	1.3%
Operations	16,908	14,705	15.0%	16,848	14,648	15.0%
Utilities	14,590	11,865	23.0%	14,590	11,865	23.0%
Maintenance	13,334	11,960	11.5%	13,334	10,937	21.9%
Central business services	28,298	25,189	12.3%	25,497	21,855	16.7%
Supply services	3,414	3,249	5.1%	151	7	2057.1%
Reimbursement to County for debt service	33,682	28,462	18.3%	33,682	28,462	18.3%
Food service	18,427	16,813	9.6%	631	(663)	195.2%
Community service operations	449	392	14.5%	(23)	(42)	45.2%
Total Support Services	<u>174,812</u>	<u>156,332</u>	11.8%	<u>150,221</u>	<u>129,723</u>	15.8%
<b>Total Expenses</b>	<u><b>\$521,986</b></u>	<u><b>\$467,267</b></u>	<b>11.7%</b>	<u><b>\$443,802</b></u>	<u><b>\$389,829</b></u>	<b>13.8%</b>

**Prince William County Public Schools**  
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**Governmental Activities (continued)**

- The cost of all governmental activities was \$521.9 million.
- The net cost of governmental activities was \$443.8 million.
- The amount the citizens of Prince William County paid for these activities through County taxes was \$362.5 million.
- The Commonwealth of Virginia contributed general revenue of \$184.1 million.
- Some of the other costs were paid for by:
  - Users who benefited from the programs - \$19.2 million,
  - Total Grants and Contributions \$58.8 million,
  - Other payments - \$11.8 million.
- There are several significant activity changes in the net cost of services:
  - Special instruction costs increased as a result of a change to the demographic makeup of the student population, most significantly an increase in the number of students requiring services as English Speakers of other Languages (ESL).
  - The net cost of other instruction decreased as a result of increases in tuition rates for summer school and other tuition based programs.
  - The net cost of general administration increased as a function of the opening of three new schools (two middle schools, one elementary school).
  - The cost of utilities increased both as a function of a colder than normal winter, and the addition of three new schools (two middle schools, one elementary school).
  - Maintenance costs increased due to an increased number of maintenance projects that were completed during FY 2003.
  - Supply services (warehouse operation) net cost increased as a result of the disposal of dated and/or obsolete inventory.
  - Food services net cost increased as a result of the opening of the three new schools.
  - Community services operations are subject to change each year as a function of the number of activities conducted within the community use of building (rental) program.

**Financial Analysis of the District's Funds**

Information about PWCPS' major funds begins on Page 29. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$632.7 million and expenditures of \$588.2 million. The net change in fund balance was most significant in the Construction Fund amounting to \$44.4 million. The increase is primarily due to the fact that bonds have been sold for school construction and the costs for building those schools have not yet been incurred. These funds will be used in future years to support planned projects in the Capital Improvements Program (CIP).

The General Fund net change in fund balance of \$0.8 million reflects an increase in the Operating Fund of \$1.4 million and a decrease in the funds used as payment in lieu of debt service of \$0.6 million. The Operating Fund balance is primarily a result of greater than anticipated savings in salary and benefit accounts. The decrease in fund balance in Other Governmental Funds of \$0.7 million is primarily attributable to the use of fund balance in the Food Services Fund to support the increased cost of operating three new schools.

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**General Fund Budgetary Highlights**

The PWCPS' budget is prepared in accordance with Virginia School Laws. The most significant budgeted fund is the General Fund. During the course of fiscal year 2003, PWCPS amended its general fund budget as follows:

- Amended appropriation of \$16.4 million to reflect the carryover of encumbrances from Fiscal Year 2002 to Fiscal Year 2003.
- Supplemental appropriation of \$3.4 million for PWCPS' share of FY 2002 revenues that exceeded the original FY 2002 revenue projections (An additional \$5.8 million was appropriated to the Construction Fund). Based upon the revenue sharing agreement with the County, PWCPS develops the Approved budget based upon projected revenues. After the final close of the fiscal year, the County determines the actual revenues for the year (FY 2002). In the following fiscal year (FY 2003) an appropriation adjustment is made (plus or minus) to the school division budget to reflect the difference between the actual and projected revenues. The supplemental appropriation is net of other adjustments including contribution to the County fund balance.
- Supplemental appropriations totaling \$8.1 million for increases in federal, state, and local grants and for additional state aid due to a higher student population than originally projected in the budget.

Although the division's final budget for the general fund anticipated that revenues and expenses would be roughly equal, the actual results for the year show a savings of \$0.8 million. The \$0.8 million reflects an increase of \$1.4 million in the Operating Fund and a planned use of fund balance for payments to the County in lieu of debt service of \$0.6 million. The increased fund balance will be utilized to support future budgets in the five-year budget plan.

**Capital Assets**

At the end of fiscal year 2003, PWCPS had \$475.5 million invested in furniture and equipment, land, buildings, and construction in progress in governmental-type activities. The following table shows fiscal year 2003 balances, net of accumulated depreciation.

<b>Capital Assets</b>			
<i>(Net of Accumulated Depreciation)</i>			
<b>(\$000s)</b>			
	<b>Governmental Activities</b>		<b>Total Percentage Change</b>
	<u>2003</u>	<u>2002</u>	
Land	\$29,484	\$22,771	29.5%
Construction in progress	50,695	36,266	39.8%
Depreciable capital assets	395,370	347,710	13.7%
<b>Total</b>	<u>\$475,549</u>	<u>\$406,747</u>	16.9%

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**Major capital asset additions for FY 2003 included:**

- Completion of construction and opening of Bull Run Middle School.
- Completion of construction and opening of Marsteller Middle School. The "old" building for Marsteller Middle School, located in the City of Manassas, has been sold.
- Completion and construction of Ashland Elementary School
- Completion and construction of "western" Transportation Center
- Construction commenced/continued on the following schools:
  - "Ninth" High School located near Dominion Valley subdivision, adjacent to Rt 15
  - Freedom High School located near Northern Virginia Community College, Woodbridge
  - J. W. Alvey Elementary School.
- Additions were made to the following schools:
  - Mountain View Elementary School,
  - Occoquan Elementary School.
- Major renovations were accomplished at the following schools:
  - Occoquan Elementary School,
  - Woodbridge Middle School.
- Roof replacement at Potomac High School.
- Replacement of HVAC systems at Enterprise, Henderson, Pattie, Springwoods Elementary Schools, at New Dominion Alternative School, the Administrative building at Independent Hill, and Osbourn Park and Stonewall High Schools.
- Purchase of 151 school buses (106 replacement, 45 additional).
- Replacement of 15 trucks and other vehicles.
- Replacement of designated computers identified within the school division three year technology refresh plan.

**The following major capital projects are included in PWPCS' fiscal year 2004 capital budget:**

- Continued construction of the ninth and tenth (Freedom) high schools.
- Construction of Elementary School on Ashton Avenue.
- Construction of Elementary School on Four Year Trail.
- Construction of second traditional school in Belmont area.
- Construction of "mid-County" Transportation Center
- Building additions to:
  - Bristow Run Elementary School.
- Major renovations at:
  - Gar-Field High School,
  - Sudley Elementary School.
- Mechanical system replacements at Osbourn Park and Stonewall Jackson High Schools.
- Roof replacements at Coles and Springwoods Elementary Schools.
- Purchase of 143 school buses (81 replacement, 62 additional).
- Replacement of 14 trucks and other vehicles.
- Replacement of designated computers identified within the school division three year technology refresh plan.

Funding for the FY 2004 capital projects includes \$12,872,000 in appropriated funds and \$86,610,000 to be financed by Prince William County through the sale of General Obligations bonds to the Virginia Public School Authority (VPSA) in the spring of 2003.

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**Outstanding Long-Term Debt**

School divisions in the Commonwealth of Virginia are fiscally dependent, in that they do not have taxing authority and rely upon appropriations from the County/City. Only government entities with taxing authority are legally permitted to incur long term debt, therefore all debt required for capital projects for the school division is incurred by the County. As a result, Prince William County government retains the liability for the portion of general obligation bonds issued to fund capital projects for Prince William County Public Schools.

The County Government appropriates funds to PWCPS for the education of the students of Prince William County. The School Board, in its annual budget process and in consultation with the County, determines the amount of these funds to support the financing of capital projects for the school division. The School Board budgeted funds are used by the County to offset the debt service cost that the County incurs on the schools' behalf.

The following information is provided to acknowledge the portion of long-term debt that is incurred by the County at the request of the School Board and funded by the school district. At year-end, the County is liable for \$373,550,757 in general obligation bonds and other long-term debt outstanding to support school capital projects. During FY 2003, outstanding long-term debt increased by a net \$62,367,730. Consisting of:

- \$19,161,366 in debt principal retired during the fiscal year, including a net reduction in principal of \$271,920 due to a 2003 G.O. Bond refunding of the 1993C and 1997 G.O. issues.
- \$81,529,096 in new debt issued during FY 2003:
  - \$854,096 to Virginia Literary Loan Fund.
  - \$80,675,000 in sale of general obligation bonds to the Virginia Public School Authority (VPSA), based upon a planned sale of \$86,610,000.
  - In addition, a bond premium of \$5,940,204.09 was realized on the sale of the VPSA bonds. (Bringing the total funds available from the sale to \$86,615,204).

The FY 2004 Approved School Board budget provides funding for \$38,677,720 to support the payment of debt service by the County. The budgeted debt service payments support the budgeted sale of \$86,610,000 in new bonds to support school capital projects, as detailed in the FY2004 – 2008 Capital Improvements Program. Readers interested in more detailed information for long-term activity should refer to the Notes to the Financial Statements.

<b>Outstanding Long-Term Debt</b>			
<i>(Incurred by Prince William County on behalf of PWCPS)</i>			
(\$000)			
	<b>Total School Division</b>		<b>Total Percentage Change</b>
	<b><u>2003</u></b>	<b><u>2002</u></b>	
General Obligation Bonds*	\$367,341	\$305,091	20.4%
Literary Loans	6,210	6,092	1.9%
<b>Total</b>	<b><u><u>\$373,551</u></u></b>	<b><u><u>\$311,183</u></u></b>	<b>20.0%</b>

\*Includes G.O. Bonds sold directly by County and through the Virginia Public School Authority

**Prince William County Public Schools**  
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**Factors influencing future budgets:**

The FY 2004 budget provides funding for the following significant costs:

- A step increase, step adjustment, and pay adjustment averaging 6.8%.
- A 2% cost-of-living adjustment in supplies and materials accounts.
- Funding for current programs to support an increase of 2,381 students.
- Funding to support the capital projects included in the FY 2004 – 2008 CIP.

At the time these financial statements were prepared and audited, the school division was aware of the following existing circumstances that could significantly affect its financial health in the future:

- Student membership on September 30, 2003 was 63,109. This represents an increase of 3,101 students for a growth rate in excess of 4.7%. The student membership was 720 students above the 62,389 projected in the FY 2004 Approved Budget. The rate of student growth continues to place fiscal demands upon the school division requiring additional staff, buses, and classroom space.
- Not only is the student population continuing to grow, but the demographics of the student population continue to change. The changes in student demographics increases the number of students requiring additional educational services, which in turn increases school division expenses to meet those needs. The FY 2004 additional cost for the increased number of students and for the demographic changes is \$3.7 million.
- In the FY 2004 budget process, the Commonwealth made significant budget reductions to state agencies and to higher education, K-12 education, however, was held harmless. The Commonwealth of Virginia has indicated that revenues for FY 2004 are currently running at, or slightly above projections. This is not likely to result in any additional revenue to the school division, but reduces the probability of budget reductions within the current year. The Governor has also indicated that the Commonwealth is beginning the budget process for next year with a projected deficit of approximately \$1 billion. At the same time JLARC (Joint Legislative Audit Review Commission) and the State Board of Education have each made recommendations that would significantly increase funding for K-12 education. It is too early in the current budget process to predict potential increases or decreases.
- County FY 2003 revenues exceeded the projections; the school division anticipates receiving an additional \$5.3 million in December 2003. These funds will be utilized to offset the increased student costs identified above. Initial FY 2004 County revenues are at or slightly below budget projections.
- The school division continues to receive information and assess the potential impact and associated costs of the federal No Child Left Behind legislation. The legislation will likely result in increased costs for remediation of under-performing students, and for improved information/data processing systems to meet additional federal requirements for student assessment and reporting.
- The rate holiday for Group Life Insurance expires after the FY 2004 budget.
- The Virginia Retirement System (VRS) has recommended a significant rate increase for in FY 2005 and beyond due to the impact of the stock market upon the VRS portfolio. The actual increase will be determined during the legislative session in February 2004. Historically, the Legislature has established rates lower than those recommended by the VRS Board.
- During the past four years the growth in real estate values has enabled both a reduction in the real property rate of 20 cents to a value of \$1.16 while providing additional revenues to the County and School Board. While citizens are increasingly concerned about rising property valuations and resulting tax bills, real estate growth appears to be moderating to single digits levels.
- School Board elections to be held in November 2003 will result in the change of at least 5 members of the 8 member board.

**Contacting the Prince William County Public Schools' (PWPCS) Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, parents, students, and creditors with a general overview of PWPCS' finances and to show PWPCS' accountability for the money it receives. If you have questions about this report or need additional financial information contact the Finance Office at Prince William County Public Schools, P.O. Box 389, Manassas, Virginia 20108, (703) 791-8753 or online at [www.pwcs.edu](http://www.pwcs.edu).

# Basic Financial Statements

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Prince William County Public Schools  
Statement of Net Assets  
June 30, 2003

Exhibit 1

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and pooled investments	\$ 115,260,387
Accounts receivable and other current assets	498,920
Due from other governmental units	21,299,637
Inventory	2,028,569
Restricted cash	108,257,071
Capital assets:	
Land	29,483,945
Construction in progress	50,695,016
Depreciable capital assets	548,854,202
Less: accumulated depreciation	(153,484,672)
<i>Total assets</i>	<u>722,893,075</u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	22,961,563
Salaries payable and withholdings	47,732,749
Due to other governmental units	632,010
Deferred revenue	964,989
Long-term liabilities:	
Due within one year	7,151,445
Due in more than one year	16,887,995
<i>Total liabilities</i>	<u>96,330,751</u>
<b>NET ASSETS</b>	
Invested in capital assets	475,548,491
Restricted for:	
Capital projects	108,257,071
Unrestricted	42,756,762
<i>Total net assets</i>	<u>\$ 626,562,324</u>

*The accompanying notes to the financial statements are an integral part of this statement.*

Prince William County Public Schools  
Statement of Activities  
For the Year Ended June 30, 2003

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities</b>					
Instruction:					
Regular	\$ 248,579,256	495,419	20,911,591	36,054	(227,136,192)
Special	58,979,490	124,667	26,848,493	-	(32,006,330)
Other	6,121,679	1,222,066	3,954,925	-	(944,688)
Instructional leadership	33,494,000	-	-	-	(33,494,000)
<b>Total instruction</b>	<b>347,174,425</b>	<b>1,842,152</b>	<b>51,715,009</b>	<b>36,054</b>	<b>(293,581,210)</b>
Support services:					
General administration	3,949,464	-	-	-	(3,949,464)
Student services	5,658,639	-	79,213	-	(5,579,426)
Curricular/staff development	8,978,613	5,836	13,422	-	(8,959,355)
Pupil transportation	27,120,772	97,614	-	-	(27,023,158)
Operations	16,908,413	61,106	-	-	(16,847,307)
Utilities	14,590,336	-	-	-	(14,590,336)
Maintenance	13,334,087	-	106	-	(13,333,981)
Central business services	28,297,542	1,955,786	-	845,009	(25,496,747)
Supply services	3,414,388	3,263,572	-	-	(150,816)
Reimbursement to County for debt service	33,682,408	-	-	-	(33,682,408)
Food service	18,427,399	11,515,111	6,281,162	-	(631,126)
Community service operations	449,435	472,778	-	-	23,343
<b>Total support services</b>	<b>174,811,496</b>	<b>17,371,803</b>	<b>6,373,903</b>	<b>845,009</b>	<b>(150,220,781)</b>
<b>Total governmental activities</b>	<b>\$ 521,985,921</b>	<b>19,213,955</b>	<b>58,088,912</b>	<b>881,063</b>	<b>(443,801,991)</b>

**General Revenues:**

Federal, State, and Local Revenues

Federal	1,489,220
State	184,092,086
County	362,496,424
Unrestricted investment earnings	2,013,428
Miscellaneous revenues	3,373,053
Gain on sale of capital assets	8,407,476

**Total General Revenues**

561,871,687

Change in net assets 118,069,696

Net assets, beginning of year 508,492,628

Net assets, end of year \$ 626,562,324

The accompanying notes to the financial statements are an integral part of this statement.

Prince William County Public Schools  
 Balance Sheet  
 Governmental Funds  
 June 30, 2003

Exhibit 3

	General Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and pooled investments	\$ 69,737,498	25,158,003	2,281,269	97,176,770
Restricted cash	-	108,257,071	-	108,257,071
Accounts receivable	169,400	101,898	68,971	340,269
Due from other governmental units	14,841,488	-	1,076,240	15,917,728
Inventory	498,703	-	1,529,866	2,028,569
Total assets	<u>\$ 85,247,089</u>	<u>133,516,972</u>	<u>4,956,346</u>	<u>223,720,407</u>
<b>LIABILITIES and FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 8,402,910	13,482,934	584,640	22,470,484
Salaries payable and withholdings	47,472,579	18,146	224,791	47,715,516
Due to other governmental units	-	632,010	-	632,010
Deferred revenue	600,206	-	364,783	964,989
Total liabilities	<u>56,475,695</u>	<u>14,133,090</u>	<u>1,174,214</u>	<u>71,782,999</u>
Fund balances:				
Reserved for:				
Inventory	498,703	-	1,529,866	2,028,569
Encumbrances	18,557,715	96,799,419	704,424	116,061,558
Unreserved:				
Designated for future years	7,648,112	-	1,028,433	8,676,545
Undesignated reported in general fund	2,066,864	-	-	2,066,864
Undesignated reported in capital projects fund	-	22,584,463	-	22,584,463
Undesignated reported in special revenue funds	-	-	519,409	519,409
Total fund balances	<u>28,771,394</u>	<u>119,383,882</u>	<u>3,782,132</u>	<u>151,937,408</u>
Total liabilities and fund balances	<u>\$ 85,247,089</u>	<u>133,516,972</u>	<u>4,956,346</u>	<u>223,720,407</u>

The accompanying notes to the financial statements are an integral part of this statement.

Prince William County Public Schools  
 Reconciliation of Balance Sheet of Governmental Funds  
 to the Statement of Net Assets  
 June 30, 2003

Exhibit 4

**Total fund balances -- governmental funds** \$ 151,937,408

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements		
Land	29,483,945	
Construction in progress	50,695,016	
Library books	2,642,119	
Buildings and improvements	498,526,645	
Equipment	6,833,096	
Vehicles	<u>40,852,342</u>	
Total capital assets	629,033,163	
Accumulated depreciation	<u>(153,484,672)</u>	475,548,491
Due from Other Governments not available to pay for current period expenditures and, therefore, are not reported in the funds		5,381,909
Long-term liabilities (Compensated Absences) are not reported in the fund statements		(20,514,328)
Net Assets of internal service funds		<u>14,208,844</u>
<b>Total net assets - governmental activities</b>		<u><u>\$ 626,562,324</u></u>

*The accompanying notes to the financial statements are an integral part of this statement.*

Prince William County Public Schools  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2003

Exhibit 5

	General Fund	Construction Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Use of money and property:				
Use of money - interest	\$ 677,749	1,449,211	68,197	2,195,157
Use of property	-	-	472,778	472,778
Charges for services	3,398,164	-	14,776,820	18,174,984
Intergovernmental revenue:				
Federal	16,970,301	-	5,926,934	22,897,235
State	221,255,812	-	289,434	221,545,246
County	261,540,873	95,573,642	-	357,114,515
Miscellaneous revenue	396,331	9,827,001	66,294	10,289,626
Total revenues	<u>504,239,230</u>	<u>106,849,854</u>	<u>21,600,457</u>	<u>632,689,541</u>
<b>EXPENDITURES</b>				
Current:				
Regular instruction	234,907,466	4,152,235	-	239,059,701
Special instruction	58,646,720	-	-	58,646,720
Other instruction	6,101,575	-	-	6,101,575
Instructional leadership	33,396,527	-	-	33,396,527
General administration	3,871,041	-	-	3,871,041
Student services	5,633,300	-	-	5,633,300
Curricular/staff development	8,975,936	-	-	8,975,936
Pupil transportation	33,006,108	692,502	-	33,698,610
Operations	16,845,098	-	-	16,845,098
Utilities	14,655,479	-	-	14,655,479
Maintenance	13,277,380	-	-	13,277,380
Central business services	28,551,360	73,579	-	28,624,939
Supply services	-	-	3,429,235	3,429,235
Community service operations	-	-	448,248	448,248
Food services	-	-	18,420,056	18,420,056
Reimbursement to the County for debt service	32,921,796	910,998	-	33,832,794
Capital outlay	-	69,243,962	-	69,243,962
Total expenditures	<u>490,789,786</u>	<u>75,073,276</u>	<u>22,297,539</u>	<u>588,160,601</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,449,444</u>	<u>31,776,578</u>	<u>(697,082)</u>	<u>44,528,940</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
TRANSFERS IN:				
General fund	-	13,638,062	-	13,638,062
Construction fund	1,000,000	-	-	1,000,000
TRANSFERS OUT:				
Construction fund	(13,638,062)	-	-	(13,638,062)
General fund	-	(1,000,000)	-	(1,000,000)
Total other financing sources (uses)	<u>(12,638,062)</u>	<u>12,638,062</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>811,382</u>	<u>44,414,640</u>	<u>(697,082)</u>	<u>44,528,940</u>
<b>FUND BALANCES, beginning of year</b>	<u>27,960,012</u>	<u>74,969,242</u>	<u>4,479,214</u>	<u>107,408,468</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 28,771,394</u>	<u>119,383,882</u>	<u>3,782,132</u>	<u>151,937,408</u>

The accompanying notes to the financial statements are an integral part of this statement.

**Prince William County Public Schools  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2003**

**Exhibit 6**

<b>Total net change in fund balances - total governmental funds</b>	<b>\$ 44,528,940</b>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Accrued tax revenue due from the County	5,381,909
Capital outlays are reported in governmental funds as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation in the period:	68,801,815
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(1,876,708)
Activities of Internal Service Funds that serve governmental activities	<u>1,233,740</u>
<b>Change in net assets of governmental activities</b>	<b><u>\$ 118,069,696</u></b>

*The accompanying notes to the financial statements are an integral part of this statement.*

Prince William County Public Schools  
Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual  
General Fund  
For the Year Ended June 30, 2003

Exhibit 7

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Use of money and property:				
Use of money - interest	\$ -	677,717	677,749	32
Use of property	-	-	-	-
Charges for services	1,569,453	3,814,012	3,398,164	(415,848)
Intergovernmental revenue:				
Federal	13,625,038	17,790,974	16,970,301	(820,673)
State	218,347,683	220,891,192	221,255,812	364,620
County	258,818,590	261,540,873	261,540,873	-
Miscellaneous revenue	2,000,000	1,176,824	396,331	(780,493)
<i>Total revenues</i>	<u>494,360,764</u>	<u>505,891,592</u>	<u>504,239,230</u>	<u>(1,652,362)</u>
<b>EXPENDITURES:</b>				
Current:				
Regular instruction	226,432,564	235,521,085	234,907,466	613,619
Special instruction	55,163,701	61,142,635	58,646,720	2,495,915
Other instruction	4,978,805	6,588,179	6,101,575	486,604
Instructional leadership	32,480,674	33,461,227	33,396,527	64,700
General administration	3,459,361	3,723,227	3,871,041	(147,814)
Student services	5,286,001	5,546,285	5,633,300	(87,015)
Curricular/staff development	7,769,016	8,400,167	8,975,936	(575,769)
Pupil transportation	33,615,673	31,091,872	33,006,108	(1,914,236)
Operations	14,596,583	15,962,950	16,845,098	(882,148)
Utilities	15,038,875	15,996,537	14,655,479	1,341,058
Maintenance	12,139,728	12,435,015	13,277,380	(842,365)
Central business services	44,963,812	33,388,655	28,551,360	4,837,295
Reimbursement to the County for debt service	33,597,971	34,048,762	32,921,796	1,126,966
<i>Total expenditures</i>	<u>489,522,764</u>	<u>497,306,596</u>	<u>490,789,786</u>	<u>6,516,810</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,838,000</u>	<u>8,584,996</u>	<u>13,449,444</u>	<u>4,864,448</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
TRANSFERS IN:				
Construction fund	1,000,000	1,000,000	1,000,000	-
TRANSFERS OUT:				
Construction fund	(11,797,000)	(13,638,062)	(13,638,062)	-
<i>Total other financing sources (uses)</i>	<u>(10,797,000)</u>	<u>(12,638,062)</u>	<u>(12,638,062)</u>	<u>-</u>
Net change in fund balance	(5,959,000)	(4,053,066)	811,382	4,864,448
<b>FUND BALANCE, beginning of year</b>	27,960,012	27,960,012	27,960,012	-
<b>FUND BALANCE, end of year</b>	<u>\$ 22,001,012</u>	<u>23,906,946</u>	<u>28,771,394</u>	<u>4,864,448</u>

The accompanying notes to the financial statements are an integral part of this statement.

**Prince William County Public Schools**  
**Statement of Fund Net Assets**  
**Proprietary Funds**  
**June 30, 2003**

**Exhibit 8**

	<b>Internal Service Funds</b>
	<u>                    </u>
<b>ASSETS</b>	
Current assets:	
Cash and pooled investments	\$ 18,083,617
Accounts receivable and other current assets	<u>158,651</u>
Total current assets	<u>18,242,268</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	491,079
Salaries payable and withholdings	<u>17,233</u>
Total current liabilities	<u>508,312</u>
Noncurrent liabilities:	
Incurred but not reported claims	<u>3,525,112</u>
Total noncurrent liabilities	<u>3,525,112</u>
Total liabilities	<u>4,033,424</u>
<b>NET ASSETS</b>	
Unrestricted	<u><u>\$ 14,208,844</u></u>

*The accompanying notes to the financial statements are an integral part of this statement.*



**Prince William County Public Schools**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2003**

**Exhibit 9**

	<b>Internal Service Funds</b>
<b>Operating Revenues</b>	
Charges for services	\$ 32,284,969
Total operating revenues	<u>32,284,969</u>
<b>Operating Expenses</b>	
Personnel services	630,532
Materials/Supplies	203,090
Premiums	3,892,811
Claims and benefits paid	26,290,045
Losses and unallocated loss adjustment	774,338
Total operating expenses	<u>31,790,816</u>
Operating income	<u>494,153</u>
<b>Non-Operating Revenues</b>	
Interest and miscellaneous	<u>739,587</u>
Change in net assets	1,233,740
<b>Total Net Assets, beginning of year</b>	<u>12,975,104</u>
<b>Total Net Assets, end of year</b>	<u><u>\$ 14,208,844</u></u>

*The accompanying notes to the financial statements are an integral part of this statement.*

**Prince William County Public Schools**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2003**

**Exhibit 10**

	<b>Internal Service Funds</b>
<b>Cash Flows from Operating Activities:</b>	
Cash received from other funds	\$ 32,284,969
Payments to suppliers for goods and services	(32,292,461)
Payments to employees	(728,591)
Other operating cash receipts	18,054
Net cash provided (used) by operating activities	<u>(718,029)</u>
<b>Cash Flows from Investing Activities:</b>	
Return of Security Deposit Held by Insurance Carrier	2,135,800
Interest from investments	730,832
Net cash provided (used) by investing activities	<u>2,866,632</u>
Net increase in cash and pooled investments	2,148,603
Cash and pooled investments, beginning of year	<u>15,935,014</u>
Cash and pooled investments, end of year	<u><u>\$ 18,083,617</u></u>
<b>Reconciliation of Operating Income to Net Cash Used by Operating Activities:</b>	
Operating income	\$ 494,153
Adjustments to reconcile operating income to net cash provided by operating activities	
Change in assets and liabilities:	
(Increase) decrease in accounts receivable net of accrued interest and deposit	18,054
Increase (decrease) in accounts payable and accrued liabilities	(2,045,613)
Increase (decrease) in salaries payable and withholdings	8,479
Increase (decrease) in incurred but not reported claims	806,898
Net cash provided (used) by operating activities	<u><u>\$ (718,029)</u></u>

*The accompanying notes to the financial statements are an integral part of this statement.*

**Prince William County Public Schools  
Statement of Assets and Liabilities  
Agency Funds  
June 30, 2003**

**Exhibit 11**

**Assets**

Cash and pooled investments	\$	6,214,497
Due from other governmental units		1,450,162
Total assets	\$	<u>7,664,659</u>

**Liabilities**

Accounts payable and accrued liabilities	\$	<u>7,664,659</u>
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*The accompanying notes to the financial statements are an integral part of this statement.*

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**Prince William County Public Schools**  
**Notes to the Financial Statements**  
**June 30, 2003**

**NOTE 1 – Summary of significant accounting policies**

**A. Financial reporting entity**

Prince William County Public Schools (PWPCS) is a corporate body operating under the constitution of the Commonwealth of Virginia and the *Code of Virginia*. The eight members of the School Board are elected by the citizens of Prince William County (County) to serve four-year terms. One member represents each of the County's seven magisterial districts and the chairman serves at large. PWPCS is organized to focus on meeting the needs of its 63,109 students while managing 75 schools and centers. The mission of PWPCS is to provide programs to meet the educational needs of all students in the County in a safe learning environment. PWPCS receives funding from taxes collected and allocated by the County; tuition and fees; and state and federal aid. School construction projects are funded by the proceeds of general obligation bonds issued by the County and approved by the County voters. Accounting principles generally accepted in the United States establish PWPCS as a component unit of the County.

The financial statements of PWPCS are prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applicable to governmental units in the United States. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, PWPCS applies all applicable GASB pronouncements to its proprietary funds, and has elected to apply only those Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

**B. Government-wide and fund financial statements**

The basic financial statements include both district-wide statements, based on the entity as a whole, and fund financial statements that focus only on the individual funds defined by PWPCS. Management's discussion and analysis, although not part of the basic financial statements, are a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis"(MD&A). This analysis is similar to the analysis private sector entities provide in their annual reports.

**Government-wide financial statements** The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable), but also capital assets and long-term liabilities. Accrual accounting also reports all of the revenues and costs of providing services each year, not just those received or paid in the current year or soon thereafter. Fiduciary funds are not included in the government-wide financial statements.

The basic financial statements include both government-wide (based on PWPCS as a whole) and fund financial statements. While the previous reporting model emphasized fund types (the total of all funds of a particular type), in the new reporting model, the focus is on either PWPCS as a whole or major individual funds (within the fund financial statements). PWPCS does not engage in business-type activities, and as such issues single column government-wide financial statements. In the government-wide statement of net assets, both the governmental activities' assets and liabilities (a) are presented on a consolidated basis and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term obligations.

**Statement of net assets** - The statement of net assets is designed to display the financial position of the primary government. PWPCS reports all capital assets in the government-wide statement of net assets and reports depreciation expense - the cost of "using up" capital assets - in the statement of activities. The net assets of PWPCS are broken down into three categories - 1) invested in capital assets; 2) restricted; and 3) unrestricted.

Statement of activities - The new government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each PWCPs function. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants). These directly matched revenues are called program revenues. This format enables the government-wide statement of activities to reflect both the gross and net cost per functional category (regular instruction, special instruction, pupil transportation, etc.) that are otherwise being supported by general government revenues.

Program revenues must be directly associated with a function and are restricted to meeting the operational or capital requirements of a particular function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular functional category. Other items that are not properly included among program revenues are reported instead as general revenues.

Direct expenses are considered those that are clearly identifiable with a specific function. PWCPs does not allocate indirect expenses.

**Fund financial statements** Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

In the fund financial statements, financial transactions and accounts of PWCPs are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The fund statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental activities column of the government-wide financial statements.

PWCPs' fiduciary funds are presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of PWCPs, these funds are not incorporated into the government-wide statements.

**Budgetary comparison schedules** Demonstrating compliance with the adopted budgets is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the financial progress of their governments over the course of the year. For this reason, PWCPs has chosen to make its budgetary comparison statement of the general fund part of the basic financial statements. PWCPs and many other governments revise their original budgets over the course of the year for a variety of reasons. Under the new reporting model, governments will continue to provide budgetary comparison information in their annual reports. An important change, however, is a requirement to add the government's original budget to the current comparison of final budget and actual results.

### **C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Non-exchange transactions include grants and donations where PWCPs either gives or receives value without directly receiving or giving equal value in exchange. Revenues from general-purpose grants are recognized in the period to which the grant applies.

It is PWCPs policy to first use restricted resources for expenses incurred for which both restricted and unrestricted resources are available.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This focus is on the determination of, and changes in financial position, and generally only current assets and current liabilities are included on the balance sheet. Revenues are recorded as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within a current period or soon enough thereafter to pay liabilities of the current period. For this purpose, PWCPs considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

PWCPs reports the following major funds:

**Governmental Funds:**

**General fund:** The *General* fund is the operating fund of PWCPs and is used to account for the revenues and expenditures necessary for the day-to-day operation of PWCPs. This fund is used to account for all financial resources except those required to be accounted for in another fund.

**Construction fund:** The *Construction* fund is used to account for the financial resources to be used for the acquisition, construction, or repair of PWCPs major capital facilities.

Internal service funds account for health insurance and self-insurance services provided to departments of PWCPs on a cost reimbursement basis. 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 a proprietary fund's principal ongoing operations.

**Proprietary Funds**

**Self-insurance fund:** The *Self-Insurance* fund has been established to pay claims and related expenses for risk exposures for which PWCPs is self-insured. The primary claims that are paid from these funds are workers' compensation, fire and related risk and general liability losses for which PWCPs carries no insurance policy.

**Health insurance fund:** The *Health Insurance* fund was created to better manage health care expenses within PWCPs. The primary sources of revenue for this fund are employer contributions paid by the other funds and employee contributions deducted from employee pay on a semi-monthly basis.

Fiduciary funds are used to account for assets held by or as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include the regional school fund and the student activities fund.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule include payments to, and other charges between the PWCPs supply function and other functions of PWCPs. Elimination of these charges would distort the direct costs and program revenues of the various functions concerned.

## **D. Assets, liabilities, and net assets or equity**

### **Deposits and investments**

The County maintains a single cash and investment pool for use by the County and some of its component units including PWCPs. All PWCPs funds are maintained in this account except for the School Board Student Activity Funds. Cash and pooled investments represent the majority of PWCPs' available cash.

Investments are carried at fair value based on quoted market prices. In order to maximize investment returns, these funds are maintained in a fully insured or collateralized investment pool administered by the County. The County allocates investment earnings, less an administrative charge, to PWCPs monthly based on PWCPs' average daily balance in cash investments.

For purposes of the statement of cash flows, the proprietary fund type considers all highly liquid investments with original maturities less than three months, including pooled investments and restricted assets, to be cash equivalents.

#### **Deposits:**

At June 30, all of the County's deposits were covered by federal depository related insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (the Act). Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the Commonwealth Treasury Board. If any member bank fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. With the ability to make additional assessments, the multiple bank collateral pool functions similar to depository insurance. Savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The Commonwealth Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act.

Cash in the student activity funds represents available cash in the local school accounts, all of which are fully insured or collateralized. Bank balances, including checking and savings accounts and certificates of deposit, are placed with banks and savings and loan institutions which are protected by FDIC laws or collateral held under the provisions of the Act.

Restricted cash of \$108,257,071 consists of funds held by trustees for the funding of specific construction projects.

#### **Investments:**

State Statutes authorize the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, "prime quality" commercial paper, corporate notes rated AA or better by Standard & Poor's, Inc. and Aa or better by Moody's Investors Service, Inc., banker's acceptances, repurchase agreements, money market mutual funds, the State Treasurer's Local Government Investment Pool (LGIP) and State Non-Arbitrage Program (SNAP).

The maturities of the County's investments range from one day to ten years. While the County normally plans to hold investments to maturity, it may sell securities before their maturity. For additional information please refer to the County CAFR. Copies of the County's CAFR may be obtained by writing the Finance Office at One County Complex Court, Prince William, Virginia 22192-9201.

#### **Receivables and payables**

All interfund receivables and payables are displayed in the fund statements as "due to/due from other funds." These amounts offset each other and are eliminated from the government-wide Statement of Net Assets, so as to not overstate PWCPs' assets and liabilities. All trade receivables are reported net of an allowance for uncollectables.



**Inventory**

Inventory in the *Warehouse* and *Food Services* funds consists of expendable supplies held for consumption. PWCPS values the inventory at cost and utilizes the consumption method of recording inventories. With the consumption method, the cost is recorded as an expenditure at the time individual inventory items are consumed. In the fund statements, these inventories are offset by a fund balance reserve, which indicates that they do not constitute available expendable resources, even though they are a component of assets. The value of the *Warehouse* inventory is determined by the weighted average cost method. The value of the *Food Service* inventory is determined by the first-in first-out method.

**Capital assets**

Capital assets, which include land, buildings and improvements, equipment, vehicles and library books, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair market value at the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20-50
Improvements	2-50
Equipment	2-20
Vehicles	3-15
Library books	5

**Compensated absences**

It is PWCPS' policy to permit employees to accumulate earned, but unused, vacation and sick pay benefits. In governmental fund types, the cost of vacation and sick pay benefits (compensated absences) is recognized when payments are made to employees. A liability for all governmental fund type vacation and sick pay benefits is recorded as a liability in the government-wide statement of net assets.

**Fund equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent management plans that are subject to change. Fund balances in the governmental funds are reserved for encumbrances, inventories, and capital projects to indicate the amounts are not available for other expenditures.

For fiscal year 2003 the Warehouse Fund, a non-major fund, experienced an unreserved fund balance deficit of \$623,699. This deficit is a result of replenishing inventory prior to revenue being recognized.

**Encumbrances**

Encumbrance accounting, the recording of purchase orders, contracts, and other 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 reservations of fund balance since they do not constitute expenditures or liabilities. Encumbrances are normally re-appropriated each year by board resolution.

**Construction Commitments**

At June 30, 2003 PWCPS had contractual commitments of \$96,799,419 in the Construction fund for construction of various projects.

**Note 2 - Stewardship, compliance and accountability**

**A. Budgetary information**

The Code of Virginia requires the appointed superintendent of PWCPS to submit a budget to the County Board of Supervisors, with the approval of the School Board. In February, the Superintendent submits a budget plan to the School Board and to the community. The budget plan is discussed in a series of workshops and public hearings. In March, the School Board adopts the advertised budget and forwards it to the County for inclusion in the County Executive's advertised budget plan. In April, after public hearings, the County Board of Supervisors determines the level of funding for PWCPS. If the requested level of funding is approved there are no further actions taken by the School Board. If the funding request is changed by the County the budget is reworked by PWCPS staff and then adopted by the School Board. The approved budget is the basis for operating PWCPS in the next fiscal year.

Annual budgets are adopted for all funds except for the *Student Activity* fund. Project length financial plans are adopted for all capital projects in the Construction Fund. PWCPS uses the modified accrual basis in budgeting for governmental funds. The budgets are on a basis consistent with GAAP. All annual appropriations lapse at year-end. The budget is revised and amended in October based on September 30 student enrollments.

The budget is controlled at certain legal as well as administrative levels. The legal level is placed at the individual fund level and administrative control is placed at the agency level. Amendments that change the total level of expenditures require the approval of the PWCPS-Board and County Board of Supervisors.

**B. Excess of expenditures over appropriations**

For the year ended June 30, 2003, expenditures exceeded appropriations in the Food Services Fund by \$22,512 and in the Warehouse Fund by \$342,731. These excess expenditures were funded by greater than anticipated revenues. In addition, expenditures in the general fund exceeded budget for General Administration, Student services, Curricular/staff development, Pupil transportation, Operations and Maintenance.

**Note 3 - Capital assets**

Capital asset activity for the year ended June 30, 2003 was as follows:

	Beginning Balance	Increases	Decreases/ Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 22,770,005	6,768,940	(55,000)	29,483,945
Construction in Progress	36,265,709	38,561,485	(24,132,178)	50,695,016
Total capital assets, not being depreciated	<u>59,035,714</u>	<u>45,330,425</u>	<u>(24,187,178)</u>	<u>80,178,961</u>
Capital assets, being depreciated:				
Buildings and improvements	450,296,176	50,384,424	(2,153,955)	498,526,645
Library books	2,632,440	535,224	(525,545)	2,642,119
Equipment	5,992,145	1,040,426	(199,475)	6,833,096
Vehicles	35,223,265	10,482,485	(4,853,408)	40,852,342
Total capital assets being depreciated	<u>494,144,026</u>	<u>62,442,559</u>	<u>(7,732,383)</u>	<u>548,854,202</u>
Less accumulated depreciation for:				
Buildings and improvements	127,616,048	9,299,943	(1,599,483)	135,316,508
Library books	1,530,347	528,442	(525,545)	1,533,244
Equipment	2,899,603	451,035	(137,916)	3,212,722
Vehicles	14,387,590	3,843,858	(4,809,250)	13,422,198
Total accumulated depreciation	<u>146,433,588</u>	<u>14,123,278</u>	<u>(7,072,194)</u>	<u>153,484,672</u>
Total capital assets, being depreciated, net	<u>347,710,438</u>	<u>48,319,281</u>	<u>(660,189)</u>	<u>395,369,530</u>
Capital assets, net	<u>\$406,746,152</u>	<u>93,649,706</u>	<u>(24,847,367)</u>	<u>475,548,491</u>

In July 2003, PWCPS settled on the acquisition of a condemned site to build Freedom High School. The acquisition cost of this land is recognized in FY 2003.

Depreciation expense was charged to functions/programs as follows:

Instruction	
Regular	\$ 9,770,332
Special	153,511
Other	6,501
Support Services	
General administration	72,955
Student services	9,064
Curricular/staff development	10,772
Pupil transportation	3,870,047
Operations	22,323
Maintenance	48,358
Central business services	140,956
Food service	<u>18,459</u>
Total depreciation expense	<u>\$14,123,278</u>

#### Note 4 - Interfund transfers

During the current year, PWCPs made the following interfund transfers:

Transfer In:		
	General Fund	Construction Fund
<b>Transfer Out:</b>		
General Fund	\$ -	13,638,062
Construction Fund	<u>1,000,000</u>	<u>-</u>
	<u>\$1,000,000</u>	<u>13,638,062</u>

Interfund transactions are generally made for the purpose of providing operational support to the receiving fund.

#### Note 5 – Long-Term Debt

##### A. Long-Term Debt

PWCPS is a component unit of Prince William County. As such PWCPS does not have the authority to issue long-term debt. The County, therefore, issues any general obligation, VPSA, or Literary Fund debt that is required to fund capital improvements within PWCPS. PWCPS initiates payments each year to defer the County's cost of this debt. Detail of general obligation, VPSA, and literary debt issued for PWCPS' capital needs can be found in the County's Comprehensive Annual Financial Report.

##### B. Compensated absences

Employees of PWCPS are granted annual and sick leave based on their length of service, and may accrue compensatory leave for hours worked in excess of their scheduled hours. Unused annual and compensatory leave is payable to employees upon termination based on the employees' current rate of pay up to certain limits.

The current portion of accrued compensated absences at June 30, 2003 is that amount of the liability that is expected to be paid within one year. The current and long-term portion of accrued compensated absences is included in long-term liabilities in the government-wide statement of net assets.

PWCPS' changes in liability for compensated absences are as follows:

Compensated absences	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
	\$ 18,637,611	15,846,755	(13,970,038)	20,514,328	\$ 7,151,445

**Note 6 – Self-Insurance**

PWCPS is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which PWCPS carries commercial insurance. PWCPS established a limited risk management program for workers' compensation. Premiums are paid into the Self-Insurance internal service fund by all other funds and are available to pay claims, claim reserves, and administrative costs of the program.

PWCPS participates in a Consortium Group Health Insurance Program made up of employers who provide health insurance to their employees and dependents under one program. Each participant in the program is separately rated and has separate accounting. Anthem Blue Cross/Blue Shield is the plan administrator. Delta Dental Plan of Virginia, Inc. (Delta Dental) is the dental insurance carrier. All full-time and part-time employees who are working at least 17½ hours per week are eligible to enroll in the health insurance program. There are two (2) plans offered through the PWCPS insurance program. An employee may choose either the HMO plan called "Healthkeepers Product 20", or the PPO plan called "KeyCare 15 Plus". The two plans include comprehensive medical, preventive care, vision, and prescription drug coverage. The basis for estimating incurred but not reported claims at year-end is an annual analysis performed by the plan's administrator. For the fiscal year ended June 30, 2003 PWCPS spent \$26,182,319 on self insured health insurance claims.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. PWCPS Self-Insurance, covering the risks of loss has \$150 per occurrence retention for all lines of coverage and purchases excess coverage insurance policy covers individual claims in excess with a \$3,000 per occurrence and annual limit. Settlements have not exceeded coverage for each of the past three fiscal years.

The following illustration presents a reconciliation of the PWCPS Self-Insurance's changes in the aggregate liabilities for claims for the current and prior years. These claims liabilities are included in "Long-Term liabilities due in more than one year" in the government-wide statement of net assets.

Changes in Aggregate Liabilities for Claims

	<u>Health Insurance</u>	<u>Risk Management</u>
Unpaid Claims June 30, 2001	\$ 0	\$ 924,312
Incurred Claims	20,725,176	629,857
Claims Paid	<u>(18,277,176)</u>	<u>(658,353)</u>
Unpaid Claims June 30, 2002	2,448,000	895,816
Incurred Claims	26,290,045	774,338
Claims Paid	<u>(26,182,319)</u>	<u>(700,768)</u>
Unpaid Claims June 30, 2003	<u>\$ 2,555,726</u>	<u>\$ 969,386</u>

## **Note 7- Contingent liabilities**

PWCPS is contingently liable with respect to certain lawsuits, as well as other asserted and unasserted claims that have arisen in the course of its operations. It is the opinion of the PWCPS' management and the PWCPS' attorneys that any losses that may ultimately be incurred as a result of these claims will not be material.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

## **Note 8 - Employee retirement systems and pension plans**

### **A. Virginia Retirement System**

#### **Plan Description:**

PWCPS contributes to the Virginia Retirement System (VRS), an agent and cost-sharing multiple-employer public employee retirement system. The system acts as a common investment and administrative agent for political subdivisions in the Commonwealth of Virginia. Benefit provisions and all other requirements are established by state statute. Professional employees participate in a VRS statewide teacher cost sharing pool, and non-professional employees participate as a separate group in the agent multiple-employer retirement system.

All full-time salaried permanent employees must participate in the VRS. Benefits vest after five years of service. Employees are eligible for an unreduced retirement benefit at age 65 with 5 years of service and at age 50 with 30 years of service, payable monthly for life in an amount equal to 1.7 percent of their average final salary (AFS) for each year of credited service. Benefits are actuarially reduced for retirees who retire prior to becoming eligible for full retirement benefits. In addition, retirees qualify for annual cost-of-living increases beginning (limited to 5% per year) in their second year of retirement. AFS is defined as the highest consecutive 36 months of salary. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The VRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the VRS. A copy of that report may be obtained by writing VRS at PO Box 2500, Richmond, Virginia 23218-2500.

#### **Funding policy and annual pension cost:**

Plan members are required by Title 51.1 of the Code of Virginia (1950) to contribute 5% of their annual salary to the VRS. PWCPS has assumed this member contribution for both the professional and non-professional groups. Additionally, PWCPS is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the Board of Trustees. The non-professional contribution rate for the fiscal year ended 2003 was .1% of annual covered payroll. The professional employer and employee contributions to the VRS for the three years ended June 30, 2003, 2002, and 2001 were \$21,891,689, \$19,625,784 and \$25,762,164, respectively, equal to the required contributions for each year. The contribution rates for the professional group for the same years were; 5% employee, 3.77% employer, 5% employee, 4.244% employer, 5% employee, 8.54% employer, respectively for the years 2003, 2002, and 2001 respectively.

The required contributions for PWCPS (professional and non-professional) were determined as part of an actuarial valuation performed as of June 30, 2002 using the entry age normal actuarial cost method. The actuarial assumptions included (a) an 8.0% investment rate of return, (b) projected salary increases that range between 4.25% and 6.10%, depending on the member's service and classification, and (c) 3.0% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial

value of PWCPs' assets is equal to the modified market value of assets over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2002, was thirteen years for PWCPs.

**Trend information:**

The following illustration summarizes the required three-year trend information for PWCPs.

Fiscal Year Ending	Annual Pension Cost (APC)		Percentage of APC Contributed	Net Pension Obligation (NPO)
	Employer Portion	Employee Portion paid by employer		
June 30, 2001	\$16,970	1,212,191	100%	\$0
June 30, 2002	\$0	1,365,902	100%	\$0
June 30, 2003	\$321,034	1,605,170	100%	\$0

PWCPs also offers, to all except substitute and temporary employees, a tax deferred compensation plan (TDC). PWCPs contributes money on the employee's behalf to purchase annuities after the employee has completed three (3) years of service with PWCPs. The School Board's contribution increases each time an employee has completed five (5), ten (10), and fifteen (15) years of service. At the end of the current year the cap on the employer contribution was \$3,002 per employee. The total employer contribution for fiscal year 2003 was \$6,078,972. Substitutes and temporary employees who participate in the TDC plan are not eligible to receive the employer matching contribution.

**Note 9 - Postemployment benefits**

PWCPs provides limited postretirement health and dental benefits as provided for in Virginia state law to retirees who have 15 or more years of creditable VRS service. Retirees are granted the option to participate by paying 100% of their monthly health insurance premium to PWCPs' plan or to the carrier of their choice less a maximum credit of \$75. As of the end of the current fiscal year, there were 1,010 retirees receiving these benefits. The plan is financed by payments from Prince William County Public Schools to the VRS. For fiscal year 2003 the contribution made by PWCPs was \$1,593,814. The surplus funds are not considered advance funded because PWCPs, its employees, and retirees have no vested rights to access the excess funds. GAAP do not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

# Required Supplementary Information

(Unaudited)

A schedule of funding progress for the Virginia Retirement System is provided in the illustration below:

Virginia Retirement System  
Schedule of Funding Progress for PWCPs

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 1996	30,555,496	31,755,158	1,199,662	96.2%	13,730,085	8.70 %
June 30, 1998	42,309,638	40,564,608	(1,745,030)	104.3%	14,469,115	(12.10)%
June 30, 1999	49,100,496	42,810,528	(6,289,968)	114.7%	15,046,021	(41.80)%
June 30, 2000	57,514,006	45,450,123	(12,063,883)	126.5%	22,124,753	(54.53)%
June 30, 2001	63,165,383	51,837,593	(11,327,790)	121.9%	24,992,804	(45.32)%
June 30, 2002	65,439,864	59,481,428	(5,958,436)	110.0%	28,150,039	(21.17)%



# Supplementary Information

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## Other Governmental Funds

**Food Services Fund** – This Fund is used to account for the operations of food service activities throughout the school division. Revenues come primarily from sales of meals and through participation in the National School Lunch and Breakfast Programs.

**Warehouse Fund** – The Warehouse Fund is used to account for the operations of the warehouse. Revenues and expenditures are predominantly a result of operations of the warehouse function.

**Facilities Use Fund** – The Facilities Use Fund accounts for the use, by external organizations, of PWCPs facilities. The administrative cafeteria is also accounted for in this fund.

Prince William County Public Schools  
 Combining Balance Sheet  
 Other Governmental Funds - Special Revenue Funds  
 June 30, 2003

Schedule 1

	Food Services Fund	Warehouse Fund	Facilities Use Fund	Total Other Governmental Funds
<b>ASSETS</b>				
Cash and pooled investments	\$ 1,532,889	1,318	747,062	2,281,269
Accounts receivable	10,873	141	57,957	68,971
Due from other governmental units	1,076,240	-	-	1,076,240
Inventory	645,820	884,046	-	1,529,866
<i>Total assets</i>	<u>\$ 3,265,822</u>	<u>885,505</u>	<u>805,019</u>	<u>4,956,346</u>
<b>LIABILITIES and FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 366,384	215,621	2,635	584,640
Salaries payable and withholdings	177,329	-	47,462	224,791
Deferred revenue	364,783	-	-	364,783
<i>Total liabilities</i>	<u>908,496</u>	<u>215,621</u>	<u>50,097</u>	<u>1,174,214</u>
Fund Balances:				
Reserved for:				
Inventory	645,820	884,046	-	1,529,866
Encumbrances	294,887	409,537	-	704,424
Unreserved:				
Designated for future years	1,028,433	-	-	1,028,433
Undesignated	388,186	(623,699)	754,922	519,409
<i>Total fund balances</i>	<u>2,357,326</u>	<u>669,884</u>	<u>754,922</u>	<u>3,782,132</u>
<i>Total liabilities and fund balances</i>	<u>\$ 3,265,822</u>	<u>885,505</u>	<u>805,019</u>	<u>4,956,346</u>

Prince William County Public Schools  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Other Governmental Funds - Special Revenue Funds  
 For the Year Ended June 30, 2003

Schedule 2

	Food Services Fund	Warehouse Fund	Facilities Use Fund	Total Other Governmental Funds
<b>REVENUES:</b>				
Use of money and property:				
Use of money - interest	\$ 53,061	-	15,136	68,197
Use of property	-	-	472,778	472,778
Charges for services	11,457,318	3,263,209	56,293	14,776,820
Intergovernmental revenue:				
Federal	5,926,934	-	-	5,926,934
State	289,434	-	-	289,434
Miscellaneous revenue	66,294	-	-	66,294
Total revenues	<u>17,793,041</u>	<u>3,263,209</u>	<u>544,207</u>	<u>21,600,457</u>
<b>EXPENDITURES:</b>				
Current:				
Supply services	-	3,429,235	-	3,429,235
Community service operations	-	-	448,248	448,248
Food services	18,420,056	-	-	18,420,056
Total expenditures	<u>18,420,056</u>	<u>3,429,235</u>	<u>448,248</u>	<u>22,297,539</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(627,015)</u>	<u>(166,026)</u>	<u>95,959</u>	<u>(697,082)</u>
<b>FUND BALANCES, beginning of year</b>	2,984,341	835,910	658,963	4,479,214
<b>FUND BALANCES, end of year</b>	<u>\$ 2,357,326</u>	<u>669,884</u>	<u>754,922</u>	<u>3,782,132</u>

Prince William County Public Schools  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 Food Services Fund  
 For the Year Ended June 30, 2003

Schedule 3

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Use of money and property:				
Use of money - interest	\$ 100,000	100,000	53,061	(46,939)
Charges for services	11,636,454	12,136,454	11,457,318	(679,136)
Intergovernmental revenue:				
Federal	4,864,551	4,864,551	5,926,934	1,062,383
State	287,661	287,661	289,434	1,773
Miscellaneous Revenue	-	-	66,294	66,294
<i>Total revenues</i>	<u>16,888,666</u>	<u>17,388,666</u>	<u>17,793,041</u>	<u>404,375</u>
<b>EXPENDITURES:</b>				
Food services	<u>17,669,206</u>	<u>18,397,544</u>	<u>18,420,056</u>	<u>(22,512)</u>
<i>Total expenditures</i>	<u>17,669,206</u>	<u>18,397,544</u>	<u>18,420,056</u>	<u>(22,512)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(780,540)</u>	<u>(1,008,878)</u>	<u>(627,015)</u>	<u>(381,863)</u>
<b>FUND BALANCES, beginning of year</b>	2,984,341	2,984,341	2,984,341	-
<b>FUND BALANCES, end of year</b>	<u>\$ 2,203,801</u>	<u>1,975,463</u>	<u>2,357,326</u>	<u>381,863</u>

Prince William County Public Schools  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 Warehouse Fund  
 For the Year Ended June 30, 2003

Schedule 4

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Use of money and property:				
Charges for services	\$ 3,125,000	3,496,041	3,263,209	(232,832)
Miscellaneous revenue	-	-	-	-
<i>Total revenues</i>	<u>3,125,000</u>	<u>3,496,041</u>	<u>3,263,209</u>	<u>(232,832)</u>
<b>EXPENDITURES:</b>				
Supply services	3,125,000	3,086,504	3,429,235	(342,731)
<i>Total expenditures</i>	<u>3,125,000</u>	<u>3,086,504</u>	<u>3,429,235</u>	<u>(342,731)</u>
Excess (deficiency) of revenues over (under) expenditures	-	409,537	(166,026)	(575,563)
<b>FUND BALANCES, beginning of year</b>	835,910	835,910	835,910	-
<b>FUND BALANCES, end of year</b>	<u>\$ 835,910</u>	<u>1,245,447</u>	<u>669,884</u>	<u>(575,563)</u>

Prince William County Public Schools  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 Facilities Use Fund  
 For the Year Ended June 30, 2003

Schedule 5

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Use of money and property:				
Use of money - interest	\$ 15,000	15,000	15,136	136
Use of property	364,067	364,067	472,778	108,711
Charges for services	87,404	87,404	56,293	(31,111)
<i>Total revenues</i>	<u>466,471</u>	<u>466,471</u>	<u>544,207</u>	<u>77,736</u>
<b>EXPENDITURES:</b>				
Community service operations	466,471	471,559	448,248	23,311
<i>Total expenditures</i>	<u>466,471</u>	<u>471,559</u>	<u>448,248</u>	<u>23,311</u>
Excess (deficiency) of revenues over (under) expenditures	-	(5,088)	95,959	101,047
<b>FUND BALANCES, beginning of year</b>	658,963	658,963	658,963	-
<b>FUND BALANCES, end of year</b>	<u>\$ 658,963</u>	<u>653,875</u>	<u>754,922</u>	<u>101,047</u>



## Internal Service Funds

**Self Insurance** – The self insurance fund accounts for the self insured workers compensation program. Other insurance costs are also accounted for in this fund. Revenues are derived from “premiums” charged to the other funds.

**Health Insurance** – PWCPS is self insured for health insurance. This fund accounts for all claims payments. Revenues are a result of employer contributions and employee payroll deductions.

Prince William County Public Schools  
 Combining Statement of Fund Net Assets  
 Proprietary Funds - Internal Service Funds  
 June 30, 2003

Schedule 6

	<u>Self-Insurance Fund</u>	<u>Health Insurance Fund</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>			
Current assets:			
Cash and pooled investments	\$ 6,665,665	11,417,952	18,083,617
Accounts receivable and other current assets	40,626	118,025	158,651
Total current assets	<u>6,706,291</u>	<u>11,535,977</u>	<u>18,242,268</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	95,970	395,109	491,079
Salaries payable and withholdings	17,233	-	17,233
Total current liabilities	<u>113,203</u>	<u>395,109</u>	<u>508,312</u>
Noncurrent liabilities:			
Incurred but not reported claims	969,386	2,555,726	3,525,112
Total noncurrent liabilities	<u>969,386</u>	<u>2,555,726</u>	<u>3,525,112</u>
Total liabilities	<u>1,082,589</u>	<u>2,950,835</u>	<u>4,033,424</u>
<b>NET ASSETS</b>			
Unrestricted	<u>\$ 5,623,702</u>	<u>8,585,142</u>	<u>14,208,844</u>

Prince William County Public Schools  
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 Proprietary Funds - Internal Service Funds  
 For the Year Ended June 30, 2003

Schedule 7

	Self-Insurance Fund	Health Insurance Fund	Total Internal Service Funds
<b>Operating Revenues</b>			
Charges for services	\$ 4,009,400	28,275,569	32,284,969
Total operating revenues	<u>4,009,400</u>	<u>28,275,569</u>	<u>32,284,969</u>
<b>Operating Expenses</b>			
Personnel services	286,118	344,414	630,532
Materials/Supplies	172,378	30,712	203,090
Premiums	1,816,055	2,076,756	3,892,811
Claims and benefits paid	-	26,290,045	26,290,045
Losses and unallocated loss adjustment	774,338	-	774,338
Total operating expenses	<u>3,048,889</u>	<u>28,741,927</u>	<u>31,790,816</u>
Operating income	<u>960,511</u>	<u>(466,358)</u>	<u>494,153</u>
<b>Non-Operating Revenues</b>			
Interest and miscellaneous	<u>160,001</u>	<u>579,586</u>	<u>739,587</u>
Change in net assets	1,120,512	113,228	1,233,740
<b>Total Net Assets, beginning of year</b>	<u>4,503,190</u>	<u>8,471,914</u>	<u>12,975,104</u>
<b>Total Net Assets, end of year</b>	<u>\$ 5,623,702</u>	<u>8,585,142</u>	<u>14,208,844</u>

Prince William County Public Schools  
 Combining Statement of Cash Flows  
 Proprietary Funds-Internal Service Funds  
 For the Year Ended June 30, 2003

Schedule 8

	Self-Insurance Fund	Health Insurance Fund	Total Internal Service Funds
<b>Cash Flows from Operating Activities:</b>			
Cash received from other funds	\$ 4,009,400	28,275,569	32,284,969
Payments to suppliers for goods and services	(2,575,093)	(29,717,368)	(32,292,461)
Payments to employees	(384,469)	(344,122)	(728,591)
Other operating cash receipts	18,134	(80)	18,054
Net cash provided (used) by operating activities	<u>1,067,972</u>	<u>(1,786,001)</u>	<u>(718,029)</u>
<b>Cash Flows from Investing Activities:</b>			
Return of Security Deposit Held by Insurance Carrier	-	2,135,800	2,135,800
Interest from investments	155,085	575,747	730,832
Net cash provided by investing activities	<u>155,085</u>	<u>2,711,547</u>	<u>2,866,632</u>
Net increase in cash and cash equivalents	1,223,057	925,546	2,148,603
Cash and cash equivalents, beginning of year	<u>5,442,608</u>	<u>10,492,406</u>	<u>15,935,014</u>
Cash and cash equivalents, end of year	<u>\$ 6,665,665</u>	<u>11,417,952</u>	<u>18,083,617</u>
<b>Reconciliation of Operating Income to Net Cash Used by Operating Activities:</b>			
Operating income	\$ 960,511	(466,358)	494,153
Adjustments to reconcile operating income to net cash provided by operating activities			
Change in assets and liabilities:			
(Increase) Decrease in accounts receivable net of accrued interest and deposit	18,134	(80)	18,054
Increase (Decrease) in accounts payable and accrued liabilities	7,278	(2,052,891)	(2,045,613)
Increase (Decrease) in salaries payable and withholdings	8,479	-	8,479
Increase (Decrease) in incurred but not reported claims	73,570	733,328	806,898
Net cash provided (used) by operating activities	<u>\$ 1,067,972</u>	<u>(1,786,001)</u>	<u>(718,029)</u>

## Fiduciary Funds

**Regional School** – The Northern Virginia Special Education Regional Program was established in 1996 and participants include Prince William County, Manassas, and Manassas Park. PWCPS holds the funds for this Program and is responsible for the receipt and disbursement of said funds.

**Student Activity** – This agency fund accounts for independent activity funds held by elementary and secondary schools for student groups by PWCPS.

Prince William County Public Schools  
 Combining Statement of Assets and Liabilities  
 Agency Funds  
 June 30, 2003

Schedule 9

	Northern Virginia Special Education Regional Program	Student Activity Fund	Total Fiduciary Funds
<b>Assets</b>			
Cash and pooled investments	\$ 2,200,407	4,014,090	6,214,497
Due from other governmental units	1,450,162	-	1,450,162
Total assets	<u>\$ 3,650,569</u>	<u>4,014,090</u>	<u>7,664,659</u>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	<u>\$ 3,650,569</u>	<u>4,014,090</u>	<u>7,664,659</u>

# Statistical Section

(unaudited)





**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 1 - General Governmental Expenditures by Function**  
**Last Ten Fiscal Years**  
*(amounts expressed in thousands)*

Function	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Regular instruction	**	**	**	**	**	**	**	\$ 206,685	\$ 215,203	\$ 239,060
Special instruction	**	**	**	**	**	**	**	46,938	51,935	58,647
Other instruction	**	**	**	**	**	**	**	5,247	5,981	6,102
Instructional leadership	**	**	**	**	**	**	**	28,371	30,270	33,397
General administration	**	**	**	**	**	**	**	3,162	3,243	3,871
Student services	**	**	**	**	**	**	**	3,709	4,884	5,633
Curricular/staff development	**	**	**	**	**	**	**	8,330	8,761	8,976
Pupil transportation	**	**	**	**	**	**	**	23,428	31,650	33,699
Operations	**	**	**	**	**	**	**	13,200	14,750	16,845
Utilities	**	**	**	**	**	**	**	13,071	11,865	14,655
Maintenance	**	**	**	**	**	**	**	12,492	11,940	13,277
Central business services	**	**	**	**	**	**	**	19,188	25,250	28,625
Supply services	**	**	**	**	**	**	**	3,249	3,249	3,429
Community service operations	**	**	**	**	**	**	**	387	393	448
Food services	**	**	**	**	**	**	**	14,420	16,925	18,420
Reimbursement to the County for debt service	**	**	**	**	**	**	**	26,570	28,462	33,833
Capital outlay	**	**	**	**	**	**	**	73,867	69,544	69,244
Total	**	**	**	**	**	**	**	\$ 502,314	\$ 534,305	\$ 588,161

(1) Includes expenditures of the General Fund, Construction Fund, Food Services Fund, Warehouse Fund, and Facilities Use Fund.

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 1A - Capital Project Expenditures by Function**  
**Last Two Fiscal Years**  
*(amounts expressed in thousands)*

Function	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Regular Instruction	**	**	**	**	**	**	**	\$ 70,399	\$ 66,617	\$ 68,353
Special Instruction	**	**	**	**	**	**	**	416	15	0
Administration	**	**	**	**	**	**	**	3,052	120	696
Transportation	**	**	**	**	**	**	**	-	2,792	841
Total	**	**	**	**	**	**	**	\$ 73,867	\$ 69,544	\$ 69,890

\*\* Data not available in this format to provide ten years comparison data. First year producing CAFR is FY 2002.

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 2 - General Governmental Revenue by Source**  
**Last Ten Fiscal Years**  
*(amounts expressed in thousands)*

Fiscal Year	Prince William County	Other Governments	Charges for Services	Use of Money and Property	Miscellaneous	Total
1994	**	**	**	**	**	**
1995	**	**	**	**	**	**
1996	**	**	**	**	**	**
1997	**	**	**	**	**	**
1998	**	**	**	**	**	**
1999	**	**	**	**	**	**
2000	**	**	**	**	**	**
2001	\$ 209,788	\$ 280,449	\$ 17,114	\$ 5,871	\$ 844	\$ 514,066
2002	302,203	225,330	17,738	3,527	1,790	550,588
2003	357,115	244,442	18,175	2,668	10,290	632,690

\*\* Data not available in this format to provide ten years comparison data. First year producing CAFR is FY 2002.

(1) Includes revenue of the General Fund, Construction Fund, Food Services Fund, Warehouse Fund, and Facilities Use Fund.

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 3 - Cost Per Pupil**  
**Last Ten Years**

Fiscal Year	Cost Per Pupil (1)	Average Daily Attendance (2)	Average Daily Membership (2)
1994	5,631	42,283	44,803
1995	5,721	42,998	45,626
1996	5,697	44,651	46,925
1997	6,011	45,376	48,202
1998	6,263	46,786	49,611
1999	6,448	47,628	50,720
2000	6,805	49,211	52,543
2001	7,246	51,925	54,955
2002	7,361	54,241	57,264
2003	7,603	56,669	59,747

(1) Sources: For years through fiscal year 2002 - Virginia Department of Education's Superintendent's Annual Report for Virginia. Fiscal year 2003 is estimated by the PWCPS Finance Department

(2) Source: Planning and Assessment Office of Prince William County Public Schools.

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 4 - Student Enrollment**  
**Last Ten Fiscal Years**

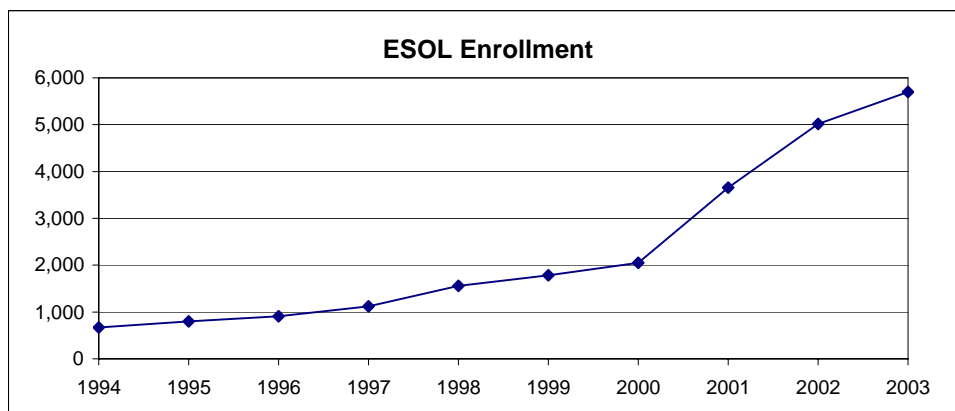
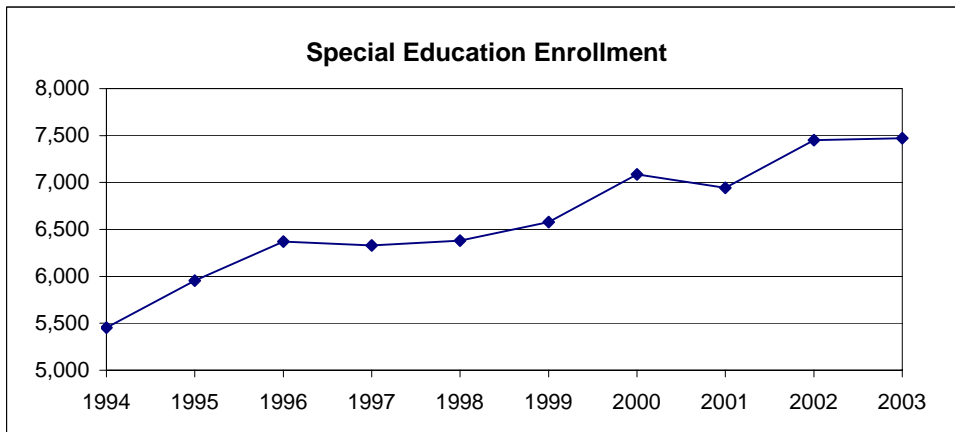
Fiscal Year	Student Enrollment (1)	Special Education Enrollment (2)	ESOL Enrollment (3)
1994	45,675	5,455	669
1995	47,072	5,953	801
1996	48,333	6,371	912
1997	49,905	6,328	1,121
1998	51,111	6,382	1,561
1999	52,551	6,579	1,781
2000	53,210	7,086	2,050
2001	54,646	6,943	3,657
2002	57,831	7,450	5,014
2003	63,109	7,471	5,700

Note: Student Enrollment at September 30, 2003.

(1) Source: Budget Office Prince William County Public Schools.

(2) Source: Special Education Office Prince William County Public Schools.

(3) Source: ESOL and Foreign Language Office of Prince William County Public Schools.



**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 5 - Food and Nutrition Services Program**  
**Last Seven Fiscal Years**

Fiscal Year	Number of Lunches Served Daily	Student Lunch Price			Lunch Sites	Number of Breakfasts Served Daily	Student Breakfast Price	Breakfast Sites	Free and Reduced Eligibility	Adult Breakfast (1)	Adult Lunch (1)
		Elementary School	Middle School	High School							
1997	22,860	\$ 1.40	\$ 1.45	\$ 1.45	**	3,250	\$ 0.90	**	10,343	\$ 0.90	\$ 1.80
1998	23,537	1.40	1.45	1.45	**	3,503	0.90	**	11,015	1.00	2.00
1999	25,470	1.45	1.50	1.50	**	4,252	0.90	**	**	1.00	2.00
2000	26,841	1.45	1.50	1.50	69	3,960	0.90	63	11,057	1.00	2.00
2001	28,553	1.50	1.55	1.55	71	5,180	1.00	67	11,701	1.10	2.05
2002	30,243	1.55	1.60	1.60	73	4,948	1.00	68	13,007	1.10	2.10
2003	32,479	1.60	1.65	1.65	75	5,578	1.00	70	15,756	1.10	2.15

\*\* Data not available at time of compilation.

Note: Table Source: Food Service Department of Prince William County Public Schools. Exception is noted.

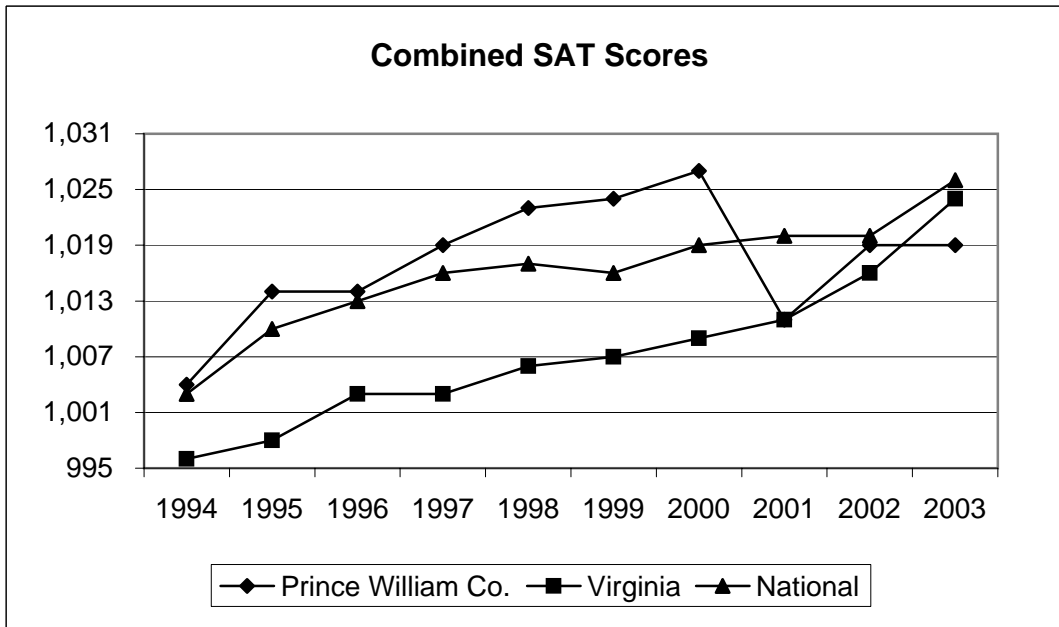
(1) Source: Budget Office of Prince William County Public Schools.

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 6 - Scholastic Aptitude Test (SAT) Scores (1)**  
**Last Ten Fiscal Years**

Fiscal Year	Prince William Co.	Virginia	National
1994	1,004	996	1,003
1995	1,014	998	1,010
1996	1,014	1,003	1,013
1997	1,019	1,003	1,016
1998	1,023	1,006	1,017
1999	1,024	1,007	1,016
2000	1,027	1,009	1,019
2001	1,011	1,011	1,020
2002	1,019	1,016	1,020
2003	1,019	1,024	1,026

Source: Planning and Assessment Office of Prince William County Public Schools.

(1) Combined SAT Scores - Verbal and Math.



**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 7 - Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
*(amounts expressed in thousands)*

Fiscal Year	Total Tax Levy (1)	Current Tax Collections (2)	Percent of Total Tax Levy Collected	Prior Years (Delinquent) Tax Collected	Penalties on Taxes Collected	Total Tax Collections	Total Tax Collections as a Percent of Total Tax Levy	Unpaid Delinquent Taxes (3)	Unpaid Delinquent Taxes as a Percent of Total Tax Levy
1994	213,572	205,426	96.2%	7,679	2,056	215,161	100.7%	27,437	12.8%
1995	219,368	211,220	96.3%	6,459	1,716	219,395	100.0%	26,203	11.9%
1996	229,580	221,415	96.4%	5,235	1,733	228,383	99.5%	25,334	11.0%
1997	240,193	231,047	96.2%	6,160	1,948	239,155	99.6%	25,365	10.6%
1998	249,353	240,756	96.6%	6,126	2,149	249,031	99.9%	24,989	10.0%
1999	262,964	249,885	95.0%	6,787	1,394	258,066	98.1%	28,670	10.9%
2000	281,542	270,486	96.1%	10,726	2,092	283,304	100.6%	26,274	9.3%
2001	306,300	297,000	97.0%	9,468	2,220	308,688	100.8%	23,517	7.7%
2002	340,289	333,639	98.0%	8,633	2,492	344,764	101.3%	20,830	6.1%
2003	389,745	382,887	98.2%	8,711	2,676	394,274	101.2%	17,103	4.4%

Source: County of Prince William, Virginia.

- (1) Total tax levy includes gross real estate, public service, and personal property taxes less adjustments to tax due made prior to payment.
- (2) Current tax collections include collection of current tax less refunds for adjustments to tax due made after payment. For fiscal years 2000 to 2003, the current tax collections also include reimbursement from the Commonwealth under the Personal Property Tax Relief Act. The Personal Property Tax Relief Act amounts received for fiscal years 2000 to 2003 are as follows:
- Fiscal year 2000 = \$12,976  
 Fiscal year 2001 = \$26,814  
 Fiscal year 2002 = \$41,144  
 Fiscal year 2003 = \$45,426

- (3) Includes penalties due on unpaid delinquent taxes. Fiscal years 1995 and forward exclude unpaid taxes which are not yet due under the County's tax deferral program for the elderly and disabled.

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 8 - Assessed and Estimated Market Value of Taxable Property (1)**  
**Last Ten Fiscal Years**  
*(amounts expressed in thousands)*

Fiscal Year	Locally Assessed		Public Service (2)		Total Assessed Value	Estimated Market Value (3)	Ratio of Assessed to Estimated Market Value
	Real Property	Personal Property	Real Property	Personal Property			
1994	11,795,483	1,009,427	798,714	3,522	13,607,146	15,343,519	88.7%
1995	11,823,767	1,176,007	832,542	3,415	13,835,731	15,059,770	91.9%
1996	12,113,013	1,345,221	835,163	2,770	14,296,167	15,666,934	91.3%
1997	12,484,177	1,470,444	825,729	2,407	14,782,757	16,073,218	92.0%
1998	12,963,930	1,535,033	830,430	2,414	15,331,807	16,464,193	93.1%
1999	13,616,951	1,753,134	866,814	2,912	16,239,811	17,491,614	92.8%
2000	14,420,406	1,820,491	871,897	2,453	17,115,247	18,431,244	92.9%
2001	15,744,880	2,044,228	877,768	1,980	18,668,856	20,954,611	89.1%
2002	17,901,735	2,410,777	887,526	2,113	21,202,151	26,103,746	81.2%
2003	21,889,375	2,758,620	901,202	2,599	25,551,796	30,923,749	82.6%

Source: County of Prince William, Virginia.

(1) Fiscal year values represent the assessed value for the prior January 1 (e.g. fiscal year 2003 values are based on the January 1, 2002 assessment).

(2) Public Service property is valued by the State Corporation Commission and the Department of Taxation at prevailing assessment ratios.

(3) The estimated market value of real property (including public service) is calculated by dividing the assessed value by the County's assessment-to-sales price ratio as determined annually by the Virginia Department of Taxation. The estimated market value of personal property is assumed to equal 100% of the assessed value.



**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 9 - Property Tax Rates for Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
*(Tax Rate per \$100 of Assessed Value)*

Type of Tax	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>PRINCE WILLIAM COUNTY</b>										
<i>Countywide Tax Levies:</i>										
Real Estate	\$ 1.36	\$ 1.36	\$ 1.36	\$ 1.36	\$ 1.36	\$ 1.36	\$ 1.36	\$ 1.34	\$ 1.30	\$ 1.23
Personal Property -										
General Class	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70
Heavy Equipment and Machinery	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70
Computer Equipment	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 1.50	\$ 1.50	\$ 1.25	\$ 1.25
Farmers Machinery and Tools	\$ 0.70	\$ 0.70	\$ 0.70	\$ 0.70	\$ 0.70	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Aircraft (small scheduled)	\$ 0.70	\$ 0.70	\$ 0.70	\$ 0.70	\$ 0.70	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Aircraft (all other aircraft)	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Mining & Manufacturing Tools	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Mobile Homes	\$ 1.36	\$ 1.36	\$ 1.36	\$ 1.36	\$ 1.36	\$ 1.36	\$ 1.36	\$ 1.34	\$ 1.30	\$ 1.23
Research & Development	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Van Pool Vans	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Emergency Volunteer Vehicles	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Auxiliary Volunteer Fire Vehicles	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Vehicles Modified for Disabled	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.35	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Watercraft-Recreation Use Only	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Watercraft-Weighing 5 tons or more	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Camping Trailers and Motor Homes	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Owned by Certain Elderly and	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 3.70	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<i>Special District Levies: (1)</i>										
<i>Fire and Rescue Levies -</i>										
Countywide									\$ .0728	\$ .0728
Dumfries (Fire)	\$ .044	\$ .038	\$ .038	\$ .038	\$ .040	\$ .040	\$ .040	\$ .040	--	--
Dumfries (Rescue)	\$ .033	\$ .027	\$ .027	\$ .026	\$ .029	\$ .030	\$ .030	\$ .030	--	--
Occoquan	\$ .045	\$ .045	\$ .045	\$ .045	\$ .054	\$ .058	\$ .058	\$ .058	--	--
Neabsco	\$ .053	\$ .057	\$ .057	\$ .057	\$ .062	\$ .074	\$ .074	\$ .074	--	--
Stonewall Jackson	\$ .032	\$ .032	\$ .032	\$ .032	\$ .036	\$ .039	\$ .039	\$ .039	--	--
Coles	\$ .080	\$ .080	\$ .080	\$ .080	\$ .086	\$ .093	\$ .093	\$ .093	--	--
Yorkshire	\$ .080	\$ .080	\$ .080	\$ .080	\$ .087	\$ .100	\$ .100	\$ .100	--	--
Lake Jackson	\$ .080	\$ .080	\$ .080	\$ .080	\$ .085	\$ .092	\$ .092	\$ .092	--	--
Gainesville	\$ .041	\$ .044	\$ .053	\$ .053	\$ .056	\$ .061	\$ .061	\$ .061	--	--
Evergreen	\$ .065	\$ .065	\$ .065	\$ .065	\$ .070	\$ .079	\$ .079	\$ .079	--	--
Nokesville	\$ .080	\$ .080	\$ .080	\$ .080	\$ .085	\$ .098	\$ .098	\$ .098	--	--
Buckhall	\$ .080	\$ .080	\$ .080	\$ .080	\$ .089	\$ .096	\$ .096	\$ .096	--	--
Wellington	\$ .070	\$ .070	\$ .070	\$ .070	\$ .098	\$ .098	\$ .098	\$ .098	--	--
Montclair	\$ .017	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	--	--
Montclair South	\$ .020	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	--	--
<i>Recreation Levies -</i>										
Dale City	\$ .040	\$ .020	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
<i>Sanitary District Levy</i>										
Bull Run	\$ .150	\$ .180	\$ .180	\$ .180	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Occoquan Forest	\$ .160	\$ .160	\$ .160	\$ .160	\$ .160	\$ .160	\$ .160	\$ .160	\$ .160	\$ 0.00
<i>Service District Levies -</i>										
Bull Run	\$ .060	\$ .060	\$ .100	\$ .100	\$ .100	\$ .100	\$ .100	\$ .100	\$ .100	\$ .100
Lake Jackson	\$ .110	\$ .110	\$ .110	\$ .110	\$ .110	\$ .110	\$ .110	\$ .110	\$ .110	\$ .110
<i>Transportation District Levies -</i>										
Prince William Parkway	\$ .200	\$ .200	\$ .200	\$ .200	\$ .200	\$ .200	\$ .200	\$ .200	\$ .200	\$ .200
234-Bypass	\$ .020	\$ .020	\$ .020	\$ .020	\$ .020	\$ .020	\$ .020	\$ .020	\$ .020	\$ .020
Foremost Court Service	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ .230	\$ .230	\$ .230	\$ .230	\$ .230
Woodbine Forest Service	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ .140	\$ .140	\$ .140	\$ .140	\$ .070
Gypsy Moth Levy (Countywide)	\$ .003	\$ .003	\$ .003	\$ .003	\$ .003	\$ .003	\$ .003	\$ .003	\$ .004	\$ .004
<b>OVERLAPPING GOVERNMENTS</b>										
<i>Real Estate Tax Levy:</i>										
Town of Dumfries	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.13	\$ 0.13	\$ 0.13	\$ 0.13	\$ 0.1242	\$ 0.1242	\$ 0.1242
Town of Haymarket	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.14	\$ 0.14
Town of Occoquan	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05
Town of Quantico	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.20	\$ 0.20	\$ 0.20

Source: County of Prince William, Virginia.

(1) All special levies are assessed on real estate only.

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 10 - Principal Real Property Owners**  
**Fiscal Year 2003**  
*(amounts expressed in thousands)*

Taxpayer	Type of Property	1/1/2002 Assessed Value	Percent of Total Assessed Value
Virginia Electric & Power Company	Electric Utility	\$ 369,242	1.6%
Potomac Mills Phase III Ltd. Ptnshp.	Shopping Center	287,657	1.3%
Northern Virginia Electric Co-op	Electric Utility	172,502	0.8%
Verizon South Inc	Telephone Utility	134,313	0.6%
Dominion Country Club LP	Residential/Commercial	97,900	0.4%
America Online Inc.	Office and Technology	94,493	0.4%
Manassas Mall LLC	Shopping Center	81,461	0.4%
US Home Corporation	Home Builder	75,222	0.3%
WNH Limited Partnership	Apartments	66,748	0.3%
Washington Gas Light Company	Natural Gas Utility	65,524	0.3%
Brookfield Braemar II LLC	Home Builder	64,246	0.3%
LBK LP	Apartments	61,897	0.3%
KIR Smoketown Station LP	Shopping Center	59,317	0.3%
Prince William Square Associates	Shopping Center	56,202	0.2%
Harrison Limited Partnership	Residential/Commercial	52,664	0.2%
Richmond American Homes of VA	Home Builder	49,171	0.2%
Dale Forest Investments LLC	Many Parcels	47,670	0.2%
NVR INC	Residential/Commercial	43,783	0.2%
IBV-Immobilienfonds Int'l 2 USA LP	Shopping Center	42,641	0.2%
Westminster Presbyterian Retirement	Retirement Community	40,798	0.2%
United Dominion Realty Trust Inc.	Apartments	37,056	0.2%
Miller & Smith at Pembroke LLC	Residential/Commercial	36,267	0.2%
Westgate Apartments Limited Ptnshp.	Apartments	35,350	0.2%
Metropolitan Life Insurance Company	Apartments	35,107	0.2%
TC Carlyle Station Co.	Apartments	35,101	0.2%
		\$ 2,142,332	9.4%

Source: County of Prince William, Virginia.

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 11 - Computation of Net Tax-Supported Debt**  
**June 30, 2003**  
*(amounts expressed in thousands)*

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 County has \$105,500 in general obligation bonds authorized in referenda which have not been issued as of June 30, 2003. These authorized bonds are for construction of roads and road improvements.

The Board of County Supervisors also has established a self-imposed limit which provides that tax supported debt should not exceed 3% of the net assessed valuation of taxable property in the County, and annual debt service should not exceed 10% of annual governmental revenues (excluding fire and rescue special district levies). The County's standing with respect to its self-imposed limit is shown in Tables 12 and 13.7

Outstanding Debt of Reporting Entity	Outstanding on 6/30/2002	Retired During Fiscal Year 2003	Issued During Fiscal Year 2003	Outstanding on 6/30/2003
<b>Primary Government</b>				
General Obligation Bonds	\$ 95,160	58,466	69,673	106,367
Solid Waste System Revenue Bonds**	20,120	1,793	--	18,327
IDA Lease Revenue Bonds	13,410	535	--	12,875
Commuter Rail Capital Lease**	3,608	307	--	3,301
Real Property Capital Leases	55,245	2,680	26,025	78,590
Equipment Capital Leases	-	66	628	562
Installment Notes Payable	1,158	113	--	1,045
Taxable Revenue Notes	1,100	1,100	250	250
Internal Service Funds Capital Lease Obligations	24	12	--	12
<i>Subtotal</i>	189,825	65,072	96,576	221,329
<b>School Board Component Unit</b>				
General Obligation Bonds	305,091	36,507	98,757	367,341
Literary Fund Loans	6,092	737	854	6,209
<i>Subtotal</i>	311,183	37,244	99,611	373,550
<b>Park Authority Component Unit (1)</b>				
Series 1999 Revenue Bonds**	20,780	355	--	20,425
Installment Notes Payable**	788	285	1,500	2,003
Installment Loans Payable**	1,826	108	--	1,718
<i>Subtotal</i>	23,394	748	1,500	24,146
<b>All Outstanding Debt</b>	524,402	103,064	197,687	619,025
<b>Less Self-Supporting Revenue and Other Bonds</b>	47,122	2,848	1,500	45,774
<b>Net Tax-Supported Debt</b>	\$ 477,280	100,216	196,187	573,251

Source: County of Prince William, Virginia.

\*\* Self-supporting from non-general tax revenue source.

(1) The Park Authority Component Unit reports its financial statements on a calendar year basis. The amounts shown are for its fiscal year ended December 31, 2002.

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 12 - Ratio of Net Tax-Supported Debt to Taxable Property Value and**  
**Net Tax-Supported Debt per Capita**  
**Last Ten Fiscal Years**

Fiscal Year	Net Tax-Supported Debt (1)**	Assessed Value of Taxable Property (2)**	Net Tax-Supported Debt as a Percent of Assessed Value	Population (3)	Net Tax-Supported Debt per Capita
1994	281,346	13,607,146	2.1%	240,237	1,171
1995	285,868	13,835,731	2.1%	246,595	1,159
1996	274,197	14,296,167	1.9%	253,487	1,082
1997	298,026	14,782,757	2.0%	260,313	1,145
1998	308,609	15,331,807	2.0%	268,894	1,148
1999	327,864	16,239,811	2.0%	277,359	1,182
2000	364,448	17,115,247	2.1%	280,813	1,298
2001	414,119	18,668,856	2.2%	298,797	1,386
2002	477,281	21,202,151	2.3%	309,351	1,543
2003	573,251	25,551,796	2.2%	321,570	1,783

Source: County of Prince William, Virginia.

\*\*\*Amounts expressed in thousands.

(1) From Table 11.

(2) From Table 8.

(3) 2000 population from U.S. Bureau of the Census, Census 2000 as of April 1, 2000; 2001 population estimated as of September 15th by Prince William County Office of Information Technology; All other years are estimated as of June 30th by Prince William County Office of Economic Development and Prince William County Office of Information Technology.

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 13 - Ratio of Annual Debt Service Expenditures on Net Tax-Supported Debt to**  
**General Governmental Expenditures and Revenues**  
**Last Ten Fiscal Years**  
*(amounts expressed in thousands)*

Fiscal Year	Principal	Interest (2)	Park Authority Debt Service (3)	Internal Service Fund Debt Service (4)	Debt Service on Net Tax Supported Debt	Total General Government Expenditures (5)	Ratio of Debt Service to Expenditures	Total Revenues (6)	Ratio of Debt Service to Revenues
1994	18,339	11,414	839	698	31,290	435,520	7.2%	433,779	7.2%
1995	21,135	13,657	834	556	36,182	452,173	8.0%	456,919	7.9%
1996	18,759	14,384	--	260	33,403	481,924	6.9%	480,122	7.0%
1997	20,154	14,094	--	244	34,492	497,039	6.9%	515,869	6.7%
1998	20,357	15,469	--	76	35,902	536,617	6.7%	549,340	6.5%
1999	22,407	15,924	--	24	38,355	572,800	6.7%	587,032	6.5%
2000	23,836	16,699	--	6	40,541	619,665	6.5%	646,920	6.3%
2001	25,370	18,195	--	24	43,589	672,002	6.5%	716,538	6.1%
2002	26,892	20,035	--	11	46,938	744,959	6.3%	775,222	6.1%
2003	30,929	23,959	--	12	54,900	845,231	6.5%	820,368	6.7%

Source: County of Prince William, Virginia.

(1) 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.

(2) Excludes bond issuance and other costs.

(3) Debt service for the Park Authority's Series 1990 Revenue Bonds is included since the County has agreed, subject to annual appropriation, to make payments to the Park Authority sufficient to pay the debt service on the bonds.

(4) Debt Service expenditures in the Internal Service Funds are included since operating revenues available to pay debt service in these funds comes primarily from charges to the General Fund.

(5) Total expenditures excluding capital projects from Table 1 in Prince William County, Virginia CAFR.

(6) Includes revenues of the General Fund, Special Revenue Funds (excluding the Fire & Rescue Levy Fund) and the School Board and Adult Detention Center Component Units for all years through fiscal year 2002. Beginning in fiscal year 2003 the Fire & Rescue Levy Fund is included.

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 14 - Computation of Net Tax-Supported and Overlapping Debt**  
**June 30, 2003**  
*(amounts expressed in thousands)*

	Outstanding on 6/30/2003	Percent Applicable to County	Amount Applicable to County
<b>Direct:</b>			
Net Tax Supported Debt (1)	\$ 573,251	100.00%	\$ 573,251
<b>Overlapping:</b>			
Northern Virginia Transportation District Commission - Virginia Railway Express	80,136	37.39%	29,963
Town of Dumfries	2,907	100.0%	2,907
Town of Quantico	354	100.0%	354
Town of Haymarket	1,397	100.0%	1,397
Upper Occoquan Sewage Authority (UOSA)	184,352	4.44%	8,185
Heritage Hunt Commercial Community Development Authority Special Assessment Bonds Series 1999 A and B	7,989	100.00%	7,989
Virginia Gateway Community Development Authority Special Assessment Bonds Series 1999	6,595	100.00%	6,595
			<b>\$ 630,641</b>

Source: County of Prince William, Virginia  
(1) From Table 10.

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 15 - Demographic Statistics**  
**Last Ten Years**

Year	Population (1)	Per Capita Income (2)	Fall School Enrollment (3)	Average Civilian Labor Force (4)	Average Unemployment Rate (4)
1994	240,237	23,939	45,675	128,446	3.3%
1995	246,595	24,574	47,072	130,787	3.3%
1996	253,487	24,976	48,333	128,161	2.8%
1997	260,313	26,107	49,905	130,234	2.7%
1998	268,894	27,053	51,111	134,985	2.0%
1999	277,359	28,226	52,551	137,586	2.0%
2000	280,813	29,967	53,210	148,618	1.5%
2001	298,797	31,244	54,646	152,086	2.4%
2002	309,351	**	57,831	154,545	3.3%
2003	321,570	**	60,541	164,950	3.6%

\*\* Data Not available

Source: County of Prince William, Virginia.

(1) 2000 population from U.S. Bureau of the Census, Census 2000 as of April 1, 2000. Figures for 1994-1999 are estimated based on occupancy permits issued from 04/02/90 to 6/15/99. Figures for 2001-2002 are estimates based on occupancy permits issued from 04/02/00 to 06/15/03. Estimated by Prince William County Office of Information Technology.

(2) Bureau of Economic Analysis, U.S. Department of Commerce. Includes cities of Manassas and Manassas Park.

(3) Virginia Department of Education; Prince William County Public Schools.

(4) Virginia Employment Commission., LAUS data (data are annual averages with the exception of the most recent monthly data)

**TABLE 15A - Comparative Demographic Statistics**  
1990 & 2000 U.S. Census

	1990 Census		2000 Census		
	Prince William County	Prince William County	Washington MSA	Virginia	United States
<b>Population:</b>					
Median Age	29.0	31.9	34.9	35.7	35.3
Percent School Age	21.2%	24.4%	20.8%	20.8%	21.8%
Percent Working Age	65.1%	62.3%	63.7%	61.5%	58.9%
Percent 65 and over	3.0%	4.8%	9.1%	11.2%	12.4%
<b>Education:</b>					
High School or Higher	87.8%	88.8%	*	81.5%	80.4%
Bachelor's Degree or Higher	27.6%	31.5%	*	29.5%	24.4%
<b>Income:</b>					
Median Family Income	\$52,078	\$71,622	*	*	*
Percent Below Poverty Level	3.2%	4.4%	*	9.6%	12.4%
<b>Housing:</b>					
Number Persons / Household	3.0	2.9	2.6	2.5	2.6
Percent Owner Occupied	71.0%	71.0%	64.0%	68.1%	66.2%
Owner Occupied Median Value	\$138,500	\$149,600	*	\$125,400	\$119,600

\* Not available

Source: County of Prince William, Virginia

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 16 - Real Property Assessed Value**  
**Last Ten Fiscal Years**  
*(amounts expressed in thousands)*

Fiscal Year	Residential	Apartments	Commercial & Industrial	Public Service	Vacant Land & Other	Total Taxable	Tax Exempt	Grand Total
1994	8,606,600	445,594	2,103,215	798,714	640,074	12,594,197	1,333,855	13,928,052
1995	8,803,947	500,796	1,951,947	832,542	567,077	12,656,309	1,344,010	14,000,319
1996	9,188,858	508,438	1,895,894	835,163	519,823	12,948,176	1,370,067	14,318,243
1997	9,485,587	529,799	1,953,576	825,729	515,215	13,309,906	1,388,769	14,698,675
1998	9,860,168	549,715	2,012,227	830,431	541,820	13,794,361	1,410,548	15,204,909
1999	10,369,910	617,459	2,160,784	866,714	468,799	14,483,666	1,438,236	15,921,902
2000	11,098,694	643,009	2,257,216	871,897	421,488	15,292,304	1,443,971	16,736,275
2001	12,227,393	665,112	2,473,855	877,768	378,120	16,622,248	1,466,410	18,088,658
2002	13,995,425	770,902	2,797,878	887,526	337,530	18,789,261	1,529,681	20,318,942
2003	17,609,310	895,236	3,135,552	901,202	249,277	22,790,577	1,646,501	24,437,078

Source: County of Prince William, Virginia.

**TABLE 16A - Commercial to Total Assessment Ratio, Construction and Bank Deposits**  
**Last Ten Fiscal Years**  
*(dollars expressed in millions)*

Fiscal Year	Commercial as a Percent of Total Taxable	Commercial & Public Service to Total	New Construction (1)				Bank Deposits (2)
			Residential		Non-Residential		
			Permits	Value	Permits	Value	
1994	16.7%	23.0%	2,235	189	31	13	895
1995	15.4%	22.0%	2,093	188	54	50	993
1996	14.6%	21.1%	2,369	216	40	31	961
1997	14.7%	20.9%	2,464	250	56	68	939
1998	14.6%	20.6%	2,412	245	37	50	1,009
1999	14.9%	20.9%	3,207	323	75	171	1,126
2000	14.8%	20.5%	3,404	381	66	88	1,240
2001	14.9%	20.2%	4,049	469	65	160	1,285
2002	14.9%	19.6%	4,528	502	83	132	\$ 1,433
2003	13.8%	17.7%	5,141	723	200	132	***

\*\*\* Data Not available.

Source: County of Prince William, Virginia.

(1) Building Development Division, Department of Public Works.

(2) Includes deposits in commercial banks, savings banks and credit unions at June 30 for year shown. 1992-1994, Financial Institute Data Exchange, Charlottesville, Virginia; 1995-2003, Federal Deposit Insurance Corporation (commercial and savings bank deposits) and National Credit Union Administration (credit union deposits).



**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 17 - Miscellaneous Statistical Data**  
**June 30, 2003**

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<b>Date of County Organization:</b>	March 25, 1731
<b>Form of Government:</b>	County Executive (as provided for by the Code of Virginia)
<b>Area:</b>	348 Square Miles
<b>Number of general County personnel (full-time equivalent)</b>	3,043
<b>Facilities and Services of Primary Government:</b>	
Fire protection:	
Number of stations	18
Number of career employees	299
Number of volunteers	740
Police protection:	
Number of stations	2
Number of police officers	441
Public Safety Communications:	
Number of employees	88
Libraries:	
Number of regional and community libraries	4
Number of neighborhood libraries	6
<b>Facilities and Services not included in the Primary Government:</b>	
Education (School Board Component Unit):	
Number of public elementary, middle, and other schools	66
Number of public high schools	8
Average daily membership (last full school year)	59,747
Number of personnel (full-time equivalent)	7,439
Recreation (Park Authority Component Unit):	
Acres developed or reserved for County parks	3,164
Number of personnel (full-time equivalent)	363
Facilities in County parks:	
Athletic fields (1)	304
Aquatics & fitness center	2
Baseball stadium	1
Community centers	3
Hiking and fitness trails	10
Indoor gymnasiums (1)	59
Indoor ice rinks	2
Marinas	2
Miniature golf courses	2
Nature areas	3
Outdoor basketball courts	23
Outdoor swimming pools	6
Outdoor volleyball courts	11
Picnic shelters	63
Playgrounds	29
Regulation Golf courses	4
Skateboard/BMX courses	2
Tennis and racquetball courts	51

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 17 - Miscellaneous Statistical Data (continued)**  
**June 30, 2003**

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Correctional Operations (ADC Component Unit)	
Capacity of main jail and modular jail	402
Capacity of work-release center	65
Number of personnel (full-time equivalent)	225

**Other statistical data:**

Elections:	
Registered voters at last general election	172,719
Number of votes cast in last general election	60,228
Percent voting in last general election	35%
Water and Wastewater Treatment (provided by Prince William County Service Authority):	
Miles of water mains	800
Miles of sanitary sewer mains	843

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.

Source: County of Prince William, Virginia.

(1) *Includes facilities at school sites which host community activities managed by the Park Authority.*



