Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2022

PWCS
PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
LAUNCHING THRIVING FUTURES

P.O. Box 389, Manassas, VA 20108 • www.pwcs.edu

A Component Unit of Prince William County, Virginia

PWCS
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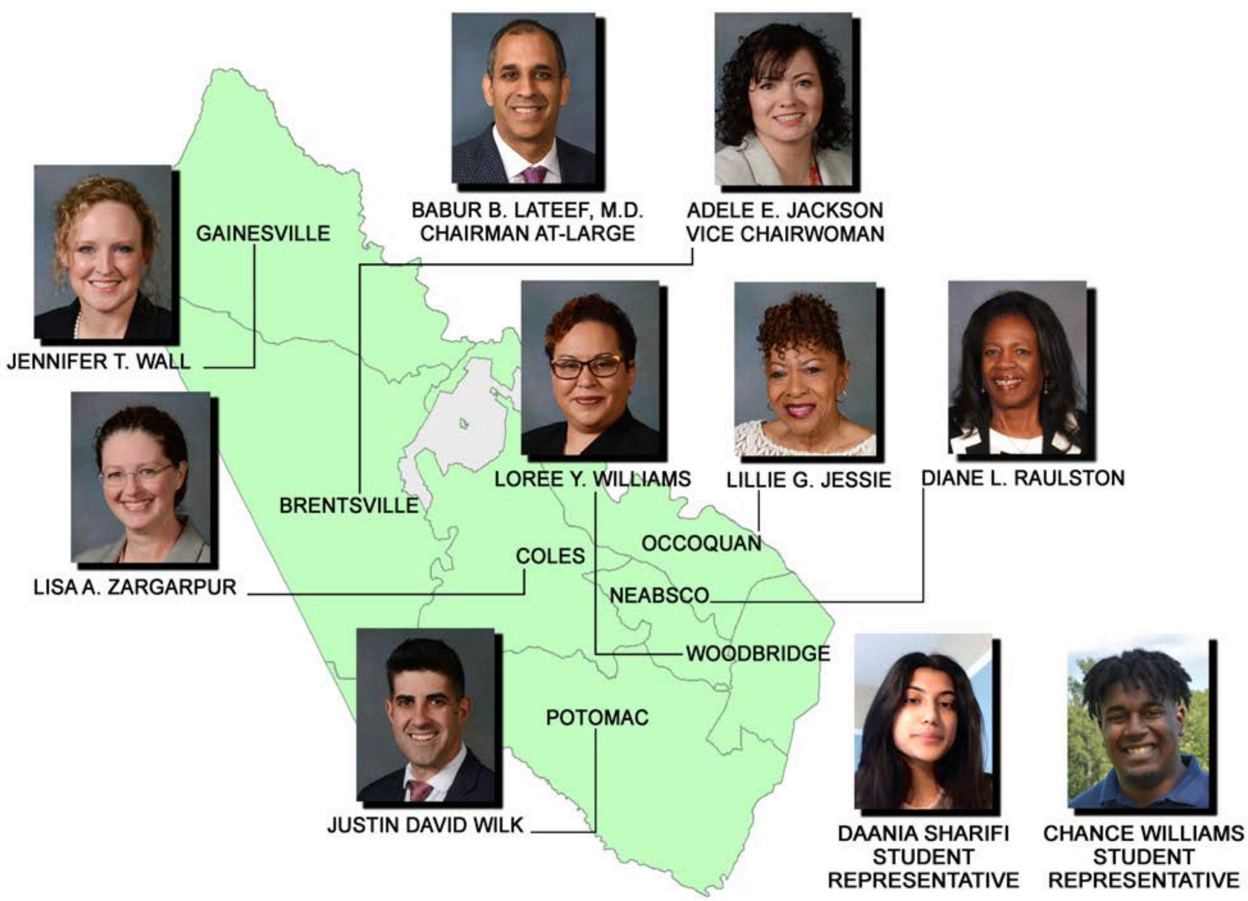
Prince William County Public Schools
A Component Unit of Prince William County, Virginia
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

Prince William County School Board



as of June 30, 2022

Prince William County Public Schools (PWCS) does not discriminate in employment or in its educational programs and activities against qualified individuals on the basis of race, color, religion, national origin, sex, pregnancy, childbirth or related medical conditions, age, marital status, veteran status, or disability.

Prince William County Public Schools Administration* -

LaTanya D. McDade
Superintendent of Schools

Vacant
Deputy Superintendent of Schools

Elisa M. Botello
Chief of Staff

Lucretia N. Brown
Chief Equity Officer

Al Ciarochi
Chief Operating Officer

Donna L. Eagle
Chief Human Resources Officer

Matthew Guilfoyle
Chief Information Officer

John M. Wallingford
Chief Financial Officer

Rita Everett Goss
Associate Superintendent for Teaching and Learning

Denise M. Huebner
Associate Superintendent for Student Services and Post-Secondary Success

R. Todd Erickson
Associate Superintendent for Central Elementary Schools

Kimberly A. Werle
Associate Superintendent for Eastern Elementary Schools

Jarcelynn M. Hart
Associate Superintendent for Western Elementary Schools

Corey E. Harris
Associate Superintendent for Middle Schools

Catherine Porter-Lucas
Associate Superintendent for Middle Schools

William G. Bixby
Associate Superintendent for High Schools

*as of June 30, 2022

This Report Prepared By:

Department of Financial Services
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Director of Finance
Vivian McGettigan

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Victoria McConchie
Darrell Phillips
Sara Smith
Ashley Triglia
Ji-Hyang Yu

as of June 30, 2022

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December 20, 2022

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Prince William County Public Schools (PWCS), a component unit of Prince William County (the County), Virginia, for the year ended June 30, 2022. The *Code of Virginia* requires that all general-purpose local governments publish, within five and a half months of the close of each fiscal year, a complete set of financial statements presented in accordance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with governmental auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of PWCS. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of PWCS has established a comprehensive internal control framework that is designed both to protect PWCS' assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of PWCS' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, PWCS' 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.

PWCS' financial statements have been audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of PWCS for the fiscal year ended June 30, 2022 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 unmodified opinion that PWCS' financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The report of independent auditor is presented as the first component of the financial section of this report.

The independent audit of PWCS was part of a broader, federally mandated "Single Audit" for the 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 over compliance and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are issued separately and available in the County's website at https://www.pwcva.gov/department/finance.

LATANYA D. MCDADE, Ed.D.
Superintendent of Schools
P.O. Box 389, Manassas, VA 20108 • www.pwcs.edu • 703-791-8712

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. PWCS' MD&A can be found immediately following the report of independent auditors.

Profile of the Government

The County is located in Northern Virginia, approximately 35 miles southwest of Washington, D.C. The County encompasses 348 square miles and stretches from the Potomac River to the Bull Run Mountains. It has, within its boundaries, the independent cities of Manassas and Manassas Park and the incorporated towns of Dumfries, Haymarket, Occoquan, and Quantico. The cities of Manassas and Manassas Park have their own public school divisions.

PWCS 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. PWCS provides general education, special education, and vocational education program services to pre-K through 12th grade students and operates under a site-based management philosophy. PWCS is organized to focus on meeting the needs of its 89,468 students, as of September 2021 (FY 2022), while managing 61 elementary schools, 17 middle schools, 13 high schools, 2 traditional schools, 2 non-traditional schools, 1 virtual school, 1 Governor's School, 1 K-8 school, and 1 preschool.

PWCS is a component unit of the County. The County assesses organizations for potential inclusion as component units. This analysis is included in Note 1.A. of the County's ACFR.

Budget appropriation is an annual process and must be adopted on or before May 15, in accordance with the *Code of Virginia*. Historically, the Board of County Supervisors has appropriated the School Division's budget by the total amount. The budget process provides the capability for central office departments and schools to plan future operations in a manner to best serve the instructional and support needs of students. The budget process is a financial translation of the planning process. The budget process includes the following five basic components:

1. The establishment of an overall School Division revenue target.
2. The establishment of school allocations based on projected enrollments and resources.
3. The establishment of central office support costs.
4. The development of budgets or expenditure plans for each central office department and school.
5. The assembly of individual budgets or expenditure plans into a comprehensive budget in accordance with anticipated revenues.

School and central office budgets are assembled into a comprehensive School Division budget and presented for review and approval. Since allocations are based on projected revenues, some adjustments may be required if these revenues change during the budget process. Budget allocations and school budgets will be adjusted based on the number and types of students enrolled on September 30.

Local Economy

Prince William County is the proud home to a community of residents with a rich cultural identity. The County demographer[1] estimates the population at 492,576 as of second quarter 2022, a 2.1% increase over the 2020 U.S. Census total of 482,204. The approximate number of households is 156,760 and the average household size is roughly 3.12. Population growth is expected to rise steadily, buoyed by County services that promote high quality living standards, a generally stable and diverse labor force, and capacity to expand residential development. By 2040, the Metropolitan Washington Council of Governments (COG) projects the County's population will grow to 569,200. According to the U.S. Census Bureau's 2021 American Community Survey[2],

[1] Source: Prince William County GIS: https://www.pwcva.gov/department/gis/population-estimates
[2] Source: https://data.census.gov/cedsci/table?q=prince%20william%20county&y=2021

approximately 25.4 percent of the population are of Hispanic or Latino origin, 43.7 percent of residents are white, 20.4 percent are Black or African American, 9.4 percent are Asian, and 17.0 percent were listed as two or more races. Nearly 27.0 percent of the County's population is under the age of 18, while 16.3 percent is 60 or above. Prince William County continues to maintain its family-oriented tradition, reflected by 26 percent of households containing married-couple families with children under 18 years old. An estimated 60.4 percent of the County's employed residents work in another county or state, and the mean travel time to work is 34.8 minutes. Prince William County's median household income of $118,117 is 59 percent above the statewide median of $74,222 and 7 percent higher than the Washington D.C. MSA median of $110,355, highlighting the County's status as a *"Community of Choice."* Measured on a national scale, the County's median household income ranked 17th among 841 counties listed in the survey and is 46 percent above the national median of $80,693.

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

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

The County's leadership team is committed to not deviate from practices that place Prince William County in an elite class of municipalities maintaining ratings of Aaa/AAA/AAA as staff navigates this evolving economic climate. Identifying the County's strengths and vulnerabilities, combined with developing robust planning around various scenarios, engaging staff, and maintaining financial agility, will remain key areas of focus amid a period of slower economic growth, elevated inflation, and potential market volatility.

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

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

FY 2022	FY 2021	FY 2020	FY 2019	FY 2018
$1.12	$1.13	$1.13	$1.13	$1.13

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

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

Source: MarketStats by Bright MLS

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

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

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

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

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

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

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

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

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

Long-term Financial Planning

Each year PWCS, coordinating with the County, prepares a Five-Year Budget Plan. This plan incorporates expected revenue and expenditure growth to determine how future needs will be met. As part of this plan, the Board of County Supervisors and the School Board have entered into a revenue sharing agreement that shares the general revenues of the County between the Schools and the County on a 57.23% to 42.77% basis, respectively.

The major components of this Five-Year Budget Plan are as follows:

- Current Programs and Services - include annual adjustments for new students; a step or salary scale adjustment for employees in each year as funding permits; funding for the 2,105 new students expected during the next five years.

- Building Repairs and Renewals – include $184.8 million for repairs and renewals of older facilities; funding for the infrastructure needed for technology improvements (Voice over IP phones, interactive whiteboards, radio upgrades) is inadequately funded.

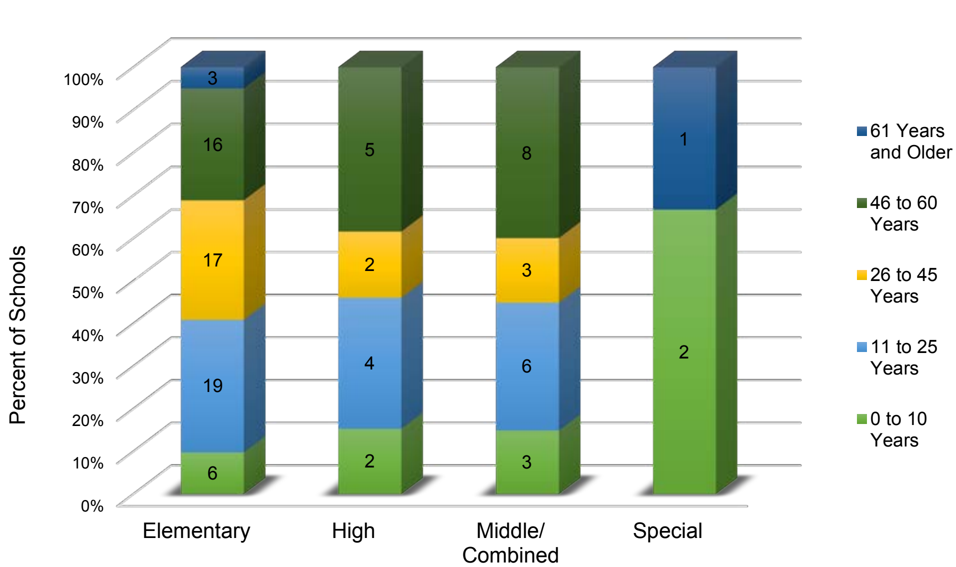
- New Schools – include funding for the debt service on $581.1 million in construction bonds for new schools and renewals. Also included are start-up costs, and operating costs for new schools and additions (three elementary schools, one middle school, one high school and additions/expansions at four current schools).

Each year, PWCS 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 PWCS 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 PWCS.

The graph below reflects the ages of PWCS' elementary, middle, high and specialty schools as of June 30, 2022:

Ages of Schools in Years *



* From the year that each school opened through June 30, 2022 (does not reflect renovation dates)
Source: PWCS - Facilities Department

Relevant Financial Policies

As a component unit, PWCS is directly impacted by the County's Financial Policies that control fund balance, revenues and collections, debt management, cash management, and investments. These areas in particular have a long-term impact on the fiscal health of the County and PWCS. The policies are published in the County's Principles of Sound Financial Management.

PWCS budgets approximately up to 1% of our operating fund annually in reserve. The reserve is utilized to fund the costs of additional students above enrollment projections each school year and/or to respond to fiscal issues that may arise during the school year.

PWCS has a policy to establish and maintain a minimum unassigned fund balance of 1.5% of the current fiscal year's General Fund revenue. As of June 30, 2022, PWCS maintained an unassigned fund balance of 1.5% of the current fiscal year's General Fund revenue.

Major Initiatives

PWCS is the second largest of 133 school divisions in Virginia, the fourth largest in the Washington-Metropolitan area, and the 34th largest school division in the nation, operating 99 schools and specialty centers for students in grades pre-kindergarten through twelve. The official September 2021 (fiscal year 2022) student enrollment count for PWCS is 89,468 students, up 392 students, or an increase of 0.4% from fiscal year 2021. The fiscal year 2022 adopted budget supports the cost of educating an additional 369 students; start up costs for the opening of "Rosemont Lewis" Elementary School, scheduled to open August 2023; funding for English Language Arts textbook adoption and implementation; continued funding to support a division-wide digital equity; new positions including elementary school counselors, psychologists, school nurses, special education administrative interns, and a chief equity officer among others; as well as funding to upgrade division financial/budget/HR Enterprise Resource Planning (ERP) system.

In August 2022, PWCS celebrated the opening of two school additions, Gainesville Middle with 11-classrooms and Reagan Middle with 6-classrooms. In addition, significant fenestration improvements continue at Unity Reed High School and Osbourn Park High School. These projects enhance classroom daylighting at these two high schools, improving the overall environment to improve student learning.

Construction is progressing on the new "Rosemount Lewis" Elementary School, a three-story elementary school located in the Brentsville Magisterial District. The school is slated to open in the fall of 2023 to relieve overcrowding in area elementary schools.

With the adoption of a new strategic plan, PWCS is committed to *Launching Thriving Futures* by ensuring that every student will graduate on time with the knowledge, skills, and habits of mind necessary to create a thriving future for themselves and their community. This ambitious strategic plan ensures that PWCS is on the right track to navigate the journey back to pre-pandemic levels by investing in instructional core, maintaining high expectations to ensure academic excellence, and strengthening infrastructures along the way toward greater equitable and accessible academic achievement for all students. As part of this Strategic Plan, PWCS is committed to the digital equity of students and staff, equipping them with consistent high-quality learning tools in every classroom and for at home teaching and learning as needed. PWCS has invested in technology tools and devices to equip every student and teacher with a modern laptop and every classroom with a current interactive flat panel, ensuring that classrooms have the 21st century technology to foster innovative and engaging instruction. As testament to the quality of education received by students in Prince William County, all of the County's schools are accredited under the Virginia Department of Educations' (VDOE) accreditation guidelines for the 2022-23 school year, based on performance during the 2021-2022 school year, with only 7 schools receiving a rating of accreditation with conditions. The School Division's 92.8% on-time graduation rate for the class of 2021 continues to meet or exceed state and national averages, with these graduates earning over $63.5 million in scholarships, an increase of $9.5 million from the class of 2020. In addition, 31% of the 2021 graduates earned at least one qualifying score on an Advanced Placement, International Baccalaureate, or Cambridge examination, also exceeding state and national averages. In addition, 41% of 2021 graduates earned advanced exam credit or dual enrollment. As a Division, Prince William County Schools outperformed on the national SAT with an overall mean score of 1097, these scores continue to exceed national averages.

COVID-19 Impact

Since March 2020, the COVID-19 pandemic profoundly affected students, families, employees, and our entire community. Beyond the health crisis, the pandemic brought with it unprecedented school closures, education burdens on families, human isolation, economic challenges, mental health concerns, and many other complications that undermined the well-being of families, the operation of our School Division, and student learning progress. These factors increased gaps in both student achievement and opportunity.

To help alleviate these affects, PWCS received COVID-19 Relief Funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, and the American Rescue Plan Act (ARPA). Respectively, $54.8M in CARES funding, $39.2M in CRRSA funding, and $126M in ARPA funding, totaling approximately $220M. PWCS budgeted and appropriated these funds in FY 2021 and carried over these funds into FY 2022 and FY 2023 through separate resolutions. PWCS used these funds to safely reopen using a hybrid learning model during the 2020-2021 school year, and fully reopened in both the 2021-2022 and 2022-2023 school years. In addition, PWCS developed a comprehensive unfinished learning plan, aimed at addressing students' academic, social, emotional, and mental health needs, as impacted by COVID-19.

Financial Reporting Certificate Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. As of the date of this writing, PWCS has applied for however, not received the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2021. We believe our annual report continues to meet all qualifications to be awarded this certificate and anticipate its arrival in the near future. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Also, the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the School Board for its ACFR for the fiscal year ended June 30, 2021. This was the twentieth consecutive year the School Board has received this prestigious award. 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 ACFR 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.

In addition to the awards for excellence in financial reporting, PWCS has earned the Meritorious Budget Award from the ASBO for the fiscal year ended June 30, 2022. These awards are valid for one year only and we believe that our budget report continues to conform to the program requirements of both. We will be submitting our budget to ASBO and GFOA for fiscal year 2023 to determine the School Board's eligibility for another certificate award.

Acknowledgments

Many professional staff members in PWCS' Finance Department 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 PWCS' departments and agencies throughout the year in the efficient administration of PWCS' financial operations. Additionally, we would like to thank the financial reporting and control division of the County which has helped support the efforts of PWCS in the preparation of this report.

This ACFR reflects PWCS' 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,

LaTanya D. McDade, Ed.D.
Superintendent of Schools

John M. Wallingford
Chief Financial Officer

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Prince William County Public Schools

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

William A. Sutter
President

David J. Lewis
Executive Director

Prince William County Public Schools
List of Elected and Appointed Officials
June 30, 2022

Elected Officials - The Prince William County School Board*

Babur B. Lateef, Chairman At-Large
Adele E. Jackson, Vice Chairwoman, Brentsville District
Adele E. Jackson, Brentsville District
Lillie G. Jessie, Occoquan District
Diane L. Raulston, Neabsco District
Jennifer T. Wall, Gainesville District
Justin David Wilk, Potomac District
Loree Y. Williams, Woodbridge District
Lisa A. Zargarpur, Coles District

Appointed Officials - School Division Administration*

LaTanya D. McDade
Superintendent of Schools

Denise M. Huebner
Associate Superintendent for
Student Services and
Post-Secondary Success

Rita Everett Goss
Associate Superintendent for
Teaching and Learning

Matthew Guilfoyle
Chief Information Officer

Donna Eagle
Chief Human Resources Officer

Al Ciarochi
Chief Operating Officer

John M. Wallingford
Chief Financial Officer

Lucretia N. Brown
Chief Equity Officer

Elisa Botello
Chief of Staff

Nathaniel Provencio
Associate Superintendent
Eastern Elementary Schools

R. Todd Erickson
Associate Superintendent
Central Elementary Schools

Jarcelynn M. Hart
Associate Superintendent
Western Elementary Schools

Corey Harris
Associate Superintendent
Middle Schools

Catherine Porter-Lucas
Associate Superintendent
Middle Schools

William G. Bixby
Associate Superintendent High
Schools

Vivian McGettigan
Director of Finance

Rene L. Gapasin
Supervisor of Accounting
Services

*as of June 30, 2022

Citizens of Prince William County, Virginia

Prince William County School Board

- Babur B. Lateef, M.D. — *Chairman At-Large*
- Adele E. Jackson — *Vice Chairwoman, Brentsville District*
- Lisa A. Zargarpur — *Coles District*
- Jennifer T. Wall — *Gainesville District*
- Diane L. Raulston — *Neabsco District*
- Lillie G. Jessie — *Occoquan District*
- Justin David Wilk — *Potomac District*
- Loree Y. Williams — *Woodbridge District*
- Daania Sharifi, Chance Williams, Christian Daniels — *Student Representatives*

PWCS PRINCE WILLIAM COUNTY PUBLIC SCHOOLS LAUNCHING THRIVING FUTURES

FY 2022 Organizational Chart

PWCS_OrgChart_FY2022_v2.vsdx June 30, 2022 9:15 AM

Reporting to the School Board

- Ombudsman — **Monique A. Bookstein**
- Clerk — **B Simpson**
  - Deputy Clerk — **Ana M. Udaeta-Tay**
- Chief Internal Auditor — **Gary R. Maness**
  - Internal Audit Manager — **Christopher J. Migliaccio**
- Division Counsel — **Wade T. Anderson**
  - Deputy Division Counsel — **Carol A. Marchant**
  - Assistant Division Counsel — **Erik M. Carlsen-Landy**

Superintendent — **LaTanya D. McDade, Ed.D.**

- Chief of Staff — **Elisa M. Botello**
- Research, Accountability, and Strategic Planning Department — **Michael (Tim) Neall, Ph.D.**, Director
  - Program Evaluation — **Vacant**, Supervisor
  - Testing — **Paul F. Parker, Ph.D.**, Supervisor
  - Strategic Planning and School Improvement — **Sheila L. Huckestein, Ed.D.**, Supervisor
  - Data Analysis & Reporting — **Dina A. Ashley**, Supervisor
  - Records Center — **Cheryl A. Tibbs**, Coordinator

Deputy Superintendent — **Vacant**

Associate Superintendent for Student Services and Post-Secondary Success — **Denise M. Huebner**

- Student Management and Alternative Programs Department — **Dara J. Dugger**, Director
  - Nontraditional Education Programs — **Wendy L. Downey**, Supervisor
  - Threat Assessment — **Dolores A. Robison, Ph.D.**, Supervisor
  - Student Management — **Rupi Bhatti**, Supervisor
  - Adult Education — **Toi Tanton**, Coordinator
- College, Career, and Student Support Department — **Rebekah W. Schlatter**, Director
  - Elementary Counseling and Related Services — **Anne S. Henry**, Supervisor
  - College and Career Counseling Services — **Vacant**, Supervisor
  - Secondary Counseling and Student Support Services — **Jane E. Prince**, Supervisor
  - Social and Emotional Learning — **Vacant**, Supervisor
- Career and Technical Education Department — **Sarah J. Martin, Ph.D.**, Director
  - Career & Technical Education — **Douglas R. Wright**, Supervisor
- Student Health and Wellness Department — **Julie Ann Crawford, Ed.D.**, Director
  - School Age Child Care (SACC) — **Glynis A. Taylor**, Supervisor
  - School Social Workers — **Elizabeth A. Young**, Supervisor
  - Student Health — **Teresa A. Polk**, Supervisor
  - Student Prevention Programs and Family Assistance — **Tamaica S. Martin, Ed.D.**, Supervisor

Associate Superintendent for Special Education — **Ashley E. Reyher, Ed.D.**

- Special Education – Programs and Development Department — **Michelle Hopkins, Ph.D.**, Director
  - Eligibility — **Shelly A. Legall-Brickley**, Supervisor
  - Preschool — **Kim K. Legault**, Supervisor
  - Procedural Support — **Amanda V. Mallory**, Supervisor
  - Data and Transition — **David F. Williams**, Supervisor
- Special Education-Specialized Instruction Department — **Wendy Martin-Johnson, Ed.D.**, Director
  - Specialized Instruction — **Heather L. Grim**, Supervisor
  - Specialized Instruction — **Janice D. Hornbeck**, Supervisor
  - Specialized Instruction — **Ronald H. Pannell, Ph.D.**, Supervisor
  - Specialized Instruction — **Jessica P. Tra**, Supervisor
- Tiered Intervention and Supports Department — **Darwin Barker, Ed.D.**, Director
  - MTSS — **Vacant**, Supervisor

Associate Superintendent for Eastern Elementary Schools — **Kimberly A. Werle**

Associate Superintendent for Central Elementary Schools — **R. Todd Erickson**

- Management Support of Elementary Schools — **Kimberly A. Gudinas**, **Vacant**, Directors

Associate Superintendent for Western Elementary Schools — **Jarcelynn M. Hart, Ed.D.**

Associate Superintendent for High Schools — **William G. Bixby**

- Management Support of High Schools — **Greg Hood**, Director
- Student Activities and Athletics — **Martin E. Grimm, Ed.D.**, Director

Associate Superintendents for Middle Schools — **Corey E. Harris**, **Catherine R. Porter-Lucas**

- Management Support of Middle Schools — **Joseph R. Graczyk**, Director

Associate Superintendent for Teaching and Learning — **Rita Everett Goss**

- Professional Learning Department — **Tiffany D. Hardy**, Director
  - Leadership Development — **Michele Webb**, Supervisor
  - Professional Learning — **Vacant**, Supervisor
  - Integrated Professional Learning for Virtual, Concurrent, & Hybrid Instruction — **Vacant**, Supervisor
  - Talent, Growth and Development — **Eric W. Worcester**, Supervisor
  - Global Learning and Culturally Responsive Instruction — **Vacant**, Supervisor
- Student Opportunity and Multilingual Services Department — **Lynmara Colón, Ph.D.**, Director
  - Advanced Academic and Specialty Programs — **Karima A. Wesselhoft**, Supervisor
  - EL Instruction — **Christina J. Lo**, Supervisor
  - Gifted Education — **Brenda S. Bailey**, Supervisor
  - Preschool Programs — **Amanda J. Wilder**, Supervisor
  - Title I — **Michelle C. Rowe**, Supervisor
  - Sustainability of Federal Programs — **Trista Mason**, Supervisor
  - World Languages — **Betsy G. Campagna**, Supervisor
- Student Learning Department — **Kenneth Bassett**, Director
  - Curriculum — **Elizabeth Davis, Jeffrey Girvan, Brett Helman, Justin Maffai, Ph.D., Julia Renberg, Ed Stephenson, Ph.D., Emily Utter**, Supervisors
  - Virtual Learning — **Timothy W. Cruz**, Supervisor
- Governor's School @ Innovation Park — **W. Jason Calhoun, Ph.D.**, Director

Schools
Independence Nontraditional
Juvenile Detention Center
Virtual Academy K-8

Chief Equity Officer — **Lucretia N. Brown, Ph.D.**

- Diversity, Equity, and Inclusion Department — **Thomas V. Weed**, Director
  - Equity and Student Relations — **Dana M. Scanlan**, Administrator
  - Equity and Employee Relations — **Tanisha N. Holland**, Administrator
  - Family and Community Engagement — **Charmelle Ackins**, Supervisor

Chief Information Officer — **Matthew S. Guilfoyle**

- Information and Instructional Technology Department — **AJ Phillips**, Director
  - Student Data and Information Security — **Randyll E. Newman**, Supervisor
  - Information Systems Support — **Debbie Miller**, Supervisor
  - Virtual High School — **Brett Helman**, Supervisor
  - Workstation Support — **Lucky Davila**, Supervisor
  - Instructional Technology — **Diane Harazin**, Supervisor
  - Workstation Support — **Howard D. Pond**, Supervisor
  - Workstation Support — **Scott S. LaCasse**, Supervisor
  - Network Services and Architecture — **Chris S. Hinzman**, Supervisor
- Communications Department — **Diana C. Gulotta**, Director
  - Multimedia Design — **Maria Dellafave**, Supervisor
  - Interactive Media and Creative Design — **James A. Lepp**, Supervisor
  - Web Services — **Stanley S. Olshefski**, Supervisor
  - Imaging Center — **William B. Goswellen**, Foreman
- Community and Business Engagement Department — **Dawn S. Davis**, Director

Chief Financial Officer — **John M. Wallingford**

- Finance Department — **Vivian McGettigan**, Director
  - Accounting Services — **Rene L. Gapasin**, Supervisor
  - Purchasing — **Colleen L. Keener**, Supervisor
  - Payroll — **Stephanie A. Magee**, Supervisor
  - Supply Services — **Paul W. Smith**, Supervisor
- Budget Departement — **Kathleen E. Addison**, Director
  - Budget — **Natasha B. Valencia**, Supervisor

Chief Human Resources Officer — **Donna L. Eagle, Ed.D.**

- Human Resources Department — **Michele R. Salzano**, Director
  - Human Resources — **Michelle L. Colbert, Ed.D.**, Assistant Director
  - Employee Relations — **Matthew Wygal, Ed.D.**, Supervisor
  - Classified Personnel — **Julie T. Vuillemot**, Supervisor
  - Elementary Staffing Personnel — **Marlene S. Coleman**, **Alfie L. Turner**, Supervisors
  - Middle School Staffing Personnel — **Roberta L. Knetter, Ed.D.**, Supervisor
  - High School Staffing Personnel — **Rodger (Tony) Jones**, Supervisor
  - Special Education Staffing and Recruitment — **VACANT**, Supervisor
  - Recruitment and Specialty Programs — **Sean P. McDonald**, Supervisor
  - Substitute & Temporary Employment — **Christi S. Hetrick**, Supervisor
  - Performance Management — **Natalie K. Bonshire**, Supervisor
- Employee Investigations
- Benefits and Compensation Department — **Joseph P. Makolandra**, Director
  - Benefits — **Elisa A. Pickette**, Supervisor
  - Classification and Compensation — **Eunice B. Bourque**, Supervisor
- Administrative Recruitment and Retention — **Connie S. Balkcom**, Supervisor

Chief Operating Officer — **Al Ciarochi**

- Risk Management & Security Services Department — **Ron D. Crowe**, Director
- Food and Nutrition Department — **Adam T. Russo**, Director
  - Food and Nutrition — **Mary C. Shildneck**, Assistant Director
- Transportation Department — **Shirley M. Posey**, Director
  - Bus Operations — **Heather B. Handschin**, Supervisor
  - Transportation Planning — **Douglas H. Miller**, Supervisor
  - Vehicle Services — **David C. Walton**, Supervisor
- Facilities Department — **John J. Windley**, Director
  - Facilities Management — **Rodney B. Clayborn**, Supervisor
  - Construction — **John I. Mills**, Supervisor
  - Field Operations — **Neil L. Bagnell**, Supervisor
  - Planning and Financial Services — **David L. Beavers**, Supervisor
  - Planning — **Matthew R. Cartlidge, Ph.D.**, Supervisor
  - CIP & Land Acquisition — **Matthew L. Townsend**, Supervisor
  - Energy Management and Sustainability — **VACANT**, Supervisor

Schools by Level and Area

Eastern Elementary Schools	
Antietam ES	Occoquan ES
Belmont ES	Old Bridge ES
Covington-Harper ES	Potomac View ES
Dumfries ES	River Oaks ES
Featherstone ES	Rockledge ES
Jenkins ES	Swans Creek ES
Kilby ES	Triangle ES
Leesylvania ES	Vaughan ES
Marumsco Hills ES	Williams ES
Neabsco ES	

Central Elementary Schools	
Ashland ES	Marshall ES
Bel Air ES	McAuliffe ES
Bennett ES	Minnieville ES
Coles ES	Montclair ES
Dale City ES	Pattie ES
Enterprise ES	Penn ES
Fitzgerald ES	Rosa Parks ES
Henderson ES	Signal Hill ES
Kerrydale ES	Springwoods ES
King ES	Washington-Reid PK
Kyle Wilson ES	Westridge ES
Lake Ridge ES	

Western Elementary Schools	
Alvey ES	Mullen ES
Bristow Run ES	Piney Branch ES
Buckland Mills ES	"Rosemount Lewis" ES
Cedar Point ES	Sinclair ES
Chris Yung ES	Sudley ES
Ellis ES	T. Clay Wood ES
Glenkirk ES	Tyler ES
Gravely ES	Victory ES
Haymarket ES	West Gate ES
Loch Lomond ES	Yorkshire ES
Mountain View ES	

Middle Schools

Ms. Porter-Lucas	Mr. Harris
Fred Lynn MS	Benton MS
Graham Park MS	Beville MS
Hampton MS	Bull Run MS
Lake Ridge MS	Gainesville MS
The Nokesville School	Marsteller MS
Parkside MS	Pennington Traditional
Porter Traditional	Potomac MS
Potomac Shores MS	Rippon MS
Reagan MS	Saunders MS
Unity Braxton MS	Woodbridge MS

High Schools	
Battlefield HS	Hylton HS
Brentsville HS	Osbourn Park HS
Colgan HS	PACE West SE
Forest Park HS	Patriot HS
Freedom HS	Potomac HS
Gainesville HS	Unity Reed HS
Gar-Field HS	Woodbridge HS

Financial Section

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

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the School Board and Management
Prince William County Public Schools
Manassas, Virginia

Report on the Audit of the Financial Statements

Opinions

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

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, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of PWCS, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and food and nutrition services fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Prince William County Public Schools Education Foundation, Inc. ("SPARK"), which is the component unit of PWCS. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for SPARK are solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022, on our consideration of PWCS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PWCS's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PWCS' internal control over financial reporting and compliance.

Cherry Bekaert LLP

Tysons Corner, Virginia
December 20, 2022

This section of the Prince William County Public Schools' (PWCS) annual financial report presents our discussion and analysis of PWCS' financial performance during the fiscal year ended June 30, 2022 (FY 2022). Please read it in conjunction with the transmittal letter at the front of this report and the financial statements, which immediately follow this section. (All values in the Management's Discussion and Analysis (MD&A) are expressed in thousands).

Financial Highlights

- PWCS' General revenues accounted for $1,283,697 or 80.6% of total revenues of $1,593,005. Program specific revenues in the form of charges for services, grants, and contributions accounted for $309,308 or 19.4% of total revenues.
- PWCS had $1,390,688 in expenses of which $309,308 was offset by program specific charges, grants, or contributions. General revenues, primarily from Prince William County (the County) and the Commonwealth of Virginia, were adequate to fund the remaining expenses.
- Total net position in FY 2022 increased by $202,317 to a total of $1,483,080. The value of net position reflects the financial health of PWCS and includes certain assets procured with debt. PWCS is a component unit of and is fiscally dependent on the County. As such, all debt related to PWCS assets are shown on the County's Statement of Net Position.
- The novel coronavirus (COVID-19) pandemic impact to PWCS' financials have begun to ease during FY22. The schools and facilities operate back to normal schedules. As a result, the revenues from Business-type Activities increased by $549, or 80.0% from FY 2021, close to pre-pandemic levels.
- On September 30, 2021 (FY 2022) student membership was 89,468, an increase of 392 students, or 0.44% more than FY 2021. The student membership was also 523 students less than projected for FY 2022.

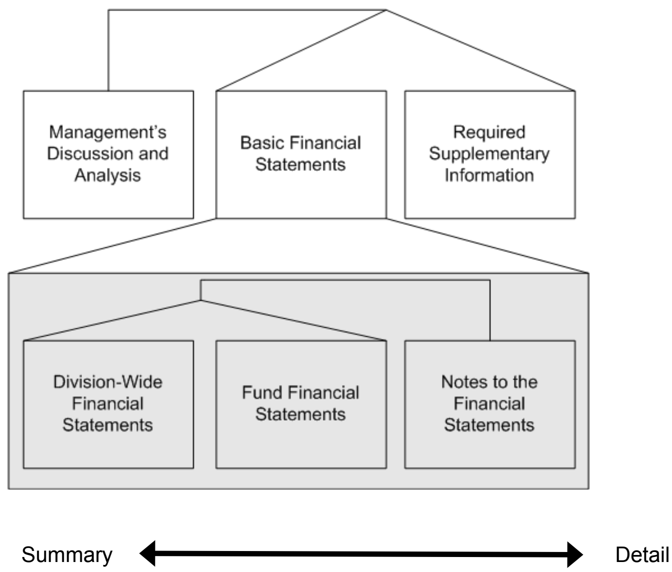
Using this Annual Comprehensive Financial Report

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 PWCS.

- The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about PWCS' *overall* financial status.
- The remaining statements are *fund financial statements* that focus on reporting the *individual parts* of PWCS, reporting its operations in *more detail* than the government-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.
- The *proprietary funds statements* offer *short-term* and *long-term* financial information about the activities that PWCS operates *like businesses*.
- The *fiduciary funds statements* provide information about the financial relationships in which PWCS 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.

Organization of Prince William County Public Schools Annual Financial Report



Major Features of the Government-Wide and Fund Financial Statements				
	Government-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire School Division (excludes fiduciary funds) and its component unit	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, health insurance, the distribution center, the imaging center, school age child care, and aquatics center	Instances in which the School Division administers resources on behalf of someone else, such as regional schools and governor's school monies
Required financial statements	•Statement of net position •Statement of activities	•Balance sheet •Statement of revenues, expenditures, and changes in fund balances	•Statement of net position •Statement of revenues, expenses, and changes in net position •Statement of cash flows	•Statement of fiduciary net position •Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/ deferred outflow and liability/deferred inflow information	All assets/deferred outflows and liabilities/deferred inflows, both financial and capital, short-term and long-term	Assets/deferred outflows expected to be used up and liabilities/deferred inflows that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets/deferred outflows and liabilities/deferred inflows, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and 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

Government-Wide Statements

The government-wide statements report information about PWCS as a whole using accounting methods similar to those used in private-sector companies. While this document contains a number of funds used to provide programs and activities, the view of PWCS, as a whole, looks at all financial transactions and asks the question, “How did we do financially during FY 2022?” The Statement of Net Position and the Statement of Activities answer this question. These statements report all of the assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting. The accrual basis of accounting reflects all of the current year’s revenues and expenses regardless of when cash is received or paid.

The two government-wide statements report PWCS’ net position and how they have changed. Net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the financial health or position of PWCS.

- Over time increases or decreases in net position are an indicator of whether its financial position is improving or declining, respectively.
- To assess the overall health of PWCS, 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.

The government-wide financial statements are divided into three categories:

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, reimbursement to the County for debt service, construction, maintenance and capital outlay, food & nutrition services, student activity services and community service operations.

Business-type activities – include enterprise funds for School Age Child Care (SACC) and the Aquatics Center.

Component unit – PWCS includes a discretely presented component unit, the Education Foundation for Prince William County Public Schools (SPARK). Although legally separate, it is considered a “component unit” of PWCS. Because financial benefit/burden relationship exists, SPARK is closely related to PWCS and as such, exclusion could cause PWCS’ financial statements to be misleading.

Fund Financial Statements

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

PWCS has three types of funds:

- Governmental Funds: Governmental funds are used to report the same functions presented as governmental activities in the government-wide financial statements. The focus is 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 PWCS’ 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 government-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 position of the government-wide activities. An additional reconciliation is added to explain the differences between the net change in fund balance and the change in net position of PWCS.

- Proprietary Funds: Proprietary funds are reported on a full accrual basis and economic resources focus. PWCS maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are used to report activities that provide supplies and services for PWCS' other programs and activities. PWCS has two enterprise funds: SACC fund and the Aquatics Center fund; and four internal service funds: the Distribution Center fund, the Self-Insurance fund, the Health Insurance fund, and the Imaging Center fund.

- Fiduciary Funds: PWCS's fiduciary funds are composed of the Governor's School @ Innovation Park Fund and the Northern Virginia Regional Special Education Fund in a Custodial Fund capacity. The Custodial Fund accounts for miscellaneous assets held by the PWCS as fiscal agent. In addition, PWCS along with the County are trustees for the Prince William County Other Postemployment Benefits trust fund (OPEB), an agent multiple employer defined benefit postemployment benefits trust fund to provide funding for other postemployment benefit payments on behalf of retiree and COBRA participants. The fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position for all fiduciary funds, except for OPEB. OPEB statements are presented in the Notes to the Financial Statements. All of these activities are excluded from PWCS' government-wide statements since these funds are held in a trustee or custodial capacity for others and cannot be used to finance PWCS' operation.

Financial Analysis of PWCS as a Whole

Net Position

The condensed statement of net position describes the financial position of PWCS on June 30, 2022. The largest portion of PWCS' net position reflects its investment in capital assets (buildings, land, equipment, vehicles, and construction-in-progress). Capital assets account for 121.8% of the total net position and have increased by $46,700 since June 30, 2021. This increase is primarily the result of continued construction and major renovations to build new schools and expand existing facilities. These capital assets are not net of related debt because, as a component unit (School Division) in Virginia, PWCS does not have the authority to issue debt. All debt is issued by the County and, therefore, is shown as a liability on its Statement of Net Position. In years where there are substantial additions to capital assets that are funded through the issuance of debt, PWCS will have substantial increases in net position. A more detailed discussion on debt is contained in a later section entitled "Outstanding Long-Term Debt".

The other components of net position are restricted net position and unrestricted net position. Restricted net position represents those resources that have externally imposed constraints on their use. Restricted net position increased by a net of $96,837 during the current fiscal year reflecting an increase in PWCS' resources restricted for food & nutrition services and grant programs of $97,605, the increase in restricted net position for OPEB programs of $11,329 and the increase in restricted net position for student activity programs of $1,421. The increase of restricted net position was partially offset by the decrease in PWCS's resources restricted for specific construction projects of $13,518, Unrestricted net position are those resources that may be used to pay for ongoing operations and meet the obligations placed on PWCS by its creditors. At the end of the fiscal year, unrestricted net position amounted to a deficit of $560,301, an increase of $58,780 from FY 2021.

Condensed Statement of Net Position

(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total School Division	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Current and other assets	$ 738,926	$ 685,892	534	(688)	739,460	685,204
Capital assets	1,798,840	1,751,977	8,167	8,330	1,807,007	1,760,307
Total assets	**2,537,766**	**2,437,869**	**8,701**	**7,642**	**2,546,467**	**2,445,511**
Pension	240,488	281,405	-	-	240,488	281,405
OPEB	29,818	29,231	-	-	29,818	29,231
Total deferred outflows of resources	**270,306**	**310,636**	**-**	**-**	**270,306**	**310,636**
Current liabilities	162,886	172,802	78	103	162,964	172,905
Long-term liabilities	704,793	1,203,544	-	-	704,793	1,203,544
Total liabilities	**867,679**	**1,376,346**	**78**	**103**	**867,757**	**1,376,449**
Pension	414,307	63,884	-	-	414,307	63,884
OPEB	51,629	35,051	-	-	51,629	35,051
Total deferred inflows of resources	**465,936**	**98,935**	**-**	**-**	**465,936**	**98,935**
Net position						
Investment in capital assets	1,798,840	1,751,977	8,167	8,330	1,807,007	1,760,307
Restricted	236,374	139,537	-	-	236,374	139,537
Unrestricted (deficit)	(560,757)	(618,290)	456	(791)	(560,301)	(619,081)
Total net position	**$ 1,474,457**	**$ 1,273,224**	**8,623**	**7,539**	**1,483,080**	**1,280,763**

Changes in Net Position

The change in net position in Governmental activities was $201,233 compared to $178,365 in FY 2021, or an increase of $22,868. This increase was primarily due to a $31,873 increase in State aid, a $12,217 increase in operating grants and contributions, and a $10,666 increase in charges for services revenues, primarily relating to student activity programs revenues. The increase of net position was offset partially by the decrease in the investment earnings as well as the increase of total expenditures in the amount of $13,284.

The change in net position in business-type activities was $1,084, compared to $(544) in FY 2021, or an increase of $1,628. This increase was primarily due to the increase of operating revenues in SACC and Aquatics Center, as the schools' and facilities' operations were back to normal and close to pre-pandemic levels during FY 2022.

Total revenues went up by $38,299, or a 2.5% increase over FY 2021. This is primarily the result of the increase in the State aid. This revenue increase was partially offset by the significant decrease of unrestricted investment earnings that attributed to the investment market's reactions to inflation and the forecasts that reflected a downshift in expectations for the future path of U.S. economic growth.

Changes in Net Position (amounts expressed in thousands)						
	Governmental Activities		**Business-type Activities**		**Total School Division**	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Program revenues:						
Charges for services	$ 15,542	$ 4,876	1,243	686	16,785	5,562
Operating grants and contributions	292,393	280,176	-	-	292,393	280,176
Capital grants and contributions	130	127	-	-	130	127
General revenues:						
Federal	1,510	692	-	-	1,510	692
State	517,524	485,651	-	-	517,524	485,651
County	774,059	774,260	-	-	774,059	774,260
Other	(9,388)	8,238	(8)	-	(9,396)	8,238
Total revenues	**1,591,770**	**1,554,020**	**1,235**	**686**	**1,593,005**	**1,554,706**
Expenses						
Instruction	904,844	903,137	-	-	904,844	903,137
Support Services	483,693	472,116	-	-	483,693	472,116
School Age Child Care	-	-	497	432	497	432
Aquatics Center	-	-	1,654	1,200	1,654	1,200
Total expenses	**1,388,537**	**1,375,253**	**2,151**	**1,632**	**1,390,688**	**1,376,885**
Change in net position before transfers	203,233	178,767	(916)	(946)	202,317	177,821
Transfers	(2,000)	(402)	2,000	402	-	-
Change in net position	201,233	178,365	1,084	(544)	202,317	177,821
Net position, beginning of year	1,273,224	1,094,859	7,539	8,083	1,280,763	1,102,942
Net position, end of year	**$ 1,474,457**	**$ 1,273,224**	**8,623**	**7,539**	**1,483,080**	**1,280,763**

PWCS' revenue comes from the primary government (48.6% - the County), 32.5% from the State, 19.4% from program revenues (charges for services, operating, and capital grants and contributions), and offset by 0.5% loss from other categories, mainly the unrestricted investment earnings. The funds PWCS receives from the County are comprised, primarily, of two components; 57.23% of all County general revenues, excluding recordation tax, and amounts provided to PWCS that are the result of bonds sold by the County to fund schools' capital projects.

The component of PWCS's "county revenue" that is a function of bond sales decreased by $51,586 or 44.3% compared to FY 2021 while all other components of "county revenue" increased by $51,385 or 7.8%.

State general revenue increased $31,873 or 6.6% compared to FY 2021 due to an increase in Virginia State Sales Tax payments made to PWCS under the Virginia Retail Sales and Use Tax Act, as well as the additional pandemic relief state payments related to addressing learning loss.

Federal general revenue increased $818 or 118.2% due to federal pandemic relief funding.

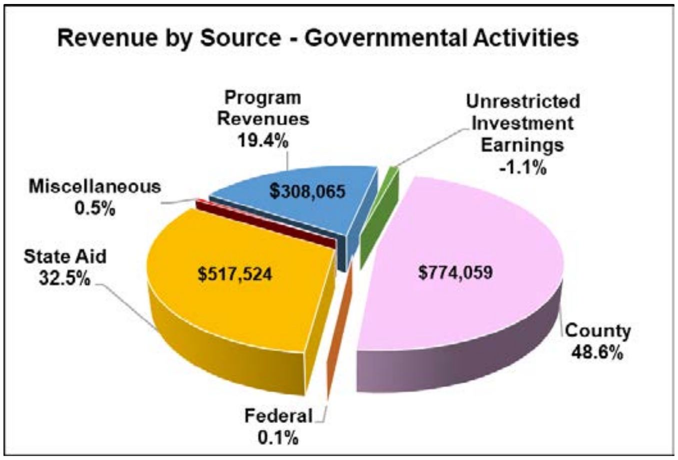
Business-type activity revenue increased $549 or 80.0%, primarily due to the increased revenues from aquatics center and SACC, as the facilities were operating on normal schedules when COVID-19 pandemic began to ease during FY 2022.

The total cost of all programs increased by 1.0% to $1,390,688 in FY 2022. This increase is mainly related to the cost related to educational programs to address the learning loss due to negative impact of COVID-19 pandemic, the cost related to resumed summer school programs in FY22, the increased personnel and fuels costs of transportation services, as well as the increased utility costs as schools and facilities were fully re-opened and operated on normal schedules.

Of the governmental activity expenses, 75.0% are related to the instruction of and caring for the needs of students (instruction, transportation, student services, and food & nutrition services). The business and administrative activities accounted for 9.2% of total costs while operations and maintenance amounted to 7.8% of total cost. Reimbursements to the County for debt service totaled 8.0% of FY 2022 costs. The business-type activity expenses increased $519 or 31.8%, mainly due to the re-opening and normal operations of aquatics center and SACC facilities in FY 2022.

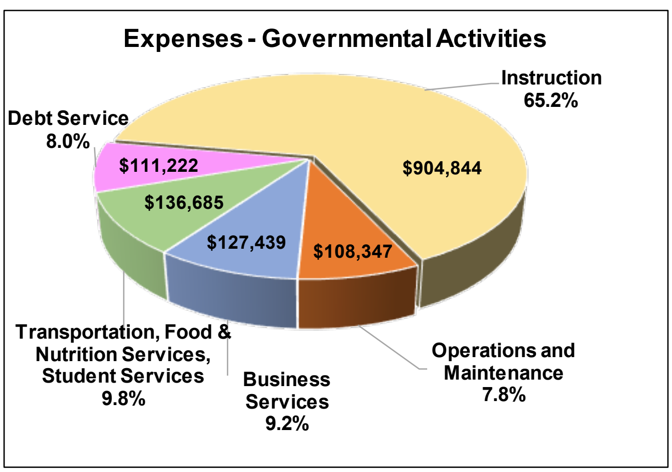
For the FY 2022, total revenues exceeded expenses by $202,317. The main components of this excess include the increased revenue funding from the State and the operating grants and contributions.

Governmental Activities



The two primary sources of revenue are from the County and the State. Funding from the County is provided through a revenue sharing agreement whereby PWCS received 57.23% of general county revenue. The budget was 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).

The County has a fund balance policy which includes a provision to maintain an unassigned General Fund balance no less than 7.5% of the year's General Fund revenues in every fiscal year, with certain exceptions. The revenue sharing agreement between the County and PWCS requires PWCS to contribute to maintain the unassigned General fund balance and to receive a return of funds when fund balance is in excess of the required 7.5%. There will be additional funding from the County in FY 2022 related to additional recognized revenues from FY 2022 in the amount of $43,018. There will be additional $43 transfers from the County related to cable franchise tax grant. Also, $2,010 was needed to maintain the 7.5% of unassigned General Fund balance. This netted to an increase in revenue from FY 2022 in the amount of $41,051.



State funding is provided through a formula that calculates the State share of the cost of education, as determined in the SOQ, including basic aid, categorical areas, and sales tax. State funding in FY 2022 increased because of the increase in State sales tax payments and pandemic relief state payments related to addressing learning loss.

The FY 2022 expense budget was adjusted to fund schools and central departments for the costs of educational programs to address the learning loss due to the COVID-19 pandemic. 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 governmental-type activities, the total cost of services and the net cost of services. The net cost of services reflects the support provided by tax revenue, State aid, Federal aid not restricted to specific programs, and miscellaneous revenue.

Net Cost of Governmental Activities
(amounts expressed in thousands)

	Total Cost of Services			Net Cost of Services		
	2022	2021	Percent Change	2022	2021	Percent Change
Instruction						
Regular	$ 663,967	$ 663,688	0.0%	511,351	523,395	-2.3%
Special	144,343	152,544	-5.4%	82,902	89,861	-7.7%
Other	11,826	8,672	36.4%	2,021	(439)	560.4%
Instructional leadership	84,708	78,233	8.3%	84,708	78,233	8.3%
Total instruction	904,844	903,137	0.2%	680,982	691,050	-1.5%
Support services	483,693	472,116	2.5%	399,491	399,024	0.1%
Total expenses	$1,388,537	$1,375,253	1.0%	1,080,473	1,090,074	-0.9%

- The cost of all governmental activities was $1,388,537.
- The net cost of governmental activities was $1,080,473.
- The amount the citizens of Prince William County paid for these activities through County taxes was $709,117. Additional revenue from the County consisted of bond sales in the amount of $64,942.
- The State contributed general revenue of $517,524.
- The Federal Government contributed general revenue of $1,510.
- Some of the other costs were paid for by:
  - Users who benefited from the programs: $15,542.
  - Total Grants and Contributions: $292,523.
- There are significant activity changes in the net cost of services:
  - Other instruction net costs increased significantly primarily due to the resume of summer school programs in FY 2022.

Business-type Activities

Revenues of PWCS' business-type activities increased 80.0% to $1,235, and expenses increased 31.8% to $2,151. Both revenue and expense increases are attributable to the re-opening and the full operation of the Aquatics Center and SACC facilities in FY 2022.

Financial Analysis of the Division's Funds

Information about PWCS' major funds begins on page 33. These funds are accounted for using the modified accrual basis of accounting. Governmental funds had total revenues of $1,550,403 and expenditures of $1,521,551. The increase of $24,907 in fund balance was most significant in the Food and Nutrition Services Fund amounting to an increase of $20,897.

The increase of total Governmental fund balances also attributed to the increase of fund balances of $5,324 in General Fund, primarily resulted from the increased Elementary and Secondary Emergency Relief funding from the State. The increase of total Governmental fund balances was partially offset by the decrease in fund balance in Construction Fund. The decrease in Construction fund balance of $2,480 was primarily resulted from the decrease in revenue from the County for bond issuance.

General Fund Budgetary Highlights

The PWCS' budget is prepared in accordance with Virginia School Laws. The most significant budgeted fund is the General Fund. During FY 2022, PWCS amended its General Fund budget as follows:

- Amended appropriation of $25,453 to reflect the carryover of encumbrances from FY 2021 to FY 2022.
- Supplemental appropriations totaled $182,725; of which $48,378 related to the carryover of unencumbered FY 2021 budget and appropriations, a $134,347 increase in Federal operating grants for Covid Response and Relief Funds.

PWCS' final budget for the General Fund anticipated that expenditures, including transfers, would exceed revenues by $74,246. The actual results for the year show revenues exceeded expenditures by $5,324. The key factor contributing to the significant changes in revenues/appropriations from the final budgeted amounts include:

- The other instruction, student services, general administration, curricular/staff development and operations expenditures final budgeted amounts were revised from original budgeted amounts due to the reallocation of Federal operating grants for Covid Relief Funds to optimize the operation for our educational programs.
- Utility expenditures were $7,107 less than final budgeted amounts due to the Energy Conservation Program and conservative budgeting efforts.
- Central business services final budgeted amounts were $7,429 higher than the original budgeted amounts due to the budgeted expenditures allocated from reserves accounts and other projected personnel and technical support equipment expenditures. The actual expenditures were $15,778 lower than the final budgeted amounts due to less expenditures on equipment replacement projects and vacancies of the central office positions.

Capital Assets

At the end of FY 2022, PWCS had $1,798,840 invested in buildings, land, equipment, vehicles, construction-in-progress, library books and intangibles in governmental-type activities.

At the end of FY 2022, PWCS had $8,167 invested in land and buildings in business-type activities. The Aquatics Center recorded land in the amount of $114 and buildings and improvements in the amount of $8,053, net of depreciation, at the end of the year.

The following table shows FY 2022 balances, net of accumulated depreciation/amortization. Readers interested in more detailed information on capital assets should refer to the Capital assets note in the Notes to the Financial Statements.

Capital Assets
(net of accumulated depreciation)
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total School Division	
	2022	2021	2022	2021	2022	2021
Land	$ 110,765	$ 104,122	114	114	110,879	104,236
Construction in progress	90,436	39,230	-	-	90,436	39,230
Depreciable/amortizable capital assets	1,597,639	1,608,625	8,053	8,216	1,605,692	1,616,841
Total	$ 1,798,840	$ 1,751,977	8,167	8,330	1,807,007	1,760,307

Major capital asset additions for FY 2022 included:

- Land acquisition of two new schools/buildings:
  - 14th High School;
  - Elementary School in Occoquan – Woodbridge area;

- Began construction of one new school/building:
  - 14th High School;

- Completed major renovations, additions, replacements at:
  - Penn Elementary School;
  - Beville Middle School;
  - Woodbridge High School;

- Replaced 41 school buses and 21 trucks.

- Purchased additional 14 trucks.

The following major capital projects are included in PWCS' FY 2023 capital budget:

- Construction of Elementary Schools (Occoquan Elementary School Replacement);
- Renovations of Cedar Point Elementary School and Swans Creek Elementary School;
- Fenestration improvements at Gar-Field High School and Woodbridge High School.

Funding for the FY 2023 capital projects includes a general fund transfer of $35,241 and $74,400 to be financed in the future by the County through the sale of General Obligation bonds to the Virginia Public School Authority (VPSA).

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, the County retains the liability for the portion of general obligation bonds issued to fund capital projects for PWCS.

The County appropriates funds to PWCS for the education of its students. 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 PWCS' 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 division. At June 30, 2022, the County is liable for $862,595 in general obligation bonds and other long-term debt outstanding to support school capital projects. During FY 2022, total outstanding long-term debt decreased by a net of $16,764 consisting of:

- $75,619 in debt principal retired during the fiscal year

- $58,855 in new debt issued during FY 2022 through the sale of general obligation bonds to the VPSA:
  - In addition, a bond premium of $6,087 was realized on the sale of the VPSA bonds, bringing the total bonds available from the sale to $64,942.

The Approved School Board budget for FY 2023 provides funding of $109,963 to support the payment of debt service by the County. The sale of $74,400 in new bonds during FY 2023 is to support school capital projects, as detailed in the FY 2023 – 2032 Capital Improvements Program (CIP). Readers interested in more detailed information for long-term debt activity should refer to the Long-term debt note in the Notes to the Financial Statements.

Bond Ratings

Outstanding Long-Term Debt
(Incurred by Prince William County on behalf of PWCS)
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total School Division	
	2022	2021	2022	2021	2022	2021
General Obligation Bonds *	$ 862,595	$ 879,359	-	-	862,595	879,359
Total	$ 862,595	$ 879,359	-	-	862,595	879,359

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

On September 2020, each of the three major bond credit rating agencies (Fitch Ratings, Moody's Investors Service, and S&P Global Ratings) reaffirmed the County's financial position with a AAA bond rating – the highest credit rating available. This triple-AAA reflects the financial strength and sound fiscal management of Prince William County and is an achievement held by less than one percent of approximately 18,000 counties nationwide.

Factors influencing future budgets:

The FY 2023 budget provides funding for the following significant costs:

- The FY 2023 budget includes a $5.3 million increase in per pupil allocations to schools and central support services used to maintain current programs and services.
- Funding to support the capital projects included in the FY 2023 – 2032 CIP.
- The FY 2023 budget supports an average of 2.8% step increase for eligible employees and a 4.2% cost of living adjustment.
- Start-up costs for opening of Rosemount Lewis Elementary School scheduled to open in August 2023.
- New resources to realize the strategic goals as follows:
    - Commitment 1: Learning and Achievement for All
        - 100.0 FTE teacher assistants, special education.
        - 1.0 FTE teacher assistant per 24 kindergartners (88.10 total FTEs).
        - 66.0 FTE gifted education teachers.
        - 15.0 FTE Career Counselors.
        - $1.6 million to fund elementary small school supplements providing a 1.0 FTE teacher at 16 Schools with less than 500 regular students.
        - $0.8 million to fund middle small school supplements providing 2.0 FTE teachers at four schools with less than 1,000 regular students.
        - 13.0 FTE Assistive Technology Specialists.
        - $0.9 million to fund student devices/peripheral replacement.
        - 8.0 FTE Instructional Technology Coaches.
    - Commitment 2: Positive Climate and Culture
        - $2.4 million for expansion of Participate program (formerly VIF).
        - $6.8 million to fund CCTV upgrades and a 1.0 FTE CCTV and Radio Systems Support Specialist.
        - 14.2 FTE Nurses.

        - 30.0 FTE Security Assistants at middle and high schools.
    - Commitment 3: Family and Community Engagement
        - 35.0 FTE Parent Liaisons.
        - 4.0 FTE Transportation Liaisons.
    - Commitment 4: Organizational Coherence
        - $4.3 million to change K-12 Assistant Principal funding ratio from 600:1 to 500:1.

At the time these financial statements were prepared, PWCS was aware of the following existing circumstances that could significantly impact financial health in the future:

- Prince William County Public Schools participates in the Northern Virginia Regional Special Education Program (NVRSP). The NVRSP is a collaborative program through which students with low-incidence special needs receive educational services. Permanent participants of NVRSP include Prince William County, Manassas City, and Manassas Park City. Other Virginia localities also participate in the program on an as-needed basis. A portion of the funding to support NVRSP service costs is provided by the state. To be eligible for state funding, each participating locality must apply for Funds for Students with Intensive Support Needs and will receive funding from the same revenue stream. The state funds that participating localities receive is then used to assist in tuition payments, further supporting the NVSRP programs. PWCS currently receives just under 30% of all state revenues allocated to the eleven Virginia localities participating in the NVRSP state-wide. Total funding state-wide has surpassed $100 million.

- PWCS has seen steady growth over the last 10 years, at a rate of less than1.0 percent annually. The calendar year 2021 (FY2022) enrollment for the School Division was 89,468, a year over year increase of 392 from calendar year 2020 (FY 2021) enrollment of 89,076. In FY 2023, the student membership as of September 30, 2022 was 90,226, an increase from FY 2022 by 758 students.

  PWCS, over time, continues to experience enrollment growth, and as a result, continues to build new schools. To keep with the needs of a growing student population, the five-year (financial) plan (FY 2023 through FY 2027) includes the construction of three elementary schools, one replacement elementary school, and one high school, as well as an office addition to the Kelly Leadership Center.

  The fluctuating enrollment growth patterns experienced by PWCS over the past several years pose a challenge in the ability to predict the exact growth in enrollment year to year. The COVID-19 pandemic has significantly altered enrollment growth patterns from those previously experienced. Enrollment in September 2020 dropped by 2,450 students from September 2019 levels. Enrollment for September 2021 grew slightly, with an increase of 392 students over September 2020. Enrollment for September 2022 showed continued growth of 758 students, rising to a total enrollment of 90,226. The current environment of uncertainty with respect to future student enrollment may impact PWCS' capital planning efforts. However, the slowed enrollment growth rate has resulted in reduced pressure to build new schools and expand existing facilities. For example, PWCS has removed the need for a 15th high school from the Capital Improvement Program. Although enrollment growth may be softening, the overcrowding of PWCS classrooms remains a critical issue. Capacity issues exist at all levels and in all regions of the County. Efforts to help alleviate crowding include the current placement of 171 portable classrooms, or learning cottages, on school properties across the county. This is down from 206 in FY 2018. Reducing the number of necessary portable classrooms throughout remains a priority and will continue to have impact on PWCS' capital planning efforts. Taking into account the current environment of uncertainty with respect to rising construction costs and supplier chain delays, the PWCS capital planning efforts were in general adversely impacted.

  Regardless of exact student enrollment growth rates, the student demographics in PWCS will continue to evolve in the coming years. PWCS is proud to serve a diverse and ever-changing student population. Changes in student demographics will increase the number of students requiring additional educational services, which in turn increases the expenditures to meet those needs. Increases in populations of students whose primary language is not English and students with special needs, for example, significantly increase operating costs.

- Fund balance supported the General Fund budgets to the extent of $24.0. million and $22.9 million for fiscal years 2022 and 2023, respectively. This is approximately 2.0% and 1.6% of the General Fund budgets for the respective years.

- The VRS teacher retirement employee contribution rate is 16.62% for FY 2023, unchanged from FY 2022.

- PWCS' local composite index (LCI) went from .3787 for the 2012-2014 biennium to .3822 for the 2014-2016 biennium and to .3848 for the 2016-2018 biennium. In the 2018-2020 biennium, the LCI for PWCS decreased to 0.3783. The LCI index decreased from .3799 in the 2020-2022 biennium to .3739 in the 2022-2024 biennium. This change in LCI translates to an increase in funding to PWCS of approximately $4.2 million.

- During the seven-year period prior to FY 2008, the growth in real estate assessed values had enabled a $0.60 reduction in the real property tax rate to a value of $0.758 while still providing additional revenues to the County and School Board. In FY 2008, the tax rate was increased to $0.787 per $100 of assessed value because of the softening values in the housing markets. In FY 2009 the rate was again raised, this time to $0.970 per $100 of assessed value. Real estate rates continued increasing to $1.212 for FY 2010, $1.236 in FY 2011, and decreased to $1.204 in FY 2012. In FY 2013 the rate was increased to $1.209, decreased to $1.181 in FY 2014, $1.148 in FY 2015, $1.122 in FY 2016, and for FY 2017 the rate remained at $1.122 per $100. The rate held flat at $1.125 for fiscal years 2018 through 2021 then decreased to $1.115 in FY 2022. The FY 2023 rate was reduced to $1.030, a reduction of $0.085 from the FY 2022 rate.

- In FY 2016, the Board of County Supervisors (BOCS), in a cooperative agreement with the Prince William County School Board, established a grant program through which there is an increased focus on class size reduction. For FY 2023 the BOCS continues to match, up to $1.0 million in funds provided by PWCS budget to reduce class size.

- FY 2023 revenues are currently on target to meet projections. Many factors such as the current pandemic, continued impact of changes in the local economy, the value of residential real estate, and the value of commercial real estate, translate to a revenue picture for FY 2023 that shows signs of recovery since the re-opening of businesses. However, economic conditions continue to be affected by overall reduced activity resulting from the COVID-19 pandemic. PWCS staff will continue to monitor revenue streams closely for trends that may impact the PWCS' financial health.

Contacting the Prince William County Public Schools' Financial Management

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

Basic Financial Statements

Prince William County Public Schools **Exhibit 1**
Statement of Net Position
June 30, 2022

	School Division				
	Governmental Activities	Business-Type Activities	Total School Division	Component Unit	Total Reporting Entity
ASSETS					
Equity in cash and pooled investments	$ 525,933,917	307,403	526,241,320	816,353	527,057,673
Accounts receivable and other current assets	5,793,944	225,976	6,019,920	26,372	6,046,292
Due from other governmental units	139,222,598	-	139,222,598	-	139,222,598
Inventory	6,918,573	907	6,919,480	15,875	6,935,355
Prepaid asset	-	-	-	5,886	5,886
OPEB asset	14,330,563	-	14,330,563	-	14,330,563
Restricted assets:					
Restricted cash	46,726,604	-	46,726,604	1,289,897	48,016,501
Capital assets:					
Land	110,765,445	114,013	110,879,458	-	110,879,458
Construction in progress	90,436,075	-	90,436,075	-	90,436,075
Depreciable/amortizable capital assets	2,307,640,545	9,114,963	2,316,755,508	-	2,316,755,508
Less: accumulated depreciation/amortization	(710,002,300)	(1,062,307)	(711,064,607)	-	(711,064,607)
Total assets	2,537,765,964	8,700,955	2,546,466,919	2,154,383	2,548,621,302
DEFERRED OUTFLOWS OF RESOURCES					
Pension	240,487,765	-	240,487,765	-	240,487,765
OPEB	29,817,962	-	29,817,962	-	29,817,962
Total deferred outflows of resources	270,305,727	-	270,305,727	-	270,305,727
LIABILITIES					
Accounts payable and accrued liabilities	23,616,802	15,886	23,632,688	80,464	23,713,152
Salaries payable and withholdings	118,289,780	27,322	118,317,102	-	118,317,102
Retainage	4,225,219	-	4,225,219	-	4,225,219
Unearned revenue	16,754,477	34,726	16,789,203	65,000	16,854,203
Long-term liabilities:					
Due within one year	27,375,292	-	27,375,292	-	27,375,292
Due in more than one year	677,417,443	-	677,417,443	-	677,417,443
Total liabilities	867,679,013	77,934	867,756,947	145,464	867,902,411
DEFERRED INFLOWS OF RESOURCES					
Pension	414,306,597	-	414,306,597	-	414,306,597
OPEB	51,629,062	-	51,629,062	-	51,629,062
Total deferred inflows of resources	465,935,659	-	465,935,659	-	465,935,659
NET POSITION					
Net investment in capital assets	1,798,839,765	8,166,669	1,807,006,434	-	1,807,006,434
Restricted for:					
Capital projects	44,339,283	-	44,339,283	-	44,339,283
Food & nutrition services	85,626,575	-	85,626,575	-	85,626,575
Grant programs	83,182,888	-	83,182,888	-	83,182,888
OPEB programs	14,330,563	-	14,330,563	-	14,330,563
Student activities	8,895,106	-	8,895,106	-	8,895,106
Education foundation	-	-	-	1,584,750	1,584,750
Unrestricted (deficit)	(560,757,161)	456,352	(560,300,809)	424,169	(559,876,640)
Total net position	$ 1,474,457,019	8,623,021	1,483,080,040	2,008,919	1,485,088,959

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, 2022

Exhibit 2
Page 1 of 2

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
School Division:				
Governmental activities:				
Instruction:				
Regular	$ 663,966,776	1,198,063	151,288,193	129,809
Special	144,342,805	298,716	61,142,155	-
Other	11,826,585	1,175,605	8,629,960	-
Instructional leadership	84,708,108	-	-	-
Total instruction	904,844,274	2,672,384	221,060,308	129,809
Support services:				
General administration	6,628,060	-	-	-
Student services	25,940,938	-	153,557	-
Curricular/staff development	35,422,083	-	50,864	-
Pupil transportation	66,017,855	76,937	50,940	-
Operations	28,955,137	269,256	-	-
Utilities	24,537,563	-	-	-
Maintenance	54,853,958	-	1,633,971	-
Central business services	74,798,929	464,606	70,001	-
Reimbursement to County for debt service	111,222,147	-	-	-
Food & nutrition services	44,726,800	688,696	69,373,022	-
Community service operations	825,840	756,008	-	-
Student activities	9,192,909	10,614,366	-	-
Education Foundation	570,762	-	-	-
Total support services	483,692,981	12,869,869	71,332,355	-
Total governmental activities	1,388,537,255	15,542,253	292,392,663	129,809
Business-type activities:				
School Age Child Care	496,596	550,000	-	-
Aquatics Center	1,653,794	692,974	-	-
Total business-type activities	2,150,390	1,242,974	-	-
Total school division	1,390,687,645	16,785,227	292,392,663	129,809
Component unit:				
Education Foundation	3,871,798	-	3,139,369	-
Total component unit	$ 3,871,798	-	3,139,369	-

General revenues:
Grants and contributions not restricted to specific programs:
Federal
State
County
Unrestricted investment earnings (expenses)
Revenue from school division
Miscellaneous revenues
Transfers:
Total general revenues and transfers

Change in net position

Net position, beginning of year
Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position					
School Division					
Governmental Activities	Business - type Activities	Total School Division	Component Unit	Total Reporting Entity	Functions/Programs
					School Division:
					Governmental activities:
					Instruction:
$ (511,350,711)	-	(511,350,711)	-	(511,350,711)	Regular
(82,901,934)	-	(82,901,934)	-	(82,901,934)	Special
(2,021,020)	-	(2,021,020)	-	(2,021,020)	Other
(84,708,108)	-	(84,708,108)	-	(84,708,108)	Instructional leadership
(680,981,773)	-	(680,981,773)	-	(680,981,773)	**Total instruction**
					Support services:
(6,628,060)	-	(6,628,060)	-	(6,628,060)	General administration
(25,787,381)	-	(25,787,381)	-	(25,787,381)	Student services
(35,371,219)	-	(35,371,219)	-	(35,371,219)	Curricular/staff development
(65,889,978)	-	(65,889,978)	-	(65,889,978)	Pupil transportation
(28,685,881)	-	(28,685,881)	-	(28,685,881)	Operations
(24,537,563)	-	(24,537,563)	-	(24,537,563)	Utilities
(53,219,987)	-	(53,219,987)	-	(53,219,987)	Maintenance
(74,264,322)	-	(74,264,322)	-	(74,264,322)	Central business services
(111,222,147)	-	(111,222,147)	-	(111,222,147)	Reimbursement to County for debt service
25,334,918	-	25,334,918	-	25,334,918	Food & nutrition services
(69,832)	-	(69,832)	-	(69,832)	Community service operations
1,421,457	-	1,421,457	-	1,421,457	Student activities
(570,762)	-	(570,762)	-	(570,762)	Education Foundation
(399,490,757)	-	(399,490,757)	-	(399,490,757)	**Total support services**
(1,080,472,530)	-	(1,080,472,530)	-	(1,080,472,530)	**Total governmental activities**
					Business-type activities:
-	53,404	53,404	-	53,404	School Age Child Care
-	(960,820)	(960,820)	-	(960,820)	Aquatics Center
-	(907,416)	(907,416)	-	(907,416)	**Total business-type activities**
(1,080,472,530)	(907,416)	(1,081,379,946)	-	(1,081,379,946)	**Total school division**
					Component unit:
-	-	-	(732,429)	(732,429)	Education Foundation
-	-	-	(732,429)	(732,429)	**Total component unit**
					General revenues:
					Grants and contributions not restricted to specific programs:
1,510,746	-	1,510,746	-	1,510,746	Federal
517,523,839	-	517,523,839	-	517,523,839	State
774,059,193	-	774,059,193	-	774,059,193	County
(16,624,254)	(8,281)	(16,632,535)	1,318	(16,631,217)	Unrestricted investment earnings (expenses)
	-	-	570,762	570,762	Revenue from school division
7,236,267	-	7,236,267	-	7,236,267	Miscellaneous revenues
(2,000,000)	2,000,000	-	-	-	**Transfers:**
1,281,705,791	1,991,719	1,283,697,510	572,080	1,284,269,590	**Total general revenues and transfers**
201,233,261	1,084,303	202,317,564	(160,349)	202,157,215	Change in net position
1,273,223,758	7,538,718	1,280,762,476	2,169,268	1,282,931,744	Net position, beginning of year
$ 1,474,457,019	8,623,021	1,483,080,040	2,008,919	1,485,088,959	Net position, end of year

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, 2022

Exhibit 3

	General Fund	Construction Fund	Food & Nutrition Services Fund	Other Non-major Governmental Fund	Total Governmental Funds
ASSETS					
Equity in cash and pooled investments	$ 287,748,041	90,708,830	77,469,092	12,127,040	468,053,003
Restricted cash	-	46,726,604	-	-	46,726,604
Accounts receivable	4,347,994	349,020	426,083	464,668	5,587,765
Due from other funds	703,466	-	-	-	703,466
Due from other governmental units	126,650,530	1,633,971	10,938,097	-	139,222,598
Inventory	3,946,207	-	1,179,884	-	5,126,091
Total assets	423,396,238	139,418,425	90,013,156	12,591,708	665,419,527
LIABILITIES, DEFERRED INFLOWS OF RESOURCES and FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	10,552,996	9,127,163	819,568	448,376	20,948,103
Salaries payable and withholdings	117,612,608	-	644,865	31,275	118,288,748
Retainage payable	-	4,225,219	-	-	4,225,219
Unearned revenue	5,508,182	5,000	1,742,264	-	7,255,446
Total liabilities	133,673,786	13,357,382	3,206,697	479,651	150,717,516
Deferred Inflows of Resources:					
County support	54,512,964	-	-	-	54,512,964
Total deferred inflows of resources	54,512,964	-	-	-	54,512,964
Fund Balances:					
Nonspendable:					
Inventory	3,946,207	-	1,179,884	-	5,126,091
Restricted:					
Regular instruction	75,796,833	-	-	-	75,796,833
Special instruction	3,472,771	-	-	-	3,472,771
Other instruction	1,269,501	-	-	-	1,269,501
General administration	150,000	-	-	-	150,000
Curricular/staff development	74,290	-	-	-	74,290
Student services	182,011	-	-	-	182,011
Transportation	8,548	-	-	-	8,548
Central business services	2,228,934	-	-	-	2,228,934
Food & nutrition services	-	-	85,626,575	-	85,626,575
Capital outlay	-	44,339,283	-	-	44,339,283
Student activities	-	-	-	8,895,106	8,895,106
Committed:					
Community service operations	-	-	-	3,216,951	3,216,951
Assigned:					
Regular instruction	24,265,792	-	-	-	24,265,792
Special instruction	3,973,908	-	-	-	3,973,908
Other instruction	1,124,715	-	-	-	1,124,715
Instructional leadership	2,041,491	-	-	-	2,041,491
General administration	929,715	-	-	-	929,715
Student services	766,792	-	-	-	766,792
Curricular/staff development	16,663,125	-	-	-	16,663,125
Pupil transportation	9,041,258	-	-	-	9,041,258
Operations	732,562	-	-	-	732,562
Utilities	1,471,648	-	-	-	1,471,648
Maintenance	1,495,864	-	-	-	1,495,864
Central business services	18,237,783	-	-	-	18,237,783
Capital outlay	30,000,000	81,721,760	-	-	111,721,760
Transfer to other funds	5,000,000	-	-	-	5,000,000
Unassigned	32,335,740	-	-	-	32,335,740
Total fund balances	235,209,488	126,061,043	86,806,459	12,112,057	460,189,047
Total liabilities, deferred inflows of resources, and fund balances	$ 423,396,238	139,418,425	90,013,156	12,591,708	665,419,527

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

Prince William County Public Schools **Exhibit 4**
Reconciliation of the Balance Sheet of the Governmental Funds
to the Statement of Net Position
June 30, 2022

Total fund balances - governmental funds			$ 460,189,047
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements.			
	Land	$ 110,765,445	
	Construction in progress	90,436,075	
	Buildings and improvements	2,126,090,436	
	Library books	3,889,380	
	Equipment	55,107,780	
	Vehicles	116,712,517	
	Software	5,840,432	
	Total capital assets	2,508,842,065	
	Accumulated depreciation/amortization	(710,002,300)	1,798,839,765
OPEB assets are not available to pay for current period expenditures and, therefore, are not reported in the fund statements.			14,330,563
Deferred inflows of resources are not available to pay for current-period expenditures			
	Pension		(414,306,597)
	OPEB		(51,629,062)
Certain revenues are measurable but not available to pay for current period expenditures and, therefore, are reported in the funds as deferred inflows of resources.			54,512,964
Long-term liabilities and deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.			
	Compensated absences	(41,229,878)	
	Net pension liability	(520,381,119)	
	Pension	240,487,765	
	Net OPEB liability	(127,137,030)	
	OPEB	29,817,962	
	Pollution remediation	(893,611)	(419,335,911)
Net position of internal service funds			31,856,250
Net position - governmental activities			$ 1,474,457,019

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

Prince William County Public Schools **Exhibit 5**
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Construction Fund	Food & Nutrition Services Fund	Other Non-major Governmental Fund	Total Governmental Funds
REVENUES:					
Use of money and property:					
Use of money - interest	$ (6,117,412)	(6,124,858)	(4,033,632)	(186,062)	(16,461,964)
Use of property	-	-	-	700,157	700,157
Charges for services	4,705,545	-	687,136	55,851	5,448,532
Intergovernmental:					
Federal	103,727,749	1,633,971	67,038,934	-	172,400,654
State	636,284,174	-	1,618,685	-	637,902,859
County	667,587,465	64,942,209	-	-	732,529,674
Miscellaneous	6,551,987	58	716,963	10,614,366	17,883,374
Total revenues	1,412,739,508	60,451,380	66,028,086	11,184,312	1,550,403,286
EXPENDITURES:					
Current:					
Regular instruction	668,457,222	8,329,635	-	-	676,786,857
Special instruction	155,445,956	-	-	-	155,445,956
Other instruction	12,734,496	-	-	-	12,734,496
Instructional leadership	84,708,108	-	-	-	84,708,108
General administration	13,708,538	-	-	-	13,708,538
Student services	27,944,762	-	-	-	27,944,762
Curricular/staff development	36,740,797	-	-	-	36,740,797
Pupil transportation	68,231,293	-	-	-	68,231,293
Operations	31,089,906	-	-	-	31,089,906
Utilities	24,537,563	-	-	-	24,537,563
Maintenance	31,493,184	24,955,669	-	-	56,448,853
Central business services	77,029,104	-	-	-	77,029,104
Community service operations	-	-	-	825,840	825,840
Food & nutrition services	-	-	44,630,880	-	44,630,880
Student activities	-	-	-	9,192,909	9,192,909
Capital outlay:	-	90,273,347	-	-	90,273,347
Intergovernmental:					
Reimbursement to the County for debt service	111,222,147	-	-	-	111,222,147
Total expenditures	1,343,343,076	123,558,651	44,630,880	10,018,749	1,521,551,356
Excess (deficiency) of revenues over (under) expenditures	69,396,432	(63,107,271)	21,397,206	1,165,563	28,851,930
OTHER FINANCING SOURCES (USES):					
Transfers In:					
General fund	-	61,628,535	-	-	61,628,535
Construction fund	1,501,119	-	-	-	1,501,119
Food & nutrition service fund	-	500,000	-	-	500,000
Transfers Out:					
General fund	-	(1,501,119)	-	-	(1,501,119)
Construction fund	(61,628,535)	-	(500,000)	-	(62,128,535)
Internal service funds	(1,945,000)	-	-	-	(1,945,000)
Enterprise funds	(2,000,000)	-	-	-	(2,000,000)
Total other financing sources (uses), net	(64,072,416)	60,627,416	(500,000)	-	(3,945,000)
Net change in fund balances	5,324,016	(2,479,855)	20,897,206	1,165,563	24,906,930
FUND BALANCES, beginning of year	229,885,472	128,540,898	65,909,253	10,946,494	435,282,117
FUND BALANCES, end of year	$ 235,209,488	126,061,043	86,806,459	12,112,057	460,189,047

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

Prince William County Public Schools **Exhibit 6**
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, 2022

Total net change in fund balances - total governmental funds		$ 24,906,930
Amounts reported for governmental activities in the Statement of Activities are different because:		
Certain revenues that are presented in the Statement of Activities do not provide current financial resources and, therefore, are not reported in the funds.		41,367,230
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/ amortization expense. This is the amount by which capital outlay exceeds depreciation/ amortization in the period:		
Capital outlays	$ 99,181,789	
Depreciation/amortization expense	(52,170,343)	47,011,446
The net effect of various transactions including disposal of capital assets		(148,634)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Pension expenses		92,019,956
OPEB benefits		10,966,634
Compensated absences		(570,256)
Pollution remediation		(52,127)
Activities of Internal Service Funds that serve governmental activities		(14,267,918)
Change in net position of governmental activities		$ 201,233,261

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

Prince William County Public Schools **Exhibit 7**
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Use of money and property:				
Use of money - interest	$ (6,117,412)	(6,117,412)	(6,117,412)	-
Charges for services	3,570,341	4,108,839	4,705,545	596,706
Intergovernmental:				
Federal	172,531,606	107,569,074	103,727,749	(3,841,325)
State	614,018,407	652,121,510	636,284,174	(15,837,336)
County	668,617,896	705,595,803	667,587,465	(38,008,338)
Miscellaneous	2,503,161	5,339,556	6,551,987	1,212,431
Total revenues	1,455,123,999	1,468,617,370	1,412,739,508	(55,877,862)
EXPENDITURES:				
Current:				
Regular instruction	789,089,626	731,546,928	668,457,222	63,089,706
Special instruction	160,514,355	163,835,251	155,445,956	8,389,295
Other instruction	17,499,029	13,656,517	12,734,496	922,021
Instructional leadership	88,984,825	85,732,435	84,708,108	1,024,327
General administration	14,684,431	16,403,791	13,708,538	2,695,253
Student services	27,336,283	34,201,900	27,944,762	6,257,138
Curricular/staff development	32,299,405	58,229,754	36,740,797	21,488,957
Pupil transportation	64,744,471	70,804,896	68,231,293	2,573,603
Operations	28,014,625	32,098,071	31,089,906	1,008,165
Utilities	36,904,448	31,644,606	24,537,563	7,107,043
Maintenance	38,022,934	33,482,664	31,493,184	1,989,480
Central business services	85,377,818	92,807,253	77,029,104	15,778,149
Intergovernmental:				
Reimbursement to the County for debt service	113,846,004	113,846,004	111,222,147	2,623,857
Total expenditures	1,497,318,254	1,478,290,070	1,343,343,076	134,946,994
Excess (deficiency) of revenues over (under) expenditures	(42,194,255)	(9,672,700)	69,396,432	79,069,132
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Construction fund	1,000,000	1,000,000	1,501,119	501,119
Transfers Out:				
Construction fund	(30,150,988)	(61,628,535)	(61,628,535)	-
Internal service funds	(1,945,000)	(1,945,000)	(1,945,000)	-
Enterprise funds	(1,150,000)	(2,000,000)	(2,000,000)	-
Total other financing sources (uses), net	(32,245,988)	(64,573,535)	(64,072,416)	501,119
Net change in fund balance	(74,440,243)	(74,246,235)	5,324,016	79,570,251
FUND BALANCE, beginning of year	229,885,472	229,885,472	229,885,472	-
FUND BALANCE, end of year	$ 155,445,229	155,639,237	235,209,488	79,570,251

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

Prince William County Public Schools **Exhibit 8**
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Food & Nutrition Services Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Use of money and property:				
Use of money - interest	$ -	-	(4,033,632)	(4,033,632)
Charges for services	19,425,000	19,425,000	687,136	(18,737,864)
Intergovernmental:				
Federal	28,740,000	28,740,000	67,038,934	38,298,934
State	1,035,000	1,035,000	1,618,685	583,685
Miscellaneous	800,000	800,000	716,963	(83,037)
Total revenues	50,000,000	50,000,000	66,028,086	16,028,086
EXPENDITURES:				
Current:				
Food & nutrition services	52,598,772	52,474,732	44,630,880	7,843,852
Total expenditures	52,598,772	52,474,732	44,630,880	7,843,852
Excess (deficiency) of revenues over (under) expenditures	(2,598,772)	(2,474,732)	21,397,206	23,871,938
OTHER FINANCING SOURCES (USES):				
Transfers Out:				
Construction fund	(500,000)	(500,000)	(500,000)	-
Total other financing (uses), net	(500,000)	(500,000)	(500,000)	-
Net change in fund balances	(3,098,772)	(2,974,732)	20,897,206	23,871,938
FUND BALANCES, beginning of year	65,909,253	65,909,253	65,909,253	-
FUND BALANCES, end of year	$ 62,810,481	62,934,521	86,806,459	23,871,938

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

Prince William County Public Schools **Exhibit 9**
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-type Activities - Nonmajor Enterprise Funds	Governmental Activities - Internal Service Funds
ASSETS		
Current assets:		
Equity in cash and pooled investments	$ 307,403	57,880,914
Accounts receivable and other current assets	225,976	206,179
Inventory	907	1,792,482
Total current assets	534,286	59,879,575
Noncurrent assets:		
Nondepreciable capital assets:		
Land	114,013	-
Depreciable capital assets:		
Buildings and equipment	9,114,963	-
Less: accumulated depreciation	(1,062,307)	-
Total noncurrent assets	8,166,669	-
Total assets	8,700,955	59,879,575
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	15,886	2,668,699
Salaries payable and withholdings	27,322	1,032
Unearned revenue	34,726	9,499,031
Due to other funds	-	703,466
Incurred but not reported claims	-	10,038,034
Total current liabilities	77,934	22,910,262
Noncurrent liabilities:		
Incurred but not reported claims	-	5,113,063
Total noncurrent liabilities	-	5,113,063
Total liabilities	77,934	28,023,325
NET POSITION		
Net investment in capital assets	8,166,669	-
Unrestricted	456,352	31,856,250
Total net position	$ 8,623,021	31,856,250

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

Prince William County Public Schools **Exhibit 10**
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2022

		Business-type Activities - Nonmajor Enterprise Funds	Governmental Activities - Internal Service Funds
OPERATING REVENUES:			
Charges for services	$	1,242,974	122,647,742
Total operating revenues		1,242,974	122,647,742
OPERATING EXPENSES:			
Personnel services		1,257,989	1,542,653
Materials/supplies		209,976	407,279
Administrative costs		-	7,595,018
Utilities		155,188	-
Contractual services		342,710	287,209
Premiums		-	2,186,694
Claims and benefits paid		-	115,047,812
Losses and unallocated loss adjustment		-	3,152,077
Cost of goods sold		1,157	4,996,808
Depreciation		183,370	-
Total operating expenses		2,150,390	135,215,550
Operating (loss)		(907,416)	(12,567,808)
NON-OPERATING REVENUES (EXPENSES):			
Interest (expense)		(8,281)	(3,645,110)
Total non-operating (expenses)		(8,281)	(3,645,110)
(Loss) before transfers		(915,697)	(16,212,918)
TRANSFERS:			
Transfers In:			
General Fund		2,000,000	1,945,000
Total other transfers		2,000,000	1,945,000
Change in net position		1,084,303	(14,267,918)
NET POSITION, beginning of year		7,538,718	46,124,168
NET POSITION, end of year	$	8,623,021	31,856,250

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, 2022

Exhibit 11

	Business-type Activities - Nonmajor Enterprise Funds	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities:		
Receipts from interfund services provided	$ -	123,479,695
Receipts from customers and users	1,281,903	7,555
Payments to suppliers for goods and services	(741,772)	(134,186,103)
Payments to employees	(1,264,115)	(1,564,894)
Net cash provided (used) by operating activities	(723,984)	(12,263,747)
Cash Flows from Non-capital Financing Activities:		
Due to other funds	(939,427)	(601,268)
Transfers from other funds	2,000,000	1,945,000
Net cash provided (used) by non-capital financing activities	1,060,573	1,343,732
Cash Flows from Investing Activities:		
Purchase of equipment	(19,919)	-
Interest (used) for investments	(9,267)	(3,621,089)
Net cash provided (used) for investing activities	(29,186)	(3,621,089)
Net increase (decrease) in equity in cash and pooled investments	307,403	(14,541,104)
Equity in cash and pooled investments, beginning of year	-	72,422,018
Equity in cash and pooled investments, end of year	$ 307,403	57,880,914

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

	Business-type Activities - Nonmajor Enterprise Funds	Governmental Activities - Internal Service Funds
Operating (loss)	$ (907,416)	$ (12,567,808)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Change in assets and liabilities:		
Depreciation expense	183,370	-
(Increase) decrease in accounts receivable	24,674	(4,568)
Decrease in inventory	215	73,200
Increase in unearned revenue	14,255	844,076
(Decrease) in accounts payable and accrued liabilities	(32,956)	(201,674)
(Decrease) in salaries payable and withholdings	(6,126)	(22,241)
(Decrease) in incurred but not reported claims	-	(384,732)
Net cash provided (used) by operating activities	$ (723,984)	(12,263,747)

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

Prince William County Public Schools **Exhibit 12**
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

		Custodial Funds
ASSETS		
Cash and pooled investments	$	3,904,380
Interest and other receivable		13,109
Due from other governmental units		180,631
Capital assets:		
Depreciable capital assets		14,750
Less: accumulated depreciation		(12,836)
Total assets		4,100,034
LIABILITIES		
Accounts payable and accrued liabilities		297,038
Total liabilities		297,038
NET POSITION		
Net investment in capital assets		1,914
Restricted for:		
Individuals, organizations, and other governments		3,801,082
Total net position	$	3,802,996

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

Prince William County Public Schools
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

Exhibit 13

	Custodial Funds
ADDITIONS:	
Investment loss:	
Net decrease in fair value of investments	$ (213,534)
Interest, dividends, and other	22,925
Total investment loss	(190,609)
Collections for other governments:	
Governor's school program	1,300,636
Grants from the State	525,405
Total additions	1,635,432
DEDUCTIONS:	
Depreciation expenses	2,107
Distributions to other governments:	
Governor's school program	1,450,279
Total deductions	1,452,386
Change in net position	183,046
NET POSITION, beginning of year	3,619,950
NET POSITION, end of year	$ 3,802,996

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

Note 1 – Summary of significant accounting policies

A. Financial reporting entity

Prince William County Public Schools (PWCS) 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 (the County) to serve four-year terms. One member represents each of the County's seven magisterial districts and the chairman serves at large. PWCS is organized to focus on meeting the needs of its 89,468 students while managing 97 schools. The mission of PWCS is to provide a world-class education. PWCS receives funding from taxes collected and allocated by the County; tuition and fees; state and federal aid; and other grants and donations from private sources. School construction projects are funded by the proceeds of general obligation bonds issued by the County and approved by the County voters. Other sources of PWCS school construction funding are Virginia Public School Authority (VPSA) bonds, Build America Bonds (BAB), Qualified School Construction Bonds (QSCB), and cash funding. Accounting principles generally accepted in the United States of America establish PWCS as a discretely presented component unit of the County while the Education Foundation for Prince William County Public Schools (SPARK) is a discretely presented component unit of PWCS.

The financial statements of the PWCS have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard - setting body for establishing governmental accounting and financial reporting principles. The accompanying financial statements present the financial data of the PWCS and its component unit over which the PWCS exercises significant influence. Significant influence or accountability is based primarily on operational or financial benefit/burden relationship with PWCS (as distinct from legal relationships). PWCS and its component unit are together referred to herein as the reporting entity.

<u>Component unit and the reporting method</u>

SPARK is organized under the laws of the Commonwealth of Virginia as a not-for-profit corporation. The purpose of SPARK is to engage community partners to fund and promote initiatives that enhance educational excellence. SPARK's purpose is to promote and aid endeavors of every kind for PWCS. Inclusion criteria consists of financial benefit/burden relationship exists, as the Executive Director of SPARK is a PWCS employee. Therefore, SPARK is a discretely presented component unit.

SPARK issues separately audited financial statements. Copies of these financial statements may be obtained by writing to the Education Foundation for Prince William County Public Schools, P.O. Box 389, Manassas, Virginia 20108.

B. Government-wide and fund financial statements

The basic financial statements include both government-wide statements, based on the entity as a whole, including its component unit, and fund financial statements that focus only on the individual funds defined by PWCS.

<u>**Government-wide financial statements**</u> the reporting model includes financial statements prepared using full accrual accounting for activities of the PWCS and its component unit. 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 requires that all of the revenues and costs of providing services each year are reported, not just those received or paid in the current year or soon thereafter. The governmental activities, which are normally supported by intergovernmental revenues, are reported separately from the business-type activities, which are generally supported by charges for services. The discretely presented component

unit is presented separate from the PWCS. Fiduciary funds are not included in the government-wide financial statements.

The basic financial statements include both government-wide statements where the focus is on the division as a whole, including component unit, and fund financial statements where the focus is on the major individual funds. In the government-wide statement of net position, assets, deferred outflows of resources, liabilities, and deferred inflows of resources are (a) presented on a consolidated basis and (b) reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term obligations.

<u>Statement of net position</u> – The statement of net position is designed to display the financial position of the total reporting entity and present the governmental and business-type activities on a consolidated basis by column. PWCS reports all capital assets in the government-wide statement of net position and reports depreciation/amortization expense - the cost of "using up" capital assets - in the statement of activities. The net position of PWCS is broken down into three categories: 1) investment in capital assets, 2) restricted, and 3) unrestricted.

<u>Statement of activities</u> – The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each PWCS functional category or business-type activity. The expense of individual functions or activities is compared to the revenues generated directly by the function (instruction, general administration, etc.) or activity. 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 or business-type activity that are otherwise being supported by general government revenues.

Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given functional category or activity, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Other items that are not properly included among program revenues are reported as general revenues.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

<u>**Fund financial statements**</u> 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. Business-type activities and internal service funds are reported in separate columns as well.

In the fund financial statements, financial transactions and accounts of PWCS 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 governmental fund financial statements are presented on a current financial resource measurement focus 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.

The proprietary funds, which are presented in the fund financial statements, distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services. Revenues and expenses not meeting these criteria are reported as nonoperating revenues and expenses.

PWCS' fiduciary funds are presented in the fund financial statements. By definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of PWCS. Therefore, 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, PWCS has chosen to make its budgetary comparison statements of the General Fund and Food & Nutrition Services Fund part of the basic financial statements. PWCS and many other governments revise their original budgets over the course of the year for a variety of reasons. PWCS provides the government's original budget alongside the 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. It is PWCS' policy to first use restricted resources for expenses incurred for which both restricted and unrestricted resources are available.

Non-exchange transactions include grants and donations where PWCS either gives or receives value without directly giving or receiving equal value in exchange. Revenues from general-purpose grants are recognized in the period when all eligibility requirements have been met.

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 the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, PWCS considers general revenues, interest on investments, and charges for services to be available if they are collected within 90 days of the end of the current fiscal period. PWCS' primary revenues susceptible to accrual include intergovernmental revenues, federal, state and other reimbursable grants, whose purpose is funding specific expenditures and are recognized when earned or at the time of the specific expenditure. Revenues from general-purpose grants are recognized in the period to which the grant applies. Additional County support identified after June 30 is not considered available and is therefore, a deferred inflow of resources.

For governmental funds, it is PWCS policy to first use restricted resources for expenditures incurred for which both restricted and unrestricted resources are available. Similarly, within unrestricted resources, the policy is to expend committed amounts first, followed by assigned amounts, and then unassigned amounts for which amounts in any of those unrestricted fund balance classifications could be used. Because different measurement focuses and bases of accounting are used in the government-wide statement of net position than in governmental fund statements, amounts reported as *restricted fund balances* in governmental funds may be different from amounts reported as *restricted* in the statement of net position.

PWCS reports the following major governmental funds:

General Fund: The *General Fund* is the operating fund of PWCS and is used to account for the revenues and expenditures necessary for the day-to-day operation of PWCS. 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 restricted or assigned financial resources to be used for the acquisition, construction, or repair of PWCS major capital facilities.

Food & Nutrition Services Fund: The *Food & Nutrition Services Fund* is a special revenue fund used to account for the operations of food service activities throughout the PWCS. Revenues come primarily from sales of meals and through participation in the National School Lunch and Breakfast Programs.

PWCS also reports the following nonmajor governmental fund types:

Facility Use Fund: The *Facility Use Fund* accounts for the use, by external organizations, of PWCS facilities. The administrative cafeteria is also accounted for in this fund.

Student Activity Fund: The *Student Activity Fund* (SAF) accounts for independent activity funds held by elementary and secondary schools for student groups by PWCS.

PWCS reports the following enterprise funds:

Proprietary funds measurement focus is based on determination of operating income, changes in net position, financial position and cash flows which is similar to a business enterprise. PWCS' business-type activity funds include the School Age Child Care (SACC) Fund and the Aquatics Center Fund.

SACC Fund: The *SACC Fund* accounts for school age child care services. This program provides adult-supervised, high quality, affordable, before and after school care for school age children. While this service is provided by private child-care provider for the operation of the program, the school board administers the program. Revenues are derived from a flat fee charged to the provider.

Aquatics Center Fund: The *Aquatics Center Fund* accounts for the operation of the PWCS aquatics center. Financing is provided by General Fund transfers and fees collected for aquatics programs and other services.

The internal service funds account for distribution services, imaging center, self-insurance, and health insurance provided to departments of PWCS on a cost reimbursement basis.

Distribution Center Fund: The *Distribution Center Fund* was created to account for the operations of the distribution center. This distribution center operation maintains inventories for maintenance, educational supplies, and office supplies. Revenues and expenses are predominantly a result of operations of the distribution center function.

Imaging Center Fund: The *Imaging Center Fund* was created to account for the sale, primarily to internal customers, of printed materials and other document production services. Revenues and expenses are primarily a result of operations of the imaging center function.

Self-Insurance Fund: The *Self-insurance Fund* was created to account for the accumulation of resources to pay for workers' compensation losses incurred by the partial or total retention of risk of loss arising out of the assumption of risk rather than transferring that risk to a third party through the purchase of commercial insurance.

Health Insurance Fund: The *Health Insurance Fund* was created to better manage health care expenses within PWCS. 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.

Additionally, PWCS reports the following fiduciary funds:

Fiduciary funds are used to account for assets held by or as an agent for individuals, private organizations, other governments, and/or other funds. Fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. PWCS's Fiduciary funds are classified as Custodial funds, which include the Governor's School @ Innovation Park Fund and the Regional School Fund.

D. Assets, deferred outflows and inflows of resources, liabilities, and net position or fund balance

Deposits and investments

The County maintains a single cash and investment pool for use by the County and some of its component units, including PWCS. All PWCS funds are maintained in this account except for the School Board Student Activity Fund. Pooled cash and investments represent the majority of PWCS' 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 to PWCS monthly based on PWCS' 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, 2022, 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 the Federal Deposit Insurance Corporation (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.

Restricted cash of $46,726,604 consists of bond proceeds held by trustees for the funding of specific construction projects. The funds are maintained to comply with the provision of the Tax Reform Act of 1966 or as required by various bond covenants.

Cash in the Student Activity Fund 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.

All funds deposited in accordance with the requirements of the Act are considered fully secured and are not subject to custodial credit risk.

Fair Value Measurements

Fair value was estimated for each class of financial instrument for which it was practical to estimate fair value. Fair value is defined as the price in the principal market that would be received for an asset to facilitate an orderly transaction between market participants on the measurement date. Market participants are assumed to be independent, knowledgeable, able, and willing to transact an exchange and not acting under duress. Fair value hierarchy disclosures are based on the quality of inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). Adjustments to transaction prices or quoted market prices may be required in illiquid or disorderly markets to estimate fair value. The three levels of the fair value hierarchy are defined as follows:

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

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

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

Investments

Code of Virginia §2.2-4501 through 2.2-4600 authorizes the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth or political subdivisions thereof; obligations of other states not in default; obligations of the International Bank for Reconstruction and Development (World Bank); the Asian Development Bank; the African Development Bank; "prime quality" commercial paper; negotiable certificates of deposits and negotiable bank notes; corporate notes; bankers' acceptances; overnight, term and open repurchase agreements; money market mutual funds; the State Treasurer's Local Government Investment Pool (LGIP), non-negotiable certificates of deposit, and insured deposits. PWCS' pro rata share of the County's pooled cash and investments was approximately 29.82% at June 30, 2022. The investments contained in the County's pool of investments are subject to investment rate and custodial credit risk.

The maturities of the County's investments range from one day to ten years. The County generally holds securities until maturity. However, a security may be sold as provided within the scope of the Investment Policy. For additional information please refer to the County's Annual Comprehensive Financial Report (ACFR). Copies of the County's ACFR may be obtained by emailing the Department of Finance at financedirectorsoffice@pwcgov.org, or by downloading the ACFR document from their website at www.pwcva.gov/department/finance.

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 position, so as not to overstate PWCS' assets and liabilities.

Inventory

Inventory in the General, Distribution Center, Food & Nutrition Services, and Aquatics Center funds consists of expendable supplies held for consumption. PWCS 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, General Fund and Food & Nutrition Services Fund inventories are offset with a nonspendable fund balance, which indicates that they do not constitute available expendable resources, even though they are a component of assets. The value of the Distribution Center Fund inventory is determined by the weighted average cost method. The value of the General Fund, Food & Nutrition Services Fund, and Aquatics Center Fund inventories are determined by the first-in first-out method.

Capital assets

Capital assets, which include land, buildings and improvements, equipment, vehicles, computer software and library books, are reported in the government-wide financial statements. Capital assets, with the exception of computer software, are defined by PWCS as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of one year. Computer software is defined by PWCS as purchased software and software licenses with an initial, individual cost of $250,000 and internally generated software with development costs of $750,000 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 acquisition cost at the date of the donation. Utility, storm drainage, right-of-way and sight distance easements are often purchased during the construction of new schools. Donated easement with estimated acquisition cost of $75,000 are recorded as capital assets. Utility, storm drainage, right-of-way and sight distance easements are often acquired during the construction of new schools. The easements are generally transferred to the applicable utility company or the Virginia Department of Transportation within one year.

PWCS evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) in the event or change in circumstance is outside the normal life cycle of the capital asset. Impaired capital assets that will no longer be used by PWCS are reported at the lower of carrying value or fair value. Impairment losses on capital assets that will continue to be used by PWCS are measured using the method that best reflects the diminished service utility of the capital asset. Any insurance recoveries received as a result of impairment events or changes in circumstances resulting in the impairment of a capital asset are netted against the impairment loss.

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

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

Capital assets are depreciated or amortized using the straight-line method over the estimated useful lives. New buildings use the midyear convention.

Estimated useful lives:

Assets	Years
Buildings	20-50
Improvements	20-50
Equipment	5-12
Vehicles	4-14
Intangible assets, including computer software	3-10
Library books	5

Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an expense or expenditure until then. PWCS's Deferred Outflow of Resources are related to Pension and OPEB activities.

In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as revenue until then. PWCS's Deferred Inflow of Resources are mainly related to Pension and OPEB activities. Additionally, PWCS has a deferred inflow in the governmental funds for County support.

Compensated absences

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

Pollution remediation

Obligations related to pollution remediation are recognized by PWCS as a liability once the school system knows or reasonably believes that a site is polluted and commences cleanup activities, or legally obligates itself by entering into a contract to assess and commence work for cleanup services such as asbestos and lead abatement and storm sewer management. A liability for pollution remediation is recorded in the government-wide statement of net position.

Pensions

The Virginia Retirement System (VRS) Teacher Employee Retirement Plan (Professional Group) is a multiple-employer, cost-sharing plan. The VRS Political Subdivision Retirement Plan (Non-professional Group) is a multiple-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Non-professional Group's Retirement Plan and the Professional Group's Retirement Plan and the additions to/deductions from the Non-professional Group's Retirement Plan's net fiduciary position and the VRS Professional Group's Retirement Plan have been determined on the same basis as they were reported by the VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

PWCS' other postemployment benefits (OPEB) include a single-employer defined benefit self-insurance medical plan and a retiree health insurance premium contribution plan. The benefits are set by the School Board and subject to change through board action. OPEB cost for retiree healthcare and benefits is measured and disclosed using the accrual basis of accounting.

PWCS also participates in the VRS Teacher (professional) Employee Health Insurance Credit (HIC) OPEB program which is a multiple-employer, cost-sharing plan, defined benefit plan. The VRS Political Subdivision (non-professional) HIC OPEB program is an agent, multiple-employer, defined benefit plan. The HIC OPEB program provides a credit toward the cost of health insurance coverage for retired professional and non-professional employees. For purposes of measuring the net HIC OPEB program liability, deferred outflows of resources and deferred inflows of resources related to the HIC OPEB, and HIC OPEB expense, information about the fiduciary net position of the VRS HIC OPEB program; and the additions to/deductions from the VRS HIC OPEB program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In addition, PWCS participates in the VRS Group Life Insurance (GLI) OPEB program to provide other postemployment benefits to eligible retired employees. The VRS GLI OPEB program is a multiple-employer, cost-sharing, defined benefit plan. The GLI OPEB program provides a basic group life insurance benefit for eligible employees. For purposes of measuring the net GLI OPEB program liability, deferred outflows of resources and deferred inflows of resources related to the GLI program OPEB, and GLI OPEB program expense, information about the fiduciary net position of the VRS GLI OPEB program and the additions to/deductions from the VRS GLI OPEB program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund balance

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Nonspendable fund balance represents amounts that are either not in spendable form, inventories for example, or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that have been restricted by outside parties for use for a specific purpose. Unrestricted fund balance components include: committed fund balance, which represents amounts set aside for a specific purpose through resolution by the Board; assigned fund balance, which represents management's plans for amounts to be used for specific purposes, but are subject to change; and, unassigned fund balance, which represents a residual classification for the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes. The Board approved a resolution to delegate the authority to assign fund balance to the Director of Financial Services.

Policy 304 was adopted by the Board to establish and maintain a minimum unassigned fund balance of 1.5% of the current fiscal year's General Fund revenue.

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 restricted, committed, or assigned fund balance, depending on the governmental fund, since they do not constitute expenditures or liabilities. Encumbrances are normally re-appropriated each year by County Board resolution.

Commitments

At June 30, 2022 PWCS had contractual commitments of $24,454,392 in the General Fund, $107,254,251 in the Construction Fund for construction of various projects, and $124,040, in the Food & Nutrition Services Fund for contractual commitments.

E. Governmental Accounting Standards Board (GASB) pronouncements

PWCS has implemented the following GASB pronouncements in FY 2022:

GASB Statement No. 92, *Omnibus 2020.* This statement addresses a variety of topics and practice issues that have been identified during the implementation and application of certain GASB Statements, including the effective date of Statement No.87, Leases and Implementation Guide No. 2019-3, Leases, for interim financial reports. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.* The statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans (e.g., certain Section 457 plans), while mitigating the costs associated with reporting those plans.

GASB Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. PWCS has evaluated the elements of GASB 87. The effects of the provisions of GASB 87 on the financial statements are immaterial.

GASB has issued the several statements with effective implementation periods subsequent to this fiscal year. The statements deemed to have a future impact on PWCS are as follows:

GASB Statement No. 91, *Conduit Debt Obligations.* This statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The Statement will be effective beginning fiscal year 2023. Management is in the process of completing their assessment of GASB Statement 91 and does not believe the implementation will have a material impact on the financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements related to other topics are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Management is in the process of assessing the effects of GASB 96.

GASB Statement No. 99, *Omnibus 2022*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs are effective for fiscal year 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal year 2024. The requirements related to all other items are effective upon issuance. GASB 99 items effective in FY 2022 have been implemented. Management is in the process of assessing the effects of GASB 99 for items effective in future fiscal years.

GASB Statement No. 100, *Accounting Changes and Error Corrections.* This Statement defines accounting changes and describes the transactions or other events that constitute those changes. It also addresses corrections of errors in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management is in the process of assessing the effects of GASB 100.

GASB Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal year beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management is in the process of assessing the effects of GASB 101.

Note 2 – Stewardship, compliance, and accountability

A. Budgetary information

The *Code of Virginia* requires the appointed superintendent of PWCS to submit a budget to the Prince William Board of County Supervisors (BOCS), 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 BOCS determines the level of funding for PWCS. 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 PWCS staff and then adopted by the School Board. The approved budget is the basis for operating PWCS in the next fiscal year.

Annual budgets are adopted for all funds. Project length financial plans are adopted for all capital projects in the Construction Fund. PWCS uses the modified accrual basis of accounting in budgeting for governmental funds. The budgets are on a basis consistent with generally accepted accounting principles (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 both legal and administrative levels. Legal control is placed at the government-wide level of PWCS, while administrative control is placed at the department level. Amendments that change the total level of expenditure budget require the approval of both the School Board and the BOCS.

Note 3 – Receivables, due to and due from other governmental units, deferred inflows and outflows of resources, and unearned revenue

Receivables and due from other governmental units at June 30, 2022 for PWCS' individual major funds, non-major, internal service, nonmajor enterprise, and fiduciary funds, in the aggregate, are as follows:

	Other Receivables	Federal	State	County	Total
General Fund	$4,347,994	47,290,182	24,847,384	54,512,964	130,998,524
Construction Fund	349,020	1,633,971	-	-	1,982,991
Food & Nutrition Services Fund	426,083	10,938,097	-	-	11,364,180
Nonmajor Governmental Funds	464,668	-	-	-	464,668
Internal Service Funds	206,179	-	-	-	206,179
Nonmajor Enterprise Fund	225,976	-	-	-	225,976
Fiduciary Funds	13,109	-	180,631	-	193,740
Total	$6,033,029	59,862,250	25,028,015	54,512,964	145,436,258

Amounts due from the federal government in the General Fund are attributed primarily to Elementary and Secondary School Emergency Relief (ESSER) Act funding. ESSER II and ESSER III allocations awarded to the PWCS provided additional funding under the Coronavirus Aid, Relief, and Economic Security (CARES) Act to aid in student support for unfinished learning, necessary remediation, and mental health support as a result of the pandemic related closures of schools.

A significant portion of the receivable from the Commonwealth of Virginia in the General Fund is attributed to state sales taxes due to the PWCS. The Virginia Retail Sales and Use Tax Act requires one and one eighth out of every five cents collected in Virginia state sales tax to be distributed to PWCS.

All receivables are considered fully collectable and, therefore, an allowance for uncollectible accounts is not recorded.

In the fund financial statements, governmental funds report deferred inflow of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2022, deferred inflow of resources is recorded in the General Fund for excess general tax supported revenues to be distributed by the County in the amount of $54,512,964.

Governmental activities report unearned revenue in connection with resources that have been received, but not yet earned. Business-type activities report unearned revenue in Aquatics Center in connection with resources received for events and programs that have not yet occurred.

At the end of the current fiscal year, the various components of unearned revenue were as follows:

Governmental Activities	Unearned Revenue
Construction Fund	$ 5,000
Food & Nutrition Services Fund – other unearned revenue	1,742,264
General Fund – prepaid tuition or fees and other unearned revenue	5,508,182
Governmental Funds	7,255,446
Health Insurance Fund (internal service fund) – prepaid health insurance premiums	9,499,031
Total Governmental Activities	$ 16,754,477
Business-type Activities	
Aquatics Center Fund - prepaid fees related to events and programs not yet occurred	$ 34,726
Total Business-type Activities	$ 34,726

Note 4 – Interfund receivables, payables, and transfers

During the current year, PWCS had interfund receivables and payables between the following funds:

	Due to other funds:		
	Distribution Center Fund	Imaging Center Fund	Total
Due from other funds:			
General Fund	$ 692,231	$ 11,235	$ 703,466

Interfund balances are generally made for the purpose of providing operational support for the receiving fund. At the end of each fiscal year, the Distribution Center Fund must make purchases in advance of the sale in order to have all items in place prior to the start of the following school year. Therefore, a timing difference between the purchase and the sale of inventory exists between the General Fund and the Distribution Center Fund. General Fund advances money to the Imaging Center Fund to offset year-end cash deficits due to temporary cash shortages. The deficits occur due to timing differences between payments for expenditures and the receipt of cash to cover them.

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

	Transfers Out:		
Transfers In:	General Fund	Construction Fund	Food and Nutrition Services Fund
General Fund	$ -	1,501,119	-
Construction Fund	61,628,535	-	500,000
Imaging Center Fund	145,000	-	-
Health Insurance Fund	1,800,000	-	-
School Age Child Care Fund	150,000	-	-
Aquatics Center Fund	1,850,000	-	-
Total	$ 65,573,535	1,501,119	500,000

Interfund transfers are generally made for the purpose of providing operational support to the receiving fund. The General Fund transfer of $61,628,535 and Food and Nutrition Services Fund transfer of $500,000 to the Construction Fund represents funds required for building, maintenance, classroom equipment, and facility modifications. The Construction Fund transfer of $1,501,119 to the General Fund represents funds contributed to debt service expenditures. The General Fund transfers of $1,800,000 to the Health Insurance Fund represents support for the self-insured portion of the health insurance fund. The General Fund transfer of $1,850,000 to the Aquatics Center Fund, $150,000 to the School Age Child Care Fund and $145,000 to the Imaging Center Fund represents support for the operation of these programs.

Note 5 – Related party transactions

SPARK is a discretely presented component unit of PWCS. PWCS provided contributions of personnel, equipment, and facilities to SPARK in support of their education programs and partnerships. PWCS reported expenses related to these transfers in the amount of $570,762 for the year ended June 30, 2022.

Note 6 – Long-term liabilities

The following is a summary of changes in the long-term liabilities of PWCS for the year ended June 30, 2022:

Governmental Activities	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Compensated absences	$ 40,659,623	16,141,774	(15,571,519)	41,229,878	16,443,647
Claims liabilities	15,535,829	107,229,635	(107,614,367)	15,151,097	10,038,034
Pollution remediation	841,484	1,567,370	(1,515,243)	893,611	893,611
Net pension liabilities	1,003,741,236	234,188,654	(717,548,771)	520,381,119	-
Net OPEB liabilities	142,765,589	28,626,320	(44,254,879)	127,137,030	-
Total	$ 1,203,543,761	387,753,753	(886,504,779)	704,792,735	27,375,292

For purposes of aiding the readers to understand the additional OPEB liabilities that are included, we are presenting the following expansion schedule:

Governmental Activities	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Group Life Insurance	$ 53,380,065	12,053,771	(27,463,221)	37,970,615	-
Health Insurance Credit	89,385,524	16,572,549	(16,791,658)	89,166,415	-
Total	$ 142,765,589	28,626,320	(44,254,879)	127,137,030	-

Additional detailed information regarding long-term liabilities, including the current year's activity, can be found in notes 1.D, 7, 10, and 11 in the notes to the financial statements.

Long-term debt

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

Note 7 – Self-insurance funds

PWCS 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 PWCS carries commercial insurance. PWCS established a limited risk management program for workers' compensation. For the fiscal year ended June 30, 2022 PWCS incurred $2,134,481 for self-insured workers' compensation claims.

PWCS 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 and Kaiser Permanente are the plan administrators for medical, WellDyneRX and Kaiser Pharmacy are the plan administrators for pharmacy benefits, and Delta Dental Plan of Virginia, Inc. (Delta Dental) is the dental plan administrator. All regular 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 three (3) plans administered by Anthem Blue Cross/Blue Shield offered through the PWCS insurance program. An employee may choose either the HMO plan called *"Healthkeepers,"* or one of the two PPO plans offered, *"KeyCare Enhanced"* or the *"KeyCare Core".* PWCS insurance program also offered a medical plan *"Kaiser Permanente HMO."* All four plans include comprehensive medical, preventive care, vision, and prescription drug coverage (Anthem Blue Cross/Blue Shield through WellDyneRX, Kaiser Permanente through Kaiser Pharmacy). The basis for estimating incurred, but not reported, claims at year-end is an annual analysis performed by the plan's health and welfare consultant. For the fiscal year ended June 30, 2022 PWCS incurred $105,095,154 in self-insured health insurance claims.

Premiums are paid into the self-insurance internal service funds by the other funds and are available to pay claims, claim reserves, and administrative costs of the programs for all funds.

Liabilities of the funds 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. PWCS Self-Insurance Fund, covering the risks of loss, has $600,000 per occurrence retention and purchases excess insurance coverage which covers individual claims with a $75,000,000 limit. PWCS Health Insurance Fund covering the risks of loss, has $500,000 per member. There have been no significant reductions in insurance coverage in the prior year, and settlements have not exceeded coverage for each of the past three fiscal years.

The following illustration presents a reconciliation of the changes in the aggregate liabilities for claims for the current and prior years. These claims liabilities are included in long-term liabilities in the government-wide statement of net position.

Changes in aggregate liabilities for claims are as follows:

	Self-Insurance	Health Insurance
Unpaid Claims June 30, 2020	$ 5,512,840	8,595,000
Incurred Claims	2,767,726	93,449,988
Claims Paid	1,800,737	92,988,988
Unpaid Claims June 30, 2021	6,479,829	9,056,000
Incurred Claims	2,134,481	105,095,154
Claims Paid	1,852,213	105,762,154
Unpaid Claims June 30, 2022	$ 6,762,097	8,389,000
Due Within One Year	$ 1,649,034	8,389,000

Note 8 – Capital assets

Capital asset activities for the year ended June 30, 2022 was as follows:

	Primary Government			
Governmental Activities:	Balance July 1,2021	Increases	Decreases	Balance June 30,2022
Capital assets, not being depreciated:				
Land	$ 104,122,146	6,643,299	-	110,765,445
Construction in Progress	39,230,337	83,108,687	(31,902,949)	90,436,075
Total capital assets, not being depreciated	143,352,483	89,751,986	(31,902,949)	201,201,520
Capital assets, being depreciated/amortized:				
Buildings and improvements	2,094,235,054	31,855,382	-	2,126,090,436
Library books	3,186,618	1,434,829	(732,067)	3,889,380
Equipment	53,632,226	1,633,840	(158,286)	55,107,780
Vehicles	115,267,615	6,408,701	(4,963,799)	116,712,517
Intangibles	5,840,432	-	-	5,840,432
Total capital assets being depreciated/amortized	2,272,161,945	41,332,752	(5,854,152)	2,307,640,545
Less accumulated depreciation/amortization for:				
Buildings and improvements	560,131,597	40,641,483	-	600,773,080
Library books	1,961,934	777,876	(732,068)	2,007,742
Equipment	40,646,205	2,361,987	(141,054)	42,867,138
Vehicles	56,174,812	8,056,950	(4,832,395)	59,399,367
Intangibles	4,622,926	332,047	-	4,954,973
Total accumulated depreciation/amortization	663,537,474	52,170,343	(5,705,517)	710,002,300
Total capital assets, being depreciated, net	1,608,624,471	(10,837,591)	(148,635)	1,597,638,245
Governmental activities capital assets, net	$1,751,976,954	78,914,395	(32,051,584)	1,798,839,765

	Primary Government			
Business-type Activities:	Balance July 1,2021	Increases	Decreases	Balance June 30,2022
Capital assets, not being depreciated:				
Land	$ 114,013	-	-	114,013
Total capital assets, not being depreciated	114,013	-	-	114,013
Capital assets, being depreciated:				
Buildings and improvements	9,095,044	-	-	9,095,044
Equipment	-	19,919	-	19,919
Total capital assets being depreciated	9,095,044	19,919	-	9,114,963
Less accumulated depreciation				
Buildings and improvements	878,937	181,901	-	1,060,838
Equipment	-	1,469	-	1,469
Total accumulated depreciation	878,937	183,370	-	1,062,307
Total capital assets, being depreciated, net	8,216,107	(163,451)	-	8,052,656
Business-type activities capital assets, net	$ 8,330,120	(163,451)	-	8,166,669

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

Governmental Activities	Depreciation Expense
Instruction	
Regular	$ 40,063,501
Special	1,067,062
Other	11,876
Support Services	
General administration	1,066,523
Student services	9,714
Curricular/staff development	8,138
Pupil transportation	8,227,318
Maintenance	373,156
Central business services	1,247,135
Food & nutrition services	95,920
Total depreciation/amortization expense	$ 52,170,343

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

Business-type Activities	Depreciation Expense
Aquatics Center	$ 183,370
Total depreciation expense	$ 183,370

Note 9 – Contingencies

PWCS 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 PWCS' management and 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 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.

Coronavirus (COVID-19) and its variants continues to spread throughout the United States and world since March 2020. The pandemic could potentially have a material, adverse impact on economic and market conditions and trigger a period of national and global economic shutdown. Although it is not possible to reliably estimate the length or severity of the financial impact to PWCS now and in the future, we are navigating by utilizing existing PWCS' General Reserves, Fund Balance, and Long-Term Financial Policies.

In response to the pandemic, Congress passed the Coronavirus Aid, Relief and Economic Security of 2020 (CARES Act), which provided federal passthrough grant funding via the Commonwealth for different programs to respond and recover from the outbreak. PWCS also receives other grant funds from the

Commonwealth and Federal government primarily used to fund various PWCS programs. These programs, including CARES Act, are subject to audit by the grantor presently and in the near future. PWCS is contingently liable to refund amounts received in excess of allowable expenditures identified as a result of those audits. However, it is the opinion of PWCS that no material refunds will be required if these audits are performed.

Note 10 – Employee retirement systems and pension plans

A. Virginia Retirement System

Plan description

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

The VRS administers three different benefit structures for covered employees in both plans: Plan 1, Plan 2, and the Hybrid Retirement Plan (Hybrid Plan). Each of these benefit structures have different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out below:

Plan 1

- *About Plan 1*: Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.
- *Eligible Members*: Employees are in Plan 1 if their membership date is before July 1, 2010, they were vested as of January 1, 2013, and they have not taken a refund.
- *Hybrid Opt-In Election*: VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Plan during a special election window held January 1 through April 30, 2014. The Hybrid Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Plan and remain as Plan 1 or ORP.
- *Retirement Contributions*: Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payments.
- *Service Credit*: Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.
- *Vesting*: Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.

- *Calculating the Benefit*: The Basic Benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.
- *Average Final Compensation*: A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.
- *Service Retirement Multiplier*: The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier of eligible non-professional hazardous duty employees other than sheriffs and regional jail superintendents is 1.7% or 1.85% as elected by the employer.
- *Normal Retirement Age*: Normal retirement age is 65. For non-professional hazardous duty employees, normal retirement age is 60.
- *Earliest Unreduced Retirement Eligibility*: Earliest unreduced retirement age is 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit. Hazardous duty members: earliest unreduced retirement age is 60 with at least five years of service credit or age 50 with at least 25 years of service credit.
- *Earliest Reduced Retirement Eligibility*: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. Hazardous duty members: age 50 with at least five years of service credit.
- *Cost-of-Living Adjustment (COLA) in Retirement*: The COLA matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.
  - *Eligibility for COLA*: For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date. For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.
  - *Exceptions to COLA Effective Dates*: The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:
    - The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.
    - The member retires on disability.
    - The member retires directly from short-term or long-term disability.
    - The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.
    - The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.
- *Disability Coverage*: Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.
- *Purchase of Prior Service*: Members may be eligible to purchase service from previous public employment, active-duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.

Plan 2

- *About Plan 2*: Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.
- *Eligible Members*: Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.

- *Hybrid Opt-In Election*: Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014. If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan. Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Plan and remain as Plan 2 or ORP.
- *Retirement Contributions*: Same as Plan 1.
- *Service Credit*: Same as Plan 1.
- *Vesting*: Same as Plan 1.
- *Calculating the Benefit*: See definition under Plan 1.
- *Average Final Compensation*: A member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.
- *Service Retirement Multiplier*: Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013. The retirement multiplier for sheriffs and regional jail superintendents is the same as Plan 1. The retirement multiplier for non-professional hazardous duty employees in the same as Plan 1.
- *Normal Retirement Age*: Normal Social Security retirement age. Non-professional hazardous duty employee's retirement age is the same as Plan 1.
- *Earliest Unreduced Retirement Eligibility*: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90. Hazardous duty members are same as Plan 1.
- *Earliest Reduced Retirement Eligibility*: Age 60 with at least five years (60 months) of service credit. Hazardous duty employees are same as Plan 1.
- *COLA in Retirement*: The COLA matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.
  - *COLA Eligibility*: Same as Plan 1.
  - *Exceptions to COLA Effective Dates*: Same as Plan 1.
- *Disability Coverage*: Non-professional members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted
- *Purchase of Prior Service*: Same as Plan 1.

Hybrid Plan

- *About the Hybrid Plan*: The Hybrid Plan combines the features of a defined benefit plan and a defined contribution plan.
  - The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula.
  - The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.
  - In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
- *Eligible Members*: Members are in the Hybrid Plan if their membership date is on or after January 1, 2014. This includes:
  - Professional employees
  - Non-professional employees*
  - Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 - April 30, 2014; the plan's effective date for opt-in members was July 1, 2014
  - *Non-Eligible Members: Some employees are not eligible to participate in the Hybrid Plan. They include:
    - Non-professional employees who are covered by enhanced benefits for hazardous duty employees

    - Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.
- *Retirement Contributions*: A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.
- *Service Credit*: *Defined Benefit Component:* Under the defined benefit component of the plan, Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit. *Defined Contributions Component:* Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.
- *Vesting*: *Defined Benefit Component:* Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Plan remain vested in the defined benefit component. *Defined Contributions Component:* Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.
    - After two years, a member is 50% vested and may withdraw 50% of employer contributions.
    - After three years, a member is 75% vested and may withdraw 75% of employer contributions.
    - After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.

  Distributions not required, except as governed by law.
- *Calculating the Benefit*: *Defined Benefit Component:* See definition under Plan 1. *Defined Contributions Component:* The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
- *Average Final Compensation*: Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
- *Service Retirement Multiplier*: The retirement multiplier is 1.0%. For members that opted into the Hybrid Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. The service retirement multiplier is not applicable to the defined contribution component.
- *Normal Retirement Age*: *Defined Benefit Component:* Same as Plan 2. Not applicable for non-professional hazardous duty employees. *Defined Contributions Component:* Members are eligible to receive distributions upon leaving employment, subject to restrictions.
- *Earliest Unreduced Retirement Eligibility*: *Defined Benefit Component:* Members are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equals 90. Not applicable to non-professional hazardous duty employees. *Defined Contribution Component:* Members are eligible to receive distributions upon leaving employment, subject to restrictions.

- *Earliest Reduced Retirement Eligibility*: *Defined Benefit Component:* Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of service credit. Not applicable to non-professional hazardous duty employees. *Defined Contribution Component:* Members are eligible to receive distributions upon leaving employment, subject to restrictions.
- *COLA in Retirement*: *Defined Benefit Component:* Same as Plan 2. *Defined Contribution Component:* Not applicable.
  - *COLA Eligibility*: Same as Plan 1 and Plan 2.
  - *Exceptions to COLA Effective Dates*: Same as Plan 1 and Plan 2.
- *Disability Coverage*: Eligible non-professional and professional employees (including Plan 1 and Plan 2 opt-ins) may participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members. Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.
- *Purchase of Prior Service: Defined Benefit Component:* Same as Plan 1, with the following exceptions: Hybrid Retirement Plan members are ineligible for ported service. *Defined Contribution Component:* Not applicable.

Employees Covered by Benefit Terms

As of the June 30, 2020 actuarial valuation, the following employees of the non-professional group were covered by the benefit terms of the pension plan:

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

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to the non-professional and professional groups by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

Contributions – Non-professional group

The non-professional group's contractually required contribution rate for the year ended June 30, 2022 was 6.07% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the non-professional group was $3,752,340 for the year ended June 30, 2022.

Contributions – Professional group

Each professional group's contractually required contribution rate for the year ended June 30, 2022 was 16.62% of covered employee compensation. This rate was based on the actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the professional group was $106,711,693 for the year ended June 30, 2022.

Actuarial Assumptions

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

Inflation	2.50%
Salary Increases, including inflation (non-professional)	3.50% - 5.35%
Salary Increases, including inflation (professional)	3.50% - 5.95%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

Mortality rates:

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

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

Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Long-Term Expected Rate of Return

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

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

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

Discount Rate

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

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability

At June 30, 2022, the professional group reported a liability of $533,648,511 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to the measurement date of June 30, 2021. The professional group's proportion of the net pension liability was based on the professional group's actuarially determined employer contributions to the pension plan for the year ended June 30, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, the professional group's proportion was 6.87% as compared to 6.76% at June 30, 2020.

The non-professional net pension liability (asset) was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2020, rolled forward to the measurement date of June 30, 2021.

Changes in Net Pension Liability (Asset) – Non-professional group

		Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2020	$	230,136,342	210,218,121	19,918,221
Changes for the year:				
Service cost		5,288,149	-	5,288,149
Interest		15,166,237	-	15,166,237
Changes of assumptions		7,188,576	-	7,188,576
Differences between expected and actual experience		2,139,257	-	2,139,257
Contributions - employer		-	3,237,408	(3,237,408)
Contributions - employee		-	2,789,740	(2,789,740)
Net investment income		-	57,078,058	(57,078,058)
Benefit payments, including refunds of employee contributions		(10,902,691)	(10,902,691)	-
Administrative expenses		-	(142,756)	142,756
Other changes		-	5,382	(5,382)
Net changes		18,879,528	52,065,141	(33,185,613)
Balances at June 30, 2021	$	249,015,870	262,283,262	(13,267,392)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the non-professional group using the discount rate of 6.75%, as well as what the non-professional group's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Non-Professional Group's Net Pension Liability (Asset)	$ 18,076,707	$ (13,267,392)	$ (39,261,435)

The following presents the professional group's proportionate share of the net pension liability using the discount rate of 6.75%, as well as what the professional group's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Professional group's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	$ 1,029,912,731	$ 533,648,511	$ 125,404,907

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Non-professional group

For the year ended June 30, 2022, the non-professional group recognized pension benefit of $312,767. At June 30, 2022, the non-professional group reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,498,761	397,339
Change in assumptions	6,112,175	-
Net difference between projected and actual earnings on pension plan investments	-	28,312,461
Employer contributions subsequent to the measurement date	3,752,340	-
Total	$ 11,363,276	28,709,800

$3,752,340 reported as deferred outflows of resources related to pensions resulting from PWCS' non-professional group contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses in future reporting periods as follows:

Year ended June 30,		
2023	$	(3,069,999)
2024		(3,770,214)
2025		(5,647,146)
2026		(8,611,505)
Total	$	(21,098,864)

Professional Group

For the year ended June 30, 2022, PWCS recognized pension expense of $18,751,822 related to the professional group. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2022, the PWCS' professional group reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	45,452,950
Change of assumptions	93,493,823	-
Net difference between projected and actual earnings on pension plan investments	-	336,291,011
Changes in proportion and differences between Employer contributions and proportionate share of contributions	28,918,973	3,852,836
Employer contributions subsequent to the measurement date	106,711,693	-
Total	$ 229,124,489	385,596,797

$106,711,693 reported as deferred outflows of resources related to pensions resulting from PWCS' professional group contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30,		
2023	$	(58,262,598)
2024		(53,108,060)
2025		(61,306,367)
2026		(90,628,670)
2027		121,694
Total	$	(263,184,001)

Pension Plan Fiduciary Net Position

Detailed information about the VRS Teacher and Political Subdivision Retirement Plan is also available in the separately issued VRS 2021 Annual Report. A copy of the 2021 VRS Annual Report may be downloaded from the VRS Web site at https://www.varetire.org/pdf/publications/2021-annual-report.pdf,or by writing to VRS' Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

B. VRS Health Insurance Credit Program

Plan Description

PWCS participates in the VRS Health Insurance Credit (HIC) Program to provide other postemployment benefits to eligible retired employees. The VRS Teacher (professional) Employee HIC program is a multi-employer, cost-sharing, defined benefit plan. The VRS Political Subdivision (non-professional) Employee HIC program is a multi-employer, agent defined benefit plan. The HIC program provides a credit toward the cost of health insurance coverage for retired professional and non-professional employees.

The HIC program was established pursuant to §51.1-1400 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. All full-time, salaried permanent (professional) employees of PWCS are automatically covered by the VRS Teacher Employee HIC program. All full-time, salaried permanent (non-professional) employees of PWCS are automatically covered by the VRS Political Subdivision HIC program upon employment. These plans are administered by VRS. Members earn one month of service credit toward the benefit for each month they are employed and for which PWCS pays contributions to VRS. The HIC is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

Benefit Amounts. For professional employees who retire, the monthly benefit is $4.00 per year of service per month with no cap on the benefit amount. For professional employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is either: (a) $4.00 per month, multiplied by twice the amount of service credit, or (b) $4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower. For eligible non-professional employees who retire, the monthly benefit is $1.50 per year of service per month with a maximum benefit of $45.00 per month. For eligible non-professional employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is $45.00 per month.

HIC Program Notes. The monthly HIC benefit cannot exceed the individual premium amount. Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the HIC as a retiree.

Contributions – Non-professional group

The contribution requirement for active employees is governed by §51.1-1402(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to PWCS by the Virginia General Assembly. The non-professional group's contractually required employer contribution rate for the year ended June 30, 2022 was 0.22% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from PWCS to the VRS HIC program for the non-professional group was $129,804 for the year ended June 30, 2022.

Contributions – Professional group

The contribution requirement for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to PWCS by the Virginia General Assembly. PWCS' contractually required employer contribution rate for the year ended June 30, 2022 was 1.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from PWCS to the VRS HIC program for the professional group was $7,704,587 for the year ended June 30, 2022.

Actuarial Assumptions, Long-Term Expected Rate of Return and Discount Rate

The actuarial assumptions and mortality rates, long-term expected return and discount rate used by VRS employee HIC program are the same as those used by VRS pension plan for General Employees in the non-professional and professional group.

OPEB Liabilities, Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIC Program OPEB

Net HIC OPEB Liability

At June 30, 2022, the professional group reported a liability of $88,642,517 for its proportionate share of the VRS HIC program net OPEB liability. The net VRS HIC program OPEB liability was measured as of June 30, 2021 and the total VRS HIC program OPEB liability used to calculate the net VRS HIC program OPEB liability was determined by an actuarial valuation performed as of June 30, 2020 and rolled forward to the measurement date of June 30, 2021. PWCS' proportion of the net VRS HIC program OPEB liability was based on the PWCS' actuarially determined employer contributions to the VRS HIC program OPEB plan for the year ended June 30, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, PWCS' proportion of the VRS HIC program for professional group was 6.91% as compared to 6.78% at June 30, 2020.

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

Changes in Net HIC OPEB Liability – Non-professional group

	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) - (b)
Balances at June 30, 2020	$ 2,621,451	1,737,458	883,993
Changes for the year:			
Service cost	67,755	-	67,755
Interest	172,377	-	172,377
Changes of assumptions	23,234	-	23,234
Differences between expected and actual experience	(43,735)	-	(43,735)
Contributions - employer	-	131,353	(131,353)
Net investment income	-	453,780	(453,780)
Benefit payments, including refunds of employee contributions	(135,434)	(135,434)	-
Administrative expenses	-	(5,407)	5,407
Net changes	84,197	444,292	(360,095)
Balances at June 30, 2021	$ 2,705,648	2,181,750	523,898

Sensitivity of the PWCS' HIC Net OPEB Liability to Changes in the Discount Rate

The following presents the VRS HIC program net OPEB liability of the non-professional group using the discount rate of 6.75%, as well as what the non-professional group's net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Proportionate share of the VRS HIC OPEB Plan Net HIC OPEB Liability - **Non-professional Group**	$ 848,454	$ 523,898	$ 250,594

The following presents the professional group's proportionate share of the VRS HIC program net OPEB liability using the discount rate of 6.75%, as well as what the professional group's proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Proportionate share of the VRS HIC OPEB Plan Net HIC OPEB Liability - **Professional Group**	$ 99,786,904	$ 88,642,517	$ 79,211,707

Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to HIC Program OPEB

Non-professional group

For the year ended June 30, 2022, PWCS recognized VRS HIC program OPEB expense of $40,699 for the non-professional group.

At June 30, 2022, PWCS reported deferred outflows of resources and deferred inflows of resources related to the VRS HIC program OPEB for the non-professional group from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	111,314
Change of assumptions	53,414	16,208
Net difference between projected and actual earnings on HIC OPEB plan investment	-	217,537
Employer contributions subsequent to the measurement date	129,804	-
Total	$ 183,218	345,059

$129,804 reported as deferred outflow of resources related to the non-professional group HIC OPEB resulting from PWCS' contributions subsequent to the measurement date will be recognized as a reduction of the net non-professional group HIC OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the non-professional group HIC OPEB will be recognized in the OPEB expense in the future reporting periods as follows:

Year ended June 30,		
2023	$	(76,022)
2024		(70,338)
2025		(61,640)
2026		(76,956)
2027		(5,934)
Thereafter		(755)
Total	$	(291,645)

Professional Group

For the year ended June 30, 2022, PWCS recognized VRS HIC program OPEB expense of $7,811,590 for the professional group.

At June 30, 2022, PWCS reported deferred outflows of resources and deferred inflows of resources related to the VRS HIC program OPEB for the professional group from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	-	1,546,805
Change of assumptions		2,396,169	356,248
Net difference between projected and actual earnings on HIC OPEB plan investment		-	1,167,689
Changes in proportion and differences between Employer contributions and proportionate share of contributions		3,791,766	522,869
Employer contributions subsequent to the measurement date		7,704,587	-
Total	$	13,892,522	3,593,611

$7,704,587 reported as deferred outflow of resources related to the professional group HIC OPEB resulting from PWCS' contributions subsequent to the measurement date will be recognized as a reduction of the net professional group HIC OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the professional group HIC OPEB will be recognized in the OPEB expense in the future reporting periods as follows:

Year ended June 30,		
2023	$	483,913
2024		470,654
2025		450,809
2026		293,689
2027		513,025
Thereafter		382,234
Total	$	2,594,324

VRS HIC Program Fiduciary Net Position

Detailed information about the VRS HIC program's Fiduciary Net Position is available in the separately issued VRS 2021 ACFR. A copy of the 2021 VRS ACFR may be downloaded from the VRS website at https://www.varetire.org/pdf/publications/2021-annual-report.pdf,or by writing to the VRS' Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

C. VRS Group Life Insurance Program

Plan Description

PWCS participates in the VRS GLI Program to provide other postemployment benefits to eligible retired employees. The VRS GLI program is a multiple employer, cost-sharing, defined benefit plan. The GLI program was established pursuant to § 51.1-500 et seq. of the *Code of Virginia*, as amended, and which provides the authority under which benefit terms are established or may be amended. It provides a basic group life insurance benefit for eligible employee.

All full-time, salaried permanent PWCS employees are automatically covered by the VRS Group Life Insurance Program upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated requirement member contributions and accrued interest.

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

Benefit Amounts. The benefits payable under the GLI program have several components. (1) Natural Death Benefit, which is equal to the employee's covered compensation rounded to the next highest thousand and then doubled; (2) Accidental Death Benefit, which is double the natural death benefit; or (3) Other Benefit Provisions, which include accidental dismemberment benefit, seatbelt benefit, repatriation benefit, felonious assault benefit and accelerated death benefit option.

Reduction in Benefit Amounts. The benefit amounts provided to members covered under the GLI program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.

Minimum Benefit Amount and COLA. For covered members with at least 30 years of service credit, there is a minimum benefit payable under the GLI program. The minimum benefit was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $8,722 as of June 30, 2022.

Contributions

The contribution requirements for the GLI program are governed by §51.1-506 and §51.1-508 of the *Code of Virginia,* as amended, but may be impacted as a result of funding provided to PWCS by the Virginia General Assembly. The total rate for the GLI program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. PWCS has elected to pay the employee share. PWCS' contractually required employer contribution rate for the year ended June 30, 2022 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions from PWCS to the VRS GLI program was $3,816,996 for the year ended June 30, 2022 .

Actuarial Assumptions, Long-Term Expected Return and Discount Rate

The actuarial assumptions and mortality rates, long-term expected return and discount rate used by VRS employee GLI program are the same as those used by VRS pension plan for General Employees in the non-professional and professional group.

OPEB Liabilities, Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program OPEB

At June 30, 2022, PWCS reported a liability of $37,970,615 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2021, and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation performed as of June 30, 2020, and rolled forward to the measurement date of June 30, 2021. PWCS' proportion of the net GLI OPEB liability was based on PWCS' actuarially determined employer contributions to the VRS GLI program for the year ended June 30, 2021, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2021, PWCS' proportion for the professional and non-professional groups, respectively, was 2.97% and 0.29% as compared to 2.90% and 0.30% at June 30, 2020.

For the year ended June 30, 2022, PWCS recognized GLI OPEB expense of $2,015,501. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2022, PWCS reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 4,330,682	289,315
Change of assumptions	2,093,309	5,195,190
Net difference between projected and actual earnings on GLI OPEB plan investments	-	9,062,771
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,787,272	261,320
Employer contributions subsequent to the measurement date	3,816,996	-
Total	$ 12,028,259	14,808,596

$3,816,996 reported as deferred outflow of resources related to the GLI OPEB resulting from PWCS' contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in the future reporting periods as follows:

Year ended June 30,		
2023	$	(1,410,667)
2024		(1,091,242)
2025		(1,203,877)
2026		(2,543,382)
2027		(348,165)
Total	$	(6,597,333)

Sensitivity of the PWCS' Proportionate Share of the GLI Net OPEB Liability to Changes in the Discount Rate

The following presents PWCS' proportionate share of the VRS GLI program net OPEB liability using the discount rate of 6.75%, as well as what PWCS' proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	**Current Discount Rate (6.75%)**	**1% Increase (7.75%)**
Proportionate share of the VRS GLI OPEB Plan Net GLI OPEB Liability - **Non-professional Group**	$ 4,993,581	$ 3,417,835	$ 2,145,348

	1% Decrease (5.75%)	**Current Discount Rate (6.75%)**	**1% Increase (7.75%)**
Proportionate share of the VRS GLI OPEB Plan Net GLI OPEB Liability - **Professional Group**	$ 50,482,864	$ 34,552,780	$ 21,688,514

VRS GLI Program Fiduciary Net Position

Detailed information about the VRS GLI program's Fiduciary Net Position is available in the separately issued VRS 2021 ACFR. A copy of the 2021 VRS ACFR may be download from their website at https://www.varetire.org/pdf/publications/2021-annual-report.pdf or by writing to the VRS' Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

D. Supplemental Retirement Plan

PWCS offers a tax deferred compensation supplemental pension plan (TDC) to all employees, including retirees who participate in the Retirement Opportunities Program (ROP), in the form of a single-employer defined contribution plan administered by Lincoln Financial Group. The plan provisions were established under the authority of the School Board. Any amendments to the plan must be approved by the School Board. Employees are eligible to participate in the plan immediately upon employment or anytime thereafter and may continue to participate after retirement while participating in the ROP.

PWCS contributes money on the eligible employee's behalf to purchase annuities after the employee has completed one (1) year of service with PWCS. The School Board's contribution increases each time an employee has completed three (3), five (5), ten (10), and fifteen (15) years of service. At the end of the current year, the cap on the employer contribution was $3,614 per employee. The total employer contribution for fiscal year 2022 was $5,980,013. Substitutes, temporary employees, and ROP participants who participate in the TDC plan are not eligible to receive the employer matching contribution.

Note 11 – Other postemployment benefits (OPEB)

A. OPEB Master Trust Fund

Plan description

PWCS contributes to the Prince William County OPEB Master Trust Fund, an agent multiple-employer defined benefit postemployment benefits trust fund administered by the County. As such, it is reported in accordance to GAAP.

The OPEB Master Trust is not part of the PWCS' reporting entity and does not issue stand-alone financial statements. The OPEB Master Trust is part of the County's reporting entity and the County issues a publicly available ACFR. A copy of that report may be obtained by writing Prince William County at 1 County Complex Court, Prince William, Virginia 22192 or by download from their website at http://www.pwcgov.org/.

At April 1, 2022 (valuation date), the following employees were covered by the benefit terms:

Total active employees with coverage	7,999
Total retirees with coverage	265
Total participants with coverage	8,264

Actuarial Methods and Assumptions

The actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date:	April 1, 2022
Measurement date:	June 30, 2022
Cost Method:	Entry Age Normal
Asset valuation method:	Market value of assets, assets were assumed to earn 6.75% per annum
Payroll growth rate:	3% per year-used in level percentage of pay amortization
Subsidy rate:	It is assumed that all retirees will receive a 30% subsidy. This is based on the average of all current subsidies, and not an actual subsidy option.
Medical Trend:	The medical trend assumption is based on a model developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The SOA Model was released in September 2019 and updated in September 2022. We have a blended medical trend rate of 2% based on following baseline assumptions that were used as input variables into this model:

Rate of Inflation	2.5%
Rate of Growth in Real Income/GDP per capita	1.4%
Extra Trend due to Technology and other factors	1.0%
Expected Health Share of GDP in 2029	19.0%
Health Share of GDP Resistance Point	20.0%
Year for Limiting Cost Growth to GDP Growth	2075

Discount Rate/Investment rate of return	6.75% per annum.
Coverage status and age of spouse:	Active employees that currently have coverage: 35% are assumed to continue coverage in retirement. Females are assumed to be 3 years younger than male spouse. Of active employees electing retirement health coverage 25% of are assumed to have spousal or family coverage. Of these 25% with spouse or family coverage, approximately 75% are assumed to have retiree and spouse and 25% have family coverage. Employees currently waiving coverage are assumed to continue to waive coverage in retirement.
Professional/Non-Professional	It is assumed that 80% of actives are professionals and 20% are non-professionals. This is used to determine the subsidy, since the active subsidy is different for professionals and non-professionals.
Amortization method:	Unfunded (Surplus) liabilities are amortized using level percentage of projected pay.
Amortization period:	The amortization period is closed and equals 26 years as of 6/30/2022.
Decrement assumptions:	VRS Termination Rates for Teachers.
Mortality Assumption:	None - not material, since benefits end at 65.

Net OPEB Liability (Asset)

PWCS' net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation date on April 1, 2022.

Changes in the Net OPEB Liability (Asset)

Changes in the net OPEB liability (asset) for the year ended June 30, 2022 are as follows:

Total OPEB liability	$	39,388,390
Plan fiduciary net position		(48,357,477)
Net OPEB liability (asset)		(8,969,087)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		122.77%

Sensitivity of Net OPEB Liability (Asset) to Changes in the Discount Rate

The following represents the net OPEB liability (asset) calculated using the discount rate of 6.75%, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Asset	$ (6,292,389)	$ (8,969,087)	$ (11,470,887)

Sensitivity of Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate

The following represents the total and net OPEB liability (asset) calculated using the stated health care cost trend assumption, as well as what the OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the assumed trend rate:

	1% Decrease (2.94%)	Medical Trend (3.94%)	1% Increase (4.94%)
Net OPEB Asset	$ (12,642,357)	$ (8,969,087)	$ (4,743,899)

B. Prince William County Public Schools Retiree Health Insurance Premium Plan

Plan description

Other postemployment benefits provided by PWCS include a single-employer defined benefit self-insurance medical plan and a retiree health insurance premium contribution plan that cover retirees until they reach 65 years of age. There is no coverage for retirees or their spouses once they attain age 65. Both plans were established under the authority of the School Board. Any amendments to the plans must be approved by the School Board.

The PWCS single-employer self-insurance medical plan allows retirees under age 65 to remain in the same medical and dental plan as active employees.

The PWCS retiree health insurance premium contribution plan allows eligible retirees to have the option to exchange their accrued, unused sick leave for a School Board contribution to offset the cost of the PWCS health insurance premiums in retirement. The retiring employee must be between the ages of 55 and 65, have a minimum of 125 days of accrued sick leave, be currently enrolled in the PWCS group health insurance plan, and meet the service requirements to participate in the PWCS Retirement Opportunity Program.

The School Board will pay between 25 to 100 percent of the amount contributed by retirees who enrolled in the school division's postretirement medical plan depending on the number of sick leave days exchanged. The plan became effective on July 1, 2000.

At July 1, 2020 (valuation date), the following employees were covered by the benefit terms:

Total active employees with coverage	6,739
Total retirees with coverage	270
Total participants with coverage	7,009

Contributions

Postemployment healthcare expenses, depending on the number of sick leave days exchanged, are made from the Health Insurance Fund, which is maintained on the full accrual basis of accounting. The School Board establishes employer contribution rates for plan participants and determines how the plan will be funded as part of the budgetary process each year. Retirees pay the full budgeted rates for coverage under the medical plan. PWCS currently pays benefits on a pay-as-you-go basis and contributed $1,800,000 to the OPEB Master Trust Fund to fund the current year liability. For the year ended June 30, 2022, plan members received $4,381,747 in benefits and contributed $2,467,784 in premiums, resulting in net benefits paid by PWCS of $1,913,963.

Actuarial Methods and Assumptions

The total OPEB liability was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date:	July 1, 2020
Measurement date:	June 30, 2021
Cost Method:	Entry Age Normal
Asset valuation method:	Market value of assets, assets were assumed to earn 7% per annum
Payroll growth rate:	3% per year-used in level percentage of pay amortization
Subsidy rate:	It is assumed that all retirees will receive a 30% subsidy. This is based on the average of all current subsidies, and not an actual subsidy option.
Medical Trend:	The medical trend assumption is based on a model developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The SOA Model was released in October 2010 and updated in September 2019. We have a blended medical trend rate of 2% based on following baseline assumptions that were used as input variables into this model:

Rate of Inflation	2.5%
Rate of Growth in Real Income/GDP per capita	1.5%
Extra Trend due to Technology and other factors	1.1%
Expected Health Shar eof GDP in 2029	20.0%
Health Share of GDP Resistance Point	25.0%
Year for Limiting Cost Growth to GDP Growth	2075

Discount Rate/Investment	7.0% per annum.
Coverage status and age of spouse:	Active employees that currently have coverage: 35% are assumed to continue coverage in retirement. Females are assumed to be 3 years younger than male spouse. Of active employees electing retirement health coverage 25% of are assumed to have spousal or family coverage. Of these 25% with spouse or family coverage, approximately 75% are assumed to have retiree and spouse and 25% have family coverage. Employees currently waiving coverage are assumed to continue to waive coverage in retirement.
Professional/Non-Professional	It is assumed that 80% of actives are professionals and 20% are non-professionals. This is used to determine the subsidy, since the active subsidy is different for professionals and non-professionals.
Amortization method:	Unfunded (Surplus) liabilities are amortized using level percentage of projected pay.
Amortization period:	The amortization period is closed and equals 28 years as of 6/30/2020.
Decrement assumptions:	VRS Termination Rates for Teachers.
Mortality Assumption:	None - not material, since benefits end at 65.
Claims assumption:	The three Anthem plans are self insured. To determine the assumed cost and the retiree contributions, we weighted the FY 2020 premium rates by the current enrollment. The Kaiser plan is fully insured. There are currently no retirees enrolled int he Kaiser plan, therefore it was not included in the analysis. Gross claims are equal to the age adjusted assumed cost. The results were increased by a load of 1.25 so that the 2020 retiree portion of premiums would align better with the FY 2020 retiree experience. The resulting average per age 65 claims were age adjusted. The chart below shows the current cost broken down between the published per capita cost (i.e., the blended rates) and the hidden subsidy.

FYE 2021		
Total Costs (per annum)	**Single**	**Family**
1. Assumed Costs (Explicit Costs)		
a. Pre-Medicare	$ 8,351	$ 18,595
2. Total Medical Costs (includes prescription drugs)		
a. Under 50	$ 8,917	$ 19,854
b. Age 50-54	$ 11,099	$ 24,713
c. Age 55-59	$ 13,663	$ 30,423
d. Age 60-64	$ 16,778	$ 37,358

Net OPEB Liability (Asset)

PWCS' net OPEB liability (asset) was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation performed as of July 1, 2020, and rolled forward to the measurement date of June 30, 2022.

Changes in the Net OPEB Liability (Asset)

Changes in the net OPEB liability (asset) for the year ended June 30, 2022 are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/ (Asset) (a) - (b)
Balances as of June 30, 2020 for FYE 2021	$ 38,600,996	41,602,791	(3,001,795)
Changes for the year:			
Service cost	2,151,739	-	2,151,739
Interest	2,578,232	-	2,578,232
Experience Losses/(Gains)	(1,782,427)	-	(1,782,427)
Trust Contributions - employer	-	3,555,784	(3,555,784)
Net investment income	-	10,720,528	(10,720,528)
Benefit payments (net of retiree contributions)	(1,755,784)	(1,755,784)	-
Net changes	1,191,760	12,520,528	(11,328,768)
Balances as of June 30, 2021 for FYE 2022	$ 39,792,756	54,123,319	(14,330,563)

Sensitivity of Net OPEB Liability (Asset) to Changes in the Discount Rate

The following represents the total and net OPEB liability (asset) calculated using the discount rate of 7.00%, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability/(asset)	$ (11,376,024)	$ (14,330,563)	$ (17,048,545)

Sensitivity of Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate

The following represents the total and net OPEB liability (asset) calculated using the stated health care cost trend assumption, as well as what the net OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the assumed trend rate:

	1% Decrease (3.00%)	Medical Trend (4.00%)	1% Increase (5.00%)
Net OPEB liability/(asset)	$ (18,445,055)	$ (14,330,563)	$ (9,526,380)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, PWCS recognized OPEB benefit of $5,378,462. At June 30, 2022, PWCS reported deferred outflows of resources and deferred inflows of resources related to OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	26,654,250
Change of assumptions	-	165,330
Net difference between projected and actual earnings on OPEB plan investments	-	6,062,216
Employer contributions subsequent to the measurement date	3,713,963	-
Total	$ 3,713,963	32,881,796

$3,713,963 reported as deferred outflow of resources related to OPEB resulting from PWCS' contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2023	$ (7,281,394)
2024	(7,239,538)
2025	(7,268,321)
2026	(4,712,567)
2027	(3,078,586)
Thereafter	(3,301,390)
Total	$ (32,881,796)

Note 12 – Subsequent events

On November 10, 2022, the County sold the VPSA Special Obligation School Financing Bonds, Series 2022, in the par amount of $42,400,000 with a true interest cost of 4.08%. The sale of the bonds was approved by the Board on October 11, 2022, by Resolution No. 22-476. The proceeds of the bonds provided funds for construction and cost of issuance for various capital school improvement projects.

Required Supplementary Information

A schedule of non-professional group employer contributions for the Virginia Retirement System Pension Plan is provided in the illustration below:

Virginia Retirement System Pension Plan

Schedule of Non-Professional Group Employer Contributions - Last Ten Fiscal Years

Date June 30,	Contractually Required Contribution	Contributions in Relation Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 3,752,340	$ 3,752,340	-	$ 61,817,796	6.07 %
2021	3,653,522	3,653,522	-	60,189,812	6.07
2020	3,139,774	3,139,774	-	61,564,188	5.10
2019	3,007,441	3,007,441	-	58,969,432	5.10
2018	3,422,956	3,422,956	-	57,625,524	5.94
2017	3,649,222	3,649,222	-	56,228,376	6.49
2016	4,326,680	4,326,680	-	53,948,630	8.02
2015	4,216,224	4,216,224	-	52,522,441	8.02
2014	4,691,242	4,691,242	-	52,471,315	8.93
2013	4,597,421	4,597,421	-	51,717,720	8.89

A schedule of changes in the non-professional group for the Virginia Retirement System net pension liability and related ratios is provided in the illustration below:

Virginia Retirement System Pension Plan

Schedule of Changes in the Non-Professional Group Net Pension Liability and Related Ratios - Last Ten Fiscal Years *

	2021**	2020**	2019**	2018**	2017**	2016**	2015**	2014**
Total pension liability								
Service cost	$ 5,288,149	5,342,194	5,214,001	5,226,349	5,373,106	5,488,020	5,522,513	5,560,285
Interest	15,166,237	14,578,736	14,066,735	13,330,134	12,947,772	12,389,908	11,689,241	11,031,947
Differences between expected and actual experience	2,139,257	(621,178)	(761,360)	909,690	(2,110,561)	(1,740,559)	527,708	-
Changes in assumptions	7,188,576	-	6,199,051	-	(2,193,518)	-	-	-
Benefit payments, including refunds of employee contributions	(10,902,691)	(10,289,367)	(9,091,649)	(8,794,953)	(8,314,018)	(8,021,757)	(7,438,101)	(6,966,544)
Net change in total pension liability	18,879,528	9,010,385	15,626,778	10,671,220	5,702,781	8,115,612	10,301,361	9,625,688
Total pension liability - beginning	230,136,342	221,125,957	205,499,179	194,827,959	189,125,178	181,009,566	170,708,205	161,082,517
Total pension liability - ending	249,015,870	230,136,342	221,125,957	205,499,179	194,827,959	189,125,178	181,009,566	170,708,205
Plan fiduciary net position								
Contributions - employer	$ 3,237,408	3,200,039	3,154,179	3,550,621	3,512,916	4,237,856	4,216,224	4,691,242
Contributions - employee	2,789,740	2,881,279	2,819,104	2,757,542	2,751,600	2,663,882	2,629,471	2,628,936
Net investment income	57,078,058	3,992,911	13,317,444	13,917,266	20,712,494	2,941,145	7,407,239	22,069,344
Benefit payments, including refunds of employee contributions	(10,902,691)	(10,289,367)	(9,091,649)	(8,794,953)	(8,314,018)	(8,021,757)	(7,438,101)	(6,966,544)
Administrative expenses	(142,756)	(136,917)	(131,359)	(119,620)	(118,992)	(103,842)	(100,577)	(117,603)
Other changes	5,382	(4,740)	(8,405)	(12,445)	(18,491)	(1,248)	(1,578)	1,163
Net change in plan fiduciary net position	52,065,141	(356,795)	10,059,314	11,298,411	18,525,509	1,716,036	6,712,678	22,306,538
Plan fiduciary net position - beginning	$ 210,218,121	210,574,916	200,515,602	189,217,191	170,691,682	168,975,646	162,262,968	139,956,430
Plan fiduciary net position - ending	$ 262,283,262	210,218,121	210,574,916	200,515,602	189,217,191	170,691,682	168,975,646	162,262,968
Non-professional groups' net pension liability (asset) - ending	$ (13,267,392)	$ 19,918,221	10,551,041	4,983,577	5,610,768	18,433,496	12,033,920	8,445,237
Plan fiduciary net position as a percentage of the total pension liability	105 %	91	95	98	97	90	93	95
Covered payroll	$ 60,189,812	$ 61,564,188	58,969,432	57,625,524	56,228,376	53,948,630	52,522,441	52,471,315
Non-professional groups' net pension liability (asset) as a percentage of covered payroll	(22) %	32	18	9	10	34	23	16

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

** Years presented as of measurement date

A schedule of professional group employer contributions for the Virginia Retirement System Pension Plan is provided in the illustration below:

Virginia Retirement System Pension Plan
Schedule of Professional Group Employer Contributions - Last Ten Fiscal Years

Date June 30,	Contractually Required Contribution	Contributions in Relation Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 106,711,693	$ 106,711,693	-	$ 642,067,947	16.62 %
2021	101,153,302	101,153,302	-	608,623,961	16.62
2020	93,207,003	93,207,003	-	594,432,415	15.68
2019	87,256,873	87,256,873	-	556,485,157	15.68
2018	88,486,407	88,486,407	-	542,196,119	16.32
2017	76,304,250	76,304,250	-	520,492,837	14.66
2016	69,744,378	69,744,378	-	496,048,208	14.06
2015	69,540,284	69,540,284	-	479,588,166	14.50
2014	77,245,990	77,245,990	-	463,793,279	16.66
2013	75,725,523	75,725,523	-	454,534,952	16.66

A schedule of the professional group employer's share of net pension liability for the Virginia Retirement System is provided in the illustration below:

Virginia Retirement System
Schedule of Professional Group Employer's Share of Net Pension Liability and Related Ratios – Last Ten Fiscal Years *

	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	6.87 %	6.76	6.61	6.68	6.57	6.51	6.45	6.34
Proportionate share of the net pension liability	$ 533,648,511	983,823,015	870,089,914	785,340,000	808,531,000	911,712,000	811,927,000	766,482,000
Covered payroll	$608,623,961	594,432,415	556,485,157	542,196,119	520,492,837	496,048,208	479,588,166	463,793,279
Proportionate Share of the net pension liability as a percentage of covered payroll	87.68 %	165.51	156.35	144.84	155.34	183.80	169.30	165.26
Plan fiduciary net position as a percentage of the total pension liability	85.46 %	71.47	73.51	74.81	72.92	68.28	70.68	70.88

* The amounts presented have a measurement date of the previous fiscal year end. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

A schedule of non-professional group employer contributions for the Virginia Retirement System Health Insurance Credit Program is provided in the illustration below:

Virginia Retirement System Health Insurance Credit Program
Schedule of Non-Professional Group Employer Contributions – Last Ten Fiscal Years

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 129,804	$ 129,804	-	$ 61,811,513	0.21 %
2021	126,399	126,399	-	60,189,812	0.21
2020	129,285	129,285	-	61,564,208	0.21
2019	123,821	123,821	-	58,962,494	0.21
2018	126,680	126,680	-	57,625,524	0.22
2017	123,856	123,856	-	56,288,932	0.22
2016	118,331	118,331	-	53,786,705	0.22
2015	115,540	115,540	-	52,518,237	0.22
2014	136,418	136,418	-	52,468,471	0.26
2013	133,706	133,706	-	51,425,196	0.26

A schedule of changes in the non-professional group for the VRS net HIC OPEB liability and related ratios is provided in the illustration below:

Virginia Retirement System
Schedule of Changes in the Non-Professional Group Net HIC OPEB Liability and Related Ratios - Last Ten Years *

	2021	2020	2019	2018	2017
Total HIC OPEB liability					
Service cost	$ 67,755	66,306	64,277	62,278	67,405
Interest	172,377	163,117	159,532	156,456	153,000
Changes of benefit terms	-	93,666	-	-	-
Differences between expected and actual experience	(43,735)	(52,167)	(31,876)	(58,144)	-
Changes in assumptions	23,234	-	63,915	-	(70,000)
Benefit payments, including refunds of employee contributions	(135,434)	(132,035)	(104,630)	(128,649)	(70,000)
Net change in total HIC OPEB liability	84,197	138,887	151,218	31,941	80,405
Total HIC OPEB liability - beginning	2,621,451	2,482,564	2,331,346	2,299,405	2,219,000
Total HIC OPEB liability - ending	$ 2,705,648	2,621,451	2,482,564	2,331,346	2,299,405
Plan fiduciary net position					
Contributions - employer	$ 131,353	128,961	123,765	126,680	123,856
Net investment income	453,780	34,065	103,070	105,718	151,368
Benefit payments, including refunds of employee contributions	(135,434)	(132,035)	(104,630)	(128,649)	(69,750)
Administrative expenses	(5,407)	(3,301)	(2,257)	(2,500)	(2,506)
Other changes	-	(15)	(122)	(7,449)	7,449
Net change in plan fiduciary net position	444,292	27,675	119,826	93,800	210,417
Plan fiduciary net position - beginning	1,737,458	1,709,783	1,589,957	1,496,157	1,285,740
Plan fiduciary net position - ending	$ 2,181,750	1,737,458	1,709,783	1,589,957	1,496,157
Non-professional groups' net HIC OPEB liability- ending	$ 523,898	883,993	772,781	741,389	803,248
Plan fiduciary net position as a percentage of the total HIC OPEB liability	80.6%	66.3%	68.9%	68.2%	65.1%
Covered payroll	$ 60,189,812	61,564,208	58,962,494	57,625,524	56,288,932
Non-professional groups' net HIC OPEB liability as a percentage of covered payroll	0.87%	1.44%	1.26%	1.29%	1.43%

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

A schedule of professional group employer contributions for the Virginia Retirement System Health Insurance Credit Program is provided in the illustration below:

Virginia Retirement System Health Insurance Credit Program
Schedule of Professional Group Employer Contributions – Last Ten Fiscal Years

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 7,704,587	$ 7,704,587	-	$ 642,048,936	1.21 %
2021	7,325,651	7,325,651	-	610,470,920	1.20
2020	7,133,739	7,133,739	-	594,478,287	1.20
2019	6,678,231	6,678,231	-	556,519,225	1.20
2018	6,670,000	6,670,000	-	542,242,000	1.23
2017	5,778,000	5,778,000	-	520,545,000	1.11
2016	5,258,204	5,258,204	-	496,057,012	1.06
2015	5,084,225	5,084,225	-	479,643,911	1.06
2014	5,148,938	5,148,938	-	463,868,296	1.11
2013	5,045,512	5,045,512	-	454,550,664	1.11

A schedule of the professional group employer's share of net HIC OPEB liability for the Virginia Retirement System is provided in the illustration below:

Virginia Retirement System Health Insurance Credit Program
Schedule of Professional Group Employer's Share of Net HIC OPEB Liability
Last Ten Fiscal Years *

	2022	2021	2020	2019	2018
Proportion of the net HIC OPEB liability	6.91 %	6.78	6.64	6.70	6.60
Proportionate share of the net HIC OPEB liability	$ 88,642,517	88,501,531	86,886,094	85,128,000	83,738,000
Covered payroll	$ 610,470,920	594,478,287	556,519,225	542,241,722	520,545,000
Proportionate share of the net HIC liability as a percentage of covered payroll	14.52 %	14.89	15.61	15.70	16.10
Plan fiduciary net position as a percentage of the total HIC OPEB liability	13.15 %	9.95	8.97	8.08	7.04

* The amounts presented have a measurement date of the previous fiscal year end. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

A schedule of non-professional group employer contributions for the Virginia Retirement System Group Life Insurance Program is provided in the illustration below:

Virginia Retirement System Group Life Insurance Program
Schedule of Non-Professional Group Employer Contributions– Last Ten Fiscal Years

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 336,524	$ 336,524	-	$ 62,319,332	0.54 %
2021	328,343	328,343	-	60,804,181	0.54
2020	322,141	322,141	-	61,950,129	0.52
2019	308,426	308,426	-	59,312,661	0.52
2018	302,000	302,000	-	58,065,000	0.52
2017	294,000	294,000	-	56,540,000	0.52
2016	260,802	260,802	-	54,333,805	0.48
2015	254,792	254,792	-	53,081,614	0.48
2014	254,204	254,204	-	52,959,224	0.48
2013	248,668	248,668	-	51,805,851	0.48

A schedule of the non-professional group employer's share of net Group Life Insurance OPEB liability for the Virginia Retirement System is provided in the illustration below:

Virginia Retirement System Group Life Insurance Program
Schedule of Non-professional Group Employer's Share of Net GLI OPEB Liability
Last Ten Fiscal Years *

	2022	2021	2020	2019	2018
Proportion of the net GLI OPEB liability	0.29 %	0.30	0.30	0.31	0.31
Proportionate share of the net GLI OPEB liability	$ 3,417,835	5,010,013	4,920,528	4,637,000	4,616,000
Covered payroll	$ 60,804,181	61,950,129	59,312,661	58,065,000	56,540,000
Proportionate share of the net GLI liability as a percentage of covered payroll	5.62 %	8.09	8.30	7.99	8.16
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.45 %	52.64	52.00	51.22	48.86

* The amounts presented have a measurement date of the previous fiscal year end. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

A schedule of professional group employer contributions for the Virginia Retirement System Group Life Insurance Program is provide in the illustration below:

Virginia Retirement System Group Life Insurance Program
Schedule of Professional Group Employer Contributions - Last Ten Fiscal Years

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 3,480,472	$ 3,480,472	-	$ 644,531,852	0.54 %
2021	3,307,619	3,307,619	-	612,522,029	0.54
2020	3,100,707	3,100,707	-	596,289,711	0.52
2019	2,907,340	2,907,340	-	559,103,828	0.52
2018	2,835,000	2,835,000	-	545,279,000	0.52
2017	2,719,000	2,719,000	-	522,882,000	0.52
2016	2,391,677	2,391,677	-	498,265,965	0.48
2015	2,316,202	2,316,202	-	482,542,131	0.48
2014	2,239,442	2,239,442	-	466,550,328	0.48
2013	2,193,678	2,193,678	-	457,016,168	0.48

A schedule of professional group employer’s share of net GLI OPEB liability for the Virginia Retirement System Group Life Insurance Program is provided in the illustration below:

Virginia Retirement System Group Life Insurance Program
Schedule of Professional Group Employer's Share of Net GLI OPEB Liability
Last Ten Fiscal Years *

	2022	2021	2020	2019	2018
Proportion of the net GLI OPEB liability	2.97 %	2.90	2.85	2.87	2.84
Proportionate share of the net GLI OPEB liability	$ 34,552,780	48,370,052	46,421,022	43,550,000	42,687,000
Covered payroll	$ 612,522,029	596,289,711	559,103,828	545,279,000	522,882,000
Proportionate share of the net GLI liability as a percentage of covered payroll	5.64 %	8.11	8.30	7.99	7.83
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.45 %	52.64	52.00	51.22	48.86

* The amounts presented have a measurement date of the previous fiscal year end. This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

A schedule of employer contributions for the Postretirement Medical and the Retiree Health Insurance Premium Contribution plan is provided in the illustration below:

Prince William County Schools Postretirement
Medical and Retiree Health Insurance Premium Contribution Plan
Schedule of Employer Contributions – Last Ten Fiscal Years

Date June 30,	Contractually Required Contribution	Contributions in Relation Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 3,713,963	$ 3,713,963	-	$ 703,885,743	0.53 %
2021	3,555,784	3,555,784	-	668,813,774	0.53
2020	4,844,816	4,844,816	-	655,996,604	0.74
2019	4,859,924	4,859,924	-	615,454,589	0.79
2018	4,041,063	4,041,063	-	599,821,643	0.67
2017	4,328,588	4,328,588	-	576,721,212	0.75
2016	3,411,989	3,411,989	-	549,996,838	0.62
2015	4,700,219	4,700,219	-	532,110,607	0.88
2014	7,761,692	7,761,692	-	516,264,594	1.50
2013	8,579,868	8,579,868	-	506,252,672	1.69

A schedule of changes of PWCS Postretirement Medical and the Retiree Health Insurance Premium Contribution Plan net OPEB liability (asset) and related ratios is provided in the illustration below:

Prince William County Schools Postretirement
Medical and the Retiree Health Insurance Premium Contribution Plan
Schedule of Changes in Net OPEB Liability (asset) and Related Ratios – Last Ten Fiscal Years *

	2022	2021	2020	2019	2018	2017
Total OPEB liability						
Service cost	$ 2,237,809	2,151,739	2,912,856	2,800,822	3,015,212	2,624,490
Interest	2,669,877	2,578,232	3,902,547	3,709,543	4,651,642	4,689,989
Differences between expected and actual experience	492,621	(1,782,427)	(22,625,822)	(594,394)	(18,166,413)	-
Changes in assumptions	(3,890,710)	-	(220,440)	-	-	-
Benefit payments, including refunds of employee contributions	(1,913,963)	(1,755,784)	(3,044,816)	(3,059,924)	(3,041,063)	(3,328,588)
Net change in total OPEB liability	(404,366)	1,191,760	(19,075,675)	2,856,047	(13,540,622)	3,985,891
Total OPEB liability - beginning	39,792,756	38,600,996	57,676,671	54,820,624	68,361,246	64,375,355
Total OPEB liability - ending	$ 39,388,390	39,792,756	38,600,996	57,676,671	54,820,624	68,361,246
Plan fiduciary net position						
Contributions - employer	$ 3,713,963	3,555,784	4,844,816	4,859,924	4,041,063	4,328,588
Net investment income	(7,565,842)	10,720,528	2,478,472	2,248,464	2,340,204	2,618,693
Benefit payments, including refunds of employee contributions	(1,913,963)	(1,755,784)	(3,044,816)	(3,059,924)	(3,041,063)	(3,328,588)
Administrative expenses	-	-	-	(2,000)	(8,500)	-
Net change in plan fiduciary net position	(5,765,842)	12,520,528	4,278,472	4,046,464	3,331,704	3,618,693
Plan fiduciary net position - beginning	54,123,319	41,602,791	37,324,319	33,277,855	29,946,151	26,327,458
Plan fiduciary net position - ending	$ 48,357,477	54,123,319	41,602,791	37,324,319	33,277,855	29,946,151
Net OPEB liability (asset) - ending	$ (8,969,087)	(14,330,563)	(3,001,795)	20,352,352	21,542,769	38,415,095
Plan fiduciary net position as a percentage of the total OPEB liability	122.8 %	136.0	107.8	64.7	60.7	43.8
Covered-employee payroll	$ 668,813,774	$ 655,996,604	615,454,589	599,821,643	576,721,212	549,996,838
Non-professional groups' net OPEB liability (asset) as a percentage of covered-employee payroll	(1.3) %	(2.2)	(0.5)	3.4	3.7	7.0

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to the Required Supplementary Information
June 30, 2022

Note 1 – Changes of benefit terms

There have been no actuarially material changes to the VRS benefit provisions since the prior actuarial valuation.

Note 2 – Changes of assumptions

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board actions are as follows:

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

Supplementary Information

Other Governmental Funds

Special Revenue Funds

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

Student Activity Fund – The Student Activity Fund accounts for independent activity funds held by elementary and secondary schools for student groups by PWCS.

Prince William County Public Schools **Schedule 1**
Combining Balance Sheet
Other Non-major Governmental Funds - Special Revenue Funds
June 30, 2022

	Facilities Use Fund	Student Activity Fund	Total Other Non-major Governmental Funds
ASSETS			
Equity in cash and pooled investments	$ 3,023,275	9,103,765	12,127,040
Accounts receivable	224,951	239,717	464,668
Total assets	3,248,226	9,343,482	12,591,708
LIABILITIES and FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	-	448,376	448,376
Salaries payable and withholdings	31,275	-	31,275
Total liabilities	31,275	448,376	479,651
Fund Balances:			
Restricted:			
Student activity services	-	8,895,106	8,895,106
Committed:			
Community service operations	3,216,951	-	3,216,951
Total fund balances	3,216,951	8,895,106	12,112,057
Total liabilities and fund balances	$ 3,248,226	9,343,482	12,591,708

Prince William County Public Schools **Schedule 2**
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Non-major Governmental Funds - Special Revenue Funds
For the Year Ended June 30, 2022

	Facilities Use Fund	Student Activity Fund	Total Other Non-major Governmental Funds
REVENUES:			
Use of money and property:			
Use of money - interest and investments	$ (186,062)	-	(186,062)
Use of property	700,157	-	700,157
Charges for services	55,851	-	55,851
Miscellaneous	-	10,614,366	10,614,366
Total revenues	569,946	10,614,366	11,184,312
EXPENDITURES:			
Current:			
Community service operations	825,840	-	825,840
Student activities	-	9,192,909	9,192,909
Total expenditures	825,840	9,192,909	10,018,749
Excess of revenues over expenditures	(255,894)	1,421,457	1,165,563
Net change in fund balances	(255,894)	1,421,457	1,165,563
FUND BALANCES, beginning of year	3,472,845	7,473,649	10,946,494
FUND BALANCES, end of year	3,216,951	8,895,106	12,112,057

Prince William County Public Schools **Schedule 3**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Facilities Use Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Use of money and property:				
Use of money - interest and investments	$ -	-	(186,062)	(186,062)
Use of property	1,269,440	1,269,440	700,157	(569,283)
Charges for services	555,200	555,200	55,851	(499,349)
Total revenues	1,824,640	1,824,640	569,946	(1,254,694)
EXPENDITURES:				
Current:				
Community service operations	1,908,106	1,731,456	825,840	905,616
Total expenditures	1,908,106	1,731,456	825,840	905,616
Excess of revenues over expenditures	(83,466)	93,184	(255,894)	(349,078)
Net change in fund balances	(83,466)	93,184	(255,894)	(349,078)
FUND BALANCES, beginning of year	3,472,845	3,472,845	3,472,845	-
FUND BALANCES, end of year	$ 3,389,379	3,566,029	3,216,951	(349,078)

Prince William County Public Schools **Schedule 4**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Student Activity Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Charges for services	$ 15,656,000	15,656,000	10,614,366	(5,041,634)
Total revenues	15,656,000	15,656,000	10,614,366	(5,041,634)
EXPENDITURES:				
Current:				
Community service operations	15,656,000	15,656,000	9,192,909	6,463,091
Total expenditures	15,656,000	15,656,000	9,192,909	6,463,091
Excess of revenues over expenditures	-	-	1,421,457	1,421,457
Net change in fund balances	-	-	1,421,457	1,421,457
FUND BALANCES, beginning of year	8,206,591	8,206,591	7,473,649	-
FUND BALANCES, end of year	$ 8,206,591	8,206,591	8,895,106	1,421,457

Internal Service Funds

Distribution Center Fund – The Distribution Center Fund is used to account for the operations of the distribution center. Revenues and expenses are predominantly a result of operations of the distribution center function.

Imaging Center Fund – The Imaging Center Fund is used to account for the operations of the imaging center. Revenues and expenses are predominantly a result of operations of the imaging center function.

Self-Insurance Fund – 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 Fund – PWCS 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 Position
Internal Service Funds
June 30, 2022

Schedule 5

	Distribution Center Fund	Imaging Center Fund	Self-Insurance Fund	Health Insurance Fund	Total Internal Service Funds
ASSETS					
Current assets:					
Equity in cash and pooled investments	$ -	66,610	7,009,364	50,804,940	57,880,914
Accounts receivable and other current assets	-	2,744	26,545	176,890	206,179
Inventory	1,792,482	-	-	-	1,792,482
Total current assets	1,792,482	69,354	7,035,909	50,981,830	59,879,575
Total assets	1,792,482	69,354	7,035,909	50,981,830	59,879,575
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	566,868	6,251	836,537	1,259,043	2,668,699
Salaries payable and withholdings	-	413	496	123	1,032
Unearned revenue	-	-	-	9,499,031	9,499,031
Due to other funds	692,231	11,235	-	-	703,466
Incurred but not reported claims	-	-	1,649,034	8,389,000	10,038,034
Total current liabilities	1,259,099	17,899	2,486,067	19,147,197	22,910,262
Noncurrent liabilities:					
Incurred but not reported claims	-	-	5,113,063	-	5,113,063
Total noncurrent liabilities	-	-	5,113,063	-	5,113,063
Total liabilities	1,259,099	17,899	7,599,130	19,147,197	28,023,325
NET POSITION					
Unrestricted (deficit)	533,383	51,455	(563,221)	31,834,633	31,856,250
Total net position	$ 533,383	51,455	(563,221)	31,834,633	31,856,250

Prince William County Public Schools
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2022

	Distribution Center Fund	Imaging Center Fund	Self-Insurance Fund	Health Insurance Fund	Total Internal Service Funds
OPERATING REVENUES:					
Charges for services	$ 5,058,636	577,162	6,030,619	110,981,325	122,647,742
Total operating revenues	5,058,636	577,162	6,030,619	110,981,325	122,647,742
OPERATING EXPENSES:					
Personnel services	-	312,880	540,343	689,430	1,542,653
Materials/supplies	-	162,055	21,134	224,090	407,279
Administrative costs	-	-	106,331	7,488,687	7,595,018
Contractual services	-	56,041	7,121	224,047	287,209
Premiums	-	-	2,186,694	-	2,186,694
Claims and benefits paid	-	-	-	115,047,812	115,047,812
Losses and unallocated loss adjustment	-	-	3,152,077	-	3,152,077
Cost of goods sold	4,996,808	-	-	-	4,996,808
Total operating expenses	4,996,808	530,976	6,013,700	123,674,066	135,215,550
Operating Income (loss)	61,828	46,186	16,919	(12,692,741)	(12,567,808)
NON-OPERATING REVENUES (EXPENSES):					
Interest earnings (expense)	44,594	3,110	(513,380)	(3,179,434)	(3,645,110)
Total non-operating revenues (expenses)	44,594	3,110	(513,380)	(3,179,434)	(3,645,110)
Income (loss) before transfers	106,422	49,296	(496,461)	(15,872,175)	(16,212,918)
TRANSFERS:					
Transfers In:					
General fund	-	145,000	-	1,800,000	1,945,000
Total other transfers	-	145,000	-	1,800,000	1,945,000
Change in net position	106,422	194,296	(496,461)	(14,072,175)	(14,267,918)
NET POSITION, beginning of year	426,961	(142,841)	(66,760)	45,906,808	46,124,168
NET POSITION, end of year	$ 533,383	51,455	(563,221)	31,834,633	31,856,250

Prince William County Public Schools **Schedule 7**
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

	Distribution Center Fund	Imaging Center Fund	Self-Insurance Fund	Health Insurance Fund	Total Internal Service Funds
Cash Flows from Operating Activities:					
Receipts from interfund services provided	$ 5,058,636	566,796	6,028,862	111,825,401	123,479,695
Receipts from customers and users	-	7,555	-	-	7,555
Payments to suppliers for goods and services	(4,628,504)	(211,845)	(5,191,089)	(124,154,665)	(134,186,103)
Payments to employees	-	(317,531)	(548,456)	(698,907)	(1,564,894)
Net cash provided (used) by operating activities	430,132	44,975	289,317	(13,028,171)	(12,263,747)
Cash Flows from Non-Capital Financing Activities:					
Due to other funds	(474,726)	(126,542)	-	-	(601,268)
Transfers from other funds	-	145,000	-	1,800,000	1,945,000
Net cash provided (used) by non-capital financing activities	(474,726)	18,458	-	1,800,000	1,343,732
Cash Flows from Investing Activities:					
Interest expense from investments	-	3,177	-	-	3,177
Interest paid (used) for investments	44,594	-	(514,269)	(3,154,591)	(3,624,266)
Net cash provided (used) by investing activities	44,594	3,177	(514,269)	(3,154,591)	(3,621,089)
Net increase (decrease) in equity in cash and pooled investments	-	66,610	(224,952)	(14,382,762)	(14,541,104)
Equity in cash and pooled investments, beginning of year	-	-	7,234,316	65,187,702	72,422,018
Equity in cash and pooled investments, end of year	$ -	66,610	7,009,364	50,804,940	57,880,914
Reconciliation of Operating Income (loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (loss)	$ 61,828	46,186	16,919	(12,692,741)	(12,567,808)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Change in assets and liabilities:					
(Increase) in accounts receivable	-	(2,811)	(1,757)	-	(4,568)
Decrease in inventory	73,200	-	-	-	73,200
Increase in unearned revenue	-	-	-	844,076	844,076
Increase (decrease) in accounts payable and accrued liabilities	295,104	6,251	-	(503,029)	(201,674)
(Decrease) in salaries payable and withholdings	-	(4,651)	(8,113)	(9,477)	(22,241)
Increase (decrease) incurred but not reported claims	-	-	282,268	(667,000)	(384,732)
Net cash provided (used) by operating activities	$ 430,132	44,975	289,317	(13,028,171)	(12,263,747)

Enterprise Funds

School Age Child Care (SACC) Fund – The SACC Fund is used to account for school age child care services. The child care services are provided by private child-care provider for the operation of the program. The school board administers the program. Revenues are derived from a flat-fee charged to the provider.

Aquatics Center Fund – The Aquatics Center Fund is used to account for the operation of the PWCS aquatics center. Financing is provided by General Fund transfers and fees collected for aquatics programs and other services.

Prince William County Public Schools **Schedule 8**
Combining Statement of Fund Net Position
Enterprise Funds
June 30, 2022

	School Age Child Care Fund	Aquatics Center Fund	Total Enterprise Funds
ASSETS			
Current assets:			
Equity in cash and pooled investments	$ 21,284	286,119	307,403
Accounts receivable and other current assets	137,866	88,110	225,976
Inventory	-	907	907
Total current assets	159,150	375,136	534,286
Noncurrent assets:			
Nondepreciable capital assets:			
Land	-	114,013	114,013
Depreciable capital assets:			
Buildings	-	9,095,044	9,095,044
Equipment	-	19,919	19,919
Less: accumulated depreciation	-	(1,062,307)	(1,062,307)
Total noncurrent assets	-	8,166,669	8,166,669
Total assets	159,150	8,541,805	8,700,955
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	4,054	11,832	15,886
Salaries payable and withholdings	-	27,322	27,322
Unearned revenue	-	34,726	34,726
Total current liabilities	4,054	73,880	77,934
Total liabilities	4,054	73,880	77,934
NET POSITION			
Net investment in capital assets	-	8,166,669	8,166,669
Unrestricted	155,096	301,256	456,352
Total net position	$ 155,096	8,467,925	8,623,021

Prince William County Public Schools **Schedule 9**
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2022

	School Age Child Care Fund	Aquatics Center Fund	Total Enterprise Funds
OPERATING REVENUES:			
Charges for services	$ 550,000	692,974	1,242,974
Total operating revenues	550,000	692,974	1,242,974
OPERATING EXPENSES:			
Personnel services	300,835	957,154	1,257,989
Materials/supplies	61,954	148,022	209,976
Utilities	-	155,188	155,188
Contractual services	133,807	208,903	342,710
Cost of goods sold	-	1,157	1,157
Depreciation	-	183,370	183,370
Total operating expenses	496,596	1,653,794	2,150,390
Operating income (loss)	53,404	(960,820)	(907,416)
NON-OPERATING REVENUES (EXPENSES):			
Interest (expense)	(529)	(7,752)	(8,281)
Total non-operating (expenses)	(529)	(7,752)	(8,281)
Income (loss) before transfers	52,875	(968,572)	(915,697)
TRANSFERS:			
Transfers In:			
General Fund	150,000	1,850,000	2,000,000
Total other transfers	150,000	1,850,000	2,000,000
Change in net position	202,875	881,428	1,084,303
NET POSITION, beginning of year	(47,779)	7,586,497	7,538,718
NET POSITION, end of year	$ 155,096	8,467,925	8,623,021

Prince William County Public Schools | **Schedule 10**
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2022

	School Age Child Care Fund	Aquatics Center Fund	Total Enterprise Funds
Cash Flows from Operating Activities:			
Receipts from customers and users	$ 593,184	688,719	1,281,903
Payments to suppliers for goods and services	(192,165)	(549,607)	(741,772)
Payments to employees	(304,035)	(960,080)	(1,264,115)
Net cash provided (used) by operating activities	96,984	(820,968)	(723,984)
Cash Flows from Non-capital Financing Activities:			
Due to other funds	(225,015)	(714,412)	(939,427)
Transfers from other funds	150,000	1,850,000	2,000,000
Net cash provided (used) by non-capital financing activities	(75,015)	1,135,588	1,060,573
Cash Flows from Investing Activities:			
Purchase of equipment	-	(19,919)	(19,919)
Interest (used) for investments	(685)	(8,582)	(9,267)
Net cash provided (used) for investing activities	(685)	(28,501)	(29,186)
Net increase in equity in cash and pooled investments	21,284	286,119	307,403
Equity in cash and pooled investments, beginning of year	-	-	-
Equity in cash and pooled investments, end of year	$ 21,284	286,119	307,403
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (loss)	$ 53,404	(960,820)	(907,416)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Change in assets and liabilities:			
Depreciation expense	-	183,370	183,370
(Increase) decrease in accounts receivable	43,184	(18,510)	24,674
Decrease in inventory	-	215	215
Increase in unearned revenue	-	14,255	14,255
Increase (decrease) in accounts payable and accrued liabilities	3,596	(36,552)	(32,956)
(Decrease) in salaries payable and withholdings	(3,200)	(2,926)	(6,126)
Net cash provided (used) by operating activities	$ 96,984	(820,968)	(723,984)

Fiduciary Funds

The Governor's School @ Innovation Park Fund – The Governor's School Fund was established in 2009 and participants include Prince William County, Manassas, and Manassas Park. PWCS holds the funds for this Program and is responsible for the receipt and disbursement of said funds.

Regional School Fund – The Regional School Fund was established in 1996 and participants include Prince William County, Manassas, and Manassas Park. PWCS holds the funds for this Program and is responsible for the receipt and disbursement of said funds.

Prince William County Public Schools
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

Schedule 11

	Governor's School @ Innovation Park	Regional School Fund	Total Custodial Funds
ASSETS			
Cash and pooled investments	$ 671,957	3,232,423	3,904,380
Interest and other receivable	2,479	10,630	13,109
Due from other governmental units	105,593	75,038	180,631
Capital assets:			
Depreciable capital assets	14,750	-	14,750
Less: accumulated depreciation	(12,836)	-	(12,836)
Total assets	781,943	3,318,091	4,100,034
LIABILITIES			
Accounts payable and accrued liabilities	297,038	-	297,038
Total liabilities	297,038	-	297,038
NET POSITION			
Net investment in capital assets	1,914	-	1,914
Restricted for:			
Individuals, organizations, and other governments	482,991	3,318,091	3,801,082
Total net position	$ 484,905	3,318,091	3,802,996

Prince William County Public Schools **Schedule 12**
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Governor's School @ Innovation Park	Regional School Fund	Total Custodial Funds
ADDITIONS:			
Investment earnings:			
Net decrease in fair value of investments	$ (7,795)	(215,350)	(223,145)
Interest, dividends, and other	1,816	30,720	32,536
Total investment loss	(5,979)	(184,630)	(190,609)
Net investment loss	(5,979)	(184,630)	(190,609)
Collections for other governments:			
Governor's school program	1,300,636	-	1,300,636
Grants from the State	525,405	-	525,405
Total additions (reductions)	1,820,062	(184,630)	334,796
DEDUCTIONS:			
Depreciation expenses	2,107	-	2,107
Distributions to other governments:			
Governor's school program	1,450,279	-	1,450,279
Total deductions	1,452,386	-	1,452,386
Change in net position	367,676	(184,630)	183,046
NET POSITION, beginning of year	117,229	3,502,721	3,619,950
NET POSITION, end of year	$ 484,905	3,318,091	3,802,996

Statistical Section

(unaudited)

Statistical Section

This section of the Prince William County Public Schools' (PWCS) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the school divisions' overall financial health.

Financial Trends - These tables contain trend information to help the reader understand how the School Divisions' financial performance and well-being have changed over time.

This information is inserted from the Prince William County ACFR because Prince William County Public Schools does not issue debt and has no own source revenue.

Revenue Capacity - The revenue capacity section of the statistical tables contains information to help the reader assess the factors affecting the School Divisions' ability to generate its own source revenue. Because over 95% of PWCS' revenue is from federal, state, and county sources, PWCS discloses no own source revenue. PWCS does, however, include the revenue capacity information from the primary government's (PWC) statistical tables to help the financial statement user assess the primary government's ability to generate its own source revenue.

Debt Capacity - The debt capacity tables present information to help the reader assess the affordability of the current levels of outstanding debt associated with the School Division and the ability to issue additional debt in the future for construction of school related projects. School divisions in the Commonwealth of Virginia are fiscally dependent, and as a requirement of law, all debt required for capital projects for the school division must be issued by the County. The debt capacity tables contained in this section represent all debt issued by PWC and ***do not*** represent debt issued or held by PWCS.

Demographic and Economic Information - These tables offer demographic and economic indicators to help the reader understand the environment within which the school division's financial activities take place and to aid the reader in making comparisons over time with other governments.

Operating Information - These tables provide contextual information about PWCS' operations and resources to assist readers in using financial statement information to understand and assess the divisions' economic condition.

Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports (ACFR) for the relevant year.

Financial Trends

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 1 - Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting; amounts expressed in thousands)

	Fiscal Year									
	2013	2014[(2)]	2015	2016	2017[(3)]	2018	2019	2020[(4)]	2021	2022
Governmental activities:										
Invested in capital assets	$ 1,125,015	1,179,899	1,261,170	1,351,097	1,449,348	1,496,855	1,587,570	1,695,750	1,751,977	1,798,840
Restricted	43,092	49,769	66,882	197,524	173,218	230,312	101,666	86,649	136,535	236,374
Unrestricted (deficit)	104,037	(728,330)	(738,304)	(697,152)	(856,226)	(814,905)	(721,635)	(687,540)	(615,288)	(560,757)
Total governmental activities net position	$ 1,272,144	501,338	589,748	851,469	766,340	912,262	967,601	1,094,859	1,273,224	1,474,457
Business-type activities:[(1)]										
Invested in capital assets	$ -	-	-	-	9,058	8,876	8,694	8,512	8,330	8,167
Unrestricted (deficit)	664	560	466	340	274	48	(8)	(429)	(791)	456
Total business-type activities net position	$ 664	560	466	340	9,332	8,924	8,686	8,083	7,539	8,623
Total school division:										
Invested in capital assets	$ 1,125,015	1,179,899	1,261,170	1,351,097	1,458,406	1,505,731	1,596,264	1,704,262	1,760,307	1,807,007
Restricted	43,092	49,769	66,882	197,524	173,218	230,312	101,666	86,649	136,535	236,374
Unrestricted (deficit)	104,701	(727,770)	(737,838)	(696,812)	(855,952)	(814,857)	(721,643)	(687,969)	(616,079)	(560,301)
Total school division net position	$ 1,272,808	501,898	590,214	851,809	775,672	921,186	976,287	1,102,942	1,280,763	1,483,080

[(1)] PWCS established a business-type activity in fiscal year 2010.

[(2)] GASB 68/71 restatement.

[(3)] GASB 75 restatement.

[(4)] GASB 84 restatement.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 2 - Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting; amounts expressed in thousands)

	Fiscal Year									
	2013	2014[2]	2015	2016	2017[3]	2018	2019	2020[4]	2021	2022
Expenses										
Governmental activities:										
Instruction:										
Regular	$ 485,165	489,514	511,206	514,177	562,799	560,440	560,277	638,487	663,688	663,967
Special	101,696	104,231	107,557	107,705	115,150	119,230	124,952	139,207	152,543	144,343
Other	9,565	9,607	10,540	11,811	13,279	13,315	11,796	10,549	8,672	11,826
Instructional leadership	57,215	57,186	59,926	62,180	65,905	70,159	72,143	75,639	78,233	84,708
Support services:										
General administration	10,023	9,988	10,386	10,265	12,185	10,029	10,202	13,234	14,054	6,628
Student services	10,446	13,323	13,157	12,972	16,267	15,356	16,675	22,222	25,745	25,941
Curricular/staff development	14,092	12,707	12,849	12,512	14,935	15,762	18,498	19,666	24,497	35,422
Pupil transportation	53,658	55,479	55,458	54,212	57,032	58,863	60,435	62,282	57,249	66,018
Operations	22,858	23,168	22,848	22,907	24,977	24,100	23,780	27,430	32,766	28,955
Utilities	23,321	22,649	23,715	21,058	23,030	22,822	22,347	21,454	20,091	24,537
Maintenance	31,147	35,983	43,990	42,033	42,245	40,971	40,981	45,628	44,314	54,854
Central business services	52,343	51,164	51,510	50,487	58,559	55,008	61,938	65,454	102,035	74,799
Reimbursement to County for debt service	70,605	74,691	80,755	88,470	89,728	101,582	105,491	104,997	108,665	111,222
Food & nutrition services	38,551	37,430	40,145	42,390	44,879	45,631	44,842	41,003	39,079	44,727
Community service operations	1,267	1,200	1,342	1,420	1,441	1,514	1,465	957	246	826
Student activities	-	-	-	-	-	-	-	-	2,754	9,193
Education foundation	-	-	519	594	509	532	535	559	622	571
Total governmental activities expenses	981,952	998,320	1,045,903	1,055,193	1,142,920	1,155,314	1,176,357	1,288,768	1,375,253	1,388,537
Business-type activities:[1]										
School Age Child Care	594	592	607	632	633	619	576	518	432	497
Aquatics Center	-	-	-	-	902	1,238	1,373	1,240	1,200	1,654
Total business-type activities expenses	594	592	607	632	1,535	1,857	1,949	1,758	1,632	2,151
Total school division expenses	$ 982,546	998,912	1,046,510	1,055,825	1,144,455	1,157,171	1,178,306	1,290,526	1,376,885	1,390,688
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	$ 3,498	3,185	3,140	3,285	3,117	3,416	3,262	2,694	2,043	2,672
Pupil transportation	80	61	69	60	110	78	157	236	29	77
Operations	392	306	312	326	326	323	321	260	185	269
Central business services	380	403	430	407	373	831	421	402	408	465
Food & nutrition services	17,924	17,870	17,401	17,860	18,932	18,415	17,953	12,322	163	689
Community service operations	1,026	1,289	1,408	1,490	1,554	1,552	1,512	893	27	756
Student activities	-	-	-	-	-	-	-	-	2,021	10,614
Operating grants and contributions	136,285	138,511	147,692	153,479	164,137	164,271	164,707	168,118	280,176	292,392
Capital grants and contributions	113	108	116	124	119	123	128	119	127	130
Total governmental activities program revenues	159,698	161,733	170,568	177,031	188,668	189,009	188,461	185,044	285,179	308,064
Business-type activities:										
Charges for services										
School Age Child Care	425	475	503	500	513	538	550	297	502	550
Aquatics Center	-	-	-	-	310	510	756	487	184	693
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	425	475	503	500	823	1,048	1,306	784	686	1,243
Total school division program revenues	$ 160,123	162,208	171,071	177,531	189,491	190,057	189,767	185,828	285,865	309,307
Net (Expense) Revenues										
Governmental activities	(822,254)	(836,587)	(875,335)	(878,162)	(954,252)	(966,305)	(987,896)	(1,103,724)	(1,090,074)	(1,080,473)
Business-type activities	(169)	(117)	(104)	(132)	(712)	(809)	(643)	(974)	(946)	(908)
Total school division net (expense)	$ (822,423)	(836,704)	(875,439)	(878,294)	(954,964)	(967,114)	(988,539)	(1,104,698)	(1,091,020)	(1,081,381)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Unrestricted grants and contributions	$ 883,194	890,805	957,609	1,133,523	1,037,970	1,105,143	1,031,003	1,211,472	1,260,603	1,293,094
Unrestricted investment earnings	1,724	3,123	3,001	3,343	2,638	2,731	8,622	7,180	3,285	(16,624)
Miscellaneous revenues	3,480	6,745	3,135	3,017	5,400	4,753	4,010	4,523	4,953	7,236
Transfer to Aquatic Center	-	-	-	-	(9,709)	(400)	(400)	(400)	(402)	(2,000)
Total governmental activities general revenues	888,398	900,673	963,745	1,139,883	1,036,299	1,112,227	1,043,235	1,222,775	1,268,439	1,281,706
Business-type activities:										
Unrestricted investment earnings	(5)	13	10	6	(4)	1	5	(29)	-	(8)
Transfer to Aquatic Center	-	-	-	-	9,709	400	400	400	402	2,000
Total business-type activities general revenues	(5)	13	10	6	9,705	401	405	371	402	1,992
Total school division general revenues and other changes in net position	$ 888,393	900,686	963,755	1,139,889	1,046,004	1,112,628	1,043,640	1,223,146	1,268,841	1,283,698
Change in Net Position										
Governmental activities	$ 66,144	64,086	88,410	261,721	82,047	145,922	55,339	119,051	178,365	201,233
Business-type activities	(174)	(104)	(94)	(126)	8,993	(408)	(238)	(603)	(544)	1,084
Total school division	$ 65,970	63,982	88,316	261,595	91,040	145,514	55,101	118,448	177,821	202,317

(1) PWCS established a business-type activity in fiscal year 2010.

(2) PWCS implemented GASB 68 in fiscal year 2015, thus a prior period adjustment of $834,892 for prior pension liabilities was added.

(3) PWCS implemented GASB 75 in fiscal year 2018, thus a prior period adjustment of $167,177 for prior OPEB liabilities was added.

(4) PWCS implemented GASB 84 in fiscal year 2021, thus a prior period adjustment of $(8,207) was added.

TABLE 3 - Fund Balances, Governmental Funds (Presented in Accordance with GASB 54)
Last Ten Fiscal Years [1]
(modified accrual basis of accounting; amounts expressed in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	$ 1,079	1,091	1,159	1,247	1,158	1,639	4,192	4,039	4,057	3,946
Restricted	5,008	5,253	4,630	5,042	2,282	6,563	7,938	4,204	6,920	83,183
Assigned	60,554	49,227	43,727	64,684	70,183	88,930	81,919	125,559	174,158	115,745
Unassigned	15,404	9,766	22,479	16,172	24,888	15,259	47,224	26,078	44,750	32,336
Total General Fund	82,045	65,337	71,995	87,145	98,511	112,391	141,273	159,880	229,885	235,210
All Other Governmental Funds:										
Construction Fund										
Restricted	19,418	22,123	37,781	165,354	143,327	193,540	58,175	40,615	57,857	44,339
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	30,704	52,603	28,170	28,218	20,170	20,270	40,521	53,960	70,684	81,722
Food & Nutrition Services Fund[2]										
Nonspendable	-	-	1,495	1,246	1,455	1,696	1,529	1,771	1,625	1,180
Restricted	-	-	23,922	26,628	27,609	30,208	35,554	33,622	64,284	85,626
Other Nonmajor Special Revenue Fund										
Nonspendable	1,534	1,642	-	-	-	-	-	-	-	-
Restricted	18,165	21,894	-	-	-	-	-	-	7,474	8,895
Committed	2,848	2,992	3,109	3,262	3,366	3,420	3,633	3,688	3,473	3,217
Total all other governmental funds	$ 72,669	101,254	94,477	224,708	195,927	249,134	139,412	133,656	205,397	224,979

[1] This table reports fund balance for governmental funds in classifications that primarily comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in that fund can be spent. Generally, what was 'reserved' is now nonspendable, restricted, or committed and 'unreserved' is now
[2] In FY2015, the Food & Nutrition Services Fund became a major fund. Prior it was a part of the Special Revenue Fund.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 4 - Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting; amounts expressed in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Federal sources:										
Food & nutrition services	$ 21,115	21,975	22,963	25,418	26,975	28,417	29,001	24,003	68,176	67,039
Other federal sources	34,231	33,322	34,090	36,129	39,360	41,290	40,020	46,963	88,110	105,362
Total federal sources	55,346	55,297	57,053	61,547	66,335	69,707	69,021	70,966	156,286	172,401
State sources:										
Basic aid	232,907	230,776	241,848	242,427	258,167	259,954	276,492	278,032	292,968	291,111
Food & nutrition services	685	722	735	752	938	1,074	1,098	1,054	691	1,619
Regional school program	19,926	20,605	21,598	22,904	24,091	20,531	15,000	12,000	9,046	7,397
Sales tax	73,929	75,529	80,774	85,219	87,330	85,089	98,199	98,715	111,544	127,398
Special education SOQ[(1)]	16,823	17,358	17,451	17,675	18,226	18,371	21,212	21,520	25,303	25,523
Other state sources	85,023	91,311	93,964	97,448	102,579	122,452	129,303	151,994	169,620	184,855
Total state sources	429,293	436,301	456,370	466,425	491,331	507,471	541,304	563,315	609,172	637,903
County sources:										
County bond sale transfer	88,930	70,276	89,792	243,190	84,214	127,266	-	125,417	116,528	64,942
County general transfer [(2)]	435,195	469,571	493,164	503,877	542,732	557,697	585,711	609,923	630,298	667,587
County proffer transfer	10,954	-	7,677	6,000	12,000	6,000	-	6,000	16,500	-
Total county sources	535,079	539,847	590,633	753,067	638,946	690,963	585,711	741,340	763,326	732,529
Local sources:										
Charges for services	4,532	4,444	4,811	4,673	4,178	5,319	4,948	4,555	3,384	4,762
Food & nutrition services sales	17,901	18,135	17,698	18,153	19,226	18,840	17,952	12,321	157	687
Interest and other income	1,839	3,200	3,077	3,768	3,773	4,338	11,572	8,599	3,406	(16,462)
Use of property	1,027	1,007	1,104	1,192	1,255	1,123	1,107	623	24	700
Other local sources	3,225	4,260	3,322	3,661	6,936	5,600	5,248	4,979	7,451	17,883
Total local sources	28,524	31,046	30,012	31,447	35,368	35,220	40,827	31,077	14,422	7,570
Total revenues	1,048,242	1,062,491	1,134,068	1,312,486	1,231,980	1,303,361	1,236,863	1,406,698	1,543,206	1,550,403
Expenditures										
Instruction:										
Regular	457,948	461,647	489,493	500,245	530,467	546,629	556,133	600,665	614,559	676,787
Special	100,384	102,987	107,931	109,796	114,639	123,051	130,757	137,354	147,993	155,446
Other	9,446	9,495	10,577	12,005	13,180	13,674	12,351	10,477	8,471	12,734
Instructional leadership	57,212	57,167	59,915	62,180	65,905	70,159	72,143	75,639	78,233	84,708
Support services:										
General administration	8,843	8,489	9,979	9,711	11,596	10,395	11,399	12,824	13,412	13,709
Student services	10,340	13,205	13,888	14,562	15,784	17,298	19,410	21,604	23,897	27,945
Curricular/staff development	13,979	12,652	12,963	12,846	14,817	16,314	19,382	19,510	23,935	36,741
Pupil transportation	55,568	58,945	58,084	59,298	62,748	65,508	66,581	61,060	54,027	68,231
Operations	22,613	22,944	23,236	23,921	24,665	25,433	25,800	27,080	31,659	31,090
Utilities	23,321	22,649	24,021	21,671	22,855	23,461	23,167	21,224	19,452	24,538
Maintenance	30,886	35,988	44,267	42,256	38,995	40,592	41,655	45,373	43,041	56,449
Central business services	51,017	48,608	53,960	53,074	56,646	56,485	62,356	64,966	101,191	77,029
Community service operations	1,267	1,200	1,342	1,420	1,441	1,514	1,465	957	246	825
Food & nutrition service	38,544	37,518	40,108	42,353	44,842	45,570	44,772	40,914	38,981	44,631
Student activities	-	-	-	-	-	-	-	-	2,754	9,193
Reimbursement to County for debt service	70,605	74,691	77,278	84,523	89,728	101,582	105,491	147,004	96,771	111,222
Capital Outlay	70,681	78,829	106,249	113,326	137,050	77,210	122,610	104,996	108,665	90,273
Total expenditures	1,022,654	1,047,014	1,133,291	1,163,187	1,245,358	1,234,875	1,315,472	1,391,647	1,407,287	1,521,551
Excess (deficiency) of revenues over (under) expenditures	25,588	15,477	777	149,299	(13,378)	68,486	(78,609)	15,051	135,919	28,852
Other Financing Sources (Uses):										
Transfers in:										
General fund	1,943	1,490	1,255	2,436	3,292	1,631	2,864	1,365	19,676	61,629
Construction fund	17,588	44,297	19,363	17,863	18,301	11,719	25,737	32,393	1,495	1,501
Other Governmental funds	-	-	-	11	1	4	-	-	609	500
Transfers out:										
General fund	(19,388)	(47,897)	(20,259)	(21,142)	(21,639)	(12,793)	(27,437)	(34,593)	(1,495)	(1,501)
Construction fund	(1,943)	(1,490)	(1,255)	(2,436)	(2,262)	(1,631)	(2,864)	(1,365)	(20,154)	(62,129)
Other Governmental funds	-	-	-	(650)	(1,730)	(330)	(532)	-	(2,511)	(3,945)
Total other financing sources (uses), net	(1,800)	(3,600)	(896)	(3,918)	(4,037)	(1,400)	(2,232)	(2,200)	(2,380)	(3,945)
Net change in fund balances	$ 23,788	11,877	(119)	145,381	(17,415)	67,086	(80,841)	12,851	133,539	24,907

(1) Standards of Quality

(2) The County general transfer is reduced at year end by the amount of interest income earned in the General Fund during the fiscal year.

Revenue Capacity

This information is inserted from the Prince William County ACFR because Prince William County Public Schools does not have any own source revenue.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 5 - General Governmental Revenues by Source[1]
Last Ten Fiscal Years
(modified accrual basis of accounting; dollar amounts expressed in thousands)

						Inter-Governmental[4]			
Fiscal Year	Taxes[2]	Licenses, Fees & Permits	Fines & Forfeitures	Use of Money & Property[3]	Charges for Services	PPTRA	All Others	Miscellaneous	Total
2013	752,856	16,354	3,260	(3,386)	50,179	54,288	690,633	30,632	1,594,816
2014	783,654	17,389	3,252	18,762	50,964	54,288	722,269	17,826	1,668,403
2015	825,162	17,057	3,168	16,747	51,847	54,288	757,092	23,207	1,748,568
2016	869,840	18,039	2,953	21,495	49,818	54,288	801,685	18,945	1,837,063
2017	910,522	19,867	2,732	6,471	57,324	54,288	857,810	31,588	1,940,602
2018	950,705	19,141	3,050	9,539	57,256	54,288	878,004	17,773	1,989,756
2019	1,018,777	20,156	3,456	41,465	55,244	54,288	966,701	17,863	2,177,950
2020	1,076,413	19,847	2,705	30,157	45,753	54,288	966,280	23,985	2,219,428
2021	1,082,490	20,887	1,788	3,373	26,383	54,288	1,235,020	39,217	2,463,446
2022	1,181,588	23,651	1,757	(57,234)	35,522	54,288	2,455,621	29,457	3,724,650
Change 2013 - 2022	56.95%	44.62%	-46.10%	1590.31%	-29.21%	0.00%	255.56%	-3.84%	133.55%

Source: County of Prince William, Virginia.

(1) Includes revenues of the General Fund, Special Revenue Funds, Capital Project Funds and the School Board and Adult Detention Center Component Units.

(2) Tax revenues exclude reimbursements from the Commonwealth under the Personal Property Tax Relief Act. (PPTRA)

(3) Fluctuations in revenue from the use of money can be primarily attributed to favorable or unfavorable mark to market conditions.

(4) Beginning with fiscal year 2000, the State reimbursed the County for personal property tax for non-business use vehicles under the Personal Property Tax Relief Act (PPTRA). The State reimbursement is classified as inter-governmental revenue. The PPTRA reimbursement rates were 61.5% for fiscal years 2007 through 2008. Beginning fiscal year 2009, the reimbursement rate was dropped and reimbursement was set at the fiscal year 2008 dollar amount of $54.3M.

TABLE 5A - General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting; amounts expressed in thousands)

Fiscal Year	Real Estate	Personal Property[1]	Public Service	Total General Property Taxes[2]	Sales Tax	Utility Taxes	BPOL Tax	All Other[2]	Total
2013	533,024	81,783	19,511	634,318	55,169	13,490	22,913	26,966	752,856
2014	557,068	95,270	18,809	671,147	56,511	13,766	23,772	18,458	783,654
2015	581,640	100,093	18,650	700,383	59,709	13,974	24,744	26,352	825,162
2016	610,844	110,676	19,954	741,474	60,551	13,977	25,065	28,773	869,840
2017	632,422	123,696	21,204	777,322	63,022	14,196	25,341	30,641	910,522
2018	660,476	131,700	22,101	814,277	64,566	14,417	26,554	30,891	950,705
2019	695,169	143,557	21,674	860,400	68,710	14,443	26,945	48,279	1,018,777
2020	733,071	156,474	22,683	912,228	72,341	14,408	28,236	49,200	1,076,413
2021	764,351	171,063	22,429	957,843	80,140	13,266	29,882	55,647	1,136,778
2022	880,731	201,846	24,197	1,106,774	88,032	15,278	32,910	(7,118)	1,235,876
Change 2013 - 2022	65.23%	146.81%	24.02%	74.48%	59.57%	13.25%	43.63%	-126.40%	64.16%

Source: County of Prince William, Virginia.

(1) Personal property tax revenues exclude reimbursements from the Commonwealth under the Personal Property Tax Relief Act.

(2) Excludes administration fees and interest related to property taxes. These revenues are included in "All Other" column.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 6 - Assessed Value and Actual Value of Taxable Real Property
Last Ten Fiscal Years
(tax rates per $100 assessed value; dollar amounts expressed in thousands)

Fiscal Year	Residential[1]	Apartments[1]	Commercial & Industrial[1]	Public Service[1]	Vacant Land & Other[1]	Total Taxable Assessed Value	Total Direct Tax Rate[2]	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2013	33,769,506	1,911,766	6,210,947	1,521,977	170,032	43,584,228	1.28590	50,810,494	85.78%
2014	35,821,828	2,185,291	6,597,590	1,501,931	171,126	46,277,766	1.25620	57,109,671	81.03%
2015	39,073,111	2,525,672	6,802,104	1,531,397	161,172	50,093,456	1.22120	57,663,419	86.87%
2016	41,983,238	2,856,819	7,179,333	1,678,330	166,961	53,864,681	1.19360	60,222,753	89.44%
2017	43,393,628	3,020,162	7,406,620	1,782,650	161,469	55,764,529	1.19500	61,527,421	90.63%
2018	44,665,855	3,047,465	8,185,594	1,826,020	166,147	57,891,081	1.20670	65,844,401	87.92%
2019	46,722,672	3,243,286	9,258,196	1,804,079	185,978	61,214,211	1.20750	69,155,694	88.52%
2020	48,810,816	3,416,858	9,638,310	1,888,134	186,227	63,940,345	1.20750	69,062,205	92.58%
2021	51,343,233	3,712,614	10,570,898	1,890,494	195,932	67,713,170	1.20750	72,791,360	93.02%
2022	63,241,902	4,632,386	12,922,782	2,013,648	248,239	83,058,956	1.10750	90,699,627	91.58%

Source: County of Prince William, Virginia.

[1] Net of tax-exempt property:

2013 - $3,316,592	2018 - $4,323,692
2014 - $3,705,018	2019 - $4,445,054
2015 - $3,761,235	2020 - $4,839,651
2016 - $3,901,930	2021 - $4,959,366
2017 - $4,113,361	2021 - $5,914,501

[2] See Table 7, Direct and Overlapping Property Tax Rates.

TABLE 6A - Commercial to Total Assessment Ratio, Construction and Bank Deposits
Last Ten Fiscal Years
(dollar amounts expressed in millions)

	Commercial as a Percent of Total Taxable		New Construction[1]				
			Residential		Non-Residential		
Fiscal Year	Commercial to Total	Commercial & Public Service to Total	Permits	Value	Permits	Value	Bank Deposits[2]
2013	14.3%	17.7%	1,542	282	233	233	4,082
2014	14.3%	17.5%	1,396	290	193	236	4,201
2015	13.6%	16.6%	1,401	261	225	145	4,378
2016	13.3%	16.4%	1,295	224	136	137	4,492
2017	13.3%	16.5%	1,399	339	177	546	4,535
2018	14.1%	17.3%	1,310	245	125	124	4,625
2019	15.1%	18.1%	1,086	218	108	788	4,838
2020	15.1%	18.0%	1,339	255	67	312	5,715
2021	15.6%	18.4%	1,444	313	73	169	6,952
2022	15.6%	18.0%	1,157	312	58	317	7,200

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. 2013-2022, Federal Deposit Insurance Corporation, (commercial and savings bank deposits) and National Credit Union Administration (credit union deposits).

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 7 - Direct and Overlapping Real Estate Tax Rates
Last Ten Fiscal Years
(tax rate per $100 of assessed value)

	Fiscal Year									
Type of Tax	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
PRINCE WILLIAM COUNTY										
Countywide Tax Levies:										
Real Estate - General Fund	$1.20900	$ 1.18100	$ 1.14800	$ 1.12200	$ 1.12200	$ 1.12500	$ 1.12500	$ 1.12500	$ 1.12500	$ 1.03000
Fire and Rescue Levy (Countywide)	0.07440	0.07270	0.07070	0.06910	0.07050	0.07920	0.08000	0.08000	0.08000	0.07500
Mosquito & Forest Pest Management (Countywide)	0.00250	0.00250	0.00250	0.00250	0.00250	0.00250	0.00250	0.00250	0.00250	0.00250
Total Direct Tax Rate	$1.28590	$ 1.25620	$ 1.22120	$ 1.19360	$ 1.19500	$ 1.20670	$ 1.20750	$ 1.20750	$ 1.20750	$ 1.10750
Service District Levies -										
Bull Run	$0.20100	$ 0.18300	$ 0.14710	$ 0.13770	$ 0.13770	$ 0.13110	$ 0.12630	$ 0.12300	$ 0.12300	$ 0.09500
Lake Jackson	0.17500	0.16500	0.16500	0.16500	0.16500	0.16500	0.16500	0.16500	0.16500	0.15000
Transportation District Levies -										
Prince William Parkway	0.20000	0.20000	0.20000	--	--	--	--	--	--	--
234-Bypass	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000
OVERLAPPING GOVERNMENTS										
Real Estate Tax Levy:										
Town of Dumfries	0.27733	0.27330	0.23330	0.18990	0.18990	0.18990	0.18990	0.18990	0.18990	0.18990
Town of Haymarket	0.16400	0.13900	0.13900	0.12900	0.14600	0.14600	0.14600	0.13600	0.13600	0.11500
Town of Occoquan	0.10000	0.11000	0.11000	0.11000	0.12000	0.12000	0.12000	0.12000	0.12000	0.12000
Town of Quantico	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000

Source: County of Prince William, Virginia.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 8 - Principal Real Property Tax Payers
Current Year and Nine Years Ago
(dollar amounts expressed in thousands)

	2022			2013		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value[1]	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value[1]
Virginia Electric & Power Company	$ 1,842,499	1	2.22%	$ 755,920	1	1.73%
Northern Virginia Electric Co-op	839,381	2	1.01%	271,275	2	0.62%
Abteen Ventures, LLC	455,771	3	0.55%			
Mall at Potomac Mills, LLC	381,303	4	0.46%	97,162	6	0.22%
Washington Gas Light Company	368,330	5	0.44%	100,812	5	0.23%
Bourzou Ventures LLC	329,248	6	0.40%			
Amazon Data Services, Inc	314,298	7	0.38%			
Verizon South, Inc.	284,478	8	0.34%	156,121	3	0.36%
Powerloft @ Innovation I LLC	162,384	9	0.20%			
Virginia-American Water Co.	138,508	10	0.17%			
Woodbridge Station Apartments, LLC				136,075	4	0.31%
Stellar Chatsworth LLC				96,449	7	0.22%
TR Rollings Brook Corp.				94,942	8	0.22%
Prince William Square Investors, LLC				93,924	9	0.22%
Manassas Owner, LLC				74,880	10	0.17%
	$ 5,116,199		6.17%	$ 1,877,560		4.30%

Source: County of Prince William, Virginia.

[1] See Table 6 for a ten-year listing of Taxable Assessed Values.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 9 - Real Property Tax Levies and Collections
Last Ten Fiscal Years
(dollar amounts expressed in thousands)

		Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year	Total Adjusted Tax Levy[1]	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy Collected
2013	553,424	551,222	99.6%	1,651	552,873	99.9%
2014	573,203	571,425	99.7%	1,393	572,818	99.9%
2015	603,171	601,267	99.7%	1,487	602,754	99.9%
2016	630,485	629,017	99.8%	358	629,375	99.8%
2017	653,759	651,883	99.7%	1,096	652,979	99.9%
2018	682,368	681,108	99.8%	613	681,721	99.9%
2019	714,169	712,882	99.8%	834	713,716	99.9%
2020	754,389	745,087	98.8%	1,131	746,219	98.9%
2021	793,370	786,135	99.1%	3,047	789,182	99.5%
2022	837,960	835,402	99.7%	--	835,402	99.7%

Source: County of Prince William, Virginia.

(1) Total tax levy includes gross real estate and public service taxes less adjustments to tax due made prior to payment.

Debt Capacity

This information is inserted from the Prince William County ACFR
because Prince William Public Schools does not issue debt.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 10 - Ratios of Outstanding Debt by Type, Primary Government and Component Units
Last Ten Fiscal Years
(amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Primary Government										
Governmental Activities:										
General Obligation Bonds[1]										
General Government	$ 127,400	$ 140,032	$ 126,438	$ 197,564	$ 181,934	$ 167,369	$ 152,782	$ 140,868	$ 171,372	$ 155,304
School Board-Related	579,969	594,188	628,638	793,235	815,195	865,535	796,785	845,159	879,359	862,595
Park Related	6,651	9,746	9,069	14,421	13,606	11,816	10,833	9,893	8,839	8,201
IDA Lease Revenue Bonds	5,325	4,355	3,345	2,290	1,175	--	--	--	--	--
IDA Loan	--	--	--	--	--	--	21,153	21,153	21,153	--
Literary Fund Loans	2,500	2,250	2,000	--	--	--	--	--	--	--
Real Property Capital Leases										
General Government	133,415	122,609	110,324	96,720	86,026	77,630	65,985	57,591	45,898	37,401
Adult Detention Center	23,405	21,680	19,955	18,230	15,596	13,890	12,202	10,533	8,877	7,225
Park Related	385	352	644	395	268	235	203	171	140	109
Equipment Capital Leases	1,456	951	539	110	--	--	--	--	--	--
Business-Type Activities:										
Solid Waste System Revenue Bonds**	1,590	--	--	--	--	--	--	--	--	--
Parks & Recreation Revenue Bonds	11,031	10,525	10,555	9,965	9,355	8,725	6,090	5,410	4,155	--
Parks & Recreation Equipment Capital Leases	889	596	295	99	--	--	--	--	--	--
Total Primary Government	$ 894,016	$ 907,284	$ 911,802	$ 1,133,029	$ 1,123,155	$ 1,145,200	$ 1,066,033	$ 1,090,778	$ 1,139,793	$ 1,070,835
Percentage of Personal Income[2]	3.75%	3.66%	3.55%	4.27%	4.05%	3.98%	3.58%	3.41%	3.57%	3.35%
Per Capita[2]	2,100	2,092	2,065	2,519	2,462	2,490	2,298	2,331	2,333	2,210
Total Reporting Entity Outstanding Debt	894,016	907,284	911,802	1,133,029	1,123,155	1,145,200	1,066,033	1,090,778	1,139,793	1,070,835
Less: Self-Supporting Revenue and Other Bonds	13,510	11,121	10,850	10,064	9,355	8,725	6,090	5,410	4,155	--
Net Tax-Supported Debt	$ 880,506	$ 896,163	$ 900,952	$ 1,122,965	$ 1,113,800	$ 1,136,475	$ 1,059,943	$ 1,085,368	$ 1,135,638	$ 1,070,835

Source: County of Prince William, Virginia.

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

[1] Includes general obligation bonds associated with School Board-Related Debt and Park-Related Debt; see Exhibit 1, PWC ACFR.

[2] See Table 15 for personal income and population data.

[3] Parks & Recreation revenue bonds are presented net of unamortized premium and unamortized deferred loss on refunding.
See PWC Illustration 10-7 in the Notes to the Financial Statements for details.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 11 - Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except percentage and per capita)

Fiscal Year	General Obligation Bonds[1]	Solid Waste System Revenue Bonds	Total	Percentage of Estimated Actual Taxable Value of Property[2]	Per Capita[3]
2013	714,020	1,590	715,610	1.41%	1,681
2014	743,966	--	743,966	1.30%	1,716
2015	764,145	--	764,145	1.33%	1,730
2016	1,005,220	--	1,005,220	1.67%	2,234
2017	1,010,735	--	1,010,735	1.64%	2,216
2018	1,044,720	--	1,044,720	1.59%	2,271
2019	960,400	--	960,400	1.39%	2,070
2020	995,920	--	995,920	1.44%	2,128
2021	1,059,570	--	1,059,570	1.46%	2,168
2022	1,026,100	--	1,026,100	1.13%	2,118

Source: County of Prince William, Virginia.

(1) Includes general obligation bonds associated with School Board-related and Adult Detention Center-related debt; excludes Literary Fund loans, if any. See also Table 10.

(2) See Table 6 for property value data.

(3) See Table 15 for population data.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 12 - Direct and Overlapping Governmental Activities Debt (based on assessed values)
June 30, 2022
(amounts expressed in thousands)

	Outstanding on June 30, 2022		Percent Applicable to County	Amount Applicable to County	Percent of Assessed Value[2]
Direct:					
Net Tax Supported Debt[1]	$ 1,070,835		100.00%	$ 1,070,835	1.5814%
Overlapping:					
Town of Dumfries	9,100		100.00%	9,100	0.0134%
Town of Haymarket	434	[4]	100.00%	434	0.0006%
Town of Occoquan	--		100.00%	--	0.0000%
Town of Quantico	56,096		100.00%	56,096	0.0828%
Heritage Hunt Commercial Community Development Authority Special Assessment Bonds Series 1999 B	658		100.00%	658	0.0010%
Virginia Gateway Community Development Authority Refunding Bond Series 1999 and 2003 B	6,635		100.00%	6,635	0.0098%
Cherry Hill Community Development Authority Special Assessment Bond Series 2015	29,010		100.00%	29,010	0.0428%
Northern Virginia Transportation Commission - Virginia Railway Express[3]	176,378		32.32%	--	0.0000%
Northern Virginia Criminal Justice Training Academy (NVCJTA)[3]	3,631		34.97%	1,270	0.0019%
Total Overlapping Governmental Activities Debt	$ 281,942		97.76%	$ 103,203	0.1524%
Total Direct and Overlapping Governmental Activities Debt	$ 1,352,777		99.80%	$ 1,174,038	1.7338%

Source: County of Prince William, Virginia.

(1) From Table 10.

(2) Assessed value of taxable property is from Table 6.

(3) Amount applicable determined on basis other than assessed value of taxable property.

(4) Equals Outstanding Debt less amounts due within 1 year, per FY2019 ACFR (latest available at publication)

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 13 - Debt Ratio Information
Last Ten Fiscal Years
(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 Board of County Supervisors also has established self-imposed limits which provide that tax supported debt should not exceed 3% of the net assessed valuation of taxable property in the County, and that annual debt service should not exceed 10% of annual governmental revenues. The County's standing with respect to its self-imposed limits is shown below.

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government[1]										
Principal	$ 69,858	$ 72,969	$ 76,750	$ 78,093	$ 86,849	$ 93,220	$ 97,685	$ 93,610	$ 101,010	$ 123,658
Interest[2]	41,991	42,546	42,476	46,072	47,888	48,688	48,358	47,675	45,426	44,538
Debt Service on Net Tax-Supported Debt	$ 111,849	$ 115,515	$ 119,226	$ 124,165	$ 134,737	$ 141,908	$ 146,043	$ 141,285	$ 146,436	$ 168,196
Total Government Expenditures[3]	$ 1,461,112	$ 1,491,793	$ 1,557,703	$ 1,610,616	$ 1,734,264	$ 1,731,969	$ 1,867,084	$ 1,962,416	$ 2,084,360	$ 2,226,098
Ratio of Debt Service to Expenditures	7.7%	7.7%	7.7%	7.7%	7.8%	8.2%	7.8%	7.2%	7.0%	7.6%
Total Revenues[4]	$ 1,493,495	$ 1,636,801	$ 1,611,230	$ 1,496,700	$ 1,649,319	$ 1,802,191	$ 2,067,001	$ 2,139,662	$ 2,837,587	$ 2,389,565
Ratio of Debt Service to Revenues	7.5%	7.1%	7.4%	8.3%	8.2%	7.9%	7.1%	6.6%	5.2%	7.0%
Net Tax-Supported Debt[5]	$ 880,506	$ 896,163	$ 900,952	$ 1,122,965	$ 1,113,800	$ 1,136,475	$ 1,059,943	$ 1,085,368	$ 1,135,638	$ 1,070,835
Assessed Value of Taxable Property[6]	47,672,172	50,601,568	54,623,175	58,854,961	61,335,721	63,755,919	67,613,073	70,811,690	74,584,515	89,446,757
Ratio of Net Tax-Supported Debt to Assessed Value	1.8%	1.8%	1.6%	1.9%	1.8%	1.8%	1.6%	1.5%	1.5%	1.2%

NOTE: The 2010 debt service ratios are significantly closer to the limits due to a one-time principal reduction payment of $28 million resulting from support received from the Commonwealth of Virginia for the County's Adult Detention Center Expansion and Renovation project. If the effect of this non-recurring payment was removed, the 2010 ratio of debt service to revenues would have been 7.7%.

(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) Total Expenditures excluding capital projects from Table 22, PWC ACFR.

(4) Includes revenues of the General Fund, Special Revenue Funds and the School Board and Adult Detention Center Component Units.

(5) From Table 10.

(6) From Table 7 and Table 21, PWC ACFR.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 14 - Revenue Bond Coverage for Solid Waste System Revenue Bonds
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	System Revenues[1]	Operating Expenses and Transfers[2]	Closure Payment	Net Revenue Available for Debt Service	Debt Service Payments[3] Principal	Interest	Total	Coverage[4]
2013	18,339	10,735	1,749	5,855	1,535	156	1,691	3.46
2014	18,820	5,623	3,775	9,422	1,590	--	1,590	5.93
2015	19,735	12,673	2,386	4,676	--	--	--	n/a[5]
2016	20,455	11,200	1,484	7,771	--	--	--	n/a[5]
2017	20,416	12,710	1,951	5,755	--	--	--	n/a[5]
2018	21,033	12,870	657	7,506	--	--	--	n/a[5]
2019	22,679	14,801	2,612	5,266	--	--	--	n/a[5]
2020	21,449	13,864	2,863	4,722	--	--	--	n/a[5]
2021	20,860	11,664	2,603	6,593	--	--	--	n/a[5]
2022	20,147	17,266	4,962	(2,081)	--	--	--	n/a[5]

Source: County of Prince William, Virginia.

(1) Includes "Total Operating Revenues" , "Grants from the Commonwealth," and "Interest and Miscellaneous Income" from the Statement of Revenues, Expenses and Changes in Fund Net Position.

(2) Includes "Total Operating Expenses" (exclusive of "Depreciation" and "Closure Expense"), and "Transfers", from the Statement of Revenues, Expenses and Changes in Fund Net Position.

(3) Principal, accreted value of and interest (including other debt costs) paid during the fiscal year on bonded indebtedness of the Solid Waste System.

(4) Required coverage is 1.15.

(5) Principal on Solid Waste Revenue Bonds were retired during FY 2014.

Demographic and Economic Information

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

Year	Population[1]	Personal Income[2] *(in thousands)*	Per Capita Income[2]	Fall School Enrollment[3]	Average Civilian Labor Force[4]	Average Unemployment Rate[4]
2013	425,681	23,853,483	48,200	83,551	233,155	5.2%
2014	433,621	24,765,246	49,423	85,055	234,967	4.8%
2015	441,627	25,692,139	50,485	86,641	234,238	4.4%
2016	449,864	26,525,762	51,548	87,823	237,291	3.7%
2017	456,126	27,708,414	53,104	89,378	243,231	3.5%
2018	459,966	28,760,320	54,733	90,595	246,394	2.9%
2019	463,867	29,950,714	55,393	90,876	250,974	2.5%
2020	467,935	32,013,583	57,989	92,270	247,971	9.6%
2021	488,629	34,180,219	58,765	92,271	242,644	4.5%
2022	484,472	35,456,728	59,812	90,135	247,241	2.8%

Source: County of Prince William, Virginia

(1) US Census for 2020, other years are Annual Population Estimates from Prince William County Geographic Information Systems (http://www.pwcgov.org/government/dept/doit/gis)

(2) Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Includes cities of Manassas and Manassas Park (data as of March 2018). 2019 and 2020 data estimated based upon ten-year growth rates on BEA data from 2009 through 2018.

(3) Fall Membership by Division, by Grade for Prince William County Schools, Virginia Department of Education

(4) Bureau of Labor Statistics, LAUS data

TABLE 15A - Comparative Demographic Statistics
2010 & 2020 U.S. Census Bureau Data

	2010	2020			
	Prince William County	Prince William County	Washington MSA	Virginia	United States
Population[1]:					
Median Age	33.5	35.4	37.2	37.8	38.5
Percent School Age	23.1%	19.8%	18.2%	16.1%	16.5%
Percent Working Age	61.9%	62.6%	63.6%	61.9%	61.0%
Percent 65 and over	6.8%	10.8%	12.2%	16.3%	16.8%
Education[2]:					
High School or Higher	87.6%	89.2%	93.3%	90.3%	88.5%
Bachelor's Degree or Higher	36.9%	41.9%	66.9%	39.5%	32.9%
Income[2]:					
Median Family Income	$ 102,117	$ 107,707	$ 105,224	$ 76,398	$ 64,994
Percent Below Poverty Level	4.4%	4.9%	9.8%	102.0%	11.6%
Housing:					
Number Persons / Household[1]	3.1	3.2	2.2	2.6	2.6
Percent Owner Occupied[2]	73.2%	73.1%	42.8%	66.7%	64.4%
Owner Occupied Median Value[2]	$ 316,600	$ 390,500	$ 640,833	$ 282,800	$ 229,800

Source: County of Prince William, Virginia.

(1) U.S. Bureau of the Census Bureau, 2010 and 2020 Census Data.

(2) U.S. Bureau of the Census Bureau, 2010 and 2020 American Community Survey - 1 Year Estimates.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 16 - Principal Employers
Current Year and Nine Years Ago

	2022			2013		
Employer [1]	Ownership	Rank	Number of Employees [2]	Ownership	Rank	Number of Employees [2]
Prince William County School Board	Local Government	1	1000 and over	Local Government	1	1000 and over
County of Prince William	Local Government	2	1000 and over	Local Government	3	1000 and over
U.S. Department of Defense	Federal Government	3	1000 and over	Federal Government	2	1000 and over
Wal Mart	Private	4	1000 and over	Private	4	1000 and over
Sentara Healthcare/Potomac Hospital Corp	Private	5	1000 and over	Private	6	1000 and over
Morale Welfare and Recreation	Federal Government	6	1000 and over	Federal Government	5	1000 and over
Target Corporation	Private	7	500 to 999	Private	10	500 to 999
Wegmans Store #07	Private	8	500 to 999	Private	7	500 to 999
Fishel Company	Private	9	500 to 999			
Minnieland Private Day School				Private	8	500 to 999
Northern Virginia Community College				State Government	9	500 to 999
The Home Depot	Private	10	500 to 999			

Source: County of Prince William, Virginia.

[1] All data provided by the Virginia Employment Commission (1st Quarter, 2022 & 2013).

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

Operating Information

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS

TABLE 17 - Full-time-Equivalent School Employees by Positions

Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
School -Based Positions										
Teachers	5,730	5,746	5,874	5,975	6,218	6,431	6,511	6,655	6,793	6,857
School-Based Administrators	264	286	289	295	302	322	324	345	354	355
Education Specialist	78	81	79	78	206	209	223	206	209	266
Instructional Assistants	656	642	640	641	645	703	737	746	751	768
Other Positions	1,124	1,270	1,280	1,176	1,156	1,197	1,198	1,235	1,257	1,277
Total School-Based Positions	7,851	8,024	8,160	8,165	8,527	8,862	8,993	9,187	9,364	9,522
Non-school-Based Positions										
Leadership team	12	12	12	12	12	12	13	15	15	16
Technical support	163	161	165	163	171	175	168	200	200	210
Management	121	141	144	147	179	183	190	236	241	264
Education specialist	223	112	123	135	127	133	132	127	125	128
Office assistants	138	99	101	102	113	117	117	126	125	135
Custodial/maintenance	245	248	249	248	248	249	247	248	250	251
Total Non-school-Based Positions	902	773	794	808	850	869	867	951	954	1,003
Total Authorized Positions	8,753	8,797	8,954	8,972	9,378	9,730	9,860	10,137	10,318	10,525
Other Operating Fund Positions	879	930	938	1,061	917	933	966	930	935	908
Total Non-Operating Fund Positions	628	647	670	673	706	691	708	709	715	706
Total Positions	10,259	10,374	10,562	10,706	11,000	11,354	11,534	11,776	11,968	12,138

Source: FY 2022 WABE Guide.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 18 - Student Enrollment
Last Ten Fiscal Years

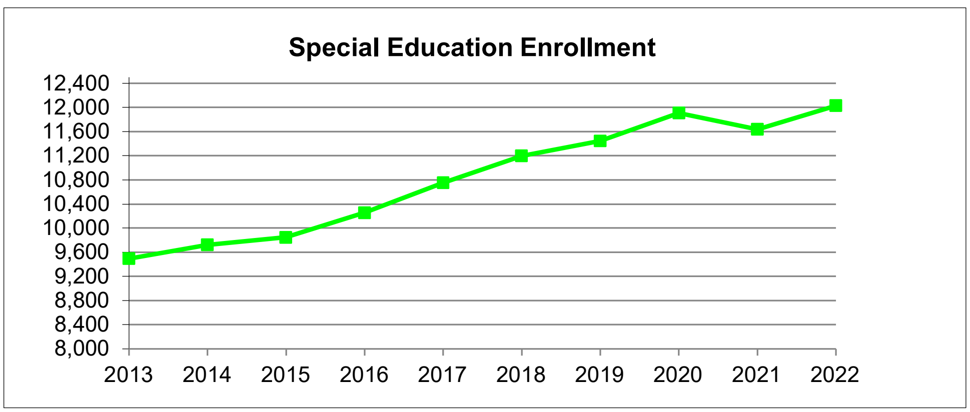
Fiscal Year	Total Student Enrollment (1)	Special Education Enrollment (2)	English Learners and World Languages Enrollment (3)
2013	83,551	9,496	18,139
2014	85,055	9,721	18,555
2015	86,209	9,848	18,853
2016	87,253	10,256	18,855
2017	88,920	10,752	23,479
2018	89,861	11,195	23,646
2019	90,203	11,444	23,971
2020	91,526	11,907	24,196
2021	89,076	11,636	23,421
2022	89,468	12,028	24,647

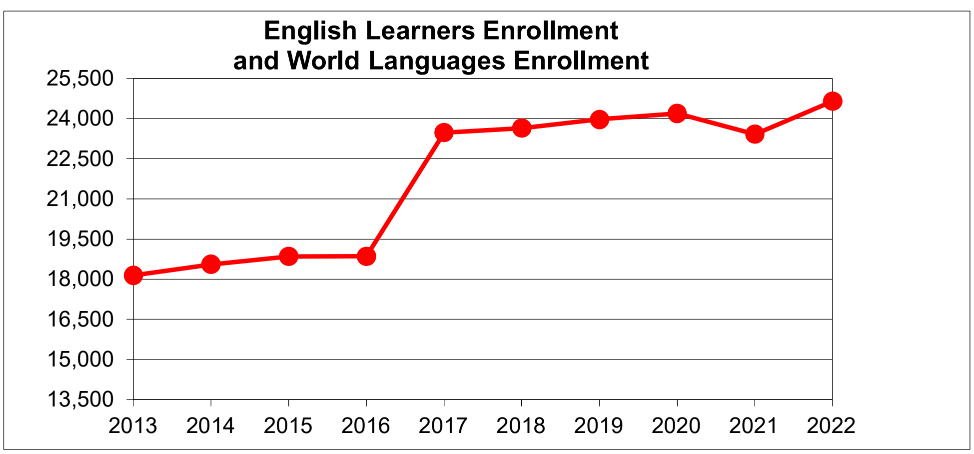
Note: Student Enrollments are at September 30th for each fiscal year for Total Student Enrollment and English Learners and World Languages.

(1) Source: School Board Approved Budget fiscal year 2021.

(2) Student Enrollment at October 1, 2020. Source: Special Education Office Prince William County Public Schools.

(3) Source: Office of Accountability of Prince William County Public Schools.





PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 19 - Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Student Enrollment [1]	Operating Expenditures [2]	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff [3]	Pupil-Teacher Ratio
2013	83,551	846,594,481	10,133	2.2%	981,952,608	11,753	1.6%	5,032	16.6
2014	85,055	887,010,587	10,429	2.9%	998,320,009	11,737	-0.1%	5,079	16.7
2015	86,209	905,321,354	10,501	0.7%	1,045,903,124	12,132	3.4%	5,148	16.7
2016	87,253	918,908,944	10,532	0.3%	1,071,751,585	12,283	1.2%	5,231	16.7
2017	88,920	971,382,255	10,924	3.7%	1,142,919,924	12,853	4.6%	5,453	16.3
2018	89,861	1,001,245,740	11,142	2.0%	1,146,685,942	12,761	-0.7%	5,611	16.0
2019	90,203	1,112,411,082	12,332	10.7%	1,176,318,537	13,041	2.2%	5,684	15.9
2020	91,526	1,106,134,345	12,085	-2.0%	1,288,768,125	14,081	8.0%	5,731	16.0
2021	89,076	1,158,251,345	13,003	7.6%	1,375,253,173	15,439	9.6%	5,863	15.2
2022	89,468	1,293,749,464	14,460	11.2%	1,388,537,255	15,520	0.5%	5,900	15.2

(1) The student enrollment as of September 30th for each fiscal year. Source: School Board Approved Budget fiscal year 2022.

(2) Operating expenditures are total General Fund expenditures and transfers out for capital projects less Governmental Fund reimbursements to the County for debt service. These numbers are on a modified accrual basis.

(3) Teaching staff count includes regular classroom teachers, special education teachers, ESOL/ESL teachers and vocational education teachers.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 20 - Teacher Base Salaries
Last Ten Fiscal Years

Fiscal Year	Bachelors Minimum Salary	Bachelors Average Salary	Masters Mid-Point Salary	Masters Maximum Salary
2013	44,048	58,893	58,895	100,427
2014	45,370	60,408	60,662	106,448
2015	45,998	61,525	62,482	109,609
2016	46,458	64,523	57,750	110,705
2017	46,923	65,334	58,328	115,066
2018	47,724	66,066	58,328	118,420
2019	47,724	67,944	78,874	121,872
2020	49,496	68,584	79,954	127,945
2021	50,324	69,252	82,353	131,680
2022	51,431	68,212	86,690	138,505

Source: Washington Area Boards of Education (WABE) Guide FY2022.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 21 - Food & Nutrition Services Program
Last Ten Fiscal Years

		Student Lunch Price										
Fiscal Year	Number of Lunches Served Daily	Elementary	Middle School	High School	Lunch Sites	Number of Breakfasts Served Daily	Student Breakfast Price	Breakfast Sites	Free and Reduced Eligibility	Free and Reduced Eligibility %	Adult Breakfast	Adult Lunch
2013	52,056	2.25	2.40	2.50	90	15,387	1.40	90	32,062	38.1%	1.95	3.20
2014	52,519	2.35	2.50	2.60	92	15,877	1.40	92	33,883	40.2%	1.95	3.30
2015	53,192	2.40	2.55	2.65	93	16,275	1.40	93	35,669	41.3%	1.95	3.35
2016	53,319	2.45	2.60	2.70	95	18,851	1.45	95	36,483	41.4%	2.00	3.40
2017	54,487	2.45	2.60	2.70	96	21,047	1.45	96	38,425	42.8%	2.00	3.40
2018	55,566	2.50	2.65	2.75	95	24,136	1.50	95	37,883	41.9%	2.05	3.45
2019	55,490	2.50	2.65	2.75	95	23,792	1.50	95	38,383	42.3%	2.05	3.45
2020	55,250	2.50	2.65	2.75	95	23,455	1.50	95	39,258	42.8%	2.05	3.45
2021	22,891	0.00	0.00	0.00	93	21,327	0.00	93	NA	NA	2.05	3.45
2022	61,435	0.00	0.00	0.00	96	30,099	0.00	96	NA	NA	2.05	3.45

Source: Food & Nutrition Services Department of Prince William County Public Schools.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 22 - School Building Information
Last Ten Fiscal Years

	Elementary Schools					Middle Schools					High Schools				
Fiscal Year	Buildings	Square feet	Capacity	Trailers	Acres	Buildings	Square feet	Capacity	Trailers	Acres	Buildings	Square feet	Capacity	Trailers	Acres
2013	57	3,953,299	39,194	126	918.2	16	2,116,292	18,820	23	557.7	11	3,256,983	24,144	30	782.6
2014	57	4,060,688	39,964	121	932.4	16	2,202,953	19,134	22	557.7	11	3,256,983	24,144	37	734.4
2015	58	4,188,138	41,052	122	953.2	16	2,127,452	19,134	27	557.7	11	3,256,983	24,144	46	734.4
2016	59	4,294,230	41,976	128	972.7	16	2,144,004	19,385	30	557.7	*12	3,627,651	26,239	41	843.6
2017	60	4,454,721	40,655	110	994.1	16	2,144,004	19,385	36	557.7	12	3,627,651	26,239	49	843.6
2018	60	4,532,947	40,655	107	994.1	16	2,194,133	19,647	47	557.7	12	3,627,651	26,239	51	843.6
2019	*61	4,633,212	42,739	72	1011	16	2,194,133	19,658	50	557.7	12	3,627,651	26,197	61	843.6
2020	61	4,683,645	41,692	66	1011	16	2,194,133	20,015	58	557.7	12	3,596,073	26,197	67	843.6
2021	61	4,729,973	41,772	74	1011	*17	2,395,487	21,321	46	610.2	*13	3,940,005	28,754	67	926.3
2022	61	4,729,973	41,687	86	1011	17	2,442,461	21,653	24	610.2	13	3,940,005	28,754	56	926.3

	Alternative Schools					Special Schools					Combined Schools				
Fiscal Year	Buildings	Square feet	Capacity	Trailers	Acres	Buildings	Square feet	Capacity	Trailers	Acres	Buildings	Square feet	Capacity	Trailers	Acres
2013	2	34,994	**	11	5	3	97,522	**	9	28.6	2	127,575	1,320	-	31.9
2014	2	34,994	**	11	5	3	97,522	**	9	25.4	3	269,407	2,351	-	80.1
2015	2	34,994	**	11	5	3	97,522	**	9	25.4	3	269,407	2,351	-	80.1
2016	2	34,994	**	11	5	3	97,522	**	1	25.4	3	269,407	2,351	-	80.1
2017	2	34,994	**	11	5	3	97,522	**	1	25.4	3	269,407	2,333	-	80.1
2018	1	122,659	**	0	9.9	3	73,029	**	1	24.6	3	269,407	2,333	-	80.1
2019	0					4	195,688	**	0	34.5	3	269,407	2,333	-	80.1
2020	0					4	187,559	**	0	32.6	3	271,423	2,295	-	80.1
2021	0					3	187,559	**	1	32.6	3	271,423	2,438	-	80.1
2022	0					3	187,559	**	1	32.6	3	271,423	2,388	4	80.1

	Total School Buildings (1)				
Fiscal Year	Buildings	Square feet	Capacity	Trailers	Acres
2013	91	9,586,665	83,478	199	2,323.9
2014	92	9,922,547	85,593	200	2,335.0
2015	93	9,974,496	86,681	215	2,355.8
2016	95	10,467,808	89,951	211	2,484.5
2017	96	10,628,299	88,612	207	2,505.9
2018	95	10,819,826	88,874	206	2,510.0
2019	96	10,920,091	90,927	183	2,527.2
2020	96	10,932,833	90,199	191	2,525.2
2021	97	11,524,447	94,285	188	2,660.5
2022	97	11,571,421	94,482	171	2,660.5

Source: School Board Construction and Planning Office.

* PWCS did not have beneficial use of new building as of June 30th.

** Data not available.

(1) Represents completed school buildings at June 30th.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
TABLE 23 - Miscellaneous Statistical Data
June 30, 2022

Date of County Organization:	March 25, 1731
Form of Government:	County Executive (as provided for by the *Code of Virginia*)
Area:	348 Square Miles
Services of Primary Government:	
Fire protection:	
Number of career employees	702
Number of volunteers	402
Police protection:	
Number of police officers	701
Public Safety Communications:	
Number of employees	121
Recreation (Parks & Recreation Department):	
Acres developed or reserved for County parks	4,893
Tourism	
Tourist information center visitors	n/a
Services not included in the Primary Government:	
Education (School Board Component Unit):	
Number of public elementary, middle, and other schools	84
Number of public high schools	13
Fall Membership, fiscal year 2022	89,468[(1)]
Number of personnel (full-time equivalent)	12,138[(2)]
Correctional Operations (ADC Component Unit)	
Capacity of main jail and modular jail	550
Capacity of work-release center	9
Number of personnel (full-time equivalent)	440
Other statistical data:	
Elections:	
Registered voters at last general election	306,798
Number of votes cast in last general election	228,267
Percent voting in last general election	74%
Water and Wastewater Treatment:	
(provided by Prince William County Service Authority)	
Miles of water mains	1,291
Miles of sanitary sewer mains	1,137

Source: County of Prince William, Virginia.

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.

(1) Source: Prince William County Schools Fiscal Year 2023 Approved Budget Book.
Number differs from other sources due to criteria used for determining membership.

(2) Source: Prince William County Schools Fiscal Year 2022 Approved Budget book.

PRINCE WILLIAM COUNTY PUBLIC SCHOOLS
LAUNCHING THRIVING FUTURES

Prince William County Public Schools
Department of Finance
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