



**PWCS VISION 2025**

LAUNCHING THRIVING FUTURES

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# Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2023

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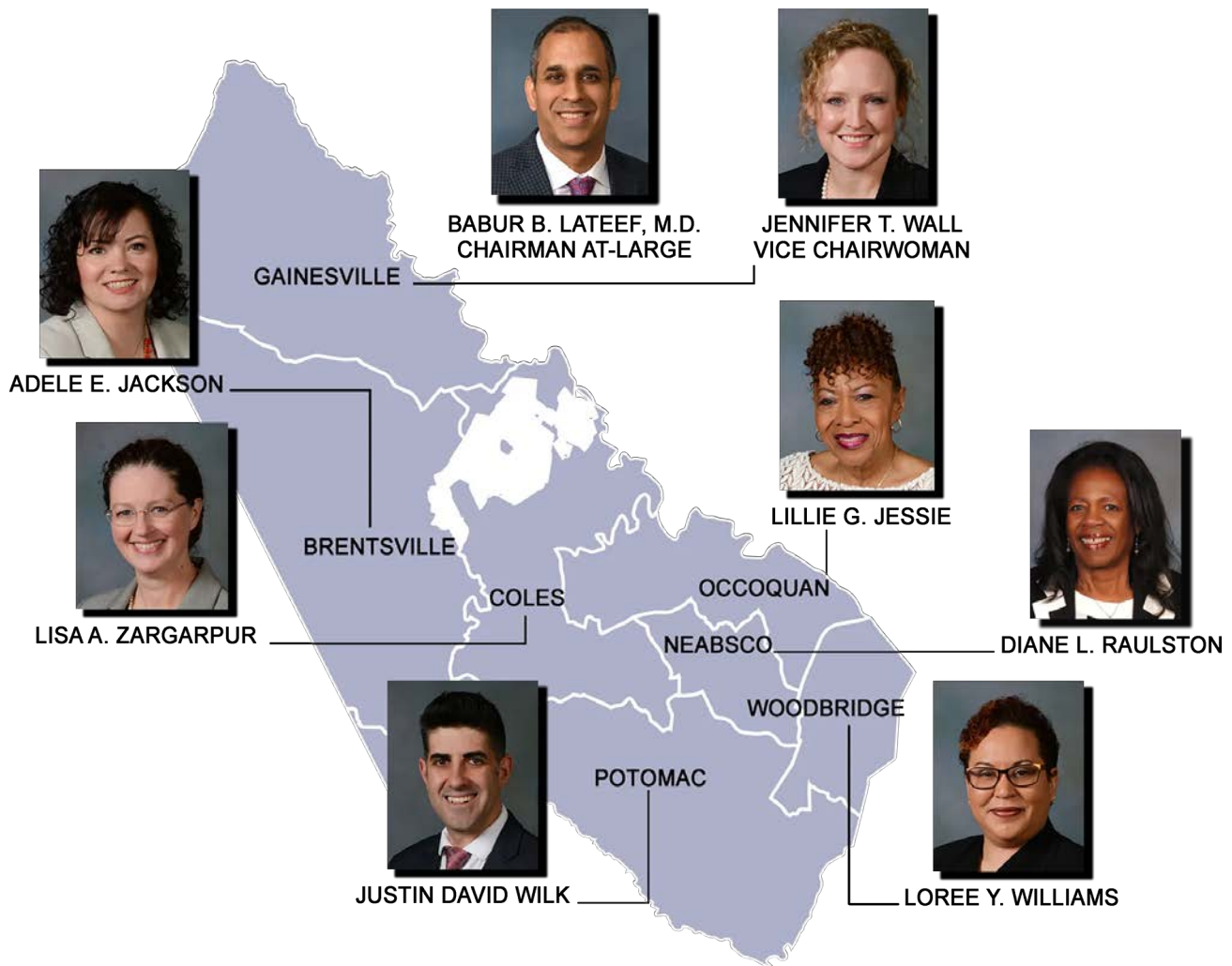
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A Component Unit of Prince William County, Virginia



Prince William County Public Schools  
A Component Unit of Prince William County, Virginia  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2023

## Prince William County School Board



as of June 30, 2023

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*



**Carol E. Flenard**  
*Deputy Superintendent of Schools*



**Elisa M. Botello**  
*Chief of Staff*



**Lucretia N. Brown**  
*Chief Equity Officer*



**Vernon J. Brock**  
*Chief Operating Officer*



**Donna L. Eagle**  
*Chief Human Resources Officer*



**Matthew S. 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 R. Porter-Lucas**  
*Associate Superintendent for Middle Schools*



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

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# Introductory Section

Letter of Transmittal

Certificates of Achievement

List of Elected and Appointed Officials

Organizational Chart



January 5, 2024

**Chair, Members of the Board of County Supervisors:**  
**Chair, 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 ending June 30, 2023. 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 U.S. generally accepted accounting principles (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 ending June 30, 2023, 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 ending June 30, 2023, are fairly presented in conformity with GAAP. The report of the 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>.

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 the independent auditors.

## Profile of the Government

The County is 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 12<sup>th</sup> grade students and operates under a site-based management philosophy. PWCS is organized to focus on meeting the needs of its 90,226 students, as of September 2022 (FY 2023), 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 home to a community of residents with a rich cultural identity. The County demographer<sup>1</sup> estimates the population at 491,693 as of second quarter 2023, a two percent increase over the 2020 U.S. Census total of 482,204. Population growth is expected to rise steadily, supported by County services that promote high quality living standards, a generally stable and diverse labor force, and capacity to expand residential development. By 2040, the Metropolitan Washington Council of Governments (COG) projects the County's population will grow to 569,200. According to the U.S. Census Bureau's 2022 American Community Survey<sup>2</sup>, approximately 25.8 percent of the population are of Hispanic or Latino origin, 42.4 percent of residents are white, 20.4 percent are black or African American, and 10.2 percent are Asian. Approximately 26.3 percent of the County's population is under the age of 18, while 16.7 percent is 60 or above. Prince William County continues to maintain its family-oriented tradition, reflected by 25.9 percent of households containing married-couple families with children under 18 years old. An estimated 52.7 percent of employed residents work within Prince William County, while 39.0 percent are employed outside the County. The mean travel time to work is 35.5 minutes.

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

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

Prince William County’s median household income of \$120,398 is 40 percent above the statewide median of \$85,873 and 2.5 percent higher than the Washington D.C. MSA median of \$117,432.

The County’s leadership team is committed to not deviate from practices that place Prince William County in an elite class of municipalities maintaining ratings of Aaa/AAA/AAA as staff navigates an evolving economic climate. Identifying the County’s strengths and vulnerabilities, combined with developing robust planning around various scenarios, engaging staff, and maintaining financial agility, will remain key areas of focus amid a period of slower economic growth, elevated inflation, and potential market volatility. Despite one of the Federal Reserve’s most aggressive monetary tightening phases and now war-plagued commodity markets, economic activity has remained relatively strong. Consumers are still spending, and companies are still hiring and investing, albeit not at the same pace as last year. Even though the economy has surpassed expectations thus far this year, the outlook remains clouded. Most economists agree that an economic slowdown seems plausible; however, the odds of a recession cannot be ignored.

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

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

While the data center industry presents an opportunity for the County to diversify its revenue base, residential real estate tax collections remain the primary source of revenue receipts. Nearly 82 percent of the County’s real estate tax base (including apartments) consists of residential housing. Slightly under 18 percent is comprised of commercial, industrial, agricultural, and public service properties and less than one percent is undeveloped land. As home values and investment in the community have increased, the Board of County Supervisors has been able to decrease the tax rate while sustaining the level and quality of services expected by residents. Below is a five-year history of the real estate tax rate per \$100 of assessed value. Notably, for FY 2024, the Board further lowered the real estate tax rate to \$0.966 per \$100 of assessed value, under the \$1 dollar mark.

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

While recent measurements of housing market activity, such as pending sales of existing homes and new home sales, suggest that residential real estate sector has stabilized, affordability remains a challenge for many potential buyers amid elevated prices, high financing rates and a dearth of inventory. “The recovery has not taken place, but the housing recession is over,” the National Association of Realtors chief economist, said in a statement. “Given the ongoing job additions, any meaningful decline in mortgage rates could lead to a rush of buyers later in the year and into the next.” At the time of this writing, Freddie Mac’s Primary Mortgage Survey indicates the average 30-year fixed rate mortgage stands at 7.63%, a high mark for 2023 and 94 basis points above the 52-week average of 6.69%. In a note, Freddie Mac said “Not only are homebuyers feeling the impact

of rising rates, but homebuilders are as well. Incoming data shows that the construction of new homes rebounded in September but as rates keep rising, home builders appear to be losing confidence. As a result, construction could trend down in the short-term.” Virginia Realtors current monthly Flash Survey indicated the organization’s Buyer Activity Index decreased to 59 from 63 in May. Approximately 40% of realtors assessed buyer activity in their local market as “high” or “very high”, while roughly 22% rated buyer activity as “low” or “very low”. According to Virginia Realtors, a separate index that measures realtors’ opinions about how the market will be performing three months in the future remained unchanged at 57 in June from the prior month. Approximately 32% of survey participants thought buyer activity over the next three months would be strong in their respective markets versus 33% in May.

Category	June 2023	June 2022	Increase/(Decrease)
Median Sold Price	\$550,000	\$542,000	1.40%
Units Sold	560	744	(24.70%)
Active Listings	412	634	(35.00%)
Average Days on Market	11	8	37.50%
New Listings	507	973	(47.90%)

Source: MarketStats by Bright MLS

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

Calendar Year	Single Family	Townhouse	Condo/Apartment	Total
2018	689	538	617	1,844
2019	690	434	952	2,076
2020	738	581	164	1,483
2021	533	565	181	1,279
2022	373	432	126	931
2023 (Jan-Jun)	218	237	38	578

Source: Prince William Co. Development Services

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

Personal property tax, the most significant single revenue source following real estate tax, generated a substantial increase over the previous fiscal year. The revenue gain was underpinned by an increase in new taxable business tangible property, led by continued growth in the data center industry. Furthermore, elevated values for new and used vehicles during tax year 2022, driven by a backdrop of lean, but improving, inventory levels, also contributed to the gain. Local sales tax also increased significantly over the previous fiscal year. Robust and consistent spending behavior within the County, a strong labor market, and a relatively healthy level of aggregate consumer savings all combined to support the trajectory of local sales tax receipts. While the increase was below the levels established in personal property tax and local sales tax, Business, Professional and Occupational License Tax (BPOL) outperformed original expectations as well. The same factors that drove sales tax collections buttressed BPOL receipts as well.

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

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

According to data from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages, at-place employment in Prince William County grew 3.5 percent to 135,978 in the 1<sup>st</sup> quarter of 2023 from 131,319 versus one year prior. Establishments of employment in the County increased 8.5 percent to 11,422 in the 1<sup>st</sup> quarter of 2023 compared to 10,525 the previous year. By comparison, Washington D.C. Metropolitan area establishments grew by 6.6 percent and statewide establishments grew by 10.5 percent over the same period. The largest employers in the County are the Prince William County School Board, Prince William County Government, the U.S. Department of Defense, Walmart, and Sentara Healthcare/Potomac Hospital Corporation. Average weekly wages in Prince William County rose 10.0 percent to \$1,176 during the 1<sup>st</sup> quarter of 2023 versus \$1,070 when compared to the same period one year prior. In contrast, average weekly wages in the Washington D.C. Metropolitan area increased 6.9 percent to \$1,908 from \$1,785, while Virginia weekly wages increased 8.2 percent to \$1,477 from \$1,365 over the same time frame.

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

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

## Long-term Financial Planning

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.

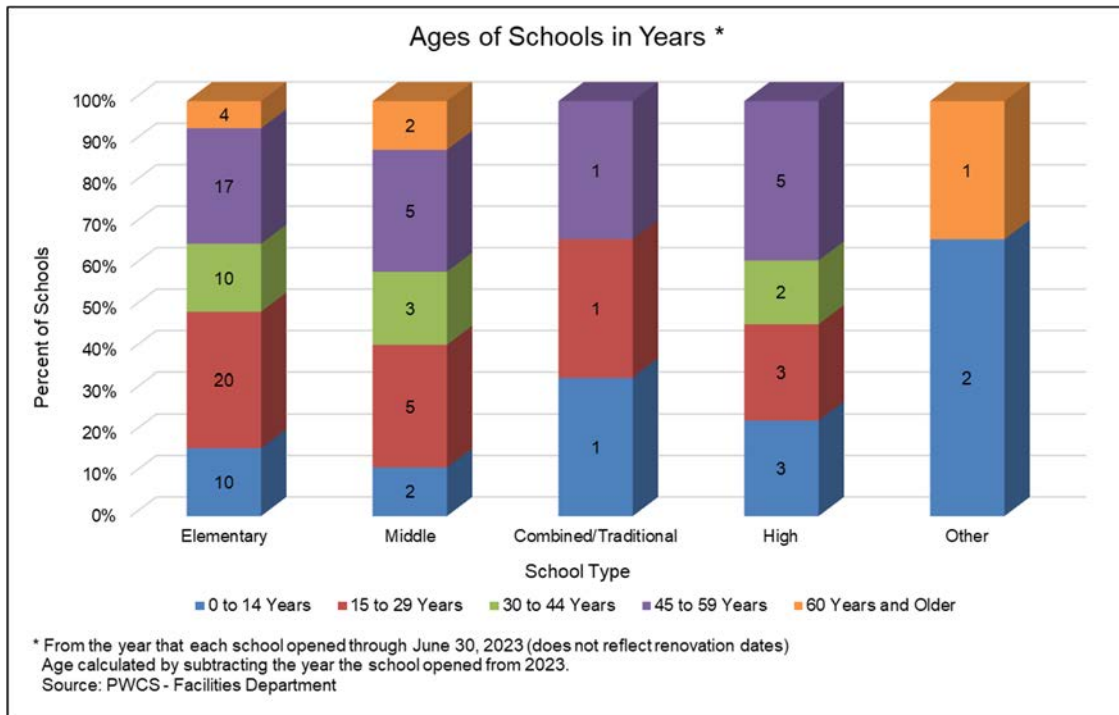
The major components of this Five-Year Budget Plan are as follows:

- 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 3,043 new students expected during the next five years.
- Building Repairs and Renewals – include \$200.9 million for repairs and renewals of older facilities.
- New Schools – include funding for the debt service on \$579.6 million in construction bonds for new schools, renewals, and some major maintenance projects. Also included are start-up costs, and operating costs for new schools and additions (three elementary schools, one elementary school replacement, one high school and office addition at Kelly Leadership Center).

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, 2023:



## 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, 2023, 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 132 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 2022 (fiscal year 2023) student enrollment count for PWCS is 90,226 students, up 758 students, or an increase of 0.8% from fiscal year 2022. The fiscal year 2024 adopted budget supports the cost of educating an additional 1,405 students; startup costs for the opening of "Woodbridge Area" Elementary School, scheduled to open August 2025; compensation and benefit adjustments; and new resources to fund the School Division's Strategic Plan commitments in learning and achievement for all; positive climate and culture; family and community engagement; and organizational coherence. Resources include funding for special education teacher assistants; instructional coaches previously funded by the Elementary and Secondary School Emergency Relief (ESSER); positions to staff three additional pre-K classes; school safety and security positions; an international faculty; Teacher in Residency Program; parent liaison positions (also previously ESSER funded); additional robotics programs; translation services; replacement of 800 MHz radios; Budgeting for Adequacy; four transportation liaisons; a Comprehensive Staffing Study; and funding to match the Governor's introduced state funding for one-time bonuses for instructional and support positions.

In August 2023, PWCS celebrated the opening of Innovation Elementary School, the division's first three-story elementary school located in the Brentsville Magisterial District, helping relieve overcrowding in area elementary schools. In addition, significant fenestration improvements were completed in fiscal year 2023 at Unity Reed High School, Osbourn Park High School, and Graham Park Middle School. These projects enhance classroom daylighting, improving the overall environment to improve student learning.

Additional projects scheduled for completion in fiscal year 2024 include renovations to the Security Operations Center (Building 19) and the Brentsville Transportation Center, and site-specific projects, which include installing artificial turf, concession buildings, a new track, and/or lighting at Gar-Field High School, Osbourn Park High School, Rippon Middle School, and renovations to the cosmetology lab at Woodbridge High School.

PWCS is continuously 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 was built around four key commitments, learning and achievement for all, positive climate and culture, family and community engagement, and organizational coherence; and 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 a testament to the quality of education received by students in Prince William County, 87 schools earned Virginia accreditation for the 2022-2023 school year based on recent performance measures, according to the Virginia Department of Education (VDOE). Six schools received accreditation with conditions and one school is still pending review by VDOE. Schools can achieve academic benchmarks for each indicator by using their current performance, their pooled three-year average, or by showing significant improvement over the prior year. Based



on their performance, schools are awarded a designation of accredited, accredited with conditions, or accreditation denied. The School Division's 91.7% on-time graduation rate for the class of 2022 continues to meet or exceed national averages, with these graduates earning over \$91.1 million in scholarships, an increase of \$27.6 million from the class of 2021. In addition, 46% of these graduates earned advanced exam credit or dual enrollment and 53% earned at least one qualifying score on an Advanced Placement, International Baccalaureate, or Cambridge examination.

### **COVID-19 Impact**

Since March 2020, students, families, employees, and our entire community have experienced the impact of the COVID-19 pandemic. 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 have ultimately increased gaps in both student achievement and opportunity. Therefore, the Division continues to be focused on the acceleration of learning, recovery, and re-engagement through comprehensive academic, social-emotional, and mental health support in schools.

To help alleviate these effects, PWCS received approximately \$229.5 million in 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). This funding supports human and material resources to address unfinished learning (during the school day, before and after school, and summer), professional learning for professional educators and instructional leaders, social-emotional supports, and mental health healing professionals and resources, resources for Center for Disease Control (CDC) and Virginia Department of Health (VDH) recommended ongoing health mitigation measures, and student transportation (social-distancing) measures, all related to COVID-19. These funds were budgeted and appropriated in FY 2022 and 2023. Unobligated balances will carry over into FY 2024 through a separate resolution. This funding ceases on September 30, 2024.

### **Financial Reporting Certificate Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PWCS for its ACFR for the fiscal year ended June 30, 2022. This was the 21st consecutive year that PWCS has achieved this prestigious award. 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, 2022. This was the 21st 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 also conforms 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 ending June 30, 2023. 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 2024 to determine the School Board's eligibility for another certificate award.

## Acknowledgments

Many professional staff members in the Department of Financial Services of PWCS 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, who 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



Shakeel Yusuf  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Prince William County Public Schools  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



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, 2022.

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



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style and is positioned above a horizontal line.

John W. Hutchison  
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style and is positioned above a horizontal line.

Siobhán McMahon, CAE  
Chief Operations Officer/  
Interim Executive Director

# Prince William County Public Schools

## List of Elected and Appointed Officials

June 30, 2023

### Elected Officials - The Prince William County School Board\*

Babur B. Lateef, Chairman At-Large  
Jennifer T. Wall, Vice Chairwoman, Gainesville District  
Adele E. Jackson, Brentsville District  
Lillie G. Jessie, Occoquan District  
Diane L. Raulston, Neabsco 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

Carol E. Flenard  
Deputy Superintendent

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

Ashley E. Reyher  
Associate Superintendent for  
Special Education

Rita Everett Goss  
Associate Superintendent for  
Teaching and Learning

Matthew S. Guilfoyle  
Chief Information Officer

Donna L. Eagle  
Chief Human Resources Officer

Vernon J. Bock  
Chief Operating Officer

John M. Wallingford  
Chief Financial Officer

Lucretia N. Brown  
Chief Equity Officer

Elisa M. Botello  
Chief of Staff

Kimberly A. Werle  
Associate Superintendent  
Eastern Elementary Schools

R. Todd Erickson  
Associate Superintendent  
Central Elementary Schools

Jarcelynn M. Hart  
Associate Superintendent  
Western Elementary Schools

Corey E. Harris  
Associate Superintendent  
Middle Schools

Catherine Porter-Lucas  
Associate Superintendent  
Middle Schools

William G. Bixby  
Associate Superintendent High  
Schools

Shakeel Yusuf  
Director of Finance

Rene L. Gapasin  
Assistant Director of Finance

\*as of June 30, 2023



# Financial Section

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

## 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, Virginia, as of and for the year ended June 30, 2023, 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, 2023, 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 discretely presented component unit of PWCS. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as they relate to the amounts included for SPARK are based 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. The financial statements of SPARK were not audited in accordance with *Government Auditing Standards*.

#### **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 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 January 5, 2024, 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.



Tysons Corner, Virginia  
January 5, 2024

**Prince William County Public Schools**  
*Management's Discussion and Analysis*  
For the Year Ended June 30, 2023

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, 2023 (FY 2023). 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 \$1,379,263 or 80.4% of total revenues of \$1,715,883. Program specific revenues in the form of charges for services, grants, and contributions accounted for \$336,620 or 19.6% of total revenues.
- PWCS had \$1,546,339 in expenses of which \$336,620 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 2023 increased by \$169,544 to a total of \$1,652,624. 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.
- Business-type Activities total revenues increased by \$325, or 26.3% from FY 2022, surpassing pre-pandemic levels. Primarily due to increased enrollment in Aquatics swim classes.
- On September 30, 2022 (FY 2023) student membership was 90,226, an increase of 758 students, or 0.85% more than FY 2022. The student membership was also 389 students more than projected for FY 2023.

**Overview of the Financial Statements**

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 fund 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 fund statements offer short-term and long-term financial information about the activities that PWCS operates like businesses.

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

The required supplementary information consists of the budget to actual comparison schedule for pension-related schedules, and the trend data pertaining to the Other Postemployment Benefit (OPEB) trust fund. PWCS also provides other supplementary information including combining fund statements for the nonmajor governmental funds, budget to actual comparison schedules for the nonmajor governmental funds and combining fund statements for the internal services funds.

## **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 several 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 2023?” The Statement of Net Position and the Statement of Activities answer this question. These statements report all 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 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 modified accrual accounting. 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 the net position of PWCS.

- **Proprietary Funds:** Proprietary funds are reported on a full accrual basis and economic resources focus. PWCS maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in 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: the 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 a fiscal agent. PWCS along with the County are trustees for the Prince William County OPEB trust fund, an agent multiple employer defined benefit postemployment benefits trust fund to provide funding for other postemployment benefit payments on behalf of retirees 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, which are presented in the Notes to the Financial Statements. All these activities are excluded from PWCS' government-wide statements since these funds are held in a trustee capacity and cannot be used to finance PWCS' operation.

## Financial Analysis of PWCS as a Whole

### Net Position

The following table provides the condensed statement of net position of PWCS for year fiscal years ended June 30, 2023 and 2022:

<b>Condensed Statement of Net Position</b>						
(amounts expressed in thousands)						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total School Division</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Current and other assets	\$ 778,099	738,926	797	534	778,896	739,460
Capital assets	1,855,650	1,798,840	7,983	8,167	1,863,633	1,807,007
<b>Total assets</b>	<b>2,633,749</b>	<b>2,537,766</b>	<b>8,780</b>	<b>8,701</b>	<b>2,642,529</b>	<b>2,546,467</b>
Pension	208,409	240,488	-	-	208,409	240,488
OPEB	31,583	29,818	-	-	31,583	29,818
<b>Total deferred outflows of resources</b>	<b>239,992</b>	<b>270,306</b>	<b>-</b>	<b>-</b>	<b>239,992</b>	<b>270,306</b>
Current liabilities	180,485	162,886	138	78	180,623	162,964
Long-term liabilities	870,566	704,793	-	-	870,566	704,793
<b>Total liabilities</b>	<b>1,051,051</b>	<b>867,679</b>	<b>138</b>	<b>78</b>	<b>1,051,189</b>	<b>867,757</b>
Pension	141,611	414,307	-	-	141,611	414,307
OPEB	37,097	51,629	-	-	37,097	51,629
<b>Total deferred inflows of resources</b>	<b>178,708</b>	<b>465,936</b>	<b>-</b>	<b>-</b>	<b>178,708</b>	<b>465,936</b>
<b>Net position</b>						
Investment in capital assets	1,855,650	1,798,840	7,983	8,167	1,863,633	1,807,007
Restricted	183,229	236,374	-	-	183,229	236,374
Unrestricted (deficit)	(394,897)	(560,757)	659	456	(394,238)	(560,301)
<b>Total net position</b>	<b>\$ 1,643,982</b>	<b>1,474,457</b>	<b>8,642</b>	<b>8,623</b>	<b>1,652,624</b>	<b>1,483,080</b>

The largest portion of PWCS' net position reflects its investment in capital assets, which account for 112.8% of the total net position and have increased by \$56,626 since June 30, 2022. 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 decreased by a net of \$53,145 during the current fiscal year reflecting a decrease in PWCS' resources restricted for food & nutrition services and grant programs of \$39,783, a decrease in PWCS's resources restricted for specific construction projects of \$9,144, the decrease in restricted net position for OPEB programs of \$5,361 and the increase in restricted net position for student activity programs of \$1,143. Unrestricted net position includes the 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 \$394,238, an increase of \$166,063 from FY 2022.

### Changes in Net Position

The following table provides the summary of the changes in PWCS's net position for the fiscal years ended June 30, 2023 and 2022:

<b>Changes in Net Position</b> (amounts expressed in thousands)						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total School Division</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Program revenues:</b>						
Charges for services	\$ 27,922	\$ 15,542	1,572	1,243	29,494	16,785
Operating grants and contributions	284,389	292,393	-	-	284,389	292,393
Capital grants and contributions	22,737	130	-	-	22,737	130
<b>General revenues:</b>						
Federal	973	1,510	-	-	973	1,510
State	569,629	517,524	-	-	569,629	517,524
County	797,629	774,059	-	-	797,629	774,059
Other	11,044	(9,388)	(12)	(8)	11,032	(9,396)
<b>Total revenues</b>	<b>1,714,323</b>	<b>1,591,770</b>	<b>1,560</b>	<b>1,235</b>	<b>1,715,883</b>	<b>1,593,005</b>
<b>Expenses</b>						
Instruction	982,466	904,844	-	-	982,466	904,844
Support Services	560,697	483,693	-	-	560,697	483,693
Interest on long-term debt	555	-	-	-	555	-
School Age Child Care	-	-	527	497	527	497
Aquatics Center	-	-	2,094	1,654	2,094	1,654
<b>Total expenses</b>	<b>1,543,718</b>	<b>1,388,537</b>	<b>2,621</b>	<b>2,151</b>	<b>1,546,339</b>	<b>1,390,688</b>
Change in net position before transfers	170,605	203,233	(1,061)	(916)	169,544	202,317
Transfers	(1,080)	(2,000)	1,080	2,000	-	-
<b>Change in net position</b>	<b>169,525</b>	<b>201,233</b>	<b>19</b>	<b>1,084</b>	<b>169,544</b>	<b>202,317</b>
<b>Net position, beginning of year</b>	<b>1,474,457</b>	<b>1,273,224</b>	<b>8,623</b>	<b>7,539</b>	<b>1,483,080</b>	<b>1,280,763</b>
<b>Net position, end of year</b>	<b>\$ 1,643,982</b>	<b>\$ 1,474,457</b>	<b>8,642</b>	<b>8,623</b>	<b>1,652,624</b>	<b>1,483,080</b>

Total revenues went up by \$122,878, or a 7.7% increase over FY 2022. This is primarily the result of the increase in State aid, capital grants, and contributions, as well as an increase in unrestricted investment

earnings. This revenue increase was partially offset by a moderate decrease in both operating grants and contributions, and federal revenues.

The primary sources of PWCS' revenue come from: 46.6% from County government, 33.3% from the State, 19.6% from program revenues, and 0.5% from other categories. 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 \$20,133 or 31.0% compared to FY 2022 while all other components of "county revenue" increased by \$43,703 or 6.2% due to favorable revenues from property taxes.

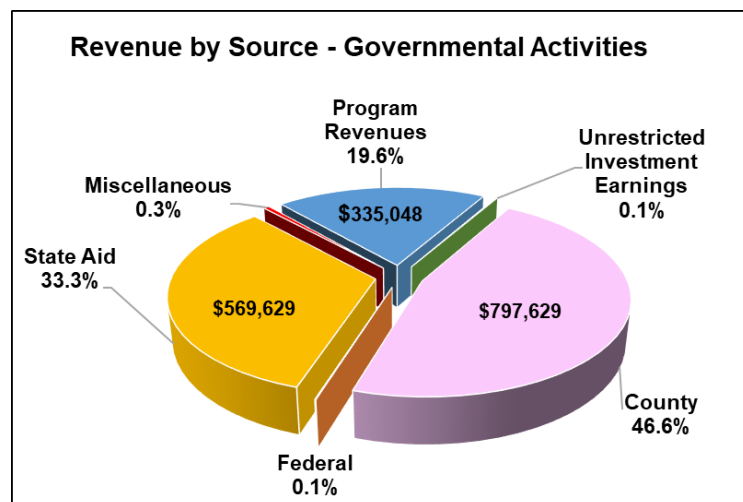
State general revenue increased \$52,105 or 10.1% compared to FY 2022 due to an increase in Virginia State Sales Tax payments made to PWCS under the Virginia Retail Sales and Use Tax Act.

Federal general revenue decreased \$537 or 35.6% due to the reduction in reimbursable federal pandemic relief expenditures in FY 2023 compared to FY 2022.

The total cost of all programs increased by 11.2% to \$1,543,718 in FY 2023. This increase is mainly related to a pay adjustment of 2.8% and a cost-of-living adjustment of 4.2% for all eligible PWCS employees. It is also a function of the increase in the student population by 0.85% and related instructional needs, as well as the increased fuel and electricity costs due to higher energy costs. Of the governmental activity expenses, 73.9% 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 10.0% of total costs while operations and maintenance amounted to 9.0% of total cost. Reimbursements to the County for debt service totaled 7.1% of FY 2023 costs.

For the FY 2023, total revenues exceeded expenses by \$169,544. The main components of this excess include the increased revenue funding from the State and the capital grants and contributions, along with an increase in investment earnings.

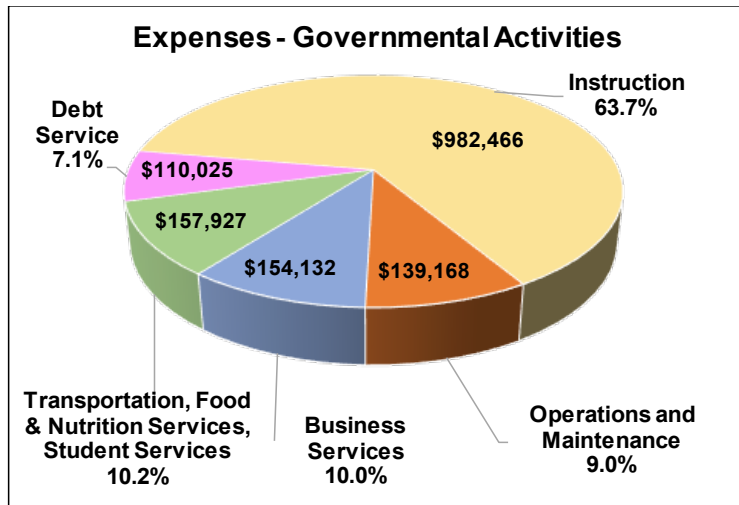
**Governmental Activities**



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 that includes a provision to maintain an unassigned General Fund balance of 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 2023 related to additional recognized revenues in the amount of \$24,184, and \$43 related to the cable franchise tax grant, respectively. Also, \$6,573 was needed to maintain the 7.5% of unassigned General Fund balance. This netted an increase in revenue from FY 2023 in the amount of \$17,654.



State funding is provided through a formula that calculates the State's share of the cost of education, as determined in the SOQ, including basic aid, categorical areas, and sales tax.

The FY 2023 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.

<b>Net Cost of Governmental Activities</b>						
(amounts expressed in thousands)						
	<b>Total Cost of Services</b>			<b>Net Cost of Services</b>		
	<b>2023</b>	<b>2022</b>	<b>Percent Change</b>	<b>2023</b>	<b>2022</b>	<b>Percent Change</b>
<b>Instruction</b>						
Regular	\$ 716,602	\$ 663,967	7.9%	559,974	511,351	9.5%
Special	159,867	144,343	10.8%	84,937	82,902	2.5%
Other	11,890	11,826	0.5%	1,790	2,021	-11.4%
Instructional leadership	94,107	84,708	11.1%	94,107	84,708	11.1%
<b>Total instruction</b>	<b>982,466</b>	<b>904,844</b>	<b>8.6%</b>	<b>740,808</b>	<b>680,982</b>	<b>8.8%</b>
<b>Support services</b>	<b>560,697</b>	<b>483,693</b>	<b>15.9%</b>	<b>467,308</b>	<b>399,491</b>	<b>17.0%</b>
Interest on long-term debt:	555	-	-	555	-	-
<b>Total expenses</b>	<b>\$1,543,718</b>	<b>\$1,388,537</b>	<b>11.2%</b>	<b>1,208,671</b>	<b>1,080,473</b>	<b>11.9%</b>

- The cost of all governmental activities was \$1,543,718.
- The net cost of all governmental activities was \$1,208,671.
- The amount the citizens of Prince William County paid for these activities through County taxes was \$752,820. Additional revenue from the County consisted of bond sales in the amount of \$44,809.
- The State contributed general revenue of \$569,629.
- The Federal Government contributed general revenue of \$973.



- Some of the other costs were paid for by:
  - Users who benefited from the programs: \$27,922.
  - Total Grants and Contributions: \$307,126.
- There are significant activity changes in the net cost of services:
  - Regular and special instruction net costs increased due to increased personnel expenditures for classroom teachers, specialists, and counselors.
  - Other instruction net costs decreased significantly primarily due to the increased expenditures related to summer school programs and Student Management and Alternative Programs were offset by increased revenues in operating grants and contributions.
  - The increase in instructional leadership net costs is due to additional FTEs including Assistant Principals, Parent Liaisons, and Assistive Technology Specialists.

### **Business-type Activities**

Revenues of PWCS' business-type activities increased 26.3% to \$1,560, and expenses increased 21.9% to \$2,621. Both revenue and expense increases are primarily attributable to the increased enrollment in Aquatics swim classes in FY 2023 compared to FY 2022.

### **Financial Analysis of the Division's Funds**

Information about PWCS' major funds begins on page 29. Governmental funds had total revenues of \$1,751,183 and expenditures of \$1,721,140. The increase of \$59,048 in fund balance was most significant in the General Fund amounting to an increase of \$44,082, primarily resulting from increased State and County revenues.

The increase of total Governmental fund balances is also attributed to the increase of fund balances of \$16,036 in the Construction Fund, resulting from positive trends in mark-to-market adjustments in FY 2023 over FY 2022, receipt of HVAC grant funds from Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) to support ventilation replacement and improvement projects, and an increase in general fund transfers. The increase in total Governmental fund balances was partially offset by the decrease in fund balance of \$1,909 in the Food & Nutrition Services Fund due to higher food costs.

### **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 2023, PWCS amended its General Fund budget as follows:

- Amended appropriation of \$24,454 to reflect the carryover of encumbrances from FY 2022 to FY 2023.
- Supplemental appropriations totaled \$183,811; of which \$134,781 was related to the carryover of unencumbered FY 2022 budget and appropriations, a \$49,030 increase in Federal, State, and local funding.

PWCS' final budget for the General Fund anticipated that expenditures, including transfers, would exceed revenues by \$74,197. The actual results for the year show revenues exceeded expenditures by \$44,082. The key factors 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 the original budgeted amounts due to the reallocation of Federal operating grants for Covid Relief Funds to respond and recover from the COVID-19 outbreak and optimize the operation for our educational programs.

- The transportation expenditures' final budgeted amounts were revised from the original budgeted amounts due to the increased personnel, equipment upgrade, maintenance and repair, and training programs needed to provide the transportation services.
- Utility expenditures were \$17,678 less than final budgeted amounts due to the Energy Conservation Program and conservative budgeting efforts.

### Capital Assets

At the end of FY 2023, PWCS had \$1,855,650 invested in buildings, land, equipment, vehicles, construction-in-progress, library books, and intangibles in governmental-type activities.

At the end of FY 2023, PWCS had \$7,983 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 \$7,869, net of depreciation, at the end of the year.

The following table shows FY 2023 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.

<b>Capital Assets</b> (net of accumulated depreciation) (amounts expressed in thousands)						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total School Division</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Land	\$ 120,614	\$ 110,765	114	114	120,728	110,879
Construction in progress	59,134	90,436	-	-	59,134	90,436
Depreciable/amortizable capital assets	1,675,902	1,597,639	7,869	8,053	1,683,771	1,605,692
<b>Total</b>	<b>\$ 1,855,650</b>	<b>\$ 1,798,840</b>	<b>7,983</b>	<b>8,167</b>	<b>1,863,633</b>	<b>1,807,007</b>

### Major capital asset additions for FY 2023 included:

- Completed construction of one new school/building:
  - Innovation Elementary School
- Continued construction of one new school/building:
  - 14<sup>th</sup> High School
- Completed major renovations, additions, replacements at:
  - Osbourn Park High School
  - Regan Middle School
  - Gainesville Middle School
  - Bennet Elementary School
  - Bristow Run Elementary School
  - Signal Hill Elementary School
- Replaced 39 school buses, 16 trucks, and 13 cars.
- Purchased 13 additional trucks and 3 school buses.

**The following major capital projects are included in PWCS' FY 2024 capital budget:**

- Construction of Elementary School (Woodbridge Area Elementary School).
- Renovations of Brentsville High School and Benton Middle School.
- Woodbridge High School cosmetology lab renovation and Gar-Field High School artificial turf and concession building.

Funding for the FY 2024 capital projects includes a general fund transfer of \$30,220 and \$162,000 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, 20223 the County is liable for \$829,398 in general obligation bonds and other long-term debt outstanding to support school capital projects. During FY 2023, total outstanding long-term debt decreased by a net of \$33,197 consisting of:

- \$75,597 in debt principal retired during the fiscal year.
- \$42,400 in new debt issued during FY 2023 through the sale of general obligation bonds to the VPSA:
  - In addition, a bond premium of \$2,409 was realized on the sale of the VPSA bonds, bringing the total bonds available from the sale to \$44,809.

The Approved School Board budget for FY 2024 provides funding of \$109,963 to support the payment of debt service by the County. The sale of \$162,000 in new bonds during FY 2024 is to support school capital projects, as detailed in the FY 2024 – 2033 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**

<b>Outstanding Long-Term Debt</b>						
(Incurred by Prince William County on behalf of PWCS)						
(amounts expressed in thousands)						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total School Division</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
General Obligation Bonds *	\$ 829,398	\$ 862,595	-	-	829,398	862,595
<b>Total</b>	<b>\$ 829,398</b>	<b>\$ 862,595</b>	<b>-</b>	<b>-</b>	<b>829,398</b>	<b>862,595</b>

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

In September 2023, 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 an 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 2024 budget provides funding for the following significant costs:

- The FY 2024 budget includes a \$18.9 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 2024 – 2033 CIP.
- The FY 2024 budget supports a 5% average employee pay increase (step plus pay scale adjustment) for eligible employees.
- Start-up costs for “Woodbridge Area” Elementary School scheduled to open in August 2025.
- New resources to realize the strategic goals as follows:
  - Commitment 1: Learning and Achievement for All
    - 75.0 FTE Special Education Teacher Assistants
    - 14.0 FTE Instructional Coaches previously funded by the Elementary and Secondary School Emergency Relief Fund (ESSER)
    - 9.5 FTEs to staff three additional pre-K classes
  - Commitment 2: Positive Climate and Culture
    - 73.0 FTEs for school safety and security
    - \$4.5 million to fund international faculty
    - \$3.3 million to fund the Teacher in Residency Program
  - Commitment 3: Family and Community Engagement
    - 62.0 FTE Parent Liaisons (previously ESSER funded)
    - \$0.3 million in additional robotics program funding
    - \$0.3 million in funding for translation services
  - Commitment 4: Organizational Coherence
    - \$1.5 million to replace 800 Mhz radios (school buses)
    - \$0.6 million for Budgeting for Adequacy
    - \$0.3 million to fund 4.0 FTE transportation liaisons
    - \$0.3 million to fund a Comprehensive Staffing Study
    - The Governor's Introduced Budget provides the state share of a one-time bonus payment for instructional and support positions. The School Division must provide a match of \$2.3 million.

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:

- PWCS has seen steady growth over the last 10 years, at a rate of less than 1.0 percent annually. The calendar year 2022 (FY2023) enrollment for the School Division was 90,226, a year-over-year increase of 758 from the calendar year 2021 (FY 2022) enrollment of 89,468. In FY 2024, the student membership as of September 30, 2023, was 89,945, a decrease from FY 2023 by 281 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 2024 through FY 2028) includes the construction of three elementary schools and one

high school. However, the fluctuating enrollment growth patterns experienced by PWCS over the past several years continue to pose a challenge in the ability to predict the exact growth in enrollment year to year. Since FY 2021, the COVID-19 pandemic significantly altered enrollment growth patterns from those previously experienced, and the current environment of uncertainty with respect to future student enrollment may impact PWCS' capital planning efforts.

Although the slowed enrollment growth rate has resulted in reduced pressure to build new schools and expand existing facilities, 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 an impact on PWCS' capital planning efforts. In addition, considering 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 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 \$22.9 million and \$33.9 million for fiscal years 2023 and 2024, respectively. This is approximately 1.6% and 2.2% of the General Fund budgets for the respective years.
- The VRS teacher retirement employee contribution rate is 16.62% for FY 2024, unchanged from FY 2023.
- PWCS' local composite index (LCI) decreased from .3848 for the 2016-2018 biennium to .3783 in the 2018-2020 biennium and increased to .3799 in the 2020-2022 biennium. In the 2022-2024 biennium the LCI decreased to .3739. This means that Prince William County must pay about 37 percent of the cost of the minimum educational program set by the state Standards of Quality. This change in LCI translates to an increase in funding to PWCS of approximately \$4.4 million.
- Real estate assessed values have steadily increased over the last 10 years, enabling reductions to the real property tax rate while still providing additional revenue to the County and School Board. Since FY 2014, the real estate rate decreased a total of \$0.151 per \$100 value, from \$1.181 per \$100 value to \$1.030 for FY 2023. The FY 2024 rate was further reduced to \$0.966 per \$100 value, a reduction of \$0.064 from the FY 2023 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 2024 the BOCS continues to match, up to \$1.0 million in funds provided by PWCS budget to reduce class size.

### **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  
Statement of Net Position  
June 30, 2023

Exhibit 1

	School Division			Component Unit	Total Reporting Entity
	Governmental Activities	Business - Type Activities	Total School Division		
<b>ASSETS</b>					
Equity in cash and pooled investments	\$ 660,926,437	572,585	661,499,022	973,398	662,472,420
Accounts receivable and other current assets	2,979,575	223,104	3,202,679	22,950	3,225,629
Due from other governmental units	69,567,323	-	69,567,323	-	69,567,323
Inventory	6,909,375	816	6,910,191	29,600	6,939,791
Prepaid asset	-	-	-	2,925	2,925
OPEB asset	8,969,087	-	8,969,087	-	8,969,087
Restricted assets:					
Restricted cash	28,746,700	-	28,746,700	1,294,880	30,041,580
Capital assets:					
Land	120,613,674	114,013	120,727,687	-	120,727,687
Construction in progress	59,134,559	-	59,134,559	-	59,134,559
Depreciable/amortizable capital assets	2,436,831,722	9,114,963	2,445,946,685	-	2,445,946,685
Less: accumulated depreciation/amortization	(760,929,689)	(1,245,868)	(762,175,557)	-	(762,175,557)
Total assets	<u>2,633,748,763</u>	<u>8,779,613</u>	<u>2,642,528,376</u>	<u>2,323,753</u>	<u>2,644,852,129</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension	208,409,224	-	208,409,224	-	208,409,224
OPEB	31,582,714	-	31,582,714	-	31,582,714
Total deferred outflows of resources	<u>239,991,938</u>	<u>-</u>	<u>239,991,938</u>	<u>-</u>	<u>239,991,938</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	28,334,997	17,777	28,352,774	46,734	28,399,508
Salaries payable and withholdings	132,200,967	51,206	132,252,173	-	132,252,173
Due to other governmental units	137,541	-	137,541	-	137,541
Retainage	5,591,737	-	5,591,737	-	5,591,737
Unearned revenues	14,219,355	69,110	14,288,465	83,500	14,371,965
Long-term liabilities:					
Due within one year	24,940,983	-	24,940,983	-	24,940,983
Due in more than one year	845,625,435	-	845,625,435	-	845,625,435
Total liabilities	<u>1,051,051,015</u>	<u>138,093</u>	<u>1,051,189,108</u>	<u>130,234</u>	<u>1,051,319,342</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension	141,610,890	-	141,610,890	-	141,610,890
OPEB	37,096,817	-	37,096,817	-	37,096,817
Total deferred inflows of resources	<u>178,707,707</u>	<u>-</u>	<u>178,707,707</u>	<u>-</u>	<u>178,707,707</u>
<b>NET POSITION</b>					
Investment in capital assets	1,855,650,266	7,983,108	1,863,633,374	-	1,863,633,374
Restricted for:					
Capital projects	23,533,058	-	23,533,058	-	23,533,058
Food & nutrition services	83,936,294	-	83,936,294	-	83,936,294
Grant programs	56,753,187	-	56,753,187	-	56,753,187
OPEB programs	8,969,087	-	8,969,087	-	8,969,087
Student activities	10,037,622	-	10,037,622	-	10,037,622
Education foundation	-	-	-	1,537,269	1,537,269
Unrestricted (deficit)	(394,897,535)	658,412	(394,239,123)	656,250	(393,582,873)
Total net position	<u>\$ 1,643,981,979</u>	<u>8,641,520</u>	<u>1,652,623,499</u>	<u>2,193,519</u>	<u>1,654,817,018</u>

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>School Division:</b>				
<b>Governmental activities:</b>				
Instruction:				
Regular	\$ 716,601,769	1,107,145	155,393,704	126,484
Special	159,866,783	426,115	74,503,845	-
Other	11,890,077	1,167,182	8,932,906	-
Instructional leadership	94,107,455	-	-	-
<b>Total instruction</b>	<u>982,466,084</u>	<u>2,700,442</u>	<u>238,830,455</u>	<u>126,484</u>
Support services:				
General administration	9,739,329	-	-	-
Student services	31,471,090	-	384,172	-
Curricular/staff development	36,715,225	-	91,948	-
Pupil transportation	73,925,600	80,540	8,419	-
Operations	36,692,142	314,333	-	-
Utilities	25,463,311	-	-	-
Maintenance	77,012,737	-	4,146,161	-
Central business services	94,403,389	487,558	500,224	22,610,700
Reimbursement to County for debt service	109,470,868	-	-	-
Food & nutrition services	52,530,181	10,783,835	40,427,018	-
Community service operations	1,169,498	872,014	-	-
Student activities	11,540,080	12,682,596	-	-
Education Foundation	564,019	-	-	-
<b>Total support services</b>	<u>560,697,469</u>	<u>25,220,876</u>	<u>45,557,942</u>	<u>22,610,700</u>
Interest on long-term debt:	554,543	-	-	-
<b>Total governmental activities</b>	<u>1,543,718,096</u>	<u>27,921,318</u>	<u>284,388,397</u>	<u>22,737,184</u>
<b>Business-type activities:</b>				
School Age Child Care	526,758	550,000	-	-
Aquatics Center	2,093,882	1,021,847	-	-
<b>Total business-type activities</b>	<u>2,620,640</u>	<u>1,571,847</u>	<u>-</u>	<u>-</u>
<b>Total school division</b>	<u>1,546,338,736</u>	<u>29,493,165</u>	<u>284,388,397</u>	<u>22,737,184</u>
<b>Component unit:</b>				
Education Foundation	5,375,674	-	4,991,333	-
<b>Total component unit</b>	<u>\$ 5,375,674</u>	<u>-</u>	<u>4,991,333</u>	<u>-</u>

**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



<b>Net (Expense) Revenue and Changes in Net Position</b>					
<b>School Division</b>					
<b>Governmental Activities</b>	<b>Business - type Activities</b>	<b>Total School Division</b>	<b>Component Unit</b>	<b>Total Reporting Entity</b>	<b>Functions/Programs</b>
					<b>School Division:</b>
					<b>Governmental activities:</b>
					Instruction:
\$ (559,974,436)	-	(559,974,436)	-	(559,974,436)	Regular
(84,936,823)	-	(84,936,823)	-	(84,936,823)	Special
(1,789,989)	-	(1,789,989)	-	(1,789,989)	Other
(94,107,455)	-	(94,107,455)	-	(94,107,455)	Instructional leadership
(740,808,703)	-	(740,808,703)	-	(740,808,703)	<b>Total instruction</b>
					Support services:
(9,739,329)	-	(9,739,329)	-	(9,739,329)	General administration
(31,086,918)	-	(31,086,918)	-	(31,086,918)	Student services
(36,623,277)	-	(36,623,277)	-	(36,623,277)	Curricular/staff development
(73,836,641)	-	(73,836,641)	-	(73,836,641)	Pupil transportation
(36,377,809)	-	(36,377,809)	-	(36,377,809)	Operations
(25,463,311)	-	(25,463,311)	-	(25,463,311)	Utilities
(72,866,576)	-	(72,866,576)	-	(72,866,576)	Maintenance
(70,804,907)	-	(70,804,907)	-	(70,804,907)	Central business services
(109,470,868)	-	(109,470,868)	-	(109,470,868)	Reimbursement to County for debt service
(1,319,328)	-	(1,319,328)	-	(1,319,328)	Food & nutrition services
(297,484)	-	(297,484)	-	(297,484)	Community service operations
1,142,516	-	1,142,516	-	1,142,516	Student activities
(564,019)	-	(564,019)	-	(564,019)	Education Foundation
(467,307,951)	-	(467,307,951)	-	(467,307,951)	<b>Total support services</b>
(554,543)	-	(554,543)	-	(554,543)	Interest on long-term debt:
(1,208,671,197)	-	(1,208,671,197)	-	(1,208,671,197)	<b>Total governmental activities</b>
					<b>Business-type activities:</b>
-	23,242	23,242	-	23,242	School Age Child Care
-	(1,072,035)	(1,072,035)	-	(1,072,035)	Aquatics Center
-	(1,048,793)	(1,048,793)	-	(1,048,793)	<b>Total business-type activities</b>
(1,208,671,197)	(1,048,793)	(1,209,719,990)	-	(1,209,719,990)	<b>Total school division</b>
					<b>Component unit:</b>
-	-	-	(384,341)	(384,341)	Education Foundation
-	-	-	(384,341)	(384,341)	<b>Total component unit</b>
					<b>General revenues:</b>
					Grants and contributions not restricted to specific programs:
973,721	-	973,721	-	973,721	Federal
569,628,945	-	569,628,945	-	569,628,945	State
797,629,226	-	797,629,226	-	797,629,226	County
2,226,921	(12,798)	2,214,123	4,922	2,219,045	Unrestricted investment earnings (expenses)
-	-	-	564,019	564,019	Revenue from school division
8,817,434	-	8,817,434	-	8,817,434	Miscellaneous revenues
(1,080,090)	1,080,090	-	-	-	<b>Transfers:</b>
1,378,196,157	1,067,292	1,379,263,449	568,941	1,379,832,390	<b>Total general revenues and transfers</b>
169,524,960	18,499	169,543,459	184,600	169,728,059	Change in net position
1,474,457,019	8,623,021	1,483,080,040	2,008,919	1,485,088,959	Net position, beginning of year
<u>\$ 1,643,981,979</u>	<u>8,641,520</u>	<u>1,652,623,499</u>	<u>2,193,519</u>	<u>1,654,817,018</u>	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, 2023

Exhibit 3

	General Fund	Construction Fund	Food & Nutrition Services Fund	Other Non-major Governmental Fund	Total Governmental Funds
<b>ASSETS</b>					
Equity in cash and pooled investments	\$ 372,533,733	127,477,246	84,944,176	12,711,713	597,666,868
Restricted cash	-	28,746,700	-	-	28,746,700
Accounts receivable	1,079,354	574,477	603,852	483,233	2,740,916
Due from other funds	794,462	-	-	-	794,462
Due from other governmental units	65,970,791	1,687,543	1,908,989	-	69,567,323
Inventory	3,986,475	-	960,795	-	4,947,270
Total assets	<u>444,364,815</u>	<u>158,485,966</u>	<u>88,417,812</u>	<u>13,194,946</u>	<u>704,463,539</u>
<b>LIABILITIES, DEFERRED INFLOWS OF and FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	13,533,192	10,781,840	1,113,014	198,336	25,626,382
Salaries payable and withholdings	131,435,394	-	719,067	44,818	132,199,279
Retainage payable	-	5,591,737	-	-	5,591,737
Unearned revenues	2,451,455	15,000	1,688,642	-	4,155,097
Total liabilities	<u>147,420,041</u>	<u>16,388,577</u>	<u>3,520,723</u>	<u>243,154</u>	<u>167,572,495</u>
Deferred Inflows of Resources:					
County support	17,653,499	-	-	-	17,653,499
Total deferred inflows of resources	<u>17,653,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,653,499</u>
Fund Balances:					
Nonspendable:					
Inventory	3,986,474	-	960,795	-	4,947,269
Restricted:					
Regular instruction	36,874,513	-	-	-	36,874,513
Special instruction	481,856	-	-	-	481,856
Other instruction	1,735,872	-	-	-	1,735,872
General administration	150,000	-	-	-	150,000
Curricular/staff development	2,569,074	-	-	-	2,569,074
Student services	636,122	-	-	-	636,122
Maintenance	-	11,662,701	-	-	11,662,701
Central business services	2,643,049	-	-	-	2,643,049
Food & nutrition services	-	-	83,936,294	-	83,936,294
Capital outlay	-	23,395,517	-	-	23,395,517
Student activities	-	-	-	10,037,622	10,037,622
For payments to PWC for arbitrage rebate	-	137,541	-	-	137,541
Committed:					
Community service operations	-	-	-	2,914,170	2,914,170
Assigned:					
Regular instruction	38,531,288	-	-	-	38,531,288
Special instruction	9,027,147	-	-	-	9,027,147
Other instruction	1,188,432	-	-	-	1,188,432
Instructional leadership	2,683,107	-	-	-	2,683,107
General administration	3,047,871	-	-	-	3,047,871
Student services	1,952,562	-	-	-	1,952,562
Curricular/staff development	7,836,729	-	-	-	7,836,729
Pupil transportation	12,008,685	-	-	-	12,008,685
Operations	4,993,088	-	-	-	4,993,088
Utilities	1,008,768	-	-	-	1,008,768
Maintenance	2,052,437	-	-	-	2,052,437
Central business services	24,978,206	-	-	-	24,978,206
Capital outlay	-	106,901,630	-	-	106,901,630
Unassigned	120,905,995	-	-	-	120,905,995
Total fund balances	<u>279,291,275</u>	<u>142,097,389</u>	<u>84,897,089</u>	<u>12,951,792</u>	<u>519,237,545</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 444,364,815</u>	<u>158,485,966</u>	<u>88,417,812</u>	<u>13,194,946</u>	<u>704,463,539</u>

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

Prince William County Public Schools  
 Reconciliation of the Balance Sheet of the Governmental Funds  
 to the Statement of Net Position  
 June 30, 2023

Exhibit 4

**Total fund balances - governmental funds** \$ 519,237,545

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	\$ 120,613,674	
Construction in progress	59,134,559	
Buildings and improvements	2,219,304,057	
Library books	4,303,932	
Equipment	56,185,293	
Vehicles	119,312,256	
Software	5,840,432	
SBITA Right-to-use assets	31,885,752	
Total capital assets	<u>2,616,579,955</u>	
Accumulated depreciation/amortization	<u>(760,929,689)</u>	1,855,650,266

OPEB assets are not available to pay for current period expenditures and, therefore, are not reported in the fund statements. 8,969,087

Deferred inflows of resources are not available to pay for current-period expenditures

Pension	(141,610,890)
OPEB	(37,096,817)

Certain amounts due to other governmental units are not due and payable in the current period and, therefore, are not reported in the funds.

Arbitrage rebate	(137,541)
------------------	-----------

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. 17,653,499

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	(43,338,760)	
Net pension liability	(656,520,109)	
Pension	208,409,224	
Net OPEB liability	(125,884,160)	
OPEB	31,582,714	
SBITA liability	(27,651,600)	
Pollution remediation	<u>(646,000)</u>	(614,048,691)

Net position of internal service funds (current assets) 35,365,521

**Net position - governmental activities** \$ 1,643,981,979

Prince William County Public Schools  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2023

Exhibit 5

	General Fund	Construction Fund	Food & Nutrition Services Fund	Other Non-major Governmental Fund	Total Governmental Funds
<b>REVENUES:</b>					
Charges for services	\$ 4,881,394	-	10,783,235	-	15,664,629
Intergovernmental:					
Federal	103,626,177	4,146,161	38,189,377	-	145,961,715
State	729,052,394	-	1,643,741	-	730,696,135
County	762,803,387	70,199,903	-	-	833,003,290
Use of money and property:					
Use of money - interest and investments	2,865,277	1,038,672	(186,330)	(5,322)	3,712,297
Use of property	-	-	-	872,039	872,039
Miscellaneous	7,995,410	-	594,500	12,682,596	21,272,506
Total revenues	<u>1,611,224,039</u>	<u>75,384,736</u>	<u>51,024,523</u>	<u>13,549,313</u>	<u>1,751,182,611</u>
<b>EXPENDITURES:</b>					
Current:					
Regular instruction	741,210,773	5,052,344	-	-	746,263,117
Special instruction	175,041,024	-	-	-	175,041,024
Other instruction	12,954,493	-	-	-	12,954,493
Instructional leadership	94,107,455	-	-	-	94,107,455
General administration	19,645,523	-	-	-	19,645,523
Student services	34,663,557	-	-	-	34,663,557
Curricular/staff development	38,459,955	-	-	-	38,459,955
Pupil transportation	78,357,929	-	-	-	78,357,929
Operations	39,513,651	-	-	-	39,513,651
Utilities	25,463,311	-	-	-	25,463,311
Maintenance	32,554,847	46,857,994	-	-	79,412,841
Central business services	94,223,499	-	-	-	94,223,499
Community service operations	-	-	-	1,169,498	1,169,498
Food & nutrition services	-	-	52,433,893	-	52,433,893
Student activities	-	-	-	11,540,080	11,540,080
Capital outlay:	31,885,752	71,882,175	-	-	103,767,927
Debt Service:					
Principal	4,234,152	-	-	-	4,234,152
Interest	554,543	-	-	-	554,543
Intergovernmental:					
Reimbursement to the County for debt service	109,333,327	-	-	-	109,333,327
Total expenditures	<u>1,532,203,791</u>	<u>123,792,513</u>	<u>52,433,893</u>	<u>12,709,578</u>	<u>1,721,139,775</u>
Excess (deficiency) of revenues over (under) expenditures	<u>79,020,248</u>	<u>(48,407,777)</u>	<u>(1,409,370)</u>	<u>839,735</u>	<u>30,042,836</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In:					
General fund	-	65,380,162	-	-	65,380,162
Construction fund	1,436,039	-	-	-	1,436,039
Food & nutrition service fund	-	500,000	-	-	500,000
Transfers Out:					
General fund	-	(1,436,039)	-	-	(1,436,039)
Construction fund	(65,380,162)	-	(500,000)	-	(65,880,162)
Internal service funds	(1,800,000)	-	-	-	(1,800,000)
Enterprise funds	(1,080,090)	-	-	-	(1,080,090)
Other financing sources - SBITA	31,885,752	-	-	-	31,885,752
Total other financing sources (uses), net	<u>(34,938,461)</u>	<u>64,444,123</u>	<u>(500,000)</u>	<u>-</u>	<u>29,005,662</u>
Net change in fund balances	44,081,787	16,036,346	(1,909,370)	839,735	59,048,498
<b>FUND BALANCES, beginning of year</b>	<u>235,209,488</u>	<u>126,061,043</u>	<u>86,806,459</u>	<u>12,112,057</u>	<u>460,189,047</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 279,291,275</u>	<u>142,097,389</u>	<u>84,897,089</u>	<u>12,951,792</u>	<u>519,237,545</u>

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

**Prince William County Public Schools**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2023**

**Exhibit 6**

**Total net change in fund balances - total governmental funds** \$ 59,048,498

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. (36,859,465)

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	\$ 81,790,746	
Depreciation/amortization expense	<u>(56,447,575)</u>	25,343,171

The net effect of various transactions including disposal of capital assets (418,421)

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:

Arbitrage	(137,541)
Pension expenses	104,478,176
OPEB benefits	12,188,390
Compensated absences	(2,108,882)
SBITA	4,234,152
Pollution remediation	247,611

Activities of Internal Service Funds that serve governmental activities 3,509,271

**Change in net position of governmental activities** \$ 169,524,960

**Prince William County Public Schools**  
**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2023**

**Exhibit 7**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive/ Negative</u>
<b>REVENUES:</b>				
Charges for services	\$ 3,047,246	3,804,527	4,881,394	1,076,867
Intergovernmental:				
Federal	136,250,858	103,238,874	103,626,177	387,303
State	738,273,672	751,105,835	729,052,394	(22,053,441)
County	718,581,701	780,584,125	762,803,387	(17,780,738)
Use of money and property:				
Use of money - interest and investments	2,861,581	2,861,581	2,865,277	3,696
Miscellaneous	3,066,980	3,992,398	7,995,410	4,003,012
Total revenues	<u>1,602,082,038</u>	<u>1,645,587,340</u>	<u>1,611,224,039</u>	<u>(34,363,301)</u>
<b>EXPENDITURES:</b>				
Current:				
Regular instruction	806,910,742	765,771,339	741,210,773	24,560,566
Special instruction	189,591,584	189,394,368	175,041,024	14,353,344
Other instruction	12,760,051	14,739,830	12,954,493	1,785,337
Instructional leadership	98,135,450	95,436,262	94,107,455	1,328,807
General administration	20,435,919	21,741,750	19,645,523	2,096,227
Student services	33,007,613	36,251,288	34,663,557	1,587,731
Curricular/staff development	53,966,179	57,246,217	38,459,955	18,786,262
Pupil transportation	74,990,063	95,300,683	78,357,929	16,942,754
Operations	48,840,374	44,585,633	39,513,651	5,071,982
Utilities	38,951,454	43,140,865	25,463,311	17,677,554
Maintenance	41,043,062	36,824,663	32,554,847	4,269,816
Central business services	72,986,722	105,683,647	94,223,499	11,460,148
Capital outlay:	31,885,752	31,885,752	31,885,752	-
Debt Service:				
Principal	4,234,152	4,234,152	4,234,152	-
Interest	554,543	554,543	554,543	-
Intergovernmental:				
Reimbursement to the County for debt service	109,963,456	109,963,456	109,333,327	630,129
Total expenditures	<u>1,638,257,116</u>	<u>1,652,754,448</u>	<u>1,532,203,791</u>	<u>120,550,657</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,175,078)</u>	<u>(7,167,108)</u>	<u>79,020,248</u>	<u>86,187,356</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In:				
Construction fund	1,000,000	1,000,000	1,436,039	436,039
Transfers Out:				
Construction fund	(61,003,865)	(65,380,162)	(65,380,162)	-
Internal service funds	-	(1,800,000)	(1,800,000)	-
Enterprise funds	-	(850,000)	(1,080,090)	(230,090)
Other financing sources - SBITA	-	-	31,885,752	31,885,752
Total other financing sources (uses), net	<u>(60,003,865)</u>	<u>(67,030,162)</u>	<u>(34,938,461)</u>	<u>32,091,701</u>
Net change in fund balance	(96,178,943)	(74,197,270)	44,081,787	118,279,057
<b>FUND BALANCE, beginning of year</b>	<u>235,209,488</u>	<u>235,209,488</u>	<u>235,209,488</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 139,030,545</u>	<u>161,012,218</u>	<u>279,291,275</u>	<u>118,279,057</u>

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

Prince William County Public Schools  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
Food & Nutrition Services Fund  
For the Year Ended June 30, 2023

Exhibit 8

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Charges for services	\$ 19,425,000	19,425,000	10,783,235	(8,641,765)
Intergovernmental:				
Federal	28,740,000	28,740,000	38,189,377	9,449,377
State	1,035,000	1,035,000	1,643,741	608,741
Use of money and property:				
Use of money - interest and investments	-	-	(186,330)	(186,330)
Miscellaneous	800,000	800,000	594,500	(205,500)
Total revenues	<u>50,000,000</u>	<u>50,000,000</u>	<u>51,024,523</u>	<u>1,024,523</u>
<b>EXPENDITURES:</b>				
Current:				
Food & nutrition services	49,624,040	52,441,932	52,433,893	8,039
Total expenditures	<u>49,624,040</u>	<u>52,441,932</u>	<u>52,433,893</u>	<u>8,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>375,960</u>	<u>(2,441,932)</u>	<u>(1,409,370)</u>	<u>1,032,562</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In:				
County Transfers	-	3,000,000	-	(3,000,000)
Transfers Out:				
Construction fund	(500,000)	(500,000)	(500,000)	-
Total other financing sources (uses), net	<u>(500,000)</u>	<u>2,500,000</u>	<u>(500,000)</u>	<u>(3,000,000)</u>
Net change in fund balances	(124,040)	58,068	(1,909,370)	(1,967,438)
<b>FUND BALANCES, beginning of year</b>	<u>86,806,459</u>	<u>86,806,459</u>	<u>86,806,459</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 86,682,419</u>	<u>86,864,527</u>	<u>84,897,089</u>	<u>(1,967,438)</u>

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

Prince William County Public Schools  
Statement of Net Position  
Proprietary Funds  
June 30, 2023

Exhibit 9

	Business-type Activities - Nonmajor Enterprise Funds	Governmental Activities - Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Equity in cash and pooled investments	\$ 572,585	63,259,569
Accounts receivable and other current assets	223,104	238,659
Inventory	816	1,962,105
Total current assets	<u>796,505</u>	<u>65,460,333</u>
Noncurrent assets:		
Nondepreciable capital assets:		
Land	114,013	-
Depreciable capital assets:		
Buildings and equipment	9,114,963	16,495
Less: accumulated depreciation	(1,245,868)	(478)
Total noncurrent assets	<u>7,983,108</u>	<u>16,017</u>
Total assets	<u>8,779,613</u>	<u>65,476,350</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	17,777	2,708,615
Salaries payable and withholdings	51,206	1,688
Unearned revenues	69,110	10,064,258
Due to other funds	-	794,462
Incurred but not reported claims	-	10,950,226
Total current liabilities	<u>138,093</u>	<u>24,519,249</u>
Noncurrent liabilities:		
Incurred but not reported claims	-	5,575,563
Total noncurrent liabilities	<u>-</u>	<u>5,575,563</u>
Total liabilities	<u>138,093</u>	<u>30,094,812</u>
<b>NET POSITION</b>		
Investment in capital assets	7,983,108	16,017
Unrestricted	658,412	35,365,521
Total net position	<u>\$ 8,641,520</u>	<u>35,381,538</u>

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



Prince William County Public Schools  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2023

Exhibit 10

	Business-type Activities - Nonmajor Enterprise Funds	Governmental Activities - Internal Service Funds
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 1,571,847	140,467,531
Total operating revenues	<u>1,571,847</u>	<u>140,467,531</u>
<b>OPERATING EXPENSES:</b>		
Personnel services	1,823,869	1,613,144
Materials/supplies	98,814	512,414
Administrative costs	-	2,311,712
Utilities	180,039	-
Contractual services	331,832	339,368
Premiums	-	1,580,492
Claims and benefits paid	-	122,370,955
Losses and unallocated loss adjustment	-	4,204,973
Cost of goods sold	2,525	5,487,048
Depreciation	183,561	478
Total operating expenses	<u>2,620,640</u>	<u>138,420,584</u>
Operating income (loss)	<u>(1,048,793)</u>	<u>2,046,947</u>
<b>NON-OPERATING EXPENSES:</b>		
Interest expense	(12,798)	(321,659)
Total non-operating expenses	<u>(12,798)</u>	<u>(321,659)</u>
Income (loss) before transfers	(1,061,591)	1,725,288
<b>TRANSFERS:</b>		
Transfers In:		
General Fund	1,080,090	1,800,000
Total other transfers	<u>1,080,090</u>	<u>1,800,000</u>
Change in net position	18,499	3,525,288
<b>NET POSITION, beginning of year</b>	<u>8,623,021</u>	<u>31,856,250</u>
<b>NET POSITION, end of year</b>	<u>\$ 8,641,520</u>	<u>35,381,538</u>

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

**Prince William County Public Schools  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2023**

**Exhibit 11**

	<b>Business-type Activities -</b>	<b>Governmental Activities -</b>
	<b>Nonmajor Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>Cash Flows from Operating Activities:</b>		
Receipts from interfund services provided	\$ -	141,031,594
Receipts from customers and users	1,607,370	5,732
Payments to suppliers for goods and services	(611,228)	(135,561,977)
Payments to employees	(1,799,985)	(1,612,488)
Net cash provided by (used in) operating activities	<u>(803,843)</u>	<u>3,862,861</u>
<b>Cash Flow from Capital and Related Financing Activities:</b>		
Purchase of equipment	-	(16,495)
Net cash used in non-capital financing activities	<u>-</u>	<u>(16,495)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>		
Due to other funds	-	90,996
Transfers from other funds	1,080,090	1,800,000
Net cash provided by non-capital financing activities	<u>1,080,090</u>	<u>1,890,996</u>
<b>Cash Flows from Investing Activities:</b>		
Interest used in investments	(11,065)	(358,707)
Net cash used in investing activities	<u>(11,065)</u>	<u>(358,707)</u>
Net increase in equity in cash and pooled investments	265,182	5,378,655
Equity in cash and pooled investments, beginning of year	<u>307,403</u>	<u>57,880,914</u>
Equity in cash and pooled investments, end of year	<u>\$ 572,585</u>	<u>\$ 63,259,569</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used in) Operating Activities:</b>		
Operating income (loss)	<u>\$ (1,048,793)</u>	<u>\$ 2,046,947</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Change in assets and liabilities:		
Depreciation expense	183,561	478
Decrease in accounts receivable	1,139	4,568
(Increase) decrease in inventory	91	(169,623)
Increase in unearned revenue	34,384	565,227
Increase in accounts payable and accrued liabilities	1,891	39,916
Increase in salaries payable and withholdings	23,884	656
Increase in incurred but not reported claims	-	1,374,692
Net cash provided by (used in) operating activities	<u>\$ (803,843)</u>	<u>3,862,861</u>

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

**Prince William County Public Schools**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2023**

**Exhibit 12**

**Custodial Funds**

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**ASSETS**

Cash and pooled investments	\$ 689,082
Interest and other receivables	145,150
Due from other governmental units	79,593
Capital assets:	
Depreciable capital assets	35,432
Less: accumulated depreciation	<u>(15,232)</u>
Total assets	<u>934,025</u>

**LIABILITIES**

Accounts payable and accrued liabilities	<u>574,979</u>
Total liabilities	<u>574,979</u>

**NET POSITION**

Net investment in capital assets	20,200
Restricted for:	
Individuals, organizations, and other governments	<u>338,846</u>
Total net position	<u>\$ 359,046</u>

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



**Prince William County Public Schools  
Notes to the Financial Statements  
June 30, 2023**

**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 90,226 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.

Component unit and the reporting method

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.

Government-wide financial statements 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 separately 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.

Statement of net position – 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.

Statement of activities – 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 activities 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.

**Fund financial statements** Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. 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, Food & Nutrition Services Fund, and other non-major governmental funds as 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 the 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 collectable 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 the 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. During FY 2023, the Regional School Fund was dissolved as a result of the discontinuation of the Regional School program; and its remaining assets were released and dispersed to the program's participating governments.



## **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, 2023, 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 \$28,746,700 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 accounts, 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 31.96% at June 30, 2023. The investments contained in the County's pool of investments are subject to interest rate and 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](mailto:financedirectorsoffice@pwcgov.org), or by downloading the ACFR document from their website <https://www.pwcva.gov/department/finance/finance-and-revenue>.

### **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 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.

<b>Estimated useful lives:</b>	
<u>Assets</u>	<u>Years</u>
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 Outflows 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 is 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 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, 2023 PWCS had contractual commitments of \$25,462,809 in the General Fund, \$152,178,486 in the Construction Fund for construction of various projects, and \$182,109 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 2023:

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. GASB Statement 91 does not apply to PWCS because the School Board was unable to issue debt.

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).

GASB Statement No. 99, *Omnibus 2022*. This Statement addresses practice issues that have been identified during the 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 FY 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for FY 2024. The requirements related to all other items are effective upon issuance. GASB 99 items effective in FY 2023 have been implemented.

GASB has issued 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. 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. 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 the 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 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 revenues**

Receivables and due from other governmental units at June 30, 2023, for PWCS' individual major funds, non-major, internal service, and nonmajor enterprise funds, in the aggregate, are as follows:

	Other				
	Receivables	Federal	State	County	Total
General Fund	\$ 1,079,354	26,353,307	21,963,985	17,653,499	67,050,145
Construction Fund	574,477	1,687,543	-	-	2,262,020
Food & Nutrition Services Fund	603,852	1,897,339	11,650.00	-	2,512,841
Nonmajor Governmental Funds	628,383	-	79,593	-	707,976
Internal Service Funds	238,659	-	-	-	238,659
Nonmajor Enterprise Fund	223,104	-	-	-	223,104
Total	<u>\$ 3,347,829</u>	<u>29,938,189</u>	<u>22,055,228</u>	<u>17,653,499</u>	<u>72,994,745</u>

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 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 uncollectable 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, 2023, deferred inflow of resources is recorded in the General Fund for excess revenue receivable

for the cable franchise fees agreement and excess general tax supported revenues to be distributed by the County in the amount of \$42,855 and \$17,610,644, respectively.

Due to other governmental units at June 30, 2023:

	Governmental Activities
<b>Due to other governmental units:</b>	
County - arbitrage	\$ 137,541

Governmental activities report unearned revenues in connection with resources that have been received, but not yet earned. Business-type activities report unearned revenues in the 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 revenues were as follows:

	Unearned Revenues
<b><u>Governmental Activities</u></b>	
Construction Fund	\$ 15,000
Food & Nutrition Services Fund – other unearned revenue	1,688,642
General Fund – prepaid tuition or fees and other unearned revenue	<u>2,451,455</u>
Governmental Funds	4,155,097
Health Insurance Fund (internal service fund) – prepaid health insurance premiums	<u>10,064,258</u>
Total Governmental Activities	<u>\$ 14,219,355</u>
<b><u>Business-type Activities</u></b>	
Aquatics Center Fund - prepaid fees related to events and programs not yet occurred	<u>\$ 69,110</u>
Total Business-type Activities	<u>\$ 69,110</u>

**Note 4 – Interfund receivables, payables, and transfers**

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

	<b>Due to other funds:</b>
	Distribution Center Fund
<b>Due from other funds:</b>	
General Fund	\$ 794,462

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.

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

<b>Transfers Out:</b>			
<b>Transfers In:</b>	<u>General Fund</u>	<u>Construction Fund</u>	<u>Food and Nutrition Services Fund</u>
General Fund	\$ -	1,436,039	-
Construction Fund	65,380,162	-	500,000
Health Insurance Fund	1,800,000	-	-
Aquatics Center Fund	1,080,090	-	-
Total	<u>\$ 68,260,252</u>	<u>1,436,039</u>	<u>500,000</u>

Interfund transfers are generally made for the purpose of providing operational support to the receiving fund. The General Fund transfer of \$65,380,162 and the Food and Nutrition Services Fund transfer of \$500,000 to the Construction Fund represent funds required for building, maintenance, classroom equipment, and facility modifications. The Construction Fund transfer of \$1,436,039 to the General Fund represents funds contributed to debt service expenditures. The General Fund transfers of \$1,800,000 to the Health Insurance Fund represent support for the self-insured portion of the health insurance fund. The General Fund transfer of \$1,080,090 to the Aquatics 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 \$564,019 for the year ended June 30, 2023.

**Note 6 – Long-term liabilities**

PWCS' long-term liabilities are included as part of governmental activities. Long-term liabilities for claims are liquidated by the Self-Insurance and Health Insurance Funds. Liabilities for compensated absences are liquidated by the General Fund. Liabilities for pollution remediation are liquidated by the General Fund and Construction Fund. Subscription liabilities, Net pension, and net OPEB liabilities are liquidated by the General Fund. The following is a summary of changes in the long-term liabilities of PWCS for the year ended June 30, 2023

<b>Governmental Activities</b>	Balance			Balance	
	July 1, 2022	Additions	Reductions	June 30, 2023	Due Within One Year
Compensated absences	\$ 41,229,878	10,765,305	(8,656,423)	43,338,760	8,592,335
Claims liabilities	15,151,097	114,031,960	(112,657,268)	16,525,789	10,950,226
Pollution remediation	893,611	1,312,095	(1,559,706)	646,000	646,000
Subscription liabilities	-	31,885,752	(4,234,152)	27,651,600	4,752,422
Net pension liabilities	520,381,119	567,853,504	(431,714,514)	656,520,109	-
Net OPEB liabilities	127,137,030	39,531,540	(40,784,410)	125,884,160	-
Total	<u>\$ 704,792,735</u>	<u>765,380,156</u>	<u>(599,606,473)</u>	<u>870,566,418</u>	<u>24,940,983</u>

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

<b>Governmental Activities</b>	Balance			Balance	
	July 1, 2022	Additions	Reductions	June 30, 2023	Due Within One Year
Group Life Insurance	\$ 37,970,615	22,335,012	(21,179,838)	39,125,789	-
Health Insurance Credit	89,166,415	17,196,528	(19,604,572)	86,758,371	-
Total	<u>\$ 127,137,030</u>	<u>39,531,540</u>	<u>(40,784,410)</u>	<u>125,884,160</u>	<u>-</u>



**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 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. Details of general obligation, VPSA, BAB, and QSCB issued for PWCS can be found in the County’s ACFR.

**Subscription liabilities**

PWCS has entered into various agreements for subscription services. The agreement terms range from 36 months to 120 months. An initial subscription liability was recorded in amounts ranging from \$1,979,160 to \$17,621,138. PWCS is required to make annual fixed payments ranging from \$669,853 to \$2,035,486. Contracts have interest rates ranging from 2.08% to 3.44%. The subscription right-to-use assets’ estimated useful lives range from 36 months to 120 months as of the contract commencements.

At June 30, 2023, PWCS recognized a subscription right-to-use asset of \$31,885,752, and a subscription liability of \$27,651,600 related to these agreements. During FY 2023, PWCS recorded \$3,735,724 in amortization expense and \$554,543 in interest expense for the right-to-use subscription assets.

These subscription right-to-use assets are recorded at the present value of their future minimum subscription payments as of the inception date and expire at various times through fiscal year 2033.

Principal and Interest Requirments to Maturity			
Fiscal Year	Governmental Activities		
	Principal Payment	Interest Payment	Total
2024	\$ 4,752,422	715,343	5,467,765
2025	4,914,493	584,535	5,499,028
2026	4,397,822	463,244	4,861,066
2027	3,332,073	362,293	3,694,366
2028	2,604,145	281,517	2,885,662
2029-2033	7,650,645	491,300	8,141,944
	<u>\$ 27,651,600</u>	<u>2,898,231</u>	<u>30,549,831</u>

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.

**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, 2023 PWCS incurred \$2,585,395 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, 2023 PWCS incurred \$111,446,565 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, 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
Incurred Claims	2,585,395	111,446,565
Claims Paid	1,999,703	110,657,565
Unpaid Claims June 30, 2023	\$ 7,347,789	9,178,000
Due Within One Year	\$ 1,772,226	9,178,000

## Note 8 – Capital assets

Capital asset activities for the year ended June 30, 2023, were as follows:

	Primary Government			Balance June 30, 2023
	Balance July 1, 2022	Increases	Decreases	
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 110,765,445	9,848,229	-	120,613,674
Construction in Progress	90,436,075	93,797,857	(125,099,373)	59,134,559
Total capital assets, not being depreciated	201,201,520	103,646,086	(125,099,373)	179,748,233
Capital assets, being depreciated/amortized:				
Buildings and improvements	2,126,090,436	93,213,621	-	2,219,304,057
Library books	3,889,380	1,172,463	(757,911)	4,303,932
Equipment	55,107,780	1,492,074	(414,561)	56,185,293
Vehicles	116,712,517	7,368,970	(4,769,231)	119,312,256
Intangibles - software	5,840,432	-	-	5,840,432
Intangibles - right to use assets	-	31,885,752	-	31,885,752
Total capital assets being depreciated/amortized	2,307,640,545	135,132,880	(5,941,703)	2,436,831,722
Less accumulated depreciation/amortization for:				
Buildings and improvements	600,773,080	41,190,807	-	641,963,887
Library books	2,007,742	860,786	(757,911)	2,110,617
Equipment	42,867,138	2,156,793	(295,645)	44,728,286
Vehicles	59,399,367	8,171,418	(4,466,630)	63,104,155
Intangibles - software	4,954,973	332,047	-	5,287,020
Intangibles - right to use assets	-	3,735,724	-	3,735,724
Total accumulated depreciation/amortization	710,002,300	56,447,575	(5,520,186)	760,929,689
Total capital assets, being depreciated, net	1,597,638,245	78,685,305	(421,517)	1,675,902,033
Governmental activities capital assets, net	\$1,798,839,765	182,331,391	(125,520,890)	1,855,650,266

	Primary Government			Balance June 30, 2023
	Balance July 1, 2022	Increases	Decreases	
<b>Business-type Activities:</b>				
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	9,114,963	-	-	9,114,963
Less accumulated depreciation				
Buildings and improvements	1,060,838	181,901	-	1,242,739
Equipment	1,469	1,660	-	3,129
Total accumulated depreciation	1,062,307	183,561	-	1,245,868
Total capital assets, being depreciated, net	8,052,656	(183,561)	-	7,869,095
Business-type activities capital assets, net	\$ 8,166,669	(183,561)	-	7,983,108

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

<u>Governmental Activities</u>	<u>Depreciation Expense</u>
Instruction:	
Regular	\$ 40,710,125
Special	1,066,324
Other	4,208
Support Services:	
General administration	1,016,317
Student services	9,366
Curricular/staff development	12,025
Pupil transportation	8,429,180
Maintenance	369,228
Central business services	4,737,254
Food & nutrition services	93,548
Total depreciation/amortization expense	<u>\$ 56,447,575</u>

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

<u>Business-type Activities</u>	<u>Depreciation Expense</u>
Aquatics Center	<u>\$ 183,561</u>
Total depreciation expense	<u>\$ 183,561</u>

**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.

PWCS received approximately \$229.5 million in 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). This funding supports human and material resources to address unfinished learning (during the school day, before and after school, and summer), professional learning for professional educators and instructional leaders, social-emotional supports, and mental health healing professionals and resources, resources for Center for Disease Control (CDC) and Virginia Department of Health (VDH) recommended ongoing health mitigation measures, and student transportation (social-distancing) measures, all related to COVID-19. These funds were budgeted and appropriated in FY 2022 and 2023. Unobligated balances will carry over into FY 2024 through a separate resolution. This funding ceases on September 30, 2024.

## Note 10 – Employee retirement systems and pension plans

### A. Virginia Retirement System

#### Plan description

All full-time, salaried permanent (non-professional) employees of PWCS are automatically covered by the 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 - Plan 1, Plan 2, and the Hybrid Retirement Plan (Hybrid Plan). Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are 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 Retirement 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 VRS:* The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%. 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 and 60 for non-professional hazardous duty employees.
- *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. Political subdivision hazardous duty members: the 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. Political subdivision 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 calendar year following the unreduced retirement eligibility 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 services, 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. 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 is 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 services, regardless of when it was earned, purchased or granted
- *Purchase of Prior Service*: Same as Plan 1.

### **Hybrid Plan**

- *About the Hybrid Retirement Plan*: The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.
  - The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula.
  - The benefit from the defined contribution component of the plan depends on the member and 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*: Employees are in the Hybrid Retirement 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 Retirement 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 for the defined benefit component is 1.0%. For members that opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. 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, 2021 actuarial valuation date, the following employees of the non-professional group were covered by the benefit terms of the pension plan:

	Number
Retirees and Beneficiaries	1,036
Inactive members:	
Inactive Vested Members	275
Inactive Nonvested Members	640
Long Term Disability	-
Inactive members active elsewhere in VRS	263
Total inactive members	1,178
Active members	1,746
Total covered employees	3,960

### Contributions

The contribution requirement for active employees is governed by § 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to the non-professional and professional 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, 2023, was 6.07% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the non-professional group was \$4,137,236 for the year ended June 30, 2023.

#### Contributions – Professional group

Each professional group's contractually required employer contribution rate for the year ended June 30, 2023, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the professional group was \$119,544,529 for the years ended June 30, 2023.

## Actuarial Assumptions

The total pension liability for General Employees in the non-professional and professional group was based on an actuarial valuation as of June 30, 2021, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
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:

	<b>Non-Hazardous Duty for Non-professional Group</b>	<b>Professional Group</b>
	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, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

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

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

### 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 weighing 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:

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return*</b>
Public Equity	34.00 %	6.80 %	1.94 %
Fixed Income	15.00	4.40	0.31
Credit Strategies	14.00	7.10	0.67
Real Assets	14.00	6.00	0.63
Private Equity	14.00	8.80	1.36
MAPS - Multi Asset Public Strategies	6.00	5.90	0.22
PIP - Private Investment Partnership	3.00	7.30	0.20
Total	<b><u>100.00 %</u></b>		<b><u>5.33 %</u></b>
		Inflation	<u>2.50 %</u>
	**Expected arithmetic nominal return		<b><u>7.83 %</u></b>

\* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions.

\*\* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

## Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that VRS member contributions will be made per the VRS Statutes, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions, political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2021, actuarial valuations, whichever was greater. From July 1, 2022, participating employers 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 currently 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

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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, the professional group's proportion was 6.86.%.

The non-professional net pension liability (asset) was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2021, rolled forward to the measurement date of June 30, 2022.

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

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Balance at June 30, 2021	\$ 249,015,870	262,283,262	(13,267,392)
Changes for the year:			
Service cost	4,841,864	-	4,841,864
Interest	16,709,106	-	16,709,106
Difference between expected and actual experience	1,070,293	-	1,070,293
Contributions - employer	-	3,262,506	(3,262,506)
Contributions - employee	-	2,826,436	(2,826,436)
Net investment income	-	(242,000)	242,000
Benefit payments, including refunds of employee contributions	(12,630,859)	(12,630,859)	-
Pension Plan Administrative expense	-	(163,500)	163,500
Other changes	-	5,380	(5,380)
Net changes	9,990,404	(6,942,037)	16,932,441
Balance at June 30, 2022	\$ 259,006,274	255,341,225	3,665,049

**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:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Non-Professional Group's Net Pension Liability (Asset)	\$ 37,294,975	\$ 3,665,049	\$ (23,777,017)

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:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Professional group's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 1,166,049,115	\$ 652,855,060	\$ 235,002,246

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

The following table presents a summary of deferred outflows of resources, deferred inflows of resources, pension expenses, and net pension liability for professional and non-professional groups.

	<u>Professional</u>	<u>Non Professional</u>	<u>Total VRS Pension</u>
<b>Deferred Outflows of Resources:</b>			
Differences between expected and actual experience Employer contributions made subsequent to the Measurement Date	\$ -	1,594,091	1,594,091
Change in assumptions	119,544,529	4,137,236	123,681,765
Changes in proportionate share of contributions	18,698,247	-	18,698,247
Deferred Outflows of Resources	<u>\$ 199,793,857</u>	<u>8,615,367</u>	<u>208,409,224</u>
<b>Deferred Inflows of Resources:</b>			
Differences between expected and actual experience	45,016,937	87,214	45,104,151
Changes in proportionate share of contributions	3,880,150	-	3,880,150
Net difference between projected and actual earnings on pension plan investments	<u>85,118,628</u>	<u>7,507,961</u>	<u>92,626,589</u>
Deferred Inflows of Resources	<u>\$ 134,015,715</u>	<u>7,595,175</u>	<u>141,610,890</u>
<b>Pension expenses for the year ended June 30, 2023</b>	<u>\$ 41,993,470</u>	<u>2,213,127</u>	<u>44,206,597</u>
<b>Net pension liability as of June 30, 2023</b>	<u>\$ 652,855,060</u>	<u>3,665,049</u>	<u>656,520,109</u>

Deferred outflows of resources related to pensions resulting from PWCS' professional and non-professional group contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses in future reporting periods as follows:

<b>Year ended June 30,</b>			
	<u>Professional</u>	<u>Non Professional</u>	<u>Total</u>
2024	\$ (15,445,547)	108,252	(15,337,295)
2025	(23,624,882)	(1,768,680)	(25,393,562)
2026	(52,880,583)	(5,000,614)	(57,881,197)
2027	38,184,625	3,543,998	41,728,623
Total	<u>\$ (53,766,387)</u>	<u>(3,117,044)</u>	<u>(56,883,431)</u>

**Pension Plan Fiduciary Net Position**

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

**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, 2023 was 0.16% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from PWCS to the VRS HIC program for the non-professional group was \$143,133 for the year ended June 30, 2023.

### **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, 2023 was 1.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from PWCS to the VRS HIC program for the professional group were \$8,632,145 for the year ended June 30, 2023.

In June 2022, the Commonwealth made a special contribution of approximately \$12 million to the VRS Teacher Health Insurance Credit Program. This special payment was authorized by a budget amendment included in Chapter 1 of the 2022 Appropriation Act and is classified as a non-employer contribution.

### **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, 2023, the professional group reported a liability of \$86,056,058 for its proportionate share of the VRS HIC program net OPEB liability. The net VRS HIC program OPEB liability was measured as of June 30, 2022 and the total VRS HIC program OPEB liability used to calculate the net VRS HIC program OPEB liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to the measurement date of June 30, 2022. 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, 2022, PWCS' proportion of the VRS HIC program for professional group was 6.89%.

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

**Changes in Net HIC OPEB Liability – Non-professional group**

	<b>Total HIC OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net HIC OPEB Liability (a) - (b)</b>
Balances at June 30, 2021	\$ 2,705,648	2,181,750	523,898
Changes for the Year:			
Service cost	52,044	-	52,044
Interest	181,108	-	181,108
Changes of Assumptions	241,849	-	241,849
Difference Between Expected and Actual Experience	(105,041)	-	(105,041)
Contributions - Employer	-	134,706	(134,706)
Net Investment Income	-	2,556	(2,556)
Benefit Payments, including refunds of employee contributions	(149,226)	(149,226)	-
Administrative Expense	-	(3,820)	3,820
Other changes	-	58,103	(58,103)
Net Changes	220,734	42,319	178,415
Balances at June 30, 2022	\$ 2,926,382	2,224,069	702,313

**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:

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Proportionate share of the VRS HIC OPEB Plan Net HIC OPEB Liability - <b>Non-professional Group</b>	\$ 1,047,896	\$ 702,313	\$ 410,789

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:

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Proportionate share of the VRS HIC OPEB Plan Net HIC OPEB Liability - <b>Professional Group</b>	\$ 96,986,165	\$ 86,056,058	\$ 76,790,882



**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 \$5,657 for the non-professional group.

At June 30, 2023, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	170,012
Change of assumptions	242,271	5,401
Net difference between projected and actual earnings on HIC OPEB plan investments	-	51,039
Employer contributions subsequent to the Measurement Date	143,133	-
<b>Total</b>	<u>\$ 385,404</u>	<u>226,452</u>

\$143,133 reported as deferred outflows 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the non-professional group HIC OPEB will be recognized in the OPEB expense in the future reporting periods as follows:

<b>Year ended June 30,</b>		
2024	\$	(18,918)
2025		(10,220)
2026		(25,536)
2027		45,485
2028		21,454
Thereafter		3,554
<b>Total</b>	<u>\$</u>	<u>15,819</u>

**Professional Group**

For the year ended June 30, 2023, PWCS recognized VRS HIC program OPEB expense of \$7,517,527 for the professional group.

At June 30, 2023, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	3,507,780
Change of assumptions	2,514,137	219,759
Net difference between projected and actual earnings on HIC OPEB plan investments	-	86,376
Changes in proportion and differences between Employer contributions and proportionate share of contributions	2,978,266	590,653
Employer contributions subsequent to the measurement date	8,632,145	-
Total	<u>\$ 14,124,548</u>	<u>4,404,568</u>

\$ 8,632,145 reported as deferred outflows 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, 2024. 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:

<b>Year ended June 30,</b>		
2024	\$	377,459
2025		357,520
2026		200,355
2027		419,078
2028		33,825
Thereafter		<u>(300,402)</u>
Total	\$	<u>1,087,835</u>

### **VRS HIC Program Fiduciary Net Position**

Detailed information about the VRS Health Insurance Credit Program's Fiduciary Net Position is available in the separately issued VRS 2022 ACFR. A copy of the 2022 VRS ACFR may be downloaded from the VRS website at <http://varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the VRS' Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

### **C. VRS Group Life Insurance Program**

#### **Plan Description**

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

All full-time, salaried permanent 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 interests.

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, in addition to the basic natural and accidental death benefits, provides 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 Cost-of-Living Adjustment (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 \$8,984 as of June 30, 2023.

## **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, 2023 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. 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 to the Group Life Insurance Program from the entity were \$4,268,301 for the years ended June 30, 2023.

## **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, 2023, PWCS reported a liability of \$39,125,789 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2022, and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation performed as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. 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, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, PWCS' proportion for the professional and non-professional groups, respectively, was 2.96% and 0.29%.

For the year ended June 30, 2023, PWCS recognized GLI OPEB expense of \$1,730,616. 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, 2023, PWCS reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,098,270	1,569,633
Change of assumptions	1,459,331	3,811,009
Net difference between projected and actual earnings on GLI OPEB plan investments	-	2,444,786
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,238,199	337,232
Employer contributions subsequent to the measurement date	4,268,301	-
<b>Total</b>	<u>\$ 10,064,101</u>	<u>8,162,660</u>

\$4,268,301 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in the future reporting periods as follows:

<b>Year ended June 30,</b>		
2024	\$	(306,625)
2025		(419,329)
2026		(1,753,932)
2027		433,005
2028		(319,979)
<b>Total</b>	<u>\$</u>	<u>(2,366,860)</u>

**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:

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Proportionate share of the VRS GLI OPEB Plan Net GLI OPEB Liability	\$ 56,932,603	\$ 39,125,789	\$ 24,735,447

## VRS GLI Program Fiduciary Net Position

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2022 ACFR. A copy of the 2022 VRS ACFR may be downloaded from the VRS website at <http://varetire.org/pdf/publications/2022-annual-report.pdf>, or by writing to the VRS' Chief Financial Officer at P.O. Box 2500, Richmond, VA 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 2023 was \$ \$6,276,870. 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 with 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 downloading 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	<u>265</u>
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, 2023

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. See appendix 3 in the FYE 2022 ADC report for more details

Medical Trend: The medical trend assumption has also been updated since the previous valuation. The prior valuation used SOA Model 2019 baseline assumptions. The current valuation uses the used SOA Model 2022 baseline assumptions. The following assumptions 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 (Asset)**

PWCS’ net OPEB (asset) was measured as of June 30, 2023, 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 (Asset)**

Changes in the net OPEB (asset) for the year ended June 30, 2023 are as follows:

Total OPEB liability	\$ 40,770,611
Plan fiduciary net position	<u>(52,457,716)</u>
Net OPEB (asset)	<u>(11,687,105)</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	128.67%

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

The following represents the net OPEB (asset) calculated using the discount rate of 6.75%, as well as what the net OPEB (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:

	<u>1% Decrease</u> <u>(5.75%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(6.75%)</u>	<u>1% Increase</u> <u>(7.75%)</u>
Net OPEB (Asset)	\$ (8,940,612)	\$ (11,687,105)	\$ (14,258,262)

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

The following represents the total and net OPEB (asset) calculated using the stated health care cost trend assumption, as well as what the OPEB (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:

	<u>1% Decrease</u> <u>(2.94%)</u>	<u>Medical Trend</u> <u>(3.94%)</u>	<u>1% Increase</u> <u>(4.94%)</u>
Net OPEB (Asset)	\$ (15,791,380)	\$ (11,687,105)	\$ (6,950,419)

**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 covers 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 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	<u>8,264</u>

**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's liability. For the year ended June 30, 2023, plan members received \$4,914,231 in benefits and contributed \$2,911,275 in premiums, resulting in net benefits paid by PWCS of \$2,002,956.

### 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:	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 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 Share of 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	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.
Claims assumption:	The three Anthem plans are self-insured while the Kaiser plan is fully insured. To determine the assumed cost and the retiree contributions, we weighted the FYE 2022 premium rates by the current enrollment. Gross claims are equal to the age adjusted assumed cost. The results were increased by a load of 1.20 to account for selection. The resulting average pre age 65 claims were age adjusted. The chart below shows the current cost broken down between the published per capita cost (i.e., the blended rates) and the hidden subsidy.



FYE 2023		
Total Costs (per annum)	Single	Family
1. Assumed Costs (Explicit Costs)		
a. Pre-Medicare	\$ 8,012	\$ 17,459
2. Total Medical Costs (includes prescription drugs)		
a. Under 50	\$ 8,674	\$ 18,900
b. Age 50-54	\$ 10,797	\$ 23,527
c. Age 55-59	\$ 13,293	\$ 28,965
d. Age 60-64	\$ 16,324	\$ 35,568

### Net OPEB Liability (Asset)

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

### Changes in the Net OPEB (Asset)

Changes in the net OPEB (asset) for the year ended June 30, 2023 are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) (a) - (b)
Balances as of June 30, 2021 for FYE 2022	\$ 39,792,756	54,123,319	(14,330,563)
Changes for the year:			
Service cost	2,237,809	-	2,237,809
Interest	2,669,877	-	2,669,877
Changes of Benefit Terms	-	-	-
Experience Losses	492,621	-	492,621
Trust Contributions - employer	-	3,713,963	(3,713,963)
Net investment income	-	(7,565,842)	7,565,842
Changes in Assumptions	(3,890,710)	-	(3,890,710)
Benefit payments (net of retiree contributions)	(1,913,963)	(1,913,963)	-
Net changes	(404,366)	(5,765,842)	5,361,476
Balance as of June 30, 2022 for FYE 2023	\$ 39,388,390	48,357,477	(8,969,087)

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

The following represents the total and net OPEB (asset) calculated using the discount rate of 6.75%, as well as what the net OPEB (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 (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 (Asset) to Changes in the Healthcare Cost Trend Rate**

The following represents the total and net OPEB (asset) calculated using the stated healthcare cost trend assumption, as well as what the net OPEB (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:

	<u>1% Decrease</u> <u>(3%)</u>	<u>Medical Trend</u> <u>(4%)</u>	<u>1% Increase</u> <u>(5%)</u>
Net OPEB (asset)	\$ (12,642,357)	\$ (8,969,087)	\$ (4,743,899)

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

For the fiscal year ended June 30, 2023, PWCS recognized OPEB expense of \$4,508,193. At June 30, 2023, PWCS reported deferred outflows of resources and deferred inflows of resources related to OPEB plan from the following sources:

	<u>Deferred Outflows of</u> <u>Resources</u>	<u>Deferred Inflows of</u> <u>Resources</u>
Differences between expected and actual experience	\$ 410,517	20,923,104
Change of assumptions	-	3,380,033
Net difference between projected and actual earnings on OPEB plan investments	4,594,456	-
Employer contributions subsequent to the measurement date	2,002,956	-
<b>Total</b>	<u>\$ 7,007,929</u>	<u>24,303,137</u>

\$2,002,956 reported as deferred outflows of resources related to OPEB resulting from PWCS' contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB (asset) in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Fiscal Year Ended June 30</b>	
2024	\$ (5,522,391)
2025	(5,551,174)
2026	(2,995,420)
2027	(1,361,440)
2028	(3,644,933)
Thereafter	<u>(222,806)</u>
Total	<u>\$ (19,298,164)</u>

**Summary of OPEB Plans**

The following table presents a summary of the deferred outflows of resources, deferred inflows of resources, OPEB expenses, and net OPEB liability (asset) for each OPEB plan.

	<u>VRS HIC OPEB</u>	<u>VRS GLI OPEB</u>	<u>PWCS OPEB</u>	<u>TOTAL OPEB</u>
<b>Deferred Outflows of Resources:</b>				
Differences between expected and actual experience	\$ 242,271	3,098,270	410,517	3,751,058
Employer contributions made subsequent to the Measurement Date	8,775,278	4,268,301	2,002,956	15,046,535
Change in assumptions	2,514,137	1,459,331	-	3,973,468
Changes in proportionate share of contributions	2,978,266	1,238,199	-	4,216,465
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>-</u>	<u>4,594,456</u>	<u>4,594,456</u>
Deferred Outflows of Resources	<u>\$ 14,509,952</u>	<u>10,064,101</u>	<u>7,007,929</u>	<u>31,581,982</u>
<b>Deferred Inflows of Resources:</b>				
Differences between expected and actual experience	3,677,792	1,569,633	20,923,104	26,170,529
Changes in proportionate share of contributions	590,653	337,232	-	927,885
Change in assumptions	225,160	3,811,009	3,380,033	7,416,202
Net difference between projected and actual earnings on pension plan investments	<u>137,415</u>	<u>2,444,786</u>	<u>-</u>	<u>2,582,201</u>
Deferred Inflows of Resources	<u>\$ 4,631,020</u>	<u>8,162,660</u>	<u>24,303,137</u>	<u>37,096,817</u>
<b>OPEB expenses for the year ended June 30, 2023</b>	<u>\$ 7,523,184</u>	<u>1,730,616</u>	<u>(4,508,193)</u>	<u>4,745,607</u>
<b>Net OPEB liability (Asset) as of June 30, 2023</b>	<u>\$ 86,758,371</u>	<u>39,125,789</u>	<u>(8,969,087)</u>	<u>116,915,073</u>

## Note 12 – Subsequent events

On November 9, 2023, the County sold the VPSA Special Obligation School Financing Bonds, Series 2023, in the par amount of \$135,815,000 with a true interest cost of 4.25%. The sale of the bonds was approved by the Board on September 26, 2023, by Resolution No. 23-483. 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
2023	\$ 4,137,236	\$ 4,137,236	-	\$ 68,158,743	6.07 %
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

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 \*

	2022**	2021**	2020**	2019**	2018**	2017**	2016**	2015**	2014**
<b>Total pension liability</b>									
Service cost	\$ 4,841,864	\$ 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	16,709,106	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	1,070,293	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	(12,630,859)	(10,902,691)	(10,289,367)	(9,091,649)	(8,794,953)	(8,314,018)	(8,021,757)	(7,438,101)	(6,966,544)
<b>Net change in total pension liability</b>	9,990,404	18,879,528	9,010,385	15,626,778	10,671,220	5,702,781	8,115,612	10,301,361	9,625,688
<b>Total pension liability - beginning</b>	249,015,870	230,136,342	221,125,957	205,499,179	194,827,959	189,125,178	181,009,566	170,708,205	161,082,517
<b>Total pension liability - ending</b>	<b>259,006,274</b>	<b>249,015,870</b>	<b>230,136,342</b>	<b>221,125,957</b>	<b>205,499,179</b>	<b>194,827,959</b>	<b>189,125,178</b>	<b>181,009,566</b>	<b>170,708,205</b>
<b>Plan fiduciary net position</b>									
Contributions - employer	\$ 3,262,506	\$ 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	2,826,436	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	(242,000)	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	(12,630,859)	(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	(163,500)	(142,756)	(136,917)	(131,359)	(119,620)	(118,992)	(103,842)	(100,577)	(117,603)
Other changes	5,380	5,382	(4,740)	(8,405)	(12,445)	(18,491)	(1,248)	(1,578)	1,163
<b>Net change in plan fiduciary net position</b>	(6,942,037)	52,065,141	(356,795)	10,059,314	11,298,411	18,525,509	1,716,036	6,712,678	22,306,538
<b>Plan fiduciary net position - beginning</b>	<b>\$ 262,283,262</b>	<b>\$ 210,218,121</b>	<b>210,574,916</b>	<b>200,515,602</b>	<b>189,217,191</b>	<b>170,691,682</b>	<b>168,975,646</b>	<b>162,262,968</b>	<b>139,956,430</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 255,341,225</b>	<b>\$ 262,283,262</b>	<b>210,218,121</b>	<b>210,574,916</b>	<b>200,515,602</b>	<b>189,217,191</b>	<b>170,691,682</b>	<b>168,975,646</b>	<b>162,262,968</b>
<b>Non-professional groups' net pension liability (asset) - ending</b>	<b>\$ 3,665,049</b>	<b>\$ (13,267,392)</b>	<b>\$ 19,918,221</b>	<b>10,551,041</b>	<b>4,983,577</b>	<b>5,610,768</b>	<b>18,433,496</b>	<b>12,033,920</b>	<b>8,445,237</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	99 %	105	91	95	98	97	90	93	95
<b>Covered payroll</b>	\$ 61,817,796	\$ 60,189,812	\$ 61,564,188	58,969,432	57,625,524	56,228,376	53,948,630	52,522,441	52,471,315
<b>Non-professional groups' net pension liability (asset) as a percentage of covered payroll</b>	5 %	(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
2023	\$ 119,544,529	\$ 119,544,529	-	\$ 719,281,161	16.62 %
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

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 \*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	6.86 %	6.87	6.76	6.61	6.68	6.57	6.51	6.45	6.34
Proportionate share of the net pension liability	\$ 652,855,060	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	\$ 642,067,947	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	101.68 %	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	82.61 %	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
2023	\$ 143,133	\$ 143,133	-	\$ 68,158,743	0.21 %
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

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 \*

	2022	2021	2020	2019	2018	2017
<b>Total HIC OPEB liability</b>						
Service cost	\$ 52,044	67,755	66,306	64,277	62,278	67,405
Interest	181,108	172,377	163,117	159,532	156,456	153,000
Changes of benefit terms	-	-	93,666	-	-	-
Differences between expected and actual experience	(105,041)	(43,735)	(52,167)	(31,876)	(58,144)	-
Changes in assumptions	241,849	23,234	-	63,915	-	(70,000)
Benefit payments, including refunds of employee contributions	(149,226)	(135,434)	(132,035)	(104,630)	(128,649)	(70,000)
<b>Net change in total HIC OPEB liability</b>	220,734	84,197	138,887	151,218	31,941	80,405
<b>Total HIC OPEB liability - beginning</b>	2,705,648	2,621,451	2,482,564	2,331,346	2,299,405	2,219,000
<b>Total HIC OPEB liability - ending</b>	<u>\$ 2,926,382</u>	<u>2,705,648</u>	<u>2,621,451</u>	<u>2,482,564</u>	<u>2,331,346</u>	<u>2,299,405</u>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 134,706	131,353	128,961	123,765	126,680	123,856
Net investment income	2,556	453,780	34,065	103,070	105,718	151,368
Benefit payments, including refunds of employee contributions	(149,226)	(135,434)	(132,035)	(104,630)	(128,649)	(69,750)
Administrative expenses	(3,820)	(5,407)	(3,301)	(2,257)	(2,500)	(2,506)
Other changes	58,103	-	(15)	(122)	(7,449)	7,449
<b>Net change in plan fiduciary net position</b>	42,319	444,292	27,675	119,826	93,800	210,417
<b>Plan fiduciary net position - beginning</b>	2,181,750	1,737,458	1,709,783	1,589,957	1,496,157	1,285,740
<b>Plan fiduciary net position - ending</b>	<u>\$ 2,224,069</u>	<u>2,181,750</u>	<u>1,737,458</u>	<u>1,709,783</u>	<u>1,589,957</u>	<u>1,496,157</u>
<b>Non-professional groups' net HIC OPEB liability- ending</b>	<u>\$ 702,313</u>	<u>523,898</u>	<u>883,993</u>	<u>772,781</u>	<u>741,389</u>	<u>803,248</u>
<b>Plan fiduciary net position as a percentage of the total HIC OPEB liability</b>	76.0%	80.6%	66.3%	68.9%	68.2%	65.1%
<b>Covered payroll</b>	\$61,811,513	60,189,812	61,564,208	58,962,494	57,625,524	56,288,932
<b>Non-professional groups' net HIC OPEB liability as a percentage of covered payroll</b>	1.14%	0.87%	1.44%	1.31%	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
2023	\$ 8,632,145	\$ 8,632,145	-	\$ 719,242,307	1.20 %
2022	7,704,587	7,704,587	-	642,048,936	1.20
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

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 \*

	2023	2022	2021	2020	2019	2018
Proportion of the net HIC OPEB liability	6.89 %	6.91	6.78	6.64	6.70	6.60
Proportionate share of the net HIC OPEB liability	\$ 86,056,058	88,642,517	88,501,531	86,886,094	85,128,000	83,738,000
Covered payroll	\$ 642,048,936	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	13.40 %	14.52	14.89	15.61	15.70	16.10
Plan fiduciary net position as a percentage of the total HIC OPEB liability	15.08 %	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
2023	\$ 370,632	\$ 370,632	-	\$ 68,635,464	0.54
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

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 \*

	2023	2022	2021	2020	2019	2018
Proportion of the net GLI OPEB liability	0.29 %	0.29	0.30	0.30	0.31	0.31
Proportionate share of the net GLI OPEB liability	\$ 3,442,873	3,417,835	5,010,013	4,920,528	4,637,000	4,616,000
Covered payroll	62,319,332	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	5.52 %	5.62	8.09	8.30	7.99	8.16
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.21 %	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 provided in the illustration below:

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
2023	\$ 3,898,401	\$ 3,898,401	-	\$ 721,926,175	0.54
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

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 \*

	2023	2022	2021	2020	2019	2018
Proportion of the net GLI OPEB liability	2.96 %	2.97 %	2.90	2.85	2.87	2.84
Proportionate share of the net GLI OPEB liability	\$ 35,682,916	\$ 34,552,780	48,370,052	46,421,022	43,550,000	42,687,000
Covered payroll	\$ 644,531,852	\$ 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	5.54 %	5.64 %	8.11	8.30	7.99	8.16
Plan fiduciary net position as a percentage of the total GLI OPEB liability	67.21 %	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	Contractually Required Contribution	Contributions in Relation Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 2,002,956	\$ 3,713,963	-	\$ 787,401,050	0.47 %
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

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 \*

	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB liability</b>							
Service cost	\$ 1,961,683	\$ 2,237,809	2,151,739	2,912,856	2,800,822	3,015,212	2,624,490
Interest	2,552,996	2,669,877	2,578,232	3,902,547	3,709,543	4,651,642	4,689,989
Changes of Benefit Terms							
Differences between expected and actual experience	(1,129,502)	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	(2,002,956)	(1,913,963)	(1,755,784)	(3,044,816)	(3,059,924)	(3,041,063)	(3,328,588)
<b>Net change in total OPEB liability</b>	1,382,221	(404,366)	1,191,760	(19,075,675)	2,856,047	(13,540,622)	3,985,891
<b>Total OPEB liability - beginning</b>	39,388,390	39,792,756	38,600,996	57,676,671	54,820,624	68,361,246	64,375,355
<b>Total OPEB liability - ending</b>	40,770,611	39,388,390	39,792,756	38,600,996	57,676,671	54,820,624	68,361,246
<b>Plan fiduciary net position</b>							
Contributions - employer	\$ 2,002,956	\$ 3,713,963	3,555,784	4,844,816	4,859,924	4,041,063	4,328,588
Net investment income	4,100,239	(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	(2,002,956)	(1,913,963)	(1,755,784)	(3,044,816)	(3,059,924)	(3,041,063)	(3,328,588)
Administrative expenses	-	-	-	-	(2,000)	(8,500)	-
<b>Net change in plan fiduciary net position</b>	4,100,239	(5,765,842)	12,520,528	4,278,472	4,046,464	3,331,704	3,618,693
<b>Plan fiduciary net position - beginning</b>	48,357,477	54,123,319	41,602,791	37,324,319	33,277,855	29,946,151	26,327,458
<b>Plan fiduciary net position - ending</b>	52,457,716	48,357,477	54,123,319	41,602,791	37,324,319	33,277,855	29,946,151
<b>Net OPEB liability (asset) - ending</b>	\$ (11,687,105)	\$ (8,969,087)	(14,330,563)	(3,001,795)	20,352,352	21,542,769	38,415,095
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	128.7 %	122.8 %	136.0	107.8	64.7	60.7	43.8
<b>Covered-employee payroll</b>	\$ 703,885,743	\$ 668,813,774	\$ 655,996,604	615,454,589	599,821,643	576,721,212	549,996,838
<b>Non-professional groups' net OPEB liability (asset) as a percentage of covered-employee payroll</b>	(1.7) %	(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, 2023**

**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, 2021, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

	<b>Non-Hazardous Duty Non-professional Group</b>	<b>Professional Group</b>
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 age and service decrement through 9 years of service	Adjusted rates to better fit experience at each age and service decrement 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  
 Combining Balance Sheet  
 Other Non-major Governmental Funds - Special Revenue Funds  
 June 30, 2023

Schedule 1

	Facilities Use Fund	Student Activity Fund	Total Other Non- major Governmental Funds
<b>ASSETS</b>			
Equity in cash and pooled investments	\$ 2,807,139	9,904,574	12,711,713
Accounts receivable	174,292	308,941	483,233
Total assets	<u>2,981,431</u>	<u>10,213,515</u>	<u>13,194,946</u>
<b>LIABILITIES and FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	22,443	175,893	198,336
Salaries payable and withholdings	44,818	-	44,818
Total liabilities	<u>67,261</u>	<u>175,893</u>	<u>243,154</u>
Fund Balances:			
Restricted for:			
Student activity services	-	10,037,622	10,037,622
Committed:			
Community service operations	2,914,170	-	2,914,170
Total fund balances	<u>2,914,170</u>	<u>10,037,622</u>	<u>12,951,792</u>
Total liabilities and fund balances	<u>\$ 2,981,431</u>	<u>10,213,515</u>	<u>13,194,946</u>

Prince William County Public Schools  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Other Non-major Governmental Funds - Special Revenue Funds  
 For the Year Ended June 30, 2023

Schedule 2

	Facilities Use Fund	Student Activity Fund	Total Other Non-major Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>REVENUES:</b>			
Use of money and property:			
Use of money - interest and investments	\$ (5,322)	-	(5,322)
Use of property	872,039	-	872,039
Miscellaneous	-	12,682,596	12,682,596
Total revenues	<u>866,717</u>	<u>12,682,596</u>	<u>13,549,313</u>
<b>EXPENDITURES:</b>			
Current:			
Community service operations	1,169,498	-	1,169,498
Student activities	-	11,540,080	11,540,080
Total expenditures	<u>1,169,498</u>	<u>11,540,080</u>	<u>12,709,578</u>
Excess (deficiency) of revenues over (under) expenditures	(302,781)	1,142,516	839,735
Net change in fund balances	<u>(302,781)</u>	<u>1,142,516</u>	<u>839,735</u>
<b>FUND BALANCES, beginning of year</b>	3,216,951	8,895,106	12,112,057
<b>FUND BALANCES, end of year</b>	<u>\$ 2,914,170</u>	<u>10,037,622</u>	<u>12,951,792</u>



Prince William County Public Schools  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Facilities Use Fund  
 For the Year Ended June 30, 2023

Schedule 3

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Charges for services	\$ 555,200	555,200	-	(555,200)
Use of money and property:				
Use of money - interest and investments	-	-	(5,322)	(5,322)
Use of property	1,169,616	1,169,616	872,039	(297,577)
Total revenues	<u>1,724,816</u>	<u>1,724,816</u>	<u>866,717</u>	<u>(858,099)</u>
<b>EXPENDITURES:</b>				
Current:				
Community service operations	1,901,466	1,846,849	1,169,498	677,351
Total expenditures	<u>1,901,466</u>	<u>1,846,849</u>	<u>1,169,498</u>	<u>677,351</u>
Deficiency of revenues under expenditures	(176,650)	(122,033)	(302,781)	(180,748)
Net change in fund balances	<u>(176,650)</u>	<u>(122,033)</u>	<u>(302,781)</u>	<u>(180,748)</u>
<b>FUND BALANCES, beginning of year</b>	<u>3,216,951</u>	<u>3,216,951</u>	<u>3,216,951</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 3,040,301</u>	<u>3,094,918</u>	<u>2,914,170</u>	<u>(180,748)</u>

Prince William County Public Schools  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Student Activity Fund  
 For the Year Ended June 30, 2023

Schedule 4

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
<b>REVENUES:</b>				
Charge for services	\$ 15,656,000	15,656,000	12,682,596	(2,973,404)
Total revenues	<u>15,656,000</u>	<u>15,656,000</u>	<u>12,682,596</u>	<u>(2,973,404)</u>
<b>EXPENDITURES:</b>				
Current:				
Student activities	15,656,000	15,656,000	11,540,080	4,115,920
Total expenditures	<u>15,656,000</u>	<u>15,656,000</u>	<u>11,540,080</u>	<u>4,115,920</u>
Excess of revenues over expenditures	-	-	1,142,516	1,142,516
Net change in fund balances	<u>-</u>	<u>-</u>	<u>1,142,516</u>	<u>1,142,516</u>
<b>FUND BALANCES, beginning of year</b>	<u>8,895,106</u>	<u>8,895,106</u>	<u>8,895,106</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u><u>\$ 8,895,106</u></u>	<u><u>8,895,106</u></u>	<u><u>10,037,622</u></u>	<u><u>1,142,516</u></u>

## 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, 2023

Schedule 5

	Distribution Center Fund	Imaging Center Fund	Self-Insurance Fund	Health Insurance Fund	Total Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Equity in cash and pooled investments	\$ -	183,865	8,322,290	54,753,414	63,259,569
Accounts receivable and other current assets	-	635	29,747	208,277	238,659
Inventory	1,962,105	-	-	-	1,962,105
Total current assets	<u>1,962,105</u>	<u>184,500</u>	<u>8,352,037</u>	<u>54,961,691</u>	<u>65,460,333</u>
Noncurrent assets:					
Depreciable capital assets:					
Equipment	-	16,495	-	-	16,495
Less: accumulated depreciation	-	(478)	-	-	(478)
Total noncurrent assets	<u>-</u>	<u>16,017</u>	<u>-</u>	<u>-</u>	<u>16,017</u>
Total assets	<u>1,962,105</u>	<u>200,517</u>	<u>8,352,037</u>	<u>54,961,691</u>	<u>65,476,350</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	159,444	8,623	-	2,540,548	2,708,615
Salaries payable and withholdings	-	388	113	1,187	1,688
Unearned revenue	-	-	-	10,064,258	10,064,258
Due to other funds	794,462	-	-	-	794,462
Incurred but not reported claims	-	-	1,772,226	9,178,000	10,950,226
Total current liabilities	<u>953,906</u>	<u>9,011</u>	<u>1,772,339</u>	<u>21,783,993</u>	<u>24,519,249</u>
Noncurrent liabilities:					
Incurred but not reported claims	-	-	5,575,563	-	5,575,563
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>5,575,563</u>	<u>-</u>	<u>5,575,563</u>
Total liabilities	<u>953,906</u>	<u>9,011</u>	<u>7,347,902</u>	<u>21,783,993</u>	<u>30,094,812</u>
<b>NET POSITION</b>					
Unrestricted	1,008,199	191,506	1,004,135	33,177,698	35,381,538
Total net position	<u>\$ 1,008,199</u>	<u>191,506</u>	<u>1,004,135</u>	<u>33,177,698</u>	<u>35,381,538</u>

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, 2023

Schedule 6

	Distribution Center Fund	Imaging Center Fund	Self- Insurance Fund	Health Insurance Fund	Total Internal Service Funds
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 5,971,412	765,062	8,192,360	125,538,697	140,467,531
Total operating revenues	<u>5,971,412</u>	<u>765,062</u>	<u>8,192,360</u>	<u>125,538,697</u>	<u>140,467,531</u>
<b>OPERATING EXPENSES:</b>					
Personnel services	-	338,348	565,723	709,073	1,613,144
Materials/supplies	-	229,110	-	283,304	512,414
Administrative costs	-	-	115,026	2,196,686	2,311,712
Contractual services	-	58,500	51,343	229,525	339,368
Premiums	-	-	1,580,492	-	1,580,492
Claims and benefits paid	-	-	-	122,370,955	122,370,955
Losses and unallocated loss adjustment	-	-	4,204,973	-	4,204,973
Cost of goods sold	5,487,048	-	-	-	5,487,048
Depreciation	-	478	-	-	478
Total operating expenses	<u>5,487,048</u>	<u>626,436</u>	<u>6,517,557</u>	<u>125,789,543</u>	<u>138,420,584</u>
Operating Income (loss)	<u>484,364</u>	<u>138,626</u>	<u>1,674,803</u>	<u>(250,846)</u>	<u>2,046,947</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Interest earnings (expense)	(9,548)	1,425	(107,447)	(206,089)	(321,659)
Total non-operating revenues (expenses), net	<u>(9,548)</u>	<u>1,425</u>	<u>(107,447)</u>	<u>(206,089)</u>	<u>(321,659)</u>
Income (loss) before transfers	474,816	140,051	1,567,356	(456,935)	1,725,288
<b>TRANSFERS:</b>					
Transfers In:					
General fund	-	-	-	1,800,000	1,800,000
Total other transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,800,000</u>	<u>1,800,000</u>
Change in net position	474,816	140,051	1,567,356	1,343,065	3,525,288
<b>NET POSITION, beginning of year</b>	<u>533,383</u>	<u>51,455</u>	<u>(563,221)</u>	<u>31,834,633</u>	<u>31,856,250</u>
<b>NET POSITION, end of year</b>	<u>\$ 1,008,199</u>	<u>191,506</u>	<u>1,004,135</u>	<u>33,177,698</u>	<u>35,381,538</u>

Prince William County Public Schools  
 Combining Statement of Cash Flows  
 Internal Service Funds  
 For the Year Ended June 30, 2023

Schedule 7

	Distribution Center Fund	Imaging Center Fund	Self-Insurance Fund	Health Insurance Fund	Total Internal Service Funds
<b>Cash Flows from Operating Activities:</b>					
Receipts from interfund services provided	\$ 5,971,412	762,141	8,194,117	126,103,924	141,031,594
Receipts from customers and users	-	5,732	-	-	5,732
Payments to suppliers for goods and services	(6,064,095)	(285,238)	(6,202,679)	(123,009,965)	(135,561,977)
Payments to employees	-	(338,373)	(566,106)	(708,009)	(1,612,488)
Net cash provided by (used in) operating activities	<u>(92,683)</u>	<u>144,262</u>	<u>1,425,332</u>	<u>2,385,950</u>	<u>3,862,861</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Due to other funds	102,231	(11,235)	-	-	90,996
Transfers from other funds	-	-	-	1,800,000	1,800,000
Net cash provided by non-capital financing activities	<u>102,231</u>	<u>(11,235)</u>	<u>-</u>	<u>1,800,000</u>	<u>1,890,996</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Purchase of equipment	-	(16,495)	-	-	(16,495)
Net cash used in capital and related financing activities	<u>-</u>	<u>(16,495)</u>	<u>-</u>	<u>-</u>	<u>(16,495)</u>
<b>Cash Flows from Investing Activities:</b>					
Interest expense from investments	-	723	-	-	723
Interest used for investments	(9,548)	-	(112,406)	(237,476)	(359,430)
Net cash provided by (used in) investing activities	<u>(9,548)</u>	<u>723</u>	<u>(112,406)</u>	<u>(237,476)</u>	<u>(358,707)</u>
Net increase in equity in cash and pooled investments	-	117,255	1,312,926	3,948,474	5,378,655
Equity in cash and pooled investments, beginning of year	-	66,610	7,009,364	50,804,940	57,880,914
Equity in cash and pooled investments, end of year	<u>\$ -</u>	<u>183,865</u>	<u>8,322,290</u>	<u>54,753,414</u>	<u>63,259,569</u>
<b>Reconciliation of Operating Income (loss) to Net Cash Provided by (Used in) Operating Activities:</b>					
Operating Income (loss)	\$ 484,364	138,626	1,674,803	(250,846)	2,046,947
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Change in assets and liabilities:					
Depreciation expense	-	478	-	-	478
Decrease in accounts receivable	-	2,811	1,757	-	4,568
(Increase) in inventory	(169,623)	-	-	-	(169,623)
Increase in unearned revenues	-	-	-	565,227	565,227
Increase (decrease) in accounts payable and accrued liabilities	(407,424)	2,372	(836,537)	1,281,505	39,916
Increase (decrease) in salaries payable and withholdings	-	(25)	(383)	1,064	656
Increase in incurred but not reported claims	-	-	585,692	789,000	1,374,692
Net cash provided by (used in) operating activities	<u>\$ (92,683)</u>	<u>144,262</u>	<u>1,425,332</u>	<u>2,385,950</u>	<u>3,862,861</u>

## 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  
Combining Statement of Fund Net Position  
Enterprise Funds  
June 30, 2023

Schedule 8

	School Age Child Care Fund	Aquatics Center Fund	Total Enterprise Funds
<b>ASSETS</b>			
Current assets:			
Equity in cash and pooled investments	\$ 42,426	530,159	572,585
Accounts receivable and other current assets	137,956	85,148	223,104
Inventory	-	816	816
Total current assets	<u>180,382</u>	<u>616,123</u>	<u>796,505</u>
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	-	<u>(1,245,868)</u>	<u>(1,245,868)</u>
Total noncurrent assets	<u>-</u>	<u>7,983,108</u>	<u>7,983,108</u>
Total assets	<u>180,382</u>	<u>8,599,231</u>	<u>8,779,613</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	3,712	14,065	17,777
Salaries payable and withholdings	-	51,206	51,206
Unearned revenues	-	69,110	69,110
Total current liabilities	<u>3,712</u>	<u>134,381</u>	<u>138,093</u>
Total liabilities	<u>3,712</u>	<u>134,381</u>	<u>138,093</u>
<b>NET POSITION</b>			
Investment in capital assets	-	7,983,108	7,983,108
Unrestricted	176,670	481,742	658,412
Total net position	<u>\$ 176,670</u>	<u>8,464,850</u>	<u>8,641,520</u>



Prince William County Public Schools  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
Enterprise Funds  
For the Year Ended June 30, 2023

Schedule 9

	School Age Child Care Fund	Aquatics Center Fund	Total Enterprise Funds
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 550,000	1,021,847	1,571,847
Total operating revenues	<u>550,000</u>	<u>1,021,847</u>	<u>1,571,847</u>
<b>OPERATING EXPENSES:</b>			
Personnel services	341,043	1,482,826	1,823,869
Materials/supplies	53,757	45,057	98,814
Utilities	-	180,039	180,039
Contractual services	131,958	199,874	331,832
Cost of goods sold	-	2,525	2,525
Depreciation	-	183,561	183,561
Total operating expenses	<u>526,758</u>	<u>2,093,882</u>	<u>2,620,640</u>
Operating income (loss)	<u>23,242</u>	<u>(1,072,035)</u>	<u>(1,048,793)</u>
<b>NON-OPERATING EXPENSES:</b>			
Interest expense	(1,668)	(11,130)	(12,798)
Total non-operating expenses	<u>(1,668)</u>	<u>(11,130)</u>	<u>(12,798)</u>
Income (loss) before transfers	21,574	(1,083,165)	(1,061,591)
<b>TRANSFERS:</b>			
Transfers In:			
General Fund	-	1,080,090	1,080,090
Total other transfers	<u>-</u>	<u>1,080,090</u>	<u>1,080,090</u>
Change in net position	21,574	(3,075)	18,499
<b>NET POSITION, beginning of year</b>	<u>155,096</u>	<u>8,467,925</u>	<u>8,623,021</u>
<b>NET POSITION, end of year</b>	<u>\$ 176,670</u>	<u>8,464,850</u>	<u>8,641,520</u>

Prince William County Public Schools  
Combining Statement of Cash Flows  
Enterprise Funds  
For the Year Ended June 30, 2023

Schedule 10

	School Age Child Care Fund	Aquatics Center Fund	Total Enterprise Funds
<b>Cash Flows from Operating Activities:</b>			
Receipts from customers and users	\$ 550,000	1,057,370	1,607,370
Payments to suppliers for goods and services	(186,057)	(425,171)	(611,228)
Payments to employees	(341,043)	(1,458,942)	(1,799,985)
Net cash provided by (used in) operating activities	<u>22,900</u>	<u>(826,743)</u>	<u>(803,843)</u>
<b>Cash Flows from Non-capital Financing Activities:</b>			
Transfers from other funds	-	1,080,090	1,080,090
Net cash provided by non-capital financing activities	<u>-</u>	<u>1,080,090</u>	<u>1,080,090</u>
<b>Cash Flows from Investing Activities:</b>			
Interest used for investments	(1,758)	(9,307)	(11,065)
Net cash used in investing activities	<u>(1,758)</u>	<u>(9,307)</u>	<u>(11,065)</u>
Net increase in equity in cash and pooled investments	21,142	244,040	265,182
Equity in cash and pooled investments, beginning of year	<u>21,284</u>	<u>286,119</u>	<u>307,403</u>
Equity in cash and pooled investments, end of year	<u>\$ 42,426</u>	<u>530,159</u>	<u>572,585</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>			
Operating Income (loss)	\$ 23,242	(1,072,035)	(1,048,793)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Change in assets and liabilities:			
Depreciation expense	-	183,561	183,561
Decrease in accounts receivable	-	1,139	1,139
Decrease in inventory	-	91	91
Increase in unearned revenues	-	34,384	34,384
Increase (decrease) in accounts payable and accrued liabilities:	(342)	2,233	1,891
Increase in salaries payable and withholdings	-	23,884	23,884
Net cash provided by (used in) operating activities	<u>\$ 22,900</u>	<u>(826,743)</u>	<u>(803,843)</u>

## 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. In FY 2023, the Regional School fund was dissolved due to the discontinuation of the Regional School programs;and its remaining assets were released and dispersed to the program's participating governments.

Prince William County Public Schools  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2023

Schedule 11

	<b>Governor's School @ Innovation Park</b>	<b>Regional School Fund</b>	<b>Total Custodial Funds</b>
<b>ASSETS</b>			
Cash and pooled investments	\$ 689,082	-	689,082
Interest and other receivable	145,150	-	145,150
Due from other governmental units	79,593	-	79,593
Capital assets:			
Depreciable capital assets	35,432	-	35,432
Less: accumulated depreciation	(15,232)	-	(15,232)
Total assets	<u>934,025</u>	<u>-</u>	<u>934,025</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	<u>574,979</u>	<u>-</u>	<u>574,979</u>
Total liabilities	<u>574,979</u>	<u>-</u>	<u>574,979</u>
<b>NET POSITION</b>			
Net investment in capital assets	20,200	-	20,200
Restricted for:			
Individuals, organizations, and other governments	338,846	-	338,846
Total net position	<u>\$ 359,046</u>	<u>-</u>	<u>359,046</u>

Prince William County Public Schools  
Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2023

Schedule 12

	<u>Governor's School @ Innovation Park</u>	<u>Regional School Fund</u>	<u>Total Custodial Funds</u>
<b>ADDITIONS:</b>			
Investment earnings:			
Net decrease in fair value of investments	\$ (176,532)	(60,952)	(237,484)
Interest, dividends, and other	94,794	66,639	161,433
Total investment earnings (losses)	<u>(81,738)</u>	<u>5,687</u>	<u>(76,051)</u>
Collections for other governments:			
Governor's school program	781,949	-	781,949
Grants from the State	549,228	-	549,228
Miscellaneous revenues	350,000	-	350,000
Total additions	<u>1,599,439</u>	<u>5,687</u>	<u>1,605,126</u>
<b>DEDUCTIONS:</b>			
Depreciation	2,396	-	2,396
Distributions on behalf of other governments:			
Governor's school program	1,722,902	-	1,722,902
Other	-	3,323,778	3,323,778
Total deductions	<u>1,725,298</u>	<u>3,323,778</u>	<u>5,049,076</u>
Net decrease in fiduciary net position	(125,859)	(3,318,091)	(3,443,950)
<b>NET POSITION, beginning of year</b>	<u>484,905</u>	<u>3,318,091</u>	<u>3,802,996</u>
<b>NET POSITION, end of year</b>	<u>\$ 359,046</u>	<u>-</u>	<u>359,046</u>

# Statistical Section

(unaudited)

## Statistical Section

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

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.

**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.

**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									
	2014 <sup>(1)</sup>	2015	2016	2017 <sup>(2)</sup>	2018	2019	2020 <sup>(3)</sup>	2021	2022	2023
<b>Governmental activities:</b>										
Invested in capital assets	\$ 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	1,855,650
Restricted	49,769	66,882	197,524	173,218	230,312	101,666	86,649	136,535	236,374	183,229
Unrestricted (deficit)	(728,330)	(738,304)	(697,152)	(856,226)	(814,905)	(721,635)	(687,540)	(615,288)	(560,757)	(394,898)
Total governmental activities net position	\$ 501,338	589,748	851,469	766,340	912,262	967,601	1,094,859	1,273,224	1,474,457	1,643,981
<b>Business-type activities:</b>										
Invested in capital assets	\$ -	-	-	9,058	8,876	8,694	8,512	8,330	8,167	7,983
Unrestricted (deficit)	560	466	340	274	48	(6)	(429)	(791)	456	659
Total business-type activities net position	\$ 560	466	340	9,332	8,924	8,686	8,083	7,539	8,623	8,642
<b>Total school division:</b>										
Invested in capital assets	\$ 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	1,863,633
Restricted	49,769	66,882	197,524	173,218	230,312	101,666	86,649	136,535	236,374	183,229
Unrestricted (deficit)	(727,770)	(737,838)	(696,812)	(855,952)	(814,857)	(721,643)	(687,969)	(616,079)	(560,301)	(394,239)
Total school division net position	\$ 501,898	590,214	851,809	775,672	921,186	976,287	1,102,942	1,280,763	1,483,080	1,652,623

<sup>(1)</sup> GASB 68/71 restatement.

<sup>(2)</sup> GASB 75 restatement.

<sup>(3)</sup> 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)*

	<b>Fiscal Year</b>									
	2014 <sup>(1)</sup>	2015	2016	2017 <sup>(2)</sup>	2018	2019	2020 <sup>(3)</sup>	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
Instruction:										
Regular	\$ 489,514	511,206	514,177	562,799	560,440	560,277	638,487	663,688	663,967	716,602
Special	104,231	107,557	107,705	115,150	119,230	124,952	139,207	152,543	144,343	159,867
Other	9,607	10,540	11,811	13,279	13,315	11,796	10,549	8,672	11,826	11,890
Instructional leadership	57,186	59,926	62,180	65,905	70,159	72,143	75,639	78,233	84,708	94,108
Support services:										
General administration	9,988	10,386	10,265	12,185	10,029	10,202	13,234	14,054	6,628	9,739
Student services	13,323	13,157	12,972	16,267	15,356	16,675	22,222	25,745	25,941	31,471
Curricular/staff development	12,707	12,849	12,512	14,935	15,762	18,498	19,666	24,497	35,422	36,715
Pupil transportation	55,479	55,458	54,212	57,032	58,863	60,435	62,282	57,249	66,018	73,926
Operations	23,168	22,848	22,907	24,977	24,100	23,780	27,430	32,766	28,955	36,692
Utilities	22,649	23,715	21,058	23,030	22,822	22,347	21,454	20,091	24,537	25,463
Maintenance	35,983	43,990	42,033	42,245	40,971	40,981	45,628	44,314	54,854	77,012
Central business services	51,164	51,510	50,487	58,559	55,008	61,938	65,454	102,035	74,799	94,403
Reimbursement to County for debt service	74,691	80,755	88,470	89,728	101,582	105,491	104,997	108,665	111,222	109,471
Food & nutrition services	37,430	40,145	42,390	44,879	45,631	44,842	41,003	39,079	44,727	52,530
Community service operations	1,200	1,342	1,420	1,441	1,514	1,465	957	246	826	1,170
Student activities	-	-	-	-	-	-	-	2,754	9,193	11,540
Education foundation	-	519	594	509	532	535	559	622	571	564
Interest on long-term debt	-	-	-	-	-	-	-	-	-	555
Total governmental activities expenses	<u>998,320</u>	<u>1,045,903</u>	<u>1,055,193</u>	<u>1,142,920</u>	<u>1,155,314</u>	<u>1,176,357</u>	<u>1,288,768</u>	<u>1,375,253</u>	<u>1,388,537</u>	<u>1,543,718</u>
Business-type activities: <sup>(1)</sup>										
School Age Child Care	592	607	632	633	619	576	518	432	497	527
Aquatics Center	-	-	-	902	1,238	1,373	1,240	1,200	1,654	2,094
Total business-type activities expenses	<u>592</u>	<u>607</u>	<u>632</u>	<u>1,535</u>	<u>1,857</u>	<u>1,949</u>	<u>1,758</u>	<u>1,632</u>	<u>2,151</u>	<u>2,621</u>
Total school division expenses	<u>\$ 998,912</u>	<u>1,046,510</u>	<u>1,055,825</u>	<u>1,144,455</u>	<u>1,157,171</u>	<u>1,178,306</u>	<u>1,290,526</u>	<u>1,376,885</u>	<u>1,390,688</u>	<u>1,546,339</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction	\$ 3,185	3,140	3,285	3,117	3,416	3,262	2,694	2,043	2,672	2,700
Pupil transportation	61	69	60	110	78	157	236	29	77	81
Operations	306	312	326	326	323	321	260	185	269	314
Central business services	403	430	407	373	831	421	402	408	465	488
Food & nutrition services	17,870	17,401	17,860	18,932	18,415	17,953	12,322	163	689	10,784
Community service operations	1,289	1,408	1,490	1,554	1,552	1,512	893	27	756	872
Student activities	-	-	-	-	-	-	-	2,021	10,614	12,683
Operating grants and contributions	138,511	147,692	153,479	164,137	164,271	164,707	168,118	280,176	292,392	284,388
Capital grants and contributions	108	116	124	119	123	128	119	127	130	22,737
Total governmental activities program revenues	<u>161,733</u>	<u>170,568</u>	<u>177,031</u>	<u>188,668</u>	<u>189,009</u>	<u>188,461</u>	<u>185,044</u>	<u>285,179</u>	<u>308,064</u>	<u>335,047</u>
Business-type activities:										
Charges for services:										
School Age Child Care	475	503	500	513	538	550	297	502	550	550
Aquatics Center	-	-	-	310	510	756	487	184	693	1,022
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>475</u>	<u>503</u>	<u>500</u>	<u>823</u>	<u>1,048</u>	<u>1,306</u>	<u>784</u>	<u>686</u>	<u>1,243</u>	<u>1,572</u>
Total school division program revenues	<u>\$ 162,208</u>	<u>171,071</u>	<u>177,531</u>	<u>189,491</u>	<u>190,057</u>	<u>189,767</u>	<u>185,828</u>	<u>285,865</u>	<u>309,307</u>	<u>336,619</u>
<b>Net (Expense) Revenues</b>										
Governmental activities	(836,587)	(875,335)	(878,162)	(954,252)	(966,305)	(987,896)	(1,103,724)	(1,090,074)	(1,080,473)	(1,208,671)
Business-type activities	(117)	(104)	(132)	(712)	(809)	(643)	(974)	(946)	(908)	(1,049)
Total school division net (expense)	<u>\$ (836,704)</u>	<u>(875,439)</u>	<u>(878,294)</u>	<u>(954,964)</u>	<u>(967,114)</u>	<u>(988,539)</u>	<u>(1,104,698)</u>	<u>(1,091,020)</u>	<u>(1,081,381)</u>	<u>(1,209,720)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Unrestricted grants and contributions	\$ 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	1,368,232
Unrestricted investment earnings	3,123	3,001	3,343	2,638	2,731	8,622	7,180	3,285	(16,624)	2,227
Miscellaneous revenues	6,745	3,135	3,017	5,400	4,753	4,010	4,523	4,953	7,236	8,817
Transfer to Aquatic Center	-	-	-	(9,709)	(400)	(400)	(400)	(402)	(2,000)	(1,080)
Total governmental activities general revenues	<u>900,673</u>	<u>963,745</u>	<u>1,139,883</u>	<u>1,036,299</u>	<u>1,112,227</u>	<u>1,043,235</u>	<u>1,222,775</u>	<u>1,268,439</u>	<u>1,281,706</u>	<u>1,378,196</u>
Business-type activities:										
Unrestricted investment earnings	13	10	6	(4)	1	5	(29)	-	(8)	(13)
Transfer to Aquatic Center	-	-	-	9,709	400	400	400	402	2,000	1,080
Total business-type activities general revenues	<u>13</u>	<u>10</u>	<u>6</u>	<u>9,705</u>	<u>401</u>	<u>405</u>	<u>371</u>	<u>402</u>	<u>1,992</u>	<u>1,067</u>
Total school division general revenues and other changes in net position	<u>\$ 900,686</u>	<u>963,755</u>	<u>1,139,889</u>	<u>1,046,004</u>	<u>1,112,628</u>	<u>1,043,640</u>	<u>1,223,146</u>	<u>1,268,841</u>	<u>1,283,698</u>	<u>1,379,263</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 64,086	88,410	261,721	82,047	145,922	55,339	119,051	178,365	201,233	169,525
Business-type activities	(104)	(94)	(126)	8,993	(408)	(238)	(603)	(544)	1,084	18
Total school division	<u>\$ 63,982</u>	<u>88,316</u>	<u>261,595</u>	<u>91,040</u>	<u>145,514</u>	<u>55,101</u>	<u>118,448</u>	<u>177,821</u>	<u>202,317</u>	<u>169,543</u>

<sup>(1)</sup> PWCS implemented GASB 68 in fiscal year 2015, thus a prior period adjustment of \$834,892 for prior pension liabilities was added.

<sup>(2)</sup> PWCS implemented GASB 75 in fiscal year 2018, thus a prior period adjustment of \$167,177 for prior OPEB liabilities was added.

<sup>(3)</sup> PWCS implemented GASB 84 in fiscal year 2021, thus a prior period adjustment of \$(8,207) was added.

**TABLE 3 - Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years <sup>(1)</sup>**  
*(modified accrual basis of accounting; amounts expressed in thousands)*

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 1,091	1,159	1,247	1,158	1,639	4,192	4,039	4,057	3,946	3,986
Restricted	5,253	4,630	5,042	2,282	6,563	7,938	4,204	6,920	83,183	45,091
Assigned	49,227	43,727	64,684	70,183	88,930	81,919	125,569	174,158	115,745	109,308
Unassigned	9,766	22,479	16,172	24,888	15,259	47,224	26,078	44,750	32,336	120,906
Total General Fund	\$ 65,337	71,995	87,145	98,511	112,391	141,273	159,880	229,885	235,210	279,291
All Other Governmental Funds:										
Construction Fund										
Restricted	\$ 22,123	37,781	165,354	143,327	193,540	58,175	40,615	57,857	44,339	35,195
Assigned	52,603	28,170	28,218	20,170	20,270	40,521	53,960	70,684	81,722	106,902
Food & Nutrition Services Fund <sup>(2)</sup>										
Nonspendable	-	1,495	1,246	1,455	1,696	1,529	1,771	1,625	1,180	961
Restricted	-	23,922	26,628	27,609	30,208	35,554	33,622	64,284	85,626	83,936
Other Nonmajor Special Revenue Fund										
Nonspendable	1,642	-	-	-	-	-	-	-	-	-
Restricted	21,894	-	-	-	-	-	-	7,474	8,895	10,038
Committed	2,992	3,109	3,262	3,366	3,420	3,633	3,688	3,473	3,217	2,914
Total all other governmental funds	\$ 101,254	94,477	224,708	195,927	249,134	139,412	133,656	205,397	224,979	239,946

<sup>(1)</sup> 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 assigned or unassigned.

<sup>(2)</sup> 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Federal sources:										
Food & nutrition services	\$ 21,975	22,963	25,418	26,975	28,417	29,001	24,003	68,176	67,039	38,190
Other federal sources	33,322	34,090	36,129	39,360	41,290	40,020	46,963	88,110	105,362	107,772
Total federal sources	55,297	57,053	61,547	66,335	69,707	69,021	70,966	156,286	172,401	145,962
State sources:										
Basic aid	230,776	241,848	242,427	258,167	259,954	276,492	278,032	292,968	291,111	322,779
Food & nutrition services	722	735	752	938	1,074	1,098	1,054	691	1,619	1,644
Regional school program	20,605	21,598	22,904	24,091	20,531	15,000	12,000	9,046	7,397	6,572
Sales tax	75,529	80,774	85,219	87,330	85,089	98,199	98,715	111,544	127,398	122,788
Special education SOQ <sup>(1)</sup>	17,358	17,451	17,675	18,226	18,371	21,212	21,520	25,303	25,523	35,383
Other state sources	91,311	93,964	97,448	102,579	122,452	129,303	151,994	169,620	184,855	241,530
Total state sources	436,301	456,370	466,425	491,331	507,471	541,304	563,315	609,172	637,903	730,696
County sources:										
County bond sale transfer	70,276	89,792	243,190	84,214	127,266	-	125,417	116,528	64,942	70,200
County general transfer <sup>(2)</sup>	469,571	493,164	503,877	542,732	557,697	585,711	609,923	630,298	667,587	762,803
County proffer transfer	-	7,677	6,000	12,000	6,000	-	6,000	16,500	-	-
Total county sources	539,847	590,633	753,067	638,946	690,963	585,711	741,340	763,326	732,529	833,003
Local sources:										
Charges for services	4,444	4,811	4,673	4,178	5,319	4,948	4,555	3,384	4,762	4,882
Food & nutrition services sales	18,135	17,698	18,153	19,226	18,840	17,952	12,321	157	687	10,783
Interest and other income	3,200	3,077	3,768	3,773	4,338	11,572	8,599	3,406	(16,462)	3,712
Use of property	1,007	1,104	1,192	1,255	1,123	1,107	623	24	700	872
Other local sources	4,260	3,322	3,661	6,936	5,600	5,248	4,979	7,451	17,883	21,273
Total local sources	31,046	30,012	31,447	35,368	35,220	40,827	31,077	14,422	7,570	41,522
Total revenues	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	1,751,183
<b>Expenditures</b>										
Instruction:										
Regular	461,647	489,493	500,245	530,467	546,629	556,133	600,665	614,559	676,787	746,263
Special	102,987	107,931	109,796	114,639	123,051	130,757	137,354	147,993	155,446	175,041
Other	9,495	10,577	12,005	13,180	13,674	12,351	10,477	8,471	12,734	12,954
Instructional leadership	57,167	59,915	62,180	65,905	70,159	72,143	75,639	78,233	84,708	94,107
Support services:										
General administration	8,489	9,979	9,711	11,596	10,395	11,399	12,824	13,412	13,709	19,646
Student services	13,205	13,888	14,562	15,784	17,298	19,410	21,604	23,897	27,945	34,664
Curricular/staff development	12,652	12,963	12,846	14,817	16,314	19,382	19,510	23,935	36,741	38,460
Pupil transportation	58,945	58,084	59,298	62,748	65,508	66,581	61,060	54,027	68,231	78,358
Operations	22,944	23,236	23,921	24,665	25,433	25,800	27,080	31,659	31,090	39,514
Utilities	22,649	24,021	21,671	22,855	23,461	23,167	21,224	19,452	24,538	25,463
Maintenance	35,988	44,267	42,256	38,995	40,592	41,655	45,373	43,041	56,449	79,413
Central business services	48,608	53,960	53,074	56,646	56,485	62,356	64,966	101,191	77,029	94,224
Community service operations	1,200	1,342	1,420	1,441	1,514	1,465	957	246	825	1,169
Food & nutrition service	37,518	40,108	42,353	44,842	45,570	44,772	40,914	38,981	44,631	52,434
Student activities	-	-	-	-	-	-	-	2,754	9,193	11,540
Capital Outlay	78,829	106,249	113,326	137,050	77,210	122,610	104,996	108,665	90,273	103,768
Debt Services										
Principal	-	-	-	-	-	-	-	-	-	4,234
Interest	-	-	-	-	-	-	-	-	-	555
Intergovernmental										
Reimbursement to County for debt service	74,691	77,278	84,523	89,728	101,582	105,491	147,004	96,771	111,222	109,333
Total expenditures	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	1,721,140
Excess (deficiency) of revenues over (under) expenditures	15,477	777	149,299	(13,378)	68,486	(78,609)	15,051	135,919	28,852	30,043
<b>Other Financing Sources (Uses):</b>										
Transfers in:										
General fund	1,490	1,255	2,436	3,292	1,631	2,864	1,365	19,676	61,629	65,380
Construction fund	44,297	19,363	17,863	18,301	11,719	25,737	32,393	1,495	1,501	1,436
Other Governmental funds	-	-	11	1	4	-	-	609	500	500
Transfers out:										
General fund	(47,897)	(20,259)	(21,142)	(21,639)	(12,793)	(27,437)	(34,593)	(1,495)	(1,501)	(1,436)
Construction fund	(1,490)	(1,255)	(2,436)	(2,262)	(1,631)	(2,864)	(1,365)	(20,154)	(62,129)	(65,880)
Other Governmental funds	-	-	(650)	(1,730)	(330)	(532)	-	(2,511)	(3,945)	(2,880)
Other Financing Sources - SBITA	-	-	-	-	-	-	-	-	-	31,886
Total other financing sources (uses), net	(3,600)	(896)	(3,918)	(4,037)	(1,400)	(2,232)	(2,200)	(2,380)	(3,945)	29,006
Net change in fund balances	\$ 11,877	(119)	145,381	(17,415)	67,086	(80,841)	12,851	133,539	24,907	59,049

<sup>(1)</sup> Standards of Quality

<sup>(2)</sup> 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<sup>(1)</sup>**  
**Last Ten Fiscal Years**

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

Fiscal Year	Taxes <sup>(2)</sup>	Licenses, Fees & Permits	Fines & Forfeitures	Use of Money & Property <sup>(3)</sup>	Charges for Services	Inter-Governmental <sup>(4)</sup>			Total
						PPTRA	All Others	Miscellaneous	
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
2023	1,322,541	24,928	1,927	5,415	47,015	54,288	2,978,514	34,632	4,469,260
Change 2014 - 2023	56.95%	44.62%	-46.10%	1590.31%	-29.21%	0.00%	254.86%	-3.84%	133.24%

Source: County of Prince William, Virginia.

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

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

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

<sup>(4)</sup> 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 <sup>(1)</sup>	Public Service	Total General Property Taxes <sup>(2)</sup>	Sales Tax	Utility Taxes	BPOL Tax	All Other <sup>(2)</sup>	Total
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
2023	838,315	224,278	12,441	1,075,034	93,246	15,408	34,636	104,271	1,322,595
Change 2014 - 2023	50.49%	135.41%	-33.86%	60.18%	65.01%	11.93%	45.70%	464.91%	68.77%

Source: County of Prince William, Virginia.

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

<sup>(2)</sup> 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 <sup>(1)</sup>	Apartments <sup>(1)</sup>	Commercial & Industrial <sup>(1)</sup>	Public Service <sup>(1)</sup>	Vacant Land & Other <sup>(1)</sup>	Total Taxable Assessed Value	Total Direct Tax Rate <sup>(2)</sup>	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2014	\$ 35,821,828	2,185,291	6,597,590	1,501,931	171,126	46,277,766	1.25620	57,109,671	81.03%
2015	39,073,111	2,525,672	6,802,104	1,531,397	161,172	50,093,456	1.22120	57,663,419	86.87%
2016	41,983,238	2,856,819	7,179,333	1,678,330	166,961	53,864,681	1.19360	60,222,753	89.44%
2017	43,393,628	3,020,162	7,406,620	1,782,650	161,469	55,764,529	1.19500	61,527,421	90.63%
2018	44,665,855	3,047,465	8,185,594	1,826,020	166,147	57,891,081	1.20670	65,844,401	87.92%
2019	46,722,672	3,243,286	9,258,196	1,804,079	185,978	61,214,211	1.20750	69,155,694	88.52%
2020	48,810,816	3,416,858	9,638,310	1,888,134	186,227	63,940,345	1.20750	69,062,205	92.58%
2021	51,343,233	3,712,614	10,570,898	1,890,494	195,932	67,713,170	1.20750	72,791,360	93.02%
2022	55,749,465	3,946,600	10,848,981	1,993,711	190,994	72,729,751	1.19750	78,076,174	93.15%
2023	63,300,359	4,640,249	12,929,788	2,023,556	250,732	83,144,684	1.10750	90,468,108	91.90%

Source: County of Prince William, Virginia.

<sup>(1)</sup> Net of tax-exempt property:

2014	-\$3,705,018	2019	-\$4,445,054
2015	-\$3,761,235	2020	-\$4,839,651
2016	-\$3,901,930	2021	-\$4,959,366
2017	-\$4,113,361	2022	-\$5,914,501
2018	-\$4,323,692	2023	-\$6,587,098

<sup>(2)</sup> 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)

Fiscal Year	Commercial as a Percent of Total Taxable	Commercial & Public Service to Total	New Construction <sup>(1)</sup>				Bank Deposits <sup>(2)</sup>
			Permits	Value	Permits	Value	
2014	14.3%	17.5%	1,396	290	193	236	4,201
2015	13.6%	16.6%	1,401	261	225	145	4,378
2016	13.3%	16.4%	1,295	224	136	137	4,492
2017	13.3%	16.5%	1,399	339	177	546	4,535
2018	14.1%	17.3%	1,310	245	125	124	4,625
2019	15.1%	18.1%	1,086	218	108	788	4,838
2020	15.1%	18.0%	1,339	255	67	312	5,715
2021	15.6%	18.4%	1,444	313	73	169	6,952
2022	14.9%	17.7%	1,157	312	58	317	7,200
2023	15.6%	18.0%	5,372	312	1,181	1,304	6,989

Source: County of Prince William, Virginia.

<sup>(1)</sup> Building Development Division, Department of Public Works.

<sup>(2)</sup> Includes deposits in commercial banks, savings banks and credit unions at June 30 for year shown. 2014-2023, Federal Deposit Insurance Corporation, (commercial and savings bank deposits) and National Credit Union Administration (credit union deposits).

**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)

Type of Tax	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>PRINCE WILLIAM COUNTY</b>										
<i>Countywide Tax Levies:</i>										
Real Estate - General Fund	\$ 1.18100	1.14800	1.12200	1.12200	1.12500	1.12500	1.12500	1.12500	1.11500	1.03000
Fire and Rescue Levy (Countywide)	0.07270	0.07070	0.06910	0.07050	0.07920	0.08000	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	\$ 1.25620	1.22120	1.19360	1.19500	1.20670	1.20750	1.20750	1.20750	1.19750	1.10750
<i>Service District Levies -</i>										
Bull Run	\$ 0.18300	0.14710	0.13770	0.13770	0.13110	0.12630	0.12300	0.12300	0.12300	0.09500
Lake Jackson	0.16500	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	--	--	--	--	--	--	--	--
234-Bypass	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000
<b>OVERLAPPING GOVERNMENTS</b>										
<i>Real Estate Tax Levy:</i>										
Town of Dumfries	0.27330	0.23330	0.18990	0.18990	0.18990	0.18990	0.18990	0.18990	0.18990	0.18990
Town of Haymarket	0.13900	0.13900	0.12900	0.14600	0.14600	0.14600	0.13600	0.13600	0.13600	N/A
Town of Occoquan	0.11000	0.11000	0.11000	0.12000	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)

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value <sup>(1)</sup>	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value <sup>(1)</sup>
Virginia Electric & Power Company	\$ 1,824,470	1	2.19%	\$ 749,739	1	1.62%
Northern Virginia Electric Co-op	866,835	2	1.04%	269,224	3	0.58%
Amazon Data Services, Inc	707,691	3	0.85%			
Bourzou Ventures LLC	531,493	4	0.64%			
Abteen Ventures, LLC	462,926	5	0.56%			
Mall at Potomac Mills, LLC	349,862	6	0.42%	472,547	2	1.02%
Verizon South, Inc.	268,459	7	0.32%	154,562	4	0.33%
Powerloft @ Innovation I LLC	166,079	8	0.20%			
Arcadia Run LLC	154,896	9	0.19%			
Virginia-American Water Co.	150,529	10	0.18%			
Washington Gas Light Company				103,569	5	0.22%
Stellar Chatsworth LLC				99,496	6	0.23%
KIR Smokerown Station LP				91,348	7	0.21%
Woodbridge Station Apartments, LLC				85,801	8	0.20%
Fairfield Potomac Club, Inc.				71,926	9	0.17%
Manassas Owner, LLC				63,983	10	0.15%
	<u>\$ 5,483,239</u>		<u>6.59%</u>	<u>\$ 2,162,195</u>		<u>4.73%</u>

Source: County of Prince William, Virginia.

<sup>(1)</sup> 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)

Fiscal Year	Total Adjusted Tax Levy <sup>(1)</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy Collected
2014	\$ 573,203	571,425	99.7%	1,393	572,818	99.9%
2015	603,171	601,267	99.7%	1,487	602,754	99.9%
2016	630,485	629,017	99.8%	358	629,375	99.8%
2017	653,759	651,883	99.7%	1,096	652,979	99.9%
2018	682,368	681,108	99.8%	613	681,721	99.9%
2019	714,169	712,882	99.8%	834	713,716	99.9%
2020	754,389	745,087	98.8%	1,131	746,219	98.9%
2021	793,370	786,135	99.1%	3,047	789,182	99.5%
2022	837,960	835,402	99.7%	675	836,077	99.8%
2023	907,491	820,549	90.4%	--	820,549	90.4%

Source: County of Prince William, Virginia.

<sup>(1)</sup> 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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Primary Government</b>										
<i>Governmental Activities:</i>										
General Obligation Bonds <sup>(1)</sup>	\$ 140,032	126,438	197,564	181,934	167,369	152,782	140,868	171,372	155,304	139,741
General Government	594,188	628,638	793,235	815,195	865,535	796,785	845,159	879,359	862,595	829,399
School Board-Related	9,746	9,069	14,421	13,606	11,816	10,833	9,893	8,839	8,201	7,045
Park Related	4,355	3,345	2,290	1,175	--	--	--	--	--	--
IDA Lease Revenue Bonds	--	--	--	--	--	21,153	21,153	21,153	--	--
IDA Loan	2,250	2,000	--	--	--	--	--	--	--	--
Literary Fund Loans	--	--	--	--	--	--	--	--	--	--
Real Property Capital Leases	122,609	110,324	96,720	86,026	77,630	65,985	57,591	45,898	37,401	28,822
General Government	21,680	19,955	18,230	15,596	13,890	12,202	10,533	8,877	7,225	5,576
Adult Detention Center	352	644	395	268	235	203	171	140	109	77
Park Related	951	539	110	--	--	--	--	--	--	--
Equipment Capital Leases	--	--	--	--	--	--	--	--	--	--
<i>Business-Type Activities:</i>										
Solid Waste System Revenue Bonds**	--	--	--	--	--	--	--	--	--	--
Parks & Recreation Revenue Bonds	10,525	10,555	9,965	9,355	8,725	6,090	5,410	4,155	3,525	2,860
Parks & Recreation Equipment Capital Leases	596	295	99	--	--	--	--	--	--	--
<b>Total Primary Government</b>	<b>\$ 907,284</b>	<b>911,802</b>	<b>1,133,029</b>	<b>1,123,155</b>	<b>1,145,200</b>	<b>1,066,033</b>	<b>1,090,778</b>	<b>1,139,793</b>	<b>1,074,360</b>	<b>1,013,520</b>
Percentage of Personal Income <sup>(2)</sup>	3.66%	3.55%	4.27%	4.05%	3.98%	3.58%	3.41%	3.56.00%	3.38%	3.19%
Per Capita <sup>(2)</sup>	2,092	2,065	2,519	2,462	2,490	2,298	2,331	2,333	2,181	2,081
Total Reporting Entity Outstanding Debt	907,284	911,802	1,133,029	1,123,155	1,145,200	1,066,033	1,090,778	1,139,793	1,074,360	1,013,520
Less: Self-Supporting Revenue and Other Bonds	11,121	10,850	10,064	9,355	8,725	6,090	5,410	4,155	3,525	2,860
<b>Net Tax-Supported Debt</b>	<b>\$ 896,163</b>	<b>900,952</b>	<b>1,122,965</b>	<b>1,113,800</b>	<b>1,136,475</b>	<b>1,059,943</b>	<b>1,085,368</b>	<b>1,135,638</b>	<b>1,070,835</b>	<b>1,010,660</b>

Source: County of Prince William, Virginia.

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

<sup>(1)</sup> Includes general obligation bonds associated with School Board-Related Debt and Park-Related Debt; see Exhibit 1, PWC ACFR.

<sup>(2)</sup> See Table 15 for personal income and population data.

<sup>(3)</sup> 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 <sup>(1)</sup>	Solid Waste System Revenue Bonds	Total	Percentage of Estimated Actual Taxable Value of Property <sup>(2)</sup>	Per Capita <sup>(3)</sup>
2014	\$ 743,966	--	743,966	1.30%	1,716
2015	764,145	--	764,145	1.33%	1,730
2016	1,005,220	--	1,005,220	1.67%	2,234
2017	1,010,735	--	1,010,735	1.64%	2,216
2018	1,044,720	--	1,044,720	1.59%	2,271
2019	960,400	--	960,400	1.39%	2,070
2020	995,920	--	995,920	1.44%	2,128
2021	1,059,570	--	1,059,570	1.46%	2,197
2022	1,026,100	--	1,026,100	1.31%	2,083
2023	976,185	--	976,185	1.08%	2,005

Source: County of Prince William, Virginia.

<sup>(1)</sup> 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.

<sup>(2)</sup> See Table 6 for property value data.

<sup>(3)</sup> 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, 2023**

(amounts expressed in thousands)

	Outstanding on June 30, 2023	Percent Applicable to County	Amount Applicable to County	Percent of Assessed Value <sup>(2)</sup>
<b>Direct:</b>				
Net Tax Supported Debt <sup>(1)</sup>	\$ 1,010,660	100.00%	1,010,660	1.2155%
<b>Overlapping:</b>				
Town of Dumfries	78	100.00%	78	0.0001%
Town of Haymarket	<sup>(4)</sup> N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	N/A
Town of Occoquan	--	100.00%	--	0.0000%
Town of Quantico	63	100.00%	63	0.0001%
Heritage Hunt Commercial Community Development Authority Special Assessment Bonds Series 1999 B	<sup>(4)</sup> N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	N/A
Virginia Gateway Community Development Authority Refunding Bond Series 1999 and 2003 B	<sup>(4)</sup> N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	N/A
Cherry Hill Community Development Authority Special Assessment Bond Series 2015	<sup>(4)</sup> N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	N/A
Northern Virginia Transportation Commission - Virginia Railway Express <sup>(3)</sup>	170,475	32.32%	55,096	6.6300%
Northern Virginia Criminal Justice Training Academy (NVCJTA) <sup>(3)</sup>	<sup>(4)</sup> N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	N/A <sup>(4)</sup>	N/A
<b>Total Overlapping Governmental Activities Debt</b>	<u>170,616</u>	<u>32.38%</u>	<u>55,237</u>	<u>0.0664%</u>
<b>Total Direct and Overlapping Governmental Activities Debt</b>	<u>\$ 1,181,276</u>	<u>90.23%</u>	<u>1,065,897</u>	<u>1.2820%</u>

Source: County of Prince William, Virginia.

<sup>(1)</sup> From Table 10.

<sup>(2)</sup> Assessed value of taxable property is from Table 6.

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

<sup>(4)</sup> Information was not available at the time of report issuance.

**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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government <sup>(1)</sup>										
Principal	\$ 72,969	76,750	78,093	86,849	93,220	97,685	93,610	101,010	123,658	102,575
Interest <sup>(2)</sup>	42,546	42,476	46,072	47,888	48,688	48,358	47,675	45,426	44,538	41,340
Debt Service on Net Tax-Supported Debt	115,515	119,226	124,165	134,737	141,908	146,043	141,285	146,436	168,196	143,915
Total Government Expenditures <sup>(3)</sup>	1,491,793	1,557,703	1,610,616	1,734,264	1,731,969	1,867,084	1,962,416	2,084,360	2,238,422	2,427,607
Ratio of Debt Service to Expenditures	7.7%	7.7%	7.7%	7.8%	8.2%	7.8%	7.2%	7.0%	7.5%	5.9%
Total Revenues <sup>(4)</sup>	1,636,801	1,611,230	1,496,700	1,649,319	1,802,191	2,067,001	2,139,662	2,837,587	2,430,571	2,674,026
Ratio of Debt Service to Revenues	7.1%	7.4%	8.3%	8.2%	7.9%	7.1%	6.6%	5.2%	6.9%	5.4%
Net Tax-Supported Debt <sup>(5)</sup>	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	1,010,660
Assessed Value of Taxable Property <sup>(6)</sup>	50,601,568	54,623,175	58,854,961	61,335,721	63,755,919	67,613,073	70,811,690	74,584,515	82,833,973	93,248,906
Ratio of Net Tax-Supported Debt to Assessed Value	1.8%	1.6%	1.9%	1.8%	1.8%	1.6%	1.5%	1.5%	1.3%	1.1%

<sup>(1)</sup> 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.

<sup>(2)</sup> Excludes bond issuance and other costs.

<sup>(3)</sup> Total Expenditures excluding capital projects from Table 22, PWC ACFR.

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

<sup>(5)</sup> From Table 10.

<sup>(6)</sup> 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 <sup>(1)</sup>	Operating Expenses and Transfers <sup>(2)</sup>	Closure Payment	Net Revenue Available for Debt Service	Debt Service Payments <sup>(3)</sup>		Total	Coverage <sup>(4)</sup>
					Principal	Interest		
2014	\$ 18,820	5,623	3,775	9,422	1,590	--	1,590	5.93
2015	19,735	12,673	2,386	4,676	--	--	--	n/a <sup>(5)</sup>
2016	20,455	11,200	1,484	7,771	--	--	--	n/a <sup>(5)</sup>
2017	20,416	12,710	1,951	5,755	--	--	--	n/a <sup>(5)</sup>
2018	21,033	12,870	657	7,506	--	--	--	n/a <sup>(5)</sup>
2019	22,679	14,801	2,612	5,266	--	--	--	n/a <sup>(5)</sup>
2020	21,449	13,864	2,863	4,722	--	--	--	n/a <sup>(5)</sup>
2021	20,860	11,664	2,603	6,593	--	--	--	n/a <sup>(5)</sup>
2022	20,245	13,615	4,962	1,668	--	--	--	n/a <sup>(5)</sup>
2023	32,123	22,657	6,451	3,015	--	--	--	n/a <sup>(5)</sup>

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 <sup>(1)</sup>	Personal Income <sup>(2)</sup> (in thousands)	Per Capita Income <sup>(2)</sup>	Fall School Enrollment <sup>(3)</sup>	Average Civilian Labor Force <sup>(4)</sup>	Average Unemployment Rate <sup>(4)</sup>
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	482,204	33,838,564	62,083	92,271	242,644	4.5%
2022	492,576	34,799,313	63,701	90,135	247,241	2.8%
2023	486,943	36,199,969	64,695	91,180	263,603	2.7%

Source: County of Prince William, Virginia

<sup>(1)</sup> 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>)

<sup>(2)</sup> Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Includes cities of Manassas and Manassas Park (data as of June 30). 2022 data estimated based upon ten-year growth rates on BEA data from 2020.

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

<sup>(4)</sup> 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
<b>Population<sup>(1)</sup>:</b>					
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%
<b>Education<sup>(2)</sup>:</b>					
High School or Higher	87.6%	89.2%	93.3%	90.3%	88.5%
Bachelor's Degree or Higher	36.9%	41.9%	66.9%	39.5%	32.9%
<b>Income<sup>(2)</sup>:</b>					
Median Family Income	\$ 102,117	107,707	105,224	76,398	64,994
Percent Below Poverty Level	4.4%	4.9%	9.8%	102.0%	11.6%
<b>Housing:</b>					
Number Persons / Household <sup>(1)</sup>	3.1	3.2	2.2	2.6	2.6
Percent Owner Occupied <sup>(2)</sup>	73.2%	73.1%	42.8%	66.7%	64.4%
Owner Occupied Median Value <sup>(2)</sup>	\$ 316,600	390,500	640,833	282,800	229,800

Source: County of Prince William, Virginia.

<sup>(1)</sup> U.S. Bureau of the Census Bureau, 2010 and 2020 Census Data.

<sup>(2)</sup> 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**

Employer <sup>(1)</sup>	2023			2014		
	Ownership	Rank	Number of Employees <sup>(2)</sup>	Ownership	Rank	Number of Employees <sup>(2)</sup>
Prince William County School Board	Local Government	1	1000 and over	Local Government	1	1000 and over
U.S. Department of Defense	Federal Government	2	1000 and over	Federal Government	2	1000 and over
County of Prince William	Local Government	3	1000 and over	Local Government	3	1000 and over
Wal Mart	Private	4	1000 and over	Private	4	1000 and over
Sentara Healthcare/Potomac Hospital 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
Wegmans Store #07	Private	7	500 to 999	Private	7	500 to 999
Target Corporation	Private	8	500 to 999	Private	10	500 to 999
The Fishel Company	Private	9	500 to 999			
The Home Depot	Private	10	500 to 999			
Northern Virginia Community College				State Government	8	500 to 999
Minnieland Private Day School				Private	9	500 to 999

Source: County of Prince William, Virginia.

<sup>(1)</sup> All data provided by the Virginia Employment Commission (1st Quarter, 2023 & 2014).

<sup>(2)</sup> 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>School -Based Positions</b>										
Teachers	5,746	5,874	5,975	6,218	6,431	6,511	6,655	6,793	6,857	7,153
School-Based Administrators	286	289	295	302	322	324	345	354	355	363
Education Specialist	81	79	78	206	209	223	206	209	266	275
Instructional Assistants	642	640	641	645	703	737	746	751	768	963
Other Positions	1,270	1,280	1,176	1,156	1,197	1,198	1,235	1,257	1,277	1,407
<b>Total School-Based Positions</b>	<b>8,024</b>	<b>8,160</b>	<b>8,165</b>	<b>8,527</b>	<b>8,862</b>	<b>8,993</b>	<b>9,187</b>	<b>9,364</b>	<b>9,522</b>	<b>10,161</b>
<b>Non-school-Based Positions</b>										
Leadership team	12	12	12	12	12	13	15	15	16	17
Technical support	161	165	163	171	175	168	200	200	210	218
Management	141	144	147	179	183	190	236	241	264	330
Education specialist	112	123	135	127	133	132	127	125	128	149
Office assistants	99	101	102	113	117	117	126	125	135	150
Custodial/maintenance	248	249	248	248	249	247	248	250	251	251
<b>Total Non-school-Based Positions</b>	<b>773</b>	<b>794</b>	<b>808</b>	<b>850</b>	<b>869</b>	<b>867</b>	<b>951</b>	<b>954</b>	<b>1,003</b>	<b>1,115</b>
<b>Total Authorized Positions</b>	<b>8,797</b>	<b>8,954</b>	<b>8,972</b>	<b>9,378</b>	<b>9,730</b>	<b>9,860</b>	<b>10,137</b>	<b>10,318</b>	<b>10,525</b>	<b>11,275</b>
<b>Other Operating Fund Positions</b>	<b>930</b>	<b>938</b>	<b>1,061</b>	<b>917</b>	<b>933</b>	<b>966</b>	<b>930</b>	<b>935</b>	<b>908</b>	<b>864</b>
<b>Total Non-Operating Fund Positions</b>	<b>647</b>	<b>670</b>	<b>673</b>	<b>706</b>	<b>691</b>	<b>708</b>	<b>709</b>	<b>715</b>	<b>706</b>	<b>713</b>
<b>Total Positions</b>	<b>10,374</b>	<b>10,562</b>	<b>10,706</b>	<b>11,000</b>	<b>11,354</b>	<b>11,534</b>	<b>11,776</b>	<b>11,968</b>	<b>12,138</b>	<b>12,852</b>

Source: FY 2023 WABE Guide.

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

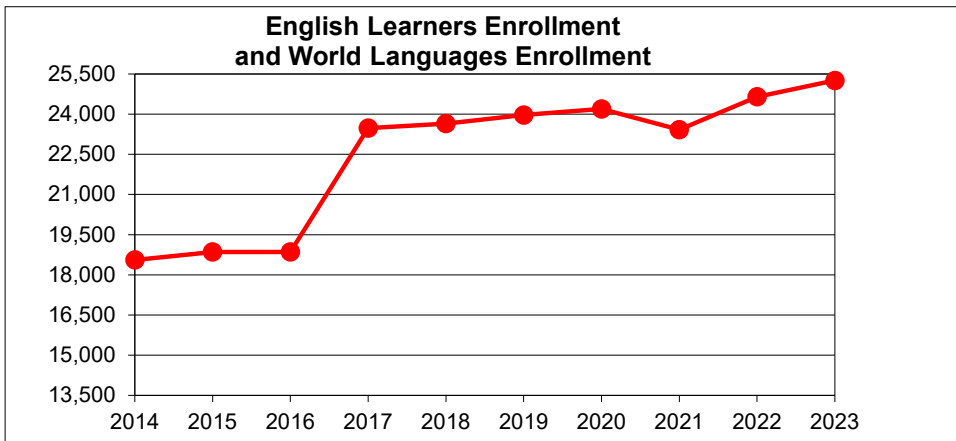
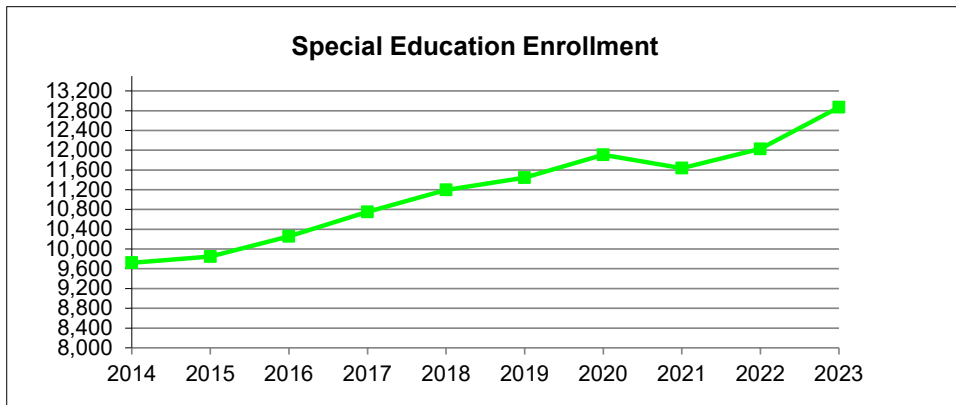
Fiscal Year	Total Student Enrollment <sup>(1)</sup>	Special Education Enrollment <sup>(2)</sup>	English Learners and World Languages Enrollment <sup>(3)</sup>
2014	85,055	9,721	18,555
2015	86,209	9,848	18,853
2016	87,253	10,256	18,855
2017	88,920	10,752	23,479
2018	89,861	11,195	23,646
2019	90,203	11,444	23,971
2020	91,526	11,907	24,196
2021	89,076	11,636	23,421
2022	89,468	12,028	24,647
2023	89,837	12,869	25,261

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

<sup>(1)</sup> Source: School Board Approved Budget fiscal year 2023.

<sup>(2)</sup> Student Enrollment at October 1, 2022. Source: Special Education Office Prince William County Public Schools.

<sup>(3)</sup> 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 <sup>(1)</sup>	Operating Expenditures <sup>(2)</sup>	Cost per Pupil		Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff <sup>(3)</sup>	Pupil-Teacher Ratio
			per Pupil	per Pupil						
2014	85,055	\$ 887,010,587	\$ 10,429	\$ 11,737	2.9%	\$ 998,320,009	11,737	-0.1%	5,079	16.7
2015	86,209	905,321,354	10,501	12,132	0.7%	1,045,903,124	12,132	3.4%	5,148	16.7
2016	87,253	918,908,944	10,532	12,283	0.3%	1,071,751,585	12,283	1.2%	5,231	16.7
2017	88,920	971,382,255	10,924	12,853	3.7%	1,142,919,924	12,853	4.6%	5,453	16.3
2018	89,861	1,001,245,740	11,142	12,761	2.0%	1,146,685,942	12,761	-0.7%	5,611	16.0
2019	90,203	1,112,411,082	12,332	13,041	10.7%	1,176,318,537	13,041	2.2%	5,684	15.9
2020	91,526	1,106,134,345	12,085	14,081	-2.0%	1,288,768,125	14,081	8.0%	5,731	16.0
2021	89,076	1,158,251,345	13,003	15,439	7.6%	1,375,253,173	15,439	9.6%	5,863	15.2
2022	89,468	1,293,749,464	14,460	15,520	11.2%	1,388,537,255	15,520	0.5%	5,900	15.2
2023	89,837	1,487,900,626	16,562	17,202	14.5%	1,545,402,008	17,202	10.8%	5,900	15.2

<sup>(1)</sup> The student enrollment as of September 30th for each fiscal year. Source: School Board Approved Budget fiscal year 2023.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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**

<u>Fiscal Year</u>	<u>Bachelors Minimum Salary</u>	<u>Bachelors Average Salary</u>	<u>Masters Mid-Point Salary</u>	<u>Masters Maximum Salary</u>
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
2023	53,570	75,915	90,015	143,881

Source: Washington Area Boards of Education (WABE) Guide FY2023.



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

Fiscal Year	Number of Lunches Served Daily	Student Lunch Price			Lunch Sites	Number of Breakfasts Served Daily	Student Breakfast Price	Breakfast Sites	Free and Reduced Eligibility	Free and Reduced Eligibility %	Adult Breakfast	Adult Lunch
		Elementary	Middle School	High School								
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
2023	47,933	2.50	2.65	2.75	96	20,372	1.50	96	43,558	47.6%	2.35	4.00

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

Fiscal Year	Elementary Schools			Middle Schools			High Schools								
	Buildings	Square feet	Capacity	Trailers	Acres	Buildings	Square feet	Capacity	Trailers	Acres	Buildings	Square feet	Capacity	Trailers	Acres
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	3,996,073	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
2023	62	4,859,806	41,958	92	1031	17	2,442,461	21,653	24	610.2	13	3,940,005	28,754	48	926.3

Fiscal Year	Alternative Schools			Special Schools			Combined Schools								
	Buildings	Square feet	Capacity	Trailers	Acres	Buildings	Square feet	Capacity	Trailers	Acres	Buildings	Square feet	Capacity	Trailers	Acres
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
2023	0					3	187,559	**	2	32.6	3	271,423	2,388	8	80.1

Fiscal Year	Total School Buildings <sup>(1)</sup>				
	Buildings	Square feet	Capacity	Trailers	Acres
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
2023	98	11,701,254	94,753	174	2,680.2

Source: School Board Construction and Planning Office.

\* PWCS did not have beneficial use of new building as of June 30<sup>th</sup>.

\*\* Data not available.

<sup>(1)</sup> Represents completed school buildings at June 30<sup>th</sup>.

**PRINCE WILLIAM COUNTY PUBLIC SCHOOLS**  
**TABLE 23 - Miscellaneous Statistical Data**  
**June 30, 2023**

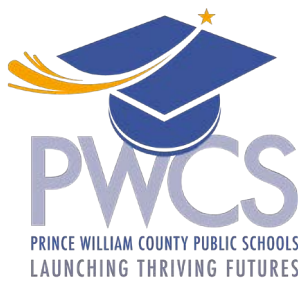
<b>Date of County Organization:</b>	March 25, 1731
<b>Form of Government:</b>	County Executive (as provided for by the <i>Code of Virginia</i> )
<b>Area:</b>	348 Square Miles
<b>Number of general County personnel (full-time equivalent)</b>	3,242
<b>Services of Primary Government:</b>	
Fire protection:	
Number of stations	21
Number of career employees	702
Number of volunteers	388
Police protection:	
Number of stations	3
Number of police officers	707
Public Safety Communications:	
Number of employees	123
Recreation (Parks & Recreation Department):	
Acres developed or reserved for County parks	5,053
Tourism	
Tourist information center visitors	n/a
<b>Services not included in the Primary Government:</b>	
Education (School Board Component Unit):	
Number of public elementary, middle, and other schools	84
Number of public high schools	13
Fall Membership, fiscal year 2023	89,837 <sup>(1)</sup>
Number of personnel (full-time equivalent)	12,861 <sup>(2)</sup>
Correctional Operations (ADC Component Unit)	
Capacity of main jail and modular jail	497
Capacity of work-release center	11
Number of personnel (full-time equivalent)	327
<b>Other statistical data:</b>	
Elections:	
Registered voters at last general election	315,827
Number of votes cast in last general election	151,592
Percent voting in last general election	48%
Water and Wastewater Treatment:	
<i>(provided by Prince William County Service Authority)</i>	
Miles of water mains	1,315
Miles of sanitary sewer mains	1,153

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.

<sup>(1)</sup> Source: Prince William County Schools Fiscal Year 2024 Approved Budget Book. Number differs from other sources due to criteria used for determining membership.

<sup>(2)</sup> Source: Prince William County Schools Fiscal Year 2023 Approved Budget book.



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Department of Finance  
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