



**PRINCE WILLIAM**  
Finance

# **Annual** **Comprehensive** Financial Report

For the Year Ended June 30, 2021

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**FY2021**

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# County of Prince William, Virginia

## Annual Comprehensive Financial Report

for the Fiscal Year Ended June 30, 2021

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### **COUNTY EXECUTIVE**

**Christopher E. Martino\***

*\*As of June 30, 2021*

## **DIRECTOR OF FINANCE / CFO**

**Michelle L. Attreed**

## **DEPUTY FINANCE DIRECTOR**

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**PRINCE  
WILLIAM**  
— **COUNTY**

# Introductory Section

Letter of Transmittal

Certificate of Achievement for Excellence in Financial Reporting

Organization of the County Government



**Introductory Section**

**May 23, 2022**

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

We are pleased to present the Annual Comprehensive Financial Report of the County of Prince William (the "County") for the fiscal year ended June 30, 2021. The report presents fairly the financial position of the County, including its discretely presented component units in all material respects and demonstrates compliance with applicable legal and contractual provisions. This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. A comprehensive internal control framework designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the County's financial statements in conformity with U.S. generally accepted accounting principles (GAAP) is in place to provide a reasonable basis for making these representations. Because the cost of internal controls should not outweigh the benefits, the County's comprehensive framework of internal controls, by design, provides reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements are audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded there is a reasonable basis for rendering an unmodified opinion that the County's financial statements are fairly presented in conformity with GAAP for the fiscal year ended June 30, 2021. The report of the independent auditor is the first component of the financial section of this report.

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

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

## Profile of the Government

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

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





The County exercises local governing powers granted to it by the Virginia General Assembly. Since 1972, the County has operated under the County Executive form of government, as provided in Section 15.2-500 et seq. VA Code Ann. The governing policy-determining body of the County is an eight-member Board of County Supervisors (Board). Residents in each of the County's seven magisterial districts elect one member of the Board to serve a term of four years. The eighth member of the Board, elected at-large by County residents, serves a four-year term as Chair. The current board members took office in January 2020, following an election held on November 5, 2019, and serve until December 31, 2023.

The County provides a full range of local government services including police, fire and rescue, court administration, education, planning, development, libraries, parks, recreational and tourism services, health and social services, public improvements, and general administration. The County's School Board and Adult Detention Center both have a financial benefit/burden relationship with the County and are reported as discretely presented component units, with the School Board issuing separately audited financial statements. A legally separate water and sewer service authority, the Prince William County Service Authority, provides sanitation services. User charges and bond financings are the primary funding sources for the Service Authority's operations and capital needs. The Authority is solely responsible for its outstanding debt and is not a component unit of the County. Local and commuter transportation services, OmniLink, OmniRide and the Virginia Railway Express (VRE), are managed and operated by the Potomac & Rappahannock Transportation Commission (PRTC), a joint venture between Prince William and Stafford Counties and the Cities of Manassas, Manassas Park and Fredericksburg. Note (1A) in the notes to the financial statements discloses additional information on discretely presented component units and all other related organizations, joint ventures, and jointly governed entities.

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

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

## Local Economy

The Prince William County economy is an important segment 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, propelling Northern Virginia to the forefront of America's largest data center market, housing the most data centers in the nation and the world. In a time of uncertain federal budgets, this robust and rapidly growing industry is proving critical to diversifying the region's economy, which has historically relied on federal government spending.

The Prince William County economy continued to exhibit resilience as the novel coronavirus (COVID-19) pandemic impacted the economy in a unique, unprecedented manner. In March 2020, President Trump signed the federal Coronavirus Aid, Relief and Economic Security Act (CARES Act), a \$2.2 trillion fiscal stimulus package. The CARES Act stimulus payments and supplemental weekly unemployment insurance provided a steady paycheck to millions of Americans out of work due to pandemic lockdowns. Over the course of the pandemic, Prince William County Government persistently served the community by seeking available avenues to disburse the County's allocation of funds issued by the U.S. Government to support COVID-19 relief efforts. On May 19, 2021, the County received the first installment, totaling \$45.7 million of federal funds issued through the American Rescue Plan Act of 2021 (ARPA). The County continues to refine its plan for distribution, with a focus on providing a lifeline beyond the impacts of COVID-19 to businesses and individuals/households most in need; prioritizing basic needs and addressing disparities that were made worse by COVID-19; continuing support for emergency response operations; and ensuring residents can obtain the services needed. The second installment of a similar amount is expected to be disbursed by the U.S. Treasury in May 2022.

Steady improvement of economic conditions continued to facilitate the mending of Prince William County's labor market, marked by a decline in the June unemployment rate to 4.2%. The County's residential real estate market, like that of the rest of the nation, faced low housing inventory levels – the most influential factor affecting average sale prices. The average days on the market and available inventory had also significantly decreased over the prior year. Unemployment in the County was well below the national rate. At-place employment data from the Virginia Employment Commission's (VEC's) Labor Market Information (LMI) indicated modest growth in the number of establishments, employment, and wages in the County, although challenged with filling open positions, and Prince William County's vacancy rates for commercial inventory remained in line with the five-year average vacancy rate.

Prospects for global economic improvement have been called in to question as the coronavirus Delta variant has driven infections and hospitalizations higher in the U.S. and abroad. The Conference Board forecasts that US Real GDP growth for 2021 will come in at 5.7 percent. Looking further ahead, they forecast the US economy will grow by 3.8 percent (year-over-year) in 2022. The bond market has signaled pessimism regarding the trajectory of U.S. growth by grinding longer term interest rates lower after reaching their 2021 peak in late March. Consumers indicated a dramatic loss of confidence in the first half of August as the index dropped sharply in July, the lowest reading since December 2011. Deterioration in sentiment was widespread across income, age, education subgroups, and regions. The index's decline was driven by losses in categories that spanned all aspects of the economy including personal finances, and outlooks for inflation and unemployment. Minutes from the Federal Open Market Committee in July suggest Fed officials generally expected prices to ease in the short run, but differences have begun to emerge about the long-term path of inflation. One faction believes there is potential for more persistent upward pressure, while others saw data and market-based measures of inflation casting doubt on progress toward the Federal Reserve's price stability mandate.



According to data from MarketStats by Bright MLS, during June 2021, the average home in Prince William County sold for \$526,022, representing an increase of 16.13 percent year-over-year. The number of homes sold in Prince William County in June 2021 was 1,020, an increase of 30.77 percent from the 780 homes sold one year earlier. The ratio of homes on the market to homes sold was 0.44, compared to 0.53 one year earlier, reflecting constrained inventory levels. Average number of “days on the market” stood at seven in June 2021 compared to 18 in June 2020. Active County listings in June 2021 at 451 reflected a slight improvement compared to 415 in June 2020. Despite the disruption COVID-19 has cast, supply constraints continue to benefit sellers of residential properties. With average 30-year fixed rate mortgage rates remaining below 3.0 percent. Freddie Mac forecasts mortgage rates will continue to hover around 3.0%-3.5% due to rising economic and financial market uncertainties. As reported by Virginia Realtors, inventory is expanding in Virginia and there is a significant pent-up demand in the market, which is a good sign for strong economic growth, however uncertainty remains about how COVID-19 will impact the housing market over the long-term. Lisa Sturtevant, Chief Economist, stated “as the housing market will begin to fall back into somewhat normal seasonal cycles, it is possible that the robust sales growth that fueled many housing markets around Virginia could continue to cool.”

Residential building permit activity is a leading indicator for housing construction. Since 2016, permit activity has averaged about 1,720 units. Residential permit activity rose in 2018 and tallied just over 2,000 units in 2019 due to multi-family projects. On average, single family permit activity represents approximately 42% of all activity.

Calendar Year	Single Family	Townhouse	Condo/Apartment	Total
2016	720	498	558	1,776
2017	679	532	209	1,420
2018	689	538	617	1,844
2019	690	434	952	2,076
2020	738	581	164	1,483
2021 (Jan-Jun)	288	290	140	718

The Prince William County commercial inventory held steady through June 2021. According to Costar Realty Group (Costar), the vacancy rate on June 30, 2021, was 5.4 percent. Total commercial property inventory remains in the range of 40-48 million square feet. Most vacancies result from new inventory rather than tenant departures, with approximately 72 percent of this growth coming from the industrial sector. Furthermore, the movement of one or two tenants can significantly affect vacancy rates in certain types of product -- notably flex, often characterized by single large and specific uses. The real estate industry continues to evolve as more businesses downsize office accommodations due to the increase in the number of remote workers and the subsequent growth of shared workspace (i.e., co-working locations), increasing competition between Prince William County and localities to the north.

Approximately 85 percent of the County’s real estate tax base (including apartments) consists of residential housing. Another 14 percent is comprised of commercial, industrial, agricultural, and public service properties and less than one percent is undeveloped land. As values of homes and investment in the community increased, the Board was able to maintain a flat tax rate while sustaining the level and quality of services expected by residents. Below is a five-year history of the real estate tax rate per \$100 of assessed value:

FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
\$1.125	\$1.125	\$1.125	\$1.125	\$1.122

Retail sales reflect exemplary growth in fiscal year 2021, with fiscal year-over-year sales tax revenue increasing 10.8 percent between 2020 and 2021. In March 2020, the County adjusted the revenue forecast as the coronavirus provided a great deal of uncertainty and volatility in early Spring as storefront closures occurred nationwide. However, the Commonwealth of Virginia proved to be insulated from sharp declines in retail sales due to the recent passage of the Wayfair Act which provides for the collection of sales and use tax from remote sellers and the shift in discretionary spending to the home center/improvement industry. Locally, this has bolstered sales tax, accounting

for much of the increase in this revenue source. Despite recent growth, a conservative estimate of 3.0 percent was forecast for fiscal year 2022, as pandemic stimulus payments ended, supply chain disruptions continue and concerns about the delta variant remain.

According to the 2020 Census, Prince William County grew to a population of 482,204. Population growth will continue with a strong real estate market, stable private and government jobs, and capacity for diverse residential development. The Metropolitan Washington Council of Governments (COG) predicts the County's population to grow by almost 20 percent between now and 2040. Additionally, the census identified Prince William County as a very diverse county, with 25.2 percent identifying as Hispanic or Latino, and of those not identifying as Hispanic or Latino, 38.4 percent of residents are white, nearly 20 percent black, just over 10 percent Asian, and 5.4 percent reported two or more races. Almost 27 percent of the County's population is under the age of 18. According to the U.S. Census American Community Survey (ACS) 2015-2019 5-Year Estimates and consistent with the County's family-oriented tradition, just over 31 percent of the County's households contain married-couple families with children of the household under 18 years old. Just over 62 percent of the County's residents work in another county or state, and the mean travel time to work is 40 minutes. Prince William County's median household income of \$107,132 is 70 percent above the national median of \$62,843 and 44 percent above the statewide median of \$74,222. Prince William County had the 23<sup>rd</sup> highest median household income in the United States; 3.3 percent above the Washington, D.C. MSA. This ranking continues to highlight Prince William County's status as a "*Community of Choice*."

According to data from the Bureau of Labor Statistic's Quarterly Census of Employment and Wages, at-place employment in Prince William County (125,549 in the 1<sup>st</sup> quarter of 2021) fell by 5.0 percent year-over-year, compared to a decrease of 5.4 percent statewide. Establishments of employment in the County grew by 3.3 percent from 9,505 in the 1<sup>st</sup> quarter of 2020 to 9,814 in the 1<sup>st</sup> quarter of 2021. By comparison, Northern Virginia establishments grew by 1.5 percent from the 1<sup>st</sup> quarter of 2020, and statewide establishments grew by 2.6 percent. 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. The average weekly wage in Prince William County increased between the first quarter of 2020 and the first quarter of 2021, by 4.6 percent (\$980 to \$1,025). By comparison, during the same period, average weekly wages in Northern Virginia increased 3.5 percent from \$1,611 to \$1,668, and Virginia weekly wages increased 4.1 percent from \$1,233 to \$1,284.

COVID-19 greatly impacted industry sectors and unemployment rates nationwide beginning in March 2020. Employment in the retail sector fell by 17.5 percent between the 2<sup>nd</sup> quarters of 2017 and 2020, while accommodations and food services fell by almost 35 percent, and arts, entertainment, and recreation fell by just over 50 percent. However, the economic recovery from 2020 is evident as reflected by the changes between the second quarter of 2020 and first quarter of 2021. The accommodation and food services sector grew by nearly 3,000 employees (31.8%), retail establishment grew by 2,680 employees (14.6%), while healthcare and social assistance and other services each grew slightly over 1,000 (8.1% and 35.2% respectively). Despite these gains, most job sectors in Virginia have not yet fully recovered to pre-pandemic levels. Prince William County's unemployment rate was 6.8 percent in August 2020, down from a peak rate of 11.3 percent in March 2020. The County's July 2021 rate at 4.1 percent was below the Washington D.C. metropolitan area's rate of 5.1 percent, the statewide rate of 4.2 percent and the national rate of 5.4 percent.

Locally, the County and its residents also benefited from the CARES Act. The County received approximately \$82.1 million in Coronavirus Relief Funds awarded to the Commonwealth of Virginia under the CARES Act. The County Board allocated these funds to the following programs and services, all in an effort to provide relief in response to coronavirus: community feeding; COVID-19 testing; homeless services; mortgage/rent/utility assistance; small business microgrants; economic recovery; grants to local non-profits through the Human Services Alliance of Greater Prince William; childcare initiatives; COVID-19 election protocols for the 2020 Presidential Election; County response and telework initiatives; allocations to the four Towns (Dumfries, Haymarket, Occoquan and Quantico); and distance learning support for students in the Prince William County School System.

As Prince William County enters fiscal year 2022, the local economy continues to perform well in many areas. As reported by Virginia REALTORS®, Virginia's housing market is showing signs of falling back into typical seasonal patterns, after a year of unprecedented growth. Fueled by pent-up market demand from the pandemic slowdown last spring and the need for more space as adaptations to work, life, and school arrangements became necessary, along with historically low interest rates, housing markets throughout the Commonwealth surged at a frenzied pace over the past year. Current housing data suggests this growth is cooling off in many areas and the data is also showing more typical seasonality. However, considering the importance of the real estate market to the overall health of the local economy, a cautionary note is still in order, particularly as it pertains to the commercial sector. The Virginia REALTORS® report elevated uncertainty has caused businesses to reevaluate their workforce issues and space needs. Mounting evidence shows that there will be a long-term change in how and where people work, which will have a pronounced impact on the office market in Virginia. The industrial market remains the hottest segment of the commercial real estate market. Demand for industrial and warehouse space is being fueled by a surge in e-commerce activity, as well as a shift in retail practices and a desire to move supply chains closer to end-users.

Since most of the County's general fund revenues are derived from local property taxes, 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 shown signs of recovery since the re-opening of businesses, economic conditions continue to be affected by overall reduced activity resulting from the COVID-19 pandemic. 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 the County has sufficient liquidity without the need to access external funding for operations. However, the effects of the pandemic will continue to require constant re-evaluation of revenues, expenditures, and liquidity. Fortunately, the County's strong financial policies and practices and sufficient general fund balance position the County to comfortably manage through the uncertainty of the current and future economic conditions.

## Long-term Financial Planning

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

Credit ratings link strongly to the financial management of a local government and the economic climate. The County seeks to consistently maintain a strong financial position as evidenced by its "AAA/Aaa" status from the three major credit rating agencies, a distinction only 49 counties hold nationwide and a measure that less than one percent of the roughly 18,000 local governments throughout the country have achieved. The triple-AAA/Aaa ratings are also reflective of the County's position as a key economic engine in the Washington-metropolitan area. The County's superior bond ratings and outstanding credit affirms its status as a fiscally responsible and sound local government.

A significant factor in the County's "AAA" bond rating from Fitch Ratings, "Aaa" bond rating from Moody's Investors Service and "AAA" bond rating by S&P Global Ratings is the Board's and management's consistency in implementing and adhering to multi-year financial plans, a practice that requires regular long-term financial planning of operating and capital requirements for general government and enterprise operations. As outlined in the Financial Planning and Program Ordinance and the Principles of Sound Financial Management, five-year revenue and expenditure projections are presented to the Board during the annual budget process. This projection process helps the Board gauge the multi-year impacts of fiscal decisions and weigh the corresponding implications of tax rates and other revenue sources. A five-year budget plan prepared by the Prince William County Schools combined with the five-year budget plan prepared by the County give a total picture of the General Fund requirements. The Board approved the most recent five-year budget plan in April 2021 for fiscal year 2022 to fiscal year 2026. Integral to establishment of five-year plans is the County-School Revenue Sharing Agreement, originally adopted by the Board of County

Supervisors and the County School Board in 1998. The current Agreement splits the County's General Revenues, 57.23 percent to the School System and 42.77 percent to the County.

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

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

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

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

This Plan will be used to guide decisions about resource allocation in the FY 2022 through FY 2026 annual budgets.

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

Each year, the County prepares a six-year Capital Improvements Program (CIP), adopted by the Board, and included in the Adopted Budget. The CIP specifies the capital improvements and construction projects scheduled for funding over the next six years to maintain or enhance the County's capital assets and delivery of services. The County's adopted policy documents, including the Strategic Plan, the Comprehensive Plan, and the Principles of Sound Financial Management guide the development of the CIP.

Capital improvement projects over the next six years for the County government total approximately \$1.04 billion. The major projects address transportation, community development/human services, public safety and technology infrastructure and improvements; all key focus areas of the County's Strategic Plan. The fiscal year 2022-2027 CIP provides \$785.5 million for transportation roadway and sidewalk improvement projects; \$64.6 million for human services projects, namely a new Juvenile Services Center and an eastern Homeless Navigation Center; \$58.1 million for public safety projects, including \$40 million for the expansion of the Public Safety Training Center; \$53.6 million for parks and recreation projects, including parks, fields, trails, and greenways; \$21.8 million for landfill related capping and lining projects; \$25 million for watershed management projects; \$25.3 million for various building and facility capital maintenance projects; and \$12.1 million for technology improvement initiatives, including core technology infrastructure and the replacement of the County's human resource management system. The School System's Capital Program totals almost \$1.5 billion for fiscal years 2022 to 2031.

## Relevant Financial Policies

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

## Major Initiatives

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

*Health, Wellbeing and Human Services* – The FY 2022 Adopted Budget supports improved services for vulnerable families and individuals, including funding to expand the mental health Co-Responder Program, designed to help and divert clients experiencing mental health crisis from hospitalization or incarceration. Additional Social Services staffing is included in the budget to address benefits eligibility and childcare new applications and renewals which increased 200% during the pandemic. Funding is also included to expand homeless case management services throughout the County. Additional local funding is included in the Community Services budget to reduce the waitlist for developmentally disabled services. The budget expands funding to create a Child Advocacy Center for the investigation, treatment, intervention, and prosecution of child abuse cases while minimizing child victim trauma and vital community partner organizations are sustained with a 3% operating increase. Capital improvement funding is provided to design the eastern Homeless Navigation Center and design a Juvenile Services Center which includes a youth shelter.

Safe & Secure Community - The Board's ongoing commitment to keeping the community safe and secure is evident in the FY 2022 Budget. Fire & Rescue engine unit staffing is funded for the new 21,000 square-foot Fire & Rescue Station 22 located on Balls Ford Road which opened in January 2021. The budget re-establishes the Police staffing plan which includes school resource officers for the newly opened Gainesville High and Potomac Shores Middle Schools. Police staffing also expands the aforementioned mental health Co-Responder program in partnership with Community Services and a new staffing plan for the Office of the Commonwealth's Attorney is funded to ensure felony, domestic violence, and misdemeanor DUI cases are prosecuted. The FY 2022 Adopted Budget re-establishes the Sheriff staffing plan as well as local administrative staffing for the Circuit Court, General District Court, and Circuit Court Clerk. Funding is included for the Sheriff's body worn camera and taser program and emergency operations services are enhanced in the adopted budget to coordinate emergency response activities based on lessons learned during the pandemic.

Other completed or substantially completed public safety projects during FY 2021 include the expansion of the Adult Detention Center. The expansion provides bed space to alleviate overcrowding and accommodate future inmate population growth. Additionally, the project to replace the security system at the courthouse complex was completed, including the installation of new cameras/surveillance equipment, digital video recorders, and call boxes with surveillance cameras. Security improvements were also completed at other County facilities. Capital improvement funding is provided in FY 2022 to begin the design of Fire & Rescue Station 27.

*Resilient Economy* – The leadership and foresight of Prince William County to support business development to bring quality jobs to the residents and provide strategies for sustained economic growth enabled the County to become a strategic and vital component of the Northern Virginia economy. The County's Department of Economic Development's mission is to improve the County's economic base by encouraging new businesses to locate in Prince William County, retain existing businesses and encourage existing businesses to expand. The Department works hard to create a pro-business, globally competitive environment that generates new, high-quality, and sustainable job opportunities for our citizens and engages in a broad portfolio of services, partnerships, and strategic alliances to benefit the business community and stimulate the economy. Since the inclusion of economic development in the strategic goals of the County in the mid-1990s, 589 new and expanding companies have announced their intention to invest more than \$15 billion and add approximately 22,000 jobs to the Prince William County economy. Of these announcements, 473 or 80 percent were targeted industry businesses accounting for \$14.6 billion (94%) of the total investment and 17,596 (79%) of the total jobs. Today, the County is home to over 9,800 businesses, an increase of 29 percent over the past ten years.

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

Recognizing the strengths of Prince William County and seizing upon market demands, Prince William County targets the following key industries and sectors: life sciences & biotechnology; information communication technology; specialized logistics & supply chain; government contractors & corporate facilities; small businesses & entrepreneurs; destination & tourism venues; and revitalization & redevelopment. The County's access to both Interstates 66 and 95 make it a desirable location for shipping and transportation companies in the specialized supplies and logistics cluster. The County's proximity to Marine Corps Base Quantico, Fort Belvoir, the National Reconnaissance Office, and Washington, DC, along with the presence of the Federal Bureau of Investigation Northern Virginia Resident Agency in the County, make the federal government and contractors who support the missions of federal agencies a key industry for economic development. All these targeted industries have provided significant capital investment and job opportunities in Prince William County. Since January 2020, seventy companies chose to locate or expand their business in Prince William County as a result of the County's marketing attraction and business development services. These companies bring \$4.2 billion of intended capital investment and will create 2,629 new

jobs, 2,470 of which fall within the County's targeted industry sectors, underscoring the valuable workforce proposition the County presents.

Technology is one of the County's strongholds and area of core competitiveness. Unparalleled access to the nation's largest tech talent pipeline, along with the County's prominent East Coast location have given rise to Prince William County's emergence as an important data center market in the Greater Washington, DC Metropolitan area – the largest in the world. The County's competitive tax structure, affordable power and fiber optic availability make it an ideal location for data center clients seeking a location in the Mid-Atlantic region. Further strengthening Prince William County's position is the availability of large land parcels and minimal natural disaster threats, which allows clients to meet the high security standards that today's data center market demands. Since attracting its first data center in 1999, the County is now home to over 8.3 million square feet of data center space, representing approximately \$12.0 billion in capital investment and more than 1,700 highly skilled jobs. The County continues to be a magnet for data center projects as the region is home to one of the oldest and most important internet exchange points on the global map of the internet, the Metropolitan Area Exchange-East. Today, nearly 10,000 acres of land are designated as a Data Center Opportunity Zone Overlay District within the County's boundaries, increasing competitiveness in the marketplace.

Innovation Park, the County's premier business and technology hub, is home to a growing life sciences cluster and several information technology companies. George Mason University's Science and Technology campus, situated at the epicenter of Innovation Park, houses the Institute for Advanced Biomedical Research, which includes leading-edge research laboratories. Other prominent businesses and institutes located at Innovation Park include American Type Culture Collection, Corning Life Sciences - Mediatech, Inc., BerkleyNet, Medliminal, LLC, the Department of Forensic Sciences, the George Mason University/National Institutes of Health (NIH) Level-3 Biosafety Research Laboratory (BRL), Mason's Center for Applied Proteomics & Molecular Medicine and Microbiome Group. Also present is an emerging forensic science/criminal justice cluster that includes the Federal Bureau of Investigation Northern Virginia Resident Agency and the Virginia Department of Forensic Science's Northern Laboratory. NCS Technologies, Inc., a leading domestic computer manufacturer, broke ground on a new 108,000 square-foot energy-efficient headquarters on 8.4 acres located in Innovation Park. This facility, expected to be occupied by summer of 2022, brings an estimated \$15.2 million in capital investment to the County and is expected to bring one of the largest manufacturing lines in the region. [Planet Direct](#), a full-service direct mail production facility, moved into their new 115,000 square-foot corporate headquarters in Innovation Park in late 2021. The company's expansion will retain 130 jobs, create 100 new jobs, and represents the company's corporate goal to become one of the largest direct mail manufacturers in the mid-Atlantic region.

The Prince William Science Accelerator is home to the only commercially available public-private wet lab space in Northern Virginia and supports the growth of early-stage, start-up, and small life science companies. First established in 2014, the Science Accelerator was designed to provide an innovative environment for entrepreneurial research and product development. Ideally situated in Innovation Park near George Mason University, the 9,000 square foot facility houses nine fully built-out wet laboratory spaces suited for each tenant's specific needs. The Science Accelerator is amongst the largest and fastest-growing cluster of life and forensic sciences facilities in the region and is currently home to 10 entrepreneurial start-up companies.

The Virginia Simulation and Game Institute (VSGI), also located at Innovation Park, is the only institute of its kind in the world. The Institute is designed to support translational applied research in the areas of simulation, modeling created multiple patents, copyrights, and worked on innovation, simulation, and game solutions for corporate, government, education, and entrepreneurial projects alike. Since opening in March 2014, the VSGI has doubled in size, incubated 29 companies of varying sizes, and provided well over 700 jobs.

Two historic barns provide a unique ambiance within Innovation Park. The historic Birkett dairy barn serves as a premier wedding, event, and live-music venue, known as Sweeney Barn, and nicely complements the Thomasson historic barn, occupied by The Black Sheep restaurant. The vintage barn features a dedicated arts and entertainment

space as well as private dining rooms in the lower-level barrel-aging quarter. The property is also home to 2 Silos Brewing Co. and Farm Brew Live, a live music venue.

Potomac Communities includes several office developments that cater to the growing demand to provide companies greater access to the Northern Virginia labor market while maintaining proximity to Washington, D.C., and nearby federal facilities – such as Marine Corps Base Quantico, Fort Belvoir, and the Pentagon. With infrastructure improvements to local roadways and new commercial office space coming to market, Potomac Communities provides several opportunities for those looking to locate or expand in the County. Within Belmont Bay, a 300-acre mixed-use community adjacent to the Potomac River is George Mason University's Potomac Science Center, home to the Potomac Environmental Research & Education Center. This Center contains wet lab space for teaching and research, lecture rooms, a library/resource center, offices, and a spatial analysis laboratory further enhancing the pool of future workforce talent here in the County. Northern Virginia Community College (NVCC) Regional Workforce Development Center, also located in Potomac Communities, delivers high-quality workforce training with a focus on information technology, cybersecurity, and advance manufacturing. NVCC and the United States Marine Corps (USMC) partnered, in collaboration with Amazon Web Services (AWS), to develop a course of study in data intelligence focused on cloud computing, data analytics, machine learning and artificial intelligence. This innovative set of courses was developed with the help of AWS Educate, the global initiative of AWS to support cloud computing learning and career development for educators and students. These educational offerings all support targeted industries for Prince William County. Also, within the boundaries of Potomac Communities is Potomac Shores, a master planned riverfront community, zoned for a dense mixed-use development including a town center, a proposed Virginia Railway Express (VRE) station, and recreational amenities, including the completed Potomac Heritage National Scenic Trail and a Jack Nicklaus Signature Golf Course.

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

To provide added support to small businesses, the County has partnered with the Mason SBDC of George Mason University to deliver small business development services. Funding support from Prince William County allows for counseling services to be available at no cost to business owners and aspiring entrepreneurs. Each business participating in the small business program receives thorough and confidential counseling support for any stage of its life cycle. Small business owners also benefit from regular cost-free workshop sessions in topic areas such as government contracting, financing, and marketing. Since the launch of the program in July 2019, counselors have completed over 2,000 one-on-one sessions resulting in over \$20 million in capital formation.

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

*Quality Education & Workforce Development* - Over the years, the Board of County Supervisors has demonstrated a strong commitment to quality public schools in Prince William County. The School System's Five-Year Budget Plan continues to focus resources on the most critical school needs, including funding for the 2,105 new students expected during the next five years; \$184.8 million in funding for repairs and renewals of older school facilities; funding for the infrastructure needed for technology improvements and funding for \$581.1 million of construction bonds for new schools, renewals, and major maintenance projects. Also included are start-up and operating costs



for three new elementary schools, one new middle school and one new high school as well as additions/expansions at two current schools.

Governed by an eight-member elected School Board, Prince William County Schools is the second largest of 132 school divisions in Virginia, the fourth largest in the Washington-Metropolitan area, and one of the 35 largest school divisions in the country, operating over 100 schools and specialty centers for students in grades pre-kindergarten through twelve. The current School Board members were elected in November 2019 and serve a four-year term beginning January 1, 2020. The official September 2021 student enrollment count for all Prince William County Schools is 89,468 students, up 392 students, or 0.4% from FY 2021 to FY 2022.

The FY 2022 Adopted School Division Budget supports the cost of educating 2,057 fewer students over the FY 2021 approved budget; start-up costs for opening of "Rosemount Lewis" Elementary School, slated to open in August 2023; compensation and inflation adjustments on supplies, materials and equipment; \$3.0 million in one-time funding for an upgrade to the financial/budget/human resources Enterprise Resource Planning (ERP) system with managed services; \$1 million for division-wide English Language Arts textbook adoption and implementation; \$1 million for future ready digital equity and \$1.5 million to reduce the elementary guidance counselor ratio from 375:1 to 325:1; the addition of 11 Virginia Preschool Initiative classes, as well as funding for 16 new psychologist positions, five administrative interns to support special education, three pandemic coordinators, one chief equity officer and various other needed positions across the school system. Funding is included in the School Division's FY 2022 capital program for the construction of additions at Reagan Middle School (six rooms) and Gainesville Middle School (11 rooms), a renovation of Bennett Elementary School and fenestration improvements at Osbourn Park High and Unity Reed High Schools. Capital construction projects completed during 2021 include Potomac Shores Middle School, the County's 17<sup>th</sup> middle school serving primarily the eastern corridor and Gainesville High School, the County's 13<sup>th</sup> high school serving primarily the western corridor. These two new state-of-the-art schools opened for the 2021-2022 school year. Improvements to the auxiliary gyms were also completed at Gar-Field and Woodbridge High Schools.

In response to the challenges presented by the COVID-19 pandemic, during the 2020-2021 school year the School Division implemented a one-to-one technology initiative, providing and distributing approximately 90,000 laptops, as well as thousands of mobile broadband devices, to provide equitable access to digital devices for students. In addition, the School Division partnered with Comcast to provide free home broadband to families in need of support. In addition, the School System's School Food and Nutrition Services served 23 million meals during the 2020-2021 school year, an increase from the 10 million meals served during the 2019-2020 school year

The School System remains committed to providing a world-class education to its students and is a state leader in producing better student achievement results at a lower taxpayer cost. As testament to the quality of education received by students in Prince William County, all schools earned Virginia accreditation for the 2019-2020 school year based on recent performance measures, according to Virginia Department of Education (VDOE). The 100% success rate compares with a statewide accreditation rate of 92%. Prince William County Schools is the largest school division in the state with all schools accredited without any conditions. Annual accreditation was waived for all Virginia public schools for the 2020-21 school year due to the cancellation of the Spring 2020 state assessments. Twenty-seven schools in Prince William County earned 2020 Exemplar Performance School awards from the VDOE for high student achievement, continuous improvement, or innovative practices. Only six school divisions statewide were recognized with these awards.

The College Board Scholastic Aptitude Test (SAT) score reports recently released indicate that Prince William County Public Schools students continue to excel with an overall mean score of 1097 -- 37 points higher than the overall global score, or performance worldwide. In addition, the percentage of PWCS students meeting all the college readiness benchmarks established by the College Board exceeds performance globally. The School Division's 93% on-time graduation rate for 2020 surpasses the overall State rate of 92.3% and marks the 13<sup>th</sup> year of consecutive improvement and exceeds the Virginia average. The School System's 2021 graduates were awarded

more than \$63.5 million in scholarships. This is an increase from the over \$54 million awarded in scholarships to the class of 2020.

*Transportation & Mobility* – Over the years, the County has worked to develop a transportation system that gets people to work, improves safety, reduces congestion, reduces travel time, and enhances its economic development efforts. As the population of the region continues to grow, the County continues to find ways to fund and/or build the needed transportation infrastructure within the community.

Transportation initiatives completed or substantially completed during fiscal year 2021 include the Innovation pedestrian improvement that provided sidewalk and shared-use path improvements to enhance the walkability and recreational capabilities at Innovation Park; the Optiz Boulevard sidewalk project that added approximately 1,300 linear feet of sidewalk connecting an existing sidewalk on Potomac Center Boulevard and an existing sidewalk on Opitz Boulevard at the Potomac library; and the Smoketown Road/Opitz Boulevard pedestrian improvement project which enhances the walkability between Gideon Drive and Potomac Mills Road.

Prince William County is a member of the Northern Virginia Transportation Authority (NVTA), an authority created by the General Assembly in 2002. This nine-member authority; made up of the counties of Prince William, Arlington, Fairfax, and Loudoun as well as the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park; offers a common voice for Northern Virginia on transportation and other issues that confront the region. The NVTA is tasked with preparing an unconstrained long-range regional transportation plan (the most recent is the TransAction 2040 Plan) for Planning District 8, including transportation improvements of regional significance. As a result of fees and taxes imposed by legislation passed by the General Assembly in April 2013, the NVTA receives earmarked revenue for projects dedicated to relieving congestion in Northern Virginia and participating jurisdictions are privy to a portion of such revenues. NVTA transportation funding is split into two categories -- projects with regional congestion relief benefits constitute 70 percent of the NVTA funds and the remaining 30 percent of NVTA funds are transferred directly to participating localities for urban or secondary road construction, capital improvements that reduce congestion, projects included in TransAction 2040 or its future updates and/or for public transportation purposes. In the fiscal years 2022-2027 CIP, the County's allocated 30 percent funding, totaling \$33.5 million, has been programmed to support NVTA eligible County-managed road projects. Another \$5.9 million is allocated to support VRE commuter rail operations in fiscal year 2022. The County successfully competes for 70 percent funding each year, with almost \$316.7 million applied to active transportation projects.

Transportation remains a top priority for residents and businesses alike as more than 73 percent of voters approved a \$355 million mobility bond referendum on November 5, 2019. All approved mobility referendum projects (Devlin Road widening, Minnieville Road/Prince William Parkway interchange, Old Bridge Road/Route 123 intersection, Route 28 corridor and Summit School Road/Telegraph Road improvements) have funding to complete design. In addition, funding is provided in the 2022-2027 CIP for the Van Buren Road Extension environmental study. The debt service to construct these mobility bond projects is not currently funded in the County's Adopted Budget and Five-Year Plan.

The \$785.5 million transportation CIP for fiscal years 2022-2027 aims to further advance the transportation & mobility strategic goals by including \$118.4 million for the Balls Ford interchange and widening project; \$79.4 million for the Potomac/Neabsco Mills Road commuter parking garage and road widening project; \$47.6 million for the Brentsville Road interchange; \$31.9 million for the University Boulevard interchange and extension; \$20.9 million for improvements to Route 1 from Featherstone Road to Mary's Way; \$302.8 million for improvements to Route 28 and a new Route 28 Bypass; \$26.3 million for improvements to Old Bridge Road; \$26.5 million for the extension of Summit School Road and widening of Telegraph Road; \$48.5 million for the widening of Devlin Road; \$3.0 million for improvements to Fuller Road and Fuller Heights Road; \$69.5 million for an interchange at Minnieville Road and Prince William Parkway; \$1.6 million for an environmental study for the four-lane extension of Van Buren Road between Route 234 and Cardinal Drive; \$8.1 million for planning and design for the extension of Annapolis Way; and \$0.8 million for sidewalk/pedestrian improvements at Old Carolina Road.

Important to the overall quality of life are the numerous parks, recreational and tourism amenities that exist throughout the County. During fiscal year 2021, the County completed/substantially completed the Harbor Drive Wellness Park, a 2.3-acre neighborhood park in Lake Ridge, featuring activities for active and passive recreation, and the Heritage Harbor and Occoquan Refuge trail segments on the Potomac Heritage National Scenic Trail.

Voters also approved a \$41 million park bond referendum on November 5, 2019, along with the mobility bond referendum. \$20 million was approved for countywide trail, open space, and accessibility projects. \$6 million each was approved for Fuller Heights Park expansion, improvements to Howison Park and the construction of a new community park -- Neabsco. Finally, \$3 million was approved for the construction of artificial turf fields at Hellwig Park. The debt service for these planned park bond projects is currently not funded in the County's Adopted Budget and Five-Year Plan.

## Awards and Acknowledgments

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

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report 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.

Prince William County received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year beginning July 1, 2020. This was the 35<sup>th</sup> consecutive year that the County has received this prestigious award. To receive this award, the governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide and as a communications device.

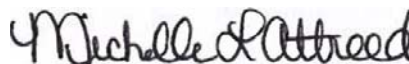
The County also received for the 15<sup>th</sup> time the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2020. This award program is designed to encourage local governments to extract information from their annual comprehensive financial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

Many professional staff members in the Finance Department's Financial Reporting and Control Division prepared this report. Their hard work, professional dedication, and continuing efforts to improve the quality of this report are a direct benefit to all that read and use it. We would also like to acknowledge the cooperation and assistance of the County's departments and agencies throughout the year in the efficient administration of the County's financial operations. This Annual Comprehensive Financial Report reflects the County's commitment to the residents of Prince William County, the Board of County Supervisors, and the financial community to provide information in conformance with the highest standards of financial accountability.

Respectfully,



Elijah T. Johnson  
Acting County Executive



Michelle L. Attreed  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Prince William  
Virginia**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

## Organization of Prince William County Government

Since 1972, the County has operated under the County Executive form of government, as provided in Section 15.2-500 et seq. VA Code Ann. The policy-determining body of the County is an eight-member Board of County Supervisors. Residents in each of the County's seven magisterial districts elect one member of the Board to serve a term of four years. The eighth member of the Board, elected at-large by County residents, serves a four-year term as Chair.

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

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

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

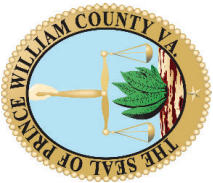
An eight-member School Board is responsible for the operation of public schools in the County. The members are elected and serve a term of four years. The Board appropriates funds from the County's General Fund for the local share of the cost of operating the public schools. Operations of the School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

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

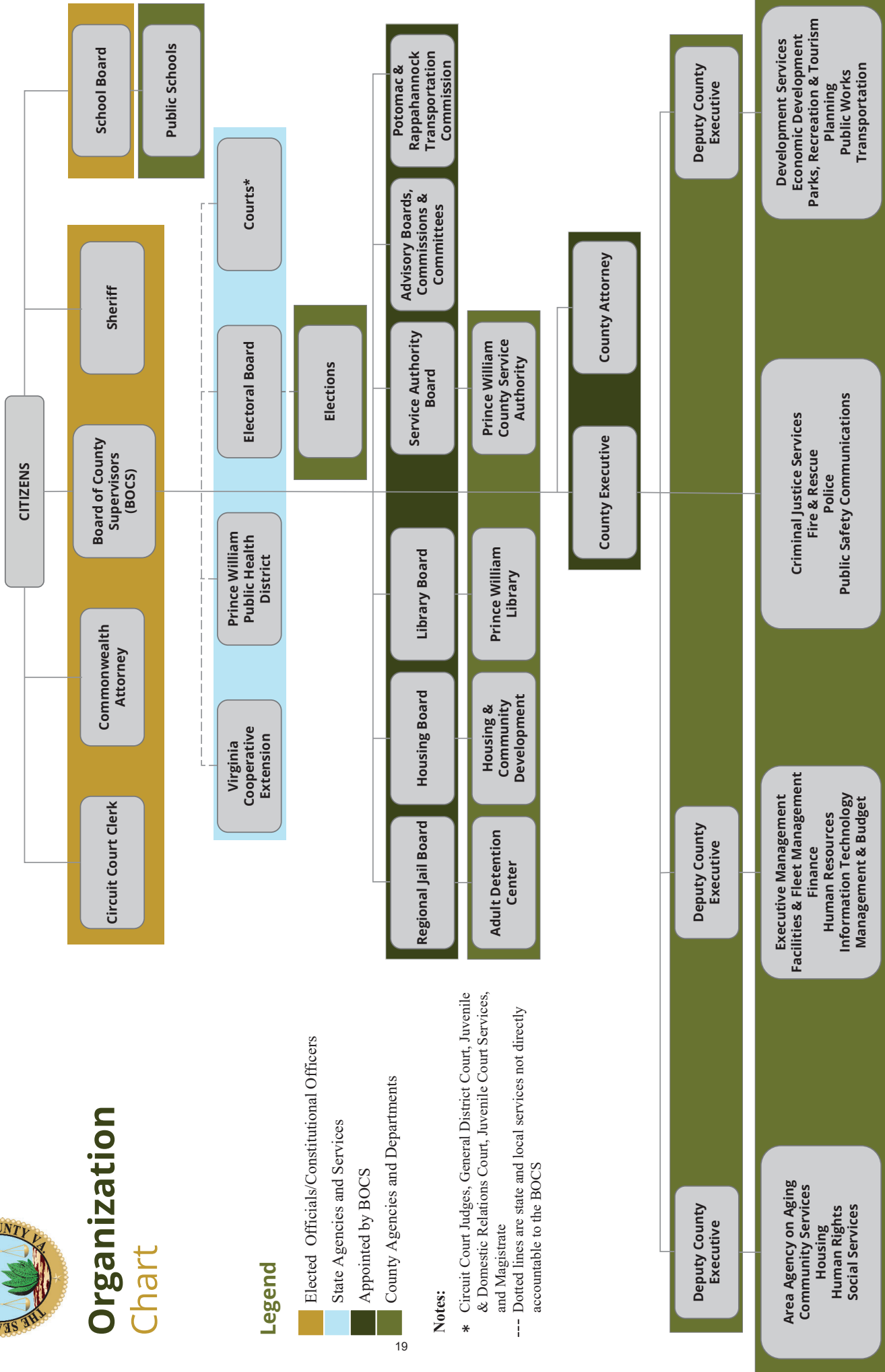
Along with the Board, County residents elect three constitutional officers -- the Clerk of the Circuit Court for a term of eight years, and the Sheriff and Commonwealth's Attorney each for terms of four years. The Virginia General Assembly appoints the Judges of the Circuit Court, the General District Court, and the Juvenile and Domestic Relations District Court. Unlike most other Virginia counties, County residents do not elect a Treasurer and a Commissioner of the Revenue. The Chief Financial Officer, appointed by

the Board based on a recommendation of the County Executive, carries out the responsibilities of these officers.

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



# Organization Chart



## Legend

- Elected Officials/Constitutional Officers
- State Agencies and Services
- Appointed by BOCS
- County Agencies and Departments

## Notes:

- \* Circuit Court Judges, General District Court, Juvenile & Domestic Relations Court, Juvenile Court Services, and Magistrate
- Dotted lines are state and local services not directly accountable to the BOCS



**PRINCE  
WILLIAM**  
— COUNTY



# Financial Section

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

# Financial Section



## Report of Independent Auditor

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Prince William, Virginia (the "County"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matters***

### ***Restatement***

As described in Note 1.R. to the basic financial statements, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. As a result, related net position and fund balances have been restated. Our opinions are not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, changes in net pension and net other postemployment benefits ("OPEB") liabilities and related ratios, and schedule of contributions for the pension and OPEB plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, supplementary information section (which includes combining and individual nonmajor and component unit fund financial statements, individual nonmajor fund and component unit budgetary comparison schedules, and debt obligation schedules) and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information section, as listed in the table of contents, is the responsibility of management and was derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2022, on our consideration of the County's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cherry Belmont LLP". The signature is written in a cursive, flowing style.

Tysons Corner, Virginia  
May 23, 2022



## Management's Discussion and Analysis June 30, 2021 (amounts expressed in millions)

Prince William County's 2021 fiscal performance continues to demonstrate the successful implementation of its Strategic Plan. This report provides accountability to the County's goals and objectives defined with its residents and adopted by the Board of County Supervisors. This section of the Annual Comprehensive Financial Report presents our discussion and analysis of the County's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section. All amounts in the discussion and analysis, unless otherwise indicated, are expressed in millions of dollars. Throughout this section of the report, the primary government is referred to as the "County", and the "Total Reporting Entity" is the County and component units combined. Due to the material relationship between the County and its component units (School Board and Adult Detention Center), the Total Reporting Entity information more accurately reflects the comprehensive financial operations of Prince William County.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

### FINANCIAL HIGHLIGHTS

- The total reporting entity, which includes component units, has positive net position of \$1,164 at June 30, 2021, which represents an increase of \$185 or 18.9 percent from the prior year.
- The total cost of the County's governmental programs increased 12.8 percent to \$1,641 during fiscal year 2021, while the County's total revenues increased by 10.9 percent to \$1,633.
- Net position of governmental activities decreased 3.2 percent from negative (\$274) the prior year. The County's total costs in governmental activities increased \$184 or 12.8 percent from prior year, while program revenues increased by 43.5 percent, and general revenues grew by 4.6 percent.
- At June 30, 2021, the County had \$1,135 of debt outstanding, including \$927 related to assets recorded by its component units and other entities. Accordingly, liabilities and deferred inflows of the County's governmental activities at June 30, 2021 exceeded its assets and deferred outflows by \$283 (net deficit).
- Total net position of the County's business-type activities increased by 3.0 percent to \$70.2 as revenues exceeded expenses during the year, bolstered by landfill charges that exceeded costs (after transfers) by \$2.
- At the end of the current year, the unassigned fund balance of \$95 in the general fund was maintained at 7.5 percent of the total general fund revenues. The unassigned fund balance increased 4.4 percent from the prior year. The increase is primarily attributable to revenue growth during the fiscal year that outpaced the growth in expenditures.
- General fund revenues exceeded the budget by \$12; alternatively, expenditure savings of \$31 under the budget helped to provide additional available resources to fund the County's reserves available for future appropriation.
- As of January 1, 2020, (the assessment date pertinent to real estate taxes supporting fiscal year 2021) the total assessed values of taxable property increased by 5.9 percent compared to the prior year, with residential values accounting for 75.8 percent of the total assessed values. Real estate taxes contributed 48.2 percent of the total revenues for the primary government of the County during fiscal year 2021.

post-employment benefit plans; the special welfare program; and the community services board, and housing federal self-sufficiency payee programs for certain recipients of welfare, mental health and housing services.

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

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

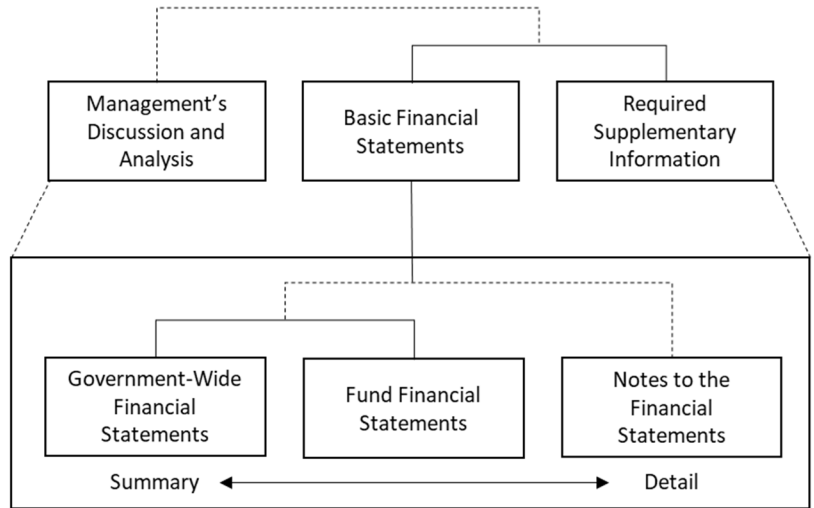


Figure A-2 summarizes the major features of the County's financial statements, including the scope and the types of financial information presented. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Figure A-2**  
Major Features of Prince William County's Government-Wide and Fund Financial Statements

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

**Fund Financial Statements**

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

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

- **Governmental Funds**—Most of the County’s basic services are included in various governmental funds, which focus on:

- 1) How cash and other financial assets can readily be converted to cash flow in and out; and
- 2) The balances left at year-end that are available for spending.

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

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

- **Proprietary Funds**—Services for which the County charges customers a fee are generally reported in proprietary funds.
  - The County’s enterprise funds are the same as its business-type activities; but provide more detail and additional information.
  - The County uses internal service funds to report activities that provide supplies and services for the County’s other programs and activities—such as the County’s Intra-County Services Fund.
- **Fiduciary Funds**—The County is the trustee, or fiduciary, for its employee’s pension plans. The County is also responsible for other assets through a trust arrangement that can be used only for the trust beneficiaries. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the County’s government-wide financial statements, because the County cannot use these assets to finance its own operations.

**Government-Wide Statements**

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

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

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

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

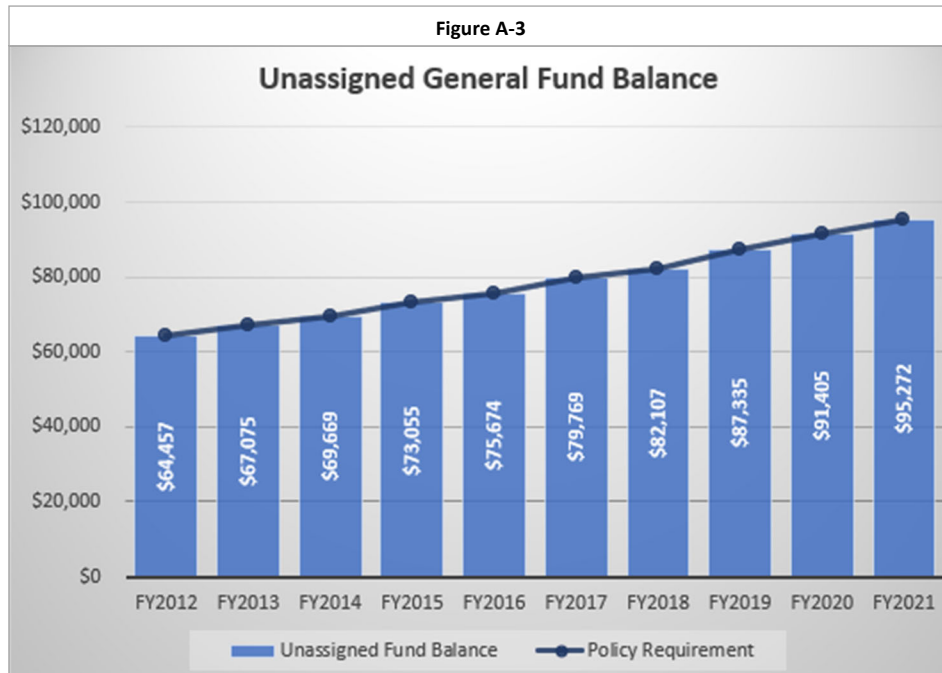
**FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS**

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

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

### Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As the County completed the year, its governmental funds reported a combined fund balance of \$453, an increase of \$46 or 11 percent from the prior year's \$407 combined fund balance.



- The County's General Fund balance increased \$36 or 15.8 percent; while revenues increased \$54 or 4.4 percent, fueled mainly by increases in general property taxes which resulted from increases in assessed values of residential real estate from the prior year, expenditure increases were impactful at \$64 or 5.4 percent.

- The Capital Projects funds balances, which can tend to increase and decrease from one year to the next due to the accumulation and subsequent expenditure of funds for major capital improvement projects, decreased by \$3 during the current year due to the expenditure of funds on numerous projects.

- Fund balance for the Fire & Rescue Levy Fund increased 3.3 percent or \$1 during fiscal

year 2021. Total revenues were down slightly over the prior year by \$1 or 2.4 percent, fueled primarily by decreases in use of money & property and a slight increase of general property taxes, while expenditures of \$25 were slightly higher than the \$23 expended in the prior year. Fund balances for Other Governmental Funds increased \$12 or 27.1 percent compared with \$7.9 or 21.2 percent during the prior year, fueled by revenue growth of \$75 or 88.6 percent being slightly outpaced by expenditures increases of \$71.2 or 100 percent.

- Fund balance for the COVID-19 Relief fund remained relatively flat. Total revenues and expenditures increased by \$70 or 1368%. The stark increase was due to additional federal funding received to manage COVID-19 relief efforts.
- The financial results as detailed in the governmental funds demonstrate the County's accountability to its five strategic goal areas of robust economy, safe and secure community, well-being, quality education, workforce development; and mobility aligned to address the impact of population growth and increased needs of the community.
  - ◆ Debt service costs increased \$5 during fiscal year 2021 to \$146. The County increased its investment in health and welfare, adding \$9 over the prior year expenditures, or 9.1 percent. Additionally, general fund support for public safety increased \$11 or 4.1% from the prior year.
  - ◆ The County continued its mobility goal of alleviating congestion by investing \$80 on the construction of various streets and roads during fiscal year 2021. Upon completion, these road projects will be transferred to and become assets of the Commonwealth of Virginia.
  - ◆ The County's general fund support to the School Board was \$539 compared with \$507 in the prior year. This represents a 6.4 percent increase as the County dedicated funding to reduce class sizes.

### Proprietary Funds

Unrestricted net position of the Landfill increased by less than \$1 in fiscal year 2021. Innovation Technology Park's unrestricted net position increased by \$2, fueled primarily by charges for services. Net position of the Parks and Recreation enterprise fund increased by \$1 or 51 percent, fueled primarily by decreases in personnel expenses.

The Statement of Cash Flow, for the proprietary funds provides more detailed information.



## General Fund Budgetary Highlights

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

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

After these adjustments, budgetary expenditures were \$31 lower than the final budget amounts and budgetary revenues exceeded the final budget by more than \$22. These two factors, combined with the effect of transfers to other funds, resulted in an increase in the total fund balance of the General Fund, of \$36 during the fiscal year. The most significant revenue variances were related to other local taxes (\$30 higher than final budget) and general property taxes (\$10 higher than final budget) resulting from increases in assessed values. Actual expenditures were lower in all categories, most notably public safety; health and welfare; parks, recreation and cultural and community development, as the County reacted to the onset of the COVID-19 pandemic and sought immediate spending reductions to prepare for the potential impacts, including possible economic downturn.

## FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

### Net Position

The total reporting entity net position increased from the prior year balance of \$979 (after the restatement) by 18.9 percent to \$1,165.

### Governmental Activities

Net position of the County's governmental activities decreased by 3.2 percent to (\$283) during the year. The \$(213) deficit net position of the primary government results largely from the County issuing debt to finance capital projects, which are donated to other entities. Therefore, while the debt is reflected as an obligation of the primary government of the County, the related assets are recorded by the entities to which the capital projects are donated. These donations are planned as part of the County's capital improvement program to further its quality education and workforce development, mobility, safe and secure communities and robust economy strategic goals, and thereby increase services and improve the quality of life in Prince William County.

As of June 30, 2021, the County has \$1,135 of outstanding debt (compared with \$1,085 as of June 30, 2020) of which \$1,060 is related to assets donated to other entities as follows:

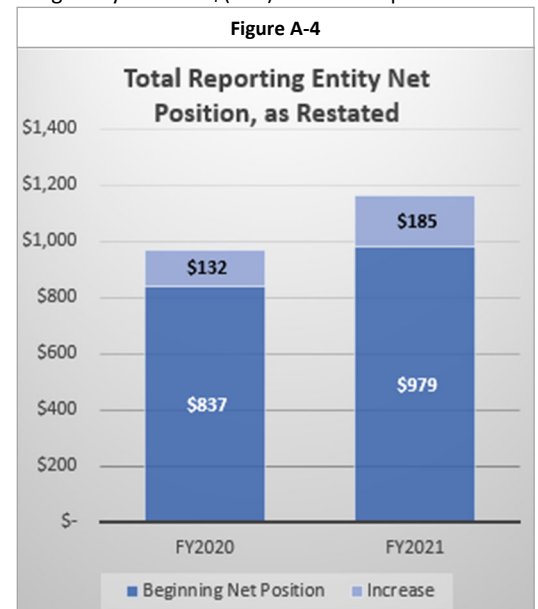
- \$879; Prince William County School Board
- \$133; Commonwealth of Virginia
- \$48; Prince William County Adult Detention Center

This represents 93.0 percent of the County's total general obligation, capital leases and other long-term debt. Because the County does not retain ownership of the related assets which, therefore, are not presented on the County's Statement of Net Position, this debt liability (less any unspent proceeds) reduces the County's total net position and represents a less favorable picture as compared to governments that do not extensively fund the capital assets of other entities.

Consequently, the debt used to finance the purchase or construction of assets recorded by other entities results in a deficit in net position of governmental activities of the County. Additionally, as discussed in the analysis of the County's governmental funds, revenues of the County's governmental activities increased by 10.9 percent compared to those of the prior year, and expenses increased by 12.8 percent during fiscal year 2021.

### Business-Type Activities

The net position of the County's business-type activities increased 6.3 percent to \$72 in fiscal year 2021 compared to \$68 in the prior year. The results of the County's business-type activities are attributable to the activities discussed in the analysis of the County's proprietary funds. The \$72 net position of the County's business-type activities will not be used to offset the net position deficit in governmental activities. The County generally uses the positive net position to finance the continuing operations of the Landfill, Innovation Technology Park and Parks and Recreation.



<b>Table A-1</b>									
<b>Net Position</b>									
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>		<b>Total Reporting Entity (Including Component Units)</b>		
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	
Current assets and other	\$ 983	1,018	53	51	1,036	1,069	1,743	1,578	
Capital assets	639	620	49	44	688	664	2,550	2,475	
<b>Total assets</b>	<b>1,622</b>	<b>1,638</b>	<b>102</b>	<b>95</b>	<b>1,724</b>	<b>1,733</b>	<b>4,293</b>	<b>4,053</b>	
<b>Deferred outflows of resources</b>	<b>167</b>	<b>118</b>	<b>2</b>	<b>1</b>	<b>169</b>	<b>119</b>	<b>493</b>	<b>358</b>	
Other liabilities	413	375	7	6	420	381	620	563	
Long-term liabilities*	1,515	1,385	25	22	1,540	1,407	2,754	2,503	
<b>Total liabilities</b>	<b>1,928</b>	<b>1,760</b>	<b>32</b>	<b>28</b>	<b>1,960</b>	<b>1,788</b>	<b>3,373</b>	<b>3,066</b>	
<b>Deferred inflows of resources</b>	<b>145</b>	<b>270</b>	<b>-</b>	<b>-</b>	<b>145</b>	<b>270</b>	<b>247</b>	<b>376</b>	
Net position:									
Net investment in capital assets	541	547	45	39	586	586	2,512	1,566	
Restricted	126	110	-	-	126	110	204	143	
Unrestricted*	(951)	(931)	27	29	(924)	(902)	(1,551)	(740)	
<b>Total net position*</b>	<b>\$ (284)</b>	<b>(274)</b>	<b>72</b>	<b>68</b>	<b>(212)</b>	<b>(206)</b>	<b>1,165</b>	<b>969</b>	

The aforementioned factors contributing to changes in the governmental net position and the business-type net position of the County combined to create an overall decrease in net position of the primary government of \$6 during fiscal year 2021. The assets and deferred outflows of resources of the primary government are less than the liabilities and deferred inflows of resources by \$212.

The component units (the Prince William County School Board and the Adult Detention Center) are a significant portion of the total reporting entity, the assets of which represent 59.86 percent of the total reporting entity. Component unit net position increased 17.0 percent to \$1,377 during 2021, with an increase in funding of \$52 from the County as well as increased funding from the state of \$20. The net position of the primary government of negative (\$214) combined with the net position of the component units of \$1,377 resulted in total net position for the total reporting entity of \$1,164, after considering the effect of restatement of beginning net position.

#### **Changes in Net Position**

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

Revenues for the County's governmental activities increased 11 percent to \$1,603, and total expenses increased 12.8 percent to \$1,616, which, after considering the effect of transfers, resulted in a \$9 decrease in net position during the current year, compared to \$14 increase in the prior year.

71 percent of revenues related to governmental activities are derived from taxes (see Figure A-5). Tax revenues increased by \$67 or 6.2 percent, driven mainly to an increase in real estate tax revenues from \$755 in fiscal year 2020 to \$787 in fiscal year 2021. Despite no change in the total direct tax rate, a 5.9 percent increase in the total taxable assessed value of real estate in the County pushed real estate tax revenues higher during fiscal year 2021, and increased levels of support received from both the state and federal government coupled with falling investment earnings; the overall revenue increases mitigated the impact of the rising cost of vital services provided by the County. These outcomes are attributable to a more positive real estate market than the County has experienced over the past few fiscal years, with residential real estate values, which make up 75.8 percent of total assessments, increasing 5.2 percent. Commercial and industrial values increased 9.7 percent and apartment real estate values increased 8.7 percent.

Table A-2 Changes in Net Position								
	Governmental Activities		Business-Type Activities		Total Primary Government		Total Reporting Entity (Including Component Units)	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Program revenues:</b>								
Charges for services	\$ 45	51	29	26	74	77	80	95
Operating grants and contributions	185	111	-	-	185	111	480	297
Capital grants and contributions	110	76	-	-	110	76	110	76
<b>General revenues:</b>								
<b>Taxes:</b>								
Real property	787	755	-	-	787	755	787	755
Personal property	175	163	-	-	175	163	175	163
Other taxes	176	153	-	-	177	153	177	153
Payment from primary government	-	-	-	-	-	-	827	775
Grants and contributions not								
restricted to specific programs	78	81	-	-	78	81	570	552
Unrestricted investment earnings	16	38	-	1	16	39	16	46
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	-	-
Miscellaneous	29	17	1	1	31	18	41	23
<b>Total revenues</b>	<b>1,603</b>	<b>1,445</b>	<b>30</b>	<b>28</b>	<b>1,633</b>	<b>1,473</b>	<b>3,263</b>	<b>2,935</b>
<b>Expenses:</b>								
General government administration	95	51	-	-	95	51	95	51
Judicial administration	29	27	-	-	29	27	29	27
Public safety	376	324	-	-	376	324	376	324
Public works	94	102	-	-	94	102	94	102
Health and welfare	137	111	-	-	137	111	137	111
Education	694	634	-	-	694	634	694	634
Parks, recreational, and cultural	51	57	-	-	51	57	51	57
Community development	91	76	-	-	91	76	91	76
Interest on long-term debt	49	50	-	-	49	50	49	50
Enterprise*	-	-	23	22	23	22	23	22
Component units	-	-	-	-	-	-	1,438	1,349
<b>Total expenses</b>	<b>1,616</b>	<b>1,432</b>	<b>23</b>	<b>22</b>	<b>1,639</b>	<b>1,454</b>	<b>3,077</b>	<b>2,803</b>
Excess/(deficiency)in net position								
before transfers	(13)	13	7	6	(6)	19	186	132
Transfers	3	1	(3)	(1)	-	-	-	-
<b>Increase/(decrease) in net position</b>	<b>(10)</b>	<b>14</b>	<b>4</b>	<b>5</b>	<b>(6)</b>	<b>19</b>	<b>186</b>	<b>132</b>
<b>Net position, beginning of year*</b>	<b>(274)</b>	<b>(288)</b>	<b>68</b>	<b>63</b>	<b>(206)</b>	<b>(225)</b>	<b>979</b>	<b>837</b>
<b>Net position, end of year</b>	<b>(284)</b>	<b>(274)</b>	<b>72</b>	<b>68</b>	<b>(212)</b>	<b>(206)</b>	<b>1,165</b>	<b>969</b>

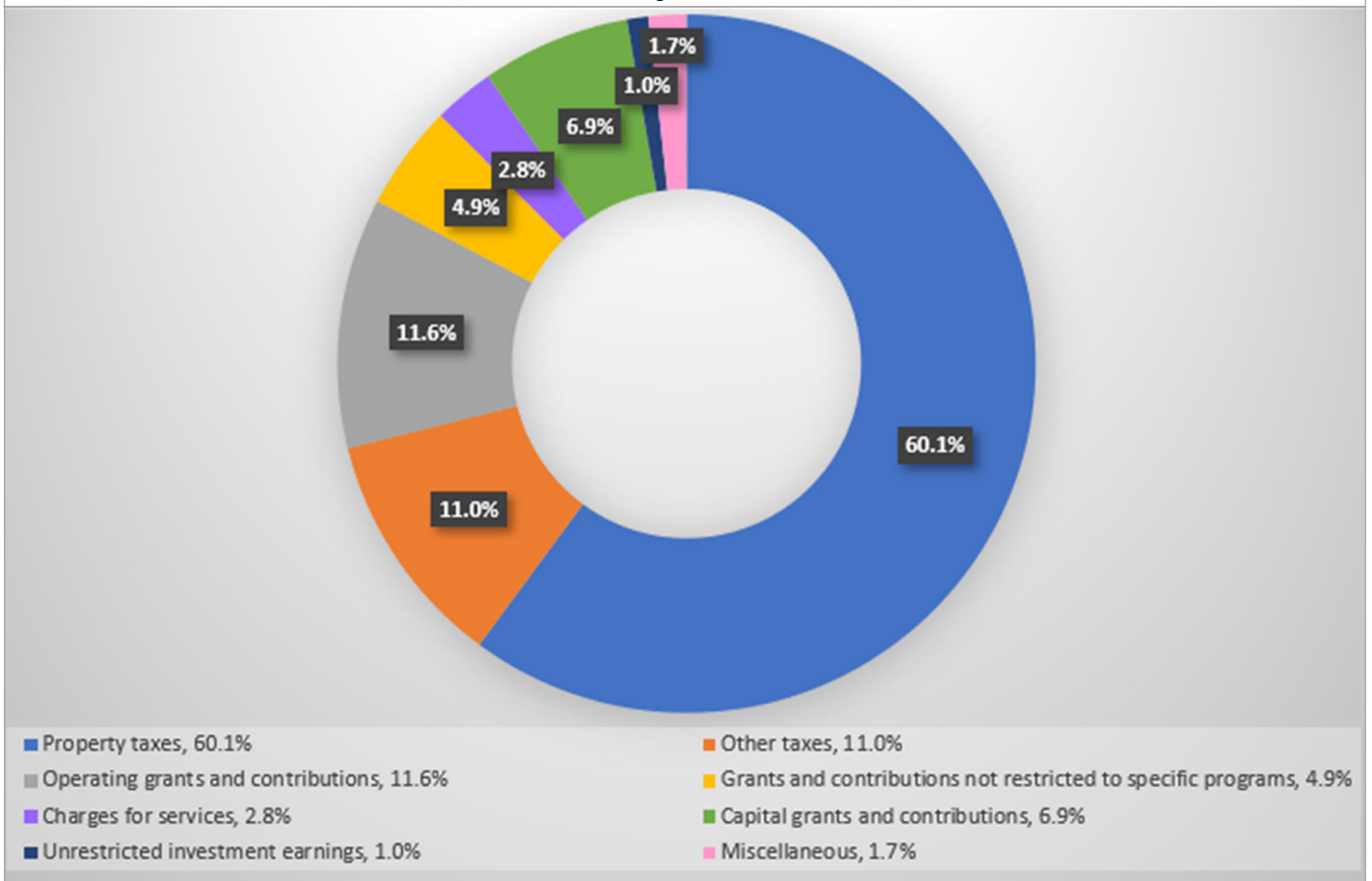
\* - as restated; see Note 1.R for further information

The total reporting entity net position increased by \$196 in fiscal year 2021 (includes restatement). Factors impacting the change in net position include total revenues of \$3,263 (11.1 percent higher than fiscal year 2020) which exceeded total expenses of \$3,077, (9.7 percent higher than expenses of the prior year).

The County's Primary Government total revenues increased 10.9 percent to \$1,633 (see Table A-2). Over 60.0 percent of the County's revenue comes from ad valorem taxes. The County's total revenue is divided into three major sources: 71.1 percent of every dollar raised comes from some type of tax; over 18.0 percent of revenues come from local, state and federal aid; charges for services comprise 2.9 percent and the remaining 2.9 percent is from other sources.

The total cost of all County programs and services increased by \$185 or 12.8 percent to \$1,639. The County's expenses cover a range of services, with 65.2 percent related to public safety and education (see Table A-2). Quality education, workforce development, and safe and secure community are significant goal areas in the Strategic Plan.

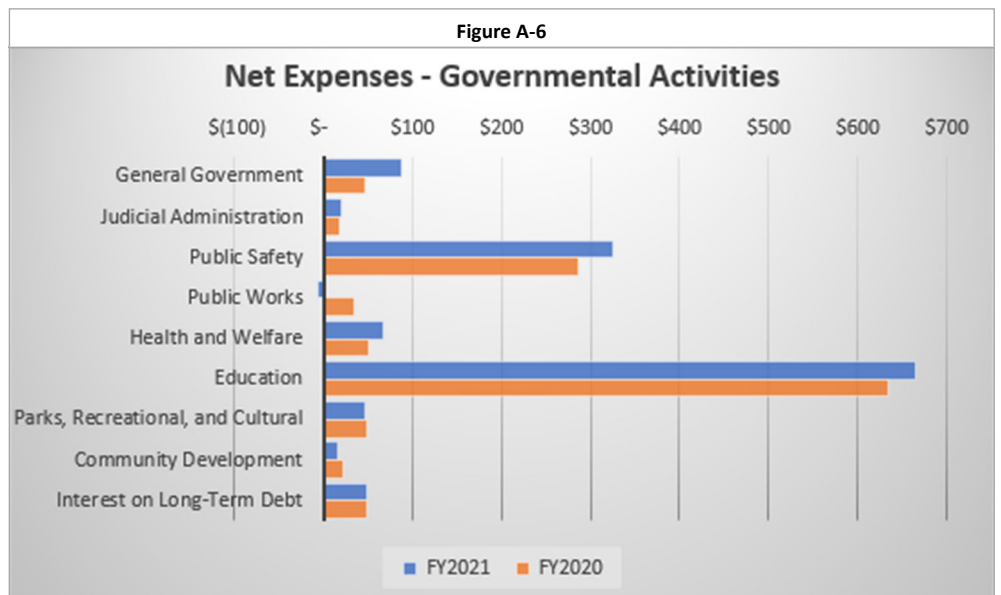
Figure A-5



Local sales tax revenues produced a 11.1 percent increase from \$72 in fiscal year 2020 to \$80 in fiscal year 2021, and accounted for nearly all of the increase in 'Other taxes' as shown in Table A-2. Operating grants and contributions increased by 67.2 percent, while capital grants and contributions increased by 45.3 percent. Investment earnings in fiscal year 2021 were down \$31 from \$46 in fiscal year 2020 to \$15 in fiscal year 2021.

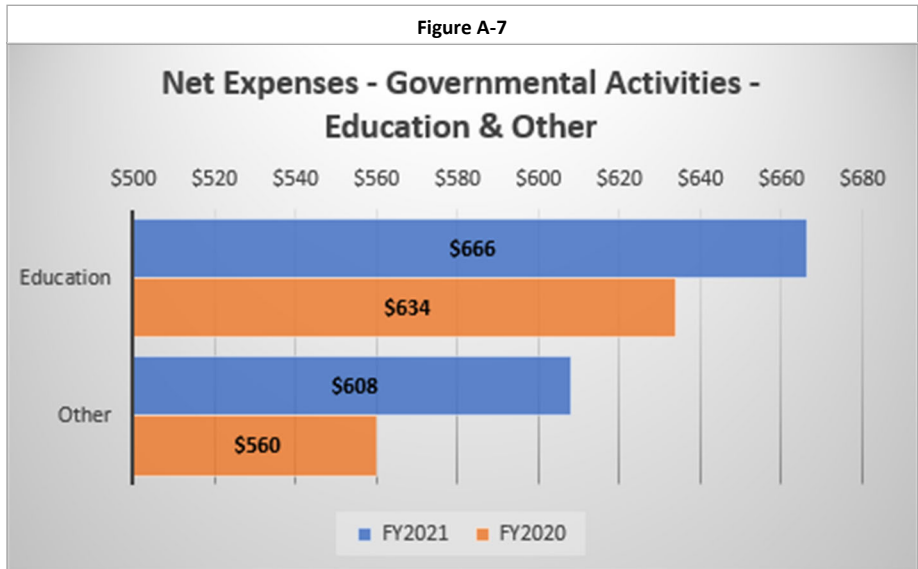
Education remains the biggest expense for governmental activities. The School Board receives 57.23 percent of general revenues per the revenue-sharing agreement with the County. The Board of County Supervisors created a grant funding opportunity intended to help the School Board address the issue that Prince William County School class sizes are at a maximum permitted under Virginia law. This Class Size Reduction Grant of up to one million dollars is in addition to the revenue sharing agreement with the County. Student enrollment as of September 2021, as reported to the Virginia Department of Education, for all Prince William County Schools is 89,076 students, decreasing 2,448 students or 2.7 percent from fiscal year 2020.

Figure A-6



Net expenses for Public Works decreased by \$24 compared to fiscal year 2020, with an increase in operating grants and contributions during fiscal year 2021. In fiscal year 2021, the Police Department and Fire and Rescue added 7 and 14 FTE positions, respectively. Judicial Administration experienced a minimal increase of \$1. Health and Welfare was up \$9, with the addition of over 36 FTEs, mostly in Social Services.

Figure A-7



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

The cost of all governmental activities this year was \$1,616. Some of the costs were paid by:

- Those who directly benefited from the programs by paying charges for services \$46;
- Other governments and organizations that subsidized certain programs with grants and

contributions of \$296.

**Business-Type Activities**

Revenues of the County’s business-type activities increased by \$3 to \$29 and expenses of \$25, increased by \$3 as compared to the prior year (refer to Table A-2). Factors contributing to these results include:

Charges for services of \$29, increased for Innovation Technology Park , while Parks and Recreation and Landfill remained relatively flat.

Expenses were relatively stable, up only marginally from \$22 in fiscal year 2020 to \$25 in fiscal year 2021.

These conditions contributed to a net income before transfers of \$1, \$5 decrease from during the prior year. The County’s business-type activities had miscellaneous revenue of \$1 as well as transfers to the General Fund of \$3 and transfers out to the Capital Projects Fund of \$3, resulting in a negative change in net position of \$2 during the year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2021, the total reporting entity had invested \$2,550 in a broad range of capital assets, including land, buildings, improvements, machinery and equipment, library collections, infrastructure, and construction in progress (see Table A-3). This amount represents a net increase (including additions and deductions) of \$75 or 3.0 percent, over fiscal year 2020. The Primary Government had invested \$688 in capital assets, net of accumulated depreciation. Accumulated depreciation remained stable between fiscal year 2021 and 2020. More detailed information about the County’s capital assets is presented in Note Disclosure 9 to the financial statements.

**Major Capital Asset Additions**

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

	Total Primary Government		Total Reporting Entity	
	2021	2020	2021	2020
Land and Construction in Progress	\$ 206	190	349	483
Buildings and other capital assets, net of depreciation	482	474	2,201	1,992
<b>Total Capital Assets</b>	<b>\$ 688</b>	<b>664</b>	<b>2,550</b>	<b>2,475</b>

- the County’s capital project activities for fiscal year 2021 included \$10 expended on technology infrastructure and other technology improvements, and \$8 on the animal shelter expansion.
- The School Board reported capital asset increases of \$56, which includes increases to buildings and improvements to sites of \$194. Major capital asset additions in fiscal year 2021 include completed construction of two new schools.
- The Adult Detention Center (ADC) component unit’s assets increased \$12 as a result of continued construction in progress on the ADC expansion.

sion Phase II project.

### Long-Term Debt And Other Obligations

At year-end the County's governmental activities had total debt and other obligations of \$1,642, of which, bonded debt outstanding represented \$1,059, all of which is backed by the full faith and credit of the government. Of the County's bonded debt, \$62 represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

The County's total debt and obligations increased to \$1,667 during the current fiscal year. The key components of the current year activities were the issuance and sale of school-related debt as well as the issuance of \$49 for county projects. More detailed information about the County's long-term debt is presented in Note Disclosure 10 to the financial statements.

### Bond Ratings

The County maintains ratings of AAA from Fitch Ratings, Aaa from Moody's Investors Services and AAA from Standard and Poor's. These ratings are the highest ratings awarded to a local government and is an achievement held by less than one percent of local governments nationwide. All three ratings were reconfirmed during fiscal year 2021.

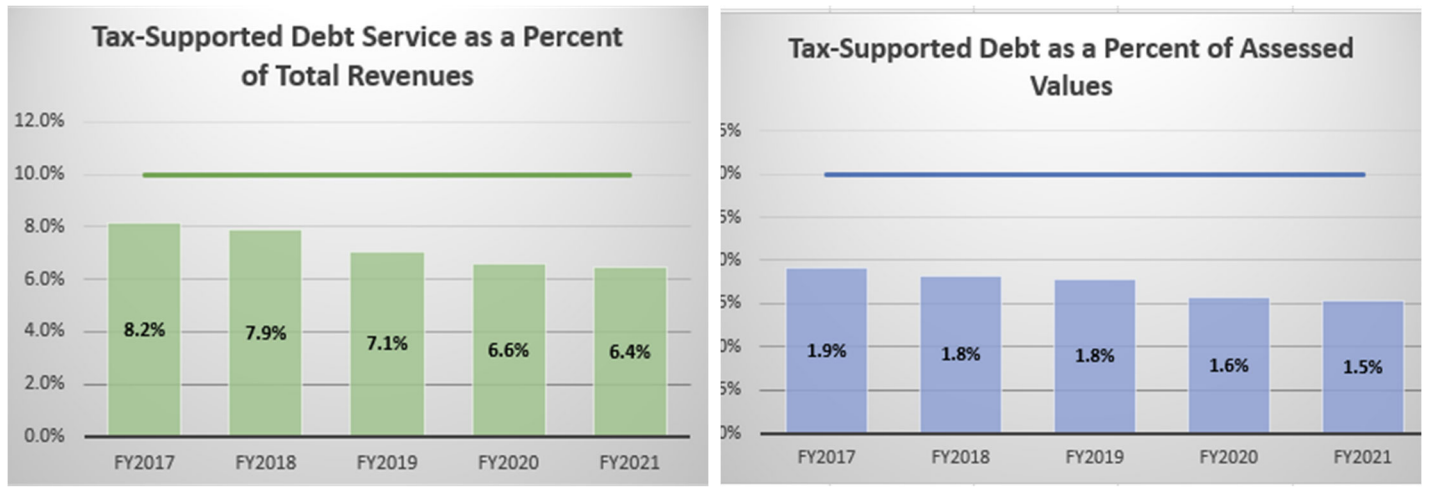
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
General obligation bonds:						
Tax-exempt bonds	\$ 890	821	-	-	890	821
Taxable bonds	107	156	-	-	107	156
Revenue tax-exempt bonds	62	19	5	5	67	24
<b>Total bonded debt</b>	<b>1,059</b>	<b>996</b>	<b>5</b>	<b>5</b>	<b>1,064</b>	<b>1,001</b>
Loans payable	21	21	-	-	21	21
Capital lease obligations	55	68	-	-	55	68
Unpaid losses and related liabilities	22	22	-	-	22	22
Net pension and OPEB obligation	321	246	4	3	325	249
Surplus distribution payable	2	4	-	-	2	4
Compensated absences	47	43	1	1	47	44
Unamortized premiums	114	112	-	-	114	112
Accrued closure liability*	-	-	16	13	16	13
<b>Total long-term debt and other obligations</b>	<b>\$ 1,642</b>	<b>1,512</b>	<b>25</b>	<b>22</b>	<b>1,667</b>	<b>1,534</b>

More detailed information about the County's long-term debt is presented in Note Disclosure 10 to the financial statements.

### Limitations on Debt

The County has no legal limitations on the amount of debt it can issue. The Board, however, has adopted certain financial policies limiting the amount of tax-supported debt to no more than three percent of the assessed value of taxable property; and annual debt service payments to no more than 10 percent of County revenues. As of June 30, 2021, the amount of tax-supported debt outstanding represented 1.5 percent of the total assessed valuation of taxable real and personal property of \$74 billion at January 1, 2020, which is the valuation date to determine fiscal year 2021 tax revenues. Annual debt service payments during fiscal year 2021 represented 6.3 percent of revenues in compliance with the County's *Principles of Sound Financial Management* (as depicted in Figure A-8, below). See Table 14 in the Statistical Section for further explanation of the calculations.

Figure A-8



## ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The key economic factors affecting the County include the following:

- During 2021, (COVID-19) continued to have an economic impact globally. As a result of the spread of COVID-19, economic uncertainties have arisen that could negatively impact the County’s anticipated future revenues and operations for an indeterminable period of time. Other financial impacts could occur, but are unknown as of the date of publication of this financial report.
- In response to the COVID-19 global pandemic, the federal government has made funding available via the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act and the American Rescue Plan Act of 2021 (ARPA) to aid localities in their response to the health crisis. Expenditures of this federal funding are subject to audit by the grantor under the Uniform Guidance, and the County is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the County’s management, no material refunds will be required as a result of expenditures disallowed by the grantor. See the results of the Single Audit in the County’s Single Audit Report for further information; both reports will be issued at a later date.
- The Board of County Supervisors has kept the real estate tax rate flat at \$1.125 per \$100 of assessed value in fiscal year 2021.
- The real estate tax base has increased from \$63.6 billion supporting fiscal year 2020, to \$67.7 billion for fiscal year 2021, which is an increase of 5.9 percent.

## CONTACTING THE COUNTY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County’s finances and to demonstrate the County’s accountability for the money received. Questions about this report or inquiries for additional information may be addressed to the Office of the Finance Director, 1 County Complex Court, Prince William, Virginia, 22192-9201 or [financedirectoroffice@pwcgov.org](mailto:financedirectoroffice@pwcgov.org).

## **BASIC FINANCIAL STATEMENTS**

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



<b>Primary Government</b>						
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Units</b>	<b>Total Reporting Entity</b>	
<b>ASSETS</b>						
Equity in pooled cash and investments	\$ 817,668	31,259	848,927	570,695	1,419,622	
Cash held by other fiscal agents	-	-	-	2,347	2,347	
Investments	18,051	-	18,051	-	18,051	
Property taxes receivable, net	13,252	-	13,252	-	13,252	
Accounts receivable, net	15,079	329	15,408	4,639	20,047	
Investment in direct financing leases	5,661	-	5,661	-	5,661	
Notes receivable, current	-	199	199	-	199	
Due from other governmental units	68,465	173	68,638	37,973	106,611	
Due from primary government	-	-	-	13,146	13,146	
Internal balances	306	(306)	-	-	-	
Inventory	627	4,454	5,081	7,623	12,704	
Prepaid items	2,652	20	2,672	4	2,676	
Notes receivable, noncurrent	-	172	172	-	172	
Net OPEB assets	4,070	-	4,070	3,786	7,856	
Restricted assets:						
Temporarily restricted:						
Restricted cash and temporary investments	24,843	16,816	41,659	65,825	107,484	
Restricted investments	1,250	-	1,250	-	1,250	
Water and sewer availability credit	11,119	-	11,119	-	11,119	
Capital assets:						
Land and construction in progress	171,887	34,025	205,912	143,517	349,429	
Buildings and other capital assets, net of depreciation	467,000	15,431	482,431	1,719,152	2,201,583	
<b>Total assets</b>	<b>1,621,930</b>	<b>102,572</b>	<b>1,724,502</b>	<b>2,568,707</b>	<b>4,293,209</b>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Loss on refunding deferred	27,960	8	27,968	-	27,968	
Deferred outflows related to OPEB	12,321	143	12,464	30,584	43,048	
Deferred outflows related to pensions	126,629	1,506	128,135	294,055	422,190	
<b>Total deferred outflows of resources</b>	<b>166,910</b>	<b>1,657</b>	<b>168,567</b>	<b>324,639</b>	<b>493,206</b>	
<b>LIABILITIES</b>						
Accounts payable	65,349	3,284	68,633	18,864	87,497	
Wages and benefits payable	17,605	333	17,938	134,502	152,440	
Deposits and escrows	37,757	28	37,785	-	37,785	
Accrued interest	15,733	52	15,785	-	15,785	
Due to other governmental units	1,718	-	1,718	-	1,718	
Due to component units	13,146	-	13,146	-	13,146	
Retainage	2,478	70	2,548	7,517	10,065	
Unearned revenue	131,772	2,853	134,625	14,265	148,890	
Noncurrent liabilities:						
Due within one year	127,795	768	128,563	24,287	152,850	
Due in more than one year	1,514,558	24,693	1,539,251	1,214,323	2,753,574	
<b>Total liabilities</b>	<b>1,927,911</b>	<b>32,081</b>	<b>1,959,992</b>	<b>1,413,758</b>	<b>3,373,750</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Prepaid taxes	124,159	-	124,159	-	124,159	
Deferred inflows related to OPEB	17,556	178	17,734	37,443	55,177	
Deferred inflows related to pensions	3,077	22	3,099	64,282	67,381	
<b>Total deferred inflows of resources</b>	<b>144,792</b>	<b>200</b>	<b>144,992</b>	<b>101,725</b>	<b>246,717</b>	

	Primary Government			Component Units	Total Reporting Entity
	Governmental Activities	Business-Type Activities	Total		
<b>NET POSITION</b>					
Net investment in capital assets	541,191	44,730	585,921	1,862,670	2,512,932 <sup>A</sup>
Restricted for:					
Capital projects	-	-	-	57,857	(6,484) <sup>A</sup>
Net OPEB assets	4,070	-	4,070	3,786	7,856
Special levy districts	49,012	-	49,012	-	49,012
Development fee services	10,545	-	10,545	-	10,545
Housing	4,692	-	4,692	-	4,692
Transient occupancy tax	4,171	-	4,171	-	4,171
Grantor's / deed tax	25,538	-	25,538	-	25,538
Internal service fund	3,255	-	3,255	-	3,255
Public safety	4,495	-	4,495	-	4,495
Grants	8,843	-	8,843	-	8,843
Donations	658	-	658	-	658
Water and sewer availability credit	11,119	-	11,119	-	11,119
Education	-	-	-	80,468	80,468
Unrestricted	(951,452)	27,218	(924,234)	(626,918)	(1,551,152) <sup>A</sup>
Total net position / (deficit)	\$ (283,863)	71,948	(211,915)	1,377,863	1,165,948

The sum of the columns does not equal the Total Reporting Entity column by a difference of \$957,429 because the debt related to the School Board (\$879,359) and the debt related to the Adult Detention Center (\$48,070) is reflected in the primary government's general governmental activities row reducing the unrestricted row as Net Investment in Capital Assets. The Total Reporting Entity column matches the asset with the debt and reports the net amount in the component unit on the Net Investment in Capital Assets. The Net Investment in Capital Assets increased by School Board's unspent bond proceeds of \$64,341 with a corresponding decrease in the Restricted Capital Projects row.

COUNTY OF PRINCE WILLIAM, VIRGINIA  
**Statement of Activities**  
For the Fiscal Year Ended June 30, 2021  
(amounts expressed in thousands)

Exhibit 2  
Page 1 of 2

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	
					Governmental Activities	Business-Type Activities
<b>Primary Government:</b>						
<b>Governmental activities:</b>						
General government administration	\$ 95,112	1,643	5,924	-	(87,545)	-
Judicial administration	29,253	2,133	6,227	-	(20,893)	-
Public safety	375,682	11,937	27,800	10,661	(325,284)	-
Public works	93,970	8,983	223	90,239	5,475	-
Health and welfare	136,895	1,082	69,025	-	(66,788)	-
Education	694,445	-	28,228	-	(666,217)	-
Parks, recreational and cultural	51,025	2,716	428	19	(47,862)	-
Community development	90,729	16,801	47,649	9,309	(16,970)	-
Interest on long-term debt	49,053	-	-	-	(49,053)	-
Total governmental activities	1,616,164	45,295	185,504	110,228	(1,275,137)	-
<b>Business-type activities:</b>						
Landfill	17,889	20,094	-	-	-	2,205
Innovation Technology Park	746	5,660	-	-	-	4,914
Parks and recreation	4,293	3,290	-	-	-	(1,003)
Total business-type activities	22,928	29,044	-	-	-	6,116
<b>Total primary government</b>	<b>\$ 1,639,092</b>	<b>74,339</b>	<b>185,504</b>	<b>110,228</b>	<b>(1,275,137)</b>	<b>6,116</b>
<b>Component Units:</b>						
School Board	\$ 1,380,099	5,562	282,763	127	-	-
Adult Detention Center	56,297	223	12,427	-	-	-
<b>Total component units</b>	<b>\$ 1,436,396</b>	<b>5,785</b>	<b>295,190</b>	<b>127</b>	<b>-</b>	<b>-</b>
General revenues:						
Taxes:						
Real property				\$ 787,059		-
Personal property				175,182		-
Local sales				80,140		-
Consumer's utility				13,266		-
Business, professional and occupational licenses (BPOL)				29,882		-
Recordation				20,067		-
Motor vehicle licenses				12,550		-
Other local taxes				14,499		-
Short term rental, bank stock, public utility gross receipts				5,213		-
Payments from primary government				-		-
Grants and contributions not restricted to specific programs:						
Federal revenues				68		-
State revenues				70,286		-
Local revenues				7,227		-
Investment earnings				15,825		104
Insurance claims and recoveries				18		-
Miscellaneous				30,526		990
Transfers				3,205		(3,205)
Total general revenues and transfers				1,265,013		(2,111)
Change in net position				(10,124)		4,005
<b>NET POSITION, beginning of year, prior to restatement</b>				(274,333)		67,943
Restatement of beginning net position (Footnote 1R)				594		-
<b>NET POSITION, end of year</b>				<b>\$ (283,863)</b>		<b>71,948</b>

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

**and Changes in Net Position**

<b>Government</b>			<b>Total Reporting</b>	<b>Functions / Programs</b>
<b>Government Total</b>	<b>Component Unit</b>		<b>Entity</b>	
				<b>Primary Government:</b>
				<b>Governmental activities:</b>
(87,545)	-		(87,545)	General government administration
(20,893)	-		(20,893)	Judicial administration
(325,284)	-		(325,284)	Public safety
5,475	-		5,475	Public works
(66,788)	-		(66,788)	Health and welfare
(666,217)	-		(666,217)	Education
(47,862)	-		(47,862)	Parks, recreational and cultural
(16,970)	-		(16,970)	Community development
(49,053)	-		(49,053)	Interest on long-term debt
(1,275,137)	-		(1,275,137)	Total governmental activities
				<b>Business-type activities:</b>
2,205	-		2,205	Landfill
4,914	-		4,914	Innovation Technology Park
(1,003)	-		(1,003)	Parks and recreation
6,116	-		6,116	Total business-type activities
(1,269,021)	-		(1,269,021)	<b>Total primary government</b>
				<b>Component Units:</b>
-	(1,091,647)		(1,091,647)	School Board
-	(43,647)		(43,647)	Adult Detention Center
-	(1,135,294)		(1,135,294)	<b>Total component units</b>
				General revenues:
				Taxes:
787,059	-		787,059	Real property
175,182	-		175,182	Personal property
80,140	-		80,140	Local sales
13,266	-		13,266	Consumer's utility
29,882	-		29,882	Business, professional and occupational licenses (BPOL)
20,067	-		20,067	Recordation
12,550	-		12,550	Motor vehicle licenses
14,499	-		14,499	Other local taxes
5,213	-		5,213	Short term rental, bank stock, public utility gross receipts
-	826,798		826,798	Payments from primary government
				Grants and contributions not restricted to specific programs:
68	692		760	Federal revenues
70,286	485,651		555,937	State revenues
7,227	4,691		11,918	Local revenues
15,929	3,162		19,091	Investment earnings
18	-		18	Insurance claims and recoveries
31,516	6,451		37,967	Miscellaneous
-	-		-	Transfers
1,262,902	1,327,445		2,590,347	Total general revenues and transfers
(6,119)	192,151		186,032	Change in net position
(206,390)	1,175,327		968,937	<b>NET POSITION, beginning of year, prior to restatement</b>
594	10,385		10,979	Restatement of beginning net position (Footnote 1R)
(211,915)	1,377,863		1,165,948	<b>NET POSITION, end of year</b>

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

## GOVERNMENTAL FUNDS

## Balance Sheet

June 30, 2021

(amounts expressed in thousands)

	Capital Projects							Total Governmental Funds
	General Fund	Streets & Roads	Other Capital Projects	Education	Fire & Rescue Levy	COVID-19 Response	Other Governmental Funds	
<b>ASSETS</b>								
Equity in pooled cash and investments	\$ 511,804	41,240	51,689	-	50,579	50,398	58,132	763,842
Restricted cash and temporary investments	6	806	6,161	-	-	-	-	6,973
Property taxes receivable, net	12,970	-	-	-	257	-	25	13,252
Accounts receivable, net	8,402	309	-	-	161	164	1,169	10,205
Due from other funds	306	-	-	-	-	-	-	306
Due from other governmental units	25,022	42,732	583	-	-	-	122	68,459
Investments in direct financing leases	5,661	-	-	-	-	-	-	5,661
Inventory	297	-	-	-	-	-	24	321
Prepaid items	-	-	-	-	-	9	2,163	2,172
Total assets	\$ 564,468	85,087	58,433	-	50,997	50,571	61,635	871,191
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>								
<b>LIABILITIES</b>								
Accounts payable	\$ 38,441	18,477	4,420	-	1,411	190	39	62,978
Wages and benefits payable	15,909	-	-	-	-	21	1,008	16,938
Deposits and escrows	37,714	-	-	-	1	-	42	37,757
Due to other governmental units	410	1,280	-	-	-	-	28	1,718
Retainage	-	806	1,672	-	-	-	-	2,478
Unearned revenues	79,230	-	-	-	-	50,244	2,299	131,773
Total liabilities	171,704	20,563	6,092	-	1,412	50,455	3,416	253,642
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Prepaid taxes	114,932	-	-	-	8,238	-	989	124,159
Unavailable transportation revenues	-	27,214	-	-	-	-	-	27,214
Unavailable taxes	8,371	-	-	-	165	-	5	8,541
Unavailable lease revenues	4,995	-	-	-	-	-	-	4,995
Total deferred inflows of resources	128,298	27,214	-	-	8,403	-	994	164,909
<b>FUND BALANCES</b>								
Non-spendable	297	-	-	-	-	9	2,187	2,493
Restricted	9,505	-	-	-	41,182	107	55,038	105,832
Committed	142,265	37,310	52,341	-	-	-	-	231,916
Assigned	16,940	-	-	-	-	-	-	16,940
Unassigned	95,459	-	-	-	-	-	-	95,459
Total fund balances	264,466	37,310	52,341	-	41,182	116	57,225	452,640
Total liabilities, deferred inflows of resources and fund balances	\$ 564,468	85,087	58,433	-	50,997	50,571	61,635	871,191

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

**COUNTY OF PRINCE WILLIAM, VIRGINIA**  
**Reconciliation of the Balance Sheet of Government Funds to the Statement of Net Position**  
As of June 30, 2021  
(amounts expressed in thousands)

**Exhibit 4**

Fund balances--total governmental funds (Exhibit 3)	\$	452,640
Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds (excludes \$4,108, related to Internal Service Fund assets, which is included in Internal Service Fund net position below).		634,779
Deferred outflows of resources are not financial resources and, therefore are not reported in the funds:		
Deferred loss on bond refundings		27,960
Deferred outflows of resources from OPEB (excludes \$458 related to Internal Service Fund)		11,863
Deferred outflows of resources from pensions (excludes \$5,098 related to Internal Service Fund)		121,531
Deferred inflows of resources are not available to pay for current-period expenditures:		
Deferred inflows of resources - Unavailable transportation revenues		27,214
Deferred inflows of resources - Unavailable taxes		8,541
Deferred inflows of resources - Unavailable lease revenues		4,995
Deferred inflows of resources - OPEBs (excludes \$438 related to Internal Services Fund)		(17,118)
Deferred inflows of resources - pensions (excludes \$75 related to Internal Services Fund)		(3,002)
Internal Service Funds are used by management to charge costs of certain activities such as insurance, fleet operations, and data processing to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.		
		62,746
Interest on long-term debt is not accrued in governmental funds, but rather, is recognized as an expenditure when due.		
		(15,733)
Sewer and water availability credits were not recognized in the governmental funds, but rather, are recognized as an expenditure when used.		
		11,119
Assets are not due in the current period, and, therefore, are not reported in the funds:		
Net OPEB assets		4,070
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds (Note Disclosure 10):		
Other long-term obligations (excludes \$13,063 related to Internal Service Fund)	\$	(307,912)
Loans payable		(21,153)
Bonds payable		(180,211)
School bonds payable		(879,359)
Capital lease obligations		(54,915)
Compensated absences (excludes \$2,110 related to Internal Service Fund)		(44,686)
Operating settlement - School Board		(13,146)
Premiums on bonds issued		(114,086)
Total long-term liabilities		<u>(1,615,468)</u>
Net position of governmental activities (Exhibit 1)	\$	<u>(283,863)</u>

COUNTY OF PRINCE WILLIAM, VIRGINIA  
GOVERNMENTAL FUNDS

Exhibit 5

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	General Fund	Capital Projects				Fire & Rescue Levy	COVID-19 Response	Other Governmental Funds	Total Governmental Funds
		Streets & Roads	Other Capital Projects	Education					
<b>REVENUES:</b>									
General property taxes	\$ 903,036	-	-	-	52,448	-	5,678	961,162	
Other local taxes	164,044	-	-	-	-	-	11,573	175,617	
Permits, privilege fees and regulatory licenses	1,760	-	-	-	-	-	19,128	20,888	
Fines and forfeitures	1,788	-	-	-	-	-	-	1,788	
From use of money and property	15	12	12	-	(124)	146	8	69	
Charges for services	7,157	-	27	-	-	-	15,435	22,619	
Intergovernmental revenues:									
Federal	24,660	9,328	-	-	-	75,111	32,400	141,499	
State	133,453	25,728	36	-	-	-	484	159,701	
Local	7,228	43,533	49	-	-	-	-	50,810	
Miscellaneous	29,115	1,528	-	-	227	-	20	30,890	
Total revenues	1,272,256	80,129	124	-	52,551	75,257	84,726	1,565,043	
<b>EXPENDITURES:</b>									
Current:									
General government administration	74,746	-	-	-	-	3,463	-	78,209	
Judicial administration	27,290	-	-	-	-	-	-	27,290	
Public safety	284,552	-	20,802	-	25,478	18,058	18,620	367,510	
Public works	6,991	-	-	-	-	-	381	7,372	
Health and welfare	120,088	-	-	-	-	10,641	-	130,729	
Education	538,926	-	-	-	-	28,240	-	567,166	
Parks, recreational and cultural	50,385	-	-	-	-	150	-	50,535	
Community development	13,026	-	-	-	-	14,591	48,210	75,827	
Debt service:									
Principal retirement	101,010	-	-	-	-	-	-	101,010	
Interest and other debt costs	45,426	-	-	-	-	-	-	45,426	
Capital outlays	-	87,368	44,292	116,528	-	-	-	248,188	
Total expenditures	1,262,440	87,368	65,094	116,528	25,478	75,143	67,211	1,699,262	
Excess / (deficiency) of revenues over / (under) expenditures	9,816	(7,239)	(64,970)	(116,528)	27,073	114	17,515	(134,219)	
<b>OTHER FINANCING SOURCES / (USES):</b>									
Transfers in	53,234	20,295	10,095	-	-	-	5,425	89,049	
Transfers out	(28,475)	(13,641)	(119)	-	(27,438)	-	(10,854)	(80,527)	
Issuance of debt	-	-	44,770	106,510	-	-	-	151,280	
Premium on debt	-	-	7,450	10,018	-	-	-	17,468	
Insurance claims and recoveries	18	-	-	-	-	-	-	18	
Sale of surplus property	247	-	-	-	1,648	-	20	1,915	
Total other financing sources / (uses)	25,024	6,654	62,196	116,528	(25,790)	-	(5,409)	179,203	
Net change in fund balances	34,840	(585)	(2,774)	-	1,283	114	12,106	44,984	
<b>FUND BALANCE, beginning of year</b>	229,032	37,895	55,115	-	39,899	2	45,119	407,062	
Restatement of fund balance (Footnote 1R)	594	-	-	-	-	-	-	594	
<b>FUND BALANCE, end of year</b>	\$ 264,466	37,310	52,341	-	41,182	116	57,225	452,640	

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

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2021  
(amounts expressed in thousands)

Net change in fund balances--total governmental funds (Exhibit 5)	\$	44,984
Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Add capital acquisitions (excludes \$1,612 for Internal Service Funds)	\$	51,226
Add donated infrastructure for community development		9,309
Add donated land for parks, recreation and cultural		19
Subtract depreciation (excludes \$1,521 related to Internal Service Fund assets included in Internal Service Fund net position below)	<u>(36,965)</u>	23,589
In the Statement of Activities, only the gain / (loss) on capital assets is reported, while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets sold.		(5,019)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Add revenues recognized for the water and sewer availability credits refunded		(113)
Add amortized premiums		15,650
Add current year's deferred inflows of resources related to unavailable transportation revenue	27,214	
Subtract prior year's deferred inflows of resources related to unavailable transportation revenue	<u>(15,492)</u>	11,722
Add current year's deferred inflows of resources related to unavailable lease revenue (Note Disclosure 5)	4,995	
Subtract prior year's deferred inflows of resources related to unavailable lease revenue	<u>(6,125)</u>	(1,130)
Add current year's deferred inflows of resources related to financing activities and uncollectible tax billings (Note Disclosure 4)	8,541	
Subtract prior year's deferred inflows of resources related to financing activities and uncollectible tax billings	<u>(7,463)</u>	1,078
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position (Note Disclosure 10).		
Add debt principal repayment	101,010	
Subtract premium	(17,468)	
Subtract issuance of debt	<u>(151,280)</u>	(67,738)
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:		
Amortized bond refunding losses		(3,512)
Add prior year operating settlement - School Board	2,398	
Subtract current year operating settlement - School Board	<u>(13,147)</u>	(10,749)
Add prior year's compensated absences liability (excludes \$2,003 for Internal Service Fund)	40,773	
Subtract current year's compensated absences liability (excludes \$2,110 for Internal Service Fund)	<u>(44,685)</u>	(3,912)
Add prior year's net OPEB accrual (excludes \$2,067 for Internal Service Fund)	45,560	
Subtract current year's net OPEB accrual (excludes \$1,751 for Internal Service Fund)	<u>(41,825)</u>	3,735
Add prior year's net pension accruals (excludes \$6,308 for Internal Service Fund)	131,369	
Subtract current year's net pension accruals (excludes \$6,269 for Internal Service Fund)	<u>(148,743)</u>	(17,374)
Add prior year's accrued interest liability	15,619	
Subtract current year's accrued interest liability	<u>(15,733)</u>	(114)
Internal service funds are used by management to charge the costs of certain services to individual funds. The net revenue / (expense) of the internal service funds are reported with governmental activities:		
Add internal service funds' change in net position		<u>(1,221)</u>
Change in net position of governmental activities (Exhibit 2)	<u>\$</u>	<u>(10,124)</u>



COUNTY OF PRINCE WILLIAM, VIRGINIA  
**PROPRIETARY FUNDS**  
**Statement of Net Position**  
June 30, 2021  
(amounts expressed in thousands)

Exhibit 7

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Landfill</b>	<b>Innovation Technology Park</b>	<b>Parks &amp; Recreation</b>	<b>Totals</b>	
<b>ASSETS</b>					
Current assets:					
Equity in pooled cash and investments	\$ 20,314	10,944	1	31,259	53,826
Restricted cash and temporary investments	16,325	-	491	16,816	17,870
Investments	-	-	-	-	18,051
Accounts receivable, net	283	32	14	329	4,875
Notes receivable	199	-	-	199	-
Due from other governmental units	173	-	-	173	6
Inventory	12	4,394	48	4,454	306
Prepaid items	-	-	20	20	480
<b>Total current assets</b>	<b>37,306</b>	<b>15,370</b>	<b>574</b>	<b>53,250</b>	<b>95,414</b>
Non-current assets:					
Restricted investments	-	-	-	-	1,250
Notes receivable	172	-	-	172	-
Capital assets:					
Land and construction in progress	30,376	1,083	2,566	34,025	155
Buildings and other capital assets, net of depreciation	14,263	-	1,168	15,431	3,953
<b>Total non-current assets</b>	<b>44,811</b>	<b>1,083</b>	<b>3,734</b>	<b>49,628</b>	<b>5,358</b>
<b>Total assets</b>	<b>82,117</b>	<b>16,453</b>	<b>4,308</b>	<b>102,878</b>	<b>100,772</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on refunding	-	-	8	8	-
Deferred outflows related to OPEB	143	-	-	143	458
Deferred outflows related to pensions	1,506	-	-	1,506	5,098
<b>Total deferred outflows of resources</b>	<b>1,649</b>	<b>-</b>	<b>8</b>	<b>1,657</b>	<b>5,556</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	2,961	155	168	3,284	2,370
Wages and benefits payable	191	-	142	333	667
Deposits and escrows	-	19	9	28	-
Retainage	70	-	-	70	-
Accrued interest	-	-	52	52	-
Unpaid losses, related liabilities and IBNR	-	-	-	-	7,431
Due to other funds	-	-	306	306	-
Unearned revenues	2,625	-	228	2,853	-
Current portion of surplus distributions payable	-	-	-	-	836
Current portion of bonds payable	-	-	630	630	-
Current portion of bond premiums	-	-	97	97	-
Current portion of compensated absences	38	-	3	41	150
<b>Total current liabilities</b>	<b>5,885</b>	<b>174</b>	<b>1,635</b>	<b>7,694</b>	<b>11,454</b>
Noncurrent liabilities:					
Accrued closure liability	16,206	-	-	16,206	-
Unpaid losses, related liabilities and IBNR	-	-	-	-	15,062
Surplus distributions payable	-	-	-	-	1,530
Bonds payable, net of current portion	-	-	3,525	3,525	-
Bond premiums, net of current portion	-	-	483	483	-
Net OPEB liabilities	603	-	-	603	1,771
Net pension liabilities	3,338	-	-	3,338	11,292
Compensated absences	497	-	41	538	1,960
<b>Total noncurrent liabilities</b>	<b>20,644</b>	<b>-</b>	<b>4,049</b>	<b>24,693</b>	<b>31,615</b>
<b>Total liabilities</b>	<b>26,529</b>	<b>174</b>	<b>5,684</b>	<b>32,387</b>	<b>43,069</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to OPEB	178	-	-	178	438
Deferred inflows related to pensions	22	-	-	22	75
<b>Total deferred inflows of resources</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>513</b>
<b>NET POSITION</b>					
Net investments in capital assets	44,639	1,084	(993)	44,730	4,108
Restricted for self-insurance funds	-	-	-	-	3,255
Unrestricted	12,398	15,195	(375)	27,218	55,383
<b>Total net position / (deficit)</b>	<b>\$ 57,037</b>	<b>16,279</b>	<b>(1,368)</b>	<b>71,948</b>	<b>62,746</b>

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

Statement of Revenues, Expenses and Changes to Net Position  
 For the Fiscal Year Ended June 30, 2021  
 (amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Landfill	Innovation Technology Park	Parks & Recreation	Totals	
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 20,094	5,660	3,290	29,044	118,745
Miscellaneous	781	-	209	990	5,703
Total operating revenues	20,875	5,660	3,499	30,034	124,448
<b>OPERATING EXPENSES:</b>					
Personnel expenses	5,565	-	426	5,991	17,787
Contractual services	4,688	260	2,844	7,792	28,045
Materials / supplies	3,580	9	285	3,874	6,606
Depreciation	1,131	-	234	1,365	1,521
Closure expenses	2,603	-	-	2,603	-
Costs of sale of land	-	385	-	385	-
Other	133	92	5	230	792
Claims and premiums	-	-	-	-	56,249
OPEB costs	-	-	-	-	4,835
Losses and loss adjustment expenses	-	-	-	-	4,519
Total operating expenses	17,700	746	3,794	22,240	120,354
Operating income / (loss)	3,175	4,914	(295)	7,794	4,094
<b>NON-OPERATING REVENUES / (EXPENSES):</b>					
Interest income	(15)	(2)	121	104	107
Interest and other debt costs	-	-	(470)	(470)	-
Loss on sale of capital assets	(189)	-	(29)	(218)	(105)
Total non-operating revenues / (expenses)	(204)	(2)	(378)	(584)	2
Income / (loss) before transfers	2,971	4,912	(673)	7,210	4,096
<b>TRANSFERS:</b>					
Transfers in from:					
General fund	-	35	1,682	1,717	80
Special revenue funds	-	-	-	-	401
Fire & rescue levy fund	-	-	-	-	98
Capital projects funds	-	71	-	71	4
Transfers out to:					
General fund	(2,302)	-	-	(2,302)	(2,000)
Capital projects funds	-	(2,691)	-	(2,691)	(3,900)
Total transfers	(2,302)	(2,585)	1,682	(3,205)	(5,317)
Change in net position	669	2,327	1,009	4,005	(1,221)
<b>NET POSITION, beginning of the year</b>	56,368	13,952	(2,377)	67,943	63,967
<b>NET POSITION, end of the year</b>	\$ 57,037	16,279	(1,368)	71,948	62,746

COUNTY OF PRINCE WILLIAM, VIRGINIA  
**PROPRIETARY FUNDS**  
**Statement of Cash Flows**  
For the Fiscal Year Ended June 30, 2021  
(amounts expressed in thousands)

Exhibit 9  
Page 1 of 2

	<b>Business-type Activities - Enterprise Funds</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Landfill</b>	<b>Innovation</b>	<b>Parks &amp; Recreation</b>	<b>Totals</b>	
		<b>Technology Park</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers	\$ 18,891	5,660	3,583	28,134	117,574
Cash received / (paid) from / (to) other entities	452	-	(29)	423	6,174
Payments for claims and premiums	-	-	-	-	(65,047)
Payments to suppliers for goods and services	(5,736)	(2,286)	(3,566)	(11,588)	(37,979)
Payments to employees for services	(5,394)	-	(460)	(5,854)	(16,901)
Net cash provided / (used) by operating activities	<u>8,213</u>	<u>3,374</u>	<u>(472)</u>	<u>11,115</u>	<u>3,821</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Surplus distributions paid	-	-	-	-	(271)
Proceeds from notes receivable	198	-	-	198	-
Transfers in	-	106	1,682	1,788	583
Transfers out	(2,302)	(2,691)	-	(4,993)	(5,900)
Net cash provided / (used) by non-capital financing activities	<u>(2,104)</u>	<u>(2,585)</u>	<u>1,682</u>	<u>(3,007)</u>	<u>(5,588)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition of capital assets	(6,696)	-	(88)	(6,784)	(1,611)
Proceeds from the sale of capital assets	122	-	-	122	3
Principal paid on bonds, leases, and other debt	-	-	(1,255)	(1,255)	-
Interest paid on bonds, leases, and other debt costs	-	-	71	71	-
Net cash used by capital and related financing activities	<u>(6,574)</u>	<u>-</u>	<u>(1,272)</u>	<u>(7,846)</u>	<u>(1,608)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Proceeds from maturities of investments	-	-	-	-	15,240
Purchases of investments	-	-	-	-	(14,597)
Interest and dividends received on investments	(13)	4	374	365	316
Net cash provided by investing activities	<u>(13)</u>	<u>4</u>	<u>374</u>	<u>365</u>	<u>959</u>
Net increase (decrease) in cash and cash equivalents	(478)	793	312	627	(2,416)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>37,117</u>	<u>10,151</u>	<u>180</u>	<u>47,448</u>	<u>74,112</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 36,639</u>	<u>10,944</u>	<u>492</u>	<u>48,075</u>	<u>71,696</u>

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

COUNTY OF PRINCE WILLIAM, VIRGINIA  
 PROPRIETARY FUNDS

Exhibit 9  
 Page 2 of 2

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Landfill	Innovation Technology Park	Parks & Recreation	Totals	
<b>RECONCILIATION OF OPERATING INCOME / (LOSS) TO NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES:</b>					
Operating income / (loss)	\$ 3,175	4,914	(295)	7,794	4,094
Adjustments to reconcile operating income / (loss) to net cash provided / (used) by operating activities:					
Depreciation	1,131	-	234	1,365	1,521
Dividends applied to premiums	-	-	-	-	(1,300)
Change in assets:					
(Increase) / decrease in:					
Accounts receivable, net of accrued interest	(92)	-	31	(61)	746
Due from other governmental units	(140)	-	-	(140)	(6)
Due from component units	-	-	-	-	103
Due to related party	-	-	-	-	(170)
Inventory	(5)	(1,714)	15	(1,704)	226
Prepaid items	-	-	-	-	(35)
Change in deferred outflows of resources:					
Increase in:					
Deferred outflows related to OPEB	(14)	-	10	(4)	(47)
Deferred outflows related to pensions	(646)	-	61	(585)	(2,166)
Change in liabilities:					
Increase / (decrease) in:					
accrued interest					
interest	2,389	155	157	2,701	(2,869)
Retainage	70	-	-	70	-
Unpaid losses and related liabilities	-	-	-	-	914
Accrued closure liability	2,602	-	-	2,602	-
Due from other funds	-	-	(496)	(496)	-
Unearned revenues	(1,111)	-	52	(1,059)	-
Deposits and escrows	-	19	-	19	-
Other long term liabilities	926	-	(220)	706	3,141
Change in deferred inflows of resources:					
Increase / (decrease) in:					
Deferred inflows related to OPEB	71	-	(9)	62	157
Deferred inflows related to pensions	(143)	-	(12)	(155)	(488)
Total adjustments	5,038	(1,540)	(177)	3,321	(273)
Net cash provided / (used) by operating activities	\$ 8,213	3,374	(472)	11,115	3,821

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

COUNTY OF PRINCE WILLIAM, VIRGINIA  
 FIDUCIARY FUNDS

Exhibit 10

Statement of Fiduciary Net Position

June 30, 2021

(amounts expressed in thousands)

	Other Post-Employment Benefits (OPEB) and Pension Trust Funds	Custodial Funds
<b>ASSETS</b>		
Equity in pooled cash and investments	\$ -	1,055
Cash held by other fiscal agents	-	101
Restricted cash	513	-
Accounts receivable, net of interest and dividends	146	96
Restricted investments:		
Money market mutual funds	1,112	-
Equity investments	120,962	-
Real estate investments	6,664	-
Fixed return investments	55,030	-
Life insurance annuity	19,529	-
Total investments	<u>203,297</u>	<u>-</u>
Total assets	<u>203,956</u>	<u>1,252</u>
<b>LIABILITIES</b>		
Accounts payable	4,376	531
Escrow and deposits	-	527
Total liabilities	<u>4,376</u>	<u>1,058</u>
<b>NET POSITION</b>		
Net position restricted for pensions	75,247	-
Net position restricted for OPEB	124,333	-
Net position restricted for other purposes	-	194
Total net position	<u>\$ 199,580</u>	<u>194</u>

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

FIDUCIARY FUNDS

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Other Post-Employment Benefits (OPEB) and Pension Trust Funds	Custodial Funds
<b>ADDITIONS</b>		
Contributions:		
Member	\$ 2,030	-
Employer	10,853	-
Total contributions	<u>12,883</u>	<u>-</u>
Collections on behalf of individuals for programs	-	967
Sales taxes collected for other governments	-	712
Other income	12	-
Investment income:		
Interest and dividends	3,874	(3)
Net appreciation in fair value of investments	33,884	-
Total investment income	<u>37,758</u>	<u>(3)</u>
Less: investment expenses	(338)	-
Net investment income	<u>37,420</u>	<u>(3)</u>
Total additions	<u>50,315</u>	<u>1,676</u>
<b>DEDUCTIONS</b>		
Pension and OPEB payments	7,133	-
Refund of members' contributions	222	-
Payments on behalf of individuals for programs	-	904
Payments of sales taxes to other governments	-	712
Administrative expenses	352	-
Miscellaneous expenses	-	80
Total deductions	<u>7,707</u>	<u>1,696</u>
Change in net position	42,608	(20)
<b>NET POSITION, beginning of year</b>	156,972	-
Restatement of net position (Footnote 1R)	-	214
<b>NET POSITION, end of year</b>	<u>\$ 199,580</u>	<u>194</u>

COUNTY OF PRINCE WILLIAM, VIRGINIA  
**COMPONENT UNITS**  
**Combining Statement of Net Position**  
June 30, 2021  
(amounts expressed in thousands)

Exhibit 12

	School Board	Adult Detention Center	Totals
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 557,193	13,502	570,695
Cash held by other fiscal agents	-	2,347	2,347
Accounts receivable, net	4,637	2	4,639
Due from other governmental units	36,016	1,957	37,973
Due from primary government	13,146	-	13,146
Inventory	7,623	-	7,623
Prepaid items	4	-	4
Net OPEB assets	3,002	784	3,786
Restricted assets:			
Restricted cash and temporary investments	65,818	7	65,825
Capital assets:			
Land and construction in progress	143,466	51	143,517
Buildings and other capital assets, net of depreciation	1,616,840	102,312	1,719,152
Total assets	2,447,745	120,962	2,568,707
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to OPEB	29,230	1,354	30,584
Deferred outflows related to pensions	281,406	12,649	294,055
Total deferred outflows of resources	310,636	14,003	324,639
<b>LIABILITIES</b>			
Accounts payable	18,182	682	18,864
Wages and benefits payable	133,014	1,488	134,502
Retainage	7,510	7	7,517
Unearned revenues	14,265	-	14,265
Noncurrent liabilities:			
Due within one year	24,012	275	24,287
Due in more than one year	1,179,532	34,791	1,214,323
Total liabilities	1,376,515	37,243	1,413,758
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to OPEB	35,051	2,392	37,443
Deferred inflows related to pensions	63,884	398	64,282
Total deferred inflows of resources	98,935	2,790	101,725
<b>NET POSITION</b>			
Net investment in capital assets	1,760,307	102,363	1,862,670
Restricted for:			
Capital projects	57,857	-	57,857
Net OPEB asset	3,002	784	3,786
Food and nutrition services	64,284	-	64,284
Other purposes	16,184	-	16,184
Unrestricted	(618,703)	(8,215)	(626,918)
Total net position	\$ 1,282,931	94,932	1,377,863

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



**PRINCE  
WILLIAM**  
— **COUNTY**



COUNTY OF PRINCE WILLIAM, VIRGINIA  
**COMPONENT UNITS**  
**Combining Statement of Activities**  
For the Fiscal Year Ended June 30, 2021  
(amounts expressed in thousands)

Exhibit 13  
Page 1 of 2

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
School Board				
Instruction	\$ 903,136	2,043	209,917	127
Support services	472,117	2,833	70,259	-
Business-type activities	1,632	686	-	-
Education foundation	3,214	-	2,587	-
Adult Detention Center	56,297	223	12,427	-
<b>Total component units</b>	<b>\$ 1,436,396</b>	<b>5,785</b>	<b>295,190</b>	<b>127</b>

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

**Net (Expense) / Revenue and Changes in Net Position**

	<b>School Board</b>	<b>Adult Detention Center</b>	<b>Totals</b>	<b>Functions / Programs</b>
	(691,049)	-	(691,049)	School Board
	(399,025)	-	(399,025)	Instruction
	(946)	-	(946)	Support services
	(627)	-	(627)	Business-type activities
	-	(43,647)	(43,647)	Education foundation
	(1,091,647)	(43,647)	(1,135,294)	Adult Detention Center
				<b>Total component units</b>
				General revenues:
\$	774,260	52,538	826,798	Payment from primary government
	692	-	692	Federal revenues
	485,651	-	485,651	State revenues
	-	4,691	4,691	Local revenues
	3,288	(126)	3,162	Investment earnings
	5,575	876	6,451	Miscellaneous
	1,269,466	57,979	1,327,445	Total general revenues
	177,819	14,332	192,151	Change in net position
	1,096,906	78,421	1,175,327	<b>NET POSITION, beginning of year</b>
	8,206	2,179	10,385	Restatement of net position (Footnote 1R)
\$	1,282,931	94,932	1,377,863	<b>NET POSITION - end of year</b>

**NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021**  
 (amounts expressed in thousands, except percentages, ratios and years)

**NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The County of Prince William, Virginia (the County) prepares its financial statements, commonly known as the Annual Comprehensive Financial Report (ACFR), in conformity with accounting principles generally accepted in the United States (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing governmental accounting and financial reporting standards which, along with subsequent GASB pronouncements (statements and interpretations), constitutes GAAP for governmental units. The accounting and reporting framework and significant accounting principles and practices utilized by the County are discussed in subsequent sections of this note. The remaining notes are organized to provide explanations, including required disclosures, of the County’s financial activities for the fiscal year ended June 30, 2021.

**A. Principles Used to Determine the Reporting Entity**

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

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

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

<b>Illustration 1-1 Potential Component Units</b>	
<b>The following are blended component units included due to a financial benefit / burden relationship where the two Boards are substantially the same:</b>	
Prince William Parkway District	Exercise the powers and duties enumerated in the Code of Virginia related to the transportation improvement district.
Route 234 Bypass District	Authorized by the Code of Virginia and established by Board resolution. Set the appropriate tax rate to fund improvements within the district and act on transportation matters within the district.
<b>The following are blended component units included due to a financial benefit / burden relationship where majority of the Board is appointed by the County:</b>	
Self-Insurance Group Workers’ Compensation Association	Authorized by the Code of Virginia and licensed by the State Corporation Commission. Make available a long-term, stable source of cost-effective workers’ compensation insurance protection for participating members.
Self-Insurance Group Casualty Pool	Authorized by the Code of Virginia and licensed by the State Corporation Commission. Make available a long-term, stable source of cost-effective casualty insurance protection for participating members.

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

**The following are discretely presented component units where the County can impose its will through the appointment of a voting majority of the Board and a financial benefit / burden relationship exists:**

Adult Detention Center (ADC)	Authorized by the Code of Virginia. Establish policy for operation of Prince William County-Manassas regional adult detention center, providing care and confinement for County and adjoining city prisoners.
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**The following are discretely presented component units where fiscal dependency exists, but the two Boards are separate and independent, and the component unit provides services to the County:**

School Board	Authorized by the Code of Virginia and established by Board resolution to provide educational services to the County. The School board cannot issue bonded debt and receives a large portion of its operating funds from the County. The County make policies governing school division.
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**The following are jointly governed organizations where none of the inclusion criteria have been met:**

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

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

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

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

Northern Virginia  
Transportation Authority  
(NVTA)

Authorized by the Code of Virginia. Focused on delivering real transportation solutions and value for Northern Virginia's transportation

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

Potomac & Rappahannock  
Transportation Commission  
(PRTC)

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

Prince William Self-Insurance Group Workers' Compensation Association (the Association) and the Prince William Self-Insurance Group Casualty Pool (the Pool), blended component units of the County, issue separately audited financial statements. Copies of these financial statements may be obtained by writing to the Prince William County Finance Department, Office of Risk & Wellness Services, 4379 Ridgewood Center Drive, Prince William, Virginia 22192.

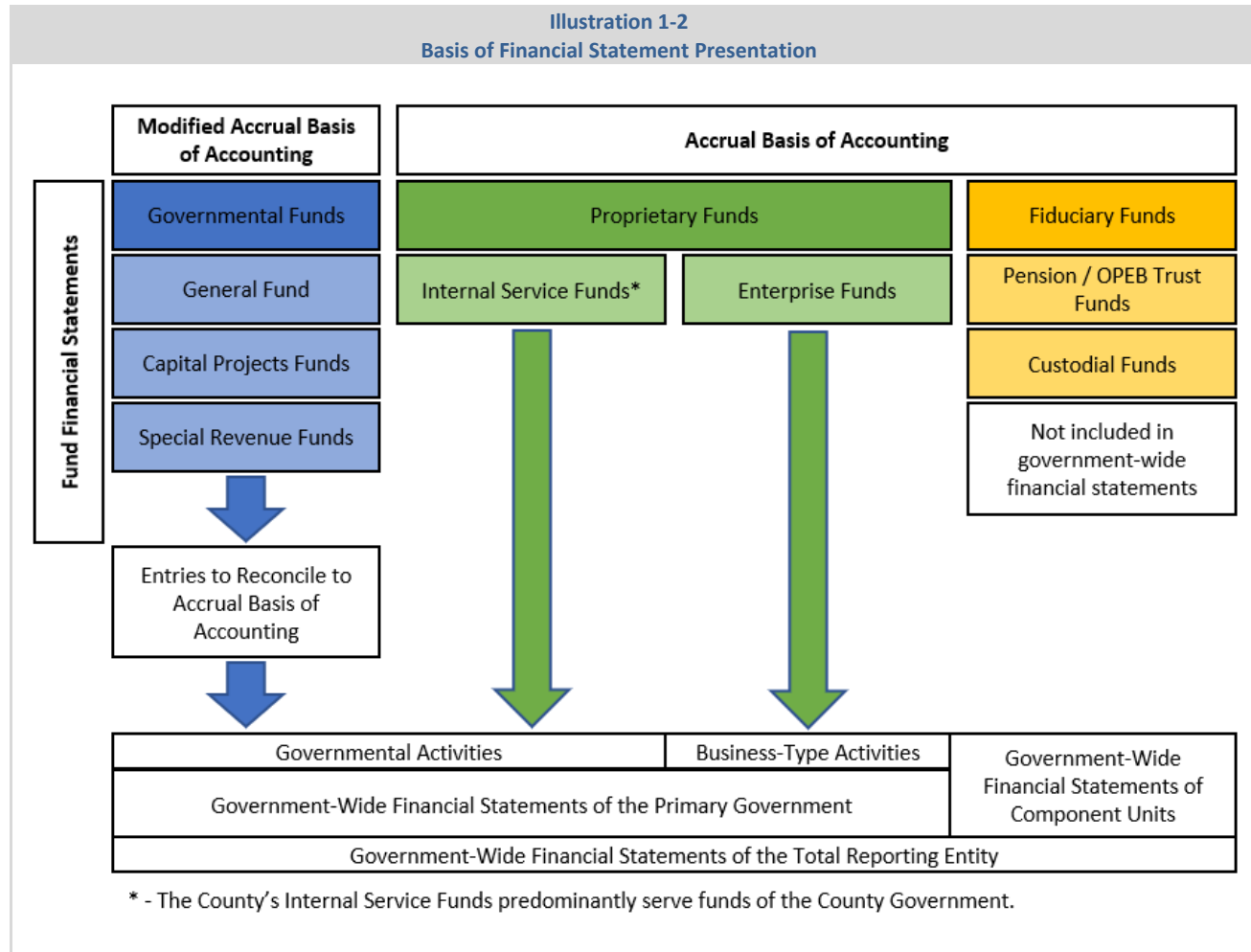
The School Board, a discretely presented component unit of the County, issues separately audited financial statements. Copies of these financial statements may be obtained by writing to the School Board's Finance Division, P.O. Box 389, Manassas, Virginia 20118.

The Adult Detention Center, a discretely presented component unit of the County, does not issue separately audited financial statements.

All accounts of the County and its component units are reported as of and for the year ended June 30, 2021.

**B. Basis of Presentation**

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



*Fund Financial Statements:*

At the most basic level, the financial transactions of the County are recorded in individual funds. Each fund is a separate accounting entity with a self-balancing set of accounts that comprise the assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity (including reserves), revenues and expenditures / expenses related to a specific group of activities of the government. Emphasis is on major funds in the governmental or business-type categories. GASB Statement No. 34 sets forth minimum criteria for the determination of major funds. Certain funds that do not meet the criteria specified in GASB Statement No. 34 to be treated as major funds are nonetheless presented as major due to the specific community focus on the activities of the fund. The non-major funds in each category are combined in a column in the fund financial statements and detailed in the combining and individual fund statements and schedules section.

The following major funds are used by the County:

*Governmental Funds:*

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

- General Fund – The General Fund accounts for numerous primary services of the County (Police, Fire, Public Works, Community Development, Debt Service, etc.) and is the primary operating unit of the County. It accounts for all financial

resources of the general government, except those required to be accounted for by another fund.

- Streets and Roads Capital Projects Fund – The Streets and Roads Capital Projects Fund is used to account for the resources and expenditures related to the construction of sidewalks and roads within the County.
- Other Capital Projects Fund – The Other Capital Projects Fund is used to account for the resources and expenditures related to construction projects such as libraries and parks, facilities to be used by police, detention and fire and rescue agencies, and storm water management ponds and channels.
- Educational Capital Projects Fund – Education Capital Projects Fund is used to account for the resources obtained exclusively for the construction of school buildings and other school projects (proceeds from bonds). Such resources are immediately provided to the School Board Component Unit in support of those projects.
- Fire & Rescue Levy Special Revenue Fund – The Fire & Rescue Levy Special Revenue fund is used to account for fire and rescue services. Revenues are principally derived from tax levy and interest earnings. Expenditures consist of the cost of delivering fire and rescue services.
- COVID-19 Response Fund – The COVID-19 Response Special Revenue Fund is used to account for federal grant funds received under the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 and the American Rescue Plan Act (ARPA) of 2021 in response to the COVID-19 pandemic.

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

*Proprietary Funds:*

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

- Landfill Fund – The Prince William County Landfill provides refuse disposal services.
- Innovation Technology Park Fund – Innovation Technology Park provides land for economic development purposes.
- Parks & Recreation Fund – The Prince William County Department of Parks, Recreation and Tourism provides recreation services to County residents at the golf courses, Waterworks and Splashdown Water Park.

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

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

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

- The County operates a construction crew, an information technology center, and a fleet maintenance facility. In addition, the County operates four self-insurance funds – three for risk management services that provide insurance for workers' compensation, general liability, and other insurance needs of the County and the Adult Detention Center, and one that

provides health insurance for eligible participating County employees. The effect of inter-fund activity has been eliminated from the government-wide financial statements. The excess revenues or expenses for the fund are allocated to the appropriate functional activity. The internal service funds are included in governmental activities column for government-wide reporting purposes. Inter-fund services that are provided and used are not eliminated in the process of consolidation.

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

#### *Fiduciary Funds:*

Fiduciary funds are used to account for assets held by the government acting as a trustee or custodian for entities external to the governmental unit. Trust funds and custodial funds are the two types of fiduciary funds. The measurement focus for trust fiduciary funds is economic resources and the basis of accounting is accrual basis for fiduciary funds, reporting resources held in a custodial capacity.

- Supplemental Pension Plan (SSP) Trust Fund – The County accounts for a defined benefit trust to provide Supplemental Pension Plan benefits to sworn and uniformed police officers, fire fighters and Sheriff and Adult Detention Center personnel.
- LOSAP Trust Fund – The County accounts for a length of service award program that provides benefits for certified volunteer fire department and rescue squad members.
- Other Post-Employment Benefits (OPEB) Master Trust Fund – The County uses this fund to account for post-employment benefits other than pensions for eligible employees of the County and to account for post-employment benefits that provide death, disability, and healthcare benefits for public safety employees and volunteer fire department and rescue squad members.
- Custodial Funds – The County accounts for receipts and disbursements of monies for certain County welfare, mental health services and federal self-sufficiency program recipients as well as shares a portion of the sales taxes collected to the Towns of Dumfries, Quantico, Occoquan, and Haymarket.

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

#### *Government-Wide Financial Statements:*

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

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

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given functional category (public safety, public works, etc.) or business-type activity (landfill, etc.) are offset by program revenues. Direct expenses are those



that are clearly identifiable with a specific functional category or business-type activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given functional category or business-type activity and 2) grants and contributions that are restricted to meet the operational or capital requirements of a particular functional category or business-type activity. Taxes and other items that are not properly included among program revenues are reported instead as general revenues.

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

### **C. Basis of Accounting**

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

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

*Modified Accrual Basis of Accounting.* Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, meaning that to be considered revenue of the reporting period, the amount must be both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers the availability period for all significant revenue sources to be 60 days after the end of the current fiscal period. Accordingly, real and personal property taxes are recorded as revenues and receivables when billed, net of allowances for uncollectible amounts. Property taxes due, but not collected within 60 days after year-end, are reflected as deferred inflows of resources. Derived tax revenues such as sales and utility taxes that are collected by the Commonwealth or utility companies, and subsequently remitted to the County, are recognized as revenues and receivables when the underlying exchange transaction occurs, which is generally two months preceding receipt by the County. Licenses, permits and fines are recorded as revenues when received. Intergovernmental revenues, consisting primarily of Federal, State, and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure, except for Streets and Roads Capital Projects Fund that considers the availability period for all significant revenue sources to be 60 days after the end of the current fiscal period. Revenues from general-purpose grants are recognized in the period to which the grant applies. Interest earnings are recorded as earned.

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

### **D. Budgets and Budgetary Accounting**

Formal budgetary integration is employed as a management control device during the year. Budgets for all governmental funds of the Primary Government and Discretely Presented Component Units of the County are adopted by the Board annually on a non-GAAP basis which excludes the effects of fair value adjustments to the carrying amounts of investments required by GASB Statement No. 31 and GASB Statement No. 72 (see Note Disclosure 1.G). Reconciliations between the non-GAAP basis amounts presented for budgetary comparisons and the GAAP basis amounts presented elsewhere in the ACFR are shown on the face of the budgetary comparison schedules (Schedules 1, 2, 3, 15, 16, 17, 18, 19, 20, 21, 22 and 23).

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

The Board holds work sessions to review the proposed budget and conducts two public hearings to obtain taxpayer comments. The budget is legally adopted by the Board within the timelines stipulated by the Code of Virginia (1950), as amended (Code of Virginia).

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

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

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

Annual transfers out are appropriated in the General and Special revenue Funds for the component units of the County. Expenditures in all governmental funds of the County were within authorized budget limitations.

Annual transfers out are appropriated in the General and Special Revenue Funds for the component units of the County. Expenditures in all governmental funds of the County were within authorized budget limitations, except for:

- On schedule 1, the sheriff and transportation costs exceeded the amount budgeted for fiscal year 2021. The sheriff and transportation incurred additional costs due to overtime and salary costs.

Where required, the governmental fund financial statements provide budgetary comparison schedules that demonstrate compliance at the legal level of budgetary control.

#### **E. Encumbrances**

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

#### **F. Cash and Investments**

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

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

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

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

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

## **G. Fair Value Measurements**

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

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

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

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

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

## **H. Inventories and Prepaid items**

Inventory is valued at cost for all governmental funds and at lower of cost or market for all other funds using the first-in, first-out method. Inventory in the General Fund as well as certain Enterprise and Internal Service Funds consists of expendable supplies held for consumption and land held for resale. The cost is recorded as an expenditure / expense at the time individual inventory items are consumed. Reported inventories for governmental funds are offset equally by a non-spendable fund balance which indicates they do not constitute available expendable resources, even though they are a component of assets.

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

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

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

## **J. Compensated Absences**

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

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

The County, and the Adult Detention Center component unit participate in the Prince William Self-Insurance Group Casualty Pool and Workers' Compensation Association, which provide casualty insurance and workers' compensation protection for the members. Under GASB Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, the Pool and the Association are classified as "entities other than pools" because the County and its component units are the only participants. The County provides three self-insured health insurance program options to its employees. Estimated liability for claims payable includes estimates of losses on claims reported and actuarial determinations of claims incurred but not reported.

## **L. Capital Assets**

The cost of capital assets acquired for general government purposes is recorded as an expenditure in the governmental funds and as an asset in the government-wide financial statements to the extent the County's capitalization threshold has been met. Capital

assets acquired by proprietary funds are recorded as assets in both the government-wide financial statements and in the proprietary fund financial statements to the extent the County’s capitalization threshold has been met. The County capitalizes assets (non-software) costing at least ten thousand dollars and having an estimated useful life longer than one year. The County capitalizes software costing at least one hundred thousand dollars and having an estimated useful life longer than one year. The School Board component unit’s capitalization thresholds differ from the County’s. Details of their capitalization thresholds are discussed in their separately issued financial statements.

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition value as of the date of donation per GASB Statement No.72, Fair Value Measurement and Application.

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

In accordance with GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis -- for State and Local Governments, and GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, the County’s infrastructure and commercial “off-the-shelf” software has been capitalized retroactively, to 1980. Of the \$241 million in capitalized infrastructure as of June 30, 2021, approximately \$190 million was valued using actual historical cost records and approximately \$51 million was estimated.

Using current replacement cost for a similar asset and deflating this cost using price indices to the acquisition year. \$63 million of intangible software capitalized on June 30, 2021, was valued using project costing models. The County does not capitalize streets and roads as these are transferred to and become property of the Commonwealth of Virginia upon completion.

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

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

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

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

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

**M. Deferred Outflows / Inflows of Resources**

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

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

#### **N. Pensions and Other Post-Employment Benefits (OPEB)**

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 Prince William County's defined benefit pension plans and the additions to/deductions from the County's defined benefit pension plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS), Prince William County Supplemental Plan for Police Officers and Uniformed Fire and Rescue Personnel Plan and Prince William County Volunteer Fire and Rescue Personnel Length of Service Award Program (LOSAP). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

#### **O. Fund Balance**

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

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

#### **P. Leases**

For capital leases in the governmental fund types, acquisition costs are recorded as expenditures with an offsetting entry to other financing sources.

#### **Q. Deferred Gain (Loss) on Debt Refundings**

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

#### **R. Restatements due to the Implementation of GASB 84, Fiduciary Activities**

GASB 84, Fiduciary Activities issued January 2017, is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The County implemented the requirements of this standard.

##### **i. Impact on Prince William County's ACFR:**

The County and Prince William County Schools (Schools) implemented GASB Statement No. 84, Fiduciary Activities, in fiscal year 2021, which established clarifying guidance regarding the classification of fiduciary activities for accounting and financial reporting purposes.

The County reviewed existing fiduciary activity as well as other activity that might classify as fiduciary activity under the new guidance and determined the following:

- Confirmed that the County's Pension Plans and Other Post-Employment Benefit Plans (OPEB) will remain classified as a fiduciary activity in the County's financial statements and is considered a component unit under GASB 84.
- Reclassify the Innovation Owners' Association fund, Historic Preservation Foundation fund, Library Donations fund,

Police Donations fund, Animal Donations fund, and Liberty Donations fund from fiduciary activity funds to the General Fund.

- Reclassify the Special Welfare fund, Community Services Board Payees fund, and Housing FSS Recipients fund to an updated fiduciary activity classification known as Custodial Funds.
- Reclassify Sales Taxes Collected on Behalf of the Towns from the General Fund to a Fiduciary Activity – Custodial Fund.

The implementation of GASB 84 had the following effect on beginning fund balance and net position of the County as reported for the fiscal year ended June 30, 2021:

<b>Illustration 1-3</b>				
<b>Restated County Net Position</b>				
		<b>Previously Reported Beginning Net Position</b>	<b>GASB 84 Reclassification</b>	<b>Restated Beginning Net Position</b>
Government-Wide:				
Governmental Activities	\$	(274,330)	594	(273,736)

<b>Illustration 1-4</b>				
<b>Restated County Fund Balance</b>				
		<b>Previously Reported Beginning Net Position</b>	<b>GASB 84 Reclassification</b>	<b>Restated Beginning Net Position</b>
Governmental Funds:				
General Fund	\$	229,032	594	229,626
Total Governmental Funds		407,065	594	407,659

**ii. Impact on Prince William County’s Adult Detention Center (ADC) ACFR:**

The County reviewed other activity not previously identified as fiduciary activity that might classify as fiduciary activity under the new guidance and determined the following:

- The County reviewed ADC’s commissary account and determined that its activity should be classified as activity under ADC’s General Operating Fund. See Illustrations 1-5 and 1-6.
- The County reviewed ADC’s Inmate Accounts and determined that they comply with the definition of Fiduciary Activity – Custodial Fund with a net position of \$118, which is immaterial to the County. Therefore, we will pass on presenting Statements for Fiduciary Activities.

The implementation of GASB 84 had the following effect on beginning fund balance and net position of the ADC as reported for the fiscal year ended June 30, 2021:

<b>Illustration 1-5</b>				
<b>Restated ADC Net Position</b>				
		<b>Previously Reported Beginning Fund Balance</b>	<b>GASB 84 Reclassification</b>	<b>Restated Beginning Fund Balance</b>
Government-Wide:				
Governmental Activities	\$	48,421	2,179	80,600

<b>Illustration 1-6</b>				
<b>Restated ADC Fund Balance</b>				
		<b>Previously Reported Beginning Fund Balance</b>	<b>GASB 84 Reclassification</b>	<b>Restated Beginning Fund Balance</b>
Governmental Funds:				
General Fund	\$	8,294	2,179	10,473
Total Governmental Funds		(5,670)	2,179	(3,491)

**iii. Impact on Prince William County Schools' ACFR:**

Prince William County Schools (PWCS) adopted GASB Statement No. 84, Fiduciary Activities, in FY 2021. GASB 84 establishes specific criteria for identifying fiduciary activities and the requirements for financial statement reporting. The PWCS reviewed its funds for proper classification and decided to reclassify the Student Activity Fund (SAF) from Fiduciary fund to Special Revenue fund as part of Governmental Funds. The Governor's School @Innovation Park fund and the Regional School Fund met the new custodial fund criteria and remain as Fiduciary Funds.

The SAF restricted accounts and balances were reclassified from PWCS' Fiduciary Net Position to the Governmental Restricted Fund Balance. The reclassification prompted PWCS to restate the following statements for the fiscal year ended June 30, 2020: Governmental Fund Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances; Fiduciary Fund Statement of Fiduciary Net Position; and Custodial Fund Schedule of Changes in Assets and Liabilities.

The implementation of GASB 84 had the following effect on beginning fund balance and net position of the Schools as reported for the fiscal year ended June 30, 2021:

<b>Illustration 1-7</b>				
<b>Restated Schools Net Position</b>				
		<b>Previously Reported Beginning Fund Balance</b>	<b>GASB 84 Fund Reclassification</b>	<b>Restated Beginning Fund Balance</b>
Government-Wide:				
Governmental Activities	\$	1,096,906	8,206	1,105,112

<b>Illustration 1-8</b>				
<b>Restated Schools Fund Balance</b>				
		<b>Previously Reported Beginning Fund Balance</b>	<b>GASB 84 Fund Reclassification</b>	<b>Restated Beginning Fund Balance</b>
Governmental Funds:				
Other Non-Major Governmental Funds	\$	3,688	8,207	11,894
Total Governmental Funds		293,536	8,207	301,743

**NOTE (2) - CASH AND INVESTMENTS**

**A. Cash Deposits**

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

## B. Investments

### County Investments

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

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

In accordance with State Corporation Commission of Virginia (SCC) regulations for the licensing of the Prince William County Self-Insurance Group (PWSIG) Workers' Compensation Association and Casualty Pool, the Association and the Pool are required to deposit securities with the State Treasurer. As of June 30, 2021, the Self-Insurance Workers' Compensation Association had \$1,001 in U.S. Government Agency Securities deposited with the State Treasurer to comply with the \$750 requirement, including \$250 serving as a security deposit in lieu of a surety bond. The remainder serves as additional collateral because the Association does not maintain aggregate excess insurance. As of June 30, 2021, the Casualty Pool had \$799 in U.S. Government Agency Securities deposited with the State Treasurer to comply with the \$500 requirement since the Pool does not maintain aggregate excess insurance. While these securities are held by the State Treasurer, they are in the name of the Association and the Pool and are included in the investments of those funds.

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

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

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



Illustration 2-1 reflects the fair value and the weighted average maturity (WAM) of the County's investments as of June 30, 2021.

Illustration 2-1 Fair Value and Weighted Average Maturity of Investments June 30, 2021			
		Fair Value	Weighted Average Maturity (Years)
<b>Primary Government, School Board, and ADC</b>			
Money Markets and Money Market Mutual Funds:			
Local Government Investment Pool (LGIP)	\$	261,442	0.003
State Non-Arbitrage Program (SNAP)		68,829	0.003
PFM Money Market		10,139	0.003
Other Money Market		22,346	0.003
NOW Accounts		73,032	0.003
Certificate of Deposits		25,000	0.044
U.S. Treasury Notes		5,289	3.877
U.S. Government Agency Securities		696,256	6.411
Corporate Bonds		173,852	2.041
Municipal Bonds		205,274	5.896
Total Primary Government, School Board, and ADC		<u>1,541,459</u>	
Total Reporting Entity Investments	\$	<u><u>1,541,459</u></u>	3.926

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

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

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

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

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

The County’s investment ratings as of June 30, 2021, are presented in Illustration 2-2.

<b>Illustration 2-2</b> <b>Primary Government, School Board, and ADC Investment Credit Risk</b> <b>June 30, 2021</b>		
<b>Investment Type</b>	<b>Credit Quality (Rating)</b>	<b>Credit Exposure as a % of Total Investments</b>
Money Markets and Money Market Mutual Funds:		
Local Government Investment Pool (LGIP)	AAA	16.96%
State Non-Arbitrage Program (SNAP)	AAA	4.47%
PFM Money Market	AAA	0.66%
Other Money Market	AAA	1.45%
NOW Accounts	Not applicable	4.74%
Certificate of Deposits	Not applicable	1.62%
U.S. Treasury Notes	AA	0.34%
U.S. Government Agency Securities	Aa+ or Higher	45.16%
Corporate Bonds	AA- or Higher	11.28%
Municipal Bonds	A- or Higher	13.32%
		100.00%

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

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

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

Supplemental Pension Plan Investments

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

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

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

Illustration 2-3 reflects the fair value and the duration of the County’s Supplemental Pension Plan fixed income investments as of June 30, 2021. Weighted-average maturity expresses investment time horizons, the time when investments become due and payable, in years, weighted to reflect the dollar size of the individual investments within an investment type. Duration is a measure of a fixed income’s cash flows using present values, weighted for cash flows as a percentage of the investment’s full price. Modified duration estimates the sensitivity of a bond’s price to interest rate changes.

<b>Illustration 2-3</b>		
<b>Supplemental Pension Plan Fair Value and Weighted Average Maturity/Duration of Investments</b>		
<b>June 30, 2021</b>		
	<b>Fair Value</b>	<b>Weighted-Average Maturity(a)/ Modified Duration (b) (Years)</b>
<b>Supplemental Pension Plan Trust Fund:</b>		
Money Market Mutual Funds	\$ 832	0.101 (a)
U.S. Treasury Notes	9,039	0.73 (b)
US Government Agency Securities	4,756	0.73 (b)
Corporate Bonds	1,782	2.78 (b)
Equity Mutual Funds	35,999	Not applicable
Real Assets	<u>2,730</u>	Not applicable
<b>Total Supplemental Pension Plan Trust Fund Investments</b>	<b>\$ <u>55,138</u></b>	

**Credit Risk** – The Supplemental Pension Plan investment policy is silent as to credit risk. The Board of Trustees is ultimately responsible for making the decisions that affect the Supplemental Pension Plan’s Investments. An independent investment consulting firm assists with the attainment of the Plan’s objectives and monitors the Plan’s compliance with its stated investment policies. During the year, the Plan invested in money market, fixed income bond funds and equity mutual funds.

The Supplemental Pension Plan’s investment rating as of June 30, 2021, is presented in Illustration 2-4.

<b>Illustration 2-4</b>		
<b>Supplemental Pension Plan Credit Risk</b>		
<b>June 30, 2021</b>		
<b>Investment Type</b>	<b>Credit Quality (Rating)</b>	<b>Credit Exposure as a % of Total Investments</b>
<b>Supplemental Pension Plan Trust Fund Investments:</b>		
Money Market Mutual Funds	AAA	1.51%
U.S. Treasury Notes	AAA	16.39%
US Government Agency Securities	AAA	8.63%
Corporate Bonds	BBB or higher	3.23%
Equity Mutual Funds	Not rated	65.29%
Real Assets	Not rated	<u>4.95%</u>
		<u>100.00%</u>

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

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

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

<b>Illustration 2-5</b>			
<b>Statement of Investment Policy</b>			
<b>Supplemental Pension Plan Concentrations</b>			
<b>June 30, 2021</b>			
<b>Asset Class</b>	<b>Policy Percent</b>	<b>Target Range Percent</b>	<b>Actual Percentage</b>
<b>Supplemental Pension Plan Trust Fund Investments:</b>			
Tactical	0%	0% - 0%	0.00%
Equity	64%	54% - 74%	65.29%
Real Assets	6%	0% - 12%	4.95%
Fixed Income	30%	25% - 35%	28.25%
Cash Equivalents	0%	0% - 0%	1.51%
	<u>100%</u>		<u>100.00%</u>

For Domestic Equity, International Equity and REITs, the maximum weighting, on a fair value basis, in any one company for active Investment Managers is 5% of the portfolio value. For domestic fixed income, international fixed income, hedge funds and cash equivalents the maximum weighting, on a fair value basis, in any one security for active Investment Managers is 2% of the portfolio value. This does not apply to U.S. government and agency issues. It is desirable to rebalance the portfolio periodically to minimize deviations from the Asset Allocation mix. The Plan shall be rebalanced in the event any individual asset class allocation differs from the permissible range described in the Asset Allocation.

Concentrations. As of June 30, 2021, the Supplemental Pension Plan’s investments were in money market, bond and equity mutual funds and therefore not subject to concentration of credit risk.

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

The County has appointed a Board of Trustees to oversee certain policies and procedures related to the operation and administration of the Prince William County Volunteer Fire and Rescue Personnel Length of Service Award Program. The Board of Trustees has the authority to invest the funds in the best interest of the Trust to satisfy the purpose of the Trust.

Illustration 2-6 reflects the fair value of the County’s LoSAP Trust investments as of June 30, 2021.

<b>Illustration 2-6</b>		
<b>LoSAP Fair Value and Weighted Average Maturity/Duration of Investments</b>		
<b>June 30, 2021</b>		
	<b>Fair Value</b>	<b>Weighted-Average Maturity (a) / Modified Duration (b) (Years)</b>
<b>LoSAP Trust Fund Investments:</b>		
Life Insurance Funds - Mass Mutual Annuity	\$ <u>19,529</u>	Not Applicable

*Concentrations.* As of June 30, 2021, the LoSAP Plan’s investments were 100% invested in an insurance annuity fund and are not subject to concentration of credit risk.

Other Post-Employment Benefits (OPEB) Master Trust Investments

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

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

Illustration 2-7 reflects the fair value of the County’s Other Post-Employment Benefits Master Trust fixed income investments as of June 30, 2021. Weighted-average maturity expresses investment time horizons, the time when investments become due and payable, in years, weighted to reflect the dollar size of the individual investments within an investment type. Duration is a measure of a fixed income’s cash flows using present values, weighted for cash flows as a percentage of the investment’s full price. Modified duration estimates the sensitivity of a bond’s price to interest rate changes.

<b>Illustration 2-7</b>		
<b>Other Post-Employment Benefits (OPEB) Fair Value and Weighted Average Maturity/Duration of Investments</b>		
<b>June 30, 2021</b>		
	<b>Fair Value</b>	<b>Weighted-Average Maturity(a)/ Modified Duration (b) (Years)</b>
<b>Other Post-Employment Benefits (OPEB) Master Trust</b>		
<b>Fund:</b>		
Money Market Mutual Funds	\$ 280	0.003(a)
Equity Mutual Funds	79,703	Not applicable
Real Assets	9,194	Not applicable
<b>Bond Funds</b>		
Baird Core Plus	\$ 10,464	6.36(b)
DoubleLine Core Fixed Income	4,812	4.83(b)
PGIM Total Return Bond	12,728	7.57(b)
Voya Intermediate Bond	6,810	5.96(b)
iShares 5-10 Year IG Corporate Bond	2,519	6.49(b)
iShares JP Morgan USD Emerging Mkts Bond ETF	1,158	8.53(b)
MainStay MacKay High Yield Corp Bond Fund	962	3.42(b)
Total Bond Funds	39,453	
Total Other Post-Employment Benefits Master Trust Fund Investments	\$ 128,630	

The Other Post-Employment Benefits Master Trust's rating and credit exposure as of June 30, 2021, is shown in Illustration 2-8.

Illustration 2-8		
Other Post-Employment Benefits Master Trust (OPEB) Credit Risk		
June 30, 2021		
Investment Type	Credit Quality (Rating)	Credit Exposure as a % of Total Investments
<b>Other Post-Employment Benefits (OPEB) Master Trust Fund</b>		
<b>Investments:</b>		
Money Market Mutual Funds	AAA	0.22%
Equity Mutual Funds	Not rated	61.96%
Real Assets	Not rated	7.15%
Bond Funds		
Baird Core Plus	A	8.13%
DoubleLine Core Fixed Income	A	3.74%
PGIM Total Return Bond	A	9.90%
Voya Intermediate Bond	A	5.29%
iShares 5-10 Year IG Corporate Bond	BBB	1.96%
iShares JP Morgan USD Emerging Mkts Bond ETF	BB	0.90%
MainStay MacKay High Yield Corp Bond Fund	BB	0.75%
		100.00%

**Concentration of credit risk:**

Permissible asset classes, with target investment percentages are shown in illustration 2-9.

Illustration 2-9			
Statement of Investment Policy			
Other Post-Employment Benefits (OPEB) Master Trust Fund Concentrations			
June 30, 2021			
Asset Class	Policy Percent	Target Range Percent	Actual Percent
<b>Other Post-Employment Benefits Master Trust Fund</b>			
<b>Investments:</b>			
Domestic Equity	40%	20% - 60%	40.10%
International Equity	20%	0% - 40%	21.86%
Other Growth Assets	0%	0% - 20%	0.00%
Fixed Income	40%	20% - 60%	30.67%
Other Income Assets	0%	0% - 20%	0.00%
Real Assets	0%	0% - 20%	7.15%
Cash Equivalents	0%	0% - 20%	0.22%
	100%		100.00%

No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at fair value may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at fair value may be held in any one sector, as defined by the Global Industry Classification Standard (GICS). Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. Alternatives may consist of non-traditional asset classes such as hedge funds, private equity, real estate and commodities, when deemed appropriate. The total allocation to this category may not exceed 30% of the overall portfolio. Private equity and publicly traded Real Estate Investment Trusts (REITs) will be categorized in the Other Growth Assets category. For purposes of asset allocation targets and limitations, single strategy hedge funds will be categorized under the specific asset class of the fund. On June 30, 2021, the OPEB Master Trust Fund's investments were in money market, bond and equity mutual

funds and therefore not subject to concentration of credit risk.

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

#### Reconciliation of Cash and Investments

Reconciliation of total cash and investments to the entity-wide financial statements on June 30, 2021, is shown in Illustration 2-10.

<b>Illustration 2-10</b>					
<b>Reconciliation of Cash and Investments to Entity-Wide Financial Statements</b>					
<b>June 30, 2021</b>					
<b>Investments</b>					
Primary Government and Component Units				\$	1,541,459
Supplemental Pension Plan Trust Fund					55,138
LoSAP Trust Fund					19,529
Other Post-Employment Benefits (OPEB) Master Trust Fund					128,630
<b>Total Investments</b>					<b>1,744,756</b>
<b>Add: Cash on hand</b>					<b>42</b>
Deposits					12,610
<b>Total Cash and Investments</b>					<b>1,757,408</b>
<b>Less: Supplemental Pension Plan Trust Fund's cash and investments</b>					<b>(55,651)</b>
LoSAP Trust Fund cash and investments					(19,529)
OPEB Master Trust Fund cash and investments					(128,630)
Custodial Funds equity in pooled cash and investments					(1,156)
School Board Fiduciary Funds cash and investments					(3,688)
<b>Total Reporting Entity cash and investments</b>				<b>\$</b>	<b>1,548,754</b>
	<b>Governmental</b>	<b>Business-Type</b>		<b>Component</b>	<b>Total Reporting</b>
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>	<b>Units</b>	<b>Entity</b>
<b>Primary Government:</b>					
Equity in Pooled Cash and Investments	\$ 817,668	31,259	848,927	570,695	1,419,622
Cash held by other fiscal agents	-	-	-	2,347	2,347
Investments	18,051	-	18,051	-	18,051
Restricted Cash and Temporary Investments	24,843	16,816	41,659	65,825	107,484
Restricted Investments	1,250	-	1,250	-	1,250
<b>Total Cash and Investments</b>	<b>\$ 861,812</b>	<b>48,075</b>	<b>909,887</b>	<b>638,867</b>	<b>1,548,754</b>

#### Fair Value Measurements

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

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

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

Level 2 – inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices

for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and market-corroborated inputs.

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

Fair values of the County’s investment portfolio are estimated using unadjusted prices obtained by its investment manager from third party pricing services, where available. For securities where the County is unable to obtain fair values from a pricing service or broker, fair values are estimated using information obtained from the County’s investment manager.

Management performs several procedures to ascertain the reasonableness of investment values included in the financial statements including 1) obtaining and reviewing internal control reports from the County’s investment manager that obtain fair values from third party pricing services, 2) discussing with the County’s investment manager its process for reviewing and validating pricing obtained from outside pricing services, 3) reviewing the security pricing received from the County’s investment manager and monitoring changes in unrealized gains and losses. The County has evaluated the various types of securities in its investment portfolio to determine an appropriate fair value hierarchy level based upon trading activity and the observability of market inputs. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the County believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair values of certain financial instruments could result in a different fair value measurement at the reporting date. Due to the relatively short-term nature of cash and cash equivalents their carrying amounts are reasonable estimates of fair value.

Illustration 2-11 shows the fair value levels used by the County to value investments.

Illustration 2-11				
Fair Value - Primary Government, School Board and ADC				
June 30, 2021				
		Fair Value Measurement Using:		
		Level 1	Level 2	Level 3
<b>Primary Government, School Board, ADC</b>				
Investments by Fair Value				
		5,289	5,289	-
	US Treasury Notes			-
	US Government Agency	\$ 696,256	-	696,256
	Corporate Bonds	173,852	-	173,852
	Municipal Bonds	205,274	-	205,274
		<u>1,080,671</u>	<u>5,289</u>	<u>1,075,382</u>
Investments by Amortized Cost				
	LGIP	261,442		
	SNAP	68,829		
	PFM Money Market	10,139		
	Other Money Market Accounts	22,346		
	Certificate of Deposits	25,000		
		<u>387,756</u>		
Cash and Cash Equivalents				
	Now Accounts	73,032		
<b>Total</b>		<u>\$ 1,541,459</u>		



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

<b>Illustration 2-12</b>				
<b>Fair Value - Supplement Pension, LoSAP Trust and OPEB Master Trust Funds</b>				
<b>June 30, 2021</b>				
		Fair Value Measurement Using:		
		Level 1	Level 2	Level 3
<b>Supplement Pension Plan Trust Fund</b>				
Investments by Fair Value				
US Treasury Notes	9,039	9,039	-	-
US Government Agency	\$ 4,756	-	4,756	-
Corporate Bonds	1,782	-	1,782	-
Equity Mutual Funds	35,999	35,999	-	-
Real Assets	2,730	-	-	2,730
	<u>54,306</u>	<u>45,038</u>	<u>6,538</u>	<u>2,730</u>
Investments by Amortized Cost				
Money Market Mutual Funds	832			
	<u>55,138</u>			
<b>LoSAP Trust Fund</b>				
Investments by Amortized Cost				
Life Insurance Funds - Mass Mutual Annuity	19,529			
	<u>19,529</u>			
<b>OPEB Master Trust Fund</b>				
Investments by Fair Value				
Equity Mutual Funds	79,703	79,703	-	-
Real Assets	9,194	-	-	9,194
Bond Mutual Funds	39,453	-	39,453	-
	<u>128,350</u>	<u>79,703</u>	<u>39,453</u>	<u>9,194</u>
Investments by Amortized Cost				
Money Market Mutual Funds	280			
	<u>128,630</u>			
<b>Total</b>	<u>\$ 203,297</u>			

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

<b>Illustration 2-13</b>		
<b>Restricted Cash and Investments</b>		
<b>June 30, 2021</b>		
	<b>Restricted Cash &amp; Temporary Investments</b>	<b>Restricted Investments</b>
<b>Primary Government</b>		
<b>General Fund:</b>		
Bonds	\$ 6	\$ -
Total General Fund	<u>6</u>	<u>-</u>
<b>Capital Projects Funds:</b>		
Bonds	4,489	-
Retainage	2,478	-
Total Capital Projects Funds	<u>6,967</u>	<u>-</u>
<b>Enterprise Funds:</b>		
VRA Closure Fund	16,255	-
Parks & Recreation	491	-
Retainage	70	-
Total Enterprise Funds	<u>16,816</u>	<u>-</u>
<b>Internal Service Funds:</b>		
PWSIG	17,870	-
Insurance Pool Collateral	-	1,250
Total Internal Service Funds	<u>17,870</u>	<u>1,250</u>
Total Primary Government	<u>41,659</u>	<u>1,250</u>
<b>Component Units</b>		
<b>ADC:</b>		
Retainage	7	-
Total ADC	<u>7</u>	<u>-</u>
<b>School Board:</b>		
School Bonds	64,341	-
Education Foundation	1,477	-
Total School Board	<u>65,818</u>	<u>-</u>
Total Component Units	<u>65,825</u>	<u>-</u>
Total Reporting Entity	<u>\$ 107,484</u>	<u>\$ 1,250</u>

**NOTE (3) - PROPERTY TAXES RECEIVABLE**

The County's real estate and personal property taxes are levied respectively of the July 1, 2021, tax levy, on the assessed value as of the prior January 1, for all property located in the County. Real estate taxes are due in two installments on July 15 and December 5 and personal property taxes are due on October 5. After October 5, personal property taxes are due 30 days following the levy date until the end of the fiscal year. Penalties and interest are assessed on taxes not paid by the due dates. Property tax levies are recorded as receivables and revenue, net of allowance for estimated uncollectible on the payment due dates. Property taxes due, but not collected within 60 days after fiscal year-end, are reflected as deferred inflows of resources.

Assessed values are established at 100% of appraised fair value. The personal property tax is limited to vehicles and all business property. A valuation of all property is completed annually. The assessed value of real and personal property on January 1, 2020, upon which the July 1, 2020, levy was based, was approximately \$76 billion.

Current real estate and personal property tax collections for the year ended June 30, 2021, were 99.3% and 96.5%, respectively of the July 1, 2020, tax levy. Real property taxes attach an enforceable lien on property if not paid on the due date. Collections received on or before June 30, 2021, related to property taxes due on July 15 of the following fiscal year are recorded as deferred inflows of resources on June 30, 2021.

The County calculates its allowance for uncollectible accounts using historical collection data. Taxes receivable as of June 30, 2021, is detailed in Illustration 3-1.

<b>Illustration 3-1 Property Taxes Receivable June 30, 2021</b>				
		<b>Gross Tax Receivable</b>	<b>Allowance for Uncollectible Accounts</b>	<b>Net Tax Receivable</b>
Real estate taxes	\$	6,766	1,537	5,229
Personal property taxes		11,390	3,367	8,023
<b>Total</b>	<b>\$</b>	<b>18,156</b>	<b>4,904</b>	<b>13,252</b>

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

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

<b>Illustration 4-1 Unearned Revenue June 30, 2021</b>			
<b>Primary Government</b>			
Other Unearned Revenue – Prepaid recreation fees, developer fees, health premiums and other	\$		134,625
<b>Total Primary Government</b>			<b>134,625</b>
<b>Component Unit</b>			
School Board			14,265
<b>Total Component Unit</b>			<b>14,265</b>
<b>Total Reporting Entity</b>	<b>\$</b>		<b>148,890</b>

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

<b>Illustration 4-2 Deferred Inflows of Resources June 30, 2021</b>			
<b>Primary Government</b>			
Prepaid taxes – Taxes due subsequent to June 30, 2021, but paid in advance by taxpayers	\$		124,159
Deferred inflows related to OPEB			17,734
Deferred inflows related to pensions			3,099
<b>Total Primary Government</b>			<b>144,992</b>
<b>Component Units</b>			
Deferred inflows related to OPEB			37,443
Deferred inflows related to pensions			64,282
<b>Total Component Unit</b>			<b>101,725</b>
<b>Total Reporting Entity</b>	<b>\$</b>		<b>246,717</b>

Deferred inflows of resources for Governmental Fund represents amounts for which the revenue recognition was not met under the modified accrual basis of accounting for the period ended June 30, 2021.

<b>Illustration 4-3</b>	
<b>Governmental Funds Deferred Inflows of Resources</b>	
<b>June 30, 2021</b>	
<b>General Fund</b>	
Prepaid Taxes – Taxes due subsequent to June 30, 2021, but paid in advance by taxpayers	\$ 114,932
Unavailable taxes – Taxes not paid within sixty days of June 30, 2021	8,371
Unavailable lease revenue – Uncollected revenues associated with direct financing leases	4,995
Total General Fund	128,298
<b>Streets and Roads Capital Projects Fund</b>	
Unavailable transportation revenue – Revenue not received within sixty day of June 30, 2021	27,214
Total Street and Roads Capital Projects Fund	27,214
<b>Fire &amp; Rescue Levy</b>	
Prepaid Taxes – Taxes due subsequent to June 30, 2021, but paid in advance by taxpayers	8,238
Unavailable taxes – Taxes not paid within sixty days of June 30, 2021	165
Total Fire & Rescue Levy	8,403
<b>Other Governmental Funds</b>	
Prepaid Taxes – Taxes due subsequent to June 30, 2021, but paid in advance by taxpayers	989
Unavailable taxes – Taxes not paid within sixty days of June 30, 2021	5
Total Other Governmental Fund	994
Total Deferred Inflows of Resources of Governmental Funds	\$ 164,909

**NOTE (5) – INVESTMENT IN DIRECT FINANCING LEASES/ACCOUNTS RECEIVABLE**

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

Illustration 5-1 shows the investment in direct financing leases as of June 30, 2021.

<b>Illustration 5-1</b>	
<b>Investment in Direct Financing Leases</b>	
<b>June 30, 2021</b>	
	<b>Volunteer Fire &amp; Rescue Companies</b>
Total minimum lease payments to be received	\$ 5,661
Less: Unearned revenue	(666)
Net investment in direct financing leases	\$ 4,995

Illustration 5-2 shows the scheduled minimum lease payments as of June 30, 2021.

<b>Illustration 5-2</b>			
<b>Scheduled Minimum Lease Payments</b>			
<b>June 30, 2021</b>			
Fiscal year Ending June 30:	<b>Volunteer Fire &amp; Rescue Companies</b>		
2022	\$		1,360
2023			1,318
2024			955
2025			618
2026			498
2027 thru 2029			912
Total minimum lease payments	\$		<u><u>5,661</u></u>

Accounts receivables are recorded net of allowance for uncollectible accounts as shown in Illustration 5-3 as of June 30, 2021.

<b>Illustration 5-3</b>					
<b>Accounts Receivable</b>					
<b>June 30, 2021</b>					
		<b>Component Units</b>			<b>Reporting Entity Total</b>
		<b>Primary Government</b>	<b>School Board</b>	<b>ADC</b>	
Accrued interest	\$	3,363	-	-	3,363
Enterprise operations		571	-	-	571
Utility / consumption taxes		2,027	-	-	2,027
Transient occupancy taxes		1,211	-	-	1,211
Stormwater management fees		208	-	-	208
Cable franchise taxes		319	-	-	319
Other post-employment benefits		4,423	-	-	4,423
Other		5,066	4,637	2	9,705
Total accounts receivable		<u>17,188</u>	<u>4,637</u>	<u>2</u>	<u>21,287</u>
Allowance for doubtful accounts		<u>(1,780)</u>	<u>-</u>	<u>-</u>	<u>(1,780)</u>
Total Accounts Receivables, Net	\$	<u><u>15,408</u></u>	<u><u>4,637</u></u>	<u><u>2</u></u>	<u><u>20,047</u></u>

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

Amounts due from other governmental units as of June 30, 2021, are detailed in Illustration 6-1.

Illustration 6-1 Due from Other Governmental Units June 30, 2021			
<b>PRIMARY GOVERNMENT</b>			
<b>General Fund:</b>			
From the Federal Government	\$	2,669	
Local sales taxes		14,701	
Other		<u>7,652</u>	\$ 25,022
<b>Street &amp; Road Capital Projects Fund:</b>			
From the Federal Government		5,146	
From the Commonwealth		15,236	
From other localities		<u>22,350</u>	42,732
<b>Other Capital Projects Fund:</b>			
From the Commonwealth		<u>583</u>	583
<b>Nonmajor Governmental Funds:</b>			
From the Federal Government		110	
From the Commonwealth		<u>12</u>	122
<b>Landfill Enterprise Fund:</b>			
From other localities		<u>173</u>	173
<b>Internal Service Funds:</b>			
From other localities		<u>6</u>	<u>6</u>
Total Primary Government			<u>68,638</u>
<b>COMPONENT UNITS</b>			
<b>School Board:</b>			
From the Federal Government		14,737	
From the Commonwealth		<u>21,279</u>	36,016
<b>Adult Detention Center:</b>			
From other localities		<u>1,957</u>	<u>1,957</u>
Total Component Units			<u>37,973</u>
Total Reporting Entity			<u>\$ 106,611</u>

Illustration 6-2 details the amounts due to other governmental units as of June 30, 2021.

<b>Illustration 6-2</b>			
<b>Due to Other Governmental Units</b>			
<b>June 30, 2021</b>			
<b>PRIMARY GOVERNMENT</b>			
<b>General Fund:</b>			
To Other Localities	\$	322	
To the Federal Government		<u>88</u>	\$ 410
<b>Streets &amp; Roads Capital Projects Fund:</b>			
To Other Localities		<u>1,280</u>	1,280
<b>Nonmajor Governmental Funds:</b>			
To the Commonwealth		<u>28</u>	<u>28</u>
Total Primary Government			<u>1,718</u>
Total Reporting Entity			\$ <u><u>1,718</u></u>

**NOTE (7) – INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS**

Inter-fund balances and transfers are generally made for the purpose of providing operational support for the receiving fund. During the year ended June 30, 2021, the County made inter-fund transfers as shown in illustration 7-1.

<b>Illustration 7-1</b>			
<b>Internal Balances</b>			
<b>June 30, 2021</b>			
	<b>Due from Other Funds</b>		<b>Due to Other Funds</b>
General Fund	\$	306	-
Parks and Recreation - Enterprise Fund		<u>-</u>	<u>306</u>
Total Reporting Entity	\$	<u><u>306</u></u>	<u><u>306</u></u>

**Illustration 7-2**  
**Inter-fund Transfers**  
**For the Year Ended June 30, 2021**

<b>Transfer to General Fund from:</b>		<b>Transfer from General Fund to:</b>	
Streets & Roads - Capital Projects Fund	\$ 13,291	\$ 17,604	Streets & Roads - Capital Projects Fund
Other - Capital Projects Fund	44	3,649	Other - Capital Projects Fund
Fire & Rescue Levy Fund	27,340	-	Fire & Rescue Levy Fund
Nonmajor Governmental Funds	8,257	5,425	Nonmajor Governmental Funds
Landfill - Enterprise Fund	2,302	-	Landfill - Enterprise Fund
Parks & Recreation - Enterprise Fund	-	1,682	Parks & Recreation - Enterprise Fund
Innovation - Enterprise Fund	-	35	Innovation - Enterprise Fund
Internal Service Funds	2,000	80	Internal Service Funds
<b>Total General Fund Transfers In</b>	<b>53,234</b>	<b>28,475</b>	<b>Total General Fund Transfers Out</b>
<b>Transfer to Streets &amp; Roads - Capital Projects Fund from:</b>		<b>Transfer from Streets &amp; Roads - Capital Projects Fund to:</b>	
General Fund	17,604	13,291	General Fund
Other - Capital Projects Fund	-	350	Other - Capital Projects Fund
Innovation - Enterprise Fund	2,691	-	Innovation - Enterprise Fund
<b>Total Streets &amp; Roads - Capital Projects Fund Transfers In</b>	<b>20,295</b>	<b>13,641</b>	<b>Total Streets &amp; Roads - Capital Projects Fund Transfers Out</b>
<b>Transfer to Other - Capital Projects Fund from:</b>		<b>Transfer from Other - Capital Projects Fund to:</b>	
General Fund	3,649	44	General Fund
Streets and Roads - Capital Projects Fund	350	-	Streets and Roads - Capital Projects Fund
Nonmajor Governmental Funds	2,196	-	Nonmajor Governmental Funds
Innovation - Enterprise Fund	-	71	Innovation - Enterprise Fund
Internal Service Funds	3,900	4	Internal Service Funds
<b>Total Other - Capital Projects Fund Transfers In</b>	<b>10,095</b>	<b>119</b>	<b>Total Other - Capital Projects Fund Transfers Out</b>
<b>Transfers to Fire &amp; Rescue Levy Fund from:</b>		<b>Transfers from Fire &amp; Rescue Levy Fund to:</b>	
General Fund	-	27,340	General Fund
Internal Service Funds	-	98	Internal Service Funds
<b>Total Fire &amp; Rescue Levy Fund Transfers In</b>	<b>-</b>	<b>27,438</b>	<b>Total Fire &amp; Rescue Levy Funds Transfers Out</b>
<b>Transfer to Nonmajor Governmental Funds from:</b>		<b>Transfer from Nonmajor Governmental Funds to:</b>	
General Fund	5,425	8,257	General Fund
Other - Capital Projects Fund	-	2,196	Other - Capital Projects Fund
Internal Service Funds	-	401	Internal Service Funds
<b>Total Nonmajor Governmental Funds Transfers In</b>	<b>5,425</b>	<b>10,854</b>	<b>Total Nonmajor Governmental Fund Transfers Out</b>
<b>Transfers to Landfill Enterprise Fund from:</b>		<b>Transfers from Landfill Enterprise Fund to:</b>	
General Fund	-	2,302	General Fund
<b>Total Landfill Enterprise Fund Transfers In</b>	<b>-</b>	<b>2,302</b>	<b>Total Landfill Enterprise Fund Transfers Out</b>
<b>Transfers to Innovation - Enterprise Fund from:</b>		<b>Transfers from Innovation - Enterprise Fund to:</b>	
General Fund	35	-	General Fund
Streets & Roads - Capital Projects Fund	-	2,691	Streets & Roads - Capital Projects Fund
Other - Capital Projects Fund	71	-	Other - Capital Projects Fund
<b>Total Innovation - Enterprise Fund Transfers In</b>	<b>106</b>	<b>2,691</b>	<b>Total Innovation - Enterprise Fund Transfers Out</b>
<b>Transfers to Parks &amp; Recreation - Enterprise Fund from:</b>		<b>Transfers from Parks &amp; Recreation - Enterprise Fund to:</b>	
General Fund	1,682	-	General Fund
<b>Total to Parks &amp; Recreation - Enterprise Fund Transfers In</b>	<b>1,682</b>	<b>-</b>	<b>Transfers from Parks &amp; Recreation Enterprise Transfers Out</b>
<b>Transfers to Internal Service Funds from:</b>		<b>Transfers from Internal Service Funds to:</b>	
General Fund	80	2,000	General Fund
Other - Capital Projects Fund	4	3,900	Other - Capital Projects Fund
Fire & Rescue Levy Fund	98	-	Fire & Rescue Levy Fund
Nonmajor Governmental Funds	401	-	Nonmajor Governmental Funds
Fire & Rescue Levy Fund	-	-	Fire & Rescue Levy Fund
<b>Total Internal Service Funds Transfers In</b>	<b>583</b>	<b>5,900</b>	<b>Total Internal Service Funds Transfers Out</b>
<b>Total Primary Government Transfers In</b>	<b>\$ 91,420</b>	<b>\$ 91,420</b>	<b>Total Primary Government Transfers Out</b>



**NOTE (8) – RECEIVABLES /PAYABLES WITH COMPONENT UNITS**

Receivables/payables transactions between the primary government and component units are generally made for the purpose of providing operational support for the receiving fund. Illustration 8-1 summarizes the amounts due from the primary government and due to the component units as of June 30, 2021.

<b>Illustration 8-1</b>			
<b>Due from Primary Government/Due to Component Units</b>			
<b>June 30, 2021</b>			
		<b>Due to Primary Government</b>	<b>Due from Component Units</b>
<b>PRIMARY GOVERNMENT</b>			
Governmental activities	\$	13,146	-
<b>COMPONENT UNITS</b>			
School Board	\$	-	13,146

**NOTE (9) - CAPITAL ASSETS**

As of July 1, 2020, the County’s Capital Asset Policy was updated to change the capitalization threshold of non-grant funded assets from \$5,000 per a unit to \$10,000 per a unit. The capitalization threshold of grant funded assets remains at \$5,000 per unit and intangibles remains at \$100,000 per unit. The County retired non-grant funded assets less than \$10,000 per a unit in FY 2021. Illustration 9-1 summarizes the total dollar value of the assets retired by type of activity. These amounts are reflected as part of the deletions in Illustration 9-2, 9-3, and 9-4 below.

<b>Illustration 9-1</b>					
<b>Retired Capital Assets Due to Change in Capitalization Threshold Policy</b>					
		<b>Governmental Assets</b>	<b>Business Type Activities’ Assets</b>	<b>Total Reporting Entity’s Assets</b>	<b>ADC Assets</b>
Capital assets not being depreciated	\$	528	8	536	-
Buildings and other capital assets, being depreciated		13,957	694	14,651	279
Less accumulated depreciation		(10,652)	(558)	(11,210)	(177)
Buildings and other capital assets, net		3,305	136	3,441	102
Capital assets, net	\$	3,833	144	3,977	102

Illustration 9-2 summarizes the changes in capital assets of the governmental activities for the year ended June 30, 2021.

<b>Illustration 9-2</b>				
<b>Governmental Activities – Changes in Capital Assets</b>				
	June 30, 2020	Additions / Transfers	Deletions / Transfers	June 30, 2021
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 131,963	-	(2,128)	129,835
Construction in progress	28,887	35,773	(22,608)	42,052
Total capital assets not being depreciated	160,850	35,773	(24,736)	171,887
Buildings and other capital assets, being depreciated:				
Buildings and improvements to sites	398,456	14,742	(432)	412,766
Equipment	99,959	13,360	(14,781)	98,538
Vehicles	61,625	10,514	(2,539)	69,600
Infrastructure	240,621	9,308	(729)	249,200
Intangibles	62,823	-	-	62,823
Library collections	16,846	1,075	(2,109)	15,812
Total buildings and other capital assets being depreciated	880,330	48,999	(20,590)	908,739
Less accumulated depreciation for:				
Buildings and improvements to sites	(179,734)	(11,469)	358	(190,845)
Equipment	(78,124)	(8,752)	12,407	(74,469)
Vehicles	(42,345)	(6,481)	2,489	(46,337)
Infrastructure	(65,975)	(5,377)	226	(71,126)
Intangibles	(42,194)	(4,539)	-	(46,733)
Library collections	(12,470)	(1,868)	2,109	(12,229)
Total accumulated depreciation	(420,842)	(38,486)	17,589	(441,739)
Buildings and other capital assets, net	459,488	10,513	(3,001)	467,000
Capital assets, net	\$ 620,338	46,286	(27,737)	638,887

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

General government administration	\$	8,801
Judicial administration		1,200
Public safety		11,518
Public works		3,440
Health and welfare		333
Parks, recreational and cultural		6,012
Community development		5,661
Capital assets held by the internal service funds are charged to the various functions based on their usage of the assets		1,521
Total	\$	<u>38,486</u>

Illustration 9-3 summarizes the changes in capital assets of the business-type activities for the year ended June 30, 2021.

<b>Illustration 9-3</b>				
<b>Business-type Activities – Changes in Capital Assets</b>				
	<b>June 30, 2020</b>	<b>Additions / Transfers</b>	<b>Deletions / Transfers</b>	<b>June 30, 2021</b>
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 26,987	1,758	(8)	28,737
Construction in progress	2,046	3,412	(170)	5,288
Total capital assets not being depreciated	29,033	5,170	(178)	34,025
Buildings and other capital assets, being depreciated				
Buildings and improvements to sites	73,288	-	(18)	73,270
Equipment	9,683	1,358	(2,020)	9,021
Infrastructure	1,566	-	-	1,566
Vehicles	2,531	424	(5)	2,950
Total buildings and other capital assets being depreciated	87,068	1,782	(2,043)	86,807
Less accumulated depreciation for:				
Buildings and improvements to sites	(63,875)	(412)	21	(64,266)
Equipment	(5,600)	(743)	1,685	(4,658)
Infrastructure	(273)	(78)	-	(351)
Vehicles	(1,974)	(132)	5	(2,101)
Total accumulated depreciation	(71,722)	(1,365)	1,711	(71,376)
Buildings and other capital assets, net	15,346	417	(332)	15,431
Capital assets, net	\$ 44,379	5,587	(510)	49,456

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

Landfill	\$ 1,131
Parks, recreational & cultural	234
Total	<u>\$ 1,365</u>

Illustration 9-4 summarizes the changes in capital assets of the Adult Detention Center component unit activities for the year ended June 30, 2021.

<b>Illustration 9-4</b>				
<b>Adult Detention Center Component Unit – Changes in Capital Assets</b>				
	June 30, 2020	Additions / Transfers	Deletions / Transfers	June 30, 2021
<b>Adult Detention Center:</b>				
Capital assets not being depreciated:				
Land	\$ 31	-	-	31
Construction in progress	51,052	323	(51,355)	20
<b>Total capital assets not being depreciated</b>	<b>51,083</b>	<b>323</b>	<b>(51,355)</b>	<b>51</b>
Buildings and other capital assets, being depreciated:				
Buildings and improvements to sites	85,887	49,060	(36)	134,911
Equipment	1,173	2,418	(243)	3,348
Vehicles	734	82	-	816
<b>Total buildings and other capital assets being depreciated</b>	<b>87,794</b>	<b>51,560</b>	<b>(279)</b>	<b>139,075</b>
Less accumulated depreciation:				
Buildings and improvements to sites	(31,982)	(3,140)	32	(35,090)
Equipment	(788)	(438)	154	(1,072)
Vehicles	(539)	(62)	-	(601)
<b>Total accumulated depreciation</b>	<b>(33,309)</b>	<b>(3,640)</b>	<b>186</b>	<b>(36,763)</b>
<b>Buildings and other capital assets, net</b>	<b>54,485</b>	<b>47,920</b>	<b>(93)</b>	<b>102,312</b>
<b>Capital assets, net</b>	<b>\$ 105,568</b>	<b>48,243</b>	<b>(51,448)</b>	<b>102,363</b>

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

Public safety	\$	<u>3,640</u>
Total	\$	<u><u>3,640</u></u>

Illustration 9-5 summarizes the construction in progress of governmental activities.

<b>Illustration 9-5 Construction in Progress June 30, 2021</b>			
	<b>Amount Authorized</b>	<b>Expended to Date</b>	<b>Project Balance</b>
<b>PRIMARY GOVERNMENT</b>			
800 MHz Radio Communications System	\$ 2,554	1,319	1,235
Land Use Information System	1,246	295	951
Potomac Heritage National Scenic Trail – Featherstone Segment	873	599	274
Rollins Ford Park – Phase II	7,326	661	6,665
Broad Run Trail	1,004	576	428
Catharpin Park Trail	30	25	5
Lake Ridge Trail	1,207	488	719
Neabsco Trail	335	275	60
Neabsco Commuter Garage/Potomac Town Center Commuter Lot	52,940	1,348	51,592
Locust Shade Maintenance Building	1,300	279	1,021
Courthouse Security System	4,789	3,779	1,010
Animal Shelter Expansion	16,745	10,715	6,030
Catharpin Park Phase II	5,905	4,777	1,128
Potomac Heritage National Scenic Trail – Occoquan Refuge	433	424	9
McCoart ADA Parking Improvements	320	230	90
Human Capital Management System Replacement	13,000	3,174	9,826
Harbor Park Drive	1,512	773	739
Potomac Heritage National Scenic Trail – Highman’s Parcel	40	36	4
Potomac Heritage National Scenic Trail – Neabsco Creek Wetlands Boardwalk	1,176	464	712
Covered Storage – Parks	450	81	369
Long Park Auxiliary Building	1,104	909	195
Hammil Mill Park ADA & Retaining Wall Improvements	450	26	424
Orchard Bridge Park Field Improvements	51	28	23
Howison Park Improvements	397	236	161
Cloverdale Park Improvements	439	137	302
Potomac Heritage National Scenic Trail – Rippon Landing	505	337	168
Lake Ridge Marina – Dock Replacement	625	28	597
Technology Infrastructure Improvements	16,196	1,043	15,153
CR Micro Trans – TIP	1,000	67	933
Potomac Heritage National Scenic Trail – Heritage Harbor	100	6	94
Security at County Facilities	800	356	444
Hellwig Park Improvements	989	872	117
Ascend Cloud Migration	3,930	2,049	1,881
Pat White Elevator	295	56	239
Locust Shade Challenge Course	520	273	247
Forest Green Golf Course Bunkers	394	349	45
Neabsco Creek Bandalong	300	129	171
Interactive Virtual Incident Simulator	255	249	6
Fire and Rescue Vehicles	361	259	102
HID Safe Software	122	122	-
Other Technology Improvements and Equipment	46	7	39
Hammill Mill Park ADA Improvements	4,196	4,196	-
	<b>\$ 146,260</b>	<b>42,052</b>	<b>104,208</b>

Construction in progress for business-type activities as of June 30, 2021 is \$5,288. This amount (\$5,288) was recorded in the Landfill enterprise fund and represents capital improvements at the landfill complex, including the construction and installation of landfill liners and wetland mitigation to improve the landfill and protect public health, ground water and the environment. The \$3,412 of the

construction in progress additions as of June 30, 2021 recorded in the Public works (Landfill) enterprise fund represents capital expenditure on the construction of the Landfill Liner Phase III, Cell A.

The \$20 construction in progress balance as of June 30, 2021, of the Adult Detention Center component unit represents capital improvements related to the jail expansion project.

Illustration 9-6 summarizes the changes in capital assets of the School Board component unit activities for the year ended June 30, 2021.

<b>Illustration 9-6</b>				
<b>School Board Component Unit – Changes in Capital Assets</b>				
	June 30, 2020	Additions / Transfers	Deletions / Transfers	June 30, 2021
<b>School Board:</b>				
Capital assets not being depreciated:				
Land	\$ 95,888	8,348	-	104,236
Construction in progress	145,892	88,312	(194,974)	39,230
<b>Total capital assets not being depreciated</b>	<b>241,780</b>	<b>96,660</b>	<b>(194,974)</b>	<b>143,466</b>
Buildings and other capital assets, being depreciated:				
Buildings and improvements to sites	1,908,356	194,974	-	2,103,330
Library collections	3,084	743	(640)	3,187
Equipment	51,715	2,242	(325)	53,632
Intangibles	5,840	-	-	5,840
Vehicles	113,429	5,355	(3,517)	115,267
<b>Total buildings and other capital assets being depreciated</b>	<b>2,082,424</b>	<b>203,314</b>	<b>(4,482)</b>	<b>2,281,256</b>
Less accumulated depreciation for:				
Buildings and improvements to site	(523,826)	(37,185)	-	(561,011)
Library collections	(1,964)	(637)	640	(1,961)
Equipment	(38,388)	(2,509)	251	(40,646)
Intangibles	(4,282)	(341)	-	(4,623)
Vehicles	(51,483)	(8,019)	3,327	(56,175)
<b>Total accumulated depreciation</b>	<b>(619,943)</b>	<b>(48,691)</b>	<b>4,218</b>	<b>(664,416)</b>
<b>Buildings and other capital assets, net</b>	<b>1,462,481</b>	<b>154,623</b>	<b>(264)</b>	<b>1,616,840</b>
<b>Capital assets, net</b>	<b>\$ 1,704,261</b>	<b>251,283</b>	<b>(195,238)</b>	<b>1,760,306</b>

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

Instruction:	
Regular	\$ 36,290
Special	1,071
Other	13
Support Services:	
General administration	1,103
Student services	10
Curricular/staff development	5
Pupil transportation	8,056
Maintenance	380
Central business services	1,483
Food and nutrition services	98
Business-Type Activities	
Aquatics Center	182
Total	<u>\$ 48,691</u>

## **NOTE (10) - LONG-TERM DEBT**

The following debt was issued during fiscal year 2021:

- On September 22, 2020, the Board of County Supervisors approved Resolution No. 20-645 to authorize the issuance of one or more General Obligation School Bonds of the County in an aggregate amount not to exceed \$119,450 to finance certain capital projects for school purposes and to refund other outstanding General Obligation School Bonds and to approve the sale of such bonds to the Virginia Public School Authority. On October 15, 2020, the County sold the VPSA Special Obligation School Financing Bonds Series VPSA 2020 in the amount of \$106,510 par to provided construction and cost of issuance funds for construction of 2 new schools, the renovation of 3 schools, and architectural and engineering design services for a future construction and improvements.
- On October 29, 2020, the County entered an Installment Purchase Contract with the Industrial Development Authority of Prince William County (IDA) as security for the IDA's issuance of \$49,580 par amount of the IDA of Prince William County, VA Facilities Revenue and Refunding Bonds, Series 2020A with a true interest cost of 1.66%. The Authorization of the Installment Purchase Contract was approved by the Board on September 22, 2020, by Resolution Number 20-649. \$44,770 of the bond proceeds provided construction and cost of issuance funds for three County projects: the expansion of the Adult Detention Center, Fire and Rescue Station 22, and the Animal Shelter. Additionally, \$4.8M of the bond proceeds were used to refund the remaining \$5.4M balance of the Park Facilities County Contribution Revenue Bonds, Series 2010, to achieve interest savings for the Parks and Recreation Enterprise Fund. Payments due under the terms of the Installment Purchase Contract are subject to annual appropriation. The County has assumed all responsibilities for continuing disclosure.

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

### **Bonds Payable:**

The majority of the County's bonds payable are general obligations of the County and are secured by its full faith and credit. Some of the County's bonds are subject to arbitrage, and as such, actuarial calculations are made, and liabilities are recorded annually.

The Commonwealth imposes no legal debt limitation on counties. Except for Virginia Public School Authority general obligation issuances, a referendum must be approved by the voters prior to the issuance of new money general obligation bonds. The County established a self-imposed limit on its total bonded debt of 3% of the net assessed valuation of taxable property. The County includes general obligation bonds, appropriation debt supported by tax revenue, and School Board bonds in its determination of total bonded debt. Additionally, there are several limitations and restrictions contained in the various bond indentures. The County follows all such limitations and restrictions.

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

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

The annual debt service requirements of general obligation and lease revenue bonds outstanding in governmental funds as of June 30, 2021, including interest payments, are shown in Illustration 10-1. Refer to Schedule 40 for information related to maturity dates and interest rates for these obligations.

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

<b>Designated for Roads, Parks &amp; Other General County Projects</b>		<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Fiscal year Ending June 30:				
2022	\$	16,706	6,438	23,144
2023		16,718	5,672	22,390
2024		16,784	4,875	21,659
2025		15,785	4,097	19,882
2026		12,865	3,444	16,309
2027 thru 2031		53,147	10,507	63,654
2032 thru 2036		37,035	3,445	40,480
2037 thru 2041		11,171	571	11,742
Subtotal		180,211	39,049	219,260
<b>Designated for School Board Projects</b>				
Fiscal year Ending June 30:				
2022		75,619	34,252	109,871
2023		72,652	30,668	103,320
2024		69,731	27,246	96,977
2025		65,845	23,992	89,837
2026		63,455	20,949	84,404
2027 thru 2031		270,358	64,075	334,433
2032 thru 2036		191,775	22,361	214,136
2037 thru 2041		69,924	3,435	73,359
Subtotal		879,359	226,978	1,106,337
Total	\$	1,059,570	266,027	1,325,597

The annual debt service requirements of all bonds outstanding in business-type activities as of June 30, 2021, including interest payments, are shown in Illustration 10-2. Refer to Schedule 40 for information related to maturity dates and interest rates for these obligations.

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

Fiscal year Ending June 30:	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 630	192	822
2023	665	160	825
2024	700	126	826
2025	725	90	815
2026	765	53	818
2027	670	15	685
Subtotal	4,155	636	4,791
Add: unamortized premium on issuance of revenue bonds	580		
Total	\$ 4,735		



## Operating and Capital Leases

The County leases real estate and equipment under operating and capital leases expiring at various dates through 2031. All leases are non-cancelable except they are contingent upon the Board appropriating funds for each year's payments. The County also has various short-term leases for real estate and equipment with initial or remaining non-cancelable lease terms of less than one year as of June 30, 2021. Total rental expense under operating leases of the primary government for the year ended June 30, 2021, was \$9,011. Illustration 10-3 summarizes the minimum lease commitments under the County's operating leases.

<b>Illustration 10-3</b>			
<b>Minimum Lease Commitments – Operating Leases</b>			
Fiscal year Ending June 30:			
2022	\$		7,004
2023			6,341
2024			5,302
2025			4,636
2026			3,483
2027 thru 2031			7,007
Total minimum payments	\$		<u>33,773</u>

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

Illustration 10-4 presents the assets that were acquired through capital lease obligations as of June 30, 2021.

<b>Illustration 10-4</b>			
<b>Assets Acquired Through Capital Lease Obligations</b>			
<b>June 30, 2021</b>			
		<b>Governmental Activities</b>	<b>ADC Component Unit</b>
Other capital assets:			
Buildings	\$	92,138	6,459
Improvements		13,534	76
Machinery and Equipment		972	-
Vehicles		1,118	-
Less: accumulated depreciation		<u>(58,798)</u>	<u>(4,936)</u>
Total assets acquired through capital lease obligations	\$	<u>48,964</u>	<u>1,599</u>

Illustration 10-5 presents a summary of minimum lease commitments on all capital leases. Refer to Schedule 40 for information related to maturity dates and interest rates for these obligations.

<b>Illustration 10-5</b>	
<b>Minimum Lease Commitments – Capital Lease Obligations</b>	
Fiscal year Ending June 30:	<b>Primary Government</b>
2022	\$ 12,592
2023	12,167
2024	9,919
2025	9,217
2026	6,794
2027 thru 2030	12,560
Total minimum payments	63,249
Less: Interest	(8,334)
Present value of future minimum payments	\$ 54,915

**Loans Payable:**

The County’s tri-party direct borrowing debt obligation among the County, the IDA, and Wells Fargo Bank N.A is a variable rate draw down loan. The loan bears interest monthly at the LIBOR Index Rate. The full principal of the loan is due on August 22, 2023. The proceeds of the loan will finance a portion of the expansion of the County’s Adult Detention Center and will pay the costs of issuance associated with the Loan. The loan balance as of June 30, 2021, is \$21,153.

The obligation of the IDA or the County to pay debt service on the loan is subject to appropriation by the Board of County Supervisors and no collateral was pledged. Default under the Loan Agreement may allow the entire principal amount plus accrued interest to become immediately due and payable. In the event of default, Wells Fargo may seek other remedies with financial consequences against the IDA and/or County.

**Changes in Long-Term Liabilities:**

Changes in long-term liabilities of governmental activities for the year ended June 30, 2021, are shown in Illustration 10-6.

<b>Illustration 10-6</b> <b>Governmental Activities – Changes in Long-Term Liabilities</b> <b>June 30, 2021</b>						
	Beginning Balance	Additions	Reductions	Ending Balance	Due in More Than One Year	Due Within One Year
General obligation bonds:						
Designated for Roads, Parks and Other General County projects	\$ 150,761	44,770	(15,320)	180,211	163,505	16,706
Designated for School Board projects	845,159	106,510	(72,310)	879,359	803,740	75,619
Subtotal	995,920	151,280	(87,630)	1,059,570	967,245	92,325
Capital lease obligations	68,295	-	(13,380)	54,915	44,735	10,180
Loans payable	21,153	-	-	21,153	21,153	-
Unpaid losses and related liabilities (Footnote 15)	21,579	50,158	(49,244)	22,493	15,062	7,431
Net pension liabilities (Footnote 13)	198,005	80,559	-	278,564	278,564	-
Net OPEB liabilities (Footnote 14)	47,779	-	(5,368)	42,411	42,411	-
Surplus distribution payable	3,937	-	(1,571)	2,366	1,530	836
Compensated absences	42,776	16,698	(12,679)	46,795	43,676	3,119
Unamortized premium	112,268	17,468	(15,650)	114,086	100,182	13,904
<b>Total</b>	<b>1,511,712</b>	<b>316,163</b>	<b>(185,522)</b>	<b>1,642,353</b>	<b>1,514,558</b>	<b>127,795</b>
	\$					

Long-term liabilities of governmental activities are generally liquidated by the General Fund. During fiscal year 2021, funds of the intra-county services fund were used to liquidate approximately 4.45% of compensated absences.

Changes in long-term liabilities of business-type activities for the year ended June 30, 2021, are shown in Illustration 10-7.

<b>Illustration 10-7</b>						
<b>Business-Type Activities – Changes in Long-Term Liabilities</b>						
<b>June 30, 2021</b>						
	Beginning	Additions	Reductions	Ending	Due in	Due
	Balance			Balance	More Than	Within
					One Year	One
						Year
Revenue bonds	\$ 5,410	4,810	(6,065)	4,155	3,525	630
Unamortized premium on issuance of revenue bonds	8	677	(105)	580	483	97
Revenue bonds, net	5,418	5,487	(6,170)	4,735	4,008	727
Compensated absences	597	(746)	728	579	538	41
Net pension liabilities (Footnote 13)	2,491	847	-	3,338	3,338	-
Net OPEB liabilities (Footnote 14)	744	-	(141)	603	603	-
Accrued closure liabilities (Footnote 12)	13,604	2,602	-	16,206	16,206	-
Total	\$ 22,854	8,190	(5,583)	25,461	24,693	768

Changes in deferred outflows of resources of governmental activities for the year ended June 30, 2021, are shown in Illustration 10-8.

<b>Illustration 10-8</b>				
<b>Governmental Activities – Changes in Deferred Outflow of Resources</b>				
<b>June 30, 2021</b>				
	Beginning Balance	Additions	Reductions	Ending Balance
Unamortized deferred loss on refunding	\$ 31,474	-	(3,514)	27,960
Related to OPEB (Footnote 14)	11,430	12,321	(11,430)	12,321
Related to pensions (Footnote 13)	75,285	51,344	-	126,629
Total	\$ 118,189	63,665	(14,944)	166,910

Changes in deferred outflows of resources of business-type activities for the year ended June 30, 2021, are shown in Illustration 10-9.

<b>Illustration 10-9</b>				
<b>Business-Type Activities – Changes in Deferred Outflow of Resources</b>				
<b>June 30, 2021</b>				
	Beginning Balance	Additions	Reductions	Ending Balance
Unamortized deferred loss on refunding	\$ 261	9	(262)	8
Related to OPEB	139	4	-	143
Related to pensions	921	585	-	1,506
Total	\$ 1,321	598	(262)	1,657

Changes in long-term liabilities of the component units for the year ended June 30, 2021, are shown in Illustration 10-10.

**Illustration 10-10**  
**Component Units – Changes in Long-Term Liabilities**  
**June 30, 2021**

	Beginning Balance	Additions	Reductions	Ending Balance	Due in More Than One Year	Due Within One Year
<b>School Board:</b>						
Compensated absences	\$ 36,718	16,137	(12,196)	40,659	28,094	12,565
Net pension liabilities (Footnote 13)	880,641	123,101	-	1,003,742	1,003,742	-
Net OPEB liabilities (Footnote 14)	159,353	(19,589)	-	139,764	139,764	-
Pollution remediation	462	1,531	(1,152)	841	-	841
Claims liabilities	14,108	96,218	(94,790)	15,536	4,930	10,606
<b>Total School Board component unit</b>	<b>1,091,282</b>	<b>220,400</b>	<b>(108,138)</b>	<b>1,203,544</b>	<b>1,179,532</b>	<b>24,012</b>
<b>Adult Detention Center:</b>						
Compensated absences	4,253	(526)	643	4,370	4,095	275
Net pension liabilities (Footnote 13)	17,828	8,673	-	26,501	26,501	-
Net OPEB liabilities (Footnote 14)	4,524	-	(329)	4,195	4,195	-
<b>Total Adult Detention Center component unit</b>	<b>26,605</b>	<b>8,147</b>	<b>314</b>	<b>35,066</b>	<b>34,791</b>	<b>275</b>
<b>Total</b>	<b>\$ 1,117,887</b>	<b>228,547</b>	<b>(107,824)</b>	<b>1,238,610</b>	<b>1,214,323</b>	<b>24,287</b>

**Defeasance of Long-Term Debt**

In the current and prior years, the County defeased certain bonds, some of which have been called and repaid. Accordingly, the trust account assets and the liability for the defeased bonds were not included in the County’s financial statements. On June 30, 2021, \$128,535 in principal of bonds outstanding is considered defeased by the County.

**A. Component Unit Debt**

The Code of Virginia establishes the School Board as a legal entity holding title to all school assets but having no taxing authority. The County must issue debt through bond referendum, Virginia Public School Authority or Literary Fund. Historically, the County has reported all School Board assets along with the related debt in the School Board component unit column of its ACFR. GASB 34 provided specific guidance that requires localities to separate internal activities (within the primary government) from intra-entity activities (between the primary government and its component units). This guidance prevents local governments from allocating debt incurred “on behalf” of school boards to the School Board component unit column.

Therefore, the School Board assets are included in the component unit column while the debts related to those assets are included in the Primary Government – Governmental Activities column on Exhibit 1. On June 30, 2021, the County has outstanding debt of \$879,359 reflected in the Primary Government – Governmental Activities column on Exhibit 1 as a reduction to the unrestricted net position of the County.

Similarly, assets of the Adult Detention Center are included in the component unit column, while the debts related to those assets are included in the Primary Government – Governmental Activities column on Exhibit 1. On June 30, 2021, the County has outstanding debt of \$48,070 reflected in the Primary Government – Governmental Activities column on Exhibit 1 as a reduction to the unrestricted net position of the County, respectively that relates to the Adult Detention Center.

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

**NOTE (11) - FUND BALANCES / NET POSITION**

Illustration 11-1 details the fund balances of the County's Governmental funds and Adult Detention Center (ADC) component unit on June 30, 2021.

Illustration 11-1 Fund Balances June 30, 2021							
Governmental Funds							
	General Fund	Capital Projects Funds	Fire & Rescue Levy Funds	COVID-19 Response Fund	Other Funds Governmental	Total Governmental Funds	ADC Component Unit
<b>Nonspendable Fund Balance:</b>							
Inventory	297	-	-	-	24	321	-
Prepaid expenditures	-	-	-	9	2,163	2,172	-
<b>Total Nonspendable Fund Balance</b>	<b>297</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>2,187</b>	<b>2,493</b>	<b>-</b>
<b>Restricted Fund Balance:</b>							
Grants	8,846	-	-	107	-	8,953	-
Donations	659	-	-	-	-	659	-
General government administration	-	-	-	-	25,538	25,538	-
Public safety	-	-	41,182	-	18,300	59,482	-
Public works	-	-	-	-	5,528	5,528	-
Community development	-	-	-	-	5,672	5,672	-
<b>Total Restricted fund balance</b>	<b>9,505</b>	<b>-</b>	<b>41,182</b>	<b>107</b>	<b>55,038</b>	<b>105,832</b>	<b>-</b>
<b>Committed Fund Balance:</b>							
Capital reserve	61,760	-	-	-	-	61,760	-
Revenue stabilization reserve	25,445	-	-	-	-	25,445	-
Emergency response reserve	10,000	-	-	-	-	10,000	-
Economic development opportunity fund (EODF)	5,534	-	-	-	-	5,534	-
General government administration	5,684	16,854	-	-	-	22,538	-
Judicial administration	1,735	577	-	-	-	2,312	-
Public safety	-	8,826	-	-	-	8,826	-
Public works	17,691	37,567	-	-	-	55,258	-
Health and welfare	-	142	-	-	-	142	-
Education	12,913	-	-	-	-	12,913	-
Parks, recreational, and cultural	1,492	11,692	-	-	-	13,184	-
Community development	11	13,993	-	-	-	14,004	-
<b>Total Committed Fund Balance</b>	<b>142,265</b>	<b>89,651</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>231,916</b>	<b>-</b>
<b>Assigned Fund Balance:</b>							
General government administration	3,715	-	-	-	-	3,715	-
Judicial administration	179	-	-	-	-	179	-
Public safety	2,140	-	-	-	-	2,140	5,023
Public works	4,007	-	-	-	-	4,007	-
Health and welfare	2,099	-	-	-	-	2,099	-
Parks, recreational, and cultural	3,744	-	-	-	-	3,744	-
Community development	1,056	-	-	-	-	1,056	-
<b>Total Assigned Fund Balance</b>	<b>16,940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,940</b>	<b>5,023</b>
<b>Total Unassigned Fund Balance</b>	<b>95,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95,459</b>	<b>10,615</b>
<b>Total Fund Balance</b>	<b>264,466</b>	<b>89,651</b>	<b>41,182</b>	<b>116</b>	<b>57,225</b>	<b>452,640</b>	<b>15,638</b>

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

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

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

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

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

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

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

Illustration 11-2 details the encumbrances of the County’s Governmental funds and Adult Detention Center (ADC) component unit on June 30, 2021.

<b>Illustration 11-2 June 30, 2021 Encumbrances</b>							
<b>Governmental Funds</b>							<b>ADC Component Unit</b>
	<b>General Fund</b>	<b>Capital Projects Funds</b>	<b>Fire &amp; Rescue Levy Funds</b>	<b>Other Funds Governmental</b>	<b>Total Governmental Funds</b>		
Encumbrances	\$	20,796	229,622	6,016	3,106	259,540	

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

In fiscal year 2021, the Landfill enterprise fund had no outstanding debt and there were no bond coverage requirements.

State and federal laws and regulations require the County to place a final cover on its Independent Hill landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of the end of each fiscal year. The \$16,206 reported as landfill closure and post closure care liability on June 30, 2021, represents the cumulative amount reported to date based on the use of 100% of the Phase I landfill, and 41.50% of Phase II and III of the landfill, which are the only remaining disposal phases in the southern portion of the landfill. The total landfill capacity for the southern portion which include phases I, II and III for post closure is 61.06%.

The total maximum exposure liability for closure and post closure care for Phases II and III of the landfill is estimated at \$41,217 at June 30, 2021. The County has paid \$3,525 of closure costs as of June 30, 2021. The County will recognize the remaining total estimated cost of closure and post closure care for the southern portion of the landfill of \$21,485 as the remaining estimated capacity of the southern portion of the landfill is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2021. The County expects to complete filling the southern portion of the landfill site in the year 2033 and to close the remaining phases of the southern portion of the landfill by 2038. The northern portion of the landfill is estimated to be closed around 2060-2065. The total current cost of landfill closure and post closure care is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

**NOTE (13) - DEFINED BENEFIT PENSION PLANS**

**1. Prince William County Pension Plans**

The County maintains three pension plans for its employees:

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

The aggregate amount of net pension liability / (asset), related deferred outflows of resources, deferred inflows of resources, and pension expense for the County's pension plans as of June 30, 2021, with measurement date of June 30, 2020, are summarized in Illustration 13-1 below.

**Illustration 13-1**  
**Prince William County Defined Benefit Pension Plans**  
**Net Pension / (Asset) Liability and Related Amounts**  
**June 30, 2021**

MEASUREMENT DATE 6/30/20	Net Pension Liability / (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Virginia Retirement System	\$ 297,972	134,486	1,991	64,932
Supplemental Pension Plan	263	4,478	1,403	1,124
Length of Service Award Program	10,168	1,820	103	2,416
<b>Total Pension</b>	<b>\$ 308,403</b>	<b>140,784</b>	<b>3,497</b>	<b>68,472</b>
<b>Primary Government:</b>				
Governmental Funds	\$ 267,272	121,531	3,002	59,341
Intra-County Services	10,815	4,883	72	2,357
Health Insurance	477	215	3	104
<b>Total Governmental Funds</b>	<b>278,564</b>	<b>126,629</b>	<b>3,077</b>	<b>61,802</b>
Landfill	3,338	1,506	22	727
<b>Total Proprietary Funds</b>	<b>3,338</b>	<b>1,506</b>	<b>22</b>	<b>727</b>
<b>Total Primary Government (A)</b>	<b>281,902</b>	<b>128,135</b>	<b>3,099</b>	<b>62,529</b>
<b>Component Unit:</b>				
Adult Detention Center (B)	26,501	12,649	398	5,943
<b>Total Pension - County Funded (A+B)</b>	<b>\$ 308,403 *</b>	<b>140,784</b>	<b>3,497</b>	<b>68,472</b>
Schools Pensions Plans (C)**	\$ 1,003,741	281,406	63,884	125,714
<b>Total Component Units (B+C)</b>	<b>1,030,242</b>	<b>294,055</b>	<b>64,282</b>	<b>131,657</b>
<b>Total Reporting Entity (A+B+C)</b>	<b>\$ 1,312,144 *</b>	<b>422,190</b>	<b>67,381</b>	<b>194,186</b>

Note: Amounts are allocated to the funds based on proportion of pension contributions paid.

\*Supplemental Pension Plan net pension assets cannot be netted against net pension liabilities of other pension plans.

\*\* Please see Schools separately issued financial statements for further information and Illustration 13-31 below.



**Summary Financial Statements for Single-Employer Defined Benefit Pension Plans Self-Insured by the County for the fiscal year ending June 30, 2021:**

Illustration 13-2 is a summary of the Statement of Fiduciary Net Position of the Supplemental Pension Plan and LoSAP trust funds. See the following discussion for further information on each plan.

<b>Illustration 13-2</b>			
<b>Prince William County - Pension Trust Funds</b>			
<b>Statement of Fiduciary Net Position</b>			
<b>June 30, 2021</b>			
	<b>Supplemental Pension Plan Trust Fund</b>	<b>LoSAP Trust Fund</b>	<b>Total Pension Plan Trust Funds</b>
<b>Assets:</b>			
Restricted cash	\$ 513	-	513
Restricted investments	55,138	19,529	74,667
Accounts Receivable	146		146
Total Assets	55,797	19,529	75,326
<b>Liabilities:</b>			
Accounts payable	66	13	79
Total Liabilities	66	13	79
<b>Net position:</b>			
Net position restricted for pensions	55,731	19,516	75,247
Total net position	\$ 55,731	19,516	75,247

Illustration 13-3 is a summary of the Statement of Changes in Fiduciary Net Position of the Supplemental Pension Plan and LoSAP trust funds.

<b>Illustration 13-3</b>				
<b>Prince William County - Pension Trust Funds</b>				
<b>Statement of Changes in Fiduciary Net Position</b>				
<b>For the year ended June 30, 2021</b>				
		<b>Supplemental Pension Plan Trust Fund</b>	<b>LoSAP Trust Fund</b>	<b>Total Pension Plan Trust Funds</b>
<b>Additions</b>				
Member contributions	\$	2,030	-	2,030
Employer contributions		2,030	1,536	3,566
Total contributions		4,060	1,536	5,596
Other Income		12	-	12
<b>Investment Income</b>				
Total investment income		11,070	547	11,617
Less: investment expense		(130)	-	(130)
Net investment income		10,940	547	11,487
Total additions		15,012	2,083	17,095
<b>Deductions</b>				
Benefit payments		2,288	567	2,855
Refund of members' contributions		222	-	222
Administrative expenses		182	155	337
Total deductions		2,692	722	3,414
Change in net position		12,320	1,361	13,681
Net position, beginning of year		43,411	18,155	61,566
Net position, end of year	\$	55,731	19,516	75,247

**A. County's Virginia Retirement System (VRS)**

**County's Plan Overview:**

*County's plan administration.* The County and the Adult Detention Center component unit contribute to the Virginia Retirement System (VRS), a multi-employer, agent pension plan administered by the Virginia Retirement System (the "System"), along with plans for other employer groups in the Commonwealth of Virginia. All full-time, salaried permanent employees of the County and the Adult Detention Center are automatically covered by VRS upon employment. 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 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.

Professional and non-professional employees of the School Board are also covered by the VRS. Professional employees participate in a VRS statewide teacher cost-sharing pool, and non-professional employees participate as a separate group in the multi-employer, agent

retirement system. The Prince William County Public Schools retirement plans are reported separately in their audited financial statements. Copies of these financial statements may be obtained by writing to the School Board’s Finance Division at P.O. Box 389, Manassas, Virginia 20108.

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

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

*County’s benefits provided.* The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and a Hybrid Retirement Plan. Each of these benefit structures has different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are discussed in Illustration 13-4.

<b>Illustration 13-4</b> <b>Prince William County - Virginia Retirement System (VRS) Pension Plan</b> <b>VRS Retirement Plan Provisions</b>		
VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
<i>About the Plans</i>		
Plan 1 is a defined benefit plan. The retirement benefits are based on a member’s age, service credit and average final compensation at retirement using a formula.	Plan 2 is a defined benefit plan. The retirement benefits are based on a member’s age, service credit and average final compensation at retirement using a formula.	The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. <ul style="list-style-type: none"> <li>• The defined benefit is based on a member’s age, service credit and average final compensation at retirement using a formula.</li> <li>• The benefit from the defined contribution component of the plan depends on the member and County contributions made to the plan and the investment performance of those contributions.</li> <li>• In addition to the monthly benefit payments 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.</li> </ul>

**Illustration 13-4 (cont'd)**  
**Prince William County - Virginia Retirement System (VRS) Pension Plan**  
**VRS Retirement Plan Provisions**

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
<i>Eligible Members</i>		
<p><i>Eligible Members:</i>            Employees are in Plan 1 if their membership date is before July 1, 2010, and were vested as of January 1, 2013, and they have not taken a refund.</p> <p><i>Hybrid Opt-In Election:</i>            VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p><i>Eligible Members:</i>            Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><i>Hybrid Opt-In Election:</i>            Eligible Plan 2 members could make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p><i>Eligible Members:</i>            Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• County employees*</li> <li>• 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.</li> </ul> <p><i>*Non-Eligible Members:</i>            Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• County employees who are covered by enhanced benefits for hazardous duty employees.</li> </ul> <p>Those employees eligible for an optional retirement plan (ORP) must elect the optional retirement plan (ORP) plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>

**Illustration 13-4 (cont'd)**  
**Prince William County - Virginia Retirement System (VRS) Pension Plan**  
**VRS Retirement Plan Provisions**

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
<i>Retirement Contributions</i>		
Employees contribute 5% of their compensation each month to their member contributions 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 County makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and County contributions to provide funding for the future benefit payments.	Same as Plan 1.	A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the County 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 for both the member and the County. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the County is required to match those voluntary contributions according to specified percentages.
<i>Service Credit</i>		
Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the County offers the health insurance credit.	Same as Plan 1.	<p><i>Defined Benefit Component:</i>  Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement if the County offers the health insurance credit.</p> <p><i>Defined Contribution Component:</i>  Under the defined contribution component, service credit is used to determine vesting for the County contribution portion of the plan.</p>
<i>Vesting</i>		
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.	Same as Plan 1.	<b>Defined Benefit Component:</b> 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.

**Illustration 13-4 (cont'd)**  
**Prince William County - Virginia Retirement System (VRS) Pension Plan VRS**  
**Retirement Plan Provisions**

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
<i>Vesting (cont'd)</i>		
<p>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.</p> <p>Members are always 100% vested in the contributions that they make.</p>		<p>Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><i>Defined Contribution Component:</i>            Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the County contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of County contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of County contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of County contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of County contributions.</li> </ul> <p>Distribution is not required, except as governed by law.</p>
<i>Calculating the Benefit</i>		
<p>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.</p>	<p>Same definition under Plan 1.</p>	<p><i>Defined Benefit Component:</i>            See definition under Plan 1.</p> <p><i>Defined Contribution Component:</i>            The benefit is based on contributions made by the member and any matching contributions made by the County, plus net investment earnings on those contributions.</p>

**Illustration 13-4 (cont'd)**  
**Prince William County - Virginia Retirement System (VRS) Pension Plan VRS**  
**Retirement Plan Provisions**

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
<i>Average Final Compensation</i>		
The member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	The member's average final compensation is the average of the 60 consecutive months of highest compensation as a covered employee.	Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
<i>Service Retirement Multiplier</i>		
<p>The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for each employee class is as follows:</p> <ul style="list-style-type: none"> <li>• 1.70% for non-hazardous duty members.</li> <li>• 1.85% for sheriffs and regional jail superintendents.</li> <li>• 1.85% as elected by the County for eligible County hazardous duty employees other than sheriffs and regional jail superintendents.</li> </ul>	<p>Same as Plan 1 for service earned, purchased, or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for service credit earned, purchased, or granted on or after January 1, 2013.</p> <p>Same as Plan 1 for sheriffs, regional jail superintendents and all other hazardous duty employees.</p>	<p><i>Defined Benefit Component:</i> The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p>This is not applicable for sheriffs, regional jail superintendents and all other hazardous duty employees.</p> <p><i>Defined Contribution Component:</i> Not applicable.</p>
<i>Normal Retirement Age</i>		
<p>VRS: Age 65. <i>County hazardous duty employees:</i> Age 60.</p>	<p>VRS: Normal Social Security retirement age. <i>County hazardous duty employees:</i> Same as Plan 1.</p>	<p><i>Defined Benefit Component:</i> VRS: Same as Plan 2. <i>County hazardous duty employees:</i> Not applicable.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distribution upon leaving employment, subject to restrictions.</p>

**Illustration 13-4 (cont'd)**  
**Prince William County - Virginia Retirement System (VRS) Pension Plan VRS**  
**Retirement Plan Provisions**

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
<i>Earliest Unreduced Retirement Eligibility</i>		
<p>VRS: Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.</p> <p><i>County hazardous duty employees:</i> Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.</p>	<p>VRS: Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and plus service equals 90.</p> <p><i>County hazardous duty employees:</i> Same as Plan 1.</p>	<p><i>Defined Benefit Component:</i>  VRS: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equal 90.</p> <p><i>County hazardous duty employees:</i> Not applicable.</p> <p><i>Defined Contribution Component:</i>  Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<i>Earliest Reduced Retirement Eligibility</i>		
<p>VRS: Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credits.</p> <p><i>County hazardous duty employees:</i> Age 50 with at least five years of service credits.</p>	<p>VRS: Age 60 with at least five years (60 months) of service credit.</p> <p><i>County hazardous duty employees:</i> Same as Plan 1.</p>	<p><i>Defined Benefit Component:</i>  VRS: Age 60 with at least five years (60 months) of service credit.</p> <p><i>County hazardous duty employees:</i> Not applicable.</p> <p><i>Defined Contribution Component:</i>  Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<i>Cost of Living Adjustment (COLA) in Retirement</i>		
<p>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%.</p> <p><i>Eligibility:</i>  For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p>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%.</p> <p><i>Eligibility:</i>  Same as Plan 1.</p>	<p><i>Defined Benefit Component:</i>  Same as Plan 2.</p> <p><i>Defined Contribution Component:</i> Not applicable.</p> <p><i>Eligibility:</i>  Same as Plan 1 and Plan 2.</p>



**Illustration 13-4 (cont'd)**  
**Prince William County - Virginia Retirement System (VRS) Pension Plan**  
**VRS Retirement Plan Provisions**

<b>VRS Plan 1</b>	<b>VRS Plan 2</b>	<b>Hybrid Retirement Plan</b>
<i>Cost of Living Adjustment (COLA) in Retirement (cont'd)</i>		
<p><i>Exceptions to COLA Effective Dates:</i>  The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term.</li> <li>• 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.</li> <li>• The member dies in service and the member's survivor, or beneficiary is eligible for a monthly death-in-service benefit.</li> </ul>	<p><i>Exceptions to COLA Effective Dates:</i>  Same as Plan 1.</p>	<p><i>Exceptions to COLA Effective Dates:</i>  Same as Plan 1 and Plan 2.</p>

<b>Illustration 13-4 (cont'd)</b> <b>Prince William County - Virginia Retirement System (VRS) Pension Plan</b> <b>VRS Retirement Plan Provisions</b>		
VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
<i>Cost of Living Adjustment (COLA) in Retirement (cont'd)</i>		
<ul style="list-style-type: none"> <li>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.</li> </ul>		
<i>Disability Coverage</i>		
Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased, or granted.	Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased, or granted.	<p>Employees of the County (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless the County provides a County-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<i>Purchase of Prior Service</i>		
Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. Members also may be eligible to purchase periods of leave without pay.	Same as Plan 1.	<p><i>Defined Benefit Component:</i> Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> <li>Hybrid Retirement Plan members are ineligible for ported service.</li> </ul> <p><i>Defined Contribution Component:</i> Not applicable.</p>

County Employees Covered by Benefit Terms. As of June 30, 2019, actuarial valuation, the following County employees were covered by benefit terms of the pension plan in Illustration 13-5.

<b>Illustration 13-5</b>	
<b>Prince William County - Virginia Retirement System (VRS) Pension Plan</b>	
<b>Plan Membership as of the Valuation Date of June 30, 2019</b>	
Inactive plan members or their beneficiaries currently receiving benefits	2,382
Inactive members:	
Vested inactive members	698
Non-vested inactive members	1,267
Inactive members active elsewhere in VRS	664
Total inactive members	2,629
Active employees	4,177
Total covered members	9,188

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

The County’s contractually required employer contribution rate for the fiscal year ended June 30, 2020, was 14.68% of the covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the VRS pension plans from the County were \$45,001 and \$38,050 for the years ended June 30, 2021, and June 30, 2020, respectively.

**County’s Net Pension Liability:**

The County's net pension liability (NPL) is calculated separately for each employer and represents the County's total pension liability determined in accordance with GASB Statement No. 68, less the County's fiduciary net position. For the County, the NPL was measured as of June 30, 2020. The total pension liability used to calculate the NPL was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

County's actuarial assumption. The total pension liability for employees in the County's VRS pension plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the assumptions displayed in Illustration 13-6, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 20120.

**Illustration 13-6**  
**Prince William County - Virginia Retirement System Pension Plan**  
**Actuarial Methods and Assumptions as of the Valuation Date of June 30, 2019**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent closed
Asset Valuation Method	5-year smoothed market
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation*
Inflation	2.50%
Payroll Growth Rate	3.00%
Cost-of Living Increase	2.50% Plan 1; 2.25% all other members
<b>General Employees:</b>	
Salary Increase	3.50% - 5.35%, including inflation
Mortality Rates	20% of deaths are assumed to be service related
Mortality:	
Pre-Retirement	RP-2014 Employee rates to age 80, Healthy Annuitant Rates at age 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates
Post-Retirement	RP-2014 Employee rates to age 49, Healthy Annuitant Rates at age 50 and older projected with scale BB to 2020; males set forward 3 years; females 1% increase compounded from ages 70 to 90
Post-Disablement	RP-2014 Disability Life Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates
<b>Public Safety Employees with Hazardous Duty Benefits:</b>	
Salary Increase	3.50% - 4.75%, including inflation
Mortality Rates	70% of deaths are assumed to be service related
Mortality:	
Pre-Retirement	RP-2014 Employee rates to age 80, Healthy Annuitant Rates at age 81 and older projected with scale BB to 2020; males 90% of rates; females set forward 1 year
Post-Retirement	RP-2014 Employee rates to age 49, Healthy Annuitant Rates at age 50 and older, projected with scale BB to 2020; males set forward 1 year, 1% increase compounded from ages 70 to 90; females set forward 3 years
Post-Disablement	RP-2014 Disability Life Mortality Rates projected with scale BB to 2020; males set forward 2 years; unisex using 100% male

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

The actuarial assumptions used in the June 30, 2019, valuation was based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective July 1, 2019.

*County's changes in assumptions and benefit terms.* Changes to the actuarial assumptions as a result of the experience study are as follows:

*County's General Employees.*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14.00% to 20.00%
Discount Rate	Decrease rate from 7.00% to 6.75%

*County's Public Safety Employees with Hazardous Duty Benefits.*

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 60% to 70%
Discount Rate	Decrease rate from 7.00% to 6.75%

*County's long-term expected rate of return.* The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in Illustration 13-7.

**Illustration 13-7**  
**Prince William County - Virginia Retirement System Pension Plan**  
**Long-Term Expected Rate of Return**  
**For the Year Ended June 30, 2021**

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	46.00%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
<b>Total</b>	<b>100.00%</b>		<b>4.64%</b>
	Inflation		2.50%
	*Expected arithmetic nominal return		7.14%

\* The above allocation provides a one-year return of 7.14%. However, one-year returns do not consider 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations, provide a median return of 6.81%.

*County's discount rate.* The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the County's contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. For the fiscal year ended June 30, 2021, the rate contributed by the for the County's VRS Retirement Plan will be subject to the portion of the VRS Board certified rates that are funded by the Virginia General Assembly. From July 1, 2020, on, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the VRS plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**County's Changes in Net Pension Liability:**

Illustration 13-8 presents the changes in net position liabilities from June 30, 2019, to June 30, 2020, which is the measurement date for the fiscal year ended June 30, 2021.

**Illustration 13-8**  
**Prince William County - Virginia Retirement System Pension Plan**  
**Changes in Net Pension Liability**

	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position- Increase (Decrease)</b>	<b>Net Pension Liability</b>
Balances on June 30, 2019 for FY 2020	\$ 1,399,469	1,191,921	207,548
Changes for the year:			
Service cost	39,422	-	39,422
Interest	92,309	-	92,309
Changes in assumptions	-	-	-
Differences between expected and actual experience	33,766	-	33,766
Contributions - employer	-	38,018	(38,018)
Contributions - employee	-	15,122	(15,122)
Net investment income	-	22,732	(22,732)
Benefit payments, including refunds of employee contributions	(63,843)	(63,843)	-
Administrative expenses	-	(770)	770
Other changes	-	(29)	29
Net changes	101,654	11,230	90,424
Balances on June 30, 2020 for FY 2021	\$ 1,501,123	1,203,151	297,972

*Sensitivity of the County's net pension liability to changes in the discount rate.* Illustration 13-9 presents the net pension liability of the County measured as of June 30, 2020, for the fiscal year ended as of June 30, 2021, using the discount rate of 6.75%, as well as the County's net pension liability if calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate.

**Illustration 13-9**  
**Prince William County - Virginia Retirement System Pension Plan**  
**Sensitivity of Net Pension Liability to Changes in the Discount Rate**  
**June 30, 2021**

	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
County's Net Pension Liability	\$ 492,065	297,972	136,676

**County's Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:**

For the fiscal year ended June 30, 2021, and measured as of June 30, 2020, the County recognized pension expense of \$64,932. On June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the sources displayed in Illustration 13-10.

<b>Illustration 13-10</b>		
<b>Prince William County - Virginia Retirement System Pension Plan</b>		
<b>Deferred Outflows and (Inflows) of Resources</b>		
<b>June 30, 2021</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 30,289	1,991
Change in actuarial assumptions	23,141	-
Net difference between projected and actual earnings on pension plan investments	36,055	-
Employer contributions subsequent to the measurement date	<u>45,001</u>	<u>-</u>
<b>Total</b>	<b>\$ <u>134,486</u></b>	<b><u>1,991</u></b>

\$45,001 reported as deferred outflows of resources related to pensions resulting from the County's contributions to the VRS subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as displayed in Illustration 13-11.

<b>Illustration 13-11</b>		
<b>Prince William County - Virginia Retirement System Pension Plan</b>		
<b>Amortization of Deferred Outflows and (Inflows) of Resources</b>		
<b>Fiscal year ended June 30,</b>		
2022	\$	18,203
2023		29,197
2024		25,558
2025		14,536
2026		-
Thereafter		<u>-</u>
<b>Total</b>	<b>\$</b>	<b><u>87,494</u></b>

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



## **B. Prince William County Supplemental Pension Plan for Sworn & Uniformed Public Safety**

### **Plan Activity for the fiscal year ending June 30, 2021:**

#### **County's Plan Description:**

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

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

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

Participants shall vest 100% in the benefit provided under the Plan upon attainment of the participant's normal retirement date. Participants are considered vested and eligible for early retirement after 20 years of credited service. Early retirement benefits at the participants' election are i) for Participants whose most recent date of hire is prior to January 1, 2018 and who have Credited Service on or after March 30, 2001, a guaranteed monthly benefit of \$0.32 thousand for 180 months; for Participants whose most recent date of hire is on or after January 1, 2018 and who retire with at least twenty-five (25) years of Credited Service, a guaranteed monthly benefit of \$0.32 thousand for 180 months; for Participants with Credited Service on or after July 1, 2021, the benefit shall be applied by substituting \$0.395 thousand for \$0.32 thousand; or ii) the withdrawal benefit plus an employer match equal to 100% multiplied by the ratio of number of completed years of service at early retirement to 25 years. Any participant or spouse receiving a monthly benefit for at least one year is eligible for the pension increase each July 1st. For participants hired before July 1, 2010, the benefit will be increased by 100% of the first 3% increase in the cost-of-living index plus 50% of the increase in the cost-of-living index in excess of 3%. Increases in the cost-of-living index in excess of 7% are not recognized, for a maximum increase under the Plan of 5%. For participants hired after June 30, 2010, the benefit will be increased by 100% of the first 2% increase in the cost-of-living index plus 50% of the increase in the cost-of-living index in excess of 2%. Increases in the cost-of-living index in excess of 6% are not recognized, for a maximum increase under the Plan of 4%. Increases do not apply to supplemental benefits or early retirement pensions.

County employees covered by benefit terms. The Supplemental Pension Plan membership covered by the benefit terms as of the July 1, 2019, actuarial valuation, is presented in Illustration 13-12.

<b>Illustration 13-12</b>	
<b>Prince William County - Supplemental Pension Plan</b>	
<b>Plan Membership as of June 30, 2020</b>	
Inactive plan members or their beneficiaries currently receiving benefits	211
Inactive members not currently receiving benefits:	
Vested inactive members	450
Non-vested inactive members	129
Total inactive members	579
Active employees	1,670
Total covered members	2,460

*County contributions.* The Plan’s Board of Trustees establishes rates based on an actuarially determined rate recommended by an independent actuary. The County is not required to contribute the difference between the actuarially determined rate and the contribution rate of plan members to the Plan Trust Fund. However, as specified in the County’s Principles of Sound Financial Management, the County intends to make the entire recommended contribution amount each year. For the year ended June 30, 2021, the average contribution rate was 1.44% of annual payroll.

This rate, when combined with employee contributions, is expected to finance the costs of benefits earned by the employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the Supplemental Pension Plan by the County were \$2,030 and \$1,921 for the years ended June 30, 2021, and June 30, 2020, respectively.

<b>Illustration 13-13</b>	
<b>Prince William County - Supplemental Pension Plan</b>	
<b>Actuarial Valuation Methods and Assumptions as of June 30, 2019</b>	
Actuarial Cost Method	Aggregate
Amortization Method	Level percentage of projected payroll
Asset Valuation Method	Asset smoothing method. Spreading the investment gains or losses in excess of the assumed rate over a 5-year period
Investment Rate of Return	6.75%, net of pension plan investment expense
Salary Increase	4.50%, including inflation
Inflation	3.00%
Mortality Rates	RP-2000 Combined Healthy table with Blue Collar adjustment with generational projection by Scale AA. 20% of active participant deaths are assumed to be line-of-duty.

**County’s Net Pension Liability (Asset):**

The County’s net pension liability (asset) was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation performed as of July 1, 2019, using actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020. GASB 68 pension liabilities were calculated using sworn police and fire participants’ data as of June 30, 2019, and including Sheriff or ADC participants who entered the plan on July 1, 2019, with no prior service credits. The discount rate assumption used in the valuation at June 30, 2020, was 6.75%.

*County’s actuarial assumption.* The total pension liability for employees in the Supplemental Pension Plan was based on an actuarial valuation as of June 30, 2019, using the Entry Age Normal actuarial cost method and the assumptions displayed in Illustration 13-14, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

*County's changes in assumptions and benefit terms.* There were no changes to the actuarial assumptions related to the net pension liability (asset) that was measured as of June 30, 2020.

Historical long term average returns have been used as a reasonable expectation of returns. The returns presented here are nominal, 20-year arithmetic means of the corresponding benchmark, less 2.2% to account for expected rate of inflation. Based on the 64.0% Equity, 6.0% Real Assets, and 30.0% Fixed Income policy target allocation of the Plan, we are comfortable with a long-term net return of 6.75%. For the short term, we assumed that the current volatility in the markets could persist and assigned a 50% discount to long-term expectations.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, (see the discussion of the pension plan's investment policy) are summarized in Illustration 13-14.

<b>Illustration 13-14</b>			
<b>Prince William County - Supplemental Pension Plan</b>			
<b>For the Year Ended June 30, 2021</b>			
<b>Long-Term Expected Rate of Return</b>			
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Benchmark Index</b>	<b>Long Term Real Annualized Return*</b>
Domestic Equity	40.0%	Russell 3000	8.0%
International Equity Developed	16.0%	Blended Developed	5.8%
International Equity Emerging	8.0%	MSCI Emerging Markets	10.1%
Real Estate	6.0%	NCREIF NFI-ODCE	6.1%
Fixed Income US Investment Grade	30.0%	Bloomberg Int. Gov/Cred	1.9%
	<u>100.0%</u>	Real Return	<u>5.8%</u>

\*For illustrative purposes, historical long-term average returns have been used as a reasonable expectation of returns. The returns presented are nominal, 20-year arithmetic means of the corresponding benchmark, less 2.2% to account for expected rate of inflation. Based on the 64.0% Equity, 6.0% Real Assets, and 30.0% Fixed Income policy target allocation of the Plan, we are comfortable with a long-term net return of 6.75%. For the short term, we assumed that the current volatility in the markets could persist and assigned a 50% discount to long-term expectations.

*County's money-weighted rate of return.* For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 25.96%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

*County's discount rate.* The discount rate used to measure the total pension liability / asset was 6.75% for the measurement date as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

**County's Changes in Net Pension Liability (Asset):**

Illustration 13-15 presents the changes in net pension liability (asset) from June 30, 2019, to June 30, 2020, which is the measurement date for the fiscal year ended June 30, 2021.

<b>Illustration 13-15</b>			
<b>Prince William County - Supplemental Pension Plan</b>			
<b>Changes in Net Pension Liability (Asset)</b>			
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position - Increase (Decrease)</b>	<b>Net Pension Liability (Asset)</b>
Balances on June 30, 2019 for FY 2020	\$ 40,862	41,679	(817)
Changes for the year:			
Service cost	2,701	-	2,701
Interest	2,664	-	2,664
Differences between expected and actual experience	(469)	-	(469)
Changes of assumptions	694	-	694
Contributions - employer	-	1,921	(1,921)
Contributions - employee	-	1,921	(1,921)
Net investment income	-	812	(812)
Benefit payments, including refunds of employee contributions	(2,778)	(2,778)	-
Administrative expenses	-	(144)	144
Net changes	2,812	1,732	1,080
Balances on June 30, 2020 for FY 2021	\$ 43,674	43,411	263

*Sensitivity of the County's net pension liability (asset) to changes in the discount rate.* Illustration 13-16 presents the net pension liability (asset) of the County measures as of June 30, 2020, for the fiscal year ending June 30, 2021, using the discount rate of 6.75% for the measurement date as of June 30, 2020. Therefore, both discount rates are used in the sensitivity analysis to calculate the County's net pension liability (asset) one percentage point lower (5.75% / 6.00%) and one percentage point higher (7.75% / 8.00%) from the current discount rate (6.75% / 7.00%).

<b>Illustration 13-16</b>				
<b>Prince William County - Supplemental Pension Plan</b>				
<b>Sensitivity of Net Pension Liability (Asset) to Changes in the Discount Rate</b>				
<b>Fiscal Year Ended:</b>		<b>1.00% Decrease (5.75% / 6.00%)</b>	<b>Current Discount Rate (6.75% / 7.00%)</b>	<b>1.00% Increase (7.75% / 8.00%)</b>
June 30, 2021	\$	(5,982)	(8,922)	(11,627)
June 30, 2020	\$	3,140	263	(2,383)

**County's Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions:**

For the fiscal year ended June 30, 2021, and measured as of June 30, 2020, the County recognized pension expense of \$1,124. On June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 13-17.

<b>Illustration 13-17</b>		
<b>Prince William County - Supplemental Pension Plan</b>		
<b>Deferred Outflows and (Inflows) of Resources</b>		
<b>June 30, 2021</b>		
<b>MEASUREMENT DATE 6/30/20</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	1,403
Changes of assumptions	595	
Net difference between projected and actual earnings		
on pension plan investments	1,853	-
Employer contributions subsequent to the measurement date	2,030	-
<b>Total</b>	<b>\$ 4,478</b>	<b>1,403</b>

The \$2,030 reported as deferred outflows of resources related to pensions resulting from the County's contributions to the Plan subsequent to the measurement date, June 30, 2020, will be recognized as a reduction of the net pension liability for the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as displayed in Illustration 13-18.

<b>Illustration 13-18</b>	
<b>Prince William County - Supplemental Pension Plan</b>	
<b>Amortization of Deferred Outflow and (Inflow) of Resources</b>	
<b>Fiscal year ended June 30,</b>	
2022	\$ (56)
2023	264
2024	414
2025	398
2026	(8)
Thereafter	33
<b>Total</b>	<b>\$ 1,045</b>

*County's fiduciary net position.* The components of the net pension liability / (asset) for the Supplemental Pension Plan as of June 30, 2021, are shown in Illustration 13-19.

<b>Illustration 13-19</b>				
<b>Prince William County - Supplemental Pension Plan</b>				
<b>Supplemental Pension Plan Net Pension Liability / (Asset)</b>				
<b>Measurement Date</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability / (Asset)</b>	<b>Net Position as % of Total Pension Liability</b>
June 30, 2021	\$ 46,810	55,731	(8,921)	119.06%
June 30, 2020	\$ 43,674	43,411	263	99.40%

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

**Plan Activity for the fiscal year ending June 30, 2021:**

**County’s Plan Description:**

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

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

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

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

*County employees covered by benefit terms.* The LoSAP plan membership covered by the benefit terms as of the July 1, 2019, actuarial valuation, is presented in Illustration 13-20.

<b>Illustration 13-20</b>	
<b>Prince William County - LoSAP Plan</b>	
<b>Plan Membership as of July 1, 2019</b>	
Inactive plan members or their beneficiaries currently receiving benefits	291
Inactive members not currently receiving benefits:	
Vested inactive members	911
Non-vested inactive members	233
Total inactive members	<u>1,435</u>
Active participants	430
Total covered members	<u><u>1,865</u></u>

*County’s contributions.* The LoSAP Board of Trustees recommends the contribution amount based on an actuarially determined contributions calculated by an independent actuary for approval by the County’s Board of Supervisors during the Budget approval process each year. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year and is expected to finance the costs of benefits earned by the employee during the year. However, specified in the County’s Principles of Sound Financial Management, the County intends to make the entire contribution amount each year. The County paid contributions on behalf of each of the Volunteer Fire and Rescue Companies according to their respective actuarial valuations.

Contributions to the LoSAP plan by the County were \$1,536 and \$1,156 for the years ended June 30, 2021, and June 30, 2020, respectively.

**County's Net Pension Liability:**

The County's net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of July 1, 2019, using actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

*County's actuarial assumption.* The total pension liability for employees in the LoSAP plan was based on an actuarial valuation as of July 1, 2019, using the Entry Age Normal actuarial cost method and the assumptions displayed in Illustration 13-21, applied to all periods included in the measurement and rolled forward to the measurement date of July 31, 2020.

<b>Illustration 13-21</b>	
<b>Prince William County- LoSAP Plan</b>	
<b>Actuarial Valuation Methods and Assumptions as of July 1, 2019</b>	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, including inflation
Asset Valuation Method	Fair Value
Investment Rate of Return	3.00%
Discount Rate	3.00%
Tax-exempt, high-quality general obligation municipal bond index rate	N/A
Salary Increase	N/A *
Inflation	2.50%
Retirement age	Low to Medium Rates between Ages 60 and 69; 100% at age 70
Mortality Rates	Society of Actuaries Public Safety (Above-Median Income) Mortality Table adjusted by Scale MP-2019
Disability rates	N/A
Withdrawal rates	10.00%-17.50% depending on age
* Salary has no impact on the funding since employees do not contribute a portion of their salary to fund the LoSAP plan.	

*County's changes in assumptions and benefit terms.* There were no changes to the actuarial assumptions related to the net pension liability that was measured as of June 30, 2020.

*County's long-term expected rate of return.* On June 30, 2021, the LoSAP Trust Fund's investments were 100% invested in a general investment account at Mass Mutual with a guaranteed 3.0% investment return.

*County's money-weighted rate of return.* For the fiscal year ending June 30, 2021, the annual money-weighted rate of return of LoSAP plan's investments, net of pension plan investment expense, as of the measurement date of June 30, 2020, was 3.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

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

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

**County's Changes in Net Pension Liability:**

Illustration 13-22 presents the changes in net pension liability from June 30, 2019 to June 30, 2020, which is the measurement date for the fiscal year ended June 30, 2021.

<b>Illustration 13-22</b>				
<b>Prince William County - LoSAP Plan</b>				
<b>Changes in Net Pension Liability</b>				
		<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position - Increase (Decrease)</b>	<b>Net Pension Liability</b>
Balances on June 30, 2019 for FY 2020	\$	27,826	17,050	10,776
Changes for the year:				
Service cost		428	-	428
Interest		840	-	840
Differences between expected and actual experience		(202)	-	(202)
Changes of assumptions		(80)	-	(80)
Contributions - employer		-	1,156	(1,156)
Net investment income		-	517	(517)
Benefit payments, including refunds of employee contributions		(489)	(489)	-
Administrative expenses		-	(79)	79
Net changes		497	1,105	(608)
Balances on June 30, 2020 for FY 2021	\$	28,323	18,155	10,168

*Sensitivity of the County's net pension liability to changes in the discount rate.* Illustration 13-23 presents the net pension liability of the County measured as of Jun 30, 2020, for the fiscal year ended June 30, 2021, using the discount rate of 3.00%, as well as the County's net position liability calculated using a discount rate that is one percentage point lower (2.00%) and one percentage point higher (4.00%) than the current rate.

<b>Illustration 13-23</b>				
<b>Prince William County - LoSAP Plan</b>				
<b>Sensitivity of Net Pension Liability to Changes in the Discount Rate</b>				
<b>Measurement Date</b>		<b>1.00% Decrease (2.00%)</b>	<b>Current Discount Rate (3.00%)</b>	<b>1.00% Increase (4.00%)</b>
June 30, 2021	\$	15,659	9,545	4,870
June 30, 2020	\$	16,196	10,168	5,560



**County's Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:**

For the fiscal year ended June 30, 2021, and measured as of June 30, 2020, the County recognized pension expense of \$2,416 and deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 13-24.

<b>Illustration 13-24</b>		
<b>Prince William County - LoSAP Plan</b>		
<b>Deferred Outflows and (Inflows) of Resources</b>		
<b>June 30, 2021</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	66
Change in actuarial assumptions	-	37
Net difference between projected and actual earnings on pension plan investments	284	-
Employer contributions subsequent to the measurement date	<u>1,536</u>	<u>-</u>
<b>Total</b>	<b>\$ <u>1,820</u></b>	<b><u>103</u></b>

\$1,536 was contributed to the LoSAP plan subsequent to the measurement date of June 30, 2020, and is reported as a deferred outflow of resources, which will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as displayed in Illustration 13-25.

<b>Illustration 13-25</b>		
<b>Prince William County - LoSAP Plan</b>		
<b>Amortization of Deferred Outflow and (Inflow) of Resources</b>		
<b>Fiscal year ended June 30,</b>		
2022	\$	84
2023		95
2024		1
2025		1
2026		-
Thereafter		<u>-</u>
<b>Total</b>	<b>\$</b>	<b><u>181</u></b>

*County's fiduciary net position.* The components of the net pension liability for the LoSAP Pension Plan as of June 30, 2021, are shown in Illustration 13-26.

<b>Illustration 13-26</b>					
<b>Prince William County - LoSAP Plan</b>					
<b>LoSAP Plan Net Position Liability</b>					
<b>Measurement Date</b>		<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>	<b>Net Position as % of Total Pension Liability</b>
June 30, 2021	\$	29,061	19,516	9,545	67.16%
June 30, 2020	\$	28,323	18,155	10,168	64.10%

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

*Plan description.* The 401(a) Money Purchase Plan (the Plan) is a defined contribution plan to provide County employees an additional way to save for retirement. On September 17, 2019, the Board of County Supervisors established a Board of Trustees per Resolution No. 19-444, adopted Bylaws, and appointed Trustees to serve as the investment fiduciary responsible for the selection and retention of professional advisors for the Plan's portfolio. The Director of Finance and the Human Resources Benefits Manager serve as non-rotating Trustees for the Plan in addition to four current employees and one retiree, who are nominated by the County Executive to the Board of County Supervisors to each serve a three-year term. Empower administers the Plan under the purview of the Trustees, who have administrative oversight and to ensure the proper administration of the Plan. In fiscal year 2021, the County contributed \$1,506 towards County employee's 401(a) accounts.

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

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

#### E. Prince William County Schools (PWCS) Pension Plans

Prince William County Schools, a component unit of the County, also participates the VRS Pension plans. The aggregate amount of net pension liability related deferred outflows of resources and deferred inflows of resources, and pension expense for the Schools' pension plans are summarized in Illustration 13-27.

<b>Illustration 13-27</b>				
<b>Prince William County Schools - Virginia Retirement System Plans</b>				
<b>Net Pension Liability and Related Amount</b>				
<b>June 30, 2021</b>				
	<b>Net Pension Liability</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Pension Expense</b>
<b>Virginia Retirement System Plans</b>				
VRS Pension Plans – For Professional Group	\$ 983,823	268,431	63,099	120,131
VRS Pension Plans – For Non-Professional Group	19,918	12,975	785	5,583
Total Schools' Pension Plans	\$ 1,003,741	281,406	63,884	125,714

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

##### Schools' Plan Description:

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

The VRS administers three different benefit structures for covered employees in both employee groups: Plan 1, Plan 2, and the Hybrid Retirement Plan (Hybrid Plan). Each of these benefit structures have different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are 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, and 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 could 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 Plan. Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Plan and remain as Plan 1 or ORP.
- *Retirement contributions:* Members contribute 5.0% 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 may also include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement if the employer offers the health insurance credit.
- *Vesting:* Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund. Members are always 100% vested in the contributions that they make.
- *Calculating the benefit:* The Basic Benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.
- *Average final compensation:* A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.
- *Service retirement multiplier:* The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%. 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 1.70% or 1.85% as elected by the employer.
- *Normal retirement age:* Normal retirement age is 65. For non-professional hazardous duty employees, normal retirement age is 60.
- *Earliest reduced retirement eligibility:* Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit. Hazardous duty members: age 50 with at least five years of service credit.
- *Cost-of-Living Adjustment (COLA) in retirement:* The COLA matches the first 3.0% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4.0%) up to a maximum COLA of 5.0%.
  - *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 non-professional 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 1.70% on all service, regardless of when it was earned, purchased, or granted.
- *Purchase of prior service:* Members may be eligible to purchase service from previous public employment, active-duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. 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 could 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 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 Plan. Members who were eligible for an 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 their 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 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:* Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit when they reach 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:* Members may retire with a reduced benefit as early as 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 2.0% increase in the CPI-U and half of any additional increase (up to 2.0%), for a maximum COLA of 3.0%.
  - *COLA eligibility:* Same as Plan 1.
  - *Exceptions to COLA effective dates:* Same as Plan 1.
- *Disability Coverage:* Non-professional members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased, or granted.
- *Purchase of prior service:* Same as Plan 1. *Disability Coverage:* Non-professional members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased, or granted.
- *Purchase of prior service:* Same as Plan 1.

### **Hybrid Plan**

- *About the Hybrid Plan:* The Hybrid Plan combines the features of a defined benefit plan and a defined contribution plan.
  - The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula.
  - The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.
  - In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.
- *Eligible members:* Employees are in the Hybrid Plan if their membership date is on or after January 1, 2014. This includes:
  - Professional employees
  - Non-professional employees\*
  - Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1 - April 30, 2014; the plan's effective date for opt-in members was July 1, 2014.
- *\*Non-Eligible Members:* Some employees are not eligible to participate in the Hybrid Plan. They include:
  - Non-professional employees who are covered by enhanced benefits for hazardous duty employees.
  - 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.
  - Those employees eligible for an ORP must elect the ORP plan or the Hybrid Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid 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 Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Plan remain vested in the defined benefit component.
  - *Defined contributions component:* Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan. Members are always 100% vested in the contributions that they make. Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.
    - After two years, a member is 50% vested and may withdraw 50% of employer contributions.
    - After three years, a member is 75% vested and may withdraw 75% of employer contributions.
    - After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. Distribution is not required by law.
- *Calculating the benefit: Defined Benefit Component:* See definition under Plan 1. *Defined Contributions Component:* The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
- *Average final compensation:* Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
- *Service retirement multiplier:* The retirement multiplier is 1.0%. For members that opted into the Hybrid Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. The service retirement multiplier is not applicable to the defined contribution component.
- *Normal retirement age:*
  - *Defined benefit component:* Same as Plan 2. Not applicable for nonprofessional 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 and service equal 90. Not applicable to non-professional hazardous duty employees.
  - *Defined contributions 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, except for Hybrid Plan members are ineligible for ported service.
- *Defined contribution component:* Not applicable.

Schools' employees covered by benefit terms. As of the June 30, 2019 actuarial valuations, the following employees of the non-professional group were covered by the benefit terms of the pension plan as displayed by Illustration 13-28.

<b>Illustration 13-28</b>	
<b>Schools' VRS Pension Plan – For Non-Professional Group</b>	
<b>Plan Membership as of the Valuation Date of June 30, 2019</b>	
Inactive members or their beneficiaries currently receiving benefits	909
Inactive members:	
Vested inactive members	253
Non-vested inactive members	573
Inactive members active elsewhere in VRS	243
Total inactive members	1,069
Active members	1,844
Total covered employees	3,822

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

*Non-professional group.* The non-professional group's contractually required contribution rate for the year ended June 30, 2021, was 6.07% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the non-professional group were \$3,654 and \$3,140 for the years ended June 30, 2021, and June 30, 2020, respectively.

*Professional group.* Each professional group's contractually required contribution rate for the year ended June 30, 2021, was 16.62% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions was expected to finance the costs of

benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the professional group were \$101,153 and \$93,207 for the years ended June 30, 2021, and June 30, 2020, respectively.

*Schools' 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, 2019, 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, 2020.

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

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

\*\* Mortality rates update to a more current mortality table – RP-2014 projected to 2020.

The actuarial assumptions used in the June 30, 2019, valuation was based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.

	<u>Non-hazardous Duty for Non-professional Group</u>	<u>Professional Group</u>
	20% of deaths are assumed to be service related.	15% of deaths are assumed to be service related.
Pre-Retirement:	RP-2014 Employee Rates to age 80. Healthy Annuitant Rates at age 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.	RP-2014 White Collar employee Rates to age 80. White Collar Healthy Annuitant Rates at age 81 and older projected with scale BB 2020.
Post-Retirement:	RP-2014 Employee Rates to age 49. Healthy Annuitant Rates at age 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.00% increase compounded from ages 70 to 90.	RP-2014 White Collar employee Rates to age 49. White Collar Healthy Annuitant Rates at age 50 and older projected with scale BB 2020; males 1.00% increase compounded from age 70 to 90; females set back 3 years with 1.50% increase compounded from age 65 to 70 and 2.00% increase compounded from age 75 to 90.
Post-Disablement:	RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110.0% rates; females 125.00% rates.	RP-2014 Disability Mortality Rates projected with scale BB to 2020; 115.00% of rates for males and females.



Changes to the actuarial assumptions as a result of the experience study are as follows:

	<b>Largest 10 Non-Hazardous Duty</b>	<b>All Others (Non 10 Largest) Non-Hazardous Duty</b>	<b>Professional Group</b>
<b>Retirement rates</b>	Lower rates at older ages and changed final retirement from 70 to 75	Lower rates at older ages and changed final retirement from 70 to 75	Lower rates at older ages and changed final retirement from 70 to 75
<b>Withdrawal rates</b>	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	Adjusted rates to better fit experience at each year age and service through 9 years of service
<b>Disability rate</b>	Lower rates	Lower rates	Adjusted rates to better match experience
<b>Salary scale</b>	No change	No change	No change
<b>Line of Duty Disability</b>	Increase from 14.00% to 20.00%	Increase from 14.00% to 20.00%	Not applicable
<b>Discount rate</b>	Decrease rate from 7.00% to 6.75%	Decrease rate from 7.00% to 6.75%	Decrease rate from 7.00% to 6.75%

*Schools' long-term expected rate of return.* The long-term expected rate of return on pension VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension VRS investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in Illustration 13-29.

**Illustration 13-29**  
**Prince William County Schools - Virginia Retirement System Pension Plans**  
**Long-Term Expected Rate of Return**

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
<b>Total</b>	<b>100.00%</b>		<b>4.64%</b>
	Inflation		2.50%
	*Expected arithmetic nominal return		<b>7.14%</b>

\* The above allocation provides a one-year return of 7.14%. However, one-year returns do not consider 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.5%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. Most recent capital market assumptions compiled for the FY2020 actuarial valuations, provide a median return of 6.81%.

**Schools' 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, 2020, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2020, on, school divisions are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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

**Net Pension Liability**

On June 30, 2021, the professional group reported a liability of \$983,823 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, and rolled forward to the measurement date of June 30, 2020. 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, 2020, relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2020, the professional group's proportion was 6.76% as compared to 6.68% on June 30, 2019.

The non-professional net pension liability was measured as of June 30, 2020, for the fiscal year ended June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

#### Schools' Changes in Net Pension Liability – Non-Professional Group

Illustration 13-30 presents the change in the net pension liability from June 30, 2019, to June 30, 2020, which is the measurement date for the fiscal year ended June 30, 2021.

<b>Illustration 13-30</b>			
<b>Schools' VRS Pension Plan – For Non-Professional Group</b>			
<b>Changes in Net Pension Liability</b>			
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position - Increase (Decrease)</b>	<b>Net Pension Liability</b>
Balances on June 30, 2019 for FY 2020	\$ 221,126	210,575	10,551
Changes for the year:			
Service cost	5,342	-	5,342
Interest	14,579	-	14,579
Changes of assumptions	-	-	-
Differences between expected and actual experience	(621)	-	(621)
Contributions – employer	-	3,200	(3,200)
Contributions - employee	-	2,881	(2,881)
Net investment income	-	3,993	(3,993)
Benefit payments, including refunds of employee contributions	(10,290)	(10,290)	-
Administrative expenses	-	(137)	137
Other changes	-	(4)	4
Net changes	9,010	(357)	9,367
Balances on June 30, 2020 for FY 2021	\$ 230,136	210,218	19,918

*Sensitivity of the Schools' net pension liability / (asset) to changes in the discount rate.* Illustration 13-31 presents the net pension liability / (asset) of the non-professional group measured as of June 30, 2020, for the fiscal year ended June 30, 2021, using the discount rate of 6.75%, as well as the non-professional group's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

<b>Illustration 13-31</b>			
<b>Schools' VRS Pension Plan – For Non-Professional Group</b>			
<b>Sensitivity of Net Pension Liability / (Asset) to Changes in the Discount Rate</b>			
	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
Schools' Non-Professional Group's Net Pension Liability / (Asset)	\$ 47,348	19,918	(3,035)

Illustration 13-32 presents the professional group's proportionate share of the net pension liability measured as of June 30, 2020, for the fiscal year ended June 30, 2021, using the discount rate of 6.75%, as well as the professional group's proportionate share of the net pension liability calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

<b>Schedule 13-32</b>			
<b>Schools' VRS Pension Plan – For Professional Group</b>			
<b>Sensitivity of Net Pension Liability to Changes in the Discount Rate</b>			
	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
Schools' Professional Group's Proportionate Share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 1,443,489	983,823	603,621

**Schools' Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Professional Group**

For the year ended June 30, 2021, the non-professional group recognized pension benefit of \$5,583. On June 30, 2021, the non-professional group reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 13-33.

<b>Illustration 13-33</b>		
<b>Schools' VRS Pension Plan – For Non-Professional Group</b>		
<b>Deferred Outflows and (Inflows) of Resources</b>		
<b>June 30, 2021</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 190	785
Change in actuarial assumptions	2,783	-
Net difference between projected and actual earnings on pension plan investments	6,348	-
Employer contributions subsequent to the measurement date	3,654	-
Total	\$ 12,975	785

\$3,654 reported as deferred outflows of resources related to pensions resulting from PWCS' non-professional group contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses in future reporting periods displayed in Illustration 13-34.

<b>Illustration 13-34</b>	
<b>Schools' VRS Pension Plan – For Non-Professional Group</b>	
<b>Amortization of Deferred Outflows and (Inflows) of Resources</b>	
<b>Fiscal year ended June 30,</b>	
2022	\$ 1,724
2023	2,748
2024	2,049
2025	2,015
2026	-
Thereafter	-
Total	\$ 8,536

### Professional Group

For the year ended June 30, 2021, PWCS recognized pension expense of \$120,131 related to the professional group. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

On June 30, 2021, the professional group's reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 13-35.

<b>Illustration 13-35</b>		
<b>Schools' VRS Pension Plan – For Professional Group</b>		
<b>Deferred Outflows and (Inflows) of Resources</b>		
<b>June 30, 2021</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	57,667
Change in actuarial assumptions	67,159	-
Net difference between projected and actual earnings on pension plan investments	74,831	-
Changes in proportion and differences between Employer Contributions and proportionate share of contributions	25,288	5,432
Employer contributions subsequent to the measurement date	101,153	-
<b>Total</b>	<b>\$ 268,431</b>	<b>63,099</b>

PWCS' professional group contribution of \$101,153, made subsequent to the measurement date and reported as deferred outflows of resources related to pensions, will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods presented in Illustration 13-36.

<b>Illustration 13-36</b>		
<b>Schools' VRS Pension Plans – For Professional Group</b>		
<b>Amortization of Deferred Outflows and (Inflows) of Resources</b>		
<b>Fiscal year ended June 30,</b>		
2022	\$	7,800
2023		31,573
2024		36,607
2025		28,536
2026		(337)
Thereafter		-
<b>Total</b>	<b>\$</b>	<b>104,179</b>

### Schools' Pension Plan Fiduciary Net Position

The VRS issues a publicly available Annual Comprehensive Financial report (ACFR) that includes financial statements and required supplementary information (RSI) for the plans administered by VRS. A copy of the 2020 VRS ACFR may be obtained for the VRS web site at [www.varetire.org](http://www.varetire.org), or by writing to VRS' Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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

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

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

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

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

<b>Illustration 14-1</b>				
<b>Prince William County’s Other Post-Employment Benefit (OPEB) Plans</b>				
<b>Net OPEB Liability (Asset) and Related Amounts</b>				
<b>June 30, 2021</b>				
	<b>Net OPEB Liability (Asset)</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>OPEB Expense</b>
<b>MEASUREMENT DATE 6/30/2021</b>				
<b>OPEB Master Trust Fund Plan:</b>				
County LODA Plan*	\$ (4,854)	1,744	8,308	477
<b>MEASUREMENT DATE 6/30/2020</b>				
<b>Virginia Retirement System Plans:</b>				
VRS Group Life Insurance Program	\$ 24,735	9,262	739	1,298
VRS Retiree Health Insurance Credit	4,458	1,047	73	518
<b>MEASUREMENT DATE 6/30/2021</b>				
<b>OPEB Master Trust Fund Plans:</b>				
County Premium Plan	3,240	1,110	7,497	43
County RHICP	14,776	655	3,509	1,347
<b>Total OPEB – County Funded</b>	<b>\$ 47,209</b>	<b>12,074</b>	<b>11,818</b>	<b>3,206</b>
Primary Government:				
Governmental Funds (F)	\$ (4,070)	1,462	6,966	400
Component units:				
Adult Detention Center (E)	(784)	282	1,342	77
<b>Subtotal Governmental Funds from LODA Plan</b>	<b>\$ (4,854)</b>	<b>1,744</b>	<b>8,308</b>	<b>477</b>
Primary Government:				
Governmental Funds	\$ 40,640	10,401	10,152	2,759
Intra-County Services	1,704	439	424	116
Health Insurance	67	19	14	4
<b>Subtotal Governmental Funds from all other OPEB Plans (A)</b>	<b>42,411</b>	<b>10,859</b>	<b>10,590</b>	<b>2,879</b>
<b>Total Governmental Funds (A+F excluding net OPEB asset)=(H)</b>	<b>42,411</b>	<b>12,321</b>	<b>17,556</b>	<b>3,279</b>

**Illustration 14-1 (cont'd)**  
**Prince William County's Other Post-Employment Benefit (OPEB) Plans**  
**Net OPEB Liability (Asset) and Related Amounts**  
**June 30, 2021**

	Net OPEB Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Primary Government-Business-Type:				
Parks	-	-	-	-
Landfill	603	143	178	42
Total Proprietary Funds (B)	603	143	178	42
Total Primary Government (H+B)	43,014	12,464	17,734	3,321
Component units:				
Adult Detention Center (C)	4,195	1,072	1,050	285
Total OPEB - County Funded (H+B+C)	\$ 47,209	13,536	18,784	3,606
School Board's OPEB Plans **				
School Board Premium	\$ (3,002)	3,865	30,796	(1,222)
Other School Pension Plans	142,766	25,365	4,255	10,390
Total School Board's OPEB Plans (D)	139,764	29,230	35,051	9,168
Total Component Units *** (C+D+E excluding net OPEB asset)	146,961	30,584	37,433	9,530
Total Reporting Entity (Sum of A thru F, excluding net OPEB asset)	\$ 189,975	43,048	55,177	12,851

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

\* The County LODA Plan net OPEB assets cannot be netted against the net OPEB liabilities of other OPEB plans.

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

\*\*\* Total Component Units' Net OPEB Assets is \$3,786.

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

**County's VRS Plans Overview:**

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

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

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

**1. County's VRS Group Life Insurance (GLI) Program OPEB**

*Summary of significant accounting policies:* The Virginia Retirement System (VRS) Group Life Insurance (GLI) Program is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The Group Life Insurance Program was established pursuant to § 51.1-500 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI Program is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI Program OPEB liability, deferred outflows of resources and deferred inflows of resources related to the GLI Program OPEB, and GLI Program OPEB expense, information about the fiduciary net position of the VRS GLI Program OPEB and the additions to/deductions from the VRS GLI Program OPEB's net fiduciary position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Plan description:* All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the VRS GLI Program upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia.

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

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

<b>County's VRS GROUP LIFE INSURANCE PROGRAM PROVISIONS</b>
<p><b>Eligible Employees</b> The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program. Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.</p>
<p><b>Benefit Amounts</b> The benefits payable under the Group Life Insurance Program have several components.</p> <ul style="list-style-type: none"> <li>• <b>Natural Death Benefit</b> – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.</li> <li>• <b>Accidental Death Benefit</b> – The accidental death benefit is double the natural death benefit.</li> <li>• <b>Other Benefit Provisions</b> – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: <ul style="list-style-type: none"> <li>• Accidental dismemberment benefit</li> <li>• Safety belt benefit</li> <li>• Repatriation benefit</li> <li>• Felonious assault benefit</li> <li>• Accelerated death benefit option</li> </ul> </li> </ul>
<p><b>Reduction in benefit Amounts</b> The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>
<p><b>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA)</b> For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at \$8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was \$8,616 as of June 30, 2021.</p>



*County's contributions.* The contribution requirements for the GLI Program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI Program was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2021, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. The County elects to pay the employee component with the employer component of the contribution. Contributions to the GLI Program from the County were \$4,287 and \$3,996 for the years ended June 30, 2021, and June 30, 2020, respectively.

**County's GLI OPEB Liability, GLI OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Group Life Insurance Program OPEB:**

On June 30, 2021, the County reported a liability of \$24,735 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2020 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, 2019 and rolled forward to the measurement date of June 30, 2020. The County's proportion of the Net GLI OPEB Liability was based on the County's actuarially determined employer contributions to the Group Life Insurance Program for the year ended June 30, 2020, relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2020, the County's proportion was 1.48218% as compared to 1.43243% on June 30, 2019.

For the year ended June 30, 2021, the County recognized GLI OPEB expense of \$1,298. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

On June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the sources displayed in Illustration 14-2.

<b>Illustration 14-2</b>		
<b>County's Virginia Retirement System – Group Life Insurance (GLI) Program Other Post-Employment Benefits (OPEB) Plan</b>		
<b>Deferred Outflows and (Inflows) of Resources</b>		
<b>June 30, 2021</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,587	222
Change in actuarial assumptions	1,237	517
Net difference between projected and actual earnings on OPEB plan investments	743	-
Changes in Proportionate Share	1,408	-
Employer contributions subsequent to the measurement date	4,287	-
<b>Total</b>	<b>\$ 9,262</b>	<b>739</b>

\$4,287 reported as deferred outflows of resources related to the GLI OPEB resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as shown in Illustration 14-3.

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

**Fiscal year ended June 30,**

2022	\$	728
2023		937
2024		1,123
2025		1,057
2026		349
Thereafter		42
Total	\$	<u>4,236</u>

*County's actuarial assumptions.* The total GLI OPEB liabilities were based on actuarial valuations as of June 30, 2019, 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, 2020 as displayed in Illustration 14-4.

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

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75% net investment expense, including inflation*
Inflation	2.50%
Healthcare Trend Rate	N/A - the benefit is not based on healthcare costs but rather on compensation
<b>General Employees:</b>	
Payroll Growth	3.50%-5.35%, includes inflation
Mortality	
Pre-Retirement	RP-2014 Employee Rates to age 80, Healthy Annuitant Rates to 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.
Post-Retirement	RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with Scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.
Post-Disablement	RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

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

**Public Safety Employees with Hazardous Duty Benefits:**

Payroll Growth	3.50%-4.75%, includes inflation
Mortality	
Pre-Retirement	RP-2014 Employee Rates to age 80, Health Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.
Post-Retirement	RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.
Post-Disablement	RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, unisex using 100% male.

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate from 7.00% to 6.75%, which was based on VRS Board action effective as of July 1, 2019.

*Changes in assumptions.* Changes to the actuarial assumptions as a result of the experience study are as follows:

**General Employees:**

Mortality Rates (Pre-retirement, post-retirement healthy, and disability)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.0% to 20.0%
Discount Rate	Decrease rate 7.00% to 6.75%

**Public Safety Employees with Hazardous Duty Benefits:**

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60.0% to 70.0%
Discount Rate	Decrease rate 7.00% to 6.75%

**County’s Net GLI OPEB Liability (NOL):**

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

<b>Illustration 14-5</b>					
<b>County’s Virginia Retirement System – Group Life Insurance (GLI) Program Other Post-Employment Benefits (OPEB) Plan</b>					
<b>Net OPEB Liability</b>					
<b>Fiscal Year Ending</b>		<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>	<b>Net Position as % of Total OPEB Liability</b>
June 30, 2021	\$	52,231	27,496	24,735	52.6%

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

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

**Illustration 14-6**  
**County's Virginia Retirement System – Group Life Insurance (GLI) Program Other Post-Employment Benefits (OPEB) Plan**  
**Long-Term Expected Rate of Return**  
**For the Year Ended June 30, 2021**

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	100.00%		4.64%
	Inflation		2.50%
	*Expected arithmetic nominal return		7.14%

\* The above allocation provides a one-year return of 7.14%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations, provide a median return of 6.81%.

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

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

**Illustration 14-7**  
**County's Virginia Retirement System – Group Life Insurance (GLI) Program Other Post-Employment Benefits (OPEB) Plan**  
**Sensitivity of Net OPEB Liability Discount Rate**

Fiscal Year Ended:	1.00% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
June 30, 2021	\$ <u>32,516</u>	<u>24,735</u>	<u>18,416</u>

*Sensitivity of the County's proportionate share of the net GLI OPEB liability to changes in healthcare costs.* There is no valuation health care cost trend assumption for the VRS GLI Program because the benefit provided to participants is not dependent on medical claims costs, but rather is based on each participant's compensation

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

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

*Summary of significant accounting policies:* The County's VRS Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB) Plan is a multiple-employer, agent defined benefit plan that provides a credit toward the cost of health insurance coverage for retired County employees. The VRS Retiree Health Insurance Credit Program was established pursuant to § 51.1-1400 et seq. of the Code of Virginia, as amended, and which provides the authority under which benefit terms are established or may be amended. For purposes of measuring the net County's VRS HIC OPEB liability, deferred outflows of resources and deferred inflows of resources related to the County's VRS HIC OPEB, and the County's VRS HIC OPEB expense, information about the fiduciary net position of the County's VRS HIC Plan; and the additions to/deductions from the County's VRS HIC Plan's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Plan description:* All full-time, salaried permanent employees of the County are automatically covered under the VRS HIC OPEB upon employment. This plan is administered by VRS, along with pension and other OPEB plans, for public employer groups in the Commonwealth of Virginia. Members earn one month of service credit toward the benefit for each month they are employed and for which their employer pays contributions to VRS. The retiree health insurance credit is a tax-free reimbursement in an amount set by the General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

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

<b>County's VRS RETIREE HEALTH INSURANCE CREDIT PROGRAM PROVISIONS</b>
<p><b>Eligible Employees</b> The County VRS Retiree Health Insurance Credit Program was established July 1, 1993, for retired County employees of employers who elect the benefit and who retire with at least 15 years of service credit. Full-time permanent salaried employees of the County who are covered under the VRS pension plan are enrolled automatically upon employment.</p>
<p><b>Benefit Amounts</b> The County's VRS Retiree Health Insurance Credit Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"> <li>• <b>At Retirement</b> – For employees who retire, the monthly benefit is \$1.50 per year of service per month with a maximum benefit of \$45.00 per month.</li> <li>• <b>Disability Retirement</b> – For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.</li> </ul>
<p><b>County VRS Retiree Health Insurance Credit Program Notes:</b></p> <ul style="list-style-type: none"> <li>• The monthly Health Insurance Credit benefit cannot exceed the individual premium amount.</li> <li>• No health insurance credit for premiums paid and qualified under LODA; however, the employee may receive the credit for premiums paid for other qualified health plans.</li> <li>• Employees who retire after being on long-term disability under VLDP must have at least 15 year of service credit to qualify for the Retiree Health Insurance Credit as a retiree.</li> </ul>

County employees covered by benefit terms. As of the June 30, 2019, actuarial valuation, employees covered by the benefit terms of the VRS HIC OPEB Plan are displayed in Illustration 14-8.

<b>Illustration 14-8</b>	
<b>County's Virginia Retirement System Retiree Health Insurance Credit (HIC) Program</b>	
<b>Other Post-Employment Benefits (OPEB) Plan</b>	
<b>Plan Membership as of the Valuation Date of June 30, 2019</b>	
Inactive plan members or their beneficiaries currently receiving benefits	1,091
Inactive members:	
Vested inactive members	-
Total inactive members	1,091
Active employees	3,796
Total covered members	4,887

County's contributions. The contributions requirement for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to the County by the Virginia General Assembly. The County's contractually required employer contribution rate for the year ended June 30, 2021, was 0.18% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the County to the VRS HIC Program were \$522 and \$498 for the years ended June 30, 2021 and June 30, 2020, respectively.

**County's Net VRS HIC OPEB Liability:**

The County's net VRS HIC OPEB liability was measured as of June 30, 2020. The total VRS HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

County's actuarial assumptions. The total VRS HIC OPEB liability was based on actuarial valuations as of June 30, 2019, 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, 2020 as displayed in Illustration 14-9.

<b>Illustration 14-9</b>	
<b>County's Virginia Retirement System Retiree Health Insurance Credit (HIC) Program</b>	
<b>Other Post-Employment Benefits (OPEB) Plan</b>	
<b>Actuarial Methods and Assumptions</b>	
Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75% net investment expense, including inflation*
Inflation	2.50%
Healthcare Trend Rate	N/A - the benefit is not based on healthcare costs but rather on compensation

**Illustration 14-9 (cont'd)**  
**County's Virginia Retirement System Retiree Health Insurance Credit (HIC) Program**  
**Other Post-Employment Benefits (OPEB) Plan**  
**Actuarial Methods and Assumptions**

**General Employees:**

Payroll Growth	3.50%-5.35%, includes inflation
Mortality	
Pre-Retirement	RP-2014 Employee Rates to age 80, Health Annuitant Rates to 81 and older projected with Scale BB to 2020; males 95% of rates; females 105% of rates.
Post-Retirement	RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.
Post-Disability	RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

**Public Safety Employees with Hazardous Duty Benefits:**

Payroll Growth	3.50%-4.75%, includes inflation
Mortality	
Pre-Retirement	RP-2014 Employee Rates to age 80, Health Annuitant Rates to 81 and older projected with Scale BB to 2020; males 90% of rates; females set forward 1 year.
Post-Retirement	RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 1 year with 1.0% increase compounded from ages 70 to 90; females set forward 3 years.
Post-Disability	RP-2014 Disability Life Mortality Table projected with scale BB to 2020; males set forward 2 years, unisex using 100% male.

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

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019.



*Changes in assumptions.* Changes to the actuarial assumptions as a result of the experience study are as follows:

<b>General Employees:</b>	
Mortality Rates (Pre-retirement, post-retirement healthy, and disability)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14.00% to 20.00%
Discount Rate	Decrease rate 7.00% to 6.75%
<b>Public Safety Employees with Hazardous Duty Benefits:</b>	
Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60.00% to 70.00%
Discount Rate	Decrease rate 7.00% to 6.75%

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

**Illustration 14-10**  
**County's Virginia Retirement System – Retiree Health Insurance Credit (HIC) Program**  
**Other Post-Employment Benefits (OPEB) Plan**  
**Long-Term Expected Rate of Return**  
**For the Year Ended June 30, 2021**

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average
Public Equity	34.00%	4.65%	1.58%
Fixed Income	15.00%	0.46%	0.07%
Credit Strategies	14.00%	5.38%	0.75%
Real Assets	14.00%	5.01%	0.70%
Private Equity	14.00%	8.34%	1.17%
MAPS - Multi-Asset Public Strategies	6.00%	3.04%	0.18%
PIP - Private Investment Partnership	3.00%	6.49%	0.19%
Total	<u>100.00%</u>		<u>4.64%</u>
	Inflation		2.50%
	*Expected arithmetic nominal return		<u>7.14%</u>

\* The above allocation provides a one-year return of 7.14%. 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. The results provide a range of returns over various time periods that ultimately provide a median return of 7.11%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation. More recent capital market assumptions compiled for the FY2020 actuarial valuations, provide a median return of 6.81%.

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

**County's Changes in Net VRS HIC OPEB Liability:**

Illustration 14-11 presents the change in the net OPEB liability from June 30, 2019 to June 30, 2020, which is the measurement date for the fiscal year ended June 30, 2021.

<b>Illustration 14-11</b>				
<b>County's Virginia Retirement System</b>				
<b>Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB) Plan</b>				
<b>Changes in Net OPEB Liability</b>				
		<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position - Increase (Decrease)</b>	<b>Net OPEB Liability</b>
Balances on June 30, 2019 for FY 2020	\$	8,004	3,836	4,168
Changes for the year:				
Service cost		188	-	188
Interest		521	-	521
Changes of assumptions			-	-
Differences between expected and actual experience		149	-	149
Contributions - employer		-	498	(498)
Net investment income		-	76	(76)
Benefit payments, including refund of employee contributions		(566)	(566)	-
Administrative expenses		-	(8)	8
Other costs		(2)	-	(2)
Net changes		290	-	290
Balances on June 30, 2020 for FY 2021	\$	8,294	3,836	4,458

*Sensitivity of the County's VRS Health Insurance Credit net OPEB liability to changes in the discount rate.* Illustration 14-12 presents the County VRS HIC's net OPEB liability measured as of June 30, 2020, for the fiscal year ended June 30, 2021, using the discount rate of 6.75%, as well as the County's net OPEB liability calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

<b>Illustration 14-12</b>				
<b>County's Virginia Retirement System</b>				
<b>Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB) Plan Sensitivity of Net OPEB Liability</b>				
<b>Discount Rate</b>				
<b>Fiscal Year Ended:</b>		<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
June 30, 2021	\$	5,362	4,458	3,690

*Sensitivity of the County's proportionate share of the net GLI OPEB liability to changes in healthcare costs.* There is no valuation health care cost trend assumption for the VRS HIC Program because the benefit provided to participants is not dependent on medical claims costs, but rather is based on each participant's insurance premiums paid.

**County's HIC Program OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to VRS Health Insurance Credit Program OPEB:**

For the year ended June 30, 2021, the County recognized VRS HIC OPEB expense of \$518. On June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to the County VRS HIC OPEB Plan as displayed in Illustration 14-13.

<b>Illustration 14-13</b> <b>County's Virginia Retirement System</b> <b>Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB) Plan</b> <b>Deferred Outflows and (Inflows) of Resources</b> <b>June 30, 2021</b>			
		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	252	-
Change in actuarial assumptions		146	73
Net difference between projected and actual earnings on OPEB plan investments		127	-
Employer contributions subsequent to the measurement date		522	-
<b>Total</b>	<b>\$</b>	<b>1,047</b>	<b>73</b>

\$522 of the reported as VRS HIC's deferred outflows of resources is related to the County's contributions made subsequent to the measurement date and will be recognized as a reduction of the Net VRS HIC's OPEB Liability in the Fiscal Year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VRS HIC OPEB Plan will be recognized in the VRS HIC OPEB expense in future reporting periods displayed in Illustration 14-14.

<b>Illustration 14-14</b> <b>County's Virginia Retirement System</b> <b>Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB) Plan</b> <b>Amortization of Deferred Outflows and (Inflows) of Resources</b>			
<b>Fiscal year ended June 30,</b>			
2022		\$	59
2023			88
2024			89
2025			89
2026			66
Thereafter			61
<b>Total</b>		<b>\$</b>	<b>452</b>

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

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

**Summary Financial Statements for Single-Employer Defined Benefit Pension Plans Self-Insured by the County for the fiscal year ending June 30, 2021:**

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

<b>Illustration 14-15</b> <b>Prince William County – OPEB Master Trust Fund</b> <b>Statement of Fiduciary Net Positions</b> <b>June 30, 2021</b>					
	County Premium Plan	County RHICP	LODA Plan	School Board Premium Plan	Total OPEB Master Trust Fund
<b>Assets:</b>					
Restricted investments	\$ 25,307	25,705	23,487	54,131	128,630
Total assets	<u>25,307</u>	<u>25,705</u>	<u>23,487</u>	<u>54,131</u>	<u>128,630</u>
<b>Liabilities:</b>					
Accounts payable	1,405	2,088	796	8	4,297
Total liabilities	<u>1,405</u>	<u>2,088</u>	<u>796</u>	<u>8</u>	<u>4,297</u>
<b>Net position:</b>					
Net position restricted for OPEB	23,902	23,617	22,691	54,123	124,333
Total net position	<u>\$ 23,902</u>	<u>23,617</u>	<u>22,691</u>	<u>54,123</u>	<u>124,333</u>

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

<b>Illustration 14-16</b>					
<b>Prince William County – OPEB Master Trust Fund</b>					
<b>Statement of Changes in Fiduciary Net Position</b>					
<b>For the year ended June 30, 2021</b>					
	<b>County Premium Plan</b>	<b>County RHICP</b>	<b>LODA Plan</b>	<b>School Board Premium Plan</b>	<b>Total OPEB Master Trust</b>
<b>Additions:</b>					
Employer contributions	\$ 1,475	2,137	1,875	1,800	7,287
<b>Total contributions</b>	<b>1,475</b>	<b>2,137</b>	<b>1,875</b>	<b>1,800</b>	<b>7,287</b>
<b>Investment income:</b>					
Total investment income	5,709	4,623	4,988	10,821	26,141
Less: investment expense	(46)	(37)	(39)	(86)	(208)
Net investment income	5,663	4,586	4,949	10,735	25,933
<b>Total additions</b>	<b>7,138</b>	<b>6,723</b>	<b>6,824</b>	<b>12,535</b>	<b>33,220</b>
<b>Deductions:</b>					
Benefit payments	1,400	2,085	793	-	4,278
Administrative expenses	-	-	-	15	15
<b>Total deductions</b>	<b>1,400</b>	<b>2,085</b>	<b>793</b>	<b>15</b>	<b>4,293</b>
<b>Change in net position:</b>	<b>5,738</b>	<b>4,638</b>	<b>6,031</b>	<b>12,520</b>	<b>28,927</b>
Net position, beginning of year	18,164	18,979	16,660	41,603	95,406
<b>Net position, end of year</b>	<b>\$ 23,902</b>	<b>23,617</b>	<b>22,691</b>	<b>54,123</b>	<b>124,333</b>

**County’s Plans Descriptions:**

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

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

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

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

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

<b>Illustration 14-17</b> <b>Prince William County – OPEB Master Trust Fund</b> <b>Long-Term Expected Rate of Return</b> <b>For the Year Ended June 30, 2021</b>			
Asset Class	Target Allocation	Capital Market Assumptions	Expected Long-term Rate of Return
OPEB Master Trust Fund Investments:			
Domestic Equity	40.0%	7.5%	5.0%
International Developed Equity	15.0%	7.6%	5.1%
International Emerging Markets Equity	5.0%	7.9%	5.4%
Core Bonds	20.0%	3.8%	1.3%
Investment Grade Corporate Debt	10.0%	4.2%	1.7%
Emerging Markets Debt	5.0%	6.1%	3.6%
High Yield	5.0%	6.0%	3.5%
	100.0%		
		Inflation	2.5%
		Long-Term Expected Rate of Return	6.3%

County’s money weighted rate of return. The annual money-weighted rate of return on OPEB plan investments calculated as the internal rate of return, net of plan investment expenses, is 26.05% The money-weighted rate of return expresses investment performance, net of investment expenses, and adjusted for the changing amounts actually invested.

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

**Plan Activity for the Fiscal Year Ending June 30, 2021:**

**County’s Premium Plan Description:**

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

County employees covered by benefit terms. Illustration 14-18 summarizes the membership in the OPEB Master Trust Fund – County Premium Plan as of January 1, 2020, the latest actuarial valuations for the County.

**Illustration 14-18**  
**Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)**  
**Plan Membership as of the Valuation Date of January 1, 2020**

Active employees	3,351
Inactive members receiving benefits	221
Total covered members	3,572

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

The County contributed \$1,475 to the OPEB Master Trust's County Premium Plan for the year ended June 30, 2021. The contribution amounts were determined using the actuarial valuations performed as of January 1, 2020 and valuation rolled forward to June 30, 2021. The actuarially determined contribution amount were derived with the expectation of financing costs for members benefits earned during the current fiscal year and include an additional amount to finance any unfunded accrued liability, if needed.

**County's Net OPEB Liability:**

The County's net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of January 1, 2020, using actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

*County actuarial assumption.* The total OPEB liability for employees in the County's Premium Plan in the Master Trust Fund was calculated using the actuarial valuation performed as of January 1, 2020, using the Entry Age Normal actuarial cost method and the assumptions displayed in Illustration 14-19, applied to all periods included in the measurement year and rolled forward to the measurement date of June 30, 2021.

**Illustration 14-19**  
**Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)**  
**Actuarial Methods and Assumptions**

Valuation Date	January 1, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of projected pay, closed
Remaining Amortization Period	17 years, closed
Asset Valuation Method	Fair Value
Investment Rate of Return	7.0%, net of expenses
Inflation	2.50%
Payroll Growth	3.50%
Healthcare Cost Trend Rates	4.7% base; 4.0% ultimate (pre-Medicare); does not provide post-Medicare coverage

*County discount rate.* The discount rate used to measure the total OPEB liability for the County's Premium Plan was 7.00%. The projection of cash flows used to determine the discount rate assumed that the County intends to contribute the full contribution amount actuarially determined and charge the Trust to recover any payments made for claims, net of retiree and COBRA insured premiums, made by the County during the current fiscal year. Since the Plan's current target allocation is 60% equity and 40% fixed income, the discount rate is realized. The returns presented below are calculated using geometric return projections based on long-term capital market assumptions. As a result, the Trust's fiduciary net position was projected to be available to make all projected benefit payments for eligible members. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

*County's net OPEB liability.* The components of the net position liability for the County Premium Plan of the OPEB Master Trust Fund as of June 30, 2021 are shown in Illustration 14-20.



Illustration 14-20 Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan) Net OPEB Liability				
Fiscal Year Ended:	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Net Position as % of Total OPEB Liability
June 30, 2021	\$ 27,142	23,902	3,240	88.06%

**County's Changes in Net OPEB Liability:**

Illustration 14-21 presents the changes in net pension liability from June 30, 2020 to June 30, 2021.

Illustration 14-21 Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan) Changes in Net OPEB Liability				
	Total OPEB Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net OPEB Liability	
Balances on June 30, 2020	\$ 25,390	18,164	7,226	
Changes for the year:				
Service cost	1,202	-	1,202	
Interest	1,736	-	1,736	
Differences between expected and actual experience	214	-	214	
Contributions - employer	-	1,475	(1,475)	
Net investment income	-	5,663	(5,663)	
Benefit payments, including refund of employee contributions	(1,400)	(1,400)	-	
Administrative expenses	-	-	-	
Net changes	1,752	5,738	(3,986)	
Balances on June 30, 2021	\$ 27,142	23,902	3,240	

*Sensitivity of the County's net OPEB liability to changes in the discount rate.* Illustration 14-22 presents the net OPEB liability of the County Premium Plan using the discount rate of 7.00%, as well as the net OPEB liability calculated using a discount rate that is one percentage point lower (6.00%) and one percentage point higher (8.00%) than the current rate.

Illustration 14-22 Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan) Sensitivity of Net OPEB Liability to Changes in the Discount Rate For the Year Ended June 30, 2021			
Fiscal Year Ended:	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
County's Net OPEB Liability	\$ 5,738	3,240	821

*Sensitivity of the County's net pension liability (asset) to changes in the healthcare cost trend rate.* Illustration 14-23 presents the net OPEB liability (asset) of the County Premium Plan using the current Healthcare Cost Trend Rate of 4.70% base with an 4.00% ultimate Medicare coverage and it is not applicable to post-Medicare coverage as well as the net OPEB liability (asset) calculated using a healthcare cost trend rate that is one percentage point lower (3.00%) and one percentage point higher (5.00%) than the current rate.

<b>Illustration 14-23</b>			
<b>Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)</b>			
<b>Sensitivity of Net OPEB Liability (Asset) to Changes in the Medical Trend</b>			
<b>For the Year Ended June 30, 2021</b>			
<b>Fiscal Year Ended:</b>	<b>1.00% Decrease (3.00%)</b>	<b>Medical Trend (4.00%)</b>	<b>1.00% Increase (5.00%)</b>
County's Net OPEB Liability (Asset)	\$ (37)	3,240	6,901

**County's OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2021, the County Premium Plan recognized OPEB expense of \$43. On June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources presented in Illustration 14-24.

<b>Illustration 14-24</b>			
<b>Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)</b>			
<b>Deferred Outflows and (Inflows) of Resources</b>			
<b>June 30, 2021</b>			
		<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$	1,110	2,259
Change in actuarial assumptions		-	1,462
Net difference between projected and actual earnings on OPEB plan investments		-	3,776
Total	\$	1,110	7,497

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

<b>Illustration 14-25</b>			
<b>Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)</b>			
<b>Amortization of Deferred Outflows and (Inflows) of Resources</b>			
<b>Fiscal year ended June 30,</b>			
2022		\$	(1,666)
2023			(1,594)
2024			(1,562)
2025			(1,532)
2026			(32)
Thereafter			(1)
Total		\$	(6,387)

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

**Plan Activity for the Fiscal Year Ending June 30, 2021:**

**County’s Plan Description:**

The Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit Plan (County RHICP) covers eligible employees or former employees of the County including all departments and agencies. The RHICP provides \$0.0055 per month, per year of service (maximum 30 years) paid for life towards the purchase of a medical insurance plan. Disabled employees receive the full 30-year allowance. However, employees disabled in-service, where the County pays the entire cost of insurance, do not receive the subsidy. The medical insurance plan can be the County Premium Plan or any health plan of the retiree’s choosing. To receive the subsidy, the retiree must have 15 years of service with the County and must be receiving a pension payment from the VRS or the County Supplemental Pension Plan. Terminated vested employees are allowed. The health insurance credit cannot be used for spousal coverage. The retirees are granted the option to participate by paying 100% of their monthly health insurance premium towards the County Premium Plan less \$0.0055 times years of service for a maximum health insurance credit rate of \$0.165 from the County.

*County employees covered by benefit terms.* Illustration 14-26 summarizes the membership in the County RHICP as of January 1, 2020 the latest actuarial valuations for the County.

<b>Illustration 14-26</b> <b>Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Plan</b> <b>Plan Membership as of the Valuation Date of January 1, 2020</b>	
Active employees	4,181
Inactive members receiving benefits	1,255
Total covered members	5,436

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

The County contributed \$2,137 to the County RHICP for the year ended June 30, 2021. The contribution amounts were determined using the actuarial valuations performed as of January 1, 2020 and rolled forward to June 30, 2021. The actuarially determined contribution amount were derived with the expectation of financing costs for members benefits earned during the current fiscal year and include an additional amount to finance any unfunded accrued liability, if needed.

**County’s Net OPEB Liability:**

The County’s net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of January 1, 2020, using actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

*County actuarial assumption.* The total OPEB liability for employees in the County’s RHICP was calculated using the actuarial valuation performed as of January 1, 2020, using the Entry Age Normal actuarial cost method and the assumptions displayed in Illustration 14-27, applied to all periods included in the measurement year and rolled forward to the measurement date of June 30, 2021.

**Illustration 14-27**  
**Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Plan**  
**Actuarial Methods and Assumptions**

Valuation Date	January 1, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of projected pay, closed
Remaining Amortization Period	18 years, closed
Asset Valuation Method	Fair Value
Investment Rate of Return	7.0%, net of expenses
Inflation	2.50%
Payroll Growth	3.50%
Healthcare Cost Trend Rates	Not applicable - This Plan does not depend on healthcare cost trend rates.

*County's changes in assumptions and benefit terms.* There were no changes to the actuarial assumptions related to the net position liability that was measured as of June 30, 2021.

*County's discount rate.* The discount rate used to measure the total OPEB liability for the County's RHICP was 7.00%. The projection of cash flows used to determine the discount rate assumed that the County intends to contribute the full contribution amount actuarially determined and charge the Trust to recover any payments made for claims, net of retiree and COBRA insured premiums, made by the County during the current fiscal year. Since the Plan's current target allocation is 60% equity and 40% fixed income, the discount rate is realized. The returns presented below are calculated using geometric return projections based on long-term capital market assumptions. As a result, the Trust's fiduciary net position was projected to be available to make all projected benefit payments for eligible members. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

*County's net OPEB liability.* The components of the net OPEB liability for the OPEB Master Trust's County RHICP are shown in Illustration 14-28.

**Illustration 14-28**  
**Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Plan**  
**Net OPEB Liability**

Fiscal Year Ended:		Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Net Position as % of Total OPEB Liability
June 30, 2021	\$	38,394	23,618	14,776	61.51%

**County's Changes in Net OPEB Liability:**

Illustration 14-29 presents the changes in net pension liability from June 30, 2020 to June 30, 2021.

<b>Illustration 14-29</b>				
<b>Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (RHICP) Plan</b>				
<b>Changes in Net OPEB Liability</b>				
		<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position - Increase (Decrease)</b>	<b>Net OPEB Liability</b>
Balances on June 30, 2020	\$	37,323	18,979	18,344
Changes for the year:				
Service cost		803	-	803
Interest		2,533	-	2,533
Differences between expected and actual experience		(180)	-	(180)
Contributions - employer		-	2,137	(2,137)
Net investment income		-	4,587	(4,587)
Benefit payments, including refund of employee contributions		(2,085)	(2,085)	-
Net changes		1,071	4,639	(3,568)
Balances on June 30, 2021	\$	38,394	23,618	14,776

*Sensitivity of the County's net OPEB liability to changes in the discount rate.* Illustration 14-30 presents the net OPEB liability of the County using the discount rate of 7.00%, as well as the County's net OPEB liability calculated using a discount rate that is one percentage point lower (6.00%) and one percentage point higher (8.00%) than the current rate.

<b>Illustration 14-30</b>				
<b>Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (RHICP) Plan</b>				
<b>Sensitivity of Net OPEB Liability to Changes in the Discount Rate</b>				
<b>For the Year Ended June 30, 2021</b>				
<b>Fiscal Year Ended:</b>		<b>1.00% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1.00% Increase (8.00%)</b>
County's Net OPEB Liability	\$	19,195	14,776	11,056

*Sensitivity of the County's net pension liability to changes in the healthcare cost trend rate.* There is no valuation health care cost trend assumption for the Prince William County Credit Plan because the benefit provided to participants is not dependent on medical claims costs, but rather is equal to \$0.0055 per month per year of service.

**County's OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:**

For the year ended June 30, 2021, the County recognized OPEB expense of \$1,347. On June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources displayed in Illustration 14-31.

<b>Illustration 14-31</b>		
<b>Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (RHICP) Plan</b>		
<b>Deferred Outflows and (Inflows) of Resources</b>		
<b>June 30, 2021</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 655	313
Change in actuarial assumptions	-	702
Net difference between projected and actual earnings on OPEB plan investments	-	2,494
<b>Total</b>	<b>\$ 655</b>	<b>3,509</b>

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

<b>Illustration 14-32</b>		
<b>Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (RHICP) Plan</b>		
<b>Amortization of Deferred Outflows and (Inflows) of Resources</b>		
<b>Fiscal year ended June 30,</b>		
2022	\$	(697)
2023		(684)
2024		(712)
2025		(745)
2026		-
Thereafter		(16)
<b>Total</b>	<b>\$</b>	<b>(2,854)</b>

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

**Plan Activity for the Fiscal Year Ending June 30, 2021:**

**County's Plan Description:**

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

The County LODA Plan provides death, disability and healthcare benefits for public safety employees and volunteer firefighters who hold specified hazardous duty positions and who die or who become permanently disabled in the line of duty. The LODA Plan includes a \$100 life insurance benefit for death occurring as a direct or proximate result of duties, a \$25 death benefit for death by

presumptive clause within five years of retirement, and lifetime medical benefits for the disabled employee and their surviving spouse with certified children covered to age 26, comparable to the medical coverage held by the deceased or disabled employee or volunteer at the time of the qualifying incident.

To be eligible to receive LODA benefits, the disabled or deceased employee or volunteer must be certified by the Virginia Department of Human Resource Management. To be eligible for the healthcare benefit portion of the plan, the employee or volunteer must subscribe to healthcare coverage under a medical plan prior to the date of incident. Eligible employees and/or family members are enrolled in a state-sponsored group healthcare plan or reimbursed for their healthcare premiums. Surviving spouses who remarry or children who marry and have access to other medical insurance coverage are no longer eligible for the healthcare benefits under the LODA Plan. Certified LODA retirees and their beneficiaries are required to pay 0% of the Commonwealth premium rate state sponsored group healthcare plans. County employees covered by benefit terms. Illustration 14-39 summarizes the membership in the OPEB Master Trust Fund – County LODA Plan as of January 1, 2020, the latest actuarial valuations for the County.

*County employees covered by benefit terms.* Illustration 14-33 summarizes the membership in the OPEB Master Trust Fund – County LODA Plan as of January 1, 2020 the latest actuarial valuations for the County.

<b>Illustration 14-33</b>	
<b>Prince William County Line of Duty Act (LODA) Trust Fund Plan</b>	
<b>Plan Membership as of the Valuation Date of January 1, 2020</b>	
Active employees	2,322
Inactive members receiving benefits	42
Total covered members	2,364

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

The County contributed \$1,875 to the LODA Plan for the year ended June 30, 2021. The contribution amounts were determined using the actuarial valuations performed as of January 1, 2020 and valuation rolled forward to June 30, 2021. The actuarially determined contribution amount were derived with the expectation of financing costs for members benefits earned during the current fiscal year and include an additional amount to finance any unfunded accrued liability, if needed.

**County’s Net OPEB Liability (Asset):**

The County’s net OPEB liability was measured as of June 30, 2021. The total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation performed as of January 1, 2020, using actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2021.

*County actuarial assumption.* The total OPEB liability for employees in the County’s LODA Plan was calculated using the actuarial valuation performed as of January 1, 2020, using the Entry Age Normal actuarial cost method and the assumptions displayed in Illustration 14-34, applied to all periods included in the measurement year and rolled forward to the measurement date of June 30, 2021.

**Illustration 14-34**  
**Prince William County Line of Duty Act (LODA) Trust Fund Plan**  
**Actuarial Methods and Assumptions**

Valuation Date	January 1, 2020	
Actuarial Cost Method	Entry Age Normal	
Amortization Method	Level percentage of projected pay, closed	
Remaining Amortization Period	22 years, closed	
Asset Valuation Method	Fair Value	
Investment Rate of Return	7.0%, net of expenses	
Inflation	2.50%	
Payroll Growth	3.50%	
Healthcare Cost Trend Rates	4.7% base; 4.0% ultimate (pre-Medicare); Virginia LODA and Medicare Part B coverage	

*County's changes in assumptions and benefit terms.* There were no changes to the actuarial assumptions related to the net position liability that was measured as of June 30, 2021.

*County's discount rate.* The discount rate used to measure the total OPEB liability for the County's LODA Plan was 7.00%. The projection of cash flows used to determine the discount rate assumed that the County intends to contribute the full contribution amount actuarially determined and charge the Trust to recover any payments made for claims, net of retiree and COBRA insured premiums, made by the County during the current fiscal year. Since the Plan's current target allocation is 60% equity and 40% fixed income, the discount rate is realized. The returns presented below are calculated using geometric return projections based on long-term capital market assumptions. As a result, the Trust's fiduciary net position was projected to be available to make all projected benefit payments for eligible members. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

*County's net OPEB liability (asset).* Illustration 14-35 shows the net OPEB liability (asset) for the OPEB Master Trust's County LODA Plan was measured as of June 30, 2021.

**Illustration 14-35**  
**Prince William County Line of Duty Act (LODA) Trust Fund Plan**  
**Net OPEB Liability (Asset)**

Fiscal Year Ended	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)	Net Position as % of Total OPEB Liability (Asset)
June 30, 2021	\$ 17,837	22,691	(4,854)	127.21%



**County's Changes in Net OPEB Liability (Asset):**

Illustration 14-36 presents the changes in net pension liability (asset) from June 30, 2020 to June 30, 2021.

<b>Illustration 14-36</b>			
<b>Prince William County Line of Duty Act (LODA) Trust Fund Plan</b>			
<b>Changes in Net OPEB Liability (Asset)</b>			
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position - Increase (Decrease)</b>	<b>Net OPEB Liability (Asset)</b>
Balances on June 30, 2020	\$ 15,873	16,660	(787)
Changes for the year:			
Service cost	1,726	-	1,726
Interest	1,082	-	1,082
Differences between expected and actual experience	(51)	-	(51)
Changes in assumptions	-	-	-
Contributions - employer	-	1,875	(1,875)
Net investment income	-	4,988	(4,988)
Benefit payments, including refund of employee contributions	(793)	(793)	-
Administrative expenses	-	(39)	39
Net changes	1,964	6,031	(4,067)
Balances on June 30, 2021	\$ 17,837	22,691	(4,854)

*Sensitivity of the County's net OPEB liability (asset) to changes in the discount rate.* Illustration 14-37 presents the net OPEB liability (asset) of the County LODA Plan using the discount rate of 7.00%, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

<b>Illustration 14-37</b>			
<b>Prince William County Line of Duty Act (LODA) Trust Fund Plan</b>			
<b>Sensitivity of Net OPEB Liability (Asset) to Changes in the Discount Rate</b>			
<b>For the Year Ended June 30, 2021</b>			
<b>Fiscal Year Ended:</b>	<b>1.00% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1.00% Increase (8.00%)</b>
County's Net OPEB Liability (Asset)	\$ (3,107)	(4,854)	(6,468)

*Sensitivity of the County's net OPEB liability (asset) to changes in the discount rate.* Illustration 14-38 presents the net OPEB liability (asset) of the County LODA plan using the current Healthcare Cost Trend Rate of 4.70% base with 4.00% ultimate, Virginia LODA premiums and the Medicare B premiums, as well as the net OPEB liability (asset) calculated using a healthcare cost trend rate that is one percentage point lower (3.00%) and one percentage point higher (5.00%) than the current rate.

**Illustration 14-38**  
**Prince William County Line of Duty Act (LODA) Trust Fund Plan**  
**Sensitivity of Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate**  
**For the Year Ended June 30, 2021**

Fiscal Year Ended:	1.00% Decrease (3.00%)	Current Discount Rate (4.00%)	1.00% Increase (5.00%)
County's Net OPEB Liability (Asset)	\$ (7,478)	(4,854)	(1,800)

**County's OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:**

For the year ended June 30, 2020, the County recognized OPEB expense of \$477. On June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources displayed in Illustration 14-39.

**Illustration 14-39**  
**Prince William County Line of Duty Act (LODA) Trust Fund Plan**  
**Deferred Outflows and (Inflows) of Resources**  
**June 30, 2021**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 604	5,078
Change in actuarial assumptions	1,140	-
Net difference between projected and actual earnings on OPEB plan investments	-	3,230
Total	\$ 1,744	8,308

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in the County LODA Plan's OPEB expense in future reporting periods as shown in Illustration 14-40.

**Illustration 14-40**  
**Prince William County Line of Duty Act (LODA) Trust Fund Plan**  
**Amortization of Deferred Outflows and (Inflows) of Resources**

Fiscal year ended June 30,	
2022	\$ (1,168)
2023	(1,105)
2024	(1,074)
2025	(1,048)
2026	(291)
Thereafter	(1,878)
Total	\$ (6,564)

**A. Prince William County School Board’s (Schools’) Other Post-Employment (OPEB) Plans**

Prince William County Schools, a component unit of the County, also participates in three OPEB plans for its employees; two Virginia Retirement System plans, and one plan that participates in the County’s OPEB Master Trust Fund.

- Virginia Retirement System (VRS) Plans:
  - VRS Group Life Insurance Program (GLI)
  - VRS Health Insurance Credit Program (HIC)
- OPEB Master Trust Plans:
  - Prince William County Public Schools Retiree Medical Program (Master Trust - School Board Premium Plan)

The aggregate amount of net OPEB liability (asset), related deferred outflows of resources and deferred inflows of resources, and OPEB expense for the County’s OPEB plans are summarized in Illustration 14-41 below.

<b>Illustration 14-41</b>					
<b>Prince William County School Board's (Schools) Other Post-Employment Benefit (OPEB) Plans</b>					
<b>Net OPEB Liability (Asset) and Related Amounts</b>					
		<b>Net OPEB Liability (Asset)</b>	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>OPEB Expense/ (Income)</b>
<b>MEASUREMENT DATE 6/30/2020</b>					
School Board Premium Plan		(3,002)	3,865	30,796	(1,222)
VRS Group Life Insurance Program	\$	53,380	12,645	1,827	2,416
VRS Health Insurance Credit					
Non-Professional Group		884	227	124	194
Professional Group		88,502	12,493	2,304	7,780
Total VRS Health Insurance Credit		89,386	12,720	2,428	7,974
Total OPEB – Schools Funded		142,766	25,365	4,255	10,390

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

**1. Schools’ Virginia Retirement Systems (VRS) – Health Insurance Credit (HIC) Program**

*Schools’ plan description.* Schools participates in the VRS HIC Program to provide other post-employment benefits to eligible retired employees. The VRS Teacher (professional) Employee HIC program is a multi-employer, cost-sharing plan, defined benefit plan. The VRS Prince William County Schools (non-professional) Employee HIC program is an agent, multi-employer, defined benefit plan. The HIC program provides a credit toward the cost of health insurance coverage for retired professional and non-professional employees.

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

*Schools' benefit amounts.* For professional employees who retire, the monthly benefit is \$0.004 per year of service per month with no cap on the benefit amount. For professional employees who retire on disability or go on long-term disability under the Virginia Long-term Disability Program (VLDP), the monthly benefit is either: (a) \$0.004 per month, multiplied by twice the amount of service credit, or (b) \$0.004 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower. For eligible non-professional employees who retire, the monthly benefit is \$0.0015 per year of service per month with a maximum benefit of \$0.045 per month. For eligible non-professional employees who retire on disability or go on long-term disability under the VLDP, the monthly benefit is \$0.045 per month.

*Schools' 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.

#### **Schools' Contributions – Non-Professional Group**

The contribution requirement for active employees is governed by §51.1-1402(E) of the Code of Virginia, as amended, but may be impacted because of funding provided to Schools by the Virginia General Assembly. The non-professional group's contractually required contribution rate for the year ended June 30, 2021 was 0.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2018. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from Schools to the VRS HIC program for the non-professional group were \$126 and \$129 for the years ended June 30, 2021 and June 30, 2020, respectively.

#### **Schools' Contributions – Professional Group**

The contribution requirement for active employees is governed by §51.1-1401(E) of the Code of Virginia, as amended, but may be impacted because of funding provided to Schools by the Virginia General Assembly. Schools' contractually required employer contribution rate for the year ended June 30, 2021 was 1.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from Schools to the VRS HIC program for the professional group were \$7,326 and \$7,134 for the years ended June 30, 2021 and June 30, 2020, respectively.

#### **Schools' 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.

#### **Schools' OPEB Liabilities, Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the HIC Program OPEB Net HIC OPEB**

On June 30, 2021, the professional group reported a liability of \$88,502 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, 2020 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, 2019 and rolled forward to the measurement date of June 30, 2020. Schools' proportion of the net VRS HIC program OPEB liability was based on the Schools actuarially determined employer contributions to the VRS HIC program OPEB plan for the year ended June 30, 2020 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2020, Schools' proportion of the VRS HIC program for professional group was 6.78% as compared to 6.64% on June 30, 2019.

The non-professional HIC program OPEB liability was measured as of June 30, 2020. 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, 2019, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020.

#### **Schools' Changes in Net HIC OPEB Liability – Non-Professional Group**

Illustration 14-42 present the change in the net OPEB liability from June 30, 2019 to June 30, 2020, which is the measurement date for June 30, 2021.

**Illustration 14-42**

**School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan  
Non-Professional Groups Changes in Net OPEB Liability**

	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position - Increase (Decrease)</b>	<b>Net OPEB Liability</b>
Balances on June 30, 2019 for FY 2020	\$ 2,482	1,709	773
Changes for the year:			
Service cost	66	-	66
Interest	163	-	163
Changes of assumptions	94	-	94
Differences between expected and actual experience	(52)	-	(52)
Contributions - employer	-	129	(129)
Net investment income	-	34	(34)
Benefit payments, including refund of employee contributions	(132)	(132)	-
Administrative expenses	-	(3)	3
Net changes	139	28	111
Balances on June 30, 2020 for FY 2021	\$ 2,621	1,737	884

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

Illustration 14-43 presents the VRS HIC program net OPEB liability of the non-professional group measured as of June 30, 2020, for the fiscal year ended June 30, 2021, using the discount rate of 6.75%, as well as the non-professional group's net HIC OPEB liability calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

**Illustration 14-43**

**School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Non-Professional Groups  
Sensitivity of Net OPEB Liability to Changes in the Discount Rate  
June 30, 2021**

<b>Fiscal Year Ended:</b>	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
Proportionate share of the VRS HIC OPEB Plan Net HIC OPEB Liability - Non-Professional Group	\$ 1,183	884	622

Illustration 14-44 present the professional's group proportionate share of the VRS HIC program net liability measured as of June 30, 2020, for the fiscal year ended June 30, 2021, using the discount rate of 6.75%, as well as the professional group's proportionate share of the net HIC OPEB liability calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

<b>Illustration 14-44</b>			
<b>School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Professional Groups</b>			
<b>Sensitivity of Net OPEB Liability to Changes in the Discount Rate</b>			
<b>June 30, 2021</b>			
<b>Fiscal Year Ended:</b>	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
Proportionate share of the VRS HIC OPEB Plan Net HIC OPEB Liability - Professional Group	\$ 99,068	88,502	79,521

**Schools' 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, 2021, Schools recognized VRS HIC program OPEB expense of \$194 for the non-professional group. On June 30, 2021, Schools reported deferred outflows of resources and deferred inflows of resources related to the VRS HIC program OPEB for the non-professional group from the sources displayed in Illustration 14-45.

<b>Illustration 14-45</b>		
<b>School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Non-Professional Groups</b>		
<b>Deferred Outflows and (Inflows) of Resources</b>		
<b>June 30, 2021</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	97
Change in actuarial assumptions	43	27
Net difference between projected and actual earnings on OPEB plan investments	58	-
Employer contributions subsequent to the measurement date	126	-
Total	\$ 227	124

\$126 reported as deferred outflows of resources related to the non-professional group HIC OPEB resulting from Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net non-professional group HIC OPEB liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the non-professional group HIC OPEB will be recognized in the OPEB expense in the future reporting periods shown in Illustration 14-46.

<b>Illustration 14-46</b>		
<b>School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Non-Professional Groups</b>		
<b>Amortization of Deferred Outflows and (Inflows) of Resources</b>		
<b>Fiscal year ended June 30,</b>		
2022	\$	(17)
2023		(6)
2024		-
2025		9
2026		(6)
Thereafter		(3)
Total	\$	(23)

**Professional Group**

For the year ended June 30, 2021, Schools recognized VRS HIC program OPEB expense of \$7,780 for the professional group.

On June 30, 2021, Schools reported deferred outflows of resources and deferred inflows of resources related to the Schools’ VRS HIC OPEB program for the professional group from the sources displayed in Illustration 14-47.

<b>Illustration 14-47</b>		
<b>School Board’s (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Professional Groups</b>		
<b>Deferred Outflows and (Inflows) of Resources</b>		
<b>June 30, 2021</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	1,182
Change in actuarial assumptions	1,749	483
Net difference between projected and actual earnings on OPEB plan investments	392	-
Employer contributions and proportionate share of Contributions	3,026	639
Employer contributions subsequent to the measurement date	7,326	-
<b>Total</b>	<b>\$ 12,493</b>	<b>2,304</b>

\$7,326 reported as deferred outflow of resources related to Schools’ VRS HIC OPEB program for the professional resulting from Schools’ contribution subsequent to the measurement date will be recognized as a reduction of the net professional group HIC OPEB liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflow of resources and the deferred inflow of resources related to Schools’ VRS HIC OPEB program for the professional group will be recognized in the OPEB expense in the future reporting periods displayed in illustration 14-48.

<b>Illustration 14-48</b>		
<b>School Board’s (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Professional Groups</b>		
<b>Amortization of Deferred Outflows and (Inflows) of Resources</b>		
<b>Fiscal year ended June 30,</b>		
2022	\$	533
2023		572
2024		558
2025		538
2026		381
Thereafter		281
<b>Total</b>	<b>\$</b>	<b>2,863</b>

**Schools’ VRS HIC Program Fiduciary Net Position**

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

## **2. School Board's (Schools') Virginia Retirement Systems (VRS) – General Life Insurance (GLI) Program**

### **Schools' Plan Description**

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

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

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

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

*Reduction in Schools' 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 Schools' benefit amount and COLA.* For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI program. The minimum benefit was set at \$8.0 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8.6.

### **Schools' Contributions**

The contribution requirements for Schools' GLI program are governed by §51.1-506 and §51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to Schools by the Virginia General Assembly. The total rate for the GLI program was 1.34% of covered employee compensation. This was allocated into an employee and employer component using a 60/40 split. The employee component was 0.80% (1.34% x 60%) and the employer component was 0.54% (1.34% x 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all the employer contribution. Schools has elected to pay the employee share. Schools' contractually required employer contribution rate for the year ended June 30, 2021 was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from Schools to the VRS GLI program were \$3,636 and \$3,423 for the years ended June 30, 2021 and June 30, 2020, respectively.

### **Schools' 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.

### **Schools' OPEB Liabilities, Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the GLI Program**

On June 30, 2021, Schools reported a liability of \$53,380 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2020 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, 2019 and rolled forward to the measurement date of June 30, 2020. Schools' proportion of the net GLI OPEB liability was based on Schools' actuarially determined employer contributions to the VRS GLI program for the year ended June 30, 2020, relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2020, Schools' proportion for the professional and non-professional groups, respectively, was 2.90% and 0.30% as compared to 2.85% and 0.30% on June 30, 2019.



For the year ended June 30, 2021, Schools recognized GLI OPEB expense of \$2,416. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

On June 30, 2021, Schools reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources displayed in Illustration 14-49.

<b>Illustration 14-49</b>		
<b>School Board's (Schools) Virginia Retirement System (VRS) – Group Life Insurance (GLI) Plan</b>		
<b>Deferred Outflows and (Inflows) of Resources</b>		
<b>June 30, 2021</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,424	479
Change in actuarial assumptions	2,670	1,115
Net difference between projected and actual earnings on OPEB plan investments	1,603	-
Change in proportion and differences between employer contributions and proportionate share of contributions	1,312	233
Employer contributions subsequent to the measurement date	3,636	-
<b>Total</b>	<b>\$ 12,645</b>	<b>1,827</b>

\$3,636 reported as deferred outflow of resources related to the GLI OPEB resulting from Schools’ contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in the future reporting periods displayed in Illustration 14-50.

<b>Illustration 14-50</b>		
<b>School Board's (Schools) Virginia Retirement System (VRS) –Group Life Insurance (GLI) Plan</b>		
<b>Amortization of Deferred Outflows and (Inflows) of Resources</b>		
<b>Fiscal year ended June 30,</b>		
2022		\$ 1,184
2023		1,637
2024		1,948
2025		1,835
2026		522
Thereafter		56
<b>Total</b>		<b>\$ 7,182</b>

**Sensitivity of the Schools’ Proportionate Share of the GLI Net OPEB Liability to Changes in the Discount Rate**

The following presents Schools’ proportionate share of the VRS GLI program net OPEB liability using the discount rate of 6.75%, as well as the Schools’ proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate displayed in Illustrations 14-51 and 14-52.

<b>Illustration 14-51</b>			
<b>School Board's (Schools) Virginia Retirement System (VRS) – Group Life Insurance (GLI) Plan – For Non-Professional</b>			
<b>Sensitivity of Net OPEB Liability to Changes in the Discount Rate</b>			
<b>June 30, 2021</b>			
	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
Proportionate share of the VRS HIC OPEB Plan Net – GLI OPEB Liability	\$ 6,586	5,010	3,730

<b>Illustration 14-52</b>			
<b>School Board's (Schools) Virginia Retirement System (VRS) – Group Life Insurance (GLI) Plan – For Professional</b>			
<b>Sensitivity of Net OPEB Liability to Changes in the Discount Rate</b>			
<b>June 30, 2021</b>			
	<b>1.00% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1.00% Increase (7.75%)</b>
Proportionate share of the VRS HIC OPEB Plan Net – GLI OPEB Liability	\$ 63,586	48,370	36,013

#### **Schools' VRS GLI Program Fiduciary Net Position**

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

#### **Prince William County School Board (Schools) – Other Post-Employment Benefits (OPEB) Master Trust Fund Plans – School Board Premium Plan**

##### **Plan Activity for the Fiscal Year Ending June 30, 2021:**

##### **Schools' Plan Description**

Schools contributes to the Prince William County OPEB Master Trust Fund in the School Boards Premium Plan, an agent multiple-employer defined benefit post-employment benefits trust fund administered by the County. As such, it is reported in accordance with GASB Statement 74.

The OPEB Master Trust is not a part of the Schools reporting entity and does not issue stand-alone financial statements. The OPEB Master Trust is part of the County's reporting entity and the County issues a publicly available ACFR that includes financial statements and RSI for the OPEB Master Trust. A copy of that report may be obtained by writing Prince William County at 1 County Complex Court, Prince William, Virginia 22192 or download from the County's website at <https://www.pwcva.gov/department/finance/finance-and-revenue>.

All OPEB Master Trust Plans' assets are aggregated together for investment purposes. Please refer to the previous discussion in footnote 14, section B and Illustration 14-15 for overall OPEB Master Trust Plans' information, such as, long-term expected rate of return and annual money-weighted rate of return.

##### **Contributions:**

The Schools' actuarially determined contribution amount for the year ended June 30, 2021, was \$3,556. This rate was based on an actuarially determined rate from an actuarial valuation as of July 1, 2021. The actuarially determined rate was expected to finance the

costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Schools into the OPEB Master Trust Fund were \$1,800 and \$1,800 for the years ended June 30, 2021, and June 30, 2020, respectively. Additional information about Schools net benefits paid for the year ended June 30, 2021 are in Illustrations 14-16.

**Schools’ Net OPEB Liability (Asset)**

Schools’ net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability (asset) used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

<b>Illustration 14-53</b>				
<b>School Board (Schools) Other Post-Employment Benefits (OPEB) Master Trust Fund Plans – School Board Premium Plan</b>				
<b>Net OPEB Liability (Asset)</b>				
<b>Fiscal Year Ended:</b>	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability (Asset)</b>	<b>Net Position as % of Total OPEB Liability</b>
June 30, 2021	\$ 39,793	54,123	(14,330)	136.0%

**Sensitivity of Schools’ Net OPEB Liability (Asset) to Change in Discount Rate**

Illustration 14-54 represents the net OPEB liability (asset) measured calculated using a discount rate of 7.00%, as well as the net OPEB liability (asset) calculated using a discount rate one percentage point lower (6.00%) and one percentage point higher (8.00%) than the current rate.

<b>Illustration 14-54</b>			
<b>School Board (Schools) Other Post-Employment Benefits (OPEB) Master Trust Fund Plans – School Board Premium Plan</b>			
<b>Sensitivity of Net OPEB Liability (Asset) to Changes in the Discount Rate</b>			
	<b>1.00% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1.0% Increase (8.00%)</b>
Net OPEB Liability (Asset)	(11,376)	(14,330)	(17,048)

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

Illustration 14-55 represents the total and net OPEB liability (asset) calculated using the stated health care cost trend assumption, as well as the OPEB liability (asset) calculated using a healthcare cost trend rate of 4.00% as well as the net OPEB liability (asset) calculated using a discount rate of one percentage point lower (3.00%) and one percentage point higher (5.00%) than the assumed rate.

<b>Illustration 14-55</b>			
<b>School Board (Schools) Other Post-Employment Benefits (OPEB) Master Trust Fund Plans – School Board Premium Plan</b>			
<b>Sensitivity of Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate</b>			
	<b>1.00% Decrease (3.00%)</b>	<b>Current Discount Rate (4.00%)</b>	<b>1.00% Increase (5.00%)</b>
Net OPEB Liability (Asset)	\$ (18,455)	(14,330)	(9,526)

**3. Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan**

**Schools’ Plan Description**

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

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

The Schools’ 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 Schools health insurance premiums in retirement. The retiring employee must be between the ages of 55 and 65, have a minimum of 125 days of accrued sick leave, be currently enrolled in the Schools group health insurance plan, and meet the service requirements to participate in Schools’ Retirement Opportunity Program.

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

On July 1, 2020 (valuation date), the following employees were covered by the benefit terms displayed in Illustration 14-56.

<b>Illustration 14-56</b> <b>Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan</b> <b>Plan Membership as of the Valuation Date of July 1, 2020</b>	
Active employees	6,739
Inactive members receiving benefits	270
Total covered members	7,009

**Schools’ Contributions**

Post-employment healthcare expenses, depending on the number of sick leave days exchanged, are made from the Health Insurance Fund, which is maintained on the full accrual basis of accounting. The School Board establishes employer contribution rates for plan participants and determines how the plan will be funded as part of the budgetary process each year. Retirees pay the full budgeted rates for coverage under the medical plan. Schools currently pays benefits on a pay-as-you-go basis and contributed \$1,800 to Schools’ OPEB Master Trust Fund – School Board Premium Plan to fund the current year liability. For the year ended June 30, 2021, plan members received \$4,492 in benefits and contributed \$2,736 in premiums, resulting in net benefits paid by Schools of \$1,756.

## Schools' Actuarial Methods and Assumptions

Schools' total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement, unless otherwise specified in Illustration 14-57.

<b>Illustration 14-57</b> <b>Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan</b> <b>Actuarial Methods and Assumptions</b>													
Valuation date	July 1, 2020												
Measurement date	June 30, 2020												
Actuarial cost method	Entry Age Normal												
Asset valuation method	Fair value of assets, assets were assumed to earn 7.00% per annum												
Payroll growth	3.00% per year-used in level percentage of pay amortization												
Subsidy rate	It is assumed that all retirees will receive a 30.00% subsidy. This is based on the average of all current subsidies, and not an actual subsidy option.												
Medical trend	<p>The medical trend assumption is based on a model developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The SOA Model was released in October 2010 and updated in September 2019. We have a blended medical trend rate of 2.00% based on the following baseline assumptions were used as input variables into a model:</p> <table border="0"> <tr> <td>Rate of Inflation</td> <td style="text-align: right;">2.50%</td> </tr> <tr> <td>Rate of Growth in real income / GDP per capita</td> <td style="text-align: right;">1.50%</td> </tr> <tr> <td>Extra Trend due to Technology and other factors</td> <td style="text-align: right;">1.10%</td> </tr> <tr> <td>Expected Health Share of GDP in 2019</td> <td style="text-align: right;">20.00%</td> </tr> <tr> <td>Health Share of GDP Resistance Point</td> <td style="text-align: right;">25.00%</td> </tr> <tr> <td>Year of Limiting Cost Growth to GDP Growth</td> <td style="text-align: right;">2075</td> </tr> </table>	Rate of Inflation	2.50%	Rate of Growth in real income / GDP per capita	1.50%	Extra Trend due to Technology and other factors	1.10%	Expected Health Share of GDP in 2019	20.00%	Health Share of GDP Resistance Point	25.00%	Year of Limiting Cost Growth to GDP Growth	2075
Rate of Inflation	2.50%												
Rate of Growth in real income / GDP per capita	1.50%												
Extra Trend due to Technology and other factors	1.10%												
Expected Health Share of GDP in 2019	20.00%												
Health Share of GDP Resistance Point	25.00%												
Year of Limiting Cost Growth to GDP Growth	2075												
Discount rate / Investment rate of return	7.00% per annum. Because the plan's assets are currently 65.00% of the liabilities, and Schools intends to continue to contribute, the long-term expected rate of return on assets of 7.00% can be used as the discount rate.												
Coverage status and age of spouse	Active employees that currently have coverage: 35.00% are assumed to continue coverage in retirement. Females are assumed to be 3 years younger than male spouse. Of active employees electing retirement health coverage 25.00% are assumed to have spousal or family coverage. Of these 25.00% with spouse or family coverage, approximately 75.00% are assumed to have retiree and spouse and 25.00% have family coverage. Employees currently waiving coverage are assumed to continue to waive coverage in retirement.												
Professional / Non-Professional	It is assumed that 80.00% of actives are professionals and 20.00% are non-professionals. This is used to determine the subsidy, since the active subsidy is different for professionals and non-professionals.												
Amortization method	Unfunded (Surplus) liabilities are amortized using level percentage of projected pay.												
Amortization period	The amortization period is closed and equals 28 years as of June 30, 2020.												
Decrement assumptions	VRS Termination Rates for Teachers												
Mortality assumption	None – not material, since benefits end at 65.												

Claims assumptions:

The three Anthem plans are self-insured. To determine the assumed cost and the retiree contributions, we weighted the FY 2020 premium rates by the current enrollment. Gross claims are equal to the age adjusted assumed cost. The results were increased by a load of 1.25 so that the 2020 retiree portion of premiums would equal the expected FY 2020 retiree paid claims. The resulting average per age 65 claims were age adjusted. The chart below shows the current cost broken down between the published per capita cost (i.e., the blended rates) and the hidden subsidy.

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

**Schools' Net OPEB Liability (Asset)**

Schools' net OPEB liability (asset) was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of July 1, 2020.

Illustration 14-58 Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan Net OPEB Liability (Asset)					
Fiscal Year Ended:	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)	Net Position as % of Total OPEB Liability	
June 30, 2021	\$ 38,601	41,603	(3,002)	107.78%	

Illustration 14-59 presents the change in net OPEB liability (asset) from June 30 2020 to June 30, 2021, which is the measurement date for the fiscal year ended June 30, 2021.

<b>Illustration 14-59</b>			
<b>Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan</b>			
<b>Changes in Net OPEB Liability (Asset)</b>			
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position - Increase (Decrease)</b>	<b>Net OPEB Liability (Asset)</b>
Balances on June 30, 2019 for FY 2020	\$ 57,676	37,324	20,352
Changes for the year:			
Service cost	2,913	-	2,913
Interest	3,903	-	3,903
Differences between expected and actual experience	(22,626)	-	(22,626)
Contributions - employer	-	4,845	(4,845)
Net investment income	-	2,494	(2,494)
Changes in Assumptions	(220)	-	(220)
Benefit payments, including refund of employee contributions	(3,045)	(3,045)	-
Administrative expenses	-	(15)	15
Net changes	(19,075)	4,279	(23,354)
Balances on June 30, 2020 for FY 2021	\$ 38,601	41,603	(3,002)

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

Illustration 14-60 represents the net OPEB liability (asset) measured as of June 30, 2020, for the fiscal year ended June 30, 2021, using the discount rate of 7.00% calculated using the discount rate of 7.00%, as well as what the net OPEB liability (asset) calculated using a discount rate that is one percentage point lower (6.00%) and one percentage point higher (8.00%) than the current rate.

<b>Illustration 14-60</b>			
<b>Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan</b>			
<b>Sensitivity of Net OPEB Liability (Asset) to Changes in the Discount Rate</b>			
<b>Fiscal Year Ended:</b>	<b>1.00% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1.00% Increase (8.00%)</b>
Net OPEB Liability (asset)	\$ (182)	(3,002)	(5,595)

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

Illustration 14-61 represents the total and net OPEB liability (asset) calculated using the stated health care cost trend assumption of 4.00%, as well as the net OPEB liability (asset) calculated using a healthcare cost trend rate that is one percentage point lower (3.00%) or one percentage point higher (5.00%) than the assumed trend rate.

<b>Illustration 14-61</b>			
<b>Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan</b>			
<b>Sensitivity of Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate</b>			
	<b>1.00% Decrease (3.00%)</b>	<b>Current Discount Rate (4.00%)</b>	<b>1.00% Increase (5.00%)</b>
Net OPEB Liability (Asset)	\$ (6,629)	(3,002)	1,217

### Schools' OPEB Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, Schools recognized OPEB income of \$1,222. At June 30, 2021, Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources displayed in Illustration 14-62.

<b>Illustration 14-62</b>		
<b>Prince William County School Board (Schools) – Retiree Health Insurance Premium</b>		
<b>Deferred Outflows and (Inflows) of Resources</b>		
<b>June 30, 2021</b>		
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	30,603
Change of Assumptions		193
Net difference between projected and actual earnings on OPEB plan investments	309	-
Employer contributions subsequent to the measurement date	3,556	-
Total	\$ 3,865	30,796

\$3,556 reported as deferred outflows of resources related to OPEB resulting from Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense per Illustration 14-63.

<b>Illustration 14-63</b>	
<b>Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan</b>	
<b>Amortization of Deferred Outflows and (Inflows) of Resources</b>	
<b>Fiscal year ended June 30,</b>	
2022	\$ (5,361)
2023	(5,510)
2024	(5,468)
2025	(5,496)
2026	(2,941)
Thereafter	(5,711)
Total	\$ (30,487)



**NOTE (15) – SELF INSURANCE**

The County and Adult Detention Center are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; the health of and injuries to its employees; and natural disasters.

The Prince William County Self-Insurance Group Casualty Pool provides coverage to the County and the Adult Detention Center. The Casualty Pool has a \$750 per occurrence retention of coverage, except ambulances and fire trucks, \$1,000 per occurrence retention of coverage, and it purchases commercial excess insurance with a \$10,000 per occurrence and \$20,000 annual aggregate limit, except for automobile liability coverage, which has a \$10,000 annual aggregate limit and public official liability which has a \$10,000 aggregate limit. The Prince William County Self-Insurance Group Workers' Compensation Association provides coverage to the County and the Adult Detention Center. The Association has a \$1,500 per occurrence retention, and it purchases commercial excess coverage which provides statutory limits for workers' compensation claims of the \$1,500 per occurrence and a \$1,000 excess retention limit for employers' liability coverage.

The County's Self-Insurance Group Casualty Pool, Workers' Compensation and Other Self-Insurance plans are fully funded. Losses are charged to operations as incurred. The liability for unpaid losses for self-insurance is determined using case-basis evaluations and a provision for incurred but not reported losses that is based upon actuarial projections. Actuarial projections of ultimate losses are based on a composite of the self-insurance members' experience and property and casualty insurance industry data, which is used to supplement the limited historical experience and includes the effects of inflation and other factors. Claims liabilities include allocated loss adjustment expenses and are reported net of estimated claims. Due to the limited historical experience of the Prince William Self-Insurance Group Casualty Pool, Workers' Compensation and Other Self-Insurance, there exists a significant range of variability around the best estimate of the ultimate cost of settling all unpaid claims. Accordingly, the amount of the liability for unpaid losses and related expenses and the related provisions included in financial statements may be more or less than the actual cost of settling all unpaid claims. Adjustments to claim liabilities are made continually, based on subsequent developments and experience, and are included in operations as made.

The County's pre-65 retirees with over fifteen (15) years of service and permanent employees are eligible to enroll in one of three health insurance plans and a dental plan. All three health insurance plans include comprehensive medical, preventive care, vision, and prescription drug coverage. Three of the health insurance plans are self-insured with a \$225 specific individual stop loss limit. The dental plan is also self-insured. The basis for estimating incurred but not reported (IBNR) claims at year-end is an annual analysis performed by the plan's administrator. The County also offers fully insured HMO and vision options to employees. The County expended \$50,191 for claims and administration in fiscal year 2021.

All the County's Self-Insurance plans also have excess reinsurance administered by a commercial insurance carrier. This is to prevent settlements from exceeding our insurance coverage at any time. In fiscal years 2021, 2020 and 2019, settlements did not exceed our insurance coverage in each of our Self-Insurance plans in each fiscal year.

All of the County's Self-Insurance plans also have excess reinsurance administered by a commercial insurance carrier. This is to prevent settlements from exceeding our insurance coverage at any time. In fiscal years 2021, 2020 and 2019, settlements did not exceed our insurance coverage in each of our Self-Insurance plans in each fiscal year.

Illustration 15-1 presents a reconciliation of the changes in the aggregate liabilities for claims for the current and prior fiscal years. These claims liabilities are included in accrued liabilities in the accompanying statement of fund net position (Exhibit 7 and Schedule 24).

**Illustration 15-1**  
**Prince William County Self-Insurance**  
**Other Self Insurance, Casualty Pool, Workers' Compensation Association and Health Insurance**  
**Changes in the Aggregate Liabilities for Claims**

	Other Self- Insurance	Casualty Pool	Workers' Compensation Association	Health Insurance*
Unpaid claims June 30, 2019	268	747	15,260	4,419
Total claims incurred, fiscal year 2020	-	659	4,015	46,033
Total claims paid, fiscal year 2020	(47)	(568)	(2,962)	(46,245)
Unpaid claims June 30, 2020	221	838	16,313	4,207
Total claims incurred, fiscal year 2021	-	452	3,761	45,945
Total claims paid, fiscal year 2021	(19)	(377)	(3,209)	(45,639)
Unpaid claims June 30, 2021	\$ 202	913	16,865	4,513

\*Health Insurance column excludes certain fully insured HMO, vision premiums, flexible spending benefits and retiree insurance credit expenses.

**NOTE (16) - INTERJURISDICTIONAL AGREEMENT**

The County has entered into a contractual agreement with Fairfax County for the purpose of exchanging solid waste. The agreement allows for the sharing of solid waste facilities between counties. Revenues and expenses generated by this agreement are recorded in the Landfill enterprise fund with billing for any balances to occur during the second half of the fiscal year or reconciliation at the end of the fiscal year. Neither party is obligated to make payment unless the funds have been appropriated. The agreement is cancelable by giving 120 days written notice. The amounts due from and due to Fairfax County are \$173 and \$0 respectively on June 30, 2021.

**NOTE (17) - RELATED ORGANIZATIONS**

**A. Industrial Development Authority of the County of Prince William, Virginia**

The Industrial Development Authority of the County of Prince William, Virginia (IDA) was established by the Board pursuant to Title 15.2, Chapter 49 of the Code of Virginia, commonly known as the Industrial Development and Revenue Bond Act of 1950, and later amended, and pursuant to Chapter 2, Article VI in the Code of the County of Prince William. The IDA is a separate and distinct legal entity from the County and considered a political subdivision of the Commonwealth governed by seven directors, who are appointed by the Board. The IDA is empowered, among other things, to acquire, construct, improve, maintain, equip, own, lease and dispose of parking and other facilities in the Commonwealth by encouraging other enterprises including institutions of higher education to relocate to the County and further the use of local agricultural products and natural resources.

The IDA does not have taxing authority to help finance such activities to facilitate the County's economic development initiatives. However, they can issue tax-exempt conduit debt with the approval of the County's Board, otherwise known as industrial development bonds, which is an alternative financing arrangement for outside enterprises. This type of bond is advantageous to outside enterprises because the bonds have lower issuance costs than other debt arrangements and extend to their buyers the federal and State tax-exempt status on interest earned. These bonds do not constitute indebtedness of the County or the Commonwealth and are secured solely by revenues received from the enterprises. The County has no financial responsibility for the day-to-day financial transactions for the IDA. More information about the IDA can be found at <https://www.pwcida.org/>.

**B. Service Authority**

The Prince William County Service Authority (Service Authority) was established under Title 15.1, Chapter 28 of the Code of Virginia, commonly known as the Virginia Water and Waste Authorities Act, and pursuant to an adopted resolution by the Board on January 11, 1983. It was chartered by the State Corporation Commission and is an independent public body responsible for providing a comprehensive county-wide water and sewer system. The daily management of the Service Authority is the responsibility of the General Manager, who is appointed by the Service Authority's eight-member Board, who are appointed by the County Board. The eight-members of the Service Authority's Board are appointed by the County Board. The Service Authority's Board is charged with carrying out the Service Authority's fiscal and management functions. Funds to finance operations and capital improvements are principally financed by user charges set by the Service Authority's Board and by issuing their own bonds. The Service Authority is an independent public body, who is solely responsible for all its outstanding debt.

Upon creation, the Service Authority assumed and manages the County’s interest in the Upper Occoquan Sewage Authority (UOSA), a regional joint venture, to supplement the County’s water and sewage capacity needs, especially as the County grows. In 1992, the County entered into a Service Agreement with the Service Authority for the Service Authority to assume and pay the County’s remaining debt service balance due to UOSA for an annual contribution that declined over a period of years until paid off in 2021. On December 11, 2012, the County and the Service Authority amended their agreement whereby the Service Authority assumed the County’s remaining debt service balance due to UOSA and established a non-cash credit for the benefit of the County of \$13,782, equal to the County’s previous payments to UOSA. The County may use this credit to purchase water and sewer availability, or any Service Authority asset offered for sale and will be reduced accordingly. The balance of the County’s unused portion of the credit on June 30, 2021, is \$11,119. More information about the Service Authority can be found at <https://www.pwcsa.org/>.

**C. Northern Virginia Criminal Justice Training Academy-Emergency Vehicle Operations Center**

The Northern Virginia Criminal Justice Training Academy (NVCJTA) was re-chartered by the Commonwealth of Virginia in 1997. It was originally established in 1965 as the Northern Virginia Police Academy. NVCJTA serves 17 participating law enforcement agencies in the Metropolitan DC area and partners with Fairfax County and Prince William County Criminal Justice Academies for operating and maintaining its Emergency Vehicle Operations Center (EVOC). In 2006, the County and some surrounding jurisdictions agreed to issue bonds to finance the construction and equip the EVOC. The County, specifically, agreed to pay up to 30% of the total debt service payments as well as a pro rata portion of operating and maintenance expenses as was approved by the Board of County Supervisors on September 6, 2005 via Resolution Number 05-770. The County has no role in managing the EVOC’s day-to-day operations. The EVOC was completed in 2012.

On September 24, 2015, NVCJTA issued by means of Loudoun County’s Industrial Development Authority the 2015 Private Placement Bonds in the amount of \$9,613 to advance refund the 2006 Series Revenue Bonds outstanding balance of \$11,990, with maturity date of June 1, 2026. In exchange for using the Center and taking advantage of the savings from refunding debt, the County agreed to pay \$3,800, a portion of the total debt service. The County Board commits funds during the general fund’s annual budget adoption process. The County paid its portion of the 2015 Series Bonds debt service payments of \$344 and \$153 for the County’s portion of operating expenses as of June 30, 2021. See Illustration 17-1 for future long-term obligations regarding County payments to cover the 2015 Series Bonds debt service.

<b>Illustration 17-1</b>		
<b>County’s Share of NVCJTA Debt Service Requirements</b>		
<b>Fiscal year Ending June 30:</b>		
2022	\$	337
2023		330
2024		323
2025		316
2026		292
<b>Total</b>	<b>\$</b>	<b>1,598</b>

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

**D. Northern Virginia Transportation Authority**

The Northern Virginia Transportation Authority (NVTa) was established under Title 33.2, Chapter 25 of the Code of Virginia, commonly known as the Northern Virginia Transportation Authority Act. NVTa embraces the Counties of Arlington, Fairfax, Loudoun and Prince William, and the Cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park and is governed by a Board of seventeen members from the participating jurisdictions serving 1-year terms. It is a regional body that is focused on delivering real transportation solutions and value for Northern Virginia’s transportation dollars by bringing Northern Virginia jurisdictions and agencies together to prioritize projects and implement solutions. NVTa has a technical advisory committee to provide recommendations on the development of transportation projects, funding strategies and other matters.

Effective July 1, 2013 authorized by House Bill 2313 passed by the Virginia General Assembly on April 3, 2013, the State retail sales and use tax increased from 5.0% to 6.0% in the Northern Virginia region. 0.3% of the 1.0% increase are earmarked revenues to be deposited in the State Highway Maintenance Operating Fund. However, the remaining 0.7% increase, the 2.0% transient occupancy tax, and fee on grantors of real property equal to \$0.15 per \$100 of real property sold by such persons in the Northern Virginia area are deposited with NVTa and used for transportation projects within Northern Virginia. The bill and Memorandum of Understanding with the jurisdictions, further states that 30% of these revenues are to be distributed to the participating jurisdictions on a pro rata basis for local

transportation projects and 70% to be used for regional transportation projects after making debt service payments to be used at NVTA's discretion. NVTA is a separate legal entity from the County and is solely responsible for its own operations and debt. More information about NVTA can be found at <https://thenovaaauthority.org/>.

**NOTE (18) - JOINT VENTURES**

**A. Potomac and Rappahannock Transportation Commission**

The Potomac and Rappahannock Transportation Commission (PRTC), was created in fiscal year 1987 to levy a 2% Motor Fuel Tax authorized by the Commonwealth. The PRTC is a joint venture of the contiguous jurisdictions of Prince William and Stafford Counties and the Cities of Manassas, Manassas Park, and Fredericksburg and was established to improve transportation systems, composed of transit facilities, public highways and other modes of transport. While each jurisdiction effectively controls PRTC's use of Motor Fuel Tax proceeds from that jurisdiction, they do not have an explicit, measurable equity interest in PRTC. More information about PRTC can be found at <https://www.omninde.com>.

The PRTC's governing structure consists of a seventeen-member board of commissioners that includes thirteen locally elected officials from the six-member jurisdictions, three appointed commissioners from the General Assembly and one ex-officio representative representing from the Virginia Department of Rail and Public Transportation (VDRPT).

On December 16, 1997, the PRTC issued \$7,445 in Transportation Facilities Lease Revenue Refunding Bonds, Series 1997. The 1997 Bonds were issued to refinance certain of PRTC's outstanding indebtedness, originally incurred to finance the costs of the acquisition, design and construction of transportation facilities. The 1997 Bonds are limited obligations of PRTC payable solely from and secured by a pledge of (1) prior to March 1, 2000, a refunding escrow account, and (2) on and after March 1, 2000, (a) the County's portion of fuel tax revenues, (b) payments by the County to PRTC pursuant to the lease, subject to appropriation, and (c) certain funds and accounts established by indenture, including a debt service reserve fund. More information about PRTC can be found at: <https://www.omninde.com>.

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

**NOTE (19) - COMMITMENTS AND CONTINGENCIES**

**Legal Matters**

The County is liable with respect to lawsuits and other claims that arise in the ordinary course of business and in most cases, the outcome of these matters is not currently estimable. However, it is the opinion of the County that these matters will not have a material adverse effect on the County's financial position.

**Virginia Railway Express**

In May 2005, NVTC and PRTC entered a capitalized lease obligation on behalf of VRE in the amount of \$25,100 for the acquisition of 11 cab cars. As of June 30, 2021, the outstanding balance on the capitalized lease was approximately \$6,985.

In fiscal year 2008, VRE entered into an agreement with the Federal Railroad Administration for a loan of up to \$72.5 million to purchase 50 Gallery railcars. In fiscal year 2009, the terms were amended to include ten additional Gallery railcars. A series of sixteen promissory notes were originally authorized and during fiscal year 2012 the balance on the individual notes were combined into a consolidated note. The note was secured by the revenues of VRE and the railcars. In fiscal year 2018, VRE entered into a financing agreement with the Virginia Resources Authority (VRA) for the purposes of refunding the FRA consolidated promissory note and reducing VRE's debt service costs. As required by the authorizing resolutions of the Commissions and jurisdictions, the VRA refunding loan did not extend the term of the original borrowing and achieved net present value debt service savings of not less than three percent. The FRA note was refunded in full from the proceeds from the VRA financing, and VRE has pledged its revenues to the repayment of the principal, premium, and interest on the local bond purchased by VRA. The VRA Bond payable amount on June 30, 2021, was \$39,770.

The County, through its membership in the PRTC, has joined with other jurisdictions through a Master Agreement to bear certain costs associated with operating and ensuring the rail service as well as servicing the debt issued by NVTC. The Master Agreement requires that the County's governmental officers charged with preparing its annual budget include an amount equal to its share of the costs of the VRE. Each jurisdiction's share is determined by a formula set out in the Master Agreement. It is estimated the County's share of this cost will be approximately \$5,931 annually and will be provided by a direct transfer of funding in the Northern Virginia Transportation Authority (NVTA) 30% funds to the VRE. More information about VRE can be found at <https://www.vre.org>.

## **Other Matters**

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) outbreak as a global pandemic, and new variants of COVID-19 continue to spread throughout the United States and world today. The continued adverse impacts on the national and global economies, supply chain disruptions, economic downturn, disruption of many industries, and continued volatility and decline in national and global financial markets still hinder the economic recovery and community outreach still needed to respond to the pandemic. Local governments, like the County, are continuing to respond to the pandemic and longest lasting emergency in new ways to support our communities and residents during continued challenging times through the use of the remaining Coronavirus Aid, Relief, and Economic Security (CARES) Act funds and the beginning of the American Rescue Plan Act of 2021 (ARPA) funds. The pandemic still potentially could have a material, adverse impact on economic and market conditions. Although it is not possible to reliably estimate the length and severity of the pandemic or the financial impact to the County now and in the future, the County is navigating the emergency by utilizing existing County policies and processes as well as adhering to its Principles of Sound Financial Management and leveraging our past experience with laws and regulations around the use of federal funds.

### **NOTE (20) – SUBSEQUENT EVENTS**

#### **Land Donation:**

On September 7, 2021, the Board of County Supervisors approved Resolution No. 21-476 accepting and authorizing the execution of a deed of dedication and gift from The Villages at Rippon Landing Homeowner’s Association, Inc. for the conveyance of 56.442 acres of land on two parcels at 15601 and 15535 Blackburn Road for inclusion into Neabsco Regional Park.

#### **Land Purchases:**

On November 9, 2021, the Board of County Supervisors approved Resolution No. 21-613 authorizing the purchase of approximately 2 acres of land at 16117 John Marshall Highway for \$300,000. Settlement occurred in November 2021.

On December 7, 2021, the Board of County Supervisors approved Resolution No. 21-658 authorizing the purchase of 2.24 acres of land at 16205, 16141, 16151, and 16133 John Marshall Highway for \$1,825,000. Settlement occurred in January 2022.

On December 14, 2021, the Board of County Supervisors approved Resolution No. 21-683 authorizing the purchase of approximately 54.6 acres of land at 14202 Van Doren Road for \$2,900,000. The County anticipates settlement by December 2021.

#### **Land Sales:**

On July 13, 2021, the Board of County Supervisors approved Resolution No. 21-405 authorizing the sale of approximately 10 acres of County-owned property located at 13600 Carriage Ford Road for a sales price of \$901,000. Settlement occurred in November 2021.

#### **Bonds:**

On October 21, 2021, the County sold the VPSA Special Obligation School Financing Bonds, Series 2021A, in the par amount of \$58,855 with a true interest cost of 1.67%. The sale of the bonds was approved by the Board on October 12, 2021, by Resolution No. 21-549. The proceeds of the bonds provided funds for construction and cost of issuance for various capital school improvement projects.

#### **Policy Updates:**

On February 15, 2022, the Board of County Supervisors approved the amendment of the County’s Procurement Regulations to be consistent with section 2.2-4303 of the Code of Virginia, Virginia Public Procurement Act, as amended under Resolution No. 22-098.

#### **Changes in Executive Leadership:**

On December 31, 2021, Mr. Christopher E. Martino, the previous County Executive, retired after 26 years of service with the County. On January 1, 2022, the Board appointed Mr. Elijah T. Johnson, one of the County’s Deputy County Executives, as Acting County Executive. The Board also commenced a nationwide search for a permanent County Executive. Under Mr. Johnson’s leadership, the County will continue to adhere to existing County policies and procedures and follow the Board’s Principles of Sound Financial Management to support its daily operations.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(UNAUDITED)**

COUNTY OF PRINCE WILLIAM, VIRGINIA  
GENERAL FUND

Schedule 1

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual  
(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

Page 1 of 5

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>BUDGETARY REVENUES:</b>				
FROM LOCAL SOURCES:				
GENERAL PROPERTY TAXES:				
Real property taxes	\$ 699,108	699,108	706,310	7,202
Real and personal property taxes of public service corporations	21,454	21,454	21,002	(452)
Personal property taxes	218,206	163,918	167,878	3,960
Penalties and interest	8,191	8,191	7,846	(345)
Total general property taxes	946,959	892,671	903,036	10,365
OTHER LOCAL TAXES:				
Short term rental taxes	519	519	885	366
Local sales taxes	65,130	65,130	80,140	15,010
Consumer's utility taxes	14,700	14,700	13,266	(1,434)
Bank stock taxes	2,300	2,300	2,571	271
Motor vehicle license taxes	12,840	12,840	12,550	(290)
Recordation taxes	9,930	9,930	20,067	10,137
Business, professional and occupational license taxes	24,375	24,375	29,882	5,507
Public utility gross receipts taxes	1,515	1,515	1,757	242
Transient occupancy taxes	2,800	2,800	2,926	126
Total other local taxes	134,109	134,109	164,044	29,935
PERMITS, PRIVILEGE FEES AND REGULATORY LICENSES:				
Animal licenses	141	246	212	(34)
Fire protection permits	1,296	141	142	1
Health protection permits	176	176	175	(1)
Cable franchise fees	1,296	1,296	1,117	(179)
Permits and other licenses	71	71	114	43
Total permits, privilege fees and regulatory licenses	2,980	1,930	1,760	(170)
FINES AND FORFEITURES:				
	3,421	3,421	1,788	(1,633)
FROM USE OF MONEY AND PROPERTY:				
Use of money	7,942	7,477	8,782	1,305
Use of property	982	982	1,083	101
Total revenues from use of money and property	8,924	8,459	9,865	1,406
CHARGES FOR SERVICES:				
Court costs	1,969	1,969	2,116	147
Correction and detention	1,101	1,101	316	(785)
Commonwealth's Attorney	-	-	17	17
Parks and recreation	8,548	8,548	2,598	(5,950)
Mental health and developmental disabilities	740	740	882	142
Welfare and social services	193	193	24	(169)
Library	589	589	118	(471)
Public safety	1,022	1,022	598	(424)
Facilities and fleet management	179	179	75	(104)
Other charges	299	299	413	114
Total charges for services	14,640	14,640	7,157	(7,483)
Total revenues from local sources	1,111,033	1,055,230	1,087,650	32,420

COUNTY OF PRINCE WILLIAM, VIRGINIA  
GENERAL FUND

Schedule 1

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual  
(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

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For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>THE FEDERAL GOVERNMENT:</b>				
Payments in lieu of taxes	75	75	68	(7)
Categorical aid grants:				
Aging programs	1,333	1,845	1,176	(669)
United States Department of Agriculture	110	110	41	(69)
Welfare programs	14,922	18,328	17,393	(935)
Mental health, developmental disabilities and substance abuse programs	2,891	3,336	2,229	(1,107)
Homeland Security grants	262	4,629	1,311	(3,318)
Other	49	597	2,442	1,845
Total revenues from the federal government	19,642	28,920	24,660	(4,260)
<b>THE COMMONWEALTH:</b>				
<b>NONCATEGORICAL AID:</b>				
Personal property tax relief act	-	54,288	54,288	-
Communications sales and use taxes	15,780	15,780	14,672	(1,108)
Anti-Annexation public safety	9,835	9,835	10,661	826
Mobile home taxes	44	44	28	(16)
Rental car taxes	985	985	1,204	219
Rolling stock taxes	93	93	93	-
Total noncategorical aid	26,737	81,025	80,946	(79)
<b>SHARED EXPENDITURES:</b>				
Commonwealth's Attorney	1,744	1,744	1,999	255
Sheriff	1,889	1,889	1,902	13
Director of Finance	736	736	721	(15)
Registrar	92	92	92	-
Clerk of the Court	1,788	1,902	1,925	23
Total shared expenditures	6,249	6,363	6,639	276
<b>CATEGORICAL AID:</b>				
Public safety	1,715	2,067	2,134	67
Fire programs	1,635	1,698	1,955	257
Library	498	522	278	(244)
Public assistance and welfare administration	25,439	25,888	18,250	(7,638)
Public health	303	303	515	212
Total categorical aid	29,590	30,478	23,132	(7,346)
<b>OTHER CATEGORICAL AID:</b>				
Aging program	461	479	453	(26)
Community services	19,953	20,234	18,332	(1,902)
Juvenile detention	2,328	2,368	2,305	(63)
Criminal justice services	1,029	1,029	1,083	54
Police extraditions	30	30	11	(19)
Sheriff extraditions	25	25	6	(19)
Victim / witness program	-	-	95	95
Other	217	243	451	208
Total other categorical aid	24,043	24,408	22,736	(1,672)
Total revenues from the Commonwealth	86,619	142,274	133,453	(8,821)
<b>LOCAL GOVERNMENTS:</b>				
City of Manassas	5,321	5,321	5,624	303
City of Manassas Park	1,710	1,710	1,604	(106)
Total revenues from local governments	7,031	7,031	7,228	197



COUNTY OF PRINCE WILLIAM, VIRGINIA  
GENERAL FUND

Schedule 1  
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Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual  
(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)  
For the Fiscal Year Ended June 30, 2021  
(amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>MISCELLANEOUS:</b>				
Expenditure refunds	831	831	685	(146)
Donations - Proffers	915	24,100	26,677	2,577
Donations - Other	180	1,010	445	(565)
Other	330	526	1,308	782
Total miscellaneous revenues	2,256	26,467	29,115	2,648
Total budgetary revenues	1,226,581	1,259,922	1,282,106	22,184
<b>BUDGETARY EXPENDITURES:</b>				
<b>GENERAL GOVERNMENTAL ADMINISTRATION:</b>				
Board of County Supervisors	4,009	4,094	3,559	535
County Attorney	4,069	3,899	3,855	44
Executive Management	12,501	9,434	9,434	-
Finance	22,706	23,697	23,124	573
Audit Services	815	800	800	-
Human Rights	842	851	790	61
Board of Registration / Elections	3,570	3,811	3,317	494
Mailroom and Print Shop	31	32	4	28
Facility and Fleet Management	29,501	30,206	29,863	343
Contingency reserve	3,100	49	-	49
Total general governmental administration	81,144	76,873	74,746	2,127
<b>JUDICIAL ADMINISTRATION:</b>				
Commonwealth's Attorney	6,664	6,816	6,816	-
Sheriff	12,967	13,821	13,857	(36)
Juvenile and Domestic Relations Court	250	257	249	8
Clerk of Court / Judges Chambers	5,475	5,918	5,725	193
General District Court	763	738	526	212
Magistrates	114	118	117	1
Total judicial administration	26,233	27,668	27,290	378
<b>PUBLIC SAFETY:</b>				
Public Works - Development	2,423	2,482	2,475	7
Police	112,934	117,153	117,153	-
Juvenile Court Services Unit	1,080	1,069	997	72
Adult Detention Center	31,818	32,562	32,038	524
Correction and detention of youth	7,940	7,925	7,069	856
Criminal Justice Services	5,068	5,336	5,036	300
Public Safety Communications	13,007	12,934	12,563	371
Fire and Rescue	103,421	111,728	106,876	4,852
Northern Virginia Criminal Justice Training Academy	345	345	345	-
Total public safety	278,036	291,534	284,552	6,982
<b>PUBLIC WORKS:</b>				
Public Works	2,319	2,748	2,748	-
Transportation	3,027	3,317	3,336	(19)
Property and Miscellaneous Insurance	7,627	1,281	907	374
Total public works	12,973	7,346	6,991	355

COUNTY OF PRINCE WILLIAM, VIRGINIA  
GENERAL FUND

Schedule 1

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual  
(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

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For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>HEALTH AND WELFARE:</b>				
Social Services	64,120	66,817	59,798	7,019
Public Health	3,786	3,760	3,652	108
Community Services Board	52,890	53,167	49,131	4,036
Aging	7,528	8,503	7,507	996
Total health and welfare	128,324	132,247	120,088	12,159
<b>EDUCATION:</b>				
Schools	629,310	538,931	538,926	5
<b>PARKS, RECREATIONAL AND CULTURAL:</b>				
Parks and recreation	36,129	38,386	32,439	5,947
Library	19,261	19,251	17,946	1,305
Total parks, recreational and cultural	55,390	57,637	50,385	7,252
<b>COMMUNITY DEVELOPMENT:</b>				
Planning	4,040	4,611	4,544	67
Economic and community development	7,120	8,016	7,350	666
Extension and continuing education	1,019	1,161	1,132	29
Total community development	12,179	13,788	13,026	762
<b>DEBT SERVICE:</b>				
Principal retirement	24,920	101,010	101,010	-
Interest and other debt costs	14,416	46,886	45,426	1,460
Total debt service	39,336	147,896	146,436	1,460
Total budgetary expenditures	1,262,925	1,293,920	1,262,440	31,480
Excess / (deficiency) of budgetary revenues over / (under) expenditures	(36,344)	(33,998)	19,666	53,664
<b>OTHER FINANCING SOURCES / (USES):</b>				
<b>TRANSFERS IN FROM:</b>				
Fire & rescue levy fund	27,340	27,340	27,340	-
Special revenue funds	8,105	8,331	8,257	(74)
Capital projects funds	273	13,335	13,335	-
Enterprise funds	2,302	2,302	2,302	-
Internal service funds	2,000	2,000	2,000	-
Total transfers in	40,020	53,308	53,234	(74)
<b>TRANSFERS OUT TO:</b>				
Special revenue funds	(5,113)	(5,425)	(5,425)	-
Capital projects funds	(58)	(21,253)	(21,253)	-
Enterprise funds	(1,717)	(1,717)	(1,717)	-
Internal service funds	-	(80)	(80)	-
Total transfers out	(6,888)	(28,475)	(28,475)	-
<b>NON-REVENUE RECEIPTS:</b>				
Insurance claims and recoveries	-	-	18	18
Sale of surplus property	320	320	247	(73)
Total non-revenue receipts	320	320	265	(55)
Total other financing sources	33,452	25,153	25,024	(129)
Net change in budgetary fund balance	(2,892)	(8,845)	44,690	53,535
<b>BUDGETARY FUND BALANCE, beginning of year</b>	225,262	225,262	225,262	-
Restatement of fund balance (Footnote 1R)	-	-	594	594
<b>BUDGETARY FUND BALANCE, end of year</b>	\$ 222,370	216,417	270,546	54,129

COUNTY OF PRINCE WILLIAM, VIRGINIA  
GENERAL FUND

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual  
(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)  
For the Fiscal Year Ended June 30, 2021  
(amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Reconciliation of Budgetary Basis to GAAP Basis:</b>				
From use of money and property (Schedule 1)	\$ 8,924	8,459	9,865	1,406
Current year fair value adjustment	-	-	(9,850)	(9,850)
From use of money and property (Exhibit 5)	8,924	8,459	15	(8,444)
Cumulative fair value adjustments of prior periods	-	-	3,770	3,770
<b>BUDGETARY FUND BALANCE, end of year</b>	222,370	216,417	270,546	54,129
Total adjustments	-	-	(6,080)	(6,080)
<b>FUND BALANCE, end of year</b>	\$ 222,370	216,417	264,466	48,049

COUNTY OF PRINCE WILLIAM, VIRGINIA  
SPECIAL REVENUE FUND - Fire & Rescue Levy

Schedule 2

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual  
(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2021  
(amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>BUDGETARY REVENUES:</b>				
General property taxes	\$ 51,675	51,675	52,448	773
From use of money and property	381	381	532	151
Miscellaneous	381	-	227	227
Total budgetary revenues	52,437	52,056	53,207	1,151
<b>BUDGETARY EXPENDITURES:</b>				
Public Safety - Fire & Rescue	29,658	30,690	25,478	5,212
Total budgetary expenditures	29,658	30,690	25,478	5,212
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out to:				
General fund	(27,340)	(27,340)	(27,340)	-
Internal service funds	(98)	(98)	(98)	-
Sales of surplus property	-	-	1,648	1,648
Total other financing sources / (uses)	(27,438)	(27,438)	(25,790)	1,648
Net change in budgetary fund balance	(4,659)	(6,072)	1,939	8,011
<b>BUDGETARY FUND BALANCE, beginning of year</b>	40,420	40,420	40,420	-
<b>BUDGETARY FUND BALANCE, end of year</b>	\$ 35,761	34,348	42,359	8,011
<b>Reconciliation of Budgetary Basis to GAAP Basis:</b>				
From use of money and property (Schedule 2)	\$ 381	381	532	151
Current year fair value adjustment	-	-	(656)	(656)
From use of money and property (Exhibit 5)	381	381	(124)	(505)
Cumulative fair value adjustments of prior periods	-	-	(521)	(521)
<b>BUDGETARY FUND BALANCE, end of year</b>	35,761	34,348	42,359	8,011
Total adjustments	-	-	(1,177)	(1,177)
<b>FUND BALANCE, end of year</b>	\$ 35,761	34,348	41,182	6,834

COUNTY OF PRINCE WILLIAM, VIRGINIA  
SPECIAL REVENUE FUND - COVID-19 Response

Schedule 3

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual  
(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2021  
(amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With Final Budget
	Original	Final		Favorable (Unfavorable)
<b>BUDGETARY REVENUES:</b>				
From use of money and property	\$ -	-	340	340
Intergovernmental revenues:				
Federal	-	43,759	75,111	31,352
Total budgetary revenues	-	43,759	75,451	31,692
<b>BUDGETARY EXPENDITURES:</b>				
General government administration	-	3,463	3,463	-
Public safety	-	24,282	18,058	6,224
Health and welfare	-	11,165	10,641	524
Education	-	28,240	28,240	-
Parks, Recreation and cultural	-	-	150	(150)
Community development	-	15,573	14,591	982
Total budgetary expenditures	-	82,723	75,143	7,580
Net change in budgetary fund balance	-	(38,964)	308	39,272
<b>BUDGETARY FUND BALANCE, beginning of year</b>	1	1	1	-
<b>BUDGETARY FUND BALANCE, end of year</b>	\$ 1	(38,963)	309	39,272
<b>Reconciliation of Budgetary Basis to GAAP Basis:</b>				
From use of money and property (Schedule 3)	\$ -	-	340	340
Current year fair value adjustment	-	-	(194)	(194)
From use of money and property (Exhibit 5)	-	-	146	146
Cumulative fair value adjustments of prior periods	-	-	1	1
<b>BUDGETARY FUND BALANCE, end of year</b>	1	(38,963)	309	39,272
Total adjustments	-	-	(193)	(193)
<b>FUND BALANCE, end of year</b>	\$ 1	(38,963)	116	39,079

COUNTY OF PRINCE WILLIAM, VIRGINIA  
**Changes in Net Pension Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands, except percentages and years)

Schedule 4A

Virginia Retirement System - All Plans										
Changes in the County's Net Pension Liability and Related Ratios - Last 10 Fiscal Years										
Fiscal Year	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<i>Information for FY 2013 and earlier is not available.</i>										
Total pension liability										
Service cost	\$ 39,422	35,162	33,491	30,983	29,376	28,708	28,205			
Interest	92,310	88,053	84,034	78,978	75,010	71,222	67,389			
Changes of benefit terms	-	-	-	21,630	-	-	-			
Differences between expected and actual experience	33,766	7,503	(2,509)	2,494	1,128	(757)	-			
Changes of assumptions	-	40,798	-	(8,860)	-	-	-			
Benefit payments including refunds of member contributions	(63,844)	(59,907)	(55,297)	(50,666)	(47,001)	(43,108)	(38,578)			
Net change in total pension liability	101,654	111,609	59,719	74,559	58,513	56,065	57,016			
Total pension liability - beginning	1,399,469	1,287,860	1,228,141	1,153,582	1,095,069	1,039,004	981,988			
Total pension liability - ending (a)	\$ 1,501,123	1,399,469	1,287,860	1,228,141	1,153,582	1,095,069	1,039,004			
Plan fiduciary net position										
Contributions - employer	\$ 38,018	35,323	32,552	30,826	32,010	30,571	30,488			
Contributions - member	15,122	13,922	13,721	12,645	12,336	11,628	11,385			
Net investment income	22,732	75,210	78,483	116,130	16,623	41,324	122,481			
Benefit payments, including refunds of member contributions	(63,844)	(59,907)	(55,297)	(50,666)	(47,001)	(43,108)	(38,578)			
Administrative expense	(770)	(736)	(671)	(665)	(579)	(558)	(651)			
Other	(28)	(47)	(72)	(104)	(8)	(8)	7			
Net change in plan fiduciary net position	11,230	63,765	68,716	108,166	13,381	39,849	125,132			
Plan fiduciary net position - beginning	1,191,921	1,128,156	1,059,440	951,274	937,893	898,044	772,912			
Plan fiduciary net position - ending (b)	\$ 1,203,151	1,191,921	1,128,156	1,059,440	951,274	937,893	898,044			
County's net pension liability - ending (a)-(b)	\$ 297,972	207,548	159,704	168,701	202,308	157,176	140,960			
Plan fiduciary net position as a percentage of the total pension liability (b)/(a)	80.15%	85.17%	87.60%	86.26%	82.46%	85.65%	86.43%			
Covered payroll	\$ 306,566	280,007	271,552	255,547	242,735	242,757	230,499			
County's net pension liability as a percentage of covered payroll	97.20%	74.12%	58.81%	66.02%	83.35%	64.75%	61.15%			
Expected average remaining service years of all participants	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
See Note 13 Illustration 13-7 for expected arithmetic nominal rate of return	7.14%	7.63%	7.63%	12.21%	1.77%	4.60%	15.85%			

**Notes to Schedule:**

Projected benefit payments. Calculations assume that the County will continue to make all required actuarially determined contributions. Based on that assumption, the plan's fiduciary net position is expected to make all future benefit payments of current plan members.

Changes of benefit terms. There have been no actuarially material changes to the Plan's benefit provisions since the prior actuarial valuation.

*Changes of assumptions. The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the Plan for the four-year period ending June 30, 2016:*

**General Employees:**

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

**Public Safety Employees with Hazardous Duty Benefits:**

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience
Disability Rates	Increased rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 60% to 70%
Discount Rate	Decrease rate from 7.00% to 6.75%

COUNTY OF PRINCE WILLIAM, VIRGINIA  
**Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands, except percentages, ratios and years)

Schedule 4B

<b>Virginia Retirement System - All Plans</b>										
<b>Schedule of County Contributions - Last 10 Fiscal Years</b>										
Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	<i>Information for FY 2013 and earlier is not available.</i>									
Actuarially determined contribution	\$ 45,001	38,018	35,323	32,552	30,826	32,010	30,571	30,488		
Contributions in relation to the actuarially determined contribution	45,001	38,018	35,323	32,552	30,826	32,010	30,571	30,488		
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-		
Covered payroll	\$ 320,018	306,566	280,007	265,226	255,547	242,735	242,757	230,499		
Contributions as a percentage of covered payroll <sup>1</sup>	14.06%	12.40%	12.62%	12.27%	12.06%	13.19%	12.59%	13.23%		

<sup>1</sup> Contribution rates are set and contributed based on pensionable earnings only.

**Notes to Schedule:**

Actuarially determined contribution rates are calculated as of the beginning of the fiscal year (July 1) for the two years immediately following the fiscal year. Actuarial valuations are performed every year.

*Methods and assumptions used in calculations of actuarially determined contributions:*

Actuarial cost method	Entry Age
Amortization method	Level percent of pay, closed
Remaining amortization period	16-25 years
Asset valuation method	5-year smoothed fair value
Investment rate of return	6.75%
Salary increases	3.50% - 5.35%
Inflation	2.50%
Cost-of-living adjustments	2.25% - 2.50%

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

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages and years)

<b>Prince William County Supplemental Plan for Police Officers and Uniformed Fire and Rescue Personnel (Supplemental Pension Plan)</b>										
<b>Changes in the County's Net Pension (Asset) Liability and Related Ratios - Last 10 Fiscal Years</b>										
Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<i>Information for FY 2013 and earlier is not available.</i>										
Total pension liability										
Service cost	\$ 2,782	2,701	2,043	2,005	1,946	1,747	1,747	1,602		
Interest	2,863	2,664	2,631	2,478	2,417	2,301	2,260	2,118		
Changes of benefit terms	-	-	-	-	-	-	-	238		
Differences between expected and actual experience	-	(469)	(281)	-	(1,070)	-	(1,365)	-		
Changes of assumptions	-	694	-	-	-	-	-	-		
Benefit payments, including refunds of member contributions	(2,509)	(2,778)	(2,248)	(2,294)	(2,591)	(2,149)	(1,980)	(1,905)		
Net change in total pension liability	3,136	2,812	2,145	2,189	702	1,899	662	2,053		
Total pension liability - beginning	43,674	40,862	38,717	36,528	35,826	33,927	33,265	31,212		
Total pension liability - ending (a)	\$ 46,810	43,674	40,862	38,717	36,528	35,826	33,927	33,265		
Plan fiduciary net position										
Contributions - employer	\$ 2,030	1,921	1,372	1,294	1,199	1,137	1,083	1,007		
Contributions - member	2,030	1,921	1,372	1,294	1,199	1,137	1,083	1,007		
Net investment income	10,951	812	1,924	2,469	3,905	119	(339)	4,438		
Benefit payments, including refunds of member contributions	(2,509)	(2,779)	(2,247)	(2,294)	(2,591)	(2,148)	(1,980)	(1,905)		
Administrative expense	(182)	(143)	(71)	(90)	(93)	(116)	(83)	(109)		
Other	-	-	-	-	-	-	-	-		
Net change in plan fiduciary net position	12,320	1,732	2,350	2,673	3,619	129	(236)	4,438		
Plan fiduciary net position - beginning	43,411	41,679	39,329	36,656	33,037	32,908	33,144	28,706		
Plan fiduciary net position - ending (b)	\$ 55,731	43,411	41,679	39,329	36,656	33,037	32,908	33,144		
County's net pension (asset) liability - ending (a)-(b)	\$ (8,921)	263	(817)	(612)	(128)	2,789	1,019	121		
Plan fiduciary net position as a percentage of the total pension (asset) liability (b)/(a)	119.06%	99.40%	102.00%	101.58%	100.35%	92.22%	97.00%	99.64%		
Covered payroll	\$ 140,944	133,390	95,289	89,833	83,241	78,968	75,229	73,505		
County's net pension (asset) liability as a percentage of covered payroll	-6.33%	0.20%	-0.86%	-0.68%	-0.15%	3.53%	1.35%	0.16%		
Expected average remaining service years of all participants	7	7	7	7	7	8	8	8		
Annual money-weighted rate of return	25.90%	1.87%	4.88%	6.80%	11.75%	-0.03%	-1.12%	15.73%		

**Notes to Schedule:**

Changes of benefit terms. There have been no changes in benefit terms.

Changes of assumptions. The rate of investment return decreased from 7.00% to 6.75%. Sworn and uniformed Sheriff's Office and sworn Adult Detention Center personnel were added effective July 1, 2019.

Projected benefit payments. Calculations assume that the County will continue to make all required actuarially determined contributions. Based on that assumption, the plan's fiduciary net position is expected to make all future benefit payments of current plan members.



Prince William County Supplemental Plan for Police Officers and Uniformed Fire and Rescue Personnel (Supplemental Pension Plan)											
Schedule of County Contributions - Last 10 Fiscal Years											
Fiscal Year		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
											<i>Information for FY 2013 and earlier is not available.</i>
Actuarially determined contribution	\$	1,593	1,534	1,096	1,087	1,007	1,137	1,083	1,058		
Contributions in relation to the actuarially determined contribution		2,030	1,921	1,372	1,294	1,199	1,137	1,083	1,007		
Contribution deficiency (excess)	\$	(437)	(387)	(276)	(207)	(192)	-	-	51		
Covered payroll	\$	140,944	133,390	95,289	89,833	83,241	78,968	75,229	73,505		
Contributions as a percentage of covered payroll <sup>1</sup>		1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.37%		

<sup>1</sup> The rates shown are as a percentage of pensionable covered payroll. Contribution rates are set and contributed based on pensionable earnings only. These amounts were recalculated for prior fiscal years to pensionable earnings per GASB 67.

**Notes to Schedule:**

Valuation date. Actuarially determined contribution rates are calculated as of the beginning of the fiscal year (July 1) for the two years immediately following the fiscal year. Actuarial valuations are performed every other year.

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Aggregate
Amortization method	Aggregate
Remaining amortization period	The benefits are funded as a level percent of payroll over the expected future working lifetime of current active participants
Asset valuation method	5-year smoothed market
Inflation	3.00%
Salary increases	4.50%, including inflation
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Retirement age	Rates vary by participant age and service
Mortality	RP-2000 Combined Healthy Table with Blue Collar adjustment with generational projection by scale AA. 20% of active participant deaths are assumed to be line-of-duty.

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

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages and years)

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

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

Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<i>Information for FY 2013 and earlier is not available.</i>										
Total pension liability										
Service cost	\$ 432	429	522	235	252	286	290	308		
Interest	854	839	838	958	930	911	885	821		
Differences between expected and actual experience	39	(202)	(335)	(168)	(291)	(471)	(392)	-		
Changes of assumptions	(20)	(80)	(330)	11,019	22	70	-	-		
Benefit payments, including refunds of member contributions	(567)	(489)	(505)	(447)	(397)	(362)	(345)	(338)		
Net change in total pension liability	738	497	190	11,597	516	434	438	791		
Total pension liability - beginning	28,323	27,826	27,636	16,039	15,523	15,089	14,651	13,860		
Total pension liability - ending (a)	\$ 29,061	28,323	27,826	27,636	16,039	15,523	15,089	14,651		
Plan fiduciary net position										
Contributions - employer	\$ 1,536	1,156	941	798	811	853	940	2,115		
Net investment income	547	517	488	463	428	409	372	354		
Benefit payments, including refunds of member contributions	(567)	(489)	(505)	(447)	(397)	(362)	(345)	(338)		
Administrative expense	(155)	(79)	(46)	(54)	(62)	(37)	(34)	(61)		
Other	-	-	-	-	-	-	-	-		
Net change in plan fiduciary net position	1,361	1,105	878	760	780	863	933	2,070		
Plan fiduciary net position - beginning	18,155	17,050	16,172	15,412	14,632	13,769	12,836	10,766		
Plan fiduciary net position - ending (b)	\$ 19,516	18,155	17,050	16,172	15,412	14,632	13,769	12,836		
County's net pension liability - ending (a)-(b)	\$ 9,545	10,168	10,776	11,464	627	891	1,320	1,815		
Plan fiduciary net position as a percentage of the total pension liability (b)/(a)	67.16%	64.10%	61.27%	58.52%	96.09%	94.26%	91.25%	87.61%		
County's net pension liability as a percentage of covered payroll*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Expected average remaining service years of all participants	1.13	1.32	2.11	2.41	2.60	2.97	3.39	N/A		
Annual money-weighted rate of return	3.00%	3.00%	2.98%	3.00%	2.94%	2.95%	2.90%	2.95%		

Notes to Schedule:

Changes of benefit terms. There have been no changes in benefit terms.

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

Projected benefit payments. Calculations assume that the County will continue to make all required actuarially determined contributions.

Based on that assumption, the plan's fiduciary net position is expected to make all future benefit payments of current plan members.

\* All volunteer fire and rescue personnel are not compensated.

COUNTY OF PRINCE WILLIAM, VIRGINIA  
**Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands, except percentages, ratios and years)

Schedule 6B

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

Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	<i>Information for FY 2013 and earlier is not available.</i>									
Actuarially determined contribution	\$ 1,536	1,156	941	798	811	853	940	2,115		
Contributions in relation to the actuarially determined contribution	1,536	1,156	941	798	811	853	940	2,115		
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule:**

Valuation date. Actuarially determined contribution rates are calculated as of the beginning of each fiscal year (July 1)  
 Actuarial valuations are performed every year

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Prior to 7/1/2018, Aggregate, Level Dollar; Starting with 7/1/2018, Entry Age Normal, Level Dollar
Amortization method	Level dollar amortization
Remaining amortization period	Level Dollar over the expected working lifetime of current active participants
Asset valuation method	Fair value
Inflation	Not Applicable
Salary increases	Not Applicable to Volunteers
Investment rate of return	3.00%
Retirement age	Low to Medium Rates between Ages 60 and 69; 100% at age 70
Mortality	Society of Actuaries Public Safety (Above-Median Income) Mortality Table adjusted by Scale MP-2019

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

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages and years)

**Virginia Retirement System - Group Life Insurance Program (GLI)**  
**Changes in the County's Proportionate Share of Net OPEB Liability and Related Ratios - Last 10 Fiscal Years**

Fiscal Year	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
	<i>Information for FY 2016 and earlier is not available.</i>									
Prince William County's Proportion of the Net GLI OPEB Liability (Asset)	1.48218%	1.43243%	1.39846%	1.35566%						
Prince William County's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$ 24,735	23,309	21,239	20,400						
Employer's Payroll	306,566	280,808	271,552	255,547						
Prince William County's Proportionate Share of the Net GLI OPEB Liability (Asset) as a Percentage of its Covered Payroll	8.07%	8.30%	7.82%	7.98%						
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	52.64%	52.00%	51.22%	48.86%						

**Notes to Schedule:**

Projected benefit payments. Calculations assume that the County will continue to make all required actuarially determined contributions. Based on that assumption, the plan's fiduciary net position is expected to make all future benefit payments of current plan members.

*Changes of benefit terms:* There have been no actuarially material changes to the Plan's benefit provisions since the prior actuarial valuation.

*Changes of assumptions:* The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes as follows:

*General Employees:*

Mortality Rates (Pre-retirement, Retirement Rates)	Updated to a more current mortality table - RP-2014 projected to 2020
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

*Public Safety Employees with Hazardous Duty Benefits:*

post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%
Discount Rate	Decrease rate from 7.00% to 6.75%

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

Last Ten Fiscal Years

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

<b>Virginia Retirement System - Group Life Insurance Plan</b>											
<b>Schedule of County Contributions - Last 10 Fiscal Years</b>											
Fiscal Year		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$	4,287	1,586	1,460	1,383	1,300	1,288	1,223	1,197	1,144	926
Contributions in relation to the contractually required contribution		4,287	1,586	1,460	1,383	1,300	1,288	1,223	1,197	1,144	926
Contribution deficiency (excess)	\$	-	-	-	-	-	-	-	-	-	-
Covered payroll	\$	320,018	306,566	280,808	265,909	255,547	250,061	242,930	230,688	225,905	215,901
Contributions as a percentage of covered payroll <sup>1</sup>		1.34%	0.52%	0.52%	0.52%	0.51%	0.52%	0.50%	0.52%	0.51%	0.43%

<sup>1</sup> Contribution rates are set and contributed based on pensionable earnings only.

COUNTY OF PRINCE WILLIAM, VIRGINIA  
**Changes in Net OPEB Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands, except percentages and years)

Schedule 8A

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

Fiscal Year	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<i>Information for FY 2016 and earlier is not available.</i>										
Total OPEB liability										
Service cost	\$ 188	177	169	161						
Interest on total OPEB liability	521	509	493	487						
Differences between expected and actual experience	149	113	63	-						
Changes in benefit terms	(2)	-	-	-						
Changes of assumptions	-	197	-	(149)						
Benefit payments	(566)	(500)	(513)	(337)						
Net change in total OPEB liability	290	496	212	162						
Total OPEB liability - beginning	8,004	7,508	7,296	7,134						
Total OPEB liability - ending (a)	\$ 8,294	8,004	7,508	7,296						
Plan fiduciary net position										
Contributions - employer	\$ 498	460	437	411						
Net investment income	76	233	248	358						
Benefit payments, including refunds of member contributions	(566)	(500)	(513)	(337)						
Administrative expense	(6)	(5)	(6)	(6)						
Other	-	-	(18)	18						
Net change in plan fiduciary net position	-	188	148	444						
Plan fiduciary net position - beginning	3,836	3,648	3,500	3,056						
Plan fiduciary net position - ending (b)	\$ 3,836	3,836	3,648	3,500						
County's net OPEB liability - ending (a)-(b)	\$ 4,458	4,168	3,860	3,796						
Plan fiduciary net position as a percentage of the total OPEB liability (b)/(a)	46.26%	47.93%	48.59%	47.97%						
Covered payroll	\$ 306,566	280,007	271,552	255,547						
County's net OPEB liability as a percentage of covered payroll	1.45%	1.49%	1.42%	1.49%						
Expected average remaining service years of all participants	n/a	n/a	n/a	n/a						
See Note 14 Illustration 14-10 for expected arithmetic nominal rate of return	7.14%	7.63%	7.09%	11.71%						

**Notes to Schedule:**

Projected benefit payments. Calculations assume that the County will continue to make all required actuarially determined contributions. Based on that assumption, the plan's fiduciary net position is expected to make all future benefit payments of current plan members.

*Changes of benefit terms.* There have been no actuarially material changes to the Plan's benefit provisions since the prior actuarial valuation.

*Changes of assumptions.* The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period from July 1, 2012, through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes as follows:

**General Employees:**

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages and extended final retirement age from 70 to 75
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 20%
Discount Rate	Decrease rate from 7.00% to 6.75%

**Public Safety Employees with Hazardous Duty Benefits:**

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Updated to a more current mortality table - RP-2014 projected to 2020
Retirement Rates	Lowered retirement rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Increased disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 60% to 70%
Discount Rate	Decrease rate from 7.00% to 6.75%

COUNTY OF PRINCE WILLIAM, VIRGINIA  
 Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)  
 Last Ten Fiscal Years  
 (amounts expressed in thousands, except percentages, ratios and years)

Schedule 8B

Virginia Retirement System - Health Insurance Credit Plan Schedule of County Contributions - Last 10 Fiscal Years										
Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 522	498	460	437	411	376	357	371	363	378
Contributions in relation to the net position restricted for contractually required contribution	522	498	460	437	411	376	357	371	363	378
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 290,028	276,527	255,529	248,097	255,547	220,911	212,264	204,740	198,448	191,157
Contributions as a percentage of covered payroll <sup>1</sup>	0.18%	0.18%	0.18%	0.18%	0.16%	0.17%	0.17%	0.18%	0.18%	0.20%

<sup>1</sup> Contribution rates are set and contributed based on pensionable earnings only.

**Notes to Schedule:**

*Changes of benefit terms.*

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

*Methods and assumptions used in calculations of actuarially determined contributions:*

Actuarial cost method	Entry Age Normal
Amortization method	Level percent closed
Remaining amortization period	15-24 years
Asset valuation method	Fair value
Investment rate of return*	7.00%
Projected salary increases*	3.50 – 5.35%
*Includes inflation at	2.50%

COUNTY OF PRINCE WILLIAM, VIRGINIA  
**Changes in Net OPEB Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands, except percentages and years)

Schedule 9A

<b>OPEB Master Trust Fund - County Premium Plan</b>										
<b>Changes in the County's Net OPEB Liability and Related Ratios - Last 10 Fiscal Years</b>										
Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	<i>Information for FY 2016 and earlier is not available.</i>									
Total OPEB liability										
Service cost	\$	1,202	1,163	1,119	1,285	1,234				
Interest on total OPEB liability		1,736	1,705	1,608	1,785	1,673				
Differences between expected and actual experience		214	1,230	(37)	(4,473)	34				
Changes of assumptions		-	(1,664)	-	(428)	-				
Benefit payments		(1,400)	(2,097)	(1,228)	(777)	(1,261)				
Net change in total OPEB liability		1,752	337	1,462	(2,608)	1,680				
Total OPEB liability - beginning		25,390	25,053	23,591	26,199	24,519				
Total OPEB liability - ending (a)	\$	27,142	25,390	25,053	23,591	26,199				
Plan fiduciary net position										
Contributions - employer	\$	1,475	1,428	1,521	1,954	1,884				
Net investment income		5,663	1,313	1,244	1,310	1,285				
Benefit payments, including refunds of member contributions		(1,400)	(2,097)	(1,228)	(777)	(1,261)				
Asset adjustment		-	-	-	-	(1,609)				
Administrative expense		-	-	-	-	(3)				
Other		-	-	-	-	-				
Net change in plan fiduciary net position		5,738	644	1,537	2,487	296				
Plan fiduciary net position - beginning		18,164	17,520	15,983	13,496	13,200				
Plan fiduciary net position - ending (b)	\$	23,902	18,164	17,520	15,983	13,496				
County's net OPEB liability - ending (a)-(b)	\$	3,240	7,226	7,533	7,608	12,703				
Plan fiduciary net position as a percentage of the total OPEB liability (b)/(a)		88.06%	71.54%	69.93%	67.75%	51.51%				
Covered payroll	\$	320,018	306,566	280,007	271,552	292,195				
County's net OPEB liability as a percentage of covered payroll		1.01%	2.36%	2.69%	2.80%	4.35%				
Expected average remaining service years of all participants		8	8	8	8	8				
Annual money-weighted rate of return		26.05%	6.53%	6.79%	7.84%	10.17%				

**Notes to Schedule:**

Changes of benefit terms. There have been no changes in benefit terms.

Changes of assumptions. The medical trend was updated to the latest model released by the Society of Actuaries and excludes the impact of the Cadillac Tax.



COUNTY OF PRINCE WILLIAM, VIRGINIA  
 Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)  
 Last Ten Fiscal Years  
 (amounts expressed in thousands, except percentages, ratios and years)

Schedule 9B

OPEB Master Trust Fund - County Premium Plan Schedule of County Contributions - Last 10 Fiscal Years											
Fiscal Year		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$	1,475	1,428	1,521	1,500	1,884	1,623	1,567	2,085	2,072	3,543
Contributions in relation to the actuarially determined contribution		1,475	1,428	1,521	1,954	1,884	1,623	1,567	2,085	2,072	3,543
Contribution deficiency (excess)	\$	-	-	-	(454)	-	-	-	-	-	-
Covered payroll	\$	320,018	306,566	280,007	271,552	292,195	280,308	256,956	258,704	247,366	237,034
Contributions as a percentage of covered payroll <sup>1</sup>		0.46%	0.47%	0.54%	0.72%	0.64%	0.58%	0.61%	0.81%	0.84%	1.49%

<sup>1</sup> The rates shown are as a percentage of total covered payroll.

**Notes to Schedule:**

*Benefit changes:* None

*Methods and assumptions used to determine contribution rates:*

Valuation Date	1/1/2020
Actuarial cost method	Projected Unit Cost
Amortization method	Level percent of projected pay, closed
Remaining amortization period	18 years, closed
Asset valuation method	Fair value
Investment rate of return	7.0%, net of OPEB Trust investment expense
Payroll growth rate	3.5%
Inflation	2.5%
Healthcare cost trend rate	4.7% base, 4.0% ultimate rate (pre-medicare); does not provide post-Medicare coverage
	The medical trend was updated to the latest model released by the Society of Actuaries and excludes the impact of the Cadillac Tax.

*Changes of assumptions:*

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

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages and years)

<b>OPEB Master Trust Fund - County Retiree Health Insurance Credit Plan</b>										
<b>Changes in the County's Net OPEB Liability and Related Ratios - Last 10 Fiscal Years</b>										
Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	<i>Information for FY 2016 and earlier is not available.</i>									
Total OPEB liability										
Service cost	\$ 803	744	744	755	755					
Interest on total OPEB liability	2,533	2,443	2,368	2,335	2,254					
Differences between expected and actual experience	(180)	874	(52)	(245)	(163)					
Changes of assumptions	-	(640)	-	(443)	-					
Benefit payments	(2,085)	(2,047)	(1,957)	(1,867)	(1,647)					
Net change in total OPEB liability	1,071	1,374	1,103	535	1,199					
Total OPEB liability - beginning	37,323	35,949	34,846	34,311	33,112					
Total OPEB liability - ending (a)	\$ 38,394	37,323	35,949	34,846	34,311					
Plan fiduciary net position										
Contributions - employer	\$ 2,137	2,091	1,977	2,311	2,267					
Net investment income	4,587	1,054	1,007	1,115	1,479					
Benefit payments, including refunds of member contributions	(2,085)	(2,047)	(1,957)	(1,867)	(1,647)					
Asset adjustment	-	-	-	-	1,609					
Administrative expense	-	-	-	-	-					
Net change in plan fiduciary net position	4,639	1,098	1,027	1,559	3,708					
Plan fiduciary net position - beginning	18,979	17,881	16,854	15,295	11,587					
Plan fiduciary net position - ending (b)	\$ 23,618	18,979	17,881	16,854	15,295					
County's net OPEB liability - ending (a)-(b)	\$ 14,776	18,344	18,068	17,992	19,016					
Plan fiduciary net position as a percentage of the total OPEB liability (b)/(a)	61.51%	50.85%	49.74%	48.37%	44.58%					
Covered payroll	\$ 320,018	306,566	280,007	271,552	292,195					
County's net OPEB liability as a percentage of covered payroll	4.62%	5.98%	6.45%	6.63%	6.51%					
Expected average remaining service years of all participants	8	8	8	8	8					
Annual money-weighted rate of return	26.05%	6.53%	6.79%	7.84%	10.17%					

**Notes to Schedule:**

Changes of benefit terms. There have been no changes in benefit terms.

Changes of assumptions. The mortality assumption was updated to the latest experience study on public sector employees and retirees released by the Society of Actuaries.

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

Last Ten Fiscal Years

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

<b>OPEB Master Trust Fund - County Retiree Health Insurance Credit Plan</b>											
<b>Schedule of County Contributions - Last 10 Fiscal Years</b>											
Fiscal Year		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$	2,137	2,091	1,977	1,967	2,267	2,061	2,023	2,107	2,082	1,844
Contributions in relation to the actuarially determined contribution		2,137	2,091	1,977	2,311	2,267	2,061	2,023	2,107	2,082	1,844
Contribution deficiency (excess)	\$	-	-	-	(344)	-	-	-	-	-	-
Covered payroll	\$	320,018	306,566	280,007	271,552	292,195	280,308	256,956	258,704	247,366	237,034
Contributions as a percentage of covered payroll <sup>1</sup>		0.67%	0.68%	0.71%	0.85%	0.78%	0.74%	0.79%	0.81%	0.84%	0.78%

<sup>1</sup> The rates shown are as a percentage of total covered payroll.

**Notes to Schedule:**

*Benefit changes* None

*Methods and assumptions used to determine contribution rates:*

Valuation Date	1/1/2020
Actuarial cost method	Projected Unit Cost
Amortization method	Level percent of projected pay, closed
Remaining amortization period	17 years, closed
Asset valuation method	Fair value
Investment rate of return	7.0%, net of OPEB Trust investment expense
Payroll growth rate	3.5%
Inflation	2.5%
Healthcare cost trend rate	Not applicable

*Changes of assumptions:* The mortality assumption was updated to the latest experience study on public sector employees and retirees released by the Society of Actuaries.

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

Last Ten Fiscal Years

(amounts expressed in thousands, except percentages and years)

**OPEB Master Trust Fund - County Line of Duty Act Plan**  
**Changes in the County's Net OPEB Liability and Related Ratios - Last 10 Fiscal Years**

*Information for FY 2016 and earlier is not available.*

Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB liability										
Service cost	\$ 1,726	1,113	1,071	1,087	1,044					
Interest on total OPEB liability	1,082	1,367	1,270	1,002	920					
Differences between expected and actual experience	(51)	(5,869)	(188)	907	45					
Changes of assumptions	-	12	-	1,695	-					
Benefit payments	(793)	(763)	(750)	(810)	(815)					
Net change in total OPEB liability	1,964	(4,140)	1,403	3,881	1,194					
Total OPEB liability - beginning	15,873	20,013	18,610	14,729	13,535					
Total OPEB liability - ending (a)	\$ 17,837	15,873	20,013	18,610	14,729					
Plan fiduciary net position										
Contributions - employer	\$ 1,875	1,788	1,526	1,476	1,424					
Net investment income	4,988	1,144	1,034	1,071	1,169					
Benefit payments, including refunds of member contributions	(793)	(763)	(750)	(810)	(815)					
Administrative expense	(39)	-	-	-	-					
Net change in plan fiduciary net position	6,031	2,169	1,810	1,737	1,778					
Plan fiduciary net position - beginning	16,660	14,491	12,681	10,944	9,166					
Plan fiduciary net position - ending (b)	\$ 22,691	16,660	14,491	12,681	10,944					
County's net OPEB liability - ending (a)-(b)	\$ (4,854)	(787)	5,522	5,929	3,785					
Plan fiduciary net position as a percentage of the total OPEB liability (b)/(a)	127.21%	104.96%	72.41%	68.14%	74.30%					
Covered payroll	\$ 140,944	135,139	112,846	106,195	83,241					
County's net OPEB liability (asset) as a percentage of covered payroll	-3.44%	-0.58%	4.89%	5.58%	4.55%					
Expected average remaining service years of all participants	12	12	12	12	12					
Annual money-weighted rate of return	26.05%	6.53%	6.79%	7.84%	10.17%					

**Notes to Schedule:**

Changes of benefit terms. There have been no changes in benefit terms.

Changes of assumptions. The medical trend was updated to the latest model released by the Society of Actuaries and excludes the impact of the Cadillac Tax.

<b>OPEB Master Trust Fund - County Line of Duty Act Plan</b>										
<b>Schedule of County Contributions - Last 10 Fiscal Years</b>										
Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	<i>Information for FY 2012 and earlier is not available.</i>									
Actuarially determined contribution	\$ 1,875	1,788	1,526	1,472	1,424	1,529	1,474	3,165	5,312	
Contributions in relation to the actuarially determined contribution	1,875	1,788	1,526	1,476	1,424	1,529	1,474	7,778	-	
Contribution deficiency (excess)	\$ -	-	-	(4)	-	-	-	(4,613)	5,312	
Covered payroll	\$ 140,944	135,139	112,846	106,195	83,241	79,081	95,795	86,476	105,805	
Contributions as a percentage of covered payroll <sup>1</sup>	1.33%	1.32%	1.35%	1.39%	1.71%	1.93%	1.54%	8.99%	0.00%	

<sup>1</sup> The rates shown are as a percentage of total covered payroll.

**Notes to Schedule:**

*Benefit changes:* None.

*Methods and assumptions used to determine contribution rates:*

Valuation Date	1/1/2020
Actuarial cost method	Projected Unit Cost
Amortization method	Level percent of projected pay, closed
Remaining amortization period	22 years, closed
Asset valuation method	Fair value
Investment rate of return	7.0%, net of OPEB Trust investment expense
Payroll growth rate	3.5%
Inflation	2.5%
Healthcare cost trend rate	4.7% in 2020, 4.0% ultimate rate

*Changes of assumptions:* The medical trend was updated to the latest model released by the Society of Actuaries and excludes the impact of the Cadillac Tax.

COUNTY OF PRINCE WILLIAM, VIRGINIA  
**Changes in Net OPEB Liability and Related Ratios - Post-Employment Benefit Plans (UNAUDITED)**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands, except percentages and years)

Schedule 12A

<b>OPEB Master Trust Fund - Schools Premium Plan</b>										
<b>Changes in the County's Net OPEB Liability and Related Ratios - Last 10 Fiscal Years</b>										
Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<i>Information for FY 2016 and earlier is not available.</i>										
Total OPEB liability										
Service cost	\$ 2,152	2,913	2,801	3,015	2,624					
Interest on total OPEB liability	2,578	3,903	3,709	4,652	4,691					
Changes of benefit terms	-	-	-	-	-					
Differences between expected and actual experience	(1,782)	(22,626)	(594)	(18,166)	-					
Changes of assumptions	-	(220)	-	-	-					
Benefit payments/refunds	(1,756)	(3,045)	(3,060)	(3,042)	(3,329)					
Net change in total OPEB liability	1,192	(19,075)	2,856	(13,541)	3,986					
Total OPEB liability - beginning	38,601	57,676	54,820	68,361	64,375					
Total OPEB liability - ending (a)	\$ 39,793	38,601	57,676	54,820	68,361					
Plan fiduciary net position										
Contributions - employer	\$ 1,800	1,800	1,800	1,000	1,000					
Net investment income	10,735	2,478	2,248	2,340	2,619					
Administrative expense	(15)	-	(2)	(7)	-					
Other	-	-	-	-	-					
Net change in plan fiduciary net position	12,520	4,278	4,046	3,333	3,619					
Plan fiduciary net position - beginning	41,603	37,325	33,279	29,946	26,327					
Plan fiduciary net position - ending (b)	\$ 54,123	41,603	37,325	33,279	29,946					
School's net OPEB liability - ending (a)-(b)	\$ (14,330)	(3,002)	20,352	21,541	38,415					
Plan fiduciary net position as a percentage of the total OPEB liability (b)/(a)										
	136.01%	107.78%	64.71%	60.71%	43.81%					
Covered payroll	\$ 668,814	655,997	615,455	599,822	576,721					
School's net OPEB liability as a percentage of covered payroll	-2.14%	-0.46%	3.31%	3.59%	6.66%					
Expected average remaining service years of all participants	8	8	7	8	8					
Annual money-weighted rate of return	26.05%	6.53%	6.79%	7.84%	10.17%					

**Notes to Schedule:**

Projected benefit payments. Calculations assume that the County will continue to make all required actuarially determined contributions. Based on that assumption, the plan's fiduciary net position is expected to make all future benefit payments of current plan members.

Changes of benefit terms. There have been no changes in benefit terms.

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

COUNTY OF PRINCE WILLIAM, VIRGINIA  
**Schedule of County Contribution - Post-Employment Benefit Plans (UNAUDITED)**  
 Last Ten Fiscal Years  
 (amounts expressed in thousands, except percentages, ratios and years)

Schedule 12B

<b>OPEB Master Trust Fund - Schools Premium Plan</b>										
<b>Schedule of County Contributions - Last 10 Fiscal Years</b>										
Fiscal Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 3,556	4,845	4,860	4,041	4,328	3,412	4,700	7,762	8,580	3,961
Contributions in relation to the actuarially determined contribution	3,556	4,845	4,860	4,041	4,328	3,412	4,700	7,762	8,580	3,961
Other contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 668,814	655,997	615,455	599,822	576,721	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll <sup>1</sup>	0.53%	0.74%	0.79%	0.67%	0.75%	N/A	N/A	N/A	N/A	N/A

<sup>1</sup>The rates shown are as a percentage of total covered payroll.

**Notes to Schedule:**

*Benefit changes. None.*

*Changes of assumptions. None.*

*Methods and assumptions used to determine contribution rates:*

Valuation Date	7/1/2020
Actuarial cost method	Projected Unit Cost
Amortization method	Level percent of projected pay
Remaining amortization period	30 years
Asset valuation method	Fair value
Investment rate of return	7.0%, net of OPEB Trust investment expense
Payroll growth rate	3.0%
Inflation	2.5%
Healthcare cost trend rate	Not available.

## Nonmajor Governmental Funds Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. The County has the following special revenue funds:

### *TRANSPORTATION DISTRICTS*

The Transportation Districts receives revenues from special tax levies, user fees, and interest earnings. These revenues are used primarily to pay debt service payments incurred in construction of streets and roads.

### *STORMWATER MANAGEMENT DISTRICT / GYPSY MOTH AND FOREST PEST MANAGEMENT*

The Stormwater Management District / Gypsy Moth and Forest Pest Management Levy receives revenues from permits and development fees, charges for services, Federal and State grants, interest earnings and special tax levies. Expenditures consist of the cost of promoting storm water drainage and construction projects, maintaining water quality and protecting the environment.

### *DEVELOPMENT FEE SERVICES*

Development Fee Services receives revenues from permits, privilege fees, and regulatory licenses related to land and building development. Expenditures consist primarily of the cost of conducting review, inspection, and planning services.

### *HOUSING AUTHORITIES*

Housing receives revenue primarily from Federal housing grants that are used to develop affordable housing opportunities for County residents.

### *COMMUNITY DEVELOPMENT AUTHORITIES*

Community Development Authorities receives revenue from special assessments collected by the County and distributed to Board established special taxing districts. Expenditures consist of public improvements including roads, utility infrastructure and water and sanitary sewer facilities, etc. within the boundaries of the Community Development Authorities.

### *EMERGENCY MEDICAL SERVICE*

Emergency Medical Services receives revenue from ambulatory transport charges associated with fire and rescue emergency services delivery.

### *TRANSIENT OCCUPANCY TAX*

Transient Occupancy Tax receives revenue from a 2.0% tax on the charge for the occupancy of any room or space in the County. As a member of the Northern Virginia Transportation Authority (NVTA), State statute has earmarked these revenues to be used for public transportation purposes only.

### *GRANTOR'S / DEED TAX*

Grantor's / Deed Tax receives revenue from a fee imposed on each deed, instrument or writing by which lands, tenements, or other real property located in the County is sold or otherwise conveyed to a purchaser. As a member of NVTA, State statute has earmarked these revenues to be used for public transportation purposes only.

### *OTHER*

Other special revenue funds receives revenues for the benefit of the Animal Shelter, such as fees for animal-friendly license plates.



COUNTY OF PRINCE WILLIAM, VIRGINIA  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2021  
(amounts expressed in thousands)

Schedule 13  
Page 1 of 2

	Transportation Districts	Stormwater Management District / Gypsy Moth and Forest Pest Management	Development Fee Services	Housing Authorities	Community Development Authorities
<b>ASSETS</b>					
Equity in pooled cash and investments	\$ 1,561	8,208	10,771	3,512	581
Property taxes receivable, net	8	8	-	-	9
Accounts receivable, net	4	111	492	-	-
Due from other governmental units	-	-	-	-	-
Inventory	-	24	-	-	-
Advances and Prepays	-	-	-	2,163	-
Total assets	1,573	8,351	11,263	5,675	590
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
<b>LIABILITIES:</b>					
Accounts payable	2	3	15	2	-
Wages and benefits payable	-	169	697	103	-
Deposits and escrows	-	-	-	-	-
Due to other governmental units	-	28	-	-	-
Unearned revenues	-	1,415	6	878	-
Total liabilities	2	1,615	718	983	-
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Prepaid taxes	214	258	-	-	517
Unavailable taxes	-	5	-	-	-
Total deferred inflows of resources	214	263	-	-	517
<b>FUND BALANCES:</b>					
Non-spendable	-	24	-	2,163	-
Restricted	1,357	6,449	10,545	2,529	73
Total fund balances	1,357	6,473	10,545	4,692	73
Total liabilities, deferred inflows of resources and fund balances	\$ 1,573	8,351	11,263	5,675	590

Emergency Medical Services	Transient Occupancy Tax	Grantor's / Deed Tax	Other	Totals	
4,005	3,813	25,463	218	58,132	<b>ASSETS</b>
-	-	-	-	25	Equity in pooled cash and investments
129	358	75	-	1,169	Property taxes receivable, net
122	-	-	-	122	Accounts receivable, net
-	-	-	-	24	Due from other governmental units
-	-	-	-	2,163	Inventory
4,256	4,171	25,538	218	61,635	Advances and Prepaids
					Total assets
					<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>
					<b>LIABILITIES:</b>
17	-	-	-	39	Accounts payable
39	-	-	-	1,008	Wages and benefits payable
-	-	-	42	42	Deposits and escrows
-	-	-	-	28	Due to other governmental units
-	-	-	-	2,299	Unearned revenues
56	-	-	42	3,416	Total liabilities
					<b>DEFERRED INFLOWS OF RESOURCES:</b>
-	-	-	-	989	Prepaid taxes
-	-	-	-	5	Unavailable taxes
-	-	-	-	994	Total deferred inflows of resources
					<b>FUND BALANCES:</b>
-	-	-	-	2,187	Non-spendable
4,200	4,171	25,538	176	55,038	Restricted
4,200	4,171	25,538	176	57,225	Total fund balances
4,256	4,171	25,538	218	61,635	Total liabilities and fund balances

COUNTY OF PRINCE WILLIAM, VIRGINIA  
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2021  
(amounts expressed in thousands)

Schedule 14  
Page 1 of 2

	Transportation Districts	Stormwater Management District/Gypsy Moth and Forest Pest Management	Development Fee Services	Housing Authorities	Community Development Authorities
<b>REVENUES:</b>					
General property taxes	\$ 995	1,664	-	-	3,019
Other local taxes	-	-	-	-	-
Permits, privilege fees and regulatory licenses	-	339	18,789	-	-
From use of money and property	(4)	(43)	58	1	-
Charges for services	15	8,527	1,113	1,025	-
Intergovernmental revenues:					
Federal	-	-	-	32,400	-
State	-	6	8	459	-
Miscellaneous	-	-	7	-	-
Total revenues	1,006	10,493	19,975	33,885	3,019
<b>EXPENDITURES:</b>					
General government administration	-	-	-	-	-
Public safety - Public Works	-	-	15,316	-	-
Public works - Public Works	381	-	-	-	-
Health and welfare	-	-	-	-	-
Education	-	-	-	-	-
Parks, recreation and cultural	-	-	-	-	-
Community development - Housing	-	-	-	33,035	-
Community development - Public Works	-	6,710	5,522	-	-
Community Development Authorities	-	-	-	-	2,943
Total expenditures	381	6,710	20,838	33,035	2,943
<b>OTHER FINANCING SOURCES / (USES):</b>					
Transfers in from:					
General fund	-	119	5,079	227	-
Transfers out to:					
General fund	(599)	(1,318)	(2,221)	(282)	(10)
Internal service funds	-	(19)	(382)	-	-
Capital projects funds	-	(2,196)	-	-	-
Sale of surplus property	-	9	5	6	-
Total other financing sources / (uses)	(599)	(3,405)	2,481	(49)	(10)
Net change in fund balances	26	378	1,618	801	66
<b>FUND BALANCE, beginning of year</b>	1,331	6,095	8,927	3,891	7
<b>FUND BALANCE, end of year</b>	\$ 1,357	6,473	10,545	4,692	73

Emergency Medical Services	Transient Occupancy Tax	Grantor's / Deed Tax	Other	Totals	
-	-	-	-	5,678	<b>REVENUES:</b> General property taxes
-	1,178	10,395	-	11,573	Other local taxes
-	-	-	-	19,128	Permits, privilege fees and regulatory licenses
(17)	3	10	-	8	From use of money and property
4,755	-	-	-	15,435	Charges for services
-	-	-	-	32,400	Intergovernmental revenues:
9	-	-	2	484	Federal
-	-	-	13	20	State
-	-	-	-	-	Miscellaneous
4,747	1,181	10,405	15	84,726	Total revenues
-	-	-	-	-	<b>EXPENDITURES:</b> General government administration
3,145	151	-	8	18,620	Public safety - Public Works
-	-	-	-	381	Public works - Public Works
-	-	-	-	-	Health and welfare
-	-	-	-	-	Education
-	-	-	-	-	Parks, recreation and cultural
-	-	-	-	33,035	Community development - Housing
-	-	-	-	12,232	Community development - Public Works
-	-	-	-	2,943	Community Development Authorities
3,145	151	-	8	67,211	Total expenditures
-	-	-	-	-	<b>OTHER FINANCING SOURCES / (USES):</b> Transfers in from:
-	-	-	-	5,425	General fund
(3,827)	-	-	-	(8,257)	Transfers out to:
-	-	-	-	(401)	General fund
-	-	-	-	(2,196)	Internal service funds
-	-	-	-	20	Capital projects funds
(3,827)	-	-	-	(5,409)	Sale of surplus property
(2,225)	1,030	10,405	7	12,106	Total other financing sources / (uses)
6,425	3,141	15,133	169	45,119	Net change in fund balances
4,200	4,171	25,538	176	57,225	<b>FUND BALANCE, beginning of year</b>
					<b>FUND BALANCE, end of year</b>

COUNTY OF PRINCE WILLIAM, VIRGINIA  
 SPECIAL REVENUE FUND - Transportation Districts

Schedule 15

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual  
 (UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2021  
 (amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>BUDGETARY REVENUES:</b>				
General property taxes	\$ 958	958	995	37
From use of money and property	7	7	17	10
Charges for services	-	-	15	15
Total budgetary revenues	965	965	1,027	62
<b>BUDGETARY EXPENDITURES:</b>				
Public works - Public Works	365	493	381	112
Total budgetary expenditures	365	493	381	112
<b>OTHER FINANCING USES:</b>				
Transfers out to:				
General fund	(600)	(600)	(599)	1
Total other financing uses	(600)	(600)	(599)	1
Net change in budgetary fund balance	-	(128)	47	175
<b>BUDGETARY FUND BALANCE, beginning of year</b>	1,357	1,357	1,357	-
<b>BUDGETARY FUND BALANCE, end of year</b>	\$ 1,357	1,229	1,404	175
<b>Reconciliation of Budgetary Basis to GAAP Basis:</b>				
From use of money and property (Schedule 15)	\$ 7	7	17	10
Current year fair value adjustment	-	-	(21)	(21)
From use of money and property (Schedule 14)	7	7	(4)	(11)
Cumulative fair value adjustments of prior periods	-	-	(26)	(26)
<b>BUDGETARY FUND BALANCE, end of year</b>	1,357	1,229	1,404	175
Total adjustments			(47)	(47)
<b>FUND BALANCE, end of year</b>	\$ 1,357	1,229	1,357	128

**SPECIAL REVENUE FUND - Stormwater Management District/Gypsy Moth and Forest Pest Management**  
**Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual**  
**(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)**

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With
	Original	Final		Final Budget Favorable (Unfavorable)
<b>BUDGETARY REVENUES:</b>				
General property taxes	\$ 1,512	1,512	1,664	152
Permits, privilege fees and regulatory licenses	300	300	339	39
From use of money and property	130	130	91	(39)
Charges for services	8,300	8,300	8,527	227
Intergovernmental revenues:				
State	-	-	6	6
Total budgetary revenues	10,242	10,242	10,627	385
<b>BUDGETARY EXPENDITURES:</b>				
Community development - Public Works	7,206	7,774	6,710	1,064
Total budgetary expenditures	7,206	7,774	6,710	1,064
<b>OTHER FINANCING SOURCES / (USES):</b>				
Transfers in from:				
General fund	-	119	119	-
Transfers out from:				
General fund	(1,318)	(1,318)	(1,318)	-
Internal service funds	(19)	(19)	(19)	-
Capital projects funds	(2,196)	(2,196)	(2,196)	-
Sale of surplus property	-	-	9	9
Total other financing sources / (uses)	(3,533)	(3,414)	(3,405)	9
Net change in budgetary fund balance	(497)	(946)	512	1,458
<b>BUDGETARY FUND BALANCE, beginning of year</b>	6,129	6,129	6,129	-
<b>BUDGETARY FUND BALANCE, end of year</b>	\$ 5,632	5,183	6,641	1,458
<b>Reconciliation of Budgetary Basis to GAAP Basis:</b>				
From use of money and property (Schedule 16)	\$ 130	130	91	(39)
Current year fair value adjustment	-	-	(134)	(134)
From use of money and property (Schedule 14)	130	130	(43)	(173)
Cumulative fair value adjustments of prior periods	-	-	(34)	(34)
<b>BUDGETARY FUND BALANCE, end of year</b>	5,632	5,183	6,641	1,458
Total adjustments	-	-	(168)	(168)
<b>FUND BALANCE, end of year</b>	\$ 5,632	5,183	6,473	1,290

## SPECIAL REVENUE FUND - Development Fee Services

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

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

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>BUDGETARY REVENUES:</b>				
Permits, privilege fees and regulatory licenses	\$ 17,998	17,756	18,789	1,033
From use of money and property	55	55	66	11
Charges for services	1,124	1,124	1,113	(11)
Intergovernmental revenues:				
State	-	-	8	8
Miscellaneous	268	510	7	(503)
Total budgetary revenues	19,445	19,445	19,983	538
<b>BUDGETARY EXPENDITURES:</b>				
Public safety - Public Works	16,541	16,383	15,316	1,067
Community development - Public Works	6,850	6,865	5,522	1,343
Total budgetary expenditures	23,391	23,248	20,838	2,410
<b>OTHER FINANCING SOURCES / (USES):</b>				
Transfers in from:				
General fund	4,886	5,079	5,079	-
Transfers out to:				
General fund	(2,221)	(2,221)	(2,221)	-
Internal service funds	(382)	(382)	(382)	-
Sale of surplus property	-	-	5	5
Total other financing sources	2,283	2,476	2,481	5
Net change in budgetary fund balance	(1,663)	(1,327)	1,626	2,953
<b>BUDGETARY FUND BALANCE, beginning of year</b>	8,810	8,810	8,810	-
<b>BUDGETARY FUND BALANCE, end of year</b>	\$ 7,147	7,483	10,436	2,953
<b>Reconciliation of Budgetary Basis to GAAP Basis:</b>				
From use of money and property (Schedule 17)	\$ 55	55	66	11
Current year fair value adjustment	-	-	(8)	(8)
From use of money and property (Schedule 14)	55	55	58	3
Cumulative fair value adjustments of prior periods	-	-	117	117
<b>BUDGETARY FUND BALANCE, end of year</b>	7,147	7,483	10,436	2,953
Total adjustments	-	-	109	109
<b>FUND BALANCE, end of year</b>	\$ 7,147	7,483	10,545	3,062

SPECIAL REVENUE FUND - Housing Authorities

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

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

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>BUDGETARY REVENUES:</b>				
From use of money and property	\$ -	-	1	1
Charges for services	7,970	7,970	1,025	(6,945)
Intergovernmental revenues:				
Federal	34,955	42,605	32,400	(10,205)
State	-	789	459	(330)
Miscellaneous	145	145	-	(145)
Total budgetary revenues	43,070	51,509	33,885	(17,624)
<b>BUDGETARY EXPENDITURES:</b>				
Community development - Housing	43,140	54,187	33,035	21,152
Total budgetary expenditures	43,140	54,187	33,035	21,152
<b>OTHER FINANCING SOURCES / (USES):</b>				
Transfers in from:				
General fund	227	227	227	-
Transfers out to:				
General fund	(133)	(355)	(282)	73
Sale of surplus property	-	-	6	6
Total other financing uses	94	(128)	(49)	79
Net change in budgetary fund balance	24	(2,806)	801	3,607
<b>BUDGETARY FUND BALANCE, beginning of year</b>	3,891	3,891	3,891	-
<b>BUDGETARY FUND BALANCE, end of year</b>	\$ 3,915	1,085	4,692	3,607
<b>Reconciliation of Budgetary Basis to GAAP Basis:</b>				
From use of money and property (Schedule 18)	\$ -	-	1	1
From use of money and property (Schedule 14)	-	-	1	1
<b>BUDGETARY FUND BALANCE, end of year</b>	3,915	1,085	4,692	3,607
<b>FUND BALANCE, end of year</b>	\$ 3,915	1,085	4,692	3,607



SPECIAL REVENUE FUND - Community Development Authorities

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

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

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>BUDGETARY REVENUES:</b>				
General property taxes	\$ 3,012	3,012	3,019	7
Total budgetary revenues	3,012	3,012	3,019	7
<b>BUDGETARY EXPENDITURES:</b>				
Community Development Authorities	3,005	3,002	2,943	59
Total budgetary expenditures	3,005	3,002	2,943	59
<b>OTHER FINANCING USES:</b>				
Transfers out to:				
General fund	(8)	(8)	(10)	(2)
Total other financing uses	(8)	(8)	(10)	(2)
Net change in budgetary fund balance	(1)	2	66	64
<b>BUDGETARY FUND BALANCE, beginning of year</b>	7	7	7	-
<b>BUDGETARY FUND BALANCE, end of year</b>	\$ 6	9	73	64

**Note to Schedule:**

GAAP basis equals Budgetary basis.

SPECIAL REVENUE FUND - Emergency Medical Services

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

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

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With
	Original	Final		Final Budget Favorable (Unfavorable)
<b>BUDGETARY REVENUES:</b>				
From use of money and property	\$ -	-	37	37
Charges for services	5,762	5,762	4,755	(1,007)
Intergovernmental revenues:				
State	-	-	9	9
Total budgetary revenues	5,762	5,762	4,801	(961)
<b>BUDGETARY EXPENDITURES:</b>				
Public safety - Public Works	1,514	3,569	3,145	424
Total budgetary expenditures	1,514	3,569	3,145	424
<b>OTHER FINANCING USES:</b>				
Transfers out to:				
General fund	(3,827)	(3,827)	(3,827)	-
Total other financing uses	(3,827)	(3,827)	(3,827)	-
Net change in budgetary fund balance	421	(1,634)	(2,171)	(537)
<b>BUDGETARY FUND BALANCE, beginning of year</b>	6,424	6,424	6,424	-
<b>BUDGETARY FUND BALANCE, end of year</b>	\$ 6,845	4,790	4,253	(537)
<b>Reconciliation of Budgetary Basis to GAAP Basis:</b>				
From use of money and property (Schedule 20)	\$ -	-	37	37
Current year fair value adjustment	-	-	(54)	(54)
From use of money and property (Schedule 14)	-	-	(17)	(17)
Cumulative fair value adjustments of prior periods	-	-	1	1
<b>BUDGETARY FUND BALANCE, end of year</b>	6,845	4,790	4,253	(537)
Total adjustments	-	-	(53)	(53)
<b>FUND BALANCE, end of year</b>	\$ 6,845	4,790	4,200	(590)

COUNTY OF PRINCE WILLIAM, VIRGINIA  
 SPECIAL REVENUE FUND - Transient Occupancy Tax

Schedule 21

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual  
 (UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2021  
 (amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With Final Budget
	Original	Final		Favorable (Unfavorable)
<b>BUDGETARY REVENUES:</b>				
Other local taxes	\$ 1,400	1,400	1,178	(222)
From use of money and property	-	-	36	36
Total budgetary revenues	1,400	1,400	1,214	(186)
<b>BUDGETARY EXPENDITURES:</b>				
Public safety - Public Works	-	1,550	151	1,399
Total budgetary expenditures	-	1,550	151	1,399
Net change in budgetary fund balance	1,400	(150)	1,063	1,213
<b>BUDGETARY FUND BALANCE, beginning of year</b>	3,089	3,089	3,089	-
<b>BUDGETARY FUND BALANCE, end of year</b>	\$ 4,489	2,939	4,152	1,213
<b>Reconciliation of Budgetary Basis to GAAP Basis:</b>				
From use of money and property (Schedule 21)	\$ -	-	36	36
Current year fair value adjustment	-	-	(33)	(33)
From use of money and property (Schedule 14)	-	-	3	3
Cumulative fair value adjustments of prior periods	-	-	52	52
<b>BUDGETARY FUND BALANCE, end of year</b>	4,489	2,939	4,152	1,213
Total adjustments	-	-	19	19
<b>FUND BALANCE, end of year</b>	\$ 4,489	2,939	4,171	1,232

COUNTY OF PRINCE WILLIAM, VIRGINIA  
 SPECIAL REVENUE FUND - Grantor's / Deed Tax

Schedule 22

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual  
 (UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2021  
 (amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With
	Original	Final		Final Budget Favorable (Unfavorable)
<b>BUDGETARY REVENUES:</b>				
Other local taxes	\$ -	-	10,395	10,395
From use of money and property	-	-	203	203
Total budgetary revenues	-	-	10,598	10,598
Net change in budgetary fund balance	-	-	10,598	10,598
<b>BUDGETARY FUND BALANCE, beginning of year</b>	15,022	15,022	15,022	-
<b>BUDGETARY FUND BALANCE, end of year</b>	\$ 15,022	15,022	25,620	10,598
<b>Reconciliation of Budgetary Basis to GAAP Basis:</b>				
From use of money and property (Schedule 22)	\$ -	-	203	203
Current year fair value adjustment	-	-	(193)	(193)
From use of money and property (Schedule 14)	-	-	10	10
Cumulative fair value adjustments of prior periods	-	-	111	111
<b>BUDGETARY FUND BALANCE, end of year</b>	15,022	15,022	25,620	10,598
Total adjustments	-	-	(82)	(82)
<b>FUND BALANCE, end of year</b>	\$ 15,022	15,022	25,538	10,516

SPECIAL REVENUE FUND - Other

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual  
(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>BUDGETARY REVENUES:</b>				
From use of money and property	\$ -	-	2	2
Intergovernmental revenues:				
State	-	10	2	(8)
Miscellaneous	-	-	13	13
Total budgetary revenues	-	10	17	7
<b>BUDGETARY EXPENDITURES:</b>				
Public safety - Public Works	10	10	8	2
Total budgetary expenditures	10	10	8	2
Net change in budgetary fund balance	(10)	-	9	9
<b>BUDGETARY FUND BALANCE, beginning of year</b>	171	171	168	-
<b>BUDGETARY FUND BALANCE, end of year</b>	\$ 161	171	177	9
<b>Reconciliation of Budgetary Basis to GAAP Basis:</b>				
From use of money and property (Schedule 23)	\$ -	-	2	2
Current year fair value adjustment	-	-	(2)	(2)
From use of money and property (Schedule 14)	-	-	-	-
Cumulative fair value adjustments of prior periods	-	-	1	1
<b>BUDGETARY FUND BALANCE, end of year</b>	161	171	177	9
Total adjustments	-	-	(1)	(1)
<b>FUND BALANCE, end of year</b>	\$ 161	171	176	8

## Internal Service Funds

Internal Service Funds provide for the financing of goods or services on a cost-reimbursement basis by one department or agency to other departments or agencies of the County. The County has the following internal service funds:

### *Intra-County Services*

The Construction Crew provides roads and sidewalk construction and maintenance on County property; Data Processing provides computer operations and software applications; and Fleet Management provides fleet operations and maintenance services.

### *Self-insurance*

Three self-insurance programs provide the County with liability, property damage, casualty and workers' compensation insurance.

### *Health Insurance*

The Health Insurance Fund provides self-insurance medical and dental coverage for employees and fully insured HMO and vision coverage. Flexible spending benefits and an additional insurance credit for retirees is also a component of this fund.

COUNTY OF PRINCE WILLIAM, VIRGINIA  
INTERNAL SERVICE FUNDS  
Combining Statement of Net Position  
June 30, 2021  
(amounts expressed in thousands)

Schedule 24

	Intra- County Services	Other Self- Insurance	Self- Insurance Casualty Pool	Self- Insurance Workers' Compensation Association	Health Insurance	Totals
<b>ASSETS</b>						
Current assets:						
Equity in pooled cash and investments	\$ 13,357	290	-	-	40,179	53,826
Restricted cash and temporary investments	-	-	1,215	16,655	-	17,870
Investments	-	-	1,089	16,962	-	18,051
Accounts receivable, net	159	1	2	290	4,423	4,875
Due from other governmental units	-	-	-	-	6	6
Inventory	306	-	-	-	-	306
Prepaid items	225	-	167	9	79	480
Total current assets	14,047	291	2,473	33,916	44,687	95,414
Noncurrent assets:						
Restricted investments	-	-	500	750	-	1,250
Capital assets:						
Land and construction in progress	155	-	-	-	-	155
Buildings and other capital assets, net of depreciation	3,953	-	-	-	-	3,953
Total noncurrent assets	4,108	-	500	750	-	5,358
Total assets	18,155	291	2,973	34,666	44,687	100,772
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to OPEB	439	-	-	-	19	458
Deferred outflows related to pensions	4,883	-	-	-	215	5,098
Total deferred outflows of resources	5,322	-	-	-	234	5,556
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	390	-	30	153	1,797	2,370
Wages and benefits payable	667	-	-	-	-	667
Unpaid losses, related liabilities and IBNR	-	202	412	2,304	4,513	7,431
Current portion of surplus distribution payables	-	-	375	461	-	836
Current portion of compensated absences	150	-	-	-	-	150
Total current liabilities	1,207	202	817	2,918	6,310	11,454
Noncurrent liabilities:						
Unpaid losses, related liabilities and IBNR	-	-	501	14,561	-	15,062
Surplus distribution payables	-	-	110	1,420	-	1,530
Net OPEB liabilities	1,704	-	-	-	67	1,771
Net pension liabilities	10,815	-	-	-	477	11,292
Compensated absences	1,960	-	-	-	-	1,960
Total noncurrent liabilities	14,479	-	611	15,981	544	31,615
Total liabilities	15,686	202	1,428	18,899	6,854	43,069
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to OPEB	424	-	-	-	14	438
Deferred inflows related to pensions	72	-	-	-	3	75
Total deferred inflows of resources	496	-	-	-	17	513
<b>NET POSITION</b>						
Net investment in capital assets	4,108	-	-	-	-	4,108
Restricted for self-insurance funds	-	-	500	2,755	-	3,255
Unrestricted	3,187	89	1,045	13,012	38,050	55,383
Total net position	\$ 7,295	89	1,545	15,767	38,050	62,746

## INTERNAL SERVICE FUNDS

## Combining Statement of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Intra-County Services	Other Self- Insurance	Self- Insurance Casualty Pool	Self- Insurance Workers' Compensation Association	Health Insurance	Totals
<b>OPERATING REVENUES:</b>						
Charges for services	\$ 46,969	-	2,111	6,016	63,649	118,745
Miscellaneous	212	-	-	-	5,491	5,703
Total operating revenues	47,181	-	2,111	6,016	69,140	124,448
<b>OPERATING EXPENSES:</b>						
Personal services	16,972	-	-	-	815	17,787
Contractual services	21,204	-	731	740	5,370	28,045
Materials / supplies	6,606	-	-	-	-	6,606
Depreciation	1,521	-	-	-	-	1,521
Other	777	-	-	-	15	792
Claims and premiums	78	-	535	500	55,136	56,249
OPEB costs	-	-	-	-	4,835	4,835
Losses and loss adjustment expenses	-	-	452	3,761	306	4,519
Total operating expenses	47,158	-	1,718	5,001	66,477	120,354
Operating income	23	-	393	1,015	2,663	4,094
<b>NON-OPERATING REVENUES / (EXPENSES):</b>						
Interest income	(80)	-	(3)	155	35	107
Loss on sale of capital assets	(105)	-	-	-	-	(105)
Total non-operating revenues / (expenses)	(185)	-	(3)	155	35	2
Income / (loss) before transfers and capital contributions	(162)	-	390	1,170	2,698	4,096
<b>TRANSFERS:</b>						
Transfers in from:						
General fund	80	-	-	-	-	80
Special revenue funds	401	-	-	-	-	401
Fire & rescue levy funds	-	-	-	-	98	98
Capital projects funds	4	-	-	-	-	4
Transfers out to:						
General fund	-	-	-	-	(2,000)	(2,000)
Capital projects funds	(3,900)	-	-	-	-	(3,900)
Total transfers	(3,415)	-	-	-	(1,902)	(5,317)
Change in net position	(3,577)	-	390	1,170	796	(1,221)
<b>NET POSITION, beginning of year</b>	10,872	89	1,155	14,597	37,254	63,967
<b>NET POSITION, end of year</b>	\$ 7,295	89	1,545	15,767	38,050	62,746



COUNTY OF PRINCE WILLIAM, VIRGINIA  
INTERNAL SERVICE FUNDS

Schedule 26  
Page 1 of 2

Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2021  
(amounts expressed in thousands)

	Intra-County Services	Other Self-Insurance	Self-Insurance Casualty Pool	Self-Insurance Workers' Compensation Association	Health Insurance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash received from customers	\$ 46,841	-	1,461	5,366	63,906	117,574
Cash received / (paid) from / (to) other entities	107	-	-	-	6,067	6,174
Payments for claims and premiums	-	(19)	(872)	(3,879)	(60,277)	(65,047)
Payments to suppliers for goods and services	(29,706)	-	(803)	(684)	(6,786)	(37,979)
Payments to employees for services	(16,214)	-	-	-	(687)	(16,901)
Net cash provided / (used) by operating activities	1,028	(19)	(214)	803	2,223	3,821
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>						
Surplus distributions paid	-	-	(271)	-	-	(271)
Transfers in	485	-	-	-	98	583
Transfers out	(3,900)	-	-	-	(2,000)	(5,900)
Net cash provided / (used) by non-capital financing activities	(3,415)	-	(271)	-	(1,902)	(5,588)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Acquisition of capital assets	(1,611)	-	-	-	-	(1,611)
Proceeds from the sale of capital assets	3	-	-	-	-	3
Net cash used by capital and related financing activities	(1,608)	-	-	-	-	(1,608)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Proceeds from maturities of investments	-	-	1,600	13,640	-	15,240
Purchases of investments	-	-	(1,600)	(12,997)	-	(14,597)
Interest and dividends received / used on	(80)	-	6	339	51	316
Net cash provided by investing activities	(80)	-	6	982	51	959
Net increase / (decrease) in cash and cash equivalents	(4,075)	(19)	(479)	1,785	372	(2,416)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	17,432	309	1,694	14,870	39,807	74,112
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 13,357	290	1,215	16,655	40,179	71,696

COUNTY OF PRINCE WILLIAM, VIRGINIA  
INTERNAL SERVICE FUNDS  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2021  
(amounts expressed in thousands)

Schedule 26  
Page 2 of 2

	Intra-County Services	Other Self-Insurance	Self-Insurance Casualty Pool	Self-Insurance Workers' Compensation Association	Health Insurance	Totals
<b>RECONCILIATION OF OPERATING INCOME / (LOSS) TO NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES:</b>						
Operating income	\$ 23	-	393	1,015	2,663	4,094
Adjustments to reconcile operating income / (loss) to net cash provided / (used) by operating activities:						
Depreciation	1,521	-	-	-	-	1,521
Dividends applied to premiums	-	-	(650)	(650)	-	(1,300)
Change in assets:						
(Increase) / decrease in:						
Accounts receivable, net of accrued interest	(127)	-	-	34	839	746
Due from other governmental units	-	-	-	-	(6)	(6)
Due from component units	-	-	-	-	103	103
Due from related party	-	-	-	(170)	-	(170)
Inventory	226	-	-	-	-	226
Prepaid items	-	-	(33)	-	(2)	(35)
Change in deferred outflows of resources:						
Increase in:						
Deferred outflows of resources OPEB	(44)	-	-	-	(3)	(47)
Deferred outflows of resources pensions	(2,074)	-	-	-	(92)	(2,166)
Change in liabilities:						
Increase / (decrease) in:						
Accounts payable and personnel costs, net of interest	(1,187)	-	1	22	(1,705)	(2,869)
Unpaid losses and related liabilities	-	(19)	75	552	306	914
Other long term liabilities	3,004	-	-	-	137	3,141
Change in deferred inflows of resources:						
(Increase) / decrease in:						
Deferred inflows of resources OPEB	153	-	-	-	4	157
Deferred inflows of resources pensions	(467)	-	-	-	(21)	(488)
Total adjustments	1,005	(19)	(607)	(212)	(440)	(273)
Net cash provided / (used) by operating activities	\$ 1,028	(19)	(214)	803	2,223	3,821



**PRINCE  
WILLIAM**  
— **COUNTY**

## Fiduciary & Custodial Funds

**F**iduciary funds are used to report assets held in a trustee or agency on behalf of others. Such funds cannot be used to support the County's programs. The County uses fiduciary funds to report the financial activities related to: pensions, other post-employment benefits (OPEB) obligations, and the related assets held to fund those obligations, as well as for trust arrangements with private organizations.

**C**ustodial funds are used to account for assets held by the County on behalf of individuals, or collected on behalf of other governments and paid to the other government.

- The Special Welfare Fund, the Community Service Board Payees Fund, and the Housing FSS Recipients Fund are used to account for receipts and disbursements of monies for certain County welfare, mental health services and Family Self-Sufficiency (FSS) program recipients.
- The Innovation Owners Association Fund is operated by the County on behalf of the Innovation Owners Association (Association) that reside in the Innovation corridor and manages general community costs on the Association's behalf.
- Sales Tax Due to Towns Fund is used to record the portion of sales taxes collected by the County that are due to the Towns of Dumfries, Quantico, Occoquan, and Haymarket within the County. The Towns' portions are paid on a monthly basis.

FIDUCIARY FUNDS

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

June 30, 2021

(amounts expressed in thousands)

	Pension Trust Funds	OPEB Master Trust Fund	Totals
<b>ASSETS</b>			
Restricted cash	\$ 513	-	513
Accounts receivables	146	-	146
Restricted investments:			
Money market mutual funds	832	280	1,112
Equity investments	35,999	84,963	120,962
Real estate investments	2,730	3,934	6,664
Fixed return investments	15,577	39,453	55,030
Life insurance annuity	19,529	-	19,529
Total investments	<u>74,667</u>	<u>128,630</u>	<u>203,297</u>
Total assets	<u>75,326</u>	<u>128,630</u>	<u>203,956</u>
<b>LIABILITIES</b>			
Accounts payable	<u>79</u>	<u>4,297</u>	<u>4,376</u>
Total liabilities	<u>79</u>	<u>4,297</u>	<u>4,376</u>
<b>NET POSITION</b>			
Net position restricted for pensions	75,247	-	75,247
Net position restricted for OPEB	<u>-</u>	<u>124,333</u>	<u>124,333</u>
Total net position	<u>\$ 75,247</u>	<u>124,333</u>	<u>199,580</u>

Combining Statement of Changes in Fiduciary Net Position - Pension and Other Post-Employment Benefits (OPEB) Master Trust Funds  
 For the Fiscal Year Ended June 30, 2021  
 (amounts expressed in thousands)

	Pension Trust Funds	OPEB Master Trust Fund	Totals
<b>ADDITIONS</b>			
Contributions:			
Member	\$ 2,030	-	2,030
Employer	3,566	7,287	10,853
Total Contributions	<u>5,596</u>	<u>7,287</u>	<u>12,883</u>
Other income	12	-	12
Investment income:			
Interest and dividends	1,370	2,504	3,874
Net appreciation in fair value of investments	10,247	23,637	33,884
Total investment income	<u>11,617</u>	<u>26,141</u>	<u>37,758</u>
Less: investment expenses	<u>(130)</u>	<u>(208)</u>	<u>(338)</u>
Net investment income	<u>11,487</u>	<u>25,933</u>	<u>37,420</u>
Total additions	<u>17,095</u>	<u>33,220</u>	<u>50,315</u>
<b>DEDUCTIONS</b>			
Pension and OPEB payments	2,855	4,278	7,133
Refund of members' contributions	222	-	222
Administrative expenses	337	15	352
Total deductions	<u>3,414</u>	<u>4,293</u>	<u>7,707</u>
Change in net position	13,681	28,927	42,608
<b>NET POSITION, beginning of year</b>	<u>61,566</u>	<u>95,406</u>	<u>156,972</u>
<b>NET POSITION, end of year</b>	<u>\$ <u>75,247</u></u>	<u>124,333</u>	<u>199,580</u>

FIDUCIARY FUNDS

Combining Statement of Fiduciary Net Position - Pension Trust Funds

June 30, 2021

(amounts expressed in thousands)

	Supplemental Pension Plan Trust Fund	Length of Service Award Program (LoSAP) Trust Fund	Total Pension Trust Funds
<b>ASSETS</b>			
Restricted cash	\$ 513	-	513
Accounts receivable	146	-	146
Restricted investments:			
Money market mutual funds	832	-	832
Equity investments	35,999	-	35,999
Real estate investments	2,730	-	2,730
Fixed return investments	15,577	-	15,577
Life insurance funds	-	19,529	19,529
Total investments	<u>55,138</u>	<u>19,529</u>	<u>74,667</u>
Total assets	<u>55,797</u>	<u>19,529</u>	<u>75,326</u>
<b>LIABILITIES</b>			
Accounts payable	<u>66</u>	<u>13</u>	<u>79</u>
Total liabilities	<u>66</u>	<u>13</u>	<u>79</u>
<b>NET POSITION</b>			
Net position restricted for pension	<u>55,731</u>	<u>19,516</u>	<u>75,247</u>
Total net position	<u>\$ 55,731</u>	<u>19,516</u>	<u>75,247</u>

FIDUCIARY FUNDS

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

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Supplemental Pension Plan Trust Fund	Length of Service Award Program (LoSAP) Trust Fund	Total Pension Trust Funds
<b>ADDITIONS</b>			
Contributions:			
Member	\$ 2,030	-	2,030
Employer	2,030	1,536	3,566
Total contributions	<u>4,060</u>	<u>1,536</u>	<u>5,596</u>
Other income	12	-	12
Investment income:			
Interest and dividends	823	547	1,370
Net appreciation in fair value of investments	10,247	-	10,247
Total investment income	<u>11,070</u>	<u>547</u>	<u>11,617</u>
Less: investment expenses	(130)	-	(130)
Net investment income	<u>10,940</u>	<u>547</u>	<u>11,487</u>
Total additions	<u>15,012</u>	<u>2,083</u>	<u>17,095</u>
<b>DEDUCTIONS</b>			
Pension expenses	2,288	567	2,855
Refund of members' contributions	222	-	222
Administrative expenses	182	155	337
Total deductions	<u>2,692</u>	<u>722</u>	<u>3,414</u>
Change in net position	12,320	1,361	13,681
<b>NET POSITION, beginning of year</b>	<u>43,411</u>	<u>18,155</u>	<u>61,566</u>
<b>NET POSITION, end of year</b>	<u>\$ 55,731</u>	<u>19,516</u>	<u>75,247</u>



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

June 30, 2021

(amounts expressed in thousands)

	County OPEB				Total OPEB Master Trust Fund
	County OPEB Premium Plan Trust Fund	Retiree Health Insurance Credit Plan (RHICP) Trust Fund	County OPEB LODA Trust Fund	Schools OPEB Premium Plan Trust Fund	
<b>ASSETS</b>					
Restricted investments	\$ 25,307	25,705	23,487	54,131	128,630
Total assets	25,307	25,705	23,487	54,131	128,630
<b>LIABILITIES</b>					
Accounts payable	1,405	2,088	796	8	4,297
Total liabilities	1,405	2,088	796	8	4,297
<b>NET POSITION</b>					
Net position restricted for OPEB	23,902	23,617	22,691	54,123	124,333
Total net position	\$ 23,902	23,617	22,691	54,123	124,333

Combining Statement of Changes in Fiduciary Net Position - Other Post-Employment Benefits (OPEB) Master Trust Fund  
 For the Fiscal Year Ended June 30, 2021  
 (amounts expressed in thousands)

	County OPEB				Total OPEB Master Trust Fund
	County OPEB Premium Plan Trust Fund	Retiree Health Insurance Credit Plan (RHICP) Trust Fund	County OPEB LODA Trust Fund	Schools OPEB Premium Plan Trust Fund	
<b>ADDITIONS</b>					
Contributions:					
Employer	\$ 1,475	2,137	1,875	1,800	7,287
Investment income:					
Interest and dividends	538	440	484	1,042	2,504
Net appreciation in fair value of investments	5,171	4,183	4,504	9,779	23,637
Total investment income	5,709	4,623	4,988	10,821	26,141
Less: investment expenses	(46)	(37)	(39)	(86)	(208)
Net investment income	5,663	4,586	4,949	10,735	25,933
Total additions	7,138	6,723	6,824	12,535	33,220
<b>DEDUCTIONS</b>					
Pension and OPEB	1,400	2,085	793	-	4,278
Administrative expenses	-	-	-	15	15
Total deductions	1,400	2,085	793	15	4,293
Change in net position	5,738	4,638	6,031	12,520	28,927
<b>NET POSITION, beginning of year</b>	18,164	18,979	16,660	41,603	95,406
<b>NET POSITION, end of year</b>	\$ 23,902	23,617	22,691	54,123	124,333

FIDUCIARY FUNDS

Combining Statement of Fiduciary Net Position - Custodial Funds

June 30, 2021

(amounts expressed in thousands)

	Special Welfare	Community Services Board Payees	Housing FSS Recipients	Innovation Owners' Association	Sales Tax Due To Towns	Total
<b>ASSETS</b>						
Equity in pooled cash and investments	\$ 83	-	529	443	-	1,055
Cash held by other fiscal agents	-	101	-	-	-	101
Accounts receivable, net	-	-	-	96	-	96
Total assets	83	101	529	539	-	1,252
<b>LIABILITIES</b>						
Accounts payable	-	-	-	531	-	531
Escrow and deposits	-	-	527	-	-	527
Total liabilities	-	-	527	531	-	1,058
<b>NET POSITION</b>						
Net position restricted for other purposes	83	101	2	8	-	194
Total net position	\$ 83	101	2	8	-	194

COUNTY OF PRINCE WILLIAM, VIRGINIA  
 FIDUCIARY FUNDS

Schedule 34

Combining Statement of Changes in Fiduciary Net Position - Custodial Funds

June 30, 2021

(amounts expressed in thousands)

	Special Welfare	Community Services Board Payees	Housing FSS Recipients	Innovation Owners' Association	Sales Tax Due To Towns	Total
<b>ADDITIONS</b>						
Collections on behalf of individuals for programs	\$ 306	537	37	87	-	967
Sales taxes collected for other governments	-	-	-	-	712	712
Investment Income:						
Interest and dividends	-	-	2	(5)	-	(3)
Total investment income	-	-	2	(5)	-	(3)
Total additions	306	537	39	82	712	1,676
<b>DEDUCTIONS</b>						
Payments on behalf of individuals for programs	269	527	108	-	-	904
Payment of sales taxes to other governments	-	-	-	-	712	712
Miscellaneous	-	-	-	80	-	80
Total deductions	269	527	108	80	712	1,696
Change in net position	37	10	(69)	2	-	(20)
<b>NET POSITION, beginning year</b>						
Restatement of net position (Footnote 1R)	46	91	71	6	-	214
<b>NET POSTION, end of year</b>	<b>\$ 83</b>	<b>101</b>	<b>2</b>	<b>8</b>	<b>-</b>	<b>194</b>



**PRINCE  
WILLIAM**  
— **COUNTY**

**DISCRETELY PRESENTED**  
**COMPONENT UNIT**  
**Adult Detention Center**

**T**he Adult Detention Center derives revenues from the County and charges for services. The Adult Detention Center statements includes revenues and expenditures for the general operation and capital projects of the Prince William-Manassas regional adult detention center as well as accounts for the fiduciary activities of the inmates' accounts.

**COUNTY OF PRINCE WILLIAM, VIRGINIA**  
**DISCRETELY PRESENTED COMPONENT UNIT - ADULT DETENTION CENTER**

**Schedule 35**

**Combining Balance Sheet**

June 30, 2021

(amounts expressed in thousands)

	General	Capital	
	Operating	Projects	Totals
<b>ASSETS</b>			
Equity in pooled cash and investments	\$ 8,392	5,110	13,502
Cash held by other fiscal agents	2,347	-	2,347
Restricted cash and temporary investments	5	2	7
Accounts receivable, net	2	-	2
Due from other governmental units	1,957	-	1,957
Total assets	<u>\$ 12,703</u>	<u>5,112</u>	<u>17,815</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 496	186	682
Wages and benefits payable	1,488	-	1,488
Retainages	5	2	7
Total liabilities	<u>1,989</u>	<u>188</u>	<u>2,177</u>
<b>FUND BALANCES:</b>			
Assigned	345	4,678	5,023
Unassigned	10,369	246	10,615
Total fund balances	<u>10,714</u>	<u>4,924</u>	<u>15,638</u>
Total liabilities and fund balances	<u>\$ 12,703</u>	<u>5,112</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

\$ 102,363

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

Net OPEB assets

784

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

Deferred outflows related to OPEB

1,354

Deferred outflows related to pensions

12,649

Deferred inflows related to OPEB

(2,392)

Deferred inflows related to pensions

(398)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Current year net OPEB liabilities

(4,195)

Current year net pension liabilities

(26,501)

Compensated absences

(4,370)

Net position of governmental activities

\$ 94,932

COUNTY OF PRINCE WILLIAM, VIRGINIA  
DISCRETELY PRESENTED COMPONENT UNIT - ADULT DETENTION CENTER  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended June 30, 2021  
(amounts expressed in thousands)

Schedule 36

	Governmental Fund Types		Totals
	General Operating	Capital Projects	
<b>REVENUES:</b>			
From use of money and property	\$ (126)	-	(126)
Charges for services	223	-	223
Intergovernmental revenues:			
Federal	20	-	20
State	12,407	-	12,407
Local	36,427	20,802	57,229
Miscellaneous	876	-	876
Total revenues	<u>49,827</u>	<u>20,802</u>	<u>70,629</u>
<b>EXPENDITURES:</b>			
Public safety	49,470	2,030	51,500
Total expenditures	<u>49,470</u>	<u>2,030</u>	<u>51,500</u>
Excess of revenues over expenditures	357	18,772	19,129
<b>OTHER FINANCING SOURCES / (USES):</b>			
Transfers in	-	116	116
Transfers out	(116)	-	(116)
Total other financing sources / (uses)	<u>(116)</u>	<u>116</u>	<u>-</u>
Net change in fund balances	241	18,888	19,129
<b>FUND BALANCES, beginning of year</b>	8,294	(13,964)	
Restatement of fund balance (Footnote 1R)	2,179	-	
<b>FUND BALANCES, end of year</b>	<u>\$ 10,714</u>	<u>4,924</u>	

Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Add capital acquisitions	527
Subtract depreciation expense	(3,640)
Subtract net book value of assets removed from service	(92)
Assets used in governmental activities are not financial resources, are not reported in the funds:	
Add net OPEB assets from current year	784
Subtract net OPEB assets from prior year	(124)
GASB 68 and 75 requires reporting deferred inflows and outflows of resources:	
Add current year's deferred outflows related to OPEB	1,354
Add current year's deferred outflows related to pensions	12,649
Subtract deferred outflows related to OPEB from prior year	(1,237)
Subtract deferred outflows related to pensions from prior year	(6,593)
Add deferred inflows related to OPEB from prior year	1,561
Add deferred inflows related to pensions from prior year	1,265
Subtract current year's deferred inflows related to OPEB	(2,392)
Subtract current year's deferred inflows related to pensions	(398)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Subtract current year's OPEB	(4,195)
Subtract current year's pensions	(26,501)
Subtract current year's compensated absences liability	(4,370)
Add prior year's OPEB	4,524
Add prior year's pensions	17,828
Add prior year's compensated absences liability	<u>4,253</u>
Change in Adult Detention Center net position	<u>\$ 14,332</u>



DISCRETELY PRESENTED COMPONENT UNIT - Adult Detention Center (General Operating Fund)

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

For the Fiscal Year Ended June 30, 2021

(amounts expressed in thousands)

	Budgeted Amounts		2021 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
<b>BUDGETARY REVENUES:</b>				
From use of money and property	\$ -	-	(126)	(126)
Charges for services	486	486	223	(263)
Intergovernmental revenues:				
Federal	293	293	20	(273)
State	12,625	12,625	12,407	(218)
Local:				
Manassas	4,193	4,193	4,214	21
Manassas Park	713	713	477	(236)
Prince William County	31,818	31,610	31,736	126
Miscellaneous	62	62	876	814
Total revenues	50,190	49,982	49,827	(155)
<b>BUEDGETARY EXPENDITURES:</b>				
Public safety - Adult Detention	51,340	52,152	49,470	2,682
Total expenditures	51,340	52,152	49,470	2,682
Excess / (deficiency) of revenues over / (under) expenditures	(1,150)	(2,170)	357	2,527
<b>OTHER FINANCING SOURCES USES:</b>				
Transfers out to:				
Capital projects funds	(116)	(116)	(116)	-
Total other financing uses	(116)	(116)	(116)	-
Excess / (deficiency) of revenues and other sources over / (under) expenditures and other uses	(1,266)	(2,286)	241	2,527
<b>BUDGETARY FUND BALANCE, beginning of year</b>	8,294	8,294	8,294	-
Restatement of beginning fund balance (Footnote 1R)	-	-	2,179	2,179
<b>BUDGETARY FUND BALANCE, end of year</b>	\$ 7,028	6,008	10,714	4,706
<b>Reconciliation of Budgetary Basis to GAAP Basis:</b>				
From use of money and property (Schedule 37)	\$ -	-	(126)	126
From use of money and property (Schedule 36)	-	-	(126)	126
<b>BUDGETARY FUND BALANCE, end of year</b>	7,028	6,008	10,714	4,706
Total adjustments	-	-	-	-
<b>FUND BALANCE, end of year</b>	\$ 7,028	6,008	10,714	4,706

## DEBT OBLIGATIONS

The schedules of bonds, capital leases, and other long-term debt detail the maturity dates and variable interest rates of the governmental funds' and enterprise funds' general obligation bonds, revenue bonds, notes payable, capital leases, school bonds, and state literary funds.

Description	Total Outstanding at June 30, 2021										Interest Rate (%)	Maturing Annually	
	Authorized	Issued	Date Issued	General County Related Debt	Road Related Debt	Adult Detention Center Related Debt	Park Related Debt	School Board Related Debt	Total Outstanding (Not Matured) at June 30, 2021	Amount		Fiscal Year	
<b>General Obligation Bonds and Revenue Bonds:</b>													
2006 Referendum	\$ 101,110	28,635	31-Jul-13	\$ -	5,003	-	717	-	5,720	5.00	1,430	2022 thru 2024	
										3.00	1,430	2025	
	-	61,805	29-Jul-15	9,641	12,854	-	2,225	-	24,720	5.00	3,090	2022 thru 2026	
										3.00	3,090	2027 thru 2028	
										3.00	3,090	2031	
Total 2006 Referendum	\$ 101,110	90,440		\$ 9,641	17,857	-	2,942	-	30,440				
Revenue Bonds	\$ 30,985	23,355	1-Mar-16	\$ 17,505	-	-	-	-	17,505	3.00	1,170	2022	
										5.00	1,170	2023 thru 2027	
										5.00	1,165	2028	
										4.00	1,165	2029 thru 2032	
										3.50	1,165	2033 thru 2036	
Revenue Bonds	\$ 54,590	44,770	29-Oct-20	\$ 26,730	-	18,040	-	-	44,770	5.00	2,245	2022 thru 2028	
										5.00	2,240	2029	
										5.00	2,235	2030 thru 2035	
										3.00	2,235	2036	
										2.00	2,235	2037 thru 2040	
										2.13	2,230	2041	
Total Revenue Bonds	85,575	68,125		44,235	-	18,040	-	-	62,275				
School Bonds	48,175	48,175	17-May-01	-	-	-	-	2,405	2,405	5.10	2,405	2022	
	52,660	52,660	16-May-02	-	-	-	-	5,260	5,260	5.10	2,630	2022 thru 2023	
	80,675	80,675	15-May-03	-	-	-	-	12,090	12,090	5.10	4,030	2022	
										4.60	4,030	2023 thru 2024	
	48,795	48,795	13-May-04	-	-	-	-	9,755	9,755	5.10	2,440	2022 thru 2024	
										5.10	2,435	2025	
	62,320	62,320	12-May-05	-	-	-	-	15,575	15,575	5.10	3,115	2022 thru 2025	
										4.35	3,115	2026	
	61,605	61,605	11-May-06	-	-	-	-	18,480	18,480	4.48	3,080	2022	
										4.60	3,080	2023 thru 2026	
										5.10	3,080	2027	
	64,975	64,975	10-May-07	-	-	-	-	22,725	22,725	5.10	3,250	2022 thru 2023	
										4.48	3,245	2024	
										4.50	3,245	2025 thru 2026	
										5.10	3,245	2027 thru 2028	
	45,890	45,890	15-May-08	-	-	-	-	18,350	18,350	5.10	2,295	2022 thru 2027	
										5.10	2,290	2028	
										4.60	2,290	2029	
	51,020	51,020	15-May-09	-	-	-	-	22,950	22,950	5.05	2,550	2022 thru 2025	
										4.05	2,550	2026	
										5.05	2,550	2027	
										4.30	2,550	2028	
										5.05	2,550	2029	
										4.43	2,550	2030	
	79,600	65,675	1-Aug-12	-	-	-	-	3,285	3,285	5.00	3,285	2022	
	69,280	59,990	31-Jul-13	-	-	-	-	9,000	9,000	5.00	3,000	2022 thru 2024	
	91,910	82,545	23-Sep-14	-	-	-	-	49,515	49,515	5.00	4,130	2022 thru 2024	
										5.00	4,125	2025	
										3.00	4,125	2026	
										2.50	4,125	2027	
										3.00	4,125	2028	
										3.25	4,125	2029	
										3.25	4,125	2030	
										3.00	4,125	2032	
										3.00	4,125	2034 thru 2035	
	108,990	98,485	29-Jul-15	-	-	-	-	54,175	54,175	5.00	4,925	2022 thru 2026	
										3.00	4,925	2027 thru 2031	
										3.13	4,925	2032	

Description	Total Outstanding at June 30, 2021									Interest Rate (%)	Maturing Annually		
	Authorized	Issued	Date Issued	General County Related Debt	Road Related Debt	Adult Detention Center Related Debt	Park Related Debt	School Board Related Debt	Total Outstanding (Not Matured) at June 30, 2021		Amount	Fiscal Year	
<b>General Obligation Bonds and Revenue Bonds (cont'd):</b>													
	139,480	120,220	29-Mar-16	-	-	-	-	96,160	96,160	5.00 3.00	6,010 6,010	2022 thru 2030 2031 thru 2037	
	219,695	77,660	9-Mar-17	-	-	-	-	62,120	62,120	5.00 4.00 3.00 3.13 3.25 3.38	3,885 3,885 3,880 3,880 3,880 3,880	2022 thru 2027 2028 thru 2029 2030 thru 2031 2032 thru 2034 2035 thru 2036 2037	
	245,340	115,895	24-May-18	-	-	-	-	98,515	98,515	5.00 4.00 3.13 3.38	5,795 5,795 5,795 5,795	2022 thru 2030 2031 thru 2033 2034 thru 2035 2036 thru 2038	
	378,500	109,155	29-Oct-19	-	-	-	-	103,695	103,695	5.00 5.00 3.00	5,460 5,455 5,455	2022 thru 2031 2032 2033 thru 2040	
	119,450	106,510	15-Oct-20	-	-	-	-	106,510	106,510	4.00 4.00 1.38 1.50 1.63 1.75 1.88 2.00	5,330 5,325 5,325 5,325 5,325 5,325 5,325 5,325	2022 thru 2023 2024 thru 2031 2032 2033 2034 2035 thru 2036 2037 thru 2038 2039 thru 2041	
Taxable - Local Build America Bonds	60,765	56,445	13-May-10	-	-	-	-	40,305	40,305	4.72 4.82 4.97 5.07 5.17 5.56	4,035 4,030 4,030 4,030 4,030 4,030	2022 2023 2024 2025 2026 2027 thru 2031	
School Bonds													
Taxable-Direct Payment Qualified School Construction Bonds A	9,800	9,685	8-Jul-10	-	-	-	-	3,420	3,420	-	570	2022 thru 2027	
<b>Total School Bonds</b>	<b>\$ 2,038,925</b>	<b>1,418,380</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>754,290</b>	<b>754,290</b>				
<b>Refunding Bonds:</b>													
	59,000	35,550	29-Feb-12	-	29,387	-	1,218	-	30,605	4.00 4.00 5.00 5.00 5.00 5.00 5.00	3,275 3,695 5,590 6,610 3,695 3,690 2,025	2022 2023 2024 2025 2026 2027 2028 thru 2029	
	115,000	50,940	29-Mar-16	-	-	-	-	50,940	50,940	5.00 5.00 5.00 5.00 5.00 5.00 5.00	3,210 2,940 8,275 8,310 8,350 6,055 8,385 5,415	2023 2024 2025 2026 2027 2028 2029 2030	
	640,140	24,465	18-Jun-20	-	16,763	-	604	7,098	24,465	5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00	7,675 6,775 4,925 710 715 725 730 735 735 740	2022 2023 2024 2025 2026 2027 2028 2029 2030 2031	

Description	Authorized	Issued	Date Issued	Total Outstanding at June 30, 2021					Total Outstanding (Not Matured) at June 30, 2021	Interest Rate (%)	Maturing Annually	
				General County Related Debt	Road Related Debt	Adult Detention Center Related Debt	Park Related Debt	School Board Related Debt			Amount	Fiscal Year
<b>General Obligation Bonds and Revenue Bonds (cont'd):</b>												
Taxable Bonds:	378,500	24,465	29-Oct-19	-	-	-	-	34,335	34,335	1.82	280	2022
										1.87	285	2023
										1.92	290	2024
										1.97	295	2025
										2.16	305	2026
										2.21	310	2027
										2.30	2,625	2028
										2.40	295	2029
										2.50	3,270	2030
										2.60	8,770	2031
										2.70	8,625	2032
										2.75	6,175	2033
										2.80	2,810	2034
	640,140	72,220	18-Jun-20	9,696	25,753	-	4,075	32,696	72,220	0.63	940	2022
										0.73	945	2023
										0.82	950	2024
										0.94	960	2025
										1.09	2,380	2026
										1.30	2,350	2027
										1.41	2,325	2028
										1.57	5,355	2029
										1.62	5,255	2030
										1.72	6,185	2031
										1.77	5,060	2032
										1.82	13,955	2033
										1.87	9,625	2034
										1.92	8,040	2035
										1.97	7,895	2036
<b>Total Refunding Bonds</b>	<b>\$ 1,832,780</b>	<b>207,640</b>		<b>\$ 9,696</b>	<b>71,903</b>	<b>-</b>	<b>5,897</b>	<b>125,069</b>	<b>212,565</b>			
<b>Total General Obligation Bonds and Revenue Bonds</b>	<b>\$ 4,058,390</b>	<b>1,784,585</b>		<b>\$ 63,572</b>	<b>89,760</b>	<b>18,040</b>	<b>8,839</b>	<b>879,359</b>	<b>1,059,570</b>			
<b>Capital Leases:</b>												
Refunding VRA - Yorkshire Fire Station	3,000	2,780	2-Nov-10	610	-	-	-	-	610	3.53	300	2022
										5.10	310	2023
Refunding VRA - Western District Police	16,000	13,165	2-Nov-10	2,885	-	-	-	-	2,885	3.54	1,410	2022
										5.10	1,475	2023
Refunding VRA - Nokesville Fire Station	3,000	2,180	2-Nov-10	645	-	-	-	-	645	5.10	215	2022 thru 2024
Refunding VRA - Spriggs Road	10,100	10,095	27-Jun-12	-	4,990	-	-	-	4,990	5.13	1,000	2022 thru 2024
										4.83	995	2025
										4.82	995	2026
Refunding VRA - Nokesville Fire Station	900	880	27-Jun-12	255	-	-	-	-	255	5.13	85	2022 thru 2024
Refunding COP	50,000	35,205	26-Mar-13	8,068	-	8,877	140	-	17,085	5.00	3,500	2022
										5.00	3,495	2023
										5.00	3,500	2024
										5.00	3,510	2025
										5.00	1,540	2026 thru 2027
Refunding VRA - Spricer Fire Station	880	880	5-Nov-14	390	-	-	-	-	390	5.13	95	2022
										5.13	100	2023
										3.81	100	2024
										5.13	95	2025
Refunding VRA - River Oaks Fire Station	2,330	2,330	5-Nov-14	1,390	-	-	-	-	1,390	5.13	235	2022 thru 2023
										3.87	230	2024
										5.13	230	2025 thru 2026
										4.82	230	2027
Refunding VRA - Antioch Fire Station	2,215	2,215	5-Nov-14	1,470	-	-	-	-	1,470	5.13	245	2022 thru 2023
										3.88	245	2024
										5.13	245	2025 thru 2026
										4.84	245	2027

Description	Total Outstanding at June 30, 2021										Interest Rate (%)	Maturing Annually	
	Authorized	Issued	Date Issued	General County Related Debt	Road Related Debt	Adult Detention Center Related Debt	Park Related Debt	School Board Related Debt	Total Outstanding (Not Matured) at June 30, 2021			Fiscal Year	
												Amount	
<b>Capital Leases (cont'd):</b>													
Refunding VRA - Roads	6,245	6,245	5-Nov-14	-	4,150	-	-	-	4,150	5.13	695	2022	
										5.13	690	2023	
										3.91	690	2024	
										5.13	690	2025 thru 2026	
										4.82	695	2027	
Refunding VRA - Birchdale Fire Station	2,140	2,140	5-Nov-14	1,705	-	-	-	-	1,705	5.13	215	2022 thru 2023	
										3.90	215	2024	
										5.13	215	2025 thru 2026	
										4.84	210	2027 thru 2029	
Refunding VRA - Roads	3,010	3,010	5-Nov-14	-	2,395	-	-	-	2,395	5.13	300	2022 thru 2023	
										3.87	300	2024	
										5.13	300	2025 thru 2026	
										4.81	300	2027	
										4.83	300	2028	
										4.84	295	2029	
Refunding VRA - Roads	29,925	18,855	5-Nov-14	-	16,945	-	-	-	16,945	5.13	1,885	2022	
										5.13	1,895	2023	
										3.90	1,885	2024	
										5.13	1,880	2025	
										5.13	1,885	2026	
										4.83	1,885	2027	
										4.82	1,885	2028	
										4.82	1,880	2029	
										3.43	1,865	2030	
<b>Total Capital Leases</b>	<b>\$ 129,745</b>	<b>99,980</b>		<b>\$ 17,418</b>	<b>28,480</b>	<b>8,877</b>	<b>140</b>	<b>-</b>	<b>54,915</b>				
<b>Loans Payable:</b>													
IDA Loan	\$ 21,153	21,153	22-Feb-19	\$ -	-	21,153	-	-	21,153	Variable	21,153	2024	
<b>Total Loans Payable</b>	<b>\$ 21,153</b>	<b>21,153</b>		<b>\$ -</b>	<b>-</b>	<b>21,153</b>	<b>-</b>	<b>-</b>	<b>21,153</b>				
<b>Total General Obligation, Revenue Bonds, Capital Leases and Other Long-Term Debt</b>	<b>\$ 4,209,288</b>	<b>1,905,718</b>		<b>\$ 80,990</b>	<b>118,240</b>	<b>48,070</b>	<b>8,979</b>	<b>879,359</b>	<b>1,135,638</b>				

A - Qualified School Construction Bonds (QSCB) are authorized by the federal government through the American Recovery and Reinvestment Act (ARRA) of 2009. The bonds provided reimbursement of interest paid by a credit from the US Treasury via VPSA.

PROPRIETARY FUNDS

Schedule of Bonds, Capital Leases and Other Long-Term Debt

As of June 30, 2021

(amounts expressed in thousands)

Description	<u>Total Outstanding at June 30, 2021</u>				Parks & Recreation	Total Outstanding (Not Matured) at June 30, 2020	Interest Rate (%)	Maturing Annually	
	Authorized	Issued	Date Issued	Amount				Fiscal Year	
<b>Revenue Bonds:</b>									
Refunding Bonds	\$ 5,410	4,810	29-Oct-20		4,155	5.00	630	2022	
						5.00	665	2023	
						5.00	700	2024	
						5.00	725	2025	
						5.00	765	2026	
						5.00	670	2027	
Total Revenue Bonds	<u>\$ 5,410</u>	<u>4,810</u>			<u>4,155</u>				
Total Bonds, Capital Leases and Other Long-Term Debt	<u>\$ 5,410</u>	<u>4,810</u>			<u>4,155</u>				

# Statistical Section

(Unaudited)



**Statistical Section**



## STATISTICAL SECTION

This section of Prince William County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

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

	<b>Page</b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	261
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the County's most significant local revenue source, the real estate tax, as well as other revenue sources.	271
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	279
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	285
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	288
<b>Other Statistical Tables</b>	
These schedules present other information useful to certain readers of the County's financial statements.	295

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**TABLE 1 - Net Position by Component**

Last Ten Fiscal Years

(accrual basis of accounting; amounts expressed in thousands)

Page 1 of 2

	2012 <sup>c</sup>	2013	2014	2015	2016 as restated <sup>d</sup>
<b>Governmental activities:</b>					
Net Investment in capital assets	\$ 370,247	\$ 405,803	\$ 432,016	\$ 459,442	\$ 442,098
Restricted	103,323	116,177	140,516	159,366	170,299
Unrestricted	(513,067)	(572,683)	(620,271)	(753,856)	(885,739)
<b>Total governmental activities net position</b>	<b>\$ (39,497)</b>	<b>\$ (50,703)</b>	<b>\$ (47,739)</b>	<b>\$ (135,048)</b>	<b>\$ (273,342)</b>
<b>Business-type activities:</b>					
Net Investment in capital assets	\$ 37,030	\$ 36,810	\$ 37,943	\$ 44,021	\$ 32,870
Unrestricted	5,675	(146)	3,818	(5,808)	6,280
<b>Total business-type activities net position</b>	<b>\$ 42,705</b>	<b>\$ 36,664</b>	<b>\$ 41,761</b>	<b>\$ 38,213</b>	<b>\$ 39,150</b>
<b>Primary government:</b>					
Net Investment in capital assets	\$ 407,277	\$ 442,613	\$ 469,959	\$ 503,463	\$ 474,968
Restricted	103,323	116,177	140,516	159,366	170,299
Unrestricted	(507,392)	(572,829)	(616,453)	(759,664)	(879,459)
<b>Total primary government net position</b>	<b>\$ 3,208</b>	<b>\$ (14,039)</b>	<b>\$ (5,978)</b>	<b>\$ (96,835)</b>	<b>\$ (234,192)</b>
<b>Component units:<sup>a</sup></b>					
Net Investment in capital assets	\$ 1,149,459	\$ 1,195,075	\$ 1,247,771	\$ 1,326,687	\$ 1,416,258
Restricted	34,791	43,091	50,515	66,882	198,106
Unrestricted	111,523	114,809	114,162	(737,984)	(700,164)
<b>Total component units net position</b>	<b>\$ 1,295,773</b>	<b>\$ 1,352,975</b>	<b>\$ 1,412,448</b>	<b>\$ 655,585</b>	<b>\$ 914,200</b>
<b>Total reporting entity:</b>					
Net Investment in capital assets <sup>b</sup>	\$ 975,195	\$ 1,051,232	\$ 1,121,735	\$ 1,222,302	\$ 1,891,226
Restricted <sup>b</sup>	115,407	139,850	168,908	183,503	368,405
Unrestricted	212,308	147,854	115,827	(847,055)	(1,579,623)
<b>Total reporting entity net position</b>	<b>\$ 1,302,910</b>	<b>\$ 1,338,936</b>	<b>\$ 1,406,470</b>	<b>\$ 558,750</b>	<b>\$ 680,008</b>

<sup>a</sup> Component unit net position represents a significant portion of net position for the total reporting entity.

<sup>b</sup> The sum of the rows does not equal the amount reported for the total reporting entity because certain debt related to the School Board, and the Adult Detention Center Component Units is reflected in the primary government's general governmental activities. See Exhibit 1 for further details.

<sup>c</sup> The Park Authority Component Unit was dissolved and became the County Department of Parks & Recreation (now Parks, Recreation, and Tourism) effective FY 2013. The Convention & Visitors Bureau became a component unit of the County effective FY 2013, but was dissolved and incorporated into the Parks & Recreation department in FY 2018.

<sup>d</sup> FY 2016 figures were adjusted and restated in FY 2017. FY 2017 figures were restated in FY 2018.

<sup>e</sup> FY 2017 figures were not adjusted and restated for Convention and Visitors Bureau since the merger occurred July 1, 2018.

<sup>f</sup> FY 2019 figures were adjusted and restated in FY 2020.

TABLE 1 - Net Position by Component

Page 2 of 2

2017 as restated <sup>e</sup>	2018	2019 as restated <sup>f</sup>	2020	2021	
\$ 485,264	\$ 505,044	\$ 539,411	\$ 547,230	\$ 541,191	Governmental activities:
140,373	95,769	97,235	110,355	126,398	Net Investment in capital assets
(994,204)	(1,010,760)	(924,368)	(931,915)	(951,452)	Restricted
					Unrestricted
\$ <u>(368,567)</u>	\$ <u>(409,947)</u>	\$ <u>(287,722)</u>	\$ <u>(274,330)</u>	\$ <u>(283,863)</u>	Total governmental activities net position
\$ 40,381	\$ 38,545	\$ 39,852	\$ 39,222	\$ 44,730	Business-type activities:
9,522	12,147	22,939	28,721	27,218	Net Investment in capital assets
					Unrestricted
\$ <u>49,903</u>	\$ <u>50,692</u>	\$ <u>62,791</u>	\$ <u>67,943</u>	\$ <u>71,928</u>	Total business-type activities net position
\$ 525,645	\$ 543,589	\$ 579,263	\$ 586,452	\$ 585,921	Primary government:
140,373	95,769	97,235	110,355	126,398	Net Investment in capital assets
(984,682)	(998,613)	(901,429)	(903,194)	(924,234)	Restricted
					Unrestricted
\$ <u>(318,664)</u>	\$ <u>(359,255)</u>	\$ <u>(224,931)</u>	\$ <u>(206,387)</u>	\$ <u>(211,915)</u>	Total primary government net position
\$ 1,522,452	\$ 1,572,907	\$ 1,689,674	\$ 1,809,830	\$ 1,862,670	Component units: <sup>a</sup>
173,810	231,206	104,459	80,492	142,111	Net Investment in capital assets
(860,881)	(823,297)	(732,730)	(714,995)	(626,918)	Restricted
					Unrestricted
\$ <u>835,381</u>	\$ <u>980,816</u>	\$ <u>1,061,403</u>	\$ <u>1,175,327</u>	\$ <u>1,377,863</u>	Total component units net position
\$ 1,367,824	\$ 2,215,208	\$ 1,501,676	\$ 1,566,473	\$ 2,512,932	Total reporting entity:
163,665	130,578	201,694	143,811	204,168	Net Investment in capital assets <sup>b</sup>
(1,014,772)	(1,724,225)	(866,898)	(741,344)	(1,551,152)	Restricted <sup>b</sup>
					Unrestricted
\$ <u>516,717</u>	\$ <u>621,561</u>	\$ <u>836,472</u>	\$ <u>968,940</u>	\$ <u>1,165,948</u>	Total reporting entity net position

COUNTY OF PRINCE WILLIAM, VIRGINIA

Table 2 - Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting; amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
					as restated <sup>b</sup>	as restated <sup>b</sup>		as restated <sup>c</sup>	as restated <sup>d</sup>	
<b>Primary Government:</b>										
Expenses										
Governmental activities:										
General government administration	\$ 40,151	\$ 37,932	\$ 34,857	\$ 34,865	\$ 40,258	\$ 50,059	\$ 47,002	\$ 47,572	\$ 51,328	\$ 95,112
Judicial administration	18,222	19,524	20,060	20,581	21,960	22,458	21,557	23,677	26,943	29,253
Public safety	215,366	234,880	238,965	243,870	270,610	295,806	292,517	335,421	323,824	375,682
Public works	55,538	72,924	91,874	88,390	96,977	81,479	112,634	107,447	102,006	93,970
Health and welfare	75,217	75,909	76,638	81,711	88,726	92,898	95,658	100,931	111,427	136,895
Education	406,022	463,154	461,676	513,087	672,297	554,522	589,737	468,667	633,749	694,445
Parks, recreational and cultural	54,934	34,077	36,059	37,150	78,278	50,250	49,000	57,677	56,706	51,025
Community development	52,318	53,726	59,129	64,674	37,307	66,559	71,037	65,623	76,709	90,729
Interest on long-term debt	43,242	43,086	47,553	45,104	47,263	54,176	51,305	49,473	49,964	49,053
Pension	--	--	--	(12,502)	--	--	--	--	--	--
<b>Total governmental activities expenses</b>	<b>961,010</b>	<b>1,035,212</b>	<b>1,066,811</b>	<b>1,116,930</b>	<b>1,353,676</b>	<b>1,268,207</b>	<b>1,330,447</b>	<b>1,256,488</b>	<b>1,432,656</b>	<b>1,616,164</b>
Business-type activities:										
Landfill	16,734	15,832	17,327	17,337	16,613	16,195	14,745	14,749	16,922	17,889
Parks and Recreation	15,927	19,729	14,793	14,865	6,427	6,445	6,943	6,336	5,038	4,293
Innovation Technology Park	48	60	75	405	340	458	268	590	756	746
<b>Total business-type activities expenses</b>	<b>32,709</b>	<b>35,621</b>	<b>32,195</b>	<b>32,607</b>	<b>23,380</b>	<b>23,098</b>	<b>21,956</b>	<b>21,675</b>	<b>22,716</b>	<b>22,928</b>
<b>Total primary government expenses</b>	<b>\$ 993,719</b>	<b>\$ 1,070,833</b>	<b>\$ 1,099,006</b>	<b>\$ 1,149,537</b>	<b>\$ 1,377,056</b>	<b>\$ 1,291,305</b>	<b>\$ 1,352,403</b>	<b>\$ 1,278,163</b>	<b>\$ 1,455,372</b>	<b>\$ 1,639,092</b>
Program Revenues										
Governmental activities:										
Charges for services:										
General government administration	\$ 597	\$ 590	\$ 571	\$ 568	\$ 2,263	\$ 1,969	\$ 1,996	\$ 1,925	\$ 1,988	\$ 1,643
Judicial administration	4,548	4,929	4,079	4,238	1,939	1,982	1,695	2,030	1,930	2,133
Public safety	11,105	12,220	13,177	13,249	11,113	24,005	14,572	15,514	13,958	11,937
Public works	5,054	8,248	8,237	8,725	8,796	8,523	8,533	8,748	8,957	8,983
Health and welfare	1,381	1,345	1,113	1,477	6,635	977	1,332	1,543	1,252	1,082
Parks, recreational and cultural	1,807	548	641	580	8,695	8,992	8,302	8,123	5,951	2,716
Community development	15,234	18,973	20,708	20,194	15,527	12,164	18,382	17,551	16,976	16,801
Operating grants and contributions	101,066	77,104	80,159	79,740	85,699	89,962	96,631	101,515	112,289	185,504
Capital grants and contributions	37,115	29,758	42,952	49,288	74,430	56,574	80,726	77,724	75,832	110,228
<b>Total governmental activities program revenues</b>	<b>177,907</b>	<b>153,715</b>	<b>171,637</b>	<b>178,059</b>	<b>215,097</b>	<b>205,148</b>	<b>232,169</b>	<b>234,673</b>	<b>239,133</b>	<b>341,027</b>
Business-type activities:										
Charges for services:										
Landfill	17,213	17,556	18,008	18,805	19,660	19,568	19,879	20,381	19,797	20,094
Parks and Recreation	13,228	10,904	11,783	11,927	5,472	5,222	4,654	4,524	3,566	3,290
Innovation Technology Park	990	--	--	64	1,132	4,312	978	3,408	3,050	5,660
Capital grants and contributions	57	27	20	--	--	--	--	--	--	--
<b>Total business-type activities program revenues</b>	<b>31,488</b>	<b>28,487</b>	<b>29,811</b>	<b>30,796</b>	<b>26,264</b>	<b>29,102</b>	<b>25,511</b>	<b>28,313</b>	<b>26,413</b>	<b>29,044</b>
<b>Total primary government program revenues</b>	<b>\$ 209,395</b>	<b>\$ 182,202</b>	<b>\$ 201,448</b>	<b>\$ 208,855</b>	<b>\$ 241,361</b>	<b>\$ 234,250</b>	<b>\$ 257,680</b>	<b>\$ 262,986</b>	<b>\$ 265,546</b>	<b>\$ 370,071</b>
Net (Expense)/Revenue										
Governmental activities	\$ (783,103)	\$ (881,497)	\$ (895,174)	\$ (938,871)	\$ (1,138,579)	\$ (1,063,059)	\$ (1,098,278)	\$ (1,021,815)	\$ (1,193,523)	\$ (1,275,137)
Business-type activities	(1,221)	(7,134)	(2,384)	(1,811)	2,884	6,004	3,555	6,638	3,697	6,116
<b>Total primary government net (expense)/revenue</b>	<b>\$ (784,324)</b>	<b>\$ (888,631)</b>	<b>\$ (897,558)</b>	<b>\$ (940,682)</b>	<b>\$ (1,135,695)</b>	<b>\$ (1,057,055)</b>	<b>\$ (1,094,723)</b>	<b>\$ (1,015,177)</b>	<b>\$ (1,189,826)</b>	<b>\$ (1,269,021)</b>
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes										
Real property	\$ 526,885	\$ 551,951	\$ 571,847	\$ 599,802	\$ 628,960	\$ 650,851	\$ 679,762	\$ 713,059	\$ 754,989	\$ 787,059
Personal property	78,338	85,515	96,013	104,060	114,750	128,280	137,198	150,269	162,528	175,182
Local sales	52,003	55,169	56,511	59,709	60,551	63,022	64,566	68,710	72,342	80,140
Consumers utility	13,075	13,490	13,766	13,974	13,977	14,196	14,417	14,443	14,408	13,266
Business, professional and occupational license	21,725	22,913	23,772	24,744	25,065	25,341	26,554	26,945	28,236	29,882
Recordation	8,014	10,277	7,879	8,868	10,613	11,149	9,839	10,687	13,016	20,067
Motor vehicle licenses	7,591	7,877	7,907	8,053	8,260	8,409	8,845	8,987	9,086	12,550
Other local taxes	--	--	--	--	--	--	--	13,215	12,311	14,499
Transient occupancy	3,274	3,369	3,096	3,425	3,721	4,030	4,025	--	--	--
Short term rental, bank stock, public utility gross receipts	3,080	2,973	3,226	3,292	3,350	3,733	4,102	4,431	4,006	5,213
Grants and contributions not restricted to specific programs	81,503	81,785	81,878	82,278	85,327	81,728	81,058	80,200	81,030	77,581
Investment earnings	20,222	(1,558)	26,049	20,548	26,736	11,123	13,727	43,026	38,443	15,825
Gain on disposition of capital assets	--	--	--	--	17	649	161	745	--	--
Insurance claims and recoveries	66	100	9	10	2,197	61	26	13	14	18
Miscellaneous	10,348	37,530	12,522	19,304	12,480	24,112	8,322	12,200	15,919	30,526
Special item - transfer of volunteer fire and rescue operations	--	--	--	--	2,929	13,026	--	--	--	--
Transfers	1,527	(376)	(6,337)	465	792	(4,377)	4,010	(2,890)	587	3,205
<b>Total governmental activities</b>	<b>827,651</b>	<b>871,015</b>	<b>898,138</b>	<b>948,532</b>	<b>999,725</b>	<b>1,035,333</b>	<b>1,056,612</b>	<b>1,144,040</b>	<b>1,206,915</b>	<b>1,265,013</b>

COUNTY OF PRINCE WILLIAM, VIRGINIA

Table 2 - Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting; amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
					as restated <sup>b</sup>	as restated <sup>b</sup>		as restated <sup>c</sup>	as restated <sup>d</sup>	
<b>Primary Government:</b>										
Expenses										
Business-type activities:										
Investment earnings	513	(99)	307	389	533	--	57	1,494	1,060	104
Miscellaneous	794	816	837	979	933	1,215	1,187	1,077	982	990
Transfers	(1,527)	376	6,337	(465)	(792)	4,377	(4,010)	2,890	(587)	(3,205)
Total business-type activities	(220)	1,093	7,481	903	674	5,592	(2,766)	5,461	1,455	(2,111)
Total primary government	\$ 827,431	\$ 872,108	\$ 905,619	\$ 949,435	\$ 1,000,399	\$ 1,040,925	\$ 1,053,846	\$ 1,149,501	\$ 1,208,370	\$ 1,262,902
Change in Net Position										
Governmental activities	\$ 44,548	\$ (10,482)	\$ 2,964	\$ 9,661	\$ (138,854)	\$ (27,726)	\$ (41,666)	\$ 122,225	\$ 13,392	\$ (10,124)
Cumulative effect of restatement- Gov't Activities	--	--	--	(96,970)	--	(15,068)	--	--	--	594
Business-type activities	(1,441)	(6,041)	5,097	(908)	3,558	11,596	789	12,099	5,152	4,005
Cumulative effect of restatement - Business-type Activities	--	--	--	(2,640)	--	--	--	--	--	--
Total primary government	\$ 43,107	\$ (16,523)	\$ 8,061	\$ (90,857)	\$ (135,296)	\$ (31,198)	\$ (40,877)	\$ 134,324	\$ 18,544	\$ (5,525)
<b>Component Units:<sup>a</sup></b>										
Expenses										
School Board	\$ 945,026	\$ 982,546	\$ 998,911	\$ 1,046,510	\$ 1,059,657	\$ 1,149,263	\$ 1,163,792	\$ 1,183,841	\$ 1,296,560	\$ 1,380,099
Adult Detention Center	39,719	46,030	44,629	42,366	48,241	44,712	43,365	43,742	51,908	56,297
Park Authority	--	--	--	--	--	--	--	--	--	--
Convention & Visitors Bureau	1,183	1,253	1,188	1,288	1,275	1,178	--	--	--	--
Total component unit expenses	\$ 985,928	\$ 1,029,829	\$ 1,044,728	\$ 1,090,164	\$ 1,109,173	\$ 1,195,153	\$ 1,207,157	\$ 1,227,583	\$ 1,348,468	\$ 1,436,396
Program Revenues										
Charges for services	\$ 23,551	\$ 24,230	\$ 24,087	\$ 23,795	\$ 24,429	\$ 25,735	\$ 26,138	\$ 25,457	\$ 18,009	\$ 5,785
Operating grants and contributions	144,394	146,617	149,565	158,349	168,110	179,935	182,304	182,964	185,517	295,190
Capital grants and contributions	98	113	108	116	124	119	123	128	119	127
Total component unit program revenues	\$ 168,043	\$ 170,960	\$ 173,760	\$ 182,260	\$ 192,663	\$ 205,789	\$ 208,565	\$ 208,549	\$ 203,645	\$ 301,102
General Revenues and Other										
Changes in Net Position										
Payment from primary government	\$ 497,540	\$ 556,524	\$ 560,412	\$ 615,939	\$ 783,479	\$ 672,345	\$ 717,067	\$ 633,538	\$ 774,951	\$ 826,798
Grants and contributions not restricted to specific programs	324,278	354,051	359,939	373,325	381,856	401,967	419,099	452,149	471,510	491,034
Investment earnings	3,287	1,892	3,261	3,125	3,489	2,603	2,700	8,669	7,117	3,162
Gain on disposition of capital assets	--	--	--	4	(1)	--	--	--	11	--
Miscellaneous	2,758	3,604	6,829	3,216	3,734	5,523	5,447	4,631	5,158	6,451
Total general revenues and other changes in net position	\$ 827,863	\$ 916,071	\$ 930,441	\$ 995,609	\$ 1,172,557	\$ 1,082,438	\$ 1,144,313	\$ 1,098,987	\$ 1,258,747	\$ 1,327,445
Cumulative effect of restatement	--	--	--	(844,568)	--	--	--	--	--	10,385
Total component unit change in net position	\$ 9,978	\$ 57,202	\$ 59,473	\$ (756,863)	\$ 256,047	\$ 93,074	\$ 145,721	\$ 79,953	\$ 113,924	\$ 202,536

<sup>a</sup> The Park Authority Component Unit was dissolved and became the County Department of Parks and Recreation (now Parks, Recreation and Tourism) effective FY 2013. The Convention and Visitors Bureau became a component unit of the County effective FY 2013, but was dissolved and incorporated into the Parks & Recreation department in FY 2018

<sup>b</sup> FY 2016 figures were adjusted and restated in FY 2017. FY 2017 figures were restated in FY 2018.

<sup>c</sup> FY 2019 figures were adjusted and restated in FY 2020.

<sup>d</sup> FY2020 figures were adjusted and restated due to GASB 84 implementation, in FY2021.

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**TABLE 3 - Fund Balances, Governmental Funds**

Last Ten Fiscal Years

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

Page 1 of 2

	2012	2013 <sup>a</sup>	2014	2015	2016 as restated <sup>b</sup>
<b>General Fund:</b>					
Non-spendable	\$ 229	\$ 299	\$ 222	\$ 178	\$ 142
Restricted	1,274	2,101	3,693	13,224	8,366
Committed	90,209	81,114	67,735	58,692	127,058
Assigned	7,073	8,137	6,442	29,847	7,775
Unassigned	64,457	67,075	69,669	73,055	75,674
Total general fund	<u>163,242</u>	<u>158,726</u>	<u>147,761</u>	<u>174,996</u>	<u>219,015</u>
<b>Capital Projects:</b>					
Non-spendable	199	34	240	232	331
Restricted	21,633	--	--	--	--
Committed	87,301	102,692	102,106	56,783	148,995
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
Total capital projects	<u>109,133</u>	<u>102,726</u>	<u>102,346</u>	<u>57,015</u>	<u>149,326</u>
<b>Fire &amp; Rescue Levy:</b>					
Restricted	--	66,893	77,831	86,617	59,127
Committed	--	--	--	--	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
Total fire & rescue levy funds	<u>--</u>	<u>66,893</u>	<u>77,831</u>	<u>86,617</u>	<u>59,127</u>
<b>COVID-19 Response</b>					
Non-spendable	--	--	--	--	--
Restricted	--	--	--	--	--
Committed	--	--	--	--	--
Assigned	--	--	--	--	--
Unassigned	--	--	--	--	--
Total COVID-19 Response funds	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Non-major Special Revenue Funds:</b>					
Non-spendable	--	30	--	--	2,167
Restricted	77,568	16,895	18,472	16,766	20,055
Unassigned	--	--	--	--	--
Total non-major special revenue funds	<u>\$ 77,568</u>	<u>\$ 16,925</u>	<u>\$ 18,472</u>	<u>\$ 16,766</u>	<u>\$ 22,222</u>

<sup>a</sup>Beginning in FY2013, the Fire & Rescue Levy fund became a major fund.

<sup>b</sup>FY 2016 figures were adjusted and restated in FY 2017.

<sup>c</sup>Beginning in FY2021, COVID-19 Response fund became a major fund.

TABLE 3 - Fund Balances, Governmental Funds

2017	2018	2019	2020	2021 <sup>c</sup>	
					<b>General Fund:</b>
\$ 178	\$ 288	\$ 396	\$ 262	\$ 297	Non-spendable
10,350	9,941	9,105	9,445	9,505	Restricted
92,852	89,315	89,369	118,703	142,265	Committed
9,123	12,096	9,025	9,217	16,940	Assigned
79,769	82,107	87,335	91,405	95,459	Unassigned
<u>192,272</u>	<u>193,747</u>	<u>195,230</u>	<u>229,032</u>	<u>264,466</u>	Total general fund
					<b>Capital Projects:</b>
331	306	311	311	--	Non-spendable
--	--	--	--	--	Restricted
136,717	98,602	104,811	92,699	89,651	Committed
--	--	--	--	--	Assigned
--	--	--	--	--	Unassigned
<u>137,048</u>	<u>98,908</u>	<u>105,122</u>	<u>93,010</u>	<u>89,651</u>	Total capital projects
					<b>Fire &amp; Rescue Levy:</b>
50,974	44,284	36,418	39,899	41,182	Restricted
--	--	--	--	--	Committed
--	--	--	--	--	Assigned
--	--	--	--	--	Unassigned
<u>50,974</u>	<u>44,284</u>	<u>36,418</u>	<u>39,899</u>	<u>41,182</u>	Total fire & rescue levy funds
					<b>COVID-19 Response</b>
--	--	--	--	9	Non-spendable
--	--	--	--	107	Restricted
--	--	--	--	--	Committed
--	--	--	--	--	Assigned
--	--	--	--	--	Unassigned
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>116</u>	Total COVID-19 Response funds
					<b>Non-major Special Revenue Funds:</b>
--	8	13	58	2,187	Non-spendable
25,466	26,949	37,157	45,092	55,041	Restricted
--	--	--	(29)	--	Unassigned
<u>25,466</u>	<u>\$ 26,957</u>	<u>\$ 37,170</u>	<u>\$ 45,121</u>	<u>\$ 57,228</u>	Total non-major special revenue funds

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**TABLE 4 - Changes in Fund Balances, Governmental Funds**

Last Ten Fiscal Years

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

Page 1 of 2

	2012	2013 <sup>a</sup>	2014	2015	2016 as restated <sup>b</sup>
<b>REVENUES:</b>					
General property taxes	\$ 605,896	\$ 636,789	\$ 667,497	\$ 703,097	\$ 703,952
Other local taxes	108,762	116,068	116,157	122,065	125,537
Permits, privilege fees and regulatory licenses	13,836	16,354	17,389	17,057	2,295
Fines and forfeitures	3,435	3,260	3,252	3,168	2,952
From use of money and property	13,870	(6,422)	14,434	12,456	14,702
Charges for services	21,226	27,240	27,886	28,806	14,379
Intergovernmental revenues:					
Federal	50,986	49,644	51,378	48,313	19,322
State	122,949	118,507	137,111	141,743	122,798
Local	6,661	6,884	7,435	9,679	7,302
Donations and contributions	142	20	1,897	1,723	--
Miscellaneous	10,206	27,284	11,592	18,083	14,038
Total revenues	<u>957,969</u>	<u>995,628</u>	<u>1,056,028</u>	<u>1,106,190</u>	<u>1,027,277</u>
<b>EXPENDITURES:</b>					
General government administration	38,897	36,788	34,966	37,651	39,108
Judicial administration	17,593	18,388	19,190	19,681	20,174
Public safety	210,461	228,769	232,492	241,360	188,460
Public works	30,408	30,522	31,441	30,857	31,420
Health and welfare	75,014	75,066	76,549	80,840	85,237
Education	416,071	463,652	466,249	508,016	425,142
Parks, recreational and cultural	35,801	26,550	28,507	31,085	43,943
Community development	47,280	48,555	53,185	53,879	10,503
Debt service:					
Principal retirement	74,760	69,858	72,969	76,750	77,784
Interest and other debt costs	42,803	41,991	42,546	42,476	45,231
Capital outlays	33,283	53,426	76,086	85,565	--
Total expenditures	<u>1,022,371</u>	<u>1,093,565</u>	<u>1,134,180</u>	<u>1,208,160</u>	<u>967,002</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(64,402)</u>	<u>(97,937)</u>	<u>(78,152)</u>	<u>(101,970)</u>	<u>60,275</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	59,039	58,513	73,278	54,852	120,687
Transfers out	(88,907)	(62,825)	(93,780)	(54,508)	(149,036)
Issuance of debt	--	--	--	--	--
Bonds, notes and capital leases	46,445	65,675	88,625	82,545	--
Refunding bonds	51,585	46,180	--	35,675	2,935
Premium on sale of bonds	2,236	12,301	10,309	7,247	--
Premium from refunding bonds	9,690	9,048	--	6,219	189
Payments to escrow agent	(60,921)	(54,689)	--	(41,508)	(3,068)
Loan payables	--	--	--	--	--
Insurance recoveries	--	100	9	10	12
Sale of surplus property	298	252	851	422	2,094
Total other financing sources (uses)	<u>19,531</u>	<u>74,555</u>	<u>79,292</u>	<u>90,954</u>	<u>(26,187)</u>
Net change in fund balances	<u>\$ (44,871)</u>	<u>\$ (23,382)</u>	<u>\$ 1,140</u>	<u>\$ (11,016)</u>	<u>\$ 34,088</u>
Debt service as a percentage of noncapital expenditures	11.62%	10.37%	10.35%	10.12%	13.24%

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

<sup>b</sup> FY 2016 figures were adjusted and restated in FY 2017.

<sup>c</sup> Prior to FY 2019, these taxes were included in 'Other local taxes'. Please see Footnote 17 for additional information.



TABLE 4 - Changes in Fund Balances, Governmental Funds

2017	2018	2019	2020	2021	
\$ 780,642	\$ 818,357	\$ 862,399	\$ 914,031	\$ 961,162	<b>REVENUES:</b>
129,880	132,348	147,417	153,405	175,617	General property taxes
19,867	19,141	20,156	19,847	20,888	Other local taxes
2,732	3,050	3,456	2,705	1,788	Permits, privilege fees and regulatory licenses
1,477	4,112	28,750	20,978	69	Fines and forfeitures
33,420	32,621	31,821	28,460	22,619	From use of money and property
					Charges for services
					Intergovernmental revenues:
65,147	54,902	55,060	62,046	141,499	Federal
153,173	137,416	144,857	148,932	159,701	State
6,947	47,101	60,272	48,273	50,810	Local
731	--	--	--	--	Donations and contributions
23,819	12,011	12,528	18,930	30,890	Miscellaneous
<u>1,217,835</u>	<u>1,261,059</u>	<u>1,366,716</u>	<u>1,417,607</u>	<u>1,565,043</u>	Total revenues
					<b>EXPENDITURES:</b>
44,340	42,300	45,704	46,519	78,209	General government administration
21,292	21,052	22,512	26,039	27,290	Judicial administration
272,018	279,766	327,582	315,061	367,510	Public safety
31,269	32,063	33,523	31,800	7,372	Public works
89,166	96,955	104,378	111,455	130,729	Health and welfare
551,880	591,463	473,433	506,729	567,166	Education
44,186	47,160	49,645	50,559	50,535	Parks, recreational and cultural
58,165	58,932	58,519	62,978	75,827	Community development
					Debt service:
86,849	93,220	97,685	93,610	101,010	Principal retirement
47,888	48,688	48,358	47,675	45,426	Interest and other debt costs
94,440	122,321	114,778	226,895	248,188	Capital outlays
<u>1,341,493</u>	<u>1,433,920</u>	<u>1,376,117</u>	<u>1,519,320</u>	<u>1,699,262</u>	Total expenditures
					Excess (deficiency) of revenues over
(123,658)	(172,861)	(9,401)	(101,713)	(134,219)	(under) expenditures
					<b>OTHER FINANCING SOURCES (USES):</b>
85,749	91,372	116,454	100,632	89,049	Transfers in
(90,895)	(88,194)	(118,600)	(91,718)	(80,527)	Transfers out
--	--	--	240,450	151,280	Issuance of debt
77,660	115,895	--	--	--	Bonds, notes and capital leases
--	--	--	(817)	--	Refunding bonds
6,554	11,371	--	--	17,468	Premium on sale of bonds
--	--	--	19,646	--	Premium from refunding bonds
--	--	--	(133,805)	--	Payments to escrow agent
--	--	21,153	--	--	Loan payables
61	26	13	14	18	Insurance recoveries
599	282	426	432	1,915	Sale of surplus property
<u>79,728</u>	<u>130,752</u>	<u>19,446</u>	<u>134,834</u>	<u>179,203</u>	Total other financing sources (uses)
<u>(43,930)</u>	<u>(42,109)</u>	<u>10,045</u>	<u>33,121</u>	<u>44,984</u>	Net change in fund balances
10.33%	9.90%	10.61%	9.30%	8.62%	Debt service as a percentage of noncapital expenditures

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**TABLE 5 - Changes in Net Position, Supplemental Retirement Plan**

Last Ten Fiscal Years

(amounts expressed in thousands)

Page 1 of 2

	2012	2013	2014	2015	2016
<b>Additions</b>					
Member contributions	\$ 909	\$ 946	\$ 1,007	\$ 1,083	\$ 1,137
Employer contributions	909	946	1,007	1,083	1,137
Investment income (net of expenses)	(559)	2,449	4,438	(339)	119
Other Income	--	--	--	--	--
Total additions to plan net position	<u>1,259</u>	<u>4,341</u>	<u>6,452</u>	<u>1,827</u>	<u>2,393</u>
<b>Deductions</b>					
Pension payments	1,742	1,981	1,810	1,883	2,004
Refund of members' contribution	78	84	95	97	144
Administrative expenses	92	57	109	83	116
Total deductions to plan net position	<u>1,912</u>	<u>2,122</u>	<u>2,014</u>	<u>2,063</u>	<u>2,264</u>
<b>Change in net position</b>	<u>\$ (653)</u>	<u>\$ 2,219</u>	<u>\$ 4,438</u>	<u>\$ (236)</u>	<u>\$ 129</u>

TABLE 5 - Changes in Net Position, Supplemental Retirement Plan

	2017	2018	2019	2020	2021	
						<b>Additions</b>
\$	1,199	\$ 1,294	\$ 1,372	\$ 1,921	\$ 2,030	Member contributions
	2,010	2,092	2,313	3,077	3,566	Employer contributions
	<u>4,341</u>	<u>2,933</u>	<u>2,416</u>	<u>1,329</u>	<u>11,487</u>	Investment income (net of expenses)
	--	--	--	--	12	Other Income
	<u>7,550</u>	<u>6,319</u>	<u>6,101</u>	<u>6,327</u>	<u>17,095</u>	Total additions to plan net position
						<b>Deductions</b>
	2,837	2,639	2,623	2,923	2,855	Pension payments
	151	102	129	345	222	Refund of members' contribution
	<u>163</u>	<u>148</u>	<u>118</u>	<u>222</u>	<u>337</u>	Administrative expenses
	<u>3,151</u>	<u>2,889</u>	<u>2,870</u>	<u>3,490</u>	<u>3,414</u>	Total deductions to plan net position
\$	<u>4,399</u>	<u>3,430</u>	<u>3,231</u>	<u>2,837</u>	<u>13,681</u>	<b>Change in net position</b>

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**TABLE 6 - General Governmental Revenues by Source<sup>a</sup>**

Last Ten Fiscal Years

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

Page 1 of 2

Fiscal Year	Taxes <sup>b</sup>	Licenses, Fees & Permits	Fines & Forfeitures	Use of Money & Property <sup>c</sup>	Charges for Services
2012	\$ 714,658	\$ 13,836	\$ 3,435	\$ 17,909	\$ 43,295
2013	\$ 752,856	\$ 16,354	\$ 3,260	\$ (3,386)	\$ 50,179
2014	\$ 783,654	\$ 17,389	\$ 3,252	\$ 18,762	\$ 50,964
2015	\$ 825,162	\$ 17,057	\$ 3,168	\$ 16,747	\$ 51,847
2016	\$ 869,840	\$ 18,039	\$ 2,953	\$ 21,495	\$ 49,818
2017	\$ 910,522	\$ 19,867	\$ 2,732	\$ 6,471	\$ 57,324
2018	\$ 950,705	\$ 19,141	\$ 3,050	\$ 9,539	\$ 57,256
2019	\$ 1,018,777	\$ 20,156	\$ 3,456	\$ 41,465	\$ 55,244
2020	\$ 1,076,413	\$ 19,847	\$ 2,705	\$ 30,157	\$ 45,753
2021	\$ 1,082,490	\$ 20,887	\$ 1,788	\$ 3,373	\$ 26,383
Change 2012 - 2021	51.47%	50.96%	-47.95%	-81.17%	-39.06%

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

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

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

<sup>d</sup> Beginning with fiscal year 2000, the State reimbursed the County for personal property tax for non-business use vehicles under the PPTRA. The State reimbursement is classified as inter-governmental revenue. The PPTRA reimbursement rates were 61.5% for fiscal years 2007 through 2008. Beginning fiscal year 2009, the reimbursement rate was dropped and reimbursement was set at the fiscal year 2008 *dollar* amount of \$54.3M.

**TABLE 6A - General Governmental Tax Revenues by Source**

Last Ten Fiscal Years

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

Fiscal Year	Real Estate	Personal Property <sup>a</sup>	Public Service	Total General <sup>b</sup> Property Taxes	Sales Tax
2012	\$ 510,053	\$ 74,567	\$ 18,776	\$ 603,396	\$ 52,003
2013	\$ 533,024	\$ 81,783	\$ 19,511	\$ 634,318	\$ 55,169
2014	\$ 557,068	\$ 95,270	\$ 18,809	\$ 671,147	\$ 56,511
2015	\$ 581,640	\$ 100,093	\$ 18,650	\$ 700,383	\$ 59,709
2016	\$ 610,844	\$ 110,676	\$ 19,954	\$ 741,474	\$ 60,551
2017	\$ 632,422	\$ 123,696	\$ 21,204	\$ 777,322	\$ 63,022
2018	\$ 660,476	\$ 131,700	\$ 22,101	\$ 814,277	\$ 64,566
2019	\$ 695,169	\$ 143,557	\$ 21,674	\$ 860,400	\$ 68,710
2020	\$ 733,071	\$ 156,474	\$ 22,683	\$ 912,228	\$ 72,341
2021	\$ 764,351	\$ 171,063	\$ 22,429	\$ 957,843	\$ 80,140
Change 2012 - 2021	49.86%	129.41%	19.45%	58.74%	54.11%

<sup>a</sup> Personal property tax revenues exclude reimbursements from the Commonwealth under the PPTRA.

<sup>b</sup> Excludes administration fees and interest related to property taxes. These revenues are included in "All Other" column.

TABLE 6 - General Governmental Revenues by Source<sup>a</sup>

Inter-Governmental <sup>d</sup>					Fiscal Year
PPTRA	All Others	Miscellaneous	Total		
\$ 54,288	\$ 627,418	\$ 13,816	\$ 1,488,655		2012
\$ 54,288	\$ 690,633	\$ 30,632	\$ 1,594,816		2013
\$ 54,288	\$ 722,269	\$ 17,826	\$ 1,668,403		2014
\$ 54,288	\$ 757,092	\$ 23,207	\$ 1,748,568		2015
\$ 54,288	\$ 801,685	\$ 18,945	\$ 1,837,063		2016
\$ 54,288	\$ 857,810	\$ 31,588	\$ 1,940,602		2017
\$ 54,288	\$ 878,004	\$ 17,773	\$ 1,989,756		2018
\$ 54,288	\$ 966,701	\$ 17,863	\$ 2,177,950		2019
\$ 54,288	\$ 966,280	\$ 23,985	\$ 2,219,428		2020
\$ 54,288	\$ 1,235,020	\$ 39,217	\$ 2,463,446		2021
0.00%	96.84%	183.85%	65.48%		Change 2012 - 2021

Utility Taxes	BPOL Tax	All Other <sup>b</sup>	Total	Fiscal Year
\$ 13,075	\$ 21,725	\$ 24,459	\$ 714,658	2012
\$ 13,490	\$ 22,913	\$ 26,966	\$ 752,856	2013
\$ 13,766	\$ 23,772	\$ 18,458	\$ 783,654	2014
\$ 13,974	\$ 24,744	\$ 26,352	\$ 825,162	2015
\$ 13,977	\$ 25,065	\$ 28,773	\$ 869,840	2016
\$ 14,196	\$ 25,341	\$ 30,641	\$ 910,522	2017
\$ 14,417	\$ 26,554	\$ 30,891	\$ 950,705	2018
\$ 14,443	\$ 26,945	\$ 48,279	\$ 1,018,777	2019
\$ 14,408	\$ 28,236	\$ 49,200	\$ 1,076,413	2020
\$ 13,266	\$ 29,882	\$ 55,647	\$ 1,136,778	2021
1.46%	37.55%	127.51%	59.07%	Change 2012 - 2021

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

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

Last Ten Fiscal Years

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

Fiscal Year	Residential <sup>a</sup>	Apartments <sup>a</sup>	Commercial & Industrial <sup>a</sup>	Public Service <sup>a</sup>	Vacant Land & Other <sup>a</sup>	Total Taxable Assessed Value	Total Direct Tax Rate <sup>b</sup>	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2012	\$32,477,281	\$1,642,125	\$5,899,244	\$1,472,610	\$163,184	\$41,654,444	\$1.28060	\$49,533,872	84.09%
2013	\$33,769,506	\$1,911,766	\$6,210,947	\$1,521,977	\$170,032	\$43,584,228	\$1.28590	\$50,810,494	85.78%
2014	\$35,821,828	\$2,185,291	\$6,597,590	\$1,501,931	\$171,126	\$46,277,766	\$1.25620	\$57,109,671	81.03%
2015	\$39,073,111	\$2,525,672	\$6,802,104	\$1,531,397	\$161,172	\$50,093,456	\$1.22120	\$57,663,419	86.87%
2016	\$41,983,238	\$2,856,819	\$7,179,333	\$1,678,330	\$166,961	\$53,864,681	\$1.19360	\$60,222,753	89.44%
2017	\$43,393,628	\$3,020,162	\$7,406,620	\$1,782,650	\$161,469	\$55,764,529	\$1.19500	\$61,527,421	90.63%
2018	\$44,665,855	\$3,047,465	\$8,185,594	\$1,826,020	\$166,147	\$57,891,081	\$1.20670	\$65,844,401	87.92%
2019	\$46,722,672	\$3,243,286	\$9,258,196	\$1,804,079	\$185,978	\$61,214,211	\$1.20750	\$69,155,694	88.52%
2020	\$48,810,816	\$3,416,858	\$9,638,310	\$1,888,134	\$186,227	\$63,940,345	\$1.20750	\$69,062,205	92.58%
2021	\$51,343,233	\$3,712,614	\$10,570,898	\$1,890,494	\$195,932	\$67,713,170	\$1.20750	\$72,791,360	93.02%

<sup>a</sup> Net of tax-exempt property:

2012	\$3,183,169	2017	\$4,113,361
2013	\$3,316,592	2018	\$4,323,692
2014	\$3,705,018	2019	\$4,445,054
2015	\$3,761,235	2020	\$4,839,651
2016	\$3,901,930	2021	\$4,959,366

<sup>b</sup> See Table 8, Direct and Overlapping Property Tax Rates.

**TABLE 7A - Commercial to Total Assessment Ratio, Construction, and Bank Deposits**

Last Ten Fiscal Years

(dollar amounts expressed in millions)

Fiscal	Commercial as a Percent of Total Taxable		New Construction <sup>a</sup>				Bank Deposits <sup>b</sup>
	Commercial to Total	Commercial & Public Service to Total	Residential		Non-Residential		
			Permits	Value	Permits	Value	
2012	14.2%	17.7%	1,398	\$ 278	161	\$ 94	\$ 3,866
2013	14.3%	17.7%	1,542	\$ 282	233	\$ 233	\$ 4,082
2014	14.3%	17.5%	1,396	\$ 290	193	\$ 236	\$ 4,201
2015	13.6%	16.6%	1,401	\$ 261	225	\$ 145	\$ 4,378
2016	13.3%	16.4%	1,295	\$ 224	136	\$ 137	\$ 4,492
2017	13.3%	16.5%	1,399	\$ 339	177	\$ 546	\$ 4,535
2018	14.1%	17.3%	1,310	\$ 245	125	\$ 124	\$ 4,625
2019	15.1%	18.1%	1,086	\$ 218	108	\$ 788	\$ 4,838
2020	15.1%	18.0%	1,339	\$ 255	67	\$ 312	\$ 5,715
2021	15.6%	18.4%	1,444	\$ 313	73	\$ 169	\$ 6,952

<sup>a</sup> Building Development Division, Department of Public Works.

<sup>b</sup> Includes deposits in commercial banks, savings banks and credit unions at June 30 for year shown. 2012-2021, Federal Deposit Insurance Corporation, (commercial and savings bank deposits) and National Credit Union Administration (credit union deposits).



**PRINCE  
WILLIAM**  
— **COUNTY**

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

Last Ten Fiscal Years

(tax rates per \$100 of assessed value)

Page 1 of 2

Type of Tax	2012	2013	2014	2015	2016
<b>PRINCE WILLIAM COUNTY</b>					
<i>Countywide Tax Levies:</i>					
Real Estate - General Fund	\$ 1.20400	\$ 1.20900	\$ 1.18100	\$ 1.14800	\$ 1.12200
Fire and Rescue Levy (Countywide)	\$ 0.07410	\$ 0.07440	\$ 0.07270	\$ 0.07070	\$ 0.06910
Mosquito & Forest Pest Management (Countywide)	\$ 0.00250	\$ 0.00250	\$ 0.00250	\$ 0.00250	\$ 0.00250
Total Direct Tax Rate	<u>\$ 1.28060</u>	<u>\$ 1.28590</u>	<u>\$ 1.25620</u>	<u>\$ 1.22120</u>	<u>\$ 1.19360</u>
<i>Service District Levies -</i>					
Bull Run	\$ 0.20100	\$ 0.20100	\$ 0.18300	\$ 0.14710	\$ 0.13770
Lake Jackson	\$ 0.17500	\$ 0.17500	\$ 0.16500	\$ 0.16500	\$ 0.16500
<i>Transportation District Levies -</i>					
Prince William Parkway	\$ 0.20000	\$ 0.20000	\$ 0.20000	\$ 0.20000	--
234-Bypass	\$ 0.02000	\$ 0.02000	\$ 0.02000	\$ 0.02000	\$ 0.02000
<b>OVERLAPPING GOVERNMENTS</b>					
<i>Real Estate Tax Levy:</i>					
Town of Dumfries	\$ 0.33330	\$ 0.27733	\$ 0.27330	\$ 0.23330	\$ 0.18990
Town of Haymarket	\$ 0.16400	\$ 0.16400	\$ 0.13900	\$ 0.13900	\$ 0.12900
Town of Occoquan	\$ 0.10000	\$ 0.10000	\$ 0.11000	\$ 0.11000	\$ 0.11000
Town of Quantico	\$ 0.20000	\$ 0.20000	\$ 0.20000	\$ 0.20000	\$ 0.20000



TABLE 8 - Direct and Overlapping Real Estate Tax Rates

2017	2018	2019	2020	2021	Type of Tax
<b>PRINCE WILLIAM COUNTY</b>					
<i>Countywide Tax Levies:</i>					
\$ 1.12200	\$ 1.12500	\$ 1.12500	\$ 1.12500	\$ 1.12500	Real Estate - General Fund
\$ 0.07050	\$ 0.07920	\$ 0.08000	\$ 0.08000	\$ 0.08000	Fire and Rescue Levy (Countywide)
\$ 0.00250	\$ 0.00250	\$ 0.00250	\$ 0.00250	\$ 0.00250	Mosquito & Forest Pest Management (Countywide)
<u>\$ 1.19500</u>	<u>\$ 1.20670</u>	<u>\$ 1.20750</u>	<u>\$ 1.20750</u>	<u>\$ 1.20750</u>	Total Direct Tax Rate
<i>Service District Levies -</i>					
\$ 0.13770	\$ 0.13110	\$ 0.12630	\$ 0.12300	\$ 0.12300	Bull Run
\$ 0.16500	\$ 0.16500	\$ 0.16500	\$ 0.16500	\$ 0.16500	Lake Jackson
<i>Transportation District Levies -</i>					
--	--	--	--	--	Prince William Parkway
\$ 0.02000	\$ 0.02000	\$ 0.02000	\$ 0.02000	\$ 0.02000	234-Bypass
<b>OVERLAPPING GOVERNMENTS</b>					
<i>Real Estate Tax Levy:</i>					
\$ 0.18990	\$ 0.18990	\$ 0.18990	\$ 0.18990	\$ 0.18990	Town of Dumfries
\$ 0.14600	\$ 0.14600	\$ 0.14600	\$ 0.13600	\$ 0.13600	Town of Haymarket
\$ 0.12000	\$ 0.12000	\$ 0.12000	\$ 0.12000	\$ 0.12000	Town of Occoquan
\$ 0.20000	\$ 0.20000	\$ 0.20000	\$ 0.20000	\$ 0.20000	Town of Quantico

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**TABLE 9 - Principal Real Property Tax Payers**

Current Year and Nine Years Ago

(dollar amounts expressed in thousands)

Taxpayer	2021				2012			
	Taxable Assessed		Percentage of Total County Taxable Assessed		Taxable Assessed		Percentage of Total County Taxable Assessed	
	Value	Rank	Value <sup>a</sup>		Value	Rank	Value <sup>a</sup>	
VA Electric & Power Company	\$ 859,479	1	1.27%		\$ 709,629	1	1.70%	
Mall at Potomac Mills, LLC	523,571	2	0.77%		425,593	2	1.02%	
Abteen Ventures, LLC	486,895	3	0.72%					
Northern Virginia Electric Co-op	397,843	4	0.59%		266,130	3	0.64%	
Amazon Data Services, Inc	195,144	5	0.29%					
Powerloft @ Innovation I LLC	182,417	6	0.27%					
Washington Gas Light Company	172,165	7	0.25%		100,513	5	0.24%	
Verizon South, Inc.	144,882	8	0.21%		159,458	4	0.38%	
JBG/Woodbridge Retail LLC	137,960	9	0.20%					
Rolling Brook Windsor, LLC	124,402	10	0.18%					
E & A Acquisition LTD Partnership					92,338	6	0.22%	
Prince William Square Investors, LLC					86,277	7	0.21%	
Kir Smoketown Station LP					85,044	8	0.20%	
Stellar Chatsworth LLC					80,880	9	0.19%	
Manassas Owner, LLC					78,984	10	0.19%	
	\$ <u>3,224,758</u>		<u>4.75%</u>		\$ <u>2,084,846</u>		<u>4.99%</u>	

<sup>a</sup> See Table 7 for a ten-year listing of Taxable Assessed Values.

**COUNTY OF PRINCE WILLIAM, VIRGINIA**  
**TABLE 10 - Real Property Tax Levies and Collections**  
 Last Ten Fiscal Years  
 (dollar amounts expressed in thousands)

Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date			
	Total Adjusted Tax Levy <sup>a</sup>	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy Collected	
2012	\$ 527,838	\$ 525,737	99.6%	\$ 1,516	\$ 527,253	99.9%	
2013	\$ 553,424	\$ 551,222	99.6%	\$ 1,651	\$ 552,873	99.9%	
2014	\$ 573,203	\$ 571,425	99.7%	\$ 1,393	\$ 572,818	99.9%	
2015	\$ 603,171	\$ 601,267	99.7%	\$ 1,487	\$ 602,754	99.9%	
2016	\$ 630,485	\$ 629,017	99.8%	\$ 358	\$ 629,375	99.8%	
2017	\$ 653,759	\$ 651,883	99.7%	\$ 1,096	\$ 652,979	99.9%	
2018	\$ 682,368	\$ 681,108	99.8%	\$ 613	\$ 681,721	99.9%	
2019	\$ 714,169	\$ 712,882	99.8%	\$ 834	\$ 713,716	99.9%	
2020	\$ 754,389	\$ 745,087	98.8%	\$ 1,131	\$ 746,219	98.9%	
2021	\$ 793,370	\$ 786,135	99.1%	\$ --	\$ 786,135	99.1%	

<sup>a</sup> Total tax levy includes gross real estate and public service taxes less adjustments to tax due made prior to payment.

COUNTY OF PRINCE WILLIAM, VIRGINIA

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

Last Ten Fiscal Years

(dollar amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017
<b>Primary Government</b>						
<i>Governmental Activities:</i>						
General Obligation Bonds <sup>a</sup>						
General Government	\$ 139,782	\$ 127,400	\$ 140,032	\$ 126,438	\$ 197,564	\$ 181,934
School Board-Related	556,747	579,969	594,188	628,638	793,235	815,195
Park Related	7,126	6,651	9,746	9,069	14,421	13,606
IDA Lease Revenue Bonds	6,260	5,325	4,355	3,345	2,290	1,175
IDA Loan	--	--	--	--	--	--
Literary Fund Loans	2,750	2,500	2,250	2,000	--	--
Real Property Capital Leases						
General Government	145,695	133,415	122,609	110,324	96,720	86,026
Adult Detention Center	25,875	23,405	21,680	19,955	18,230	15,596
Park Related	429	385	352	644	395	268
Commuter Rail Capital Leases**	--	--	--	--	--	--
Equipment Capital Leases	398	1,456	951	539	110	--
<i>Business-Type Activities:</i>						
Solid Waste System Revenue Bonds**	3,004	1,590	--	--	--	--
Parks & Recreation Revenue Bonds	--	11,031	10,525	10,555	9,965	9,355
Parks & Recreation Equipment Capital Leases	--	889	596	295	99	--
<b>Total Primary Government</b>	<b>\$ 888,066</b>	<b>\$ 894,016</b>	<b>\$ 907,284</b>	<b>\$ 911,802</b>	<b>\$ 1,133,029</b>	<b>\$ 1,123,155</b>
Percentage of Personal Income <sup>b</sup>	3.74%	3.75%	3.66%	3.55%	4.27%	4.05%
Per Capita <sup>b</sup>	2,124	2,100	2,092	2,065	2,519	2,462
<b>Component Units</b>						
<i>Park Authority Component Unit<sup>c</sup>:</i>						
Series 1999 Revenue Bonds **	\$ 11,528	\$ --	\$ --	\$ --	\$ --	\$ --
Equipment Capital Leases**	2,793	--	--	--	--	--
Installment Notes Payable**	--	--	--	--	--	--
<b>Total Component Units</b>	<b>14,321</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Reporting Entity Outstanding Debt</b>	<b>902,387</b>	<b>894,016</b>	<b>907,284</b>	<b>911,802</b>	<b>1,133,029</b>	<b>1,123,155</b>
<b>Less: Self-Supporting Revenue and Other Bonds</b>	<b>17,325</b>	<b>13,510</b>	<b>11,121</b>	<b>10,850</b>	<b>10,064</b>	<b>9,355</b>
<b>Net Tax-Supported Debt</b>	<b>\$ 885,062</b>	<b>\$ 880,506</b>	<b>\$ 896,163</b>	<b>\$ 900,952</b>	<b>\$ 1,122,965</b>	<b>\$ 1,113,800</b>

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

<sup>a</sup> Includes general obligation bonds associated with School Board-related Debt and Park related debt; See Exhibit 1.

<sup>b</sup> See Table 16 for personal income and population data.

<sup>c</sup> Parks & Recreation revenue bonds are presented net of unamortized premium and unamortized deferred loss on refunding. See Illustration 10-7 in the Notes to the Financial Statements for details.

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

2018	2019	2020	2021	
				<b>Primary Government</b>
				<i>Governmental Activities:</i>
				General Obligation Bonds <sup>a</sup>
\$ 167,369	\$ 152,782	\$ 140,868	\$ 171,372	General Government
865,535	796,785	845,159	879,359	School Board-Related
11,816	10,833	9,893	8,839	Park Related
--	--	--	--	IDA Lease Revenue Bonds
--	21,153	21,153	21,153	IDA Loan
--	--	--	--	Literary Fund Loans
				Real Property Capital Leases
77,630	65,985	57,591	45,898	General Government
13,890	12,202	10,533	8,877	Adult Detention Center
235	203	171	140	Park Related
--	--	--	--	Commuter Rail Capital Leases**
--	--	--	--	Equipment Capital Leases
				<i>Business-Type Activities:</i>
--	--	--	--	Solid Waste System Revenue Bonds**
8,725	6,090	5,410	4,155	Parks & Recreation Revenue Bonds <sup>c</sup>
--	--	--	--	Parks & Recreation Equipment Capital Leases
<u>\$ 1,145,200</u>	<u>\$ 1,066,033</u>	<u>\$ 1,090,778</u>	<u>\$ 1,139,793</u>	Total Primary Government
3.98%	3.58%	3.41%	3.57%	Percentage of Personal Income <sup>b</sup>
2,490	2,298	2,331	2,333	Per Capita <sup>b</sup>
				<b>Component Units</b>
				Park Authority Component Unit:
\$ --	\$ --	\$ --	\$ --	Series 1999 Revenue Bonds**
--	--	--	--	Equipment Capital Leases**
--	--	--	--	Installment Notes Payable**
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	Total Component Units
1,145,200	1,066,033	1,090,778	1,139,793	Total Reporting Entity Outstanding Debt
8,725	6,090	5,410	4,155	Less: Self-Supporting Revenue and Other Bonds
<u>\$ 1,136,475</u>	<u>\$ 1,059,943</u>	<u>\$ 1,085,368</u>	<u>\$ 1,135,638</u>	Net Tax-Supported Debt

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**TABLE 12 - Ratios of General Bonded Debt Outstanding**

Last Ten Fiscal Years

(amounts expressed in thousands, except percentage and per capita)

Fiscal Year	General Obligation Bonds <sup>a</sup>	Solid Waste System Revenue Bonds	Total	Percentage of Estimated Actual Taxable Value of Property <sup>b</sup>	Per Capita <sup>c</sup>
2012	\$ 703,655	3,004	706,659	1.43%	1,690
2013	\$ 714,020	1,590	715,610	1.41%	1,681
2014	\$ 743,966	--	743,966	1.30%	1,716
2015	\$ 764,145	--	764,145	1.33%	1,730
2016	\$ 1,005,220	--	1,005,220	1.67%	2,234
2017	\$ 1,010,735	--	1,010,735	1.64%	2,216
2018	\$ 1,044,720	--	1,044,720	1.59%	2,271
2019	\$ 960,400	--	960,400	1.39%	2,070
2020	\$ 995,920	--	995,920	1.44%	2,128
2021	\$ 1,059,570	--	1,059,570	1.46%	2,168

<sup>a</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 11.

<sup>b</sup> See Table 7 for property value data.

<sup>c</sup> See Table 16 for population data.

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**TABLE 13 - Direct and Overlapping Governmental Activities Debt (based on assessed values)**

June 30, 2021

(dollar amounts expressed in thousands)

	Outstanding on June 30, 2021	Percent Applicable to County	Amount Applicable to County	Percent of Assessed Value <sup>d</sup>
<b>Direct:</b>				
Net Tax Supported Debt <sup>a</sup>	\$ 1,135,638	100.00%	\$ 1,135,638	1.6771%
<b>Overlapping:</b>				
Town of Dumfries	9,100	100.00%	9,100	0.0134%
Town of Haymarket	627 <sup>d</sup>	100.00%	627	0.0009%
Town of Occoquan	32	100.00%	32	0.0000%
Town of Quantico	81	100.00%	81	0.0001%
Heritage Hunt Commercial Community Development Authority Special Assessment Bonds Series 1999 B	745	100.00%	745	0.0011%
Virginia Gateway Community Development Authority Refunding Bond Series 1999 and 2003 B	7,240	100.00%	7,240	0.0107%
Cherry Hill Community Development Authority Special Assessment Bonds Series 2015	29,340	100.00%	29,340	0.0433%
Northern Virginia Transportation Commission - Virginia Railway Express <sup>c</sup>	51,433	32.32%	16,623	0.0245%
Northern Virginia Criminal Justice Training Academy (NVCJTA) <sup>c</sup>	4,511	33.10%	1,493	0.0022%
<b>Total Overlapping Governmental Activities Debt</b>	<b>\$ 103,109</b>	<b>63.31%</b>	<b>\$ 65,281</b>	<b>0.0964%</b>
<b>Total Direct and Overlapping Governmental Activities Debt</b>	<b>\$ 1,238,747</b>	<b>96.95%</b>	<b>\$ 1,200,919</b>	<b>1.7735%</b>

<sup>a</sup> From Table 11.

<sup>b</sup> Assessed value of taxable property is from Table 7.

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

<sup>d</sup> Equals Outstanding Debt less amounts due within 1 year, per FY2019 Comprehensive Annual Report (latest available at publication)

**COUNTY OF PRINCE WILLIAM, VIRGINIA**  
**TABLE 14 - Debt Ratio Information**  
 Last Ten Fiscal Years  
 (dollar 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 below.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government <sup>a</sup>										
Principal	\$ 74,760	\$ 69,858	\$ 72,969	\$ 76,750	\$ 78,093	\$ 86,849	\$ 93,220	\$ 97,685	\$ 93,610	\$ 101,010
Interest <sup>b</sup>	42,803	41,991	42,546	42,476	46,072	47,888	48,688	48,358	47,675	45,426
Debt Service on Net Tax-Supported Debt	\$ 117,563	\$ 111,849	\$ 115,515	\$ 119,226	\$ 124,165	\$ 134,737	\$ 141,908	\$ 146,043	\$ 141,285	\$ 146,436
Total Government Expenditures <sup>c</sup>	\$ 1,427,543	\$ 1,461,112	\$ 1,491,793	\$ 1,557,703	\$ 1,610,616	\$ 1,734,264	\$ 1,731,969	\$ 1,867,084	\$ 1,948,000	\$ 1,986,739
Ratio of Debt Service to Expenditures	8.2%	7.7%	7.7%	7.7%	7.7%	7.8%	8.2%	7.8%	7.3%	7.4%
Total Revenues <sup>d</sup>	\$ 1,460,245	\$ 1,493,495	\$ 1,636,801	\$ 1,611,230	\$ 1,496,700	\$ 1,649,319	\$ 1,802,191	\$ 2,067,001	\$ 2,139,662	\$ 2,271,858
Ratio of Debt Service to Revenues	8.1%	7.5%	7.1%	7.4%	8.3%	8.2%	7.9%	7.1%	6.6%	6.4%
Net Tax-Supported Debt <sup>e</sup>	\$ 885,062	\$ 880,506	\$ 896,163	\$ 900,952	\$ 1,122,965	\$ 1,113,800	\$ 1,136,475	\$ 1,059,943	\$ 1,085,368	\$ 1,135,638
Assessed Value of Taxable Property <sup>f</sup>	45,413,737	47,672,172	50,601,568	54,623,175	58,854,961	61,335,721	63,755,919	67,613,073	70,811,768	74,307,125
Ratio of Net Tax-Supported Debt to Assessed Value	1.9%	1.8%	1.8%	1.6%	1.9%	1.8%	1.8%	1.6%	1.5%	1.5%

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

<sup>a</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>b</sup> Excludes bond issuance and other costs.

<sup>c</sup> Total expenditures excluding capital projects from Table 22.

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

<sup>e</sup> From Table 11.

<sup>f</sup> From Table 7 and Table 21.



**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**TABLE 15 - Revenue Bond Coverage for Solid Waste System Revenue Bonds**

Last Ten Fiscal Years

(dollar amounts expressed in thousands)

Fiscal Year	System Revenues <sup>a</sup>	Operating Expenses and Transfers <sup>b</sup>	Closure Payment	Net Revenue Available for Debt Service	Debt Service Payments <sup>c</sup>			Coverage <sup>d</sup>
					Principal	Interest	Total	
2012	\$ 18,064	\$ 12,031	\$ 1,503	\$ 4,530	\$ 1,470	\$ 226	\$ 1,696	2.67
2013	\$ 18,339	\$ 10,735	\$ 1,749	\$ 5,855	\$ 1,535	\$ 156	\$ 1,691	3.46
2014	\$ 18,820	\$ 5,623	\$ 3,775	\$ 9,422	\$ 1,590	\$ --	\$ 1,590	5.93
2015	\$ 19,735	\$ 12,673	\$ 2,386	\$ 4,676	\$ --	\$ --	\$ --	n/a <sup>e</sup>
2016	\$ 20,455	\$ 11,200	\$ 1,484	\$ 7,771	\$ --	\$ --	\$ --	n/a <sup>e</sup>
2017	\$ 20,416	\$ 12,710	\$ 1,951	\$ 5,755	\$ --	\$ --	\$ --	n/a <sup>e</sup>
2018	\$ 21,033	\$ 12,870	\$ 657	\$ 7,506	\$ --	\$ --	\$ --	n/a <sup>e</sup>
2019	\$ 22,679	\$ 14,801	\$ 2,612	\$ 5,266	\$ --	\$ --	\$ --	n/a <sup>e</sup>
2020	\$ 21,449	\$ 13,864	\$ 2,863	\$ 4,722	\$ --	\$ --	\$ --	n/a <sup>e</sup>
2021	\$ 20,860	\$ 13,897	\$ 2,603	\$ 4,360	\$ --	\$ --	\$ --	n/a <sup>e</sup>

<sup>a</sup> 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.

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

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

<sup>d</sup> Required coverage is 1.15.

<sup>e</sup> Principal on Solid Waste Revenue Bonds was retired during FY 2014.

**COUNTY OF PRINCE WILLIAM, VIRGINIA**  
**TABLE 16 - Demographic and Economic Statistics**  
 Last Ten Years

Year	Population <sup>a</sup>	Personal Income <sup>b</sup> (in thousands)	Per Capita Income <sup>b</sup>	Fall School Enrollment <sup>c</sup>	Average Civilian Labor Force <sup>d</sup>	Average Unemployment Rate <sup>d</sup>
2012	418,107	\$23,723,247	\$48,873	81,937	230,053	5.3%
2013	425,681	\$23,853,483	\$48,200	83,551	233,155	5.2%
2014	433,621	\$24,764,045	\$49,423	85,055	234,967	4.8%
2015	441,627	\$25,686,545	\$50,485	86,641	234,238	4.4%
2016	449,864	\$26,519,844	\$51,548	87,823	237,291	3.7%
2017	456,126	\$27,708,764	\$53,104	89,378	243,231	3.5%
2018	459,966	\$28,772,615	\$54,733	90,595	246,394	2.9%
2019	463,867	\$29,818,072	\$55,393	90,876	250,974	2.5%
2020	467,935	\$31,964,080	\$57,989	92,270	247,971	9.6%
2021	488,629	\$33,168,415	\$58,765	92,271	242,644	4.5%

<sup>a</sup> US Census for 2010, other years are Annual Population Estimates from Prince William County Geographic Information Systems (<http://www.pwccgov.org/government/dept/doit/gis>)

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

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

<sup>d</sup> Bureau of Labor Statistics, LAUS data

**TABLE 16A - Comparative Demographic Statistics**  
 2000 & 2010 U.S. Census Bureau Data

	2000	2010			
	Prince William County	Prince William County	Washington MSA	Virginia	United States
<b>Population<sup>a</sup>:</b>					
Median age	31.9	33.5	33.8	37.5	37.2
Percent school age	24.4%	23.1%	15.1%	19.7%	20.4%
Percent working age	62.3%	61.9%	68.1%	61.8%	60.0%
Percent 65 and over	4.8%	6.8%	11.5%	12.2%	13.1%
<b>Education<sup>b</sup>:</b>					
High school or higher	88.8%	87.6%	89.6%	86.5%	85.6%
Bachelor's degree or higher	31.5%	36.9%	46.8%	34.2%	28.2%
<b>Income<sup>b</sup>:</b>					
Median family income	\$71,622	\$102,117	\$100,921	\$72,476	\$60,609
Percent below poverty level	4.4%	4.4%	5.4%	7.7%	11.3%
<b>Housing:</b>					
Number persons / household <sup>a</sup>	2.9	3.1	2.1	2.5	2.6
Percent owner occupied <sup>b</sup>	71.0%	73.2%	42.0%	67.2%	65.1%
Owner occupied median value <sup>b</sup>	\$149,600	\$316,600	\$376,200	\$249,100	\$179,900

<sup>a</sup> U.S. Bureau of the Census Bureau, 2000 and 2010 Census Data. 2020 Census Data was not available at time of publication

<sup>b</sup> U.S. Bureau of the Census Bureau, 2000 and 2010 American Community Survey-1 Year Estimates.

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**TABLE 17 - Principal Employers**

Current Year and Nine Years Ago

Employer <sup>a</sup>	2021			2012		
	Ownership	Rank	Number of Employees <sup>b</sup>	Ownership	Rank	Number of Employees <sup>b</sup>
Prince William County School Board	Local Government	1	1000 and over	Local Government	1	1000 and over
County of Prince William	Local Government	2	1000 and over	Local Government	3	1000 and over
U.S. Department of Defense	Federal Government	3	1000 and over	Federal Government	2	1000 and over
Wal Mart	Private	4	1000 and over	Private	4	1000 and over
Sentara Healthcare/Potomac Hospital Corporation	Private	5	1000 and over	Federal Government	6	1000 and over
Morale Welfare and Recreation	Federal Government	6	1000 and over	Private	5	1000 and over
Target Corporation	Private	7	500 to 999	Private	9	500 to 999
Wegmans Store #07	Private	8	500 to 999	Private	8	500 to 999
Fishel Company	Private	9	500 to 999			
Food Lion	Private	10	500 to 999			
Minnieland Private Day School				Private	7	500 to 999
North Virginia Community College				State Government	10	500 to 999

<sup>a</sup> All data provided by the Virginia Employment Commission (1st Quarter, 2021 & 2012).

<sup>b</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.

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**TABLE 18 - Full-Time Equivalent County Government Employees by Function**  
Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>										
Board of Supervisors	22.00	25.00	25.00	25.00	25.00	25.00	26.00	26.00	26.00	26.00
County Attorney	25.00	27.00	27.00	27.00	27.00	28.00	28.00	28.00	29.00	29.00
Audit Services	7.00	7.00	1.00	1.00	1.00	1.00	--	--	--	--
Office of Executive Management <sup>b</sup>	24.00	24.00	25.00	25.00	26.00	26.00	26.00	28.00	29.00	26.00
Office of Management & Budget <sup>b</sup>	11.00	11.00	11.00	11.00	12.00	13.00	13.00	12.00	12.00	12.00
Human Resources <sup>b</sup>	18.50	18.50	23.50	23.50	23.50	26.50	26.50	26.50	29.50	31.50
Technology and Support Services	77.00	79.00	79.00	87.88	88.88	91.88	91.88	94.88	105.88	104.88
Finance	149.00	155.00	156.00	156.00	158.00	159.00	161.00	162.00	170.00	172.00
Human Rights	5.00	5.00	5.00	5.00	5.00	5.00	6.00	7.00	6.25	7.00
Board of Registration/Elections	11.00	11.00	13.00	13.00	14.00	14.00	14.00	14.00	15.00	17.00
Facilities & Fleet Management	--	--	--	--	--	--	--	--	--	154.47
<b>Judicial Administration</b>										
Commonwealth Attorney	42.00	43.00	44.00	44.00	44.00	45.00	50.00	50.00	50.00	50.00
Sheriff	91.50	94.50	94.50	94.50	96.50	100.50	102.50	102.50	106.50	107.50
Juvenile and Domestic Relations Court	8.00	8.00	8.00	8.00	6.00	6.00	6.00	6.00	6.00	2.00
Clerk of Court/Judges Chambers	55.00	55.00	55.00	55.00	56.00	58.00	58.00	58.00	61.00	61.00
General District Court	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	3.00	3.00
Law Library	1.00	1.00	1.00	1.00	1.00	1.00	1.00	--	--	--
<b>Public Safety</b>										
Public Works - Development										
Police	751.00	763.00	792.00	820.00	847.00	854.00	871.00	886.00	901.00	901.00
Criminal Justice Services	37.60	39.60	39.60	39.60	39.60	42.60	43.60	44.60	44.60	47.60
Public Safety Communications	103.00	103.00	103.00	103.00	109.00	113.00	112.00	113.00	118.00	121.00
Fire Service	529.50	549.70	574.70	589.70	614.70	662.70	722.70	751.70	759.70	760.70
Contingency Reserve - Homeland Security										
<b>Public Works</b>										
Public Works	227.79	232.31	234.45	238.54	237.17	241.76	247.72	250.72	238.17	123.86
Transportation	52.80	50.80	50.80	50.80	42.80	43.80	44.80	44.80	47.80	47.80
Solid Waste	58.72	59.72	59.72	59.72	60.72	60.72	60.72	62.72	65.72	65.72
Fleet Management	35.15	35.15	35.15	35.15	35.15	35.15	35.15	35.15	44.41	--
Small Project Construction	18.86	17.34	17.20	15.11	14.98	14.39	14.43	14.43	12.43	16.42
Upper Occoquan Sewage Authority										
<b>Health &amp; Welfare</b>										
Social Services	309.39	309.39	307.46	306.46	322.26	331.26	352.26	359.76	390.76	402.23
Public Health	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Community Services Board	266.88	279.88	286.71	294.21	293.96	316.26	331.76	345.76	348.76	382.76
At-Risk Youth and Family Services	4.60	4.60	5.00	6.00	--	--	--	--	--	--
Office on Aging	31.40	32.14	32.14	32.14	32.14	32.28	32.28	31.28	33.75	34.00
<b>Parks, Recreational and Cultural</b>										
Parks										
Library	163.33	163.33	163.86	179.51	208.48	208.16	208.16	208.16	208.14	208.14
Parks & Recreation	--	377.00	382.07	391.68	396.58	408.57	411.16	416.62	432.12	432.62
Tourism <sup>a</sup>	--	--	--	--	--	--	8.47	7.20	9.00	8.50
<b>Planning/Community Development</b>										
Development Services	85.50	88.50	95.50	107.00	112.00	112.00	113.00	116.00	117.00	118.00
Office of Planning	32.50	32.50	33.50	29.00	29.00	29.00	29.00	30.00	31.00	31.00
Economic and Community Development	13.00	13.00	13.00	13.00	13.00	13.00	13.00	14.00	17.00	20.00
Housing & Community Development	28.00	27.00	27.00	24.00	24.00	24.00	24.00	24.00	24.00	25.00
Extension and Continuing Education	7.81	7.81	7.14	7.14	7.14	6.87	6.87	5.11	5.11	7.71
Transportation										
<b>Total Primary Government</b>	<b>3,308.43</b>	<b>3,754.37</b>	<b>3,832.60</b>	<b>3,923.24</b>	<b>4,028.16</b>	<b>4,154.00</b>	<b>4,296.56</b>	<b>4,380.49</b>	<b>4,501.20</b>	<b>4,561.01</b>
<b>Component Units</b>										
<b>Education</b>										
School Board	10,070.80	10,237.30	10,337.00	10,562.00	10,713.65	11,008.73	11,354.30	11,538.00	11,954.00	11,968.00
<b>Public Safety</b>										
Adult Detention Center	337.00	337.00	339.00	348.40	349.40	351.20	377.40	422.40	450.40	446.40
<b>Parks, Recreational and Cultural</b>										
Park Authority <sup>a</sup>	344.00	--	--	--	--	--	--	--	--	--
Convention & Visitors Bureau <sup>a</sup>	--	8.00	9.00	8.00	8.00	7.00	--	--	--	--
<b>Total Reporting Entity</b>	<b>14,060.23</b>	<b>14,336.67</b>	<b>14,517.60</b>	<b>14,841.64</b>	<b>15,099.21</b>	<b>15,520.93</b>	<b>16,028.26</b>	<b>16,340.89</b>	<b>16,905.60</b>	<b>16,975.41</b>

Sources: Primary Government and ADC data taken from the PWC Adopted Fiscal Plan; School Board and Park Authority data is obtained directly from each organization.

<sup>a</sup>The Park Authority was dissolved and became County Department of Parks & Recreation effective FY 2013. The Convention and Visitors Bureau became a component unit of the County effective FY 2013, but was dissolved and incorporated into the Parks & Recreation department in FY 2018.

<sup>b</sup>Beginning fiscal year 2012, the Human Resources and the Office of Management & Budget are shown as separate functions.

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 19 - Operating Indicators by Function

Last Ten Fiscal Years

Function	Fiscal Year										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Judicial Administration</b> <sup>1</sup>											
Land Records Instruments Recorded	78,794	84,067	102,141	73,107	73,232	76,868	96,302	82,909	78,898	94,710	155,991
Civil Cases Concluded	4,335	3,762	3,018	7,198	9,161	2,760	2,841	2,641	5,270	3,841	3,205
Criminal Cases Concluded	4,159	4,377	5,163	5,505	5,825	5,023	4,905	4,853	4,904	4,259	3,001
<b>Public Safety</b>											
<u>Fire &amp; Rescue:</u> <sup>2</sup>											
Fire Incidents	5,639	5,937	5,513	5,826	6,142	6,263	8,070	9,069	8,619	9,084	*
EMS Incidents	26,201	31,332	26,188	26,299	27,423	28,925	29,532	29,730	30,922	30,315	*
<u>Police:</u> <sup>3</sup>											
Criminal Arrests	14,289	14,369	13,392	*	12,532	11,408	8,610	10,937	12,166	12,664	*
Calls for Service Handled	231,557	226,292	224,977	214,050	226,520	225,850	217,306	228,639	245,584	239,830	*
<u>Jail:</u> <sup>4</sup>											
Inmate Population	850	870	977	1,043	1,060	965	1,040	1,061	920	528	561
<b>Public Works</b> <sup>5</sup>											
Facilities Constructed	2	2	--	--	--	2	--	2	--	2	--
<b>Health &amp; Welfare</b>											
Total CSB Clients Served <sup>6</sup>	7,661	8,295	8,041	8,818	8,949	9,506	9,762	9,832	10,135	9,275	10,696
Children Services Act Residential Placements <sup>7</sup>	130	132	110	108	95	104	118	139	127	102	83
<b>Parks, Recreational and Cultural</b>											
Participant Visits <sup>8</sup>	3,798	3,622	3,390	3,490	3,398	3,399	3,255	3,654	3,497	1,898	1,045
Library Patrons (Library Card Holders) <sup>9</sup>	288,752	310,343	332,700	324,826	314,723	318,175	337,904	346,268	298,497	292,194	303,531
<b>Planning/Community Development</b> <sup>10</sup>											
Non-Residential Permits	1,034	1,200	1,470	1,394	1,350	1,355	1,228	1,202	1,212	1,008	1,030
Residential Permits	4,547	4,464	4,542	4,649	4,605	5,224	5,163	5,203	4,701	4,814	6,347

<sup>1</sup>Office of the Clerk of the Circuit Court

<sup>2</sup>Annual Fiscal Plan - Office of the Chief Program

<sup>3</sup>Annual Fiscal Plan - Police Operations Program

<sup>4</sup>Adult Detention Center

<sup>5</sup>Facilities Construction Management, Department of Public Works

\* Not available

<sup>6</sup>Community Services Board

<sup>7</sup>Department of Social Services

<sup>8</sup>Department of Parks and Recreation

<sup>9</sup>Prince William County Library

<sup>10</sup>Building Development Division, Department of Public Works.

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**TABLE 20 - Capital Asset Statistics by Function**

Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>										
Administrative buildings	4	4	4	4	4	4	4	4	4	4
<b>Judicial Administration</b>										
Courthouse complex	1	1	1	1	1	1	1	1	1	1
<b>Public Safety</b>										
Police stations	2	2	2	2	2	2	3	3	3	3
Fire stations	21	21	21	21	21	21	21	21	21	21
<b>Public Works</b>										
Fleet/fuel facilities	3	3	3	3	3	4	4	5	5	3
<b>Health &amp; Welfare</b>										
Senior centers	2	2	2	2	2	2	2	2	2	2
Group homes/clinics	5	5	5	5	5	5	5	5	5	5
Housing/shelters	6	6	6	5	5	5	5	5	5	5
<b>Parks, Recreational and Cultural</b>										
Athletic fields <sup>a</sup>	277	277	277	301	281	283	288	210	268	268
Aquatics & fitness center	2	2	2	2	2	2	2	2	2	2
Baseball stadium	1	1	1	1	1	1	1	1	1	1
Community centers	3	3	3	3	3	3	3	3	3	3
Hiking and fitness trails (in miles)	33	33	33	43	43	45	45	59	59	59
Indoor gymnasiums <sup>a</sup>	69	69	69	36	69	69	69	33	33	33
Indoor ice rinks	2	2	2	2	2	2	2	2	2	2
Marinas	2	2	2	2	2	2	2	2	2	2
Miniature golf courses	2	2	2	2	2	2	2	2	2	2
Nature areas	8	8	8	8	8	8	8	8	8	8
Outdoor basketball courts	27	27	27	27	27	27	27	27	27	27
Outdoor swimming pools	4	4	4	4	4	4	4	4	4	4
Outdoor volleyball courts	9	9	9	9	11	17	18	18	18	18
Picnic shelters	63	63	63	63	68	78	77	72	77	77
Playgrounds	36	36	36	36	37	37	37	43	43	43
Regulation golf courses	4	4	4	4	4	4	4	3	3	3
Skateboard/BMX courses	3	3	3	3	3	3	3	3	3	3
Tennis & racquetball courts	28	28	28	28	29	29	29	28	29	29
Waterparks	2	2	2	2	2	2	2	2	2	2
Regional and community libraries	4	4	4	4	6	6	6	6	7	7
Neighborhood libraries	6	6	6	6	5	5	5	5	5	5

Sources: Various county departments.

Note: No capital asset indicators are available for the planning/community development function.

<sup>a</sup> Includes School Board school facilities programmed by the Parks Department.

\* Not available



**PRINCE  
WILLIAM**  
— **COUNTY**

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**TABLE 21 - Personal Property Tax Rates and Assessments<sup>a</sup>**

Last Ten Fiscal Years

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

	2012	2013	2014	2015	2016
<b>Personal Property Tax Rates</b>					
Personal Property Class:					
General Class	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000
Heavy Equipment and Machinery	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000
Computer Equipment	\$ 1.25000	\$ 1.25000	\$ 1.25000	\$ 1.25000	\$ 1.25000
Farmers Machinery and Tools	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Aircraft (small scheduled)	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Aircraft (all other aircraft)	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Mining & Manufacturing Tools	\$ 2.00000	\$ 2.00000	\$ 2.00000	\$ 2.00000	\$ 2.00000
Mobile Homes	\$ 1.20400	\$ 1.20900	\$ 1.18100	\$ 1.14800	\$ 1.12200
Research & Development	\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000
Van Pool Vans	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Emergency Volunteer Vehicles	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Auxiliary Volunteer Fire Vehicles	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Vehicles Modified for Disabled	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Watercraft-Recreation Use Only	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Watercraft-Weighing 5 tons or more	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Camping Trailers and Motor Homes Owned by Certain Elderly and Handicapped Persons	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
<b>Personal Property Assessments<sup>c</sup></b>					
Locally Assessed Value	\$ 3,754,050	\$ 4,083,424	\$ 4,320,401	\$ 4,526,613	\$ 4,986,744
Public Service Value <sup>b</sup>	\$ 5,243	\$ 4,520	\$ 3,401	\$ 3,106	\$ 3,536
<b>Total Personal Property Assessments</b>	<b>\$ 3,759,293</b>	<b>\$ 4,087,944</b>	<b>\$ 4,323,802</b>	<b>\$ 4,529,719</b>	<b>\$ 4,990,280</b>

<sup>a</sup> Fiscal year values represent the assessed value for the prior January 1 (e.g. fiscal year 2015 values are based on the January 1, 2014 assessment).

<sup>b</sup> Public Service property is valued by the State Corporation Commission and the Department of Taxation at prevailing assessment ratios.

<sup>c</sup> The estimated market value of personal property is assumed to equal 100% of the assessed value.



TABLE 21 - Personal Property Tax Rates and Assessments<sup>a</sup>

2017	2018	2019	2020	2021	
					<b>Personal Property Tax Rates</b>
					Personal Property Class:
\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	General Class
\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	Heavy Equipment and Machinery
\$ 1.25000	\$ 1.25000	\$ 1.25000	\$ 1.35000	\$ 1.50000	Computer Equipment
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Farmers Machinery and Tools
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Aircraft (small scheduled)
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Aircraft (all other aircraft)
\$ 2.00000	\$ 2.00000	\$ 2.00000	\$ 2.00000	\$ 2.00000	Mining & Manufacturing Tools
\$ 1.12200	\$ 1.12500	\$ 1.12500	\$ 1.12500	\$ 1.11500	Mobile Homes
\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000	Research & Development
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Van Pool Vans
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Emergency Volunteer Vehicles
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Auxiliary Volunteer Fire Vehicles
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Vehicles Modified for Disabled
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Watercraft-Recreation Use Only
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Watercraft-Weighing 5 tons or more
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Camping Trailers and Motor Homes Owned by Certain Elderly and Handicapped Persons
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	
\$ 5,568,159	\$ 5,861,397	\$ 6,395,587	\$ 6,867,508	\$ 8,602,122	Locally Assessed Value
\$ 3,033	\$ 3,440	\$ 3,274	\$ 3,837	\$ 3,912	Public Service Value <sup>b</sup>
<u>\$ 5,571,192</u>	<u>\$ 5,864,837</u>	<u>\$ 6,398,862</u>	<u>\$ 6,871,423</u>	<u>\$ 8,606,034</u>	Total Personal Property Assessments

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**TABLE 22 - General Governmental Expenditures by Function<sup>a</sup>**

Last Ten Fiscal Years

(amounts expressed in thousands)

Page 1 of 2

Fiscal Year	General Government	Judicial Administration	Public Safety	Public Works	Health & Welfare
2012	\$ 38,897	\$ 17,593	\$ 226,137	\$ 30,408	\$ 75,014
2013	\$ 36,788	\$ 18,388	\$ 244,577	\$ 30,522	\$ 75,066
2014	\$ 34,966	\$ 19,190	\$ 251,009	\$ 31,441	\$ 76,549
2015	\$ 37,651	\$ 19,681	\$ 257,076	\$ 30,857	\$ 80,840
2016	\$ 39,122	\$ 20,175	\$ 276,656	\$ 31,633	\$ 85,237
2017	\$ 44,340	\$ 21,292	\$ 311,046	\$ 31,269	\$ 89,166
2018	\$ 42,300	\$ 21,052	\$ 254,657	\$ 32,063	\$ 96,955
2019	\$ 45,704	\$ 22,512	\$ 341,278	\$ 33,523	\$ 104,378
2020	\$ 46,519	\$ 26,039	\$ 361,849	\$ 31,800	\$ 111,455
2021	\$ 78,209	\$ 27,290	\$ 386,972	\$ 7,372	\$ 130,729

<sup>a</sup> Includes expenditures of the General Fund, Special Revenue Funds, Capital Projects Funds and the School Board and Adult Detention Component Units excluding inter-entity expenditures between primary government and component units.

<sup>b</sup> Includes principal retirement, interest and other debt costs, and intergovernmental rebate.

**TABLE 22A - Capital Projects Expenditures by Function<sup>a</sup>**

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	General Government	Judicial Administration	Public Safety	Public Works	Education
2012	\$ 848	\$ --	\$ 2,020	\$ 25,420	\$ 75,643
2013	\$ 642	\$ --	\$ 2,955	\$ 42,080	\$ 83,232
2014	\$ 812	\$ 2	\$ 1,559	\$ 60,125	\$ 90,892
2015	\$ 379	\$ 142	\$ 3,502	\$ 57,318	\$ 128,605
2016	\$ 147	\$ 11	\$ 10,409	\$ 64,141	\$ 133,195
2017	\$ 3,511	\$ 365	\$ 34,487	\$ 47,833	\$ 155,581
2018	\$ 1,324	\$ 632	\$ 26,941	\$ 80,010	\$ 96,351
2019	\$ 6,432	\$ 1,100	\$ 45,243	\$ 80,386	\$ 144,499
2020	\$ 10,259	\$ 350	\$ 28,922	\$ 58,780	\$ 171,038
2021	\$ 13,803	\$ 3,166	\$ 15,855	\$ 87,368	\$ 116,528

<sup>a</sup> Includes expenditures for capital projects in the Capital Projects Funds of the Primary Government and the School Board and Adult Detention Center Component Units.

TABLE 22 - General Governmental Expenditures by Function<sup>a</sup>

Page 2 of 2

Education	Parks, Recreation & Culture	Community Development	Capital Projects	Debt Service <sup>b</sup>	Total	Fiscal Year
\$ 838,850	\$ 35,801	\$ 47,280	\$ 108,942	\$ 117,563	\$ 1,536,485	2012
\$ 868,818	\$ 26,550	\$ 48,555	\$ 136,658	\$ 111,849	\$ 1,597,771	2013
\$ 881,432	\$ 28,507	\$ 53,185	\$ 166,978	\$ 115,515	\$ 1,658,772	2014
\$ 927,408	\$ 31,085	\$ 53,879	\$ 214,170	\$ 119,226	\$ 1,771,873	2015
\$ 945,468	\$ 34,797	\$ 53,363	\$ 229,154	\$ 124,165	\$ 1,839,770	2016
\$ 1,000,063	\$ 44,186	\$ 58,165	\$ 251,255	\$ 134,737	\$ 1,985,519	2017
\$ 1,036,942	\$ 47,160	\$ 58,932	\$ 219,906	\$ 141,908	\$ 1,951,875	2018
\$ 1,065,482	\$ 49,645	\$ 58,519	\$ 287,672	\$ 146,043	\$ 2,154,756	2019
\$ 1,115,516	\$ 50,559	\$ 62,978	\$ 286,927	\$ 141,285	\$ 2,234,927	2020
\$ 1,172,825	\$ 50,535	\$ 75,827	\$ 248,188	\$ 146,436	\$ 2,324,383	2021

Parks, Recreation & Culture	Community Development	Health & Welfare	Total	Fiscal Year
\$ 3,692	\$ 1,319	\$ --	\$ 108,942	2012
\$ 6,263	\$ 1,486	\$ --	\$ 136,658	2013
\$ 11,767	\$ 1,821	\$ --	\$ 166,978	2014
\$ 22,370	\$ 1,854	\$ --	\$ 214,170	2015
\$ 18,743	\$ 2,508	\$ --	\$ 229,154	2016
\$ 3,885	\$ 5,538	\$ 55	\$ 251,255	2017
\$ 6,459	\$ 7,829	\$ 360	\$ 219,906	2018
\$ 6,140	\$ 3,545	\$ 327	\$ 287,672	2019
\$ 9,150	\$ 8,300	\$ 128	\$ 286,927	2020
\$ 3,010	\$ 8,456	\$ --	\$ 248,188	2021

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

June 30, 2021

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<b>Date of County Organization:</b>	March 25, 1731
<b>Form of Government:</b>	County Executive (as provided for by the Code of Virginia)
<b>Area:</b>	348 Square Miles
<b>Services of Primary Government:</b>	
Fire protection:	
Number of career employees	702
Number of volunteers	402
Police protection:	
Number of police officers	701
Public Safety Communications:	
Number of employees	121
Recreation (Parks & Recreation Department):	
Acres developed or reserved for County parks	4,893
Tourism	
Tourist information center visitors	n/a*
<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 2017	92,271
Number of personnel (full-time equivalent)	11,968
Correctional Operations (ADC Component Unit)	
Capacity of main jail and modular jail	550
Capacity of work-release center	9
Number of personnel (full-time equivalent)	440
<b>Other statistical data:</b>	
Elections:	
Registered voters at last general election	306,798
Number of votes cast in last general election	228,267
Percent voting in last general election	74%
Water and Wastewater Treatment	
<i>(provided by Prince William County Service Authority):</i>	
Miles of water mains	1,291
Miles of sanitary sewer mains	1,137

\* The Visitor Center was closed in 2020 and re-opened as an unmanned kiosk. No Visitor Information is available.

Gas, electricity and telephone are furnished by private corporations. Water and sewage treatment for serviceable areas not covered by the Service Authority is provided by other private corporations.

**COUNTY OF PRINCE WILLIAM, VIRGINIA**

**TABLE 24 - Schedule of Surety Bonds**

June 30, 2021

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**Hartford Fire Insurance Company**

Crime/Faithful Performance of Duty Blanket Bond

*(Insured: Prince William County, Prince William County - Manassas Regional Adult Detention Center)*

Honesty Blanket Bond

*(Insured: Same as Above)*

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

Public Official Bond - Courtney Tierney, Director of Social Services

Public Official Bond - Christopher E. Martino, County Executive

**Travelers Casualty & Surety Company** *(Provided by the Commonwealth of Virginia for Constitutional Officers)*

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

Surety Bond - Jacqueline C. Smith, Clerk of the Court

Surety Bond - Glendell Hill, Sheriff

Surety Bond - Peter Meletis, Jail Superintendent

**PWCares for the Community**

**FY2021**

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**Prince William County, Virginia**  
Department of Finance  
One County Complex Court  
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