



PRINCE WILLIAM
VIRGINIA

Department of Finance

Comprehensive Annual Financial Report

For the Year Ended June 30, 2020



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County of Prince William, Virginia

Comprehensive Annual Financial Report

for the Fiscal Year Ended June 30, 2020

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Jeanine M. Lawson, *Brentsville District*

Yesli Vega, *Coles District*

COUNTY EXECUTIVE

Christopher E. Martino

**As of June 30, 2020*

DIRECTOR OF FINANCE / CFO

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Introductory Section

Letter of Transmittal
Certificate of Achievement for Excellence in
Financial Reporting
Organization of the County Government





The Board of County Supervisors

Ann B. Wheeler, Chair

Andrea O. Bailey, Vice Chair

Victor S. Angry

Kenny A. Boddye

Pete K. Candland

Margaret Angela Franklin

Jeanine M. Lawson

Yesli Vega

February 12, 2021

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

We are pleased to present the Comprehensive Annual Financial Report of the County of Prince William (the "County") for the fiscal year ended June 30, 2020. 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, 2020, 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, 2020. The report of independent auditors 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.

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

Profile of the Government

Prince William County, located in Northern Virginia, approximately 35 miles southwest of Washington, D.C., encompasses an area of 348 square miles, of which 18.8 percent is federally owned land. As the second most populous jurisdiction in Virginia, Prince William's Geographic Information Systems (GIS) Division placed the County's population at an estimated 467,935 persons on June 30, 2020. The County comprises almost 7.5 percent of the greater Washington-Metropolitan region's population, which stands at close to 6.28 million persons according to the 2019 U.S. Census American Community Survey (ACS) data. Prince William's location in Metropolitan Washington, D.C. and the availability of excellent transportation by way of regional, national and international airports, freight and passenger rail services and interstate and highway roadways is a catalyst for growth in the County, which continues to provide numerous economic advantages. 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 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 Comprehensive Annual Financial Report (CAFR) is required by the Principles of Sound Financial Management and the Code of Virginia and demonstrates accountability to both residents and bondholders. The CAFR is prepared in accordance with accounting requirements promulgated by the Governmental Accounting Standards Board (GASB), and also in accordance with *the Uniform Financial Reporting Manual for Virginia Counties*, issued by the Commonwealth of Virginia Auditor of Public Accounts (APA) and the guidelines established by the Government Finance Officers Association in its Certificate of Achievement for Excellence in Financial Reporting Award Program. The CAFR 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 healthy signs as calendar year 2019 ended. 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 continued growth in the number of establishments, employment, and wages in the County and Prince William County's vacancy rates for commercial inventory remained in line with the five-year average vacancy rate. Entering calendar year 2020, consensus projections pointed to the U.S. economy producing a modest growth rate of approximately 1.9 percent. Those forecasts quickly evaporated as confirmed cases of coronavirus (COVID-19) spread throughout the United States.

The World Health Organization declared a pandemic in March 2020 following the outbreak of COVID-19. On March 30, 2020, Governor Northam issued a statewide Stay-at-Home Executive Order to mitigate the spread of COVID-19 in the Commonwealth. This Stay-at-Home Order remained effective until June 10, 2020. As the COVID-19 pandemic impacted the economy in a unique, unprecedented manner, the County faced many unknowns. In March, the President 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. Consumer confidence rebounded amidst concerns about the economy and prospects for additional federal assistance. The Federal Open Market Committee (FOMC) responded aggressively by cutting the Federal Funds Rate by 1.50 percent to a range of 0.00-0.25 percent and implementing various monetary policy programs to ease liquidity pressure within the financial system. Federal Reserve Chairman Jerome Powell portrayed a cautious view of the economy during his semiannual report noting, "The levels of output and employment remain far below their pre-pandemic levels, and significant uncertainty remains about the timing and strength of the recovery."

According to data from MarketStats by Bright MLS, during June 2020, the average home in Prince William County sold for \$452,945, representing an increase of 8.62 percent year-over-year. The number of homes sold in Prince William County in June 2020 was 780, a decrease of 0.26 percent from the 778 homes sold one year earlier. The ratio of homes on the market to homes sold was 0.53, compared to 1.33 one year earlier, reflecting constrained inventory levels. Average number of “days on the market” stood at 18 in June 2020 compared to 20 in June 2019. Active County listings in June 2020 were a low 340 compared to 1,094 in December 2019, just six months earlier. Despite the disruption COVID-19 has cast, supply constraints continue to benefit sellers of residential properties. With average 30-year fixed rate mortgage rates falling below 3.0 percent and forecast to remain in that range well into 2021, the main barrier to rising demand is the shortage of inventory, specifically for entry level homes. Sales transactions are expected to hold steady as buyers are still able to take advantage of historically low interest rates, providing an incentive for both home purchases and refinancing.

Residential building permit activity is a leading indicator for housing construction. Since the pre-recession housing boom, permit activity has remained below 3,000 units. According to the County’s Department of Development Services, a portion of the spike in 2015 resulted from three multi-family rental occupancy permits. In 2019, the County issued 1,161 residential occupancy permits for 1,740 new homes. Since 2015, the number of permits issued for single-family homes has remained consistent.

Calendar Year	Single Family	Townhouse	Condo/Apartment	Total
2015	613	469	1,403	2,485
2016	718	500	551	1,769
2017	676	530	209	1,415
2018	686	538	617	1,841
2019	689	434	617	1,740
2020 (Jan-Jun)	328	298	76	702

The Prince William County commercial inventory held steady through June 2020. According to Costar Realty Group (Costar), the vacancy rate on June 30, 2020 was 5.8 percent. Total commercial property inventory has remained in the range of 40-48 million sq. ft. since 2015. Most vacancies result from new inventory rather than tenant departures, with approximately 80 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 81percent of the County’s real estate tax base (including apartments) consists of residential housing. Another 18 percent is comprised of commercial, industrial, agricultural, and public service properties and less than 1 percent is undeveloped land. As values of homes and investment in the community increased, the Board has been able to stabilize the real estate tax rate while maintaining 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 2020, with fiscal year-over-year sales tax revenue increasing 5.2 percent between 2019 and 2020. The coronavirus provided a great deal of uncertainty and volatility in early Spring as storefront closures occurred nationwide. The Commonwealth of Virginia has been somewhat 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 negative 2.5 percent was forecast for fiscal year 2021, considering the current economic conditions.

Prince William County’s population was estimated at 467,935 on June 30, 2020. 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 nearly 22 percent between the current estimate and 2040. According to the U.S. Census American Community Survey (ACS) 2014-2018 5-Year Estimates and consistent with the County's family-oriented tradition, just over 32 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 39.6 minutes, the 25th highest of all U.S. counties and equivalents. Additionally, according to the U.S. Census ACS estimates, the Washington D.C. Metropolitan Statistical Area (MSA) has the second highest median household income among all MSAs in the country at \$100,732 with ten of the MSA's counties in the top 25 nationwide. Prince William County's median household income of \$103,455 is 72 percent above the national median of \$60,293 and nearly 45 percent above the statewide median of \$71,564. Prince William County had the 25th highest median household income in the United States; nearly 3 percent higher than 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, Prince William County outpaced Northern Virginia in business and job growth over the past year. At-place employment in Prince William County (132,129 in the 1st quarter of 2020) increased by 1.2 percent year-over-year, compared to an increase of 1.3 percent statewide. Establishments of employment in the County increased by 1.9 percent from 9,471 in the 1st quarter of 2019 to 9,653 in the 1st quarter of 2020. By comparison, Northern Virginia establishments grew by 2.3 percent from the 1st quarter of 2019, and statewide establishments grew by 1.3 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 Morale Welfare and Recreation. The average weekly wage in Prince William County increased substantially between the first quarter of 2019 and the first quarter of 2020, by 4.9 percent (\$935 to \$981). By comparison, during the same period, average weekly wages in Northern Virginia increased 3.8 percent from \$1,552 to \$1,611, and Virginia weekly wages increased 4.0 percent from \$1,186 to \$1,233.

Consistent post-recession economic growth in the region has led to a jump in construction in Prince William County. According to the Bureau of Labor Statistics, in the first quarter of 2011, there were 9,785 construction jobs in the County. As of the first quarter 2020, at-place construction employment increased to 14,305 jobs. Establishments of employment have grown by more than 2,100 between 2011 and 2019 and the County has experienced steady growth in startup firms from 390 in 2017, to 441 in 2018 and 374 in 2019. COVID-19 greatly impacted unemployment rates nationwide beginning in March 2020. 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 August 2020 rate was below the Washington D.C. metropolitan area's rate of 6.9 percent, higher than the statewide rate of 6.3 percent and below the national rate of 8.4 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 2021, the local economy continues to perform well in many areas. As reported by the Virginia REALTORS® association, COVID-19 and the recession have disrupted the typical housing market cycle; yet the residential real estate market has been leading the economic recovery, with a strong rebound in sales activity and a surge in sold volume. 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 where impacts may yet to have fully materialized. 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 are still in the early

stages and will 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.

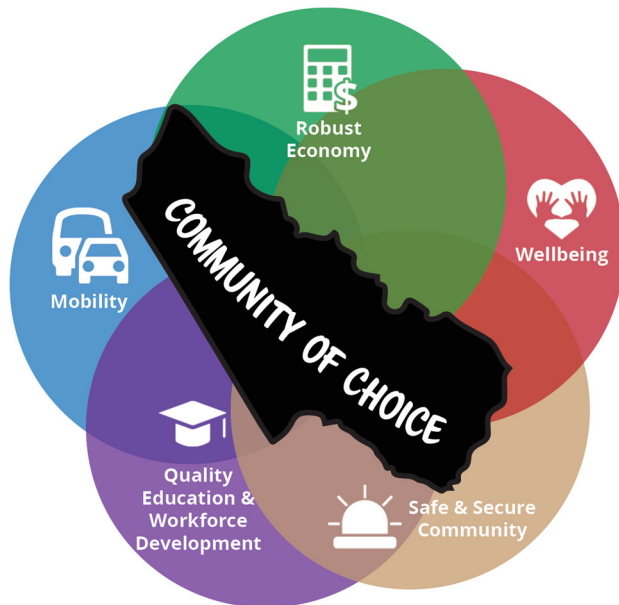
Credit ratings link strongly to the financial management of a local government and the economic climate. The County seeks to consistently maintain a strong financial position as evidenced by its "AAA/Aaa" status from the three major credit rating agencies, a distinction only 49 counties hold nationwide 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 2019 for fiscal year 2020 to fiscal year 2024. Due to economic uncertainties surrounding the ongoing coronavirus pandemic, the Board did not approve a five-year budget plan for fiscal year 2021 to fiscal year 2025. 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:

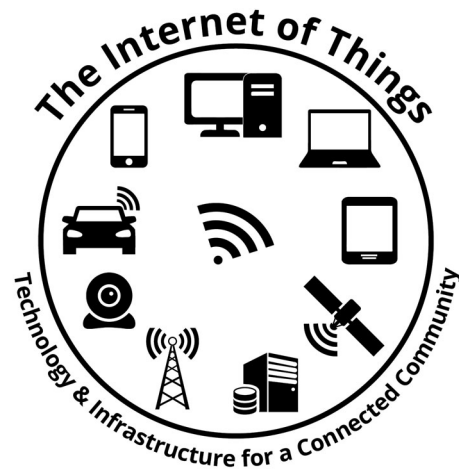
"Prince William County is a community of choice with a strong, diverse economic base, where individuals and families choose to live, and businesses choose to locate."

The Board has acknowledged that "quality of life" is an essential and consistent factor that families, individuals and businesses rely upon when choosing to locate in the County and is therefore a guiding principle used in the development of their Strategic Plan. The adopted strategic goal areas included in the 2017-2020 Strategic Plan (adopted in January 2017) are Robust Economy; Mobility; Wellbeing; Safe & Secure Community; and Quality Education & Workforce Development. The goal statements associated with each of these areas are as follows:



- **Robust Economy** – “The community fosters a diverse local economy that creates a culture of innovation and achieves more quality jobs, economic opportunities and an expanded commercial tax base.”
- **Wellbeing** – “The community will support vulnerable individuals and families to ensure the wellbeing of the entire community.”
- **Safe & Secure Community** – “Prince William County is a community where people are safe and secure.”
- **Quality Education & Workforce Development** – “The community fosters a rich, lifelong learning environment to increase educational opportunities and workforce readiness to meet evolving market demands.”
- **Mobility** – “The community will have an accessible, comprehensive, multi-modal network of transportation infrastructure that supports local and regional mobility.”

Connectivity touches all areas of the Strategic Plan and is integral to accomplishing the Board’s strategic outcomes. Better connectivity facilitates a robust economy by allowing businesses to take advantage of modern technologies and cloud-based services to maintain their competitive advantage. Connectivity directly benefits the mobility within the community by providing viable telework options, reducing the need for individuals to commute out of the County for work. It helps students and workers achieve greater success by providing online education opportunities and workforce development training. Connectivity allows more effective and efficient case management and service for those individuals and families most in need. Finally, it ensures the County’s public safety agencies take advantage of technologies that maintain open lines of communication and store and access essential data and information. For these reasons, the Board has embraced “Connectivity” as a strategic priority.



The Adopted Budget and Five-Year Plan rely on input from the community to build a “Community of Choice” as expressed in the Board’s Vision and to address each of the important goal areas in the Strategic Plan. The Board’s decisions and priorities along with the work of staff support the strategic goals and allow for reinvestment in the County to ensure that Prince William remains a “Community of Choice.” Approximately 95 percent of residents surveyed are satisfied or very satisfied with the overall quality of life in the County and 91 percent are satisfied or very satisfied with what they get for the taxes they pay.

The Board approved the development process for the 2021-2024 Strategic Plan at its January 28, 2020, work session. Following the onset of COVID-19 in the U.S., the process was modified to accommodate physical distancing requirements. The strategic plan development process now entails a community survey and a series of “virtual” community conversations in each magisterial district to solicit input from residents about strategic priorities. The 2021-2024 Strategic Plan is anticipated to be finalized and adopted by the Board in early 2021.

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 \$562.2 million. 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 2021-2026 CIP provides almost \$407.8 million for transportation roadway and sidewalk improvement projects; \$20.4 million for two new fire and rescue stations; \$12.6 million for judicial administration projects; \$16.2 million for police projects, including \$12.5 million for a new animal shelter; \$23.1 million for technology improvement initiatives, including core technology infrastructure and the replacement of the County's human resource management system; \$22.3 million for landfill related capping and lining projects; \$20.9 million for watershed management projects; \$13.2 million for parks and recreation projects; and \$25.6 million for various building and facility capital maintenance projects. The School System's Capital Program, totaling almost \$1.3 billion for fiscal years 2021 to 2030, is integrated into the County's CIP and addresses the education component of the County's Strategic Plan.

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 "Robust Economy" strategic goal of growing the commercial tax base.

Major Initiatives

The County's major initiatives focus on achieving its strategic goals and maintaining itself as a "Community of Choice." Some of the highlighted initiatives of the five Strategic Goal areas are as follows:

Robust Economy – The "Robust Economy" Strategic Goal calls for the County to provide a robust, diverse economy with more quality jobs and an expanded commercial tax base. 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. In this regard, the County's Department of Economic Development works diligently to attract new businesses and foster expansion of existing businesses. Since the inclusion of economic development in the strategic goals of the County in the mid-1990s, 549 new and expanding companies have announced their intention to invest more than \$13 billion and add approximately 20,943 jobs to the Prince William County economy. Of these announcements, 436 or 79 percent were targeted industry businesses accounting for \$12.2 billion (93%) of the total investment and 16,305 (78%) of the total jobs. Today, the County is home to over 9,600 businesses, an increase of 32 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 particular 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 of these targeted industries have provided significant capital investment and job opportunities in Prince William County. Since January 2019, 51 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 1,864 new jobs, 1,754 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 4.4 million square feet of data center space, representing approximately \$11.0 billion in capital investment and more than 1,600 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. Recently, STACK INFRASTRUCTURE and Peterson Companies announced plans to develop a new data center campus in Prince William County. The 125-acre, multi-phase development will eventually offer more than 250 megawatts of critical load for flexible build-to-suit facilities to serve large data center users in the Northern Virginia market. The 25-acre initial phase of the project will deliver 700,000 square feet, providing 72 megawatts of critical capacity beginning as early as the end of 2020.

Since the start of the fiscal year in July 2019, International Gourmet Foods, a 33-year-old Virginia-based company announced its intent to relocate and invest \$21 million in a new headquarter facility in the County. The 130,000 square foot building will house its sales and administration staff, as well as a warehouse and cold storage operations and 169 new jobs are anticipated. Also locating to Prince William County is a confectionary with a health-conscious mission to supply gluten-free, vegan and paleo desserts. Bakefully Yours has been supplying the D.C. Metro market with its healthy treats for the past four years and has enjoyed exponential growth, servicing over 100 stores in the mid-Atlantic region. The County is also adding F1 Computer Solutions, LLC to its growing community of information technology companies and federal contractors. The company's new location in Manassas will serve as its headquarters and brings 15 new jobs to the county. Established in 2000 as a woman-owned small business, F1 has a 20-year track record of providing first-in-class information technology services to a wide cross section of industry and government clients throughout the Greater Washington D.C. region and beyond. Brickyard, the suburban coworking concept, opened the doors of its Woodbridge space in February. The 7,110 square foot coworking space features 20 desks, 18 private offices, fully equipped conference rooms, private phone booths, and large common areas that double as event space. Amenities include 24/7 access, gigabyte speed internet, printing and copying, business mail service, and unlimited coffee, tea, and soda. JK Moving Services, the nation's largest independently owned and operated moving company, is planning an expansion into Prince William County, creating 300 new jobs. Planned completion of JK's new 100,000 square foot building will be in the fourth quarter of 2021. A second 100,000 square foot building is also planned. Kaiser Permanente celebrated the opening of its new Haymarket Crossroads Medical Center. The facility provides primary care, OB/GYN, laboratory, optometry and optical services, pharmacy, radiology/imaging and behavioral health services. Construction is also underway on their new multi-specialty hub on Minnieville Road in Woodbridge, which is expected to open in 2021. Merritt Properties, developer of the I-66 Business Park,

has broken ground on two additional industrial buildings. Once completed, the Park, located at the intersection of Balls Ford Road and Groveton Road in Manassas, will offer a total of 596,900 square feet of industrial space among six properties. Construction on the first three buildings finished in January 2019 and overall occupancy hit 91 percent by July 2019. Finally, Planet Direct, a full-service marketing company and production facility headquartered in Manassas announced its intent to construct a new 110,000 square foot headquarters on an 8.6-acre parcel in Innovation Park.

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.

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. Furthering the life science ecosystem, the Prince William Board of County Supervisors agreed to support the construction of the Northern Virginia Science Center, a 30,000 square foot commercially available wet lab facility. The Center will provide companies with Biosafety Level 2 (BSL-2) standard laboratories and will provide a home for graduating Science Accelerator companies and small to mid-sized Life Science companies looking to enter the vibrant Northern Virginia economy. South Bend, Indiana-based Holladay Properties will serve as the developer, as well as the property manager, when the building is completed in November 2021.

Also located at Innovation Park are two historical barns. The historic Birkett dairy barn now serves as a premier wedding, event, and live-music venue, known as Sweeney Barn, and nicely complements the Thomasson historic barn, now 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.

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 26 companies of varying sizes, and provided well over 650 jobs.

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 close 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) also partnered, in collaboration with Amazon Web Services (AWS), to develop a new 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 new educational offerings all support targeted industries for Prince William County.

Another gem 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 recreation, including the recently completed Potomac Heritage National Scenic Trail and a Jack Nicklaus Signature Golf Course. Plans to bring a hotel and shopping center to Potomac Shores are moving ahead, in tandem with the effort to add the new Virginia Railway Express station to the area. The Prince William Board of County Supervisors approved special use permits tied to the development, teeing up construction work on close to 3.7 million square feet of commercial space across the 1,920-acre property.

To better assist small businesses, in 2018 the County launched the “Small Business Initiative”, designed to alleviate some of the challenges faced by small businesses and entrepreneurs. The Department of Development Services spearheaded an effort to improve the small business owner’s experience with the County’s development process. The Board provided additional funding to support the hiring of three new project managers with the sole focus of assisting small businesses through the development process. In 2019, the County’s Department of Economic Development created a new Small Business Development Manager position with an emphasis on supporting the establishment and expansion of small businesses operating in Prince William County. In July 2019, the County entered into a collaborative agreement with the Mason Small Business Development Center (SBDC), to deliver business assistance free of charge to entrepreneurs and small businesses throughout Prince William County. Since July 2019 through June 2020, the Mason SBDC has assisted over 264 small business clients in Prince William County, providing close to 828 hours of free counseling.

In the wake of the COVID-19 pandemic, the County established a series of grants and incentive programs to provide much needed relief to its business community, including small businesses. To this end, the Prince William Board of County Supervisors appropriated \$16 million of CARES Act and County economic development funds to equip businesses with tools and resources to overcome current setbacks. Some of the programs include:

- Small Business Relief Microgrants – Provides funds up to \$50,000 for businesses that experienced a loss in revenues.
- Capital Infrastructure and Innovation Grants – Funds up to \$20,000 for businesses to make physical improvements to adhere to the current health and safety guidelines to operate safely.
- Elevate: Building Business and Careers – Provides no-cost employment assistance to residents and businesses.
- Small Business Technical Assistance Program – Provides free business counseling services to small businesses that need one-on-one technical assistance. Additionally, the County partnered with the Mason SBDC to provide enhanced technical services, up to \$10,000, in digital marketing and e-commerce, financial planning, and information technology services, to ensure business viability through increased productivity and management.
- Ambassador Program – Provides outreach to County businesses to increase awareness of available CARES Act resources by over 30 volunteers and strategic partners placing personal phone calls, emails and direct outreach to over 1,200 businesses in the food, accommodation, and health & human services industries.
- Be Safe, Work Safe, Shop Safe – Provides a comprehensive set of tools to share, educate, and develop safe work practices and protective skills within the business community to keep employees, customers, and the public safe from the spread of the coronavirus including making available 10 industry-specific training modules on the County’s coronavirus resources page.
- Ignite Start-Up Grants – Provides grants up to \$50,000 for businesses entrepreneurs who have a start-up idea or new business.
- Construction and Renovation Permit Rebates – Helps the commercial sector begin new construction projects by offering rebates of up to \$2,000 on permitting fees.

The '#PrinceWilliamStrong Pledge' encourages County businesses to commit to meeting all 'Forward Virginia' guidelines, mandatory requirements and best practices, as well as, Virginia Department of Health (VDH) and Centers for Disease Prevention and Control (CDC) guidance to ease the spread of COVID-19. Endorsed by the County's Economic Recovery Taskforce and the Prince William Chamber, the #PrinceWilliamStrong Pledge inspires support of local businesses while providing assurances to customers, clients, and employees as COVID-19 restrictions are lifted.

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.

Wellbeing – The "Wellbeing" Strategic Goal calls for the community to support vulnerable individuals and families, addressing homelessness, opioid abuse and truancy and improving services to mentally ill youth and adults. A faith-based community coalition established in 2019 increases cooperation and coordination of human service needs in the County. Vital community partner organizations are sustained with a 7.9 percent operating increase in the fiscal year 2021 Adopted Budget. The Adopted Budget also includes local funding for Community Services and Police Department staffing for a mental health co-responder program. The program helps deescalate situations and provides more immediate interventions with clients experiencing mental health crisis thus reducing hospitalizations and incarceration. Funding is also included for expanded homeless support services in addition to a child and adult protective services after-hours team. Local funding is included in the Community Services budget to expand access for opioid abuse treatment services as well as address growing waitlists for intellectual disability, early childhood intervention, and youth substance abuse and mental health services. Additional staffing is provided in the Department of Social Services to address increasing workloads and determine initial eligibility and ongoing renewals for benefits to help County residents meet basic needs. Additional local funding is included for increased special education private day school placements mandated by the Children's Services Act and a Child Advocacy Center is funded in the Adopted Budget to establish a child-focused, facility-based program whereby representatives from multiple agencies can meet and discuss investigations, treatment, intervention, and prosecution of child abuse cases without exacerbating trauma for abused children. The fiscal years 2020-2024 Five-Year Plan provides debt service to support the future capital replacement of the Juvenile Detention Center. Additional planning, design and needs assessment efforts are underway to generate specific recommendations prior to any renovation or construction.

Safe & Secure Community – Public safety has been one of the County's Strategic Goals since the Strategic Plan was first adopted. The "Safe & Secure Community" Strategic Goal calls for the County to maintain safe and secure neighborhoods and business areas and provide prompt responses to emergencies. The goal includes initiatives to reduce recidivism and to reduce incarceration of mentally ill individuals. During fiscal year 2020, the County completed a renovation to the E911 call center and disaster recovery location and implemented a customized information management system for the Sheriff's Office to log, track and maintain records for the service of civil and criminal process. The Board's commitment to keep the community safe and secure is maintained and improved over the next five years. The fiscal year 2021 adopted budget provides additional staffing for Criminal Justice Services to address growing pretrial supervision caseloads as an alternative to jail incarceration; provides supplemental salary funding for the newly established state-funded Public Defender's Office; and provides funding for the Project Lifesaver Program in the Sheriff's Office serving clients with autism, dementia, Down Syndrome, and traumatic brain injuries by decreasing search times for lost individuals and saving lives. Funding is also provided for the Lethality Assessment Program, a partnership program with ACTS to provide a standardized, evidence-based lethality assessment instrument to identify victims of domestic violence at highest risk of being seriously injured or killed and immediately connect them to local domestic violence programs. The fiscal years 2021-2026 CIP includes funding for a new animal shelter, two new fire and rescue stations, an expansion of the Adult Detention and Public Safety Training Centers, and security improvements at the courthouse and other County facilities.

Mobility – The "Mobility" Strategic Goal calls for the County to provide an accessible, multi-modal transportation network that supports local and regional connectivity. 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 projects within the community.

Transportation initiatives completed or substantially completed during fiscal year 2020 include the construction of a pedestrian path along Dumfries Road from Country Club Drive to Exeter Drive; the widening of Route 28 from Fitzwater

Drive to Vint Hill Road; improvements to Saratoga Lane from General Washington Drive to Silverdale Drive; the widening of Vint Hill Road from Sudley Manor Road to Gary Glenn Drive, including sidewalk improvements along Kettle Run Road from Vint Hill Road to Patriot High School; and construction of Maureen Caddigan Way.

The PRTC's Western Bus Maintenance Facility was also completed in the summer of 2020. This community amenity, located on Doane Drive near Balls Ford Road and I-66, enables expanded services for residents and commuters in Prince William County and the Cities of Manassas and Manassas Park. Buses serving the western portion of the County are now parked and dispatched from this new facility, providing improved on-time rider pick-up, fuel savings and better response times during emergencies. The new facility features space for 100 buses and includes three buildings – a maintenance building with eight maintenance bays, a fueling and washing building with two service lanes, and a new administrative and operations building. PRTC receives 100 percent of the motor vehicle fuel tax revenue generated within Prince William County.

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 2021-2026 CIP, the County's allocated 30 percent funding, totaling \$30.1 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 2021. The County successfully competes for 70 percent funding each year, with almost \$196 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 sufficient funding to complete design during the next 18 to 30 months. In addition, funding is provided in the 2021-2026 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 \$407.8 million transportation CIP for fiscal years 2021-2026 aims to further advance the mobility strategic goals by including \$170.0 million for the Balls Ford interchange and widening project; \$64.0 million for the Potomac/Neabsco Mills Road commuter parking garage and road widening project; \$51.6 million for the Brentsville Road interchange; \$32.0 million for the University Boulevard interchange and extension; \$31.5 million for improvements to Route 1 from Featherstone Road to Mary's Way; \$23.4 million for improvements to Route 28; \$13.3 million for improvements to Old Bridge Road; \$8.7 million for the extension of Summit School Road and widening of Telegraph Road; \$4.0 million for the widening of Devlin Road; \$3.3 million for improvements to Fuller Road and Fuller Heights Road; \$2.5 million for preliminary design of an interchange at Minnieville Road and Prince William Parkway; \$2.0 million for an environmental study for the four-lane extension of Van Buren Road between Route 234 and Cardinal Drive; and \$1.5 million for sidewalk/pedestrian improvements at Innovation Park, Gemini Way, Opitz Boulevard, Smoketown Road and Old Bridge Road.

Important to the overall quality of life are the numerous parks, recreational and tourism amenities that exist throughout the County. During fiscal year 2020, the County completed the replacement of a 40-year-old waterline servicing Locust Shade Park and Forest Greens Golf Course and upgraded the BMX track to make the facility tournament quality and allow for longer operating hours and extended the racing season. The fiscal years 2021-2026 CIP includes \$13.2 million for

community development improvement projects namely Rollins Ford Park, Doves Landing, Locust Shade Park, Long Park, Catharpin Park, several greenways and various Potomac Heritage National Scenic Trails throughout the County.

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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the 39th consecutive year that the County has received this prestigious award. To earn a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report consistent with GFOA's reporting guidelines. 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 Comprehensive Annual 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, 2019. This was the 34th 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 14th time the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2019. This award program is designed to encourage local governments to extract information from their comprehensive annual financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

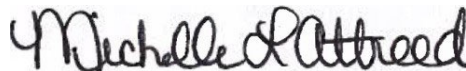
Many professional staff members in the Finance Department's Financial Reporting and Control Division prepared this report. Their hard work, professional dedication, and continuing efforts to improve the quality of this report are a direct benefit to all that read and use it. We would also like to acknowledge 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 Comprehensive Annual 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,



Christopher E. Martino
County Executive



Michelle L. Attreed
Director of Finance/CFO



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Prince William
Virginia**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

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:

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

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

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

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

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

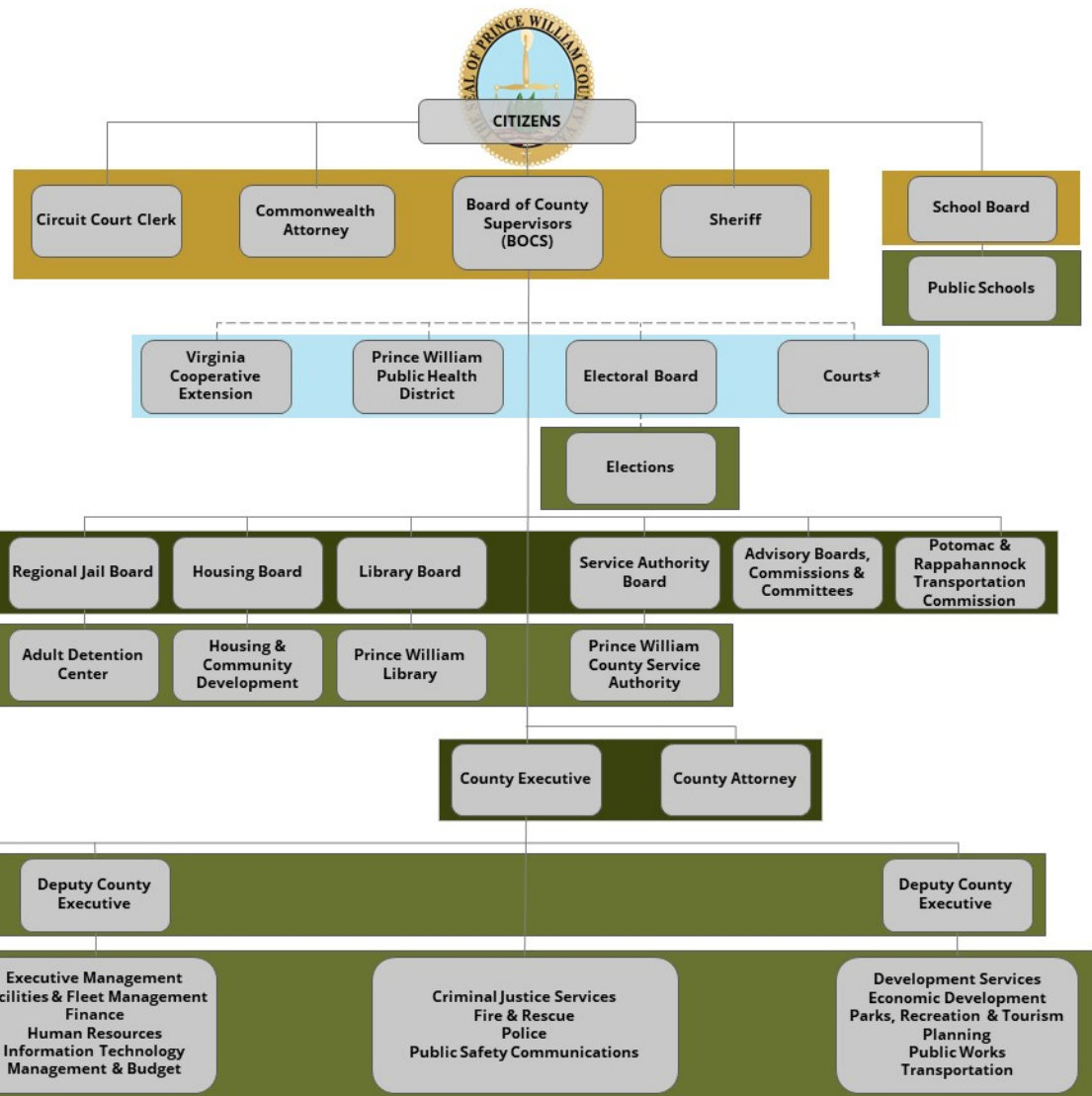
Organization Chart

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





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, 2020, 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, 2020, 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 financial statements, the County restated beginning net position to correct an error in recording the landfill closure liability. Our opinions are not modified with respect to this matter.

Contingencies

As discussed in Note 19 to the financial statements, in March 2020, the World Health Organization declared COVID-19 a global pandemic. Given the uncertainty of the situation and the duration of any business disruption, the related financial impact cannot be reasonably estimated at this time. 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.

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 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 February 12, 2021, 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.

Cherry Bekant LLP

Tysons Corner, Virginia
February 12, 2021



Management's Discussion and Analysis June 30, 2020 (amounts expressed in millions)

Prince William County's 2020 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 Comprehensive Annual Financial Report presents our discussion and analysis of the County's financial performance during the fiscal year that ended on June 30, 2020. 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, agency 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 \$969 at June 30, 2020, which represents an increase of \$132 or 15.8 percent from the prior year.
- The total cost of the County's governmental programs increased 13.9 percent to \$1,454 during fiscal year 2020, while the County's total revenues increased by 4.3 percent to \$1,473.
- Net position of governmental activities increased 4.9 percent from negative (\$288) the prior year. The County's total costs in governmental activities increased \$176 or 14.0 percent from prior year, while program revenues increased by 1.3 percent, and general revenues grew by 5.3 percent.
- At June 30, 2020, the County had \$1,090 of debt outstanding, including \$883 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, 2020 exceeded its assets and deferred outflows by \$274 (net deficit).
- Total net position of the County's business-type activities increased by 7.9 percent to \$68 as revenues exceeded expenses during the year, bolstered by landfill charges that exceeded costs (after transfers) by \$5.
- At the end of the current year, the unassigned fund balance of \$91 in the general fund was maintained at 7.5 percent of the total general fund revenues. The unassigned fund balance increased 4.7 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 \$17; alternatively, expenditure savings of \$21 under the budget helped to provide additional available resources to fund the County's reserves available for future appropriation.
- As of January 1, 2019, (the assessment date pertinent to real estate taxes supporting fiscal year 2020) the total assessed values of taxable property increased by 4.5 percent compared to the prior year, with residential values accounting for 76.3 percent of the total assessed values. Real estate taxes contributed 51.3 percent of the total revenues for the primary government of the County during fiscal year 2020.

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, agency 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**

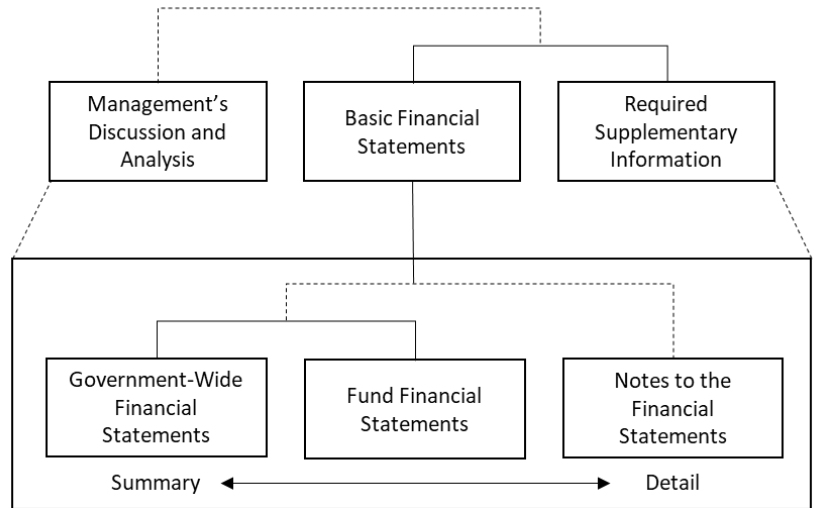


Figure A-2 summarizes the major features of the County's financial statements, including the scope and the types of financial information presented. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**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
Scope	Entire County government (except fiduciary funds) and the County's component units	The activities of the County that are not proprietary or fiduciary, such as police, fire, and community development	Activities the County operates in a manner similar to private businesses such as the Landfill, Innovation Technology Park, and Parks & Recreation	Instances in which the County is the trustee or agent for someone else's resources, such as the retirement plan for County employees
Required Financial Statements	<ul style="list-style-type: none"> Statement of net position Statement of activities 	<ul style="list-style-type: none"> Balance sheet Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> Statement of net position Statement of revenues, expenses, and changes in net position Statement of cash flows 	<ul style="list-style-type: none"> Statement of fiduciary net position Statement of changes in fiduciary net position
Basis of Accounting and Measurement Focus	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
Type of Deferred Outflow/Inflow, Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the County's funds do not currently contain capital assets although they could
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Fund Financial Statements

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

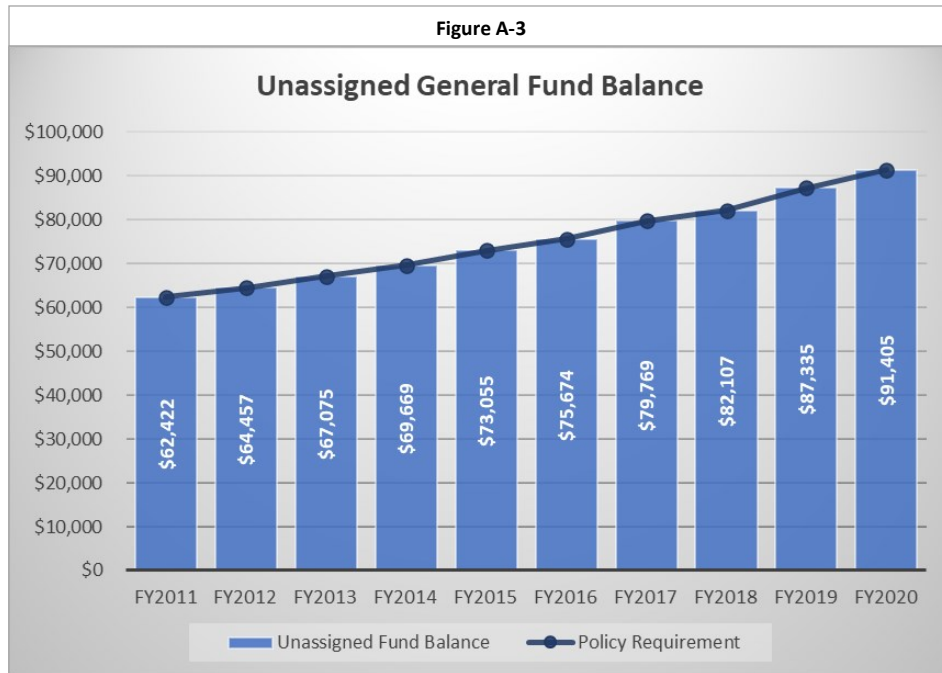
FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

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 \$407, an increase of \$33 or 8.9 percent from the prior year's \$374 combined fund balance.



- The County's General Fund balance increased \$34 or 17.3 percent; while revenues increased \$54 or 4.7 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 slightly less impactful at \$53 or 4.6 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 \$12 during the current year due to the expenditure of funds on numerous projects, including \$17 on various improvements to Route 28, \$13 on various improvements to Balls Ford Road,

and \$10 on Route 1 improvements. Other capital projects included \$12 expended on technology infrastructure and other technology improvements, and \$9 on fire and rescue station construction.

- Fund balance for the Fire & Rescue Levy Fund increased 9.6 percent or \$4 during fiscal year 2020. Total revenues were up over the prior year by \$5 or 9.8 percent, fueled primarily by increases in general property taxes, while expenditures of \$23 were significantly lower than the \$32 expended in the prior year. Fund balances for Other Governmental Funds increased \$8 or 21.4 percent compared with \$10 or 37.9 percent during the prior year, fueled by revenue growth of \$6 or 7.3 percent being slightly outpaced by expenditures increases of \$8 or 12.8 percent.
- 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.
 - ◆ As debt service costs decreased \$5 during fiscal year 2020 to \$141, the County increased its investment in health and welfare, adding \$7 over the prior year expenditures, or 6.8 percent. Additionally, general fund support for public safety increased \$14 or 5.5% from the prior year with the addition of 28 FTEs.
 - ◆ The County continued its mobility goal of alleviating congestion by investing \$59 on the construction of various streets and roads during fiscal year 2020. 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 \$507 compared with \$473 in the prior year. This represents a 7.0 percent increase as the County dedicated funding to reduce class sizes. The County also provided \$125 in debt funding to Schools during the year for various School construction projects.

Proprietary Funds

Unrestricted net position of the Landfill increased by \$4 in fiscal year 2020, due mostly to decreases in costs for contractual services of \$2 related to one-time closure costs paid during the prior year. Innovation Technology Park's unrestricted net position increased by \$3, fueled primarily by land sales. Net position of the Parks and Recreation enterprise fund changed nominally from the prior year.

The Statement of Cash Flow, for the proprietary funds provides more detailed information than is found in the government-wide financial statements.

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 \$21 lower than the final budget amounts and budgetary revenues exceeded the final budget by more than \$8. 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 \$34 during the fiscal year. The most significant revenue variances were related to use of money (\$10 higher than final budget) and general property taxes (\$8 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 \$837 by 15.8 percent to \$969.

Governmental Activities

Net position of the County’s governmental activities increased by 4.9 percent to (\$274) during the year. The \$(206) 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, 2020, the County has \$1,085 of outstanding debt (compared with \$1,060 as of June 30, 2019) of which \$1,010 is related to assets donated to other entities as follows:

- \$845; Prince William County School Board
- \$133; Commonwealth of Virginia
- \$32; Prince William County Adult Detention Center

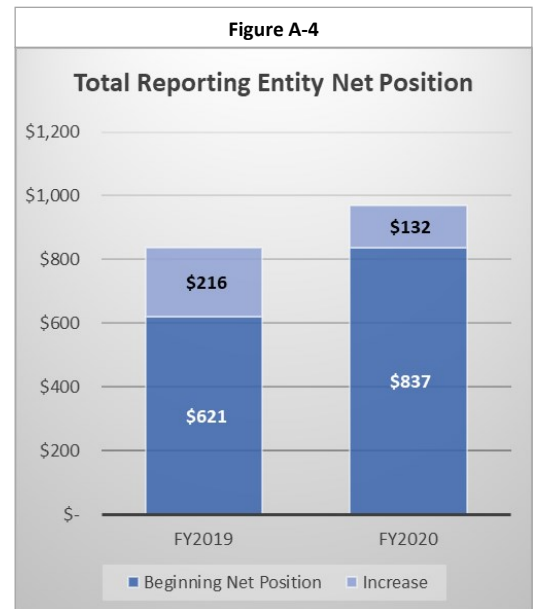
This represents 93.0 percent of the County’s total general obligation, capital leases and other long-term debt. Because the County does not retain ownership of the related assets which, therefore, are not presented on the County’s Statement of Net Position, this debt liability (less any unspent proceeds) 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 4.6 percent compared to those of the prior year, and expenses increased by 14.0 percent during fiscal year 2020.

Business-Type Activities

The net position of the County’s business-type activities increased 7.9 percent to \$68 in fiscal year 2020 compared to \$63 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 \$68 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.

Table A-1 Net Position								
	Governmental Activities		Business-Type Activities		Total Primary Government		Total Reporting Entity (Including Component Units)	
	2020	2019	2020	2019*	2020	2019*	2020	2019*
Current assets and other	\$ 1,018	952	51	44	1,069	996	1,579	1,488
Capital assets	620	608	44	46	664	654	2,475	2,343
Total assets	1,638	1,560	95	90	1,733	1,650	4,054	3,831
Deferred outflows of resources	118	74	1	-	119	74	358	224
Other liabilities	375	314	6	8	381	322	563	465
Long-term liabilities*	1,385	1,321	22	19	1,407	1,340	2,503	2,354
Total liabilities	1,760	1,635	28	27	1,788	1,662	3,066	2,819
Deferred inflows of resources	270	287	-	-	270	287	377	399
Net position:								
Net investment in capital assets	547	539	39	40	586	579	1,566	1,502
Restricted	110	99	-	-	110	99	143	140
Unrestricted*	(931)	(926)	29	23	(902)	(903)	(740)	(805)
Total net position*	\$ (274)	(288)	68	63	(206)	(225)	969	837

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

The aforementioned factors contributing to changes in the governmental net position and the business-type net position of the County combined to create an overall increase in net position of the primary government of \$19 during fiscal year 2020. The assets and deferred outflows of resources of the primary government are less than the liabilities and deferred inflows of resources by \$206.

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 57.3 percent of the total reporting entity. Component unit net position increased 10.6 percent to \$1,175 during 2020, with an increase in funding of \$141 from the County as well as increased funding from the state of \$19. The net position of the primary government of negative (\$206) combined with the net position of the component units of \$1,175 resulted in total net position for the total reporting entity of \$969, 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 4.6 percent to \$1,445, and total expenses increased 14.0 percent to \$1,432, which, after considering the effect of transfers, resulted in a \$14 increase in net position during the current year, compared to \$122 increase in the prior year.

As previously cited, 74.1 percent of revenues related to governmental activities are derived from taxes (see Figure A-5). Tax revenues increased by \$61 or 6.0 percent, driven mainly to an increase in real estate tax revenues from \$713 in fiscal year 2019 to \$755 in fiscal year 2020. Despite no change in the total direct tax rate, a 4.5 percent increase in the total taxable assessed value of real estate in the County pushed real estate tax revenues higher during fiscal year 2020, and offset relatively flat levels of support received from both the state and federal government as well as 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 76.3 percent of total assessments, increasing 4.5 percent. Commercial and industrial values increased 4.1 percent and apartment real estate values increased 5.4 percent. Property tax revenues experienced encouraging levels of growth during fiscal year 2020 (up 8.7 percent from the prior year).

**Table A-2
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government		Total Reporting Entity (Including Component Units)	
	2020	2019	2020	2019*	2020	2019*	2020	2019*
Program revenues:								
Charges for services	\$ 51	55	26	28	77	83	95	109
Operating grants and contributions	111	102	-	-	111	102	297	285
Capital grants and contributions	76	78	-	-	76	78	76	78
General revenues:								
Taxes:								
Real property	755	713	-	-	755	713	755	713
Personal property	163	150	-	-	163	150	163	150
Other taxes	153	147	-	-	153	147	153	147
Payment from primary government	-	-	-	-	-	-	775	634
Grants and contributions not restricted to specific programs	81	80	-	-	81	80	552	532
Unrestricted investment earnings	38	43	1	2	39	45	46	54
Gain (loss) on disposal of capital assets	-	1	-	-	-	1	-	1
Miscellaneous	17	12	1	1	18	13	23	18
Total revenues	1,445	1,381	28	31	1,473	1,412	2,935	2,721
Expenses:								
General government administration	51	47	-	-	51	47	51	47
Judicial administration	27	24	-	-	27	24	27	24
Public safety	324	335	-	-	324	335	324	335
Public works	102	107	-	-	102	107	102	107
Health and welfare	111	101	-	-	111	101	111	101
Education	634	469	-	-	634	469	634	469
Parks, recreational, and cultural	57	58	-	-	57	58	57	58
Community development	76	66	-	-	76	66	76	66
Interest on long-term debt	50	49	-	-	50	49	50	49
Enterprise*	-	-	22	21	22	21	22	21
Component units	-	-	-	-	-	-	1,349	1,228
Total expenses	1,432	1,256	22	21	1,454	1,277	2,803	2,505
Excess/(deficiency)in net position before transfers	13	125	6	10	19	135	132	216
Transfers	1	(3)	(1)	3	-	-	-	-
Increase/(decrease) in net position	14	122	5	13	19	135	132	216
Net position, beginning of year*	(288)	(410)	63	50	(225)	(360)	837	621
Net position, end of year	(274)	(288)	68	63	(206)	(225)	969	837

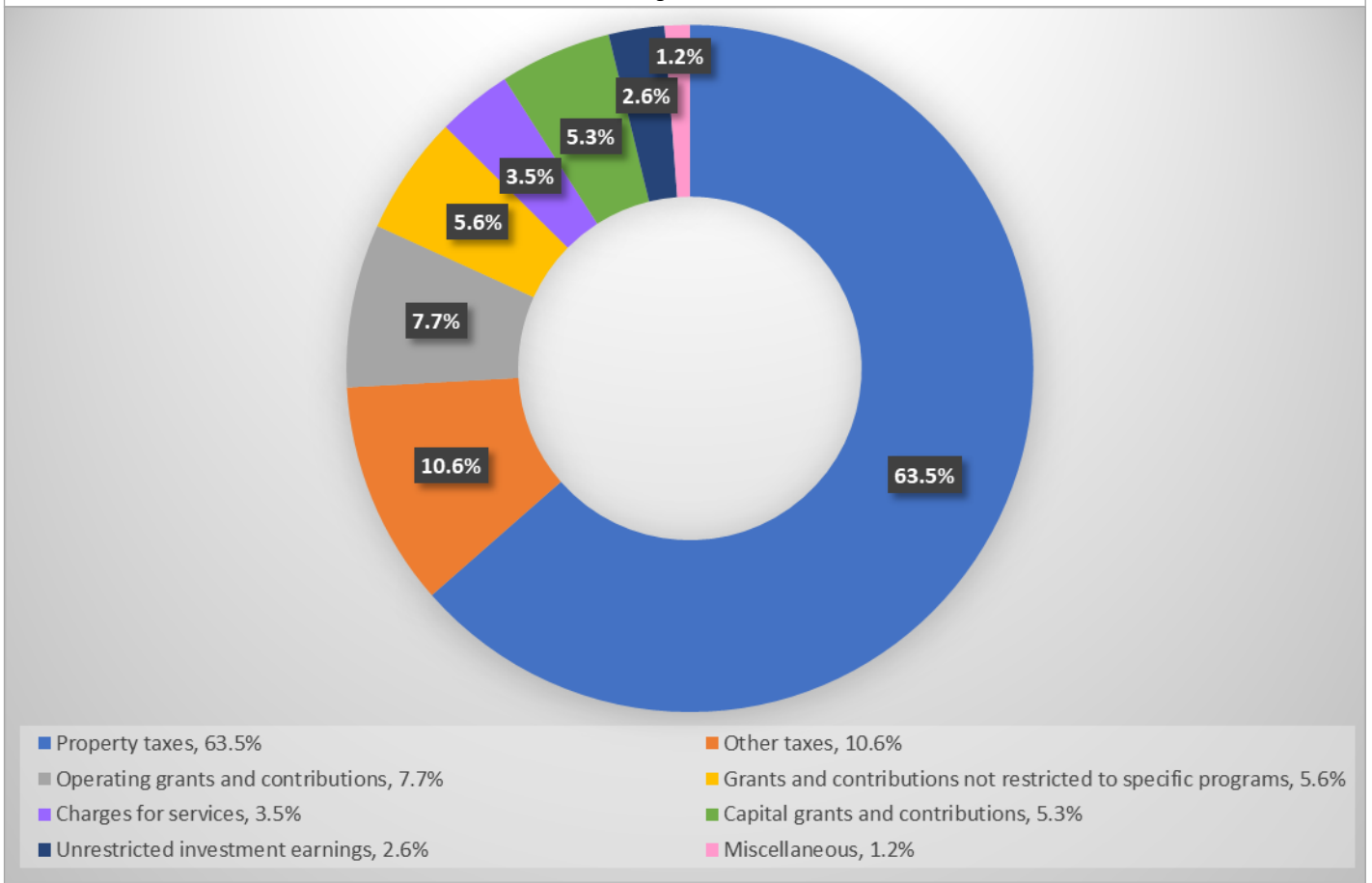
* - as restated; see Note 1.R for further information

The total reporting entity net position increased by \$132 in fiscal year 2020. Factors impacting the change in net position include total revenues of \$2,935 (7.9 percent higher than fiscal year 2019) which exceeded total expenses of \$2,803, (11.9 percent higher than expenses of the prior year).

The County's Primary Government total revenues increased 4.3 percent to \$1,473 (see Table A-2). Over 63.5 percent of the County's revenue comes from ad valorem taxes. The County's total revenue is divided into three major sources: 74.1 percent of every dollar raised comes from some type of tax; over 18.6 percent of revenues come from local, state and federal aid; charges for services comprise 3.5 percent and the remaining 3.8 percent is from other sources.

The total cost of all County programs and services increased by \$177 or 13.9 percent to \$1,454. The County's expenses cover a range of services, with 65.9 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.

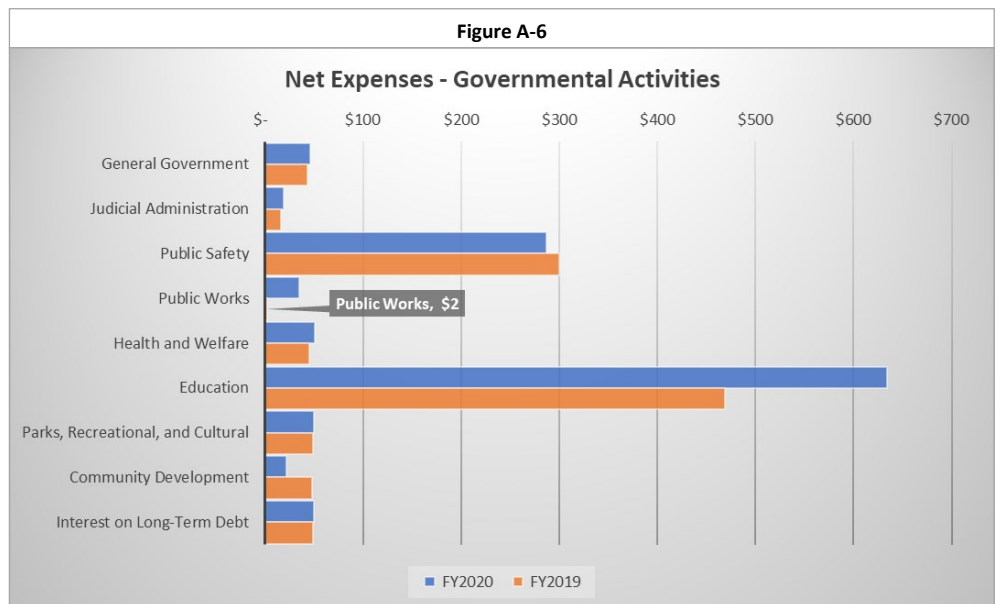
Figure A-5



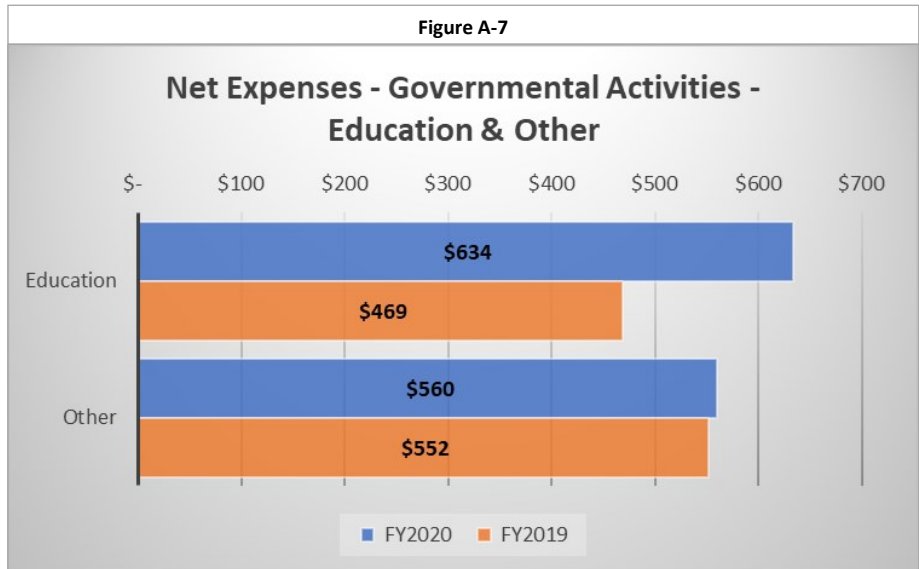
Local sales tax revenues produced a 5.3 percent increase from \$69 in fiscal year 2019 to \$72 in fiscal year 2020, and accounted for nearly all of the increase in ‘Other taxes’ as shown in Table A-2. Operating grants and contributions increased by 8.8 percent, while capital grants and contributions decreased by 2.6 percent. Investment earnings in fiscal year 2020 were down \$5 from \$43 in fiscal year 2019 to \$38 in fiscal year 2020.

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 2020, as reported to the Virginia Department of Education, for all Prince William County Schools is 92,270 students, increasing 1,394 students or 1.5% from fiscal year 2019.

Figure A-6



Net expenses for Public Works increased by \$33 compared to fiscal year 2019, with a reduction in operating grants and contributions during fiscal year 2020. In fiscal year 2020, the Police Department added 15 full time equivalent (FTE) positions, while Fire and Rescue added 8 FTE positions. Judicial Administration experienced an increase of \$3, with the addition of positions in the Sheriff’s Office, Clerk of Court, and General District



Court. Health and Welfare was up \$6, with the addition of over 36 FTEs, mostly in Social Services.

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 \$1,432; however, the amount that County taxpayers paid for these activities through County general revenues was only \$1,194. Some of

the costs were paid by:

- Those who directly benefited from the programs by paying charges for services \$51;
- Other governments and organizations that subsidized certain programs with grants and contributions of \$187.

Business-Type Activities

Revenues of the County's business-type activities decreased by \$3 to \$28 and expenses of \$22, increased by \$1 as compared to the prior year (refer to Table A-2). Factors contributing to these results include:

- Charges for services of \$26, were largely unchanged for Innovation Technology Park and the County landfill, while Parks and Recreation experienced a decrease, down from \$5 to \$4 in fiscal year 2020 due to the impacts of COVID-19 on parks and recreation programs and activities.
- Expenses were relatively stable, up only marginally from \$21 in fiscal year 2019 to \$22 in fiscal year 2020.
- These conditions contributed to a net income before transfers of \$6, \$4 lower than during the prior year. The County's business-type activities had investment earnings of \$1, miscellaneous revenue of \$1 as well as transfers from the General Fund of \$1 and transfers out to the Capital Projects Fund of \$2, resulting in a positive change in net position of \$5 during the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2020, the total reporting entity had invested \$2,475 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).

	<u>Total Primary Government</u>		<u>Total Reporting Entity</u>	
	2020	2019	2020	2019
Land and Construction in Progress	\$ 190	199	483	377
Buildings and other capital assets, net of depreciation	474	455	1,992	1,966
Total	\$ 664	654	2,475	2,343

This amount represents a net increase (including additions and deductions) of \$132 or 5.6 percent, over fiscal year 2019. The Primary Government had invested \$664 in capital assets, net of accumulated depreciation. Accumulated depreciation remained stable between fiscal year 2020 and 2019. 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:

- As mentioned in a previous section of this analysis, the County's capital project activities for fiscal year 2020 included \$12 expended on technology infrastructure and other technology improvements, and \$9 on fire and rescue station construction.
- The School Board reported capital asset increases of \$108, which includes increases to construction in progress of \$100 due to continued construction on two new schools. Major capital asset additions in fiscal year 2020 include completed construction of two bus operation facilities, five school renovation projects, as well as the replacement of 55 school buses, 19 support vehicles, and the addition of 12 new support vehicles to the School fleet.
- The Adult Detention Center (ADC) component unit's assets increased \$12 as a result of continued construction in progress on the ADC expansion Phase II project.

Long-Term Debt And Other Obligations

At year-end the County's governmental activities had total debt and other obligations of \$1,512, of which, bonded debt outstanding represented \$996, all of which is backed by the full faith and credit of the government. Of the County's bonded debt, \$19 represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

The County's total debt and obligations increased to \$1,534 during the current fiscal year. The key components of the current year activities were the issuance of school-related debt totaling \$184 as well as transportation and park-related refundings totaling \$47, coupled with principal retirements of \$94. 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 2020.

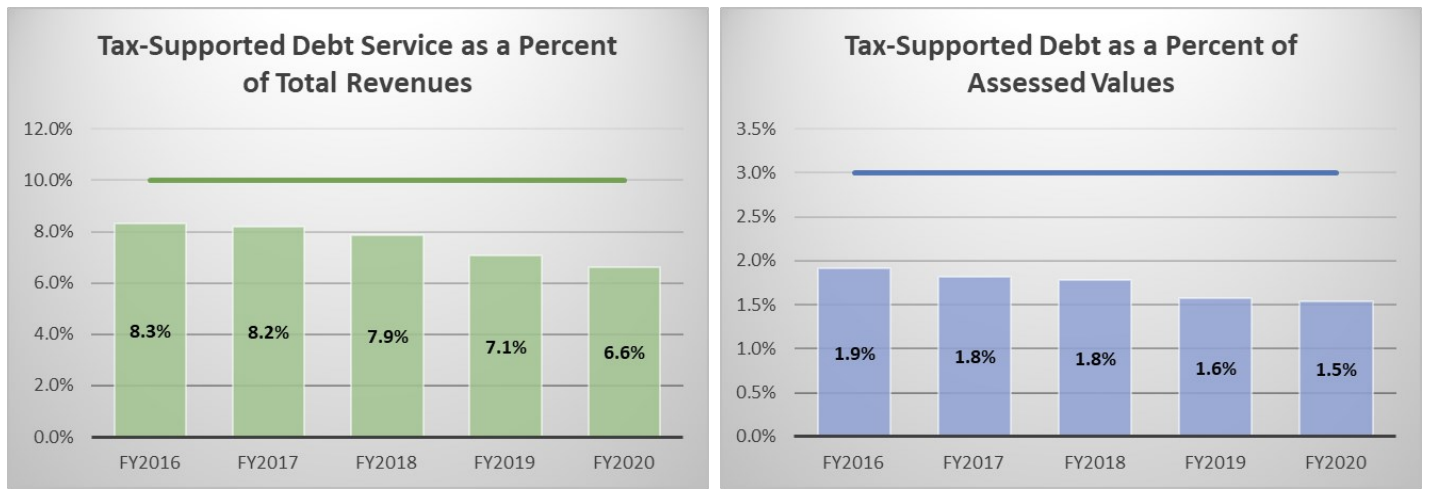
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2020	2019	2020	2019*	2020	2019*
General obligation bonds:						
Tax-exempt bonds	\$ 821	874	-	-	821	874
Taxable bonds	156	66	-	-	156	66
Revenue tax-exempt bonds	19	20	5	6	24	26
Total bonded debt	996	960	5	6	1,001	966
Loans payable	21	21	-	-	21	21
Capital lease obligations	68	78	-	-	68	78
Unpaid losses and related liabilities	22	21	-	-	22	21
Net pension and OPEB obligation	246	208	3	2	249	210
Surplus distribution payable	4	4	-	-	4	4
Compensated absences	43	37	1	1	44	38
Unamortized premiums	112	107	-	-	112	107
Accrued closure liability*	-	-	13	10	13	10
Total long-term debt and other obligations	\$ 1,512	1,436	22	19	1,534	1,455

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

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, 2020, the amount of tax-supported debt outstanding represented 1.5 percent of the total assessed valuation of taxable real and personal property of \$70 billion at January 1, 2019, which is the valuation date to determine fiscal year 2020 tax revenues. Annual debt service payments during fiscal year 2020 represented 6.6 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 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged 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 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.
- 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 \$61.2 billion supporting fiscal year 2019, to \$63.9 billion for fiscal year 2020, which is an increase of 4.5 percent.
- The fiscal year 2021 General Fund budget is \$1,285, which is a 3.7 percent increase from fiscal year 2020.

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 financedirectorsoffice@pwcgov.org.

BASIC FINANCIAL STATEMENTS

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

COUNTY OF PRINCE WILLIAM, VIRGINIA
Statement of Net Position
June 30, 2020
(amounts expressed in thousands)

Exhibit 1
Page 1 of 2

	Primary Government			Component Units	Total Reporting Entity
	Governmental Activities	Business-Type Activities	Total		
ASSETS					
Equity in pooled cash and investments	\$ 871,403	33,626	905,029	413,334	1,318,363
Investments	18,858	-	18,858	-	18,858
Property taxes receivable, net	9,673	-	9,673	-	9,673
Accounts receivable, net Investment in direct financing leases Notes	14,930	276	15,206	3,821	19,027
receivable, current	7,059	-	7,059	-	7,059
Due from other governmental units	-	188	188	-	188
Due from primary government	55,791	33	55,824	35,425	91,249
Due from component units	-	-	-	2,332	2,332
Internal balances	3,909	-	3,909	-	3,909
Inventory	802	(802)	-	-	-
Prepaid items	810	2,748	3,558	7,171	10,729
Notes receivable, non-current	800	20	820	6	826
Net OPEB assets	-	381	381	-	381
Net pension assets	663	-	663	124	787
Restricted assets:	817	-	817	-	817
Temporarily restricted:					
Restricted cash and temporary investments	19,551	13,822	33,373	49,214	82,587
Restricted investments	1,250	-	1,250	-	1,250
Other	32	-	32	-	32
Water and sewer availability credit	11,232	-	11,232	-	11,232
Capital assets:					
Land and construction in progress	160,850	29,033	189,883	292,863	482,746
Buildings and other capital assets, net of depreciation	459,488	15,346	474,834	1,516,967	1,991,801
Total assets	1,637,918	94,671	1,732,589	2,321,257	4,053,846
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	31,474	261	31,735	-	31,735
Deferred outflows related to OPEB	11,430	139	11,569	28,499	40,068
Deferred outflows related to pensions	75,285	921	76,206	210,506	286,712
Total deferred outflows of resources	118,189	1,321	119,510	239,005	358,515
LIABILITIES					
Accounts payable	55,069	696	55,765	23,083	78,848
Wages and benefits payable	14,838	202	15,040	110,997	126,037
Deposits and escrows	33,157	9	33,166	-	33,166
Accrued interest	15,619	83	15,702	-	15,702
Due to other governmental units	1,327	-	1,327	-	1,327
Due to component units	2,332	-	2,332	-	2,332
Due to primary government	-	-	-	3,909	3,909
Retainage	3,019	-	3,019	8,627	11,646
Unearned revenue	123,007	3,912	126,919	13,425	140,344
Noncurrent liabilities:					
Due within one year	127,141	759	127,900	21,307	149,207
Due in more than one year	1,384,571	22,095	1,406,666	1,096,580	2,503,246
Total liabilities	1,760,080	27,756	1,787,836	1,277,928	3,065,764

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

	Primary Government			Component Units	Total Reporting Entity
	Governmental Activities	Business-Type Activities	Total		
DEFERRED INFLOWS OF RESOURCES					
Prepaid taxes	243,592	-	243,592	-	243,592
Deferred inflows related to OPEB	11,738	116	11,854	20,541	32,395
Deferred inflows related to pensions	15,027	177	15,204	86,466	101,670
Total deferred inflows of resources	270,357	293	270,650	107,007	377,657
NET POSITION					
Net investment in capital assets	547,230	39,222	586,452	1,809,830	1,566,473 ^A
Restricted for:					
Capital projects	32	-	32	40,615	(6,389) ^A
Net OPEB assets	663	-	663	124	787
Net pension assets	817	-	817	-	817
Special levy districts	45,945	-	45,945	-	45,945
Development fee services Housing	8,927	-	8,927	-	8,927
Transient occupancy tax	3,891	-	3,891	-	3,891
Grantor's / deed tax	3,141	-	3,141	-	3,141
Internal service fund	15,133	-	15,133	-	15,133
Public safety	3,074	-	3,074	-	3,074
Grants	6,596	-	6,596	-	6,596
Water and sewer availability credit	9,524	-	9,524	-	9,524
Education	11,232	-	11,232	-	11,232
	-	-	-	39,753	39,753
Unrestricted	(930,535)	28,721	(901,814)	(714,995)	(739,964) ^A
Total net position / (deficit)	\$ (274,330)	67,943	(206,387)	1,175,327	968,940

The sum of the columns does not equal the Total Reporting Entity column by a difference of \$876,845 because the debt related to the School Board (\$845,159) and the debt related to the Adult Detention Center (\$31,686) 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 \$47,036 with a corresponding decrease in the Restricted Capital Projects row.

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Business-Type Activities
Primary Government:						
Governmental activities:						
General government administration	\$ 51,328	1,988	3,241	10	(46,089)	-
Judicial administration	26,943	1,930	6,313	-	(18,700)	-
Public safety	323,824	13,958	12,319	10,568	(286,979)	-
Public works	102,006	8,957	(650)	58,327	(35,372)	-
Health and welfare	111,427	1,252	58,911	-	(51,264)	-
Education	633,749	-	-	-	(633,749)	-
Parks, recreational and cultural	56,706	5,951	656	14	(50,085)	-
Community development	76,709	16,976	30,119	6,913	(22,701)	-
Interest on long-term debt	49,964	-	-	-	(49,964)	-
Total governmental activities	1,432,656	51,012	110,909	75,832	(1,194,903)	-
Business-type activities:						
Landfill	16,922	19,797	-	-	-	2,875
Innovation Technology Park	756	3,050	-	-	-	2,294
Parks and recreation	5,038	3,566	-	-	-	(1,472)
Total business-type activities	22,716	26,413	-	-	-	3,697
Total primary government	\$ 1,455,372	77,425	110,909	75,832	(1,194,903)	3,697
Component Units:						
School Board	\$ 1,296,560	17,591	172,822	119	-	-
Adult Detention Center	51,908	418	12,695	-	-	-
Total component units	\$ 1,348,468	18,009	185,517	119	-	-
General revenues:						
Taxes:						
Real property				\$ 754,989	-	-
Personal property				162,528	-	-
Local sales				72,342	-	-
Consumer's utility				14,408	-	-
Business, professional and occupational licenses (BPOL)				28,236	-	-
Recordation				13,016	-	-
Motor vehicle licenses				9,086	-	-
Other local taxes				12,311	-	-
Short term rental, bank stock, public utility gross receipts				4,006	-	-
Payments from primary government				-	-	-
Grants and contributions not restricted to specific programs:						
Federal revenues				99	-	-
State revenues				71,967	-	-
Local revenues				8,964	-	-
Investment earnings				38,443	1,060	-
Gain on disposal of capital assets				-	-	-
Insurance claims and recoveries				14	-	-
Miscellaneous				17,299	982	-
Transfers				587	(587)	-
Total general revenues and transfers				1,208,295	1,455	1,455
Change in net position				13,392	5,152	-
NET POSITION, beginning of year, as restated (see note 1R)				(287,722)	62,791	-
NET POSITION, end of year				\$ (274,330)	67,943	-

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

and Changes in Net Position

Government			Total Reporting	Functions / Programs
Total	Component Unit		Entity	
				Primary Government:
				Governmental activities:
(46,089)	-		(46,089)	General government administration
(18,700)	-		(18,700)	Judicial administration
(286,979)	-		(286,979)	Public safety
(35,372)	-		(35,372)	Public works
(51,264)	-		(51,264)	Health and welfare
(633,749)	-		(633,749)	Education
(50,085)	-		(50,085)	Parks, recreational and cultural
(22,701)	-		(22,701)	Community development
(49,964)	-		(49,964)	Interest on long-term debt
(1,194,903)	-		(1,194,903)	Total governmental activities
				Business-type activities:
2,875	-		2,875	Landfill
2,294	-		2,294	Innovation Technology Park
(1,472)	-		(1,472)	Parks and Recreation
3,697	-		3,697	Total business-type activities
(1,191,206)	-		(1,191,206)	Total primary government
				Component Units:
-	(1,106,028)		(1,106,028)	School Board
-	(38,795)		(38,795)	Adult Detention Center
-	(1,144,823)		(1,144,823)	Total component units
				General revenues:
				Taxes:
754,989	-		754,989	Real property
162,528	-		162,528	Personal property
72,342	-		72,342	Local sales
14,408	-		14,408	Consumer's utility
28,236	-		28,236	Business, professional and occupational license (BPOL)
13,016	-		13,016	Recordation
9,086	-		9,086	Motor vehicle licenses
12,311	-		12,311	Other local taxes
4,006	-		4,006	Short term rental, bank stock, public utility gross receipts
-	774,951		774,951	Payment from primary government
				Grants and contributions not restricted to specific programs:
99	858		957	Federal revenues
71,967	465,631		537,598	State revenues
8,964	5,021		13,985	Local revenues
39,503	7,117		46,620	Investment earnings
-	11		11	Gain on disposal of capital assets
14	-		14	Insurance claims and recoveries
18,281	5,158		23,439	Miscellaneous
-	-		-	Transfers
1,209,750	1,258,747		2,468,497	Total general revenues and transfers
18,544	113,924		132,468	Change in net position
(224,931)	1,061,403		836,472	NET POSITION, beginning of year, as restated (see note 1R)
(206,387)	1,175,327		968,940	NET POSITION, end of year

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

Balance Sheet

June 30, 2020

(amounts expressed in thousands)

	Capital Projects						Other Governmental Funds	Total Governmental Funds
	General Fund	Streets & Roads	Other Capital Projects	Education	Fire & Rescue Levy			
ASSETS								
Equity in pooled cash and investments	\$ 576,964	33,386	61,917	-	56,689	84,899	813,855	
Restricted cash and temporary investments	10	1,827	1,150	-	-	-	2,987	
Property taxes receivable, net	9,492	-	-	-	137	44	9,673	
Accounts receivable, net	7,697	86	483	-	153	1,014	9,433	
Due from other funds	802	-	-	-	-	-	802	
Due from component units	3,806	-	-	-	-	-	3,806	
Due from other governmental units	23,446	31,492	547	-	-	306	55,791	
Investments in direct financing leases	7,059	-	-	-	-	-	7,059	
Inventory	250	-	-	-	-	27	277	
Prepaid items	12	301	10	-	-	31	354	
Other restricted assets	-	32	-	-	-	-	32	
Total assets	\$ 629,538	67,124	64,107	-	56,979	86,321	904,069	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE								
LIABILITIES								
Accounts payable	\$ 29,056	10,798	7,842	-	859	1,021	49,576	
Wages and benefits payable	13,292	-	-	-	-	957	14,249	
Deposits and escrows	33,156	-	-	-	1	-	33,157	
Due to other governmental units Retainage	222	1,080	-	-	-	25	1,327	
Retainage	10	1,859	1,150	-	-	-	3,019	
Unearned revenues	84,610	-	-	-	-	38,397	123,007	
Total liabilities	160,346	13,737	8,992	-	860	40,400	224,335	
DEFERRED INFLOWS OF RESOURCES								
Prepaid taxes	226,747	-	-	-	16,070	775	243,592	
Unavailable transportation revenues	-	15,492	-	-	-	-	15,492	
Unavailable taxes	7,288	-	-	-	150	25	7,463	
Unavailable lease revenues	6,125	-	-	-	-	-	6,125	
Total deferred inflows of resources	240,160	15,492	-	-	16,220	800	272,672	
FUND BALANCES								
Non-spendable	262	301	10	-	-	58	631	
Restricted	9,445	-	-	-	39,899	45,092	94,436	
Committed	118,703	37,594	55,105	-	-	-	211,402	
Assigned	9,217	-	-	-	-	-	9,217	
Unassigned	91,405	-	-	-	-	(29)	91,376	
Total fund balances	229,032	37,895	55,115	-	39,899	45,121	407,062	
Total liabilities, deferred inflows of resources and fund balances	\$ 629,538	67,124	64,107	-	56,979	86,321	904,069	

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

COUNTY OF PRINCE WILLIAM, VIRGINIA

Exhibit 4

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

As of June 30, 2020

(amounts expressed in thousands)

Fund balances--total governmental funds (Exhibit 3)	\$	407,062
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 \$4,125, related to Internal Service Fund assets, which is included in Internal Service Fund net position below).		616,212
Deferred outflows of resources are not financial resources and, therefore are not reported in the funds:		
Deferred loss on bond refundings		31,474
Deferred outflows of resources from OPEB - (excludes \$411 related to Internal Service Fund)		11,019
Deferred outflows of resources from pensions (excludes \$2,932 related to Internal Service Fund)		72,353
Deferred inflows of resources are not available to pay for current-period expenditures:		
Deferred inflows of resources - Unavailable transportation revenues		15,492
Deferred inflows of resources - Unavailable taxes		7,463
Deferred inflows of resources - Unavailable lease revenues		6,125
Deferred inflows of resources - OPEBs (excludes \$281 related to Internal Services Fund)		(11,457)
Deferred inflows of resources - pensions (excludes \$563 related to Internal Services Fund)		(14,464)
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.		
		63,967
Interest on long-term debt is not accrued in governmental funds, but rather, is recognized as an expenditure when due.		
		(15,619)
Sewer and water availability credits were not recognized in the governmental funds, but rather, are recognized as an expenditure when used.		
		11,232
Assets are not due in the current period, and, therefore, are not reported in the funds:		
Net pension assets		817
Net OPEB assets		663
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 \$9,922 related to Internal Service Fund)	\$	(235,862)
Loans payable	(21,153)	
Bonds payable	(150,761)	
School bonds payable	(845,159)	
Capital lease obligations	(68,295)	
Compensated absences (excludes \$2,003 related to Internal Service Fund)	(40,773)	
Operating settlement - School Board	(2,398)	
Premiums on bonds issued	(112,268)	
Total long-term liabilities		<u>(1,476,669)</u>
Net position of governmental activities (Exhibit 1)	\$	<u>(274,330)</u>

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

COUNTY OF PRINCE WILLIAM, VIRGINIA
GOVERNMENTAL FUNDS

Exhibit 5

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Capital Projects						Total Governmental Funds
	General Fund	Streets & Roads	Other Capital Projects	Education	Fire & Rescue Levy	Other Governmental Funds	
REVENUES:							
General property taxes	\$ 859,075	-	-	-	49,586	5,370	914,031
Other local taxes	144,428	-	-	-	-	8,977	153,405
Permits, privilege fees and regulatory licenses	1,982	-	-	-	-	17,865	19,847
Fines and forfeitures	2,705	-	-	-	-	-	2,705
From use of money and property	16,850	898	-	-	2,002	1,228	20,978
Charges for services	11,113	-	174	-	-	17,173	28,460
Intergovernmental revenues:							
Federal	24,126	3,985	-	-	-	33,935	62,046
State	134,891	12,951	907	-	-	183	148,932
Local	8,965	39,308	-	-	-	-	48,273
Miscellaneous	14,592	1,618	483	-	2,214	23	18,930
Total revenues	1,218,727	58,760	1,564	-	53,802	84,754	1,417,607
EXPENDITURES:							
Current:							
General government administration	45,490	-	-	-	-	1,029	46,519
Judicial administration	26,035	-	-	-	-	4	26,039
Public safety	273,447	-	-	-	23,155	18,459	315,061
Public works	31,398	-	-	-	-	402	31,800
Health and welfare Education	111,014	-	-	-	-	441	111,455
Parks, recreational and cultural	506,729	-	-	-	-	-	506,729
Community development	50,495	-	-	-	-	64	50,559
	12,136	-	-	-	-	50,842	62,978
Debt service:							
Principal retirement	93,610	-	-	-	-	-	93,610
Interest and other debt costs	47,675	-	-	-	-	-	47,675
Capital outlays	-	58,748	42,725	125,422	-	-	226,895
Total expenditures	1,198,029	58,748	42,725	125,422	23,155	71,241	1,519,320
Excess / (deficiency) of revenues over / (under) expenditures	20,698	12	(41,161)	(125,422)	30,647	13,513	(101,713)
OTHER FINANCING SOURCES / (USES):							
Transfers in	52,103	16,126	27,499	-	-	4,904	100,632
Transfers out	(39,452)	(12,180)	(2,408)	-	(27,198)	(10,480)	(91,718)
Issuance of debt	56,891	-	-	183,559	-	-	240,450
Issuance of debt costs	(119)	-	-	(698)	-	-	(817)
Premium on refundings	2,403	-	-	17,243	-	-	19,646
Payment to refunded bond escrow agent	(59,123)	-	-	(74,682)	-	-	(133,805)
Insurance claims and recoveries	14	-	-	-	-	-	14
Sale of surplus property	386	-	-	-	32	14	432
Total other financing sources / (uses)	13,103	3,946	25,091	125,422	(27,166)	(5,562)	134,834
Net change in fund balances	33,801	3,958	(16,070)	-	3,481	7,951	33,121
FUND BALANCE, beginning of year	195,231	33,937	71,185	-	36,418	37,170	373,941
FUND BALANCE, end of year	\$ 229,032	37,895	55,115	-	39,899	45,121	407,062

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 Year Ended June 30, 2020

(amounts expressed in thousands)

Net change in fund balances--total governmental funds (Exhibit 5)	\$	33,121
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	\$	40,109
Subtract capital assets transferred out		(121)
Add donated equipment for public safety		350
Add donated infrastructure for community development		6,913
Add donated land for parks, recreation and cultural		14
Add donated equipment for general government administration		10
Subtract depreciation (excludes \$1,779 related to Internal Service Fund assets included in Internal Service Fund net position below)		<u>(32,489)</u>
		14,786
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.		(1,735)
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		(250)
Add amortized premiums		14,386
Add current year's deferred inflows of resources related to transportation revenue	15,492	
Subtract prior year's deferred inflows of resources related to transportation revenue	<u>(15,136)</u>	356
Add current year's deferred inflows of resources related to unavailable lease revenue (Note Disclosure 5)	6,125	
Subtract prior year's deferred inflows of resources related to unavailable lease revenue	<u>(7,245)</u>	(1,120)
Add current year's deferred inflows of resources related to financing activities and uncollectible tax billings (Note Disclosure 4)	7,463	
Subtract prior year's deferred inflows of resources related to financing activities and uncollectible tax billings	<u>(3,977)</u>	3,486
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 repayment reduces long-term liabilities in the statement of net position (Note Disclosure 10).		
Add debt principal repayment	93,610	
Add payment to escrow agent for refunding	133,805	
Subtract premium	(19,646)	
Subtract issuance of debt	<u>(240,450)</u>	(32,681)
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		(3,516)
Add prior year operating settlement - School Board	811	
Subtract current year operating settlement - School Board	<u>(2,398)</u>	(1,587)
Add prior year's compensated absences liability (excludes \$1,779 for Internal Service Fund)	34,906	
Subtract current year's compensated absences liability (excludes \$2,003 for Internal Service Fund)	<u>(40,773)</u>	(5,867)
Add prior year's net OPEB accrual (excludes \$2,067 for Internal Service Fund)	47,892	
Subtract current year's net OPEB accrual (excludes \$1,864 for Internal Service Fund)	<u>(45,560)</u>	2,332
Add prior year's net pension accruals (excludes \$6,308 for Internal Service Fund)	123,428	
Subtract current year's net pension accruals (excludes \$5,559 for Internal Service Fund)	<u>(131,370)</u>	(7,942)
Add prior year's accrued interest liability	17,664	
Subtract current year's accrued interest liability	<u>(15,619)</u>	2,045
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>(2,422)</u>
Change in net position of governmental activities (Exhibit 2)	\$	<u>13,392</u>

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

COUNTY OF PRINCE WILLIAM, VIRGINIA
PROPRIETARY FUNDS
Statement of Net Position
June 30, 2020
(amounts expressed in thousands)

Exhibit 7

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Landfill	Innovation Technology Park	Parks & Recreation	Totals	
ASSETS					
Current assets:					
Equity in pooled cash and investments	\$ 23,464	10,151	11	33,626	57,548
Restricted cash and temporary investments	13,653	-	169	13,822	16,564
Investments	-	-	-	-	18,858
Accounts receivable, net	194	37	45	276	5,497
Notes receivable	188	-	-	188	-
Due from component units	-	-	-	-	103
Due from other governmental units	33	-	-	33	-
Inventory	5	2,680	63	2,748	533
Prepaid items	-	-	20	20	446
Total current assets	37,537	12,868	308	50,713	99,549
Non-current assets:					
Restricted investments	-	-	-	-	1,250
Notes receivable	381	-	-	381	-
Capital assets:					
Land and construction in progress	25,225	1,082	2,726	29,033	277
Buildings and other capital assets, net of depreciation	14,161	2	1,183	15,346	3,848
Total non-current assets	39,767	1,084	3,909	44,760	5,375
Total assets	77,304	13,952	4,217	95,473	104,924
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding Deferred outflows related to OPEB	-	-	261	261	-
Deferred outflows related to pensions	129	-	10	139	411
Deferred outflows related to pensions	860	-	61	921	2,932
Total deferred outflows of resources	989	-	332	1,321	3,343
LIABILITIES					
Current liabilities:					
Accounts payable	549	-	147	696	5,426
Wages and benefits payable	189	-	13	202	589
Deposits and escrows	-	-	9	9	-
Accrued interest	-	-	83	83	-
Unpaid losses, related liabilities and IBNR Due to other funds	-	-	802	802	-
Unearned revenues	3,736	-	176	3,912	-
Current portion of surplus distributions payable	-	-	-	-	1,250
Current portion of bonds payable	-	-	715	715	-
Current portion of bond premiums	-	-	1	1	-
Current portion of compensated absences	40	-	3	43	142
Total current liabilities	4,514	-	1,949	6,463	14,497
Noncurrent liabilities:					
Accrued closure liability	13,604	-	-	13,604	-
Unpaid losses, related liabilities and IBNR	-	-	-	-	14,489
Surplus distributions payable	-	-	-	-	2,687
Bonds payable, net of current portion	-	-	4,695	4,695	-
Bond premiums, net of current portion	-	-	7	7	-
Net OPEB liabilities	690	-	54	744	1,994
Net pension liabilities	2,325	-	166	2,491	7,928
Compensated absences	520	-	34	554	1,861
Total non-current liabilities	17,139	-	4,956	22,095	28,959
Total liabilities	21,653	-	6,905	28,558	43,456
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to OPEB	107	-	9	116	281
Deferred inflows related to pensions	165	-	12	177	563
Total deferred inflows of resources	272	-	21	293	844
NET POSITION					
Net investments in capital assets	39,386	1,084	(1,248)	39,222	4,125
Restricted for self-insurance funds	-	-	-	-	3,074
Unrestricted	16,982	12,868	(1,129)	28,721	56,768
Total net position / (deficit)	\$ 56,368	13,952	(2,377)	67,943	63,967

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

PROPRIETARY FUNDS

Statement of Revenues, Expenses and Changes to Net Position

For the Year Ended June 30, 2020

(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Landfill	Innovation Technology Park	Parks & Recreation	Totals	
OPERATING REVENUES:					
Charges for services	\$ 19,797	3,050	3,566	26,413	113,969
Miscellaneous	901	81	-	982	6,366
Total operating revenues	20,698	3,131	3,566	27,395	120,335
OPERATING EXPENSES:					
Personnel expenses	5,284	-	1,261	6,545	16,589
Contractual services	2,855	241	2,615	5,711	25,732
Materials / supplies	3,492	1	580	4,073	7,475
Depreciation	2,173	-	250	2,423	1,779
Closure expenses	2,863	-	-	2,863	-
Costs of sale of land	-	492	-	492	-
Other	175	22	132	329	699
Claims and premiums	-	-	-	-	55,570
OPEB costs	-	-	-	-	4,701
Losses and loss adjustment expenses	-	-	-	-	4,461
Total operating expenses	16,842	756	4,838	22,436	117,006
Operating income / (loss)	3,856	2,375	(1,272)	4,959	3,329
NON-OPERATING REVENUES / (EXPENSES):					
Interest income	751	289	20	1,060	3,079
Interest and other debt costs	-	-	(275)	(275)	-
Gain / (loss) on sale of capital assets	(80)	-	75	(5)	22
Declaration of surplus distributions	-	-	-	-	(521)
Total non-operating revenues / (expenses)	671	289	(180)	780	2,580
Income / (loss) before transfers	4,527	2,664	(1,452)	5,739	5,909
TRANSFERS:					
Transfers in from:					
General fund	-	35	1,436	1,471	-
Special revenue funds	-	-	-	-	402
Fire & rescue levy fund	-	-	-	-	98
Transfers out to:					
General fund Capital projects funds	(2,058)	-	-	(2,058)	(827)
Total transfers	(2,058)	35	1,436	(587)	(8,327)
Capital distribution	-	-	-	-	(4)
Change in net position	2,469	2,699	(16)	5,152	(2,422)
NET POSITION, beginning of the year, as restated, (see Note 1R)	53,899	11,253	(2,361)	62,791	66,389
NET POSITION, end of the year	\$ 56,368	13,952	(2,377)	67,943	63,967

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

COUNTY OF PRINCE WILLIAM, VIRGINIA
PROPRIETARY FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2020
(amounts expressed in thousands)

Exhibit 9
Page 1 of 2

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Landfill	Innovation Technology Park	Parks & Recreation	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 18,588	3,131	3,511	25,230	119,186
Cash received / (paid) from / (to) other entities	951	-	-	951	(908)
Payments for claims and premiums	-	-	-	-	(59,143)
Payments to suppliers for goods and services	(7,069)	(423)	(3,186)	(10,678)	(37,039)
Payments to employees for services	(5,152)	-	(1,220)	(6,372)	(16,386)
Net cash provided / (used) by operating activities	7,318	2,708	(895)	9,131	5,710
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Surplus distributions paid	-	-	-	-	(21)
Proceeds from notes receivable	188	-	-	188	-
Transfers in	-	35	1,436	1,471	500
Transfers out	(2,058)	-	-	(2,058)	(8,827)
Net cash provided / (used) by non-capital financing activities	(1,870)	35	1,436	(399)	(8,348)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(1,311)	-	(150)	(1,461)	(1,254)
Proceeds from the sale of capital assets	225	-	83	308	159
Principal paid on bonds, leases, and other debt	-	-	(682)	(682)	-
Interest paid on bonds, leases, and other debt	-	-	(237)	(237)	-
Net cash (used) by capital and related financing activities	(1,086)	-	(986)	(2,072)	(1,095)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from maturities of investments	-	-	-	-	32,344
Purchases of investments	-	-	-	-	(25,833)
Interest and dividends received on investments	794	279	24	1,097	2,776
Net cash provided by investing activities	794	279	24	1,097	9,287
Net increase (decrease) in cash and cash equivalents	5,156	3,022	(421)	7,757	5,554
CASH AND CASH EQUIVALENTS, beginning of year	31,961	7,129	601	39,691	68,558
CASH AND CASH EQUIVALENTS, end of year	\$ 37,117	10,151	180	47,448	74,112

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

COUNTY OF PRINCE WILLIAM, VIRGINIA
PROPRIETARY FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2020
(amounts expressed in thousands)

Exhibit 9
Page 2 of 2

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Innovation Technology Landfill	Park	Parks & Recreation	Totals	
RECONCILIATION OF OPERATING INCOME / (LOSS) TO NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES:					
Operating income / (loss)	\$ 3,856	2,375	(1,272)	4,959	3,329
Adjustments to reconcile operating income / (loss) to net cash provided / (used) by operating activities:					
Depreciation	2,173	-	250	2,423	1,779
Dividends applied to premiums	-	-	-	-	(921)
Change in assets:					
(Increase) / decrease in:					
Accounts receivable, net of accrued interest	119	-	(28)	91	(1,098)
Due from other governmental units	50	-	-	50	-
Due from component units	-	-	-	-	(103)
Inventory	1	492	-	493	(3)
Prepaid items	-	-	11	11	(170)
Change in deferred outflows of resources:					
Increase in:					
Deferred outflows related to OPEB	(61)	-	(10)	(71)	(176)
Deferred outflows related to pensions	(436)	-	(61)	(497)	(1,476)
Change in liabilities:					
Increase / (decrease) in:					
Accounts payable and personnel costs, net of accrued interest	(209)	(9)	(800)	(1,018)	2,059
Retainage	(232)	-	-	(232)	-
Unpaid losses and related liabilities	-	-	-	-	884
Accrued closure liability	2,863	-	-	2,863	-
Due to other funds	-	-	802	802	-
Unearned revenues	(1,328)	-	(28)	(1,356)	-
Deposits and escrows	-	(150)	-	(150)	-
Other long term liabilities	534	-	220	754	1,687
Change in deferred inflows of resources:					
Increase / (decrease) in:					
Deferred inflows related to OPEB	15	-	9	24	16
Deferred inflows related to pensions	(27)	-	12	(15)	(97)
Total adjustments	3,462	333	367	4,172	2,381
Net cash provided / (used) by operating activities	\$ 7,318	2,708	(895)	9,131	5,710

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

COUNTY OF PRINCE WILLIAM, VIRGINIA
FIDUCIARY FUNDS
Statement of Fiduciary Net Position
June 30, 2020
(amounts expressed in thousands)

Exhibit 10

	Other Post-Employment Benefits (OPEB) and Pension Trust Funds	Private- Purpose Trust Funds	Agency Funds
ASSETS			
Equity in pooled cash and investments	\$ -	1,107	681
Cash in other banks	-	-	90
Restricted cash	1,578	-	-
Accounts receivable, net of interest and dividends	-	78	-
Restricted investments:			
Money market mutual funds	768	-	-
Equity investments	80,979	-	-
Real estate investments	2,680	-	-
Fixed return investments	53,935	-	-
Diversified investments	3,860	-	-
Life insurance annuity	18,155	-	-
Total investments	<u>160,377</u>	<u>-</u>	<u>-</u>
Total assets	<u>161,955</u>	<u>1,185</u>	<u>771</u>
LIABILITIES			
Accounts payable	4,983	17	-
Deposits and escrows	-	42	771
Total liabilities	<u>4,983</u>	<u>59</u>	<u>771</u>
NET POSITION			
Net position restricted for pensions	61,566	-	
Net position restricted for OPEB	95,406	-	
Net position restricted for other purposes	<u>-</u>	<u>1,126</u>	
Total net position	<u>\$ 156,972</u>	<u>1,126</u>	

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

FIDUCIARY FUNDS

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2020

(amounts expressed in thousands)

	Other Post-Employment Benefits (OPEB) and Pension Trust Funds	Private- Purpose Trust Funds
ADDITIONS		
Contributions:		
Member	\$ 1,921	-
Employer	10,184	-
Total contributions	<u>12,105</u>	<u>-</u>
Donations	-	237
Investment income:		
Interest and dividends	3,616	34
Net appreciation in fair value of investments	4,039	-
Total investment income	<u>7,655</u>	<u>34</u>
Less: investment expenses	(321)	-
Net investment income	<u>7,334</u>	<u>34</u>
Total additions	<u>19,439</u>	<u>271</u>
DEDUCTIONS		
Pension and OPEB payments	7,830	-
Refund of members' contributions	345	-
Administrative expenses	237	179
Total deductions	<u>8,412</u>	<u>179</u>
Change in net position	11,027	92
NET POSITION, beginning of year	<u>145,945</u>	<u>1,034</u>
NET POSITION, end of year	<u>\$ 156,972</u>	<u>1,126</u>

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

COUNTY OF PRINCE WILLIAM, VIRGINIA
 COMPONENT UNITS

Exhibit 12

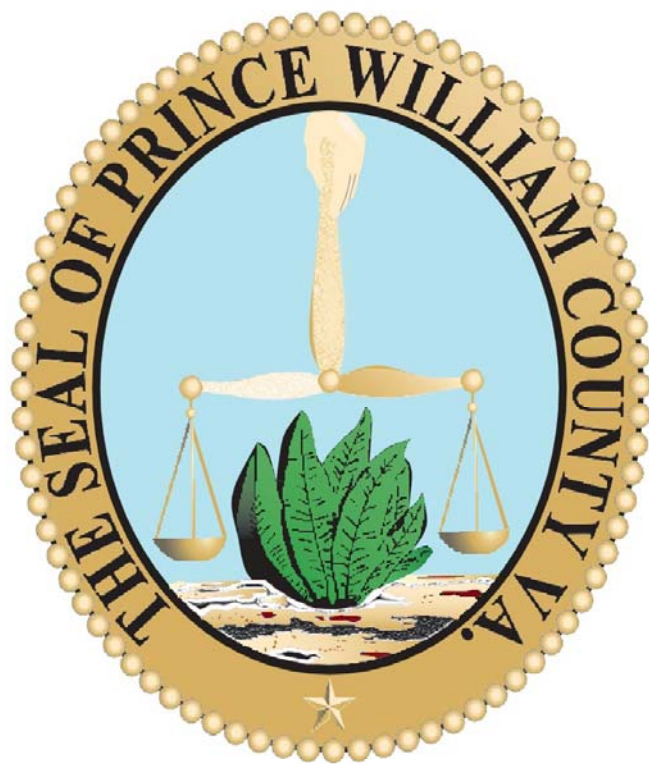
Combining Statement of Net Position

June 30, 2020

(amounts expressed in thousands)

	School Board	Adult Detention Center	Totals
ASSETS			
Equity in pooled cash and investments	\$ 411,939	1,395	413,334
Accounts receivable, net	3,775	46	3,821
Due from other governmental units	33,526	1,899	35,425
Due from primary government	2,332	-	2,332
Inventory	7,171	-	7,171
Prepaid items	6	-	6
Net OPEB assets	-	124	124
Restricted assets:			
Restricted cash and temporary investments	48,118	1,096	49,214
Capital assets:			
Land and construction in progress	241,780	51,083	292,863
Buildings and other capital assets, net of depreciation	1,462,482	54,485	1,516,967
Total assets	<u>2,211,129</u>	<u>110,128</u>	<u>2,321,257</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	27,262	1,237	28,499
Deferred outflows related to pensions	203,913	6,593	210,506
Total deferred outflows of resources	<u>231,175</u>	<u>7,830</u>	<u>239,005</u>
LIABILITIES			
Accounts payable	19,359	3,724	23,083
Wages and benefits payable	109,620	1,377	110,997
Due to primary government	-	3,909	3,909
Retainage	7,531	1,096	8,627
Unearned revenues	13,425	-	13,425
Noncurrent liabilities:			
Due within one year	21,032	275	21,307
Due in more than one year	1,070,250	26,330	1,096,580
Total liabilities	<u>1,241,217</u>	<u>36,711</u>	<u>1,277,928</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	18,980	1,561	20,541
Deferred inflows related to pensions	85,201	1,265	86,466
Total deferred inflows of resources	<u>104,181</u>	<u>2,826</u>	<u>107,007</u>
NET POSITION			
Net investment in capital assets	1,704,262	105,568	1,809,830
Restricted for:			
Capital projects	40,615	-	40,615
Net OPEB asset	-	124	124
Food and nutrition services	33,623	-	33,623
Other purposes	6,130	-	6,130
Unrestricted	<u>(687,724)</u>	<u>(27,271)</u>	<u>(714,995)</u>
Total net position	<u>\$ 1,096,906</u>	<u>78,421</u>	<u>1,175,327</u>

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



COUNTY OF PRINCE WILLIAM, VIRGINIA
COMPONENT UNITS
Combining Statement of Activities
For the Year Ended June 30, 2020
(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	\$ 863,883	2,694	141,684	119
Support services	424,885	14,113	26,434	-
Business-type activities	1,758	784	-	-
Education foundation	6,034	-	4,704	-
Adult Detention Center	51,908	418	12,695	-
Total component units	\$ 1,348,468	18,009	185,517	119

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

Net (Expense) / Revenue and Changes in Net Position

School Board	Adult Detention Center	Totals	<u>Functions / Programs</u>
(719,386)	-	(719,386)	School Board
(384,338)	-	(384,338)	Instruction
(974)	-	(974)	Support services
(1,330)	-	(1,330)	Business-type activities
-	(38,795)	(38,795)	Education foundation
(1,106,028)	(38,795)	(1,144,823)	Adult Detention Center
			Total component units
744,984	29,967	774,951	General revenues:
858	-	858	Payment from primary government
465,631	-	465,631	Federal revenues
-	5,021	5,021	State revenues
7,160	(43)	7,117	Local revenues
5,082	76	5,158	Investment earnings
-	11	11	Miscellaneous
1,223,715	35,032	1,258,747	Gain on sale of capital assets
117,687	(3,763)	113,924	Total general revenues
979,219	82,184	1,061,403	Change in net position
1,096,906	78,421	1,175,327	NET POSITION, beginning of year
			NET POSITION - end of year

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

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020
(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 Comprehensive Annual Financial Report (CAFR), 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, 2020.

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 CAFR.

Illustration 1-1 Potential Component Units	
The following are blended component units included due to a financial benefit/burden relationship where the two Boards are substantially the same:	
Prince William Parkway District	Exercise the powers and duties enumerated in the Code of Virginia related to the transportation improvement district.
Route 234 Bypass District	Authorized by the Code of Virginia and established by Board resolution. Set the appropriate tax rate to fund improvements within the district and act on transportation matters within the district.
The following are blended component units included due to a financial benefit/burden relationship where the majority of the Board is appointed by the County:	
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.
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.

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

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 makes 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.
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.
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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.

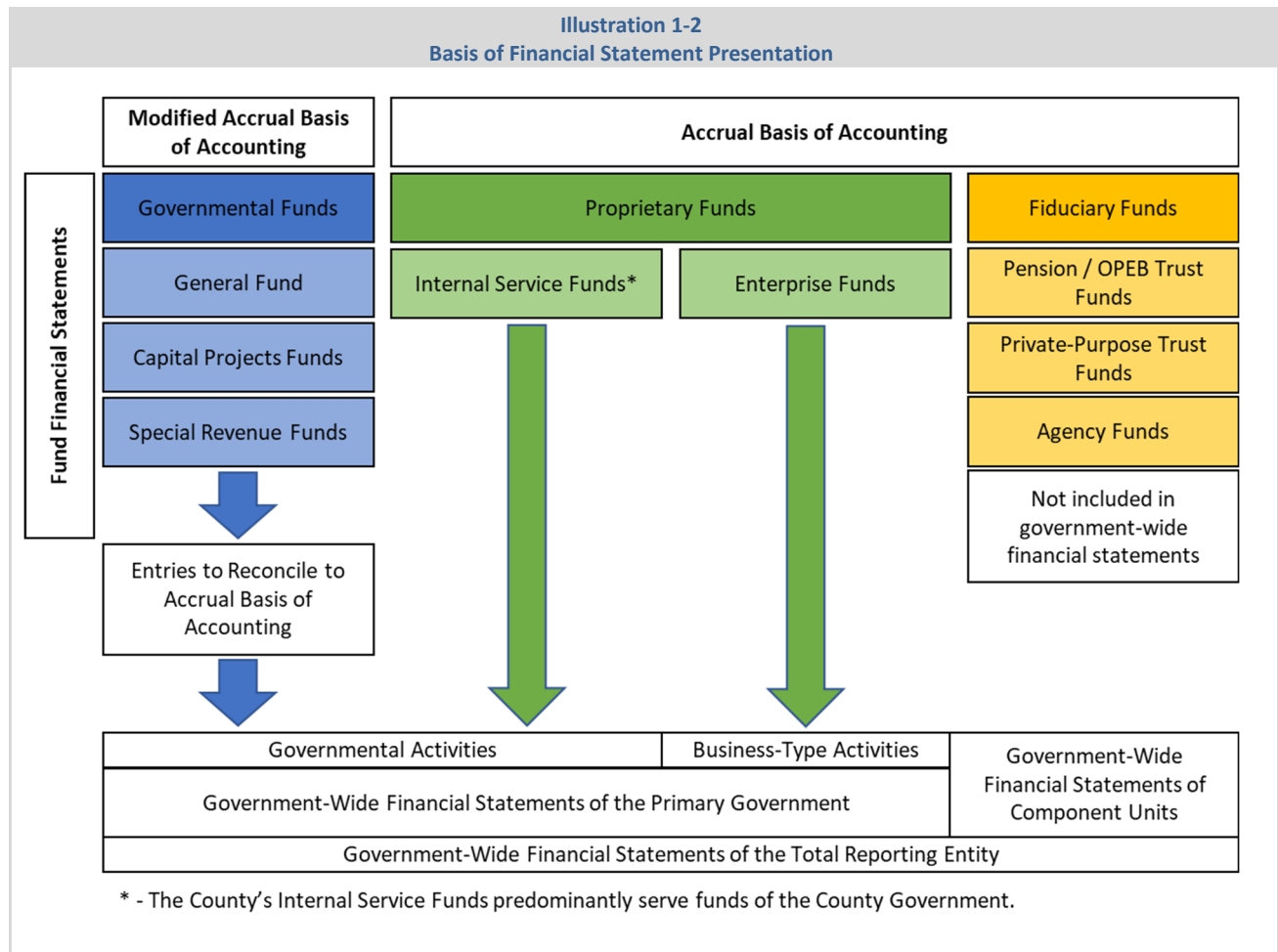
The School Board, a discretely presented component unit of the County, issues separately audited financial statements. Copies of these financial statements may be obtained by writing to the School Board's Finance Division, P.O. Box 389, Manassas, Virginia 20118.

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, 2020.

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 & 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.

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 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 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 agent for entities external to the governmental unit. Trust funds and agency 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 (SPP) Trust Fund – The County accounts for a defined benefit trust to provide Supplemental Pension Plan benefits to sworn and uniformed police officers, fire fighters, 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.
- Private-Purpose Trust Funds – The County accounts for the operation of a business and industrial park - Innovation Owners' Association, Historic Preservation Foundation, and library, animal, police and liberty donations.
- Agency Funds – The County accounts for receipts and disbursements of monies for certain County welfare, mental health services and federal self-sufficiency program recipients.

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, private-purpose trust funds, and agency 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 SPP Trust Fund, LOSAP Trust Fund, and OPEB Master Trust Fund.

Government-Wide Financial Statements:

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

In the government-wide statement of net position, the governmental and business-type activities columns are presented on a consolidated basis by column and are presented using the economic resources measurement focus and the accrual basis of accounting, which incorporates long-term assets as well as 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 CAFR are shown on the face of the budgetary comparison schedules (Schedules 1, 2, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23).

Project length financial plans are adopted for all capital projects funds. 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, except for:

- On Schedule 1, the Sheriff costs exceeded the amount budgeted for the fiscal year 2020. The Sheriff 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 five 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 capitalized infrastructure costs as of June 30, 2020, 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, 2020, 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, unavailable 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. Restatement

Fiscal year 2019 Landfill Fund, an Enterprise fund, has been restated due to a correction of an error. In fiscal year 2019, the accrued closure liability was misstated. Illustrations 1-3 and 1-4 reflect the change in the balances at June 30, 2019.

Illustration 1-3
Summary of Restated Balances - Business Type Activities

	Balances, as previously reported June 30, 2019	Prior period adjustment	Balances, as restated, June 30, 2019
Statement of Net Position			
Liabilities:			
Noncurrent Liabilities:			
Due in more than one year	\$ 22,680	(3,525)	19,155
Net Position:			
Net investment in capital assets	39,852	-	39,852
Unrestricted	19,414	3,525	22,939
Total Net Position of Business Type Activities	\$ 59,266	3,525	62,791

Illustration 1-4
Summary of Restated Balances - Landfill Fund

	Balances, as previously reported June 30, 2019	Prior period adjustment	Balances, as restated, June 30, 2019
Statement of Fund Net Position			
Liabilities:			
Noncurrent Liabilities:			
Accrued closure liability	\$ 14,266	(3,525)	10,741
Net Position:			
Net investment in capital assets	40,554	-	40,554
Unrestricted	9,820	3,525	13,345
Total Net Position	\$ 50,374	3,525	53,899

S. Governmental Accounting Standards Board (“GASB”) Pronouncements

Pursuant to GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which was adopted by the GASB in May 2020 in response to the conditions brought about during the COVID-19 pandemic, the County did not implement any GASB pronouncements for the fiscal year ended June 30, 2020.

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, 2020, the Self-Insurance Workers' Compensation Association had \$1,002 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, 2020, the Casualty Pool had \$800 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, 2020.

Illustration 2-1			
Fair Value and Weighted Average Maturity of Investments			
June 30, 2020			
		Fair Value	Weighted Average Maturity (Years)
Primary Government, School Board, and ADC			
Money Markets and Money Market Mutual Funds:			
Local Government Investment Pool (LGIP)	\$	335,227	0.003
State Non-Arbitrage Program (SNAP)		47,036	0.003
PFM Money Market		21,124	0.003
Other Money Market		238,087	0.003
NOW Accounts		73,383	0.003
Commercial Paper		9,998	0.143
U.S. Government Agency		365,328	7.748
Securities Corporate Bonds		222,062	1.904
Municipal Bonds		112,418	5.885
Total Primary Government, School Board, and ADC		<u>1,424,663</u>	
Total Reporting Entity Investments	\$	<u><u>1,424,663</u></u>	2.750

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, NOW Accounts, Certificates of Deposit, Corporate Bonds, Commercial Paper and Municipal Bonds. The County's investment ratings as of June 30, 2020 are presented in Illustration 2-2.

Illustration 2-2		
Primary Government, School Board, and ADC Investment Credit Risk		
June 30, 2020		
Investment Type	Credit Quality (Rating)	Credit Exposure as a % of Total Investments
Money Markets and Money Market Mutual Funds:		
Local Government Investment Pool	AAA	23.53%
(LGIP) State Non-Arbitrage Program	AAA	3.30%
(SNAP) PFM Asset management	AAA	1.48%
Other Money Market	AAA	16.71%
NOW Accounts	Not applicable	5.15%
Commercial Paper	A-1+	0.70%
U.S. Government Agency	AA- or Higher	25.65%
Securities Corporate Bonds	AA- or Higher	15.59%
Municipal Bonds	A- or Higher	7.89%
		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); 10% 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); 20% 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 25% 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, 2020. Weighted-average maturity expresses investment time horizons, the time when investments become due and payable, in years, weighted to reflect the dollar size of the individual investments within an investment type. Duration is a measure of a fixed income's cash flows using present values, weighted for cash flows as a percentage of the investment's full price. Modified duration estimates the sensitivity of a bond's price to interest rate changes.

Illustration 2-3		
Supplemental Pension Plan Fair Value and Weighted Average Maturity/Duration of Investments		
June 30, 2020		
	Fair Value	Weighted-Average Maturity(a)/ Modified Duration (b) (Years)
Supplemental Pension Plan Trust Fund:		
Money Market Mutual Funds US	\$ 665	0.101 (a)
Government Agency Securities	2,266	0.30 (b)
Corporate Bonds	3,520	5.50 (b)
Tactical Asset Allocation Funds	3,860	Not applicable
Equity Mutual Funds	23,158	Not applicable
Real Assets	2,680	Not applicable
Bond Mutual Funds	<u>5,792</u>	4.79 (b)
Total Supplemental Pension Plan Trust Fund Investments	\$ <u><u>41,941</u></u>	

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, 2020, is presented in Illustration 2-4.

Illustration 2-4 Supplemental Pension Plan Credit Risk June 30, 2020		
Investment Type	Credit Quality (Rating)	Credit Exposure as a % of Total Investments
Supplemental Pension Plan Trust Fund Investments:		
Money Market Mutual Funds US	AAA	1.59%
Government Agency Securities	AAA	5.40%
Corporate Bonds	BBB or higher	8.39%
Tactical Asset Allocation Funds	Not rated	9.20%
Equity Mutual Funds	Not rated	55.22%
Real Assets	Not rated	6.39%
Bond Mutual Funds	A+	13.81%
		100.00%

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.

Illustration 2-5 Statement of Investment Policy Supplemental Pension Plan Concentrations June 30, 2020			
Asset Class	Policy Percent	Target Range Percent	Actual Percentage
Supplemental Pension Plan Trust Fund Investments:			
Tactical Asset Allocation Funds	10%	5% - 15%	9.20%
Equity Mutual Funds	54%	50% - 58%	55.22%
Real Assets	6%	2% - 10%	6.39%
Fixed Income	30%	25% - 35%	27.60%
Cash Equivalentents	0%	0% - 0%	1.59%
	100%		100.00%

For Domestic Equity, International Equity and REITs, the maximum weighting, on a market 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 equivalentents the maximum weighting, on a market 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, 2020, 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, 2020.

Illustration 2-6		
LoSAP Fair Value and Weighted Average Maturity/Duration of Investments		
June 30, 2020		
	Fair Value	Weighted-Average Maturity(a) / Modified Duration (b) (Years)
LoSAP Trust Fund Investments:		
Life Insurance Funds - Mass Mutual Annuity	\$ <u>18,155</u>	Not Applicable

Concentrations. As of June 30, 2020, 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, 2020. Weighted-average maturity expresses investment time horizons, the time when investments become due and payable, in years, weighted to reflect the dollar size of the individual investments within an investment type. Duration is a measure of a fixed income’s cash flows using present values, weighted for cash flows as a percentage of the investment’s full price. Modified duration estimates the sensitivity of a bond’s price to interest rate changes.

Illustration 2-7		
Other Post-Employment Benefits (OPEB) Fair Value and Weighted Average Maturity/Duration of Investments		
June 30, 2020		
	Fair Value	Weighted-Average Maturity(a)/ Modified Duration (b) (Years)
Other Post-Employment Benefits (OPEB) Master Trust Fund:		
Money Market Mutual	\$ 103	0.003(a)
Funds Equity Mutual Funds	57,821	Not applicable
Corporate Bonds	2,518	1.900(b)
Bond Mutual Funds:		
Baird Core Fixed Income	\$ 9,548	5.89(b)
Doubleline Core Fixed Income	6,552	4.70(b)
PGIM Total Return	11,132	6.76(b)
Voya Intermediate	3,971	6.30(b)
iShare Core Total U.S. Aggregate	1,612	5.80(b)
iShare IBOXX \$ high Yield	989	3.80(b)
iShare Intermediate-Term	2,419	6.41(b)
iShare JP Morgan USD Emerging	1,207	8.26(b)
iShare National Muni	2,409	6.08(b)
Total Bond Mutual Funds	<u>39,839</u>	
Total Other Post-Employment Benefits Master Trust Fund Investments	<u>\$ 100,281</u>	

The Other Post-Employment Benefits Master Trust's rating and credit exposure as of June 30, 2020, is shown in Illustration 2-8.

Illustration 2-8		
Other Post-Employment Benefits Master Trust (OPEB) Credit Risk		
June 30, 2020		
Investment Type	Credit Quality (Rating)	Credit Exposure as a % of Total Investments
Other Post-Employment Benefits (OPEB) Master Trust Fund		
Investments:		
Money Market Mutual	AAA	0.10%
Funds Equity Mutual Funds	Not rated	57.67%
Corporate Bonds	BBB	2.51%
Bond Mutual Funds:		
Baird Core Fixed Income	A	9.52%
Doubleline Core Fixed Income	A	6.53%
PGIM Total Return	A	11.10%
Voya Intermediate	A	3.96%
iShare Core Total U.S. Aggregate	AA	1.61%
iShare IBOXX \$ high Yield	B	0.99%
iShare Intermediate-Term	A	2.41%
iShare JP Morgan USD Emerging	BBB	1.20%
iShare National Muni	AA	2.40%
		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, 2020			
Asset Class	Policy Percent	Target Range Percent	Actual Percent
Other Post-Employment Benefits Master Trust Fund			
Investments:			
Domestic Equity	40%	20% - 60%	38.75%
International Equity	20%	0% - 40%	18.92%
Other Growth Assets	0%	0% - 20%	0.00%
Fixed Income	40%	20% - 60%	42.23%
Other Income Assets	0%	0% - 20%	0.00%
Real Estate Investment Trusts (REITs)	0%	0% - 20%	0.00%
Cash Equivalents	0%	0% - 20%	0.10%
	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 market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS). Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. Alternatives may consist of non-traditional asset classes such as hedge funds, private equity, real estate and commodities, when deemed appropriate. The total allocation to this category may not exceed 30% of the overall portfolio. 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, 2020, 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, 2020, is shown in Illustration 2-10.

Illustration 2-10						
Reconciliation of Cash and Investments to Entity-Wide Financial Statements						
June 30, 2020						
Investments						
Primary Government and Component Units Supplemental Pension Plan Trust Fund						\$ 1,424,663
LoSAP Trust Fund						41,941
Other Post-Employment Benefits (OPEB) Master Trust Fund						18,155
						100,281
Total Investments						<u>1,585,040</u>
Add: Cash on hand						
Deposits						33
						12,022
Total Cash and Investments						<u>1,597,095</u>
Less: Supplemental Pension Plan Trust Fund's cash and investments						
LoSAP Trust Fund cash and investments						(43,519)
OPEB Master Trust Fund cash and investments						(18,155)
Private-Purpose Trust Funds' equity in pooled cash and investments						(100,281)
Agency Funds' equity in pooled cash and investments School Board						(1,107)
Agency Funds' cash and investments						(771)
						(12,204)
Total Reporting Entity cash and investments						<u>\$ 1,421,058</u>
<hr/>						
	Governmental	Business-Type	Total	Component	Total Reporting	
	Activities	Activities		Units	Entity	
<hr/>						
Primary Government:						
Equity in Pooled Cash and Investments	\$ 871,403	33,626	905,029	413,334		1,318,363
Investments	18,858	-	18,858	-		18,858
Restricted Cash and Temporary Investments	19,551	13,822	33,373	49,214		82,587
Restricted Investments	1,250	-	1,250	-		1,250
Total Cash and Investments	<u>\$ 911,062</u>	<u>47,448</u>	<u>958,510</u>	<u>462,548</u>		<u>1,421,058</u>

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, 2020				
Fair Value Measurement Using:				
		Level 1	Level 2	Level 3
Primary Government, School Board, ADC				
Investments by Fair Value				
US Government Agency	\$	365,328	-	365,328
Securities Corporate Bonds		222,062	-	222,062
Municipal Bonds		112,418	-	112,418
		<u>699,808</u>	-	<u>699,808</u>
Investments by Amortized Cost				
LGIP		335,227		
SNAP		47,036		
PFM Money Market		21,124		
Other Money Market		238,087		
Accounts Commercial Paper		<u>9,998</u>		
		651,472		
Cash and Cash Equivalents				
Now Accounts		<u>73,383</u>		
Total	\$	<u>1,424,663</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.

Illustration 2-12				
Fair Value - Supplement Pension, LoSAP Trust and OPEB Master Trust Funds				
June 30, 2020				
		Fair Value Measurement Using:		
		Level 1	Level 2	Level 3
Supplement Pension Plan Trust Fund				
Investments by Fair Value				
US Government Agency	\$ 2,266	-	2,266	-
Securities Corporate Bonds	3,520	-	3,520	-
Tactical Asset Allocation Funds	3,860	3,860	-	-
Equity Mutual Funds	23,158	23,158	-	-
Real Assets	2,680	-	-	2,680
Bond Mutual Funds	5,792	-	5,792	-
	<u>41,276</u>	<u>27,018</u>	<u>11,578</u>	<u>2,680</u>
Investments by Amortized Cost				
Money Market Mutual Funds	<u>665</u>			
	41,941			
LoSAP Trust Fund				
Investments by Amortized Cost				
Life Insurance Funds - Mass Mutual Annuity	<u>18,155</u>			
	18,155			
OPEB Master Trust Fund				
Investments by Fair Value				
Equity Mutual Funds	57,821	57,821	-	-
Corporate Bonds	2,518	-	2,518	-
Bond Mutual Funds	39,839	-	39,839	-
	<u>100,178</u>	<u>57,821</u>	<u>42,357</u>	<u>-</u>
Investments by Amortized Cost				
Money Market Mutual Funds	<u>103</u>			
	100,281			
Total	<u>\$ 160,377</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.

Illustration 2-13		
Restricted Cash and Investments		
June 30, 2020		
	Restricted Cash & Temporary Investments	Restricted Investments
Primary Government		
General Fund:		
Retainage	\$ 10	\$ -
Total General Fund	10	-
Capital Projects Funds:		
Retainage	2,977	-
Total Capital Projects Funds	2,977	-
Other Governmental Funds:		
Enterprise Funds:		
VRA Closure Fund	13,653	-
Parks & Recreation	169	-
Total Enterprise Funds	13,822	-
Internal Service Funds:		
PWSIG	16,564	-
Insurance Pool Collateral	-	1,250
Total Internal Service Funds	16,564	1,250
Total Primary Government	33,373	1,250
Component Units		
ADC:		
Retainages	1,096	-
Total ADC	1,096	-
School Board:		
School Bonds	47,036	-
Education Foundation	1,082	-
Total School Board	48,118	-
Total Component Units	49,214	-
Total Reporting Entity	\$ 82,587	\$ 1,250

NOTE (3) - PROPERTY TAXES RECEIVABLE

The County's real estate and personal property taxes are levied respectively of the July 1, 2020, 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 market 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, 2019, upon which the July 1, 2019, levy was based, was approximately \$71 billion.

Current real estate and personal property tax collections for the year ended June 30, 2020, were 99.6% and 97.9%, respectively of the July 1, 2019, 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, 2020, related to property taxes due on July 15 of the following fiscal year are recorded as deferred inflows of resources on June 30, 2020.

The County calculates its allowance for uncollectible accounts using historical collection data. Taxes receivable as of June 30, 2020, is detailed in Illustration 3-1.

Illustration 3-1			
Property Taxes Receivable			
June 30, 2020			
	Gross Tax Receivable	Allowance for Uncollectible Accounts	Net Tax Receivable
Real estate taxes	\$ 4,455	1,403	3,052
Personal property taxes	9,486	2,865	6,621
Total	\$ 13,941	4,268	9,673

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.

Illustration 4-1	
Unearned Revenue	
June 30, 2020	
Primary Government	
Other Unearned Revenue – Prepaid recreation fees, developer fees, health premiums and other	\$ 126,919
Total Primary Government	126,919
Component Unit	
School Board	13,425
Total Component Unit	13,425
Total Reporting Entity	\$ 140,344

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

Illustration 4-2	
Deferred Inflows of Resources	
June 30, 2020	
Primary Government	
Prepaid taxes - Taxes due subsequent to due to June 30, 2020, but paid in advance by taxpayers	\$ 243,592
Deferred inflows related to OPEB	11,854
Deferred inflows related to pensions	15,204
Total Primary Government	<u>270,650</u>
Component Units	
Deferred inflows related to OPEB	20,541
Deferred inflows related to pensions	86,466
Total Component Unit	<u>107,007</u>
Total Reporting Entity	<u>\$ 377,657</u>

Deferred inflows of resources for General Fund represents amounts for which the revenue recognition was not met under the modified accrual basis of accounting for the period ended June 30, 2020.

Illustration 4-3	
Governmental Funds Deferred Inflows of Resources	
June 30, 2020	
General Fund	
Prepaid Taxes – Taxes due subsequent to June 30, 2020, but paid in advance by taxpayers	\$ 226,747
Unavailable taxes – Taxes not paid within sixty days of June 30, 2020	7,288
Unavailable lease revenues – Uncollected revenues associated with direct financing leases	6,125
Total General Fund	<u>240,160</u>
Streets and Roads Capital Projects Fund	
Unavailable transportation revenues – Revenue not received within sixty day of June 30, 2020	15,492
Total Street and Roads Capital Projects Fund	<u>15,492</u>
Fire & Rescue Levy	
Prepaid Taxes – Taxes due subsequent to June 30, 2020, but paid in advance by taxpayers	16,070
Unavailable taxes – Taxes not paid within sixty days of June 30, 2020	150
Total Fire & Rescue Levy	<u>16,220</u>
Other Governmental Funds	
Prepaid Taxes – Taxes due subsequent to June 30, 2020, but paid in advance by taxpayers	775
Unavailable taxes – Taxes not paid within sixty days of June 30, 2020	25
Total Other Governmental Fund	<u>800</u>
Total Deferred Inflows of Resources of Governmental Funds	<u>\$ 272,672</u>

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, 2020.

Illustration 5-1		
Investment in Direct Financing Leases		
June 30, 2020		
		Volunteer Fire & Rescue Companies
Total minimum lease payments to be received	\$	7,059
Less: Unearned revenue		(934)
Net investment in direct financing leases	\$	<u>6,125</u>

Illustration 5-2 shows the scheduled minimum lease payments as of June 30, 2020.

Illustration 5-2		
Scheduled Minimum Lease Payments		
June 30, 2020		
		Volunteer Fire & Rescue Companies
Fiscal Year Ending June 30:		
2021	\$	1,399
2022		1,360
2023		1,318
2024		955
2025		618
2026 thru 2029		1,409
Total minimum lease payments	\$	<u>7,059</u>

Accounts receivable are recorded net of allowance for uncollectible accounts as shown in Illustration 5-3 as of June 30, 2020.

Illustration 5-3					
Accounts Receivable					
June 30, 2020					
		Component Units			Reporting Entity Total
		Primary Government	School Board	ADC	
Accrued interest	\$	3,108	-	-	3,108
Enterprise operations		528	-	-	528
Utility / consumption taxes		2,214	-	-	2,214
Transient occupancy taxes		569	-	-	569
Stormwater management fees		163	-	-	163
Cable franchise taxes		319	-	-	319
Other post-employment benefits		5,278	-	-	5,278
Other		4,811	3,775	46	8,632
Total accounts receivable		16,990	3,775	46	20,811
Allowance for doubtful accounts		(1,784)	-	-	(1,784)
Total Accounts Receivables, Net	\$	15,206	3,775	46	19,027

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

Amounts due from other governmental units as of June 30, 2020 detailed in Illustration 6-1.

Illustration 6-1			
Due from Other Governmental Units			
June 30, 2020			
PRIMARY GOVERNMENT			
General Fund:			
From other localities	\$	86	
From the Federal Government		2,791	
From the Commonwealth			
Local sales taxes		12,895	
Other		<u>7,674</u>	\$ 23,446
Street & Road Capital Projects Fund:			
From the Federal Government		3,048	
From the Commonwealth		12,298	
From other localities		<u>16,146</u>	31,492
Other Capital Projects Fund:			
From the Commonwealth		<u>547</u>	547
Nonmajor Governmental Funds:			
From the Federal Government		259	
From the Commonwealth		<u>47</u>	306
Landfill Enterprise Fund:			
From other localities		<u>33</u>	<u>33</u>
Total Primary Government			<u>55,824</u>
COMPONENT UNITS			
School Board:			
From the Federal Government		13,572	
From the Commonwealth		<u>19,954</u>	33,526
Adult Detention Center:			
From other localities		<u>1,899</u>	<u>1,899</u>
Total Component Units			<u>35,425</u>
Total Reporting Entity			<u>\$ 91,249</u>

Illustration 6-2 details the amounts due to other governmental units as of June 30, 2020.

Illustration 6-2			
Due to Other Governmental Units			
June 30, 2020			
PRIMARY GOVERNMENT			
General Fund:			
To Other Localities	\$	190	
To the Federal Government		<u>32</u>	\$ 222
Streets & Roads Capital Projects Fund:			
To Other Localities		<u>1,080</u>	1,080
Nonmajor Governmental Funds:			
To the Commonwealth		<u>25</u>	<u>25</u>
Total Primary Government			<u>1,327</u>
Total Reporting Entity			\$ <u><u>1,327</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, 2020, the County made inter-fund transfers as shown in illustration 7-1.

Illustration 7-1		
Internal Balances		
June 30, 2020		
	Due from Other Funds	Due to Other Funds
General Fund	\$ 802	-
Parks and Recreation - Enterprise Fund	<u>-</u>	<u>802</u>
Total Reporting Entity	\$ <u><u>802</u></u>	<u><u>802</u></u>

Illustration 7-2 details the transfers between funds for the year ended June 30, 2020.

Illustration 7-2 Inter-fund Transfers For the Year Ended June 30, 2020			
Transfer to General Fund from:			Transfer from General Fund to:
Streets & Roads - Capital Projects Fund	\$ 12,180	\$ 16,126	Streets & Roads - Capital Projects Fund
Other - Capital Projects Fund	2,056	17,303	Other - Capital Projects Fund
Fire & Rescue Levy Fund	27,100	-	Fire & Rescue Levy Fund
Nonmajor Governmental Funds	7,882	4,552	Nonmajor Governmental Funds
Landfill - Enterprise Fund	2,058	-	Landfill - Enterprise Fund
Parks & Recreation - Enterprise Fund	-	1,436	Parks & Recreation - Enterprise Fund
Innovation - Enterprise Fund	-	35	Innovation - Enterprise Fund
Internal Service Funds	827	-	Internal Service Funds
Total General Fund Transfers In	52,103	39,452	Total General Fund Transfers Out
Transfer to Streets & Roads - Capital Projects Fund from:			Transfer from Streets & Roads - Capital Projects Fund to:
General Fund	16,126	12,180	General Fund
Total Streets & Roads - Capital Projects Fund Transfers In	16,126	12,180	Total Streets & Roads - Capital Projects Fund Transfers Out
Transfer to Other - Capital Projects Fund from:			Transfer from Other - Capital Projects Fund to:
General Fund	17,303	2,056	General Fund
Nonmajor Governmental Funds	2,196	352	Nonmajor Governmental Funds
Internal Service Funds	8,000	-	Internal Service Funds
Total Other - Capital Projects Fund Transfers In	27,499	2,408	Total Other - Capital Projects Fund Transfers Out
Transfers to Fire & Rescue Levy Fund from:			Transfers from Fire & Rescue Levy Fund to:
General Fund	-	27,100	General Fund
Internal Service Funds	-	98	Internal Service Funds
Total Fire & Rescue Levy Fund Transfers In	-	27,198	Total Fire & Rescue Levy Funds Transfers Out
Transfer to Nonmajor Governmental Funds from:			Transfer from Nonmajor Governmental Funds to:
General Fund	4,552	7,882	General Fund
Other - Capital Projects Fund	352	2,196	Other - Capital Projects Fund
Internal Service Funds	-	402	Internal Service Funds
Total Nonmajor Governmental Funds Transfers In	4,904	10,480	Total Nonmajor Governmental Fund Transfers Out
Transfers to Landfill Enterprise Fund from:			Transfers from Landfill Enterprise Fund to:
General Fund	-	2,058	General Fund
Total Landfill Enterprise Fund Transfers In	-	2,058	Total Landfill Enterprise Fund Transfers Out
Transfers to Innovation - Enterprise Fund from:			Transfers from Innovation - Enterprise Fund to:
General Fund	35	-	General Fund
Total Innovation - Enterprise Fund Transfers In	35	-	Total Innovation - Enterprise Fund Transfers Out
Transfers to Parks & Recreation - Enterprise Fund from:			Transfers from Parks & Recreation - Enterprise Fund to:
General Fund	1,436	-	General Fund
Total to Parks & Recreation - Enterprise Fund Transfers In	1,436	-	Transfers from Parks & Recreation Enterprise Transfers Out
Transfers to Internal Service Funds from:			Transfers from Internal Service Funds to:
General Fund	-	827	General Fund
Other - Capital Projects Fund	-	8,000	Other - Capital Projects Fund
Fire & Rescue Levy Fund	98	-	Fire & Rescue Levy Fund
Nonmajor Governmental Funds	402	-	Nonmajor Governmental Funds
Total Internal Service Funds Transfers In	500	8,827	Total Internal Service Funds Transfers Out
Total Primary Government Transfers In	\$ 102,603	\$ 102,603	Total Primary Government Transfers Out

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. Illustrations 8-1 summarizes the amounts due from the primary government and due to the component units as of June 30, 2020. Illustration 8-2 summarizes the amount due to primary government and due from component unit as of June 30, 2020.

Illustration 8-1		
Due from Primary Government/Due to Component Units		
June 30, 2020		
	Due from Primary Government	Due to Component Units
PRIMARY GOVERNMENT		
Governmental activities	\$ -	2,332
COMPONENT UNITS		
School Board	\$ 2,332	-

Illustration 8-2		
Due To Primary Government/Due From Component Units		
June 30, 2020		
	Due to Primary Government	Due from Component Units
PRIMARY GOVERNMENT		
Governmental activities	\$ 3,909	-
COMPONENT UNITS		
Adult Detention Center	\$ -	3,909

NOTE (9) - CAPITAL ASSETS

Illustration 9-1 summarizes the changes in capital assets of the governmental activities for the year ended June 30, 2020.

Illustration 9-1 Governmental Activities – Changes in Capital Assets				
	June 30, 2019	Additions / Transfers	Deletions / Transfers	June 30, 2020
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 130,596	2,546	(1,179)	131,963
Construction in progress	39,510	29,218	(39,841)	28,887
Total capital assets not being depreciated	170,106	31,764	(41,020)	160,850
Buildings and other capital assets, being depreciated:				
Buildings and improvements to sites	370,842	27,668	(54)	398,456
Equipment	90,497	10,842	(1,380)	99,959
Vehicles	57,864	7,079	(3,318)	61,625
Infrastructure	233,708	6,913	-	240,621
Intangibles	60,277	2,546	-	62,823
Library collections	18,351	1,175	(2,680)	16,846
Total buildings and other capital assets being depreciated	831,539	56,223	(7,432)	880,330
Less accumulated depreciation for:				
Buildings and improvements to sites	(168,788)	(11,000)	54	(179,734)
Equipment	(73,087)	(6,410)	1,373	(78,124)
Vehicles	(39,881)	(5,476)	3,012	(42,345)
Infrastructure	(60,746)	(5,229)	-	(65,975)
Intangibles	(37,984)	(4,210)	-	(42,194)
Library collections	(13,207)	(1,943)	2,680	(12,470)
Total accumulated depreciation	(393,693)	(34,268)	7,119	(420,842)
Buildings and other capital assets, net	437,846	21,955	(313)	459,488
Capital assets, net	\$ 607,952	53,719	(41,333)	620,338

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

General government administration	\$	4,994
Judicial administration		856
Public safety		11,480
Public works		3,571
Health and welfare		242
Parks, recreational and cultural		5,861
Community development		5,485
Capital assets held by the internal service funds are charged to the various functions based on their usage of the assets		1,779
Total	\$	34,268

Illustration 9-2 summarizes the changes in capital assets of the business-type activities for the year ended June 30, 2020.

Illustration 9-2				
Business-type Activities – Changes in Capital Assets				
	June 30, 2019	Additions / Transfers	Deletions / Transfers	June 30, 2020
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 26,987	-	-	26,987
Construction in progress	1,895	151	-	2,046
Total capital assets not being depreciated	28,882	151	-	29,033
Buildings and other capital assets, being depreciated:				
Buildings and improvements to sites	73,288	-	-	73,288
Equipment	9,638	1,051	(1,006)	9,683
Infrastructure	1,566	-	-	1,566
Vehicles	2,500	260	(229)	2,531
Total buildings and other capital assets being depreciated	86,992	1,311	(1,235)	87,068
Less accumulated depreciation for:				
Buildings and improvements to sites	(62,275)	(1,600)	-	(63,875)
Equipment	(5,717)	(576)	693	(5,600)
Infrastructure	(195)	(78)	-	(273)
Vehicles	(2,034)	(169)	229	(1,974)
Total accumulated depreciation	(70,221)	(2,423)	922	(71,722)
Buildings and other capital assets, net	16,771	(1,112)	(313)	15,346
Capital assets, net	\$ 45,653	(961)	(313)	44,379

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

Landfill	\$ 2,173
Parks, recreational & cultural	250
Total	\$ 2,423

Illustration 9-3 summarizes the changes in capital assets of the Adult Detention Center component unit activities for the year ended June 30, 2020.

Illustration 9-3				
Adult Detention Center Component Unit – Changes in Capital Assets				
	June 30, 2019	Additions / Transfers	Deletions / Transfers	June 30, 2020
Adult Detention Center:				
Capital assets not being depreciated:				
Land	\$ 31	-	-	31
Construction in progress	36,894	14,158	-	51,052
Total capital assets not being depreciated	36,925	14,158	-	51,083
Buildings and other capital assets, being depreciated:				
Buildings and improvements to sites	85,887	-	-	85,887
Equipment	1,032	141	-	1,173
Vehicles	621	206	(93)	734
Total buildings and other capital assets being depreciated	87,540	347	(93)	87,794
Less accumulated depreciation:				
Buildings and improvements to sites	(29,764)	(2,218)	-	(31,982)
Equipment	(705)	(83)	-	(788)
Vehicles	(586)	(46)	93	(539)
Total accumulated depreciation	(31,055)	(2,347)	93	(33,309)
Buildings and other capital assets, net	56,485	(2,000)	-	54,485
Capital assets, net	\$ 93,410	12,158	-	105,568

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

Public safety	\$	<u>2,347</u>
Total	\$	<u><u>2,347</u></u>

Illustration 9-4 summarizes the construction in progress of governmental activities.

Illustration 9-4			
Construction in Progress			
June 30, 2020			
	Amount Authorized	Expended to Date	Project Balance
PRIMARY GOVERNMENT			
800 MHz Radio Communications System	\$ 2,637	1,219	1,418
Land Use Information System	1,379	295	1,084
Potomac Heritage National Scenic Trail - Featherstone Segment	873	449	424
Rollins Ford Park - Phase I & II	7,852	1,100	6,752
Broad Run Trail	1,004	554	450
Catharpin Park Trail	30	26	4
Lake Ridge Trail	1,207	426	781
Neabsco Trail	335	275	60
West End Fire and Rescue Station	16,618	7,464	9,154
Neabsco Commuter Garage/Potomac Town Center Commuter Lot	37,425	1,011	36,414
Locust Shade Maintenance Building	1,300	205	1,095
Locust Shade Classroom Renovation	303	20	283
Courthouse Security System	4,789	630	4,159
Animal Shelter Expansion	15,125	2,565	12,560
Catharpin Park Phase II	4,907	4,276	631
Potomac Heritage National Scenic Trail - Occoquan Refuge	433	383	50
McCoart ADA Parking Improvements	320	96	224
Human Capital Management System Replacement	13,000	712	12,288
Helling Park Improvements	483	236	247
Harbor Park Drive	1,431	138	1,293
Potomac Heritage National Scenic Trail - Highman's Parcel	40	34	6
Potomac Heritage National Scenic Trail - Neabsco Creek Wetlands Boardwalk	1,166	404	762
Covered Storage - Parks	450	81	369
Long Park Auxiliary Building	729	139	590
Veterans Memorial Park Improvements	105	88	17
Hammill Mill Park Improvements	580	124	456
Orchard Bridge Park Field Improvements	51	9	42
Howison Park Improvements	397	236	161
Cloverdale Park Improvements	439	69	370
Potomac Heritage National Scenic Trail - Rippon Landing	505	337	168
Central Library Renovations	983	325	658
Lake Ridge Marina - Dock Replacement	603	6	597
Ferlazzo Tennis Court & Parking Renovation	546	409	137
Rippon Lodge Front Gate	97	89	8
BMX Track Improvements	350	-	350
Dale City Rec HVAC Boilers	603	332	271
Chinn Library ADA Improvements	263	89	174
West District Police Station Park Lot Reconstruction	235	195	40
Technology Infrastructure Improvements	16,445	894	15,551
Other Technology Improvements and Equipment	4,001	1,459	2,542
Innovation Pond Observation Deck	18	-	18
Fire and Rescue Vehicles Apparatus*	1,239	1,239	-
Interactive Virtual Incident Simulator	255	249	6
	\$ 141,551	28,887	112,664

*Even though all funds were expended to outfit the Fire and Rescue vehicles, they were not placed in service as of June 30, 2020.

Of the \$2,046 of construction in progress for business-type activities as of June 30, 2020, \$1,895 was recorded in the Landfill enterprise fund 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 \$151 of the construction in progress additions as of June 30, 2020 recorded in the Parks and Recreation enterprise fund represents capital improvements at Splash Down Water Park.

The \$51,052 construction in progress balance as of June 30, 2020 of the Adult Detention Center component unit represents capital improvements related to the jail expansion project.

Illustration 9-5 summarizes the changes in capital assets of the School Board component unit activities for the year ended June 30, 2020.

Illustration 9-5				
School Board Component Unit – Changes in Capital Assets				
	June 30, 2019	Additions/ Transfers	Deletions/ Transfers	June 30, 2020
School Board:				
Capital assets not being depreciated:				
Land	\$ 95,713	174	-	95,887
Construction in progress	45,918	146,351	(46,376)	145,893
Total capital assets not being depreciated	141,631	146,525	(46,376)	241,780
Buildings and other capital assets, being depreciated:				
Buildings and improvements to sites	1,861,820	46,536	-	1,908,356
Library collections	3,422	488	(827)	3,083
Equipment	49,425	2,351	(60)	51,716
Intangibles	5,840	-	-	5,840
Vehicles	111,070	6,884	(4,524)	113,430
Total buildings and other capital assets being depreciated	2,031,577	56,259	(5,411)	2,082,425
Less accumulated depreciation for:				
Buildings and improvements to site	(487,381)	(36,445)	-	(523,826)
Library collections	(2,174)	(617)	827	(1,964)
Equipment	(35,807)	(2,633)	52	(38,388)
Intangibles	(3,820)	(462)	-	(4,282)
Vehicles	(47,763)	(8,008)	4,288	(51,483)
Total accumulated depreciation	(576,945)	(48,165)	5,167	(619,943)
Buildings and other capital assets, net	1,454,632	8,094	(244)	1,462,482
Capital assets, net	\$ 1,596,263	154,619	(46,620)	1,704,262

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

Instruction:	
Regular	\$ 35,650
Special	1,049
Other	15
Support Services:	
General administration	1,149
Student services	10
Curricular/staff development	5
Pupil transportation	7,897
Maintenance	390
Central business services	1,729
Food and nutrition services	89
Business-Type Activities:	
Aquatics Center	182
Total	\$ <u>48,165</u>

NOTE (10) - LONG-TERM DEBT

The following debt was issued during fiscal year 2020:

- On October 8, 2019, the Board of County Supervisors approved Resolution No. 19-477 to authorize the issuance of one or more General Obligation School Bonds of the County in an aggregate amount not to exceed \$378,500 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 29, 2019, the County sold the VPSA Special Obligation School Financing Bonds Series VPSA 2019A in the amount of \$109,155 par to finance the acquisition and construction of three new schools, one new bus facility, six additions, five school renewals, two new auxiliary gymnasiums, and two stadium upgrades.

Proceeds of the Series VPSA 2019B Bonds issued in the amount of \$34,610 were applied to redeem certain prior outstanding maturities in series 2011, 2012, and 2013 VPSA Special Obligation School Financing Bonds. The refunded PAR maturities totaled \$31,790 and resulted in debt service savings of \$3,485 and net present value savings of \$2,953.

- On April 28, 2020, the Board of County Supervisors approved Resolution No. 20-327 to authorize the sale of one or more series of General Obligation Public Improvement Refunding Bonds in an aggregate principal amount not to exceed \$640,140 for debt service savings.

On June 18, 2020, the County sold General Obligation Public Improvement Refunding Bonds Series 2020A in the amount of \$24,465. A portion of the proceeds of the Series 2020A Bonds were applied to redeem certain prior outstanding maturities in series 2010A, 2010B General Obligation Public Improvement bonds of the County, and series 2011 VPSA Special Obligation School Financing Bonds. The refunded maturities totaled \$27,190 and resulted in debt service savings of \$2,547 and net present value savings of \$2,496.

On June 18, 2020, the County sold General Obligation Public Improvement Refunding Bonds Series 2020B in the amount of \$72,220. A portion of the proceeds of the Series 2020B Bonds were applied to redeem certain prior outstanding maturities in series 2013, 2015 General Obligation Public Improvement bonds of the County, and series 2014, 2015 VPSA Special Obligation School Financing Bonds. The refunded maturities totaled \$62,435 and resulted in debt service savings of \$4,394 and net present value savings of \$3,980.

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: <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.

A portion of the bonds are intended to be repaid from specific revenue sources as outlined below:

- The outstanding Parks & Recreation enterprise fund Refunding Bonds of \$5,410 are paid from revenues of Forest Greens Golf Course and Splashdown Water Park.

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 the School Board bonds and literary fund loans 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 County is also party to a Contributions Agreement related to the County taking on the Park Authority's Series 2010 Bonds when the Park Authority was dissolved and merged into County operations in 2012. Any payments related to the Contribution Agreement are subject to annual appropriation and cannot be compelled to be paid in the event of a default if the funding is not appropriated by the Board of County Supervisors and are not collateralized with County assets.

The annual debt service requirements of general obligation and lease revenue bonds outstanding in governmental funds as of June 30, 2020, 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				
		Principal	Interest	Total
Designated for Roads, Parks & Other General County Projects				
Fiscal year Ending June 30:				
2021	\$	15,320	4,817	20,137
2022		14,461	4,700	19,161
2023		14,473	4,046	18,519
2024		14,539	3,361	17,900
2025		13,540	2,695	16,235
2026 thru 2030		45,697	7,211	52,908
2031 thru 2035		28,519	2,012	30,531
2036		4,212	50	4,262
Subtotal		150,761	28,892	179,653
Designated for School Board Projects				
Fiscal year Ending June 30:				
2021		72,310	34,426	106,736
2022		70,289	31,283	101,572
2023		67,322	27,912	95,234
2024		64,406	24,703	89,109
2025		60,520	21,662	82,182
2026 thru 2030		258,683	68,315	326,998
2031 thru 2035		182,341	23,952	206,293
2036 thru 2040		69,288	4,017	73,305
Subtotal		845,159	236,270	1,081,429
Total	\$	995,920	265,162	1,261,082

The annual debt service requirements of all bonds outstanding in business-type activities as of June 30, 2020, including interest payments, are shown in Illustration 10-2. Refer to Schedule 41 for information related to maturity dates and interest rates for these obligations.

Illustration 10-2				
Business-type Activities – Debt Service Requirements – Revenue Bonds				
		Principal	Interest	Total
Fiscal year Ending June 30:				
2021	\$	715	210	925
2022		730	185	915
2023		760	158	918
2024		790	128	918
2025		815	97	912
2026 thru 2027		1,600	94	1,694
Subtotal		5,410	872	6,282
Add: unamortized premium on issuance of revenue bonds		8		
bonds Total	\$	<u>5,418</u>		

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, 2020. Total rental expense under operating leases of the primary government for the year ended June 30, 2020, was \$8,622. Illustration 10-3 summarizes the minimum lease commitments under the County's operating leases.

Illustration 10-3			
Minimum Lease Commitments – Operating Leases			
Fiscal year Ending June 30:			
2021		\$	7,117
2022			5,980
2023			5,440
2024			4,549
2025			3,742
2026 thru 2030			4,647
2031			112
Total minimum payments	\$		<u>31,587</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 of 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, 2020.

Illustration 10-4		
Assets Acquired Through Capital Lease Obligations		
June 30, 2020		
	Governmental Activities	ADC Component Unit
Other capital assets:		
Buildings	\$ 92,138	6,459
Improvements	13,576	105
Machinery and Equipment	1,756	-
Vehicles	1,203	-
Less: accumulated depreciation	(56,948)	(4,817)
Total assets acquired through capital lease obligations	\$ 51,725	1,747

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.

Illustration 10-5		
Minimum Lease Commitments – Capital Lease Obligations		
Primary Government		
Fiscal year Ending June 30:		
2021	\$	16,363
2022		12,592
2023		12,167
2024		9,919
2025		9,217
2026 thru 2030		19,354
Total minimum payments		79,612
Less: Interest		(11,317)
Present value of future minimum payments	\$	68,295

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, 2020 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, 2020, are shown in Illustration 10-6.

Illustration 10-6							
Governmental Activities – Changes in Long-Term Liabilities							
June 30, 2020							
		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	\$	163,615	56,891	(69,745)	150,761	135,441	15,320
Designated for School Board projects		796,785	183,559	(135,185)	845,159	772,849	72,310
Subtotal		960,400	240,450	(204,930)	995,920	908,290	87,630
Capital lease obligations		78,390	-	(10,095)	68,295	54,915	13,380
Loans payable		21,153	-	-	21,153	21,153	-
Unpaid losses and related liabilities (Note Disclosure 15)		20,694	50,707	(49,822)	21,579	14,489	7,090
Net pension liabilities		156,555	41,450	-	198,005	198,005	-
Net OPEB liabilities Surplus distribution payable		50,614	-	(2,835)	47,779	47,779	-
		4,359	521	(943)	3,937	2,687	1,250
Compensated absences		36,685	19,446	(13,355)	42,776	39,762	3,014
Unamortized premium		107,008	19,646	(14,386)	112,268	97,491	14,777
Total	\$	1,435,858	372,220	(296,366)	1,511,712	1,384,571	127,141

Long-term liabilities of governmental activities are generally liquidated by the General Fund. During fiscal year 2020, funds of the intra-county services fund were used to liquidate approximately 4.62% of compensated absences.

Changes in long-term liabilities of business-type activities for the year ended June 30, 2020, are shown in Illustration 10-7.

Illustration 10-7						
Business-Type Activities – Changes in Long-Term Liabilities						
June 30, 2020						
	Beginning Balance	Additions	Reductions	Ending Balance	Due in More Than One Year	Due Within One Year
Revenue bonds	\$ 6,090	-	(680)	5,410	4,695	715
Unamortized premium on issuance of revenue bonds	10	-	(2)	8	7	1
Revenue bonds, net	6,100	-	(682)	5,418	4,702	716
Compensated absences	550	580	(533)	597	554	43
Net pension liabilities	1,821	670	-	2,491	2,491	-
Net OPEB liabilities	660	84	-	744	744	-
Accrued closure liabilities (Note Disclosure 12), restated (Note Disclosure 1)	10,741	2,863	-	13,604	13,604	-
Total	\$ 19,872	4,197	(1,215)	22,854	22,095	759

Changes in deferred outflows of resources of governmental activities for the year ended June 30, 2020, are shown in Illustration 10-8.

Illustration 10-8				
Governmental Activities – Changes in Deferred Outflow of Resources				
June 30, 2020				
	Beginning Balance	Additions	Reductions	Ending Balance
Unamortized deferred loss on refunding	\$ 22,600	12,390	(3,516)	31,474
Related to OPEB	7,251	4,179	-	11,430
Related to pensions	43,963	31,322	-	75,285
Total	\$ 73,814	47,891	(3,516)	118,189

Changes in deferred outflows of resources of business-type activities for the year ended June 30, 2020, are shown in Illustration 10-9.

Illustration 10-9				
Business-Type Activities – Changes in Deferred Outflow of Resources				
June 30, 2020				
	Beginning Balance	Additions	Reductions	Ending Balance
Unamortized deferred loss on refunding	\$ 299	-	(38)	261
Related to OPEB	68	71	-	139
Related to pensions	424	497	-	921
Total	\$ 791	568	(38)	1,321

Changes in long-term liabilities of the component units for the year ended June 30, 2020, is shown in Illustration 10-10.

Illustration 10-10						
Component Units – Changes in Long-Term Liabilities						
June 30, 2020						
	Beginning Balance	Additions	Reductions	Ending Balance	Due in More Than One Year	Due Within One Year
School Board:						
Capital Lease obligations	\$ 157	-	(157)	-	-	-
Compensated absences	31,989	15,120	(10,391)	36,718	26,105	10,613
Net pension liabilities	790,324	90,317	-	880,641	880,641	-
Net OPEB liabilities	155,598	3,755	-	159,353	159,353	-
Pollution remediation	722	1,183	(1,443)	462	-	462
Claims liabilities	14,470	94,326	(94,688)	14,108	4,151	9,957
Total School Board component unit	993,260	204,701	(106,679)	1,091,282	1,070,250	21,032
Adult Detention Center:						
Compensated absences	3,613	5,641	(5,001)	4,253	3,978	275
Net pension liabilities	12,791	5,037	-	17,828	17,828	-
Net OPEB liabilities	4,948	-	(424)	4,524	4,524	-
Total Adult Detention Center component unit	21,352	10,678	(5,425)	26,605	26,330	275
Total	\$ 1,014,612	215,379	(112,104)	1,117,887	1,096,580	21,307

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, 2020, \$174,285 in principle 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 CAFR. 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, 2020, the County has outstanding debt of \$845,159 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, 2020, the County has outstanding debt of \$31,686 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, 2020.

Illustration 11-1						
Fund Balances						
June 30, 2020						
	Governmental Funds					ADC Component Unit
	General Fund	Capital Projects Funds	Fire & Rescue Levy Fund	Other Governmental Funds	Total Governmental Funds	
Nonspendable Fund Balance:						
Inventory	\$ 250	-	-	27	277	-
Prepaid items	12	311	-	31	354	-
Total Nonspendable Fund Balance	262	311	-	58	631	-
Restricted Fund Balance:						
Grants	9,445	-	-	-	9,445	-
General government administration	-	-	-	15,133	15,133	-
Public safety	-	-	39,899	12,880	52,779	-
Public works	-	-	-	10,540	10,540	-
Community development	-	-	-	6,539	6,539	-
Total Restricted fund balance	9,445	-	38,899	45,092	94,436	-
Committed Fund Balance:						
Capital reserve	55,691	-	-	-	55,691	-
Revenue stabilization reserve	24,375	-	-	-	24,375	-
Emergency response reserve	10,000	-	-	-	10,000	-
Economic development opportunity fund (EDOF)	4,207	-	-	-	4,207	-
General government administration	2,972	26,536	-	-	29,508	-
Judicial administration	1,872	3,743	-	-	5,615	-
Public safety	-	(6,700)	-	-	(6,700)	-
Public works	13,285	37,594	-	-	50,879	-
Health and welfare	-	130	-	-	130	-
Education	3,076	-	-	-	3,076	-
Parks, recreational, and cultural	3,206	13,675	-	-	16,881	-
Community development	19	17,721	-	-	17,740	-
Total Committed Fund Balance	118,703	92,699	-	-	211,402	-
Assigned Fund Balance:						
General government administration	1,207	-	-	-	1,207	-
Judicial administration	137	-	-	-	137	-
Public safety	2,100	-	-	-	2,100	1,389
Public works	2,225	-	-	-	2,225	-
Health and welfare	2,218	-	-	-	2,218	-
Parks, recreational, and cultural	835	-	-	-	835	-
Community development	495	-	-	-	495	-
Total Assigned Fund Balance	9,217	-	-	-	9,217	1,389
Total Unassigned Fund Balance	91,405	-	-	(29)	91,376	(7,059)
Total Fund Balance	229,032	93,010	39,899	45,121	407,062	(5,670)

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, 2020.

Illustration 11-2 Encumbrances June 30, 2020							
Governmental Funds							ADC Component Unit
	General Fund	Capital Projects Funds	Fire & Rescue Levy Funds	Other Funds Governmental	Total Governmental Funds		
Encumbrances	\$ 9,217	139,390	6,326	4,521	159,454	1,389	

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

In fiscal year 2020, 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 \$13,604 reported as landfill closure and post closure care liability on June 30, 2020, represents the cumulative amount reported to date based on the use of 100% of the Phase I landfill, and 36.80% 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 57.62%.

The total maximum exposure liability for closure and post closure care for Phases II and III of the landfill is estimated at \$39,179 on June 30, 2020. The County has paid \$3,525 of closure costs as of June 30, 2020. The County will recognize the remaining total estimated cost of closure and post closure care for the southern portion of the landfill of \$22,050 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 2020. 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 related deferred outflows of resources, deferred inflows of resources, and pension expense for the County's pension plans as of June 30, 2020 with measurement date of June 30, 2019 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, 2020

	Net Pension Liability / (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Supplemental Pension Plan	\$ (817)*	2,454	1,365	1,080
Virginia Retirement System	\$ 207,548	76,760	14,726	44,172
Length of Service Award Program	10,776	3,585	378	5,396
Total Pension	\$ 218,324	80,345	15,104	49,568
Primary Government:				
Governmental Funds	\$ 190,077	72,353	14,464	44,637
Intra-County Services	7,596	2,809	539	1,616
Health Insurance	332	123	24	71
Total Governmental Funds	198,005	75,285	15,027	46,324
Parks	166	61	12	35
Landfill	2,325	860	165	495
Total Proprietary Funds	2,491	921	177	530
Total Primary Government (A)	200,496	76,206	15,204	46,854
Component Unit:				
Adult Detention Center (B)	17,828	6,593	1,265	3,794
Total Pension - County Funded (A+B)	\$ 218,324*	82,799	16,469	50,648
School District's Pensions Plans (C)**	\$ 880,641	203,913	85,201	102,785
Total Component Units (B+C)	898,469	210,506	86,466	106,579
Total Reporting Entity (A+B+C)	\$ 1,098,965*	286,712	101,670	153,433

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, 2020:

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.

Illustration 13-2 Prince William County - Pension Trust Funds Statement of Fiduciary Net Position June 30, 2020			
	Supplemental Pension Plan Trust Fund	LoSAP Trust Fund	Total Pension Plan Trust Funds
Assets:			
Restricted cash	\$ 1,578	-	1,578
Restricted investments	41,941	18,155	60,096
Total Assets	43,519	18,155	61,674
Liabilities:			
Accounts payable	108	-	108
Total Liabilities	108	-	108
Net position:			
Net position restricted for pensions	43,411	18,155	61,566
Total net position	\$ 43,411	18,155	61,566

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

Illustration 13-3				
Prince William County - Pension Trust Funds				
Statement of Changes in Fiduciary Net Position				
For the year ended June 30, 2020				
		Supplemental Pension Plan Trust Fund	LoSAP Trust Fund	Total Pension Plan Trust Funds
Additions				
Member contributions	\$	1,921	-	1,921
Employer contributions		1,921	1,156	3,077
Total contributions		3,842	1,156	4,998
Investment Income				
Total investment income		948	517	1,465
Less: investment expense		(136)	-	(136)
Net investment income		812	517	1,329
Total additions		4,654	1,673	6,327
Deductions				
Benefit payments		2,434	489	2,923
Refund of members' contributions		345	-	345
Administrative expenses		143	79	222
Total deductions		2,922	568	3,490
Change in net position		1,732	1,105	2,837
Net position, beginning of year		41,679	17,050	58,729
Net position, end of year	\$	43,411	18,155	61,566

A. County's Pension Plans

i. 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 a 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.

Illustration 13-4 Prince William County - Virginia Retirement System (VRS) Pension Plan VRS Retirement Plan Provisions		
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"> • 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 County contributions made to the plan and the investment performance of those contributions. • 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.

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

Eligible Members

Eligible Members: 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.

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 Retirement Plan.

Members who were eligible for an optional retirement plan ("ORP") and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.

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 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 Retirement Plan.

Members who were eligible for an ORP and had prior service under Plan 2 were not eligible to elect the Hybrid Plan and remain as Plan 2 or ORP.

Eligible Members: Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:

- County 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 Retirement Plan. They include:

- County employees who are covered by enhanced benefits for hazardous duty employees.

Those employees eligible for an ORP must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.

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.	Defined Benefit Component: Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement if the County offers the health insurance credit. Defined Contribution Component: Under the defined contribution component, service credit is used to determine vesting for the County contribution portion of the plan.
<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	Same as Plan 1.	Defined Benefit Component: Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit.

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>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.</p> <p>Members are always 100% vested in their personal 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>Defined Contribution Component: 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. Members are always 100% vested in the personal contributions that they make into the plan.</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"> • After two years, a member is 50% vested and may withdraw 50% of County contributions. • After three years, a member is 75% vested and may withdraw 75% of County contributions. • After four or more years, a member is 100% vested and may withdraw 100% of County contributions. <p>Distribution is not required, except as governed by law</p>
<i>Calculating the Benefit</i>		
<p>The Basic Benefit is calculated based on a formula using the member's average final compensation, service credit and plan multiplier.</p> <p>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>	Same definition under Plan 1.	<p>Defined Benefit Component: See definition under Plan 1</p> <p>Defined Contribution Component: 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"> • 1.70% for non-hazardous duty members • 1.85% for sheriffs and regional jail superintendents • 1.85% as elected by the County for eligible County hazardous duty employees other than sheriffs and regional jail superintendents. 	<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>Defined Benefit Component: The retirement multiplier for the defined benefit component is 1.00%. For members that opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p>This is not applicable for sheriffs, regional jail superintendents and all other hazardous duty employees.</p> <p>Defined Contribution Component: Not applicable.</p>
<i>Normal Retirement Age</i>		
<p>VRS: Age 65.</p> <p>County hazardous duty employees: Age 60.</p>	<p>VRS: Normal Social Security retirement age.</p> <p>County hazardous duty employees: Same as Plan 1.</p>	<p>Defined Benefit Component:</p> <p>VRS: Same as Plan 2.</p> <p>County hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distribution upon leaving employment, subject to restrictions.</p>
<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>County hazardous duty employees: 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 service equal 90.</p> <p>County hazardous duty employees: Same as Plan 1.</p>	<p>Defined Benefit Component:</p> <p>VRS: Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service credit equal 90.</p> <p>County hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component:</p> <p>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 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>County hazardous duty employees: 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>County hazardous duty employees: Same as Plan 1.</p>	<p>Defined Benefit Component:</p> <p>VRS: Age 60 with at least five years (60 months) of service credit.</p> <p>County hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: 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>Eligibility: 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>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:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term 	<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>Eligibility: Same as Plan 1.</p> <p>Exceptions to COLA Effective Dates: Same as Plan 1.</p>	<p>Defined Benefit Component: Same as Plan 2.</p> <p>Defined Contribution Component: Not applicable.</p> <p>Eligibility: Same as Plan 1 and Plan 2.</p> <p>Exceptions to COLA Effective Dates: 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		
VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
<i>Cost of Living Adjustment (COLA) in Retirement (cont'd)</i>		
disability <ul style="list-style-type: none"> • 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. 		
<i>Disability Coverage</i>		
Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.	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.	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. 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.
<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.	Defined Benefit Component: Same as Plan 1, with the following exceptions: <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported service. Defined Contribution Component: Not applicable.

County Employees Covered by Benefit Terms. As of June 30, 2018, actuarial valuation, the following County employees and members were covered by benefit terms of the pension plan in Illustration 13-5.

Illustration 13-5 Prince William County - Virginia Retirement System (VRS) Pension Plan Plan Membership as of the Valuation Date of June 30, 2018	
Inactive plan members or their beneficiaries currently receiving benefits	2,254
Inactive members:	
Vested inactive members	656
Non-vested inactive members	1,118
Inactive members active elsewhere in VRS	635
Total inactive members	2,409
Active employees	4,085
Total covered members	8,748

County contributions. The VRS contribution requirement for active employees is governed by §51.1-145 of the Code of Virginia (1950), 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 12.98% of the covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

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 \$38,050 and \$35,335 for the years ended June 30, 2020, and June 30, 2019, 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. The NPL was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

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, 2018, 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, 2019.

Illustration 13-6 Prince William County - Virginia Retirement System Pension Plan Actuarial Methods and Assumptions as of the Valuation Date of June 30, 2018	
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
General Employees:	
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
Public Safety Employees with Hazardous Duty Benefits:	
Salary Increase	3.50% - 4.75%, including inflation
Mortality Rates	70% of deaths are assumed to be service related
Mortality:	
Pre-Retirement	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
<p>* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all 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.</p>	

The actuarial assumptions used in the June 30, 2018 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 health, 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 15%
Discount Rate	Decrease rate from 7% to 6.75%

County's Public Safety Employees with Hazardous Duty Benefits.

Mortality Rates (pre-retirement, post-retirement health, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year of age and service through 9 years of service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line-of-Duty Disability	Decrease rate from 60% to 45%
Discount Rate	Decrease rate from 7% 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			
Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
	Inflation		2.50%
	*Expected arithmetic nominal return		7.63%

*The above allocation provides a one-year return of 7.63%. 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%.

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. Through the fiscal year ending June 30, 2020, 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, 2019, 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 pension liabilities from June 30, 2018 to June 30, 2019, which is the measurement date for the fiscal year ended June 30, 2020.

Illustration 13-8			
Prince William County - Virginia Retirement System Pension Plan			
Changes in Net Pension Liability			
	Total Pension Liability	Plan Fiduciary Net Position-Increase (Decrease)	Net Pension Liability
Balances on June 30, 2018 for FY 2019	\$ 1,287,860	1,128,158	159,702
Changes for the year:			
Service cost	35,162	-	35,162
Interest	88,053	-	88,053
Changes in assumptions	40,798	-	40,798
Differences between expected and actual experience	7,503	-	7,503
Contributions - employer	-	35,323	(35,323)
Contributions - employee	-	13,922	(13,922)
Net investment income	-	75,209	(75,209)
Benefit payments, including refunds of employee contributions	(59,907)	(59,907)	-
Administrative expenses	-	(736)	736
Other changes	-	(48)	48
Net changes	111,609	63,763	47,846
Balances on June 30, 2019 for FY 2020	\$ 1,399,469	1,191,921	207,548

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, 2019, for fiscal year ending as of June 30, 2020, using the discount rate of 6.75%, as well as the County's net pension liability calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

Illustration 13-9			
Prince William County - Virginia Retirement System Pension Plan			
Sensitivity of Net Pension Liability to Changes in the Discount Rate			
	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County's net pension liability	\$ 392,116	207,548	60,252

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

For the fiscal year ended June 30, 2020 and measured as of June 30, 2019, the County recognized pension expense of \$44,172. On June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the sources displayed in Illustration 13-10.

Illustration 13-10 Prince William County - Virginia Retirement System Pension Plan Deferred Outflows and (Inflows) of Resources June 30, 2020		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,038	4,473
Change in actuarial assumptions	32,672	-
Net difference between projected and actual earnings on pension plan investments	-	10,253
Employer contributions subsequent to the measurement date	38,050	-
Total	\$ 76,760	14,726

\$38,050 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 ending June 30, 2021. 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 13-11.

Illustration 13-11 Prince William County - Virginia Retirement System Pension Plan Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal year ended June 30,		
2021	\$	8,449
2022		(938)
2023		10,056
2024		6,417
Total	\$	23,984

Pension plan data. Detailed information about the VRS Political Subdivision Retirement Plan will be available in the separately issued VRS 2020 Comprehensive Annual Financial Report (CAFR), which a copy can be downloaded from the VRS website at <https://employers.varetire.org/publications/> when it's published, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

ii. Prince William County Supplemental Plan for Police Officers and Uniformed Fire and Rescue Personnel (the Supplemental Pension Plan)

Plan Activity for the fiscal year ending June 30, 2020:

Illustration 13-12 is a summary of the Statement of Fiduciary Net Position of the Supplemental Pension Plan.

Illustration 13-12	
Prince William County - Supplemental Pension Plan	
Statement of Fiduciary Net Position	
June 30, 2020	
Assets:	
Restricted cash	\$ 1,578
Restricted investments	<u>41,941</u>
Total assets	<u>43,519</u>
Liabilities:	
Accounts payable	<u>108</u>
Total liabilities	<u>108</u>
Net position:	
Net position restricted for pensions	<u>43,411</u>
Total net position	\$ <u><u>43,411</u></u>

Illustration 13-13 is a summary of the Statement of Changes in Fiduciary Net Position of the Supplemental Pension Plan.

Illustration 13-13 Prince William County - Supplemental Pension Plan Statement of Changes in Fiduciary Net Position For the year ended June 30, 2020	
Additions	
Member contributions	\$ 1,921
Employer contributions	1,921
Total contributions	3,842
Investment Income	
Total investment income	948
Less: investment expense	(136)
Net investment income	812
Total additions	4,654
Deductions	
Benefit payments	2,434
Refund of members' contributions	345
Administrative expenses	143
Total deductions	2,922
Changes in net position	
Net position, beginning of year	1,732
Net position, end of year	\$ 43,411

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 Resolution No. 17-472 and restated per Resolution No. 17-471 on October 3, 2017 and subsequently amended per Resolution 18-292 on May 8, 2018, and per Resolution Number 19-227 on April 30, 2019 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) a temporary annuity of \$0.64 thousand per month for 15 years for participants employed on or after March 30, 2001; 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.

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) a temporary annuity of \$0.64 thousand per month for 15 years for participants employed on or after March 30, 2001; 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) a temporary annuity of \$0.32 thousand per month for 15 years multiplied by the ratio of number of completed years of service at early retirement date to 25 years 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 13-14.

Illustration 13-14	
Prince William County - Supplemental Pension Plan	
Plan Membership as of June 30, 2019	
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	1,317
Total covered members	2,107

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, 2020, 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 \$1,921 and \$1,372 for the years ended June 30, 2020, and June 30, 2019, respectively.

County's Net Pension Liability:

The County's net pension liability was measured as of June 30, 2019. 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, 2019. GASB 68 pension liabilities were calculated using sworn police and fire participants' data as of June 30, 2019 and do not include 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, 2019 was 7.0%. Note: Effective July 1, 2019 the discount rate assumption was lowered to 6.75%, which will be used in next fiscal year's valuation.

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 13-15, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Illustration 13-15 Prince William County - Supplemental Pension Plan Actuarial Valuation Methods and Assumptions as of June 30, 2019	
Actuarial Cost Method	Entry Age Normal
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	7.0%, net of pension plan investment expense, including inflation of 2.2%
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 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, 2019.

County's long-term expected rate of return. 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 target allocation of the Plan noted below, we are comfortable with a long-term net return of 7.0%. 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, 2020, (see the discussion of the pension plan's investment policy) are summarized in Illustration 13-16.

Illustration 13-16			
Prince William County - Supplemental Pension Plan			
Long-Term Expected Rate of Return			
Asset Class	Target Allocation	Benchmark Index	Long Term Real Annualized Return*
Diversified	10.0%	HFRI Fund of Funds	1.1%
Domestic Equity	30.0%	Russell 3000	5.1%
International Equity Developed	16.0%	Blended Developed	2.8%
International Equity Emerging	8.0%	MSCI Emerging Markets	6.7%
Real Estate	6.0%	NCREIF NFI-ODCE	6.3%
Fixed Income International Bonds	15.0%	FTSE World Government Bond	2.4%
Fixed Income US Investment Grade	15.0%	Barclays Aggregate	3.0%
	<u>100.0%</u>	Real Return	3.8%

*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.

County's money-weighted rate of return. For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.87%. 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 7.00% for the measurement date as of June 30, 2019, for fiscal year ending 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:

Illustration 13-17 presents the changes in net pension liability from June 30, 2018 to June 30, 2019, which is the measurement date for the fiscal year ended June 30, 2020.

Illustration 13-17				
Prince William County – Supplemental Pension				
Plan Changes in Net Pension Liability / (Asset)				
		Total Pension Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net Pension Liability / (Asset)
Balances on June 30, 2018 for FY 2019	\$	38,717	39,329	(612)
Changes for the year:				
Service cost		2,043	-	2,043
Interest		2,631	-	2,631
Differences between expected and actual experience		(282)	-	(282)
Contributions – employer		-	1,372	(1,372)
Contributions – employee		-	1,372	(1,372)
Net investment income		-	1,924	(1,924)
Benefit payments, including refunds of employee contributions		(2,247)	(2,247)	-
Administrative expenses		-	(71)	71
Net changes		2,145	2,350	(205)
Balances on June 30, 2019 for FY 2020	\$	40,862	41,679	(817)

Sensitivity of the County's net pension liability (asset) to changes in the discount rate. Illustration 13-18 presents the net pension liability (asset) of the County measured as of June 30, 2019, for the fiscal year ending June 30, 2020, using the discount rate of 7.00%, and the new 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%).

Illustration 13-18				
Prince William County - Supplemental Pension Plan				
Sensitivity of Net Pension Liability (Asset) to Changes in the Discount Rate				
Measurement Date		1% Decrease (5.75%/ 6.00%)	Current Discount Rate (6.75% / 7.00%)	1% Increase (7.75%/ 8.00%)
June 30, 2020	\$	3,140	263	(2,383)
June 30, 2019	\$	1,901	(817)	(3,314)

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

For the fiscal year ended June 30, 2020 and measured as of June 30, 2019, the County recognized pension expense of \$1,080. On June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 13-19.

Illustration 13-19		
Prince William County - Supplemental Pension Plan		
Deferred Outflows and (Inflows) of Resources		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	1,365
Net difference between projected and actual earnings on pension plan investments	533	-
Employer contributions subsequent to the measurement date	<u>1,921</u>	<u>-</u>
Total	\$ <u>2,454</u>	<u>1,365</u>

The \$1,921 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, 2019, will be recognized as a reduction of the Net Pension Liability for the fiscal year ended June 30, 2021. 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 13-20.

Illustration 13-20	
Prince William County - Supplemental Pension Plan	
Amortization of Deferred Outflow and (Inflow) of Resources	
Fiscal year ended June 30,	
2021	\$ (58)
2022	(495)
2023	(174)
2024	(24)
2025	(40)
Thereafter	<u>(41)</u>
Total	\$ <u>(832)</u>

County's fiduciary net position. The components of the net pension asset for the Supplemental Pension Plan as of June 30, 2020 are shown in Illustration 13-21.

Illustration 13-21					
Prince William County - Supplemental Pension Plan					
Supplemental Pension Plan Net Pension Liability (Asset)					
Measurement Date		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)	Net Position as % of Total Pension Liability
June 30, 2020	\$	43,674	43,411	263	99.40%
June 30, 2019	\$	40,862	41,679	(817)	102.00%

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

Plan Activity for the fiscal year ending June 30, 2020:

Illustration 13-22 is a summary of the Statement of Fiduciary Net Position of LoSAP Plan.

Illustration 13-22	
Prince William County - LoSAP Plan	
Statement of Fiduciary Net Position	
June 30, 2020	
Assets	
Restricted investments	\$ 18,155
Total assets	<u>18,155</u>
Liabilities	
Accounts payable	<u>-</u>
Total liabilities	<u>-</u>
Net position	
Net position restricted for pensions	<u>18,155</u>
Total net position	<u>\$ 18,155</u>

Illustration 13-23 is a summary of the Statement of Changes in Fiduciary Net Position of the LoSAP Plan.

Illustration 13-23 Prince William County - LoSAP Plan Statement of Changes in Fiduciary Net Position For the year ended June 30, 2020	
Additions	
Employer contributions	\$ 1,156
Total contributions	<u>1,156</u>
Investment Income	
Total investment income	<u>517</u>
Net investment income	<u>517</u>
Total additions	<u>1,673</u>
Deductions	
Benefit payments	489
Administrative expenses	<u>79</u>
Total deductions	<u>568</u>
Change in net position	1,105
Net position, beginning of year	<u>17,050</u>
Net position, end of year	<u>\$ 18,155</u>

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, 2018, actuarial valuation, is presented in Illustration 13-24.

Illustration 13-24 Prince William County - LoSAP Plan Plan Membership as of July 1, 2018	
Inactive plan members or their beneficiaries currently receiving benefits	201
Inactive members not currently receiving benefits:	
Vested inactive members	917
Non-vested inactive members	291
Total inactive members	1,208
Active participants	435
Total covered members	1,844

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 \$1,156 and \$941 for the years ended June 30, 2020, and June 30, 2019, respectively.

County’s Net Pension Liability:

The County’s net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of July 1, 2018, using actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

County's actuarial assumption. The total pension liability for employees in the LoSAP plan was based on an actuarial valuation as of July 1, 2018, using the Entry Age Normal actuarial cost method and the assumptions displayed in Illustration 13-25, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Illustration 13-25	
Prince William County- LoSAP Plan	
Actuarial Valuation Methods and Assumptions as of June 30, 2019	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar, including inflation
Asset Valuation Method	Fair Market Value
Investment Rate of Return	3.00%
Discount Rate	3.00%
Tax-exempt, high-quality general obligation municipal bond index rate	3.50%
Salary Increase	N/A *
Inflation	2.50%
Retirement age	Low to Medium Rates between Ages 60 and 69; 100% at age 70
Mortality Rates	RP 2000 Mortality Table projected to 2017 using Scale AA
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.	

The actuarial assumptions used in the June 30, 2019 measurement was based on the results of an actuarial experience study for the period July 1, 2014, to June 30, 2019.

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, 2019.

County's long-term expected rate of return. On June 30, 2018, 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, 2020, 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, 2019 was 2.98%. 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 intention to pay the full recommended actuarial contribution amount each year.

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

County's Changes in Net Pension Liability:

Illustration 13-26 presents the changes in net pension liability from June 30, 2018 to June 30, 2019, which is the measurement date for the fiscal year ended June 30, 2020.

Illustration 13-26				
Prince William County - LoSAP Plan				
Changes in Net Pension Liability				
		Total Pension Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net Pension Liability
Balances on June 30, 2018 for FY 2019	\$	27,636	16,172	11,464
Changes for the year:				
Service cost		522	-	522
Interest		838	-	838
Differences between expected and actual experience		(335)	-	(335)
Changes of assumptions		(330)	-	(330)
Contributions - employer		-	941	(941)
Net investment income		-	488	(488)
Benefit payments, including refunds of employee contributions		(505)	(505)	-
Administrative expenses		-	(46)	46
Net changes		190	878	(688)
Balances on June 30, 2019 for FY 2020	\$	27,826	17,050	10,776

Sensitivity of the County's net pension liability to changes in the discount rate. Illustration 13-27 presents the net pension liability of the County measured as of June 30, 2019, for the fiscal year ended June 30, 2020, using the discount rate of 3.0%, as well as the County's net pension liability calculated using a discount rate that is one percentage point lower (2.0%) and one percentage point higher (4.0%) than the current rate.

Illustration 13-27				
Prince William County - LoSAP Plan				
Sensitivity of Net Pension Liability to Changes in the Discount Rate				
Measurement Date		1% Decrease (2.0%)	Current Discount Rate (3.0%)	1% Increase (4.0%)
June 30, 2020	\$	16,196	10,168	5,560
June 30, 2019	\$	16,848	10,776	6,154

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

For the fiscal year ended June 30, 2020 and measured as of June 30, 2019, the County recognized pension expense of \$5,396 and deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 13-28.

Illustration 13-28 Prince William County - LoSAP Plan Deferred Outflows and (Inflows) of Resources June 30, 2020		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	205
Change in actuarial assumptions	1,875	173
Net difference between projected and actual earnings on pension plan investments	554	-
Employer contributions subsequent to the measurement date	1,156	-
Total	\$ <u>3,585</u>	<u>378</u>

\$1,156 was contributed to the LoSAP plan subsequent to the measurement date of June 30, 2019 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, 2021. 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 13-29.

Illustration 13-29 Prince William County - LoSAP Plan Amortization of Deferred Outflow and (Inflow) of Resources		
Fiscal year ended June 30,		
2021	\$	1,803
2022		152
2023		95
2024		1
Total	\$	<u>2,051</u>

County's fiduciary net position. The components of the net pension liability for the LoSAP Pension Plan as of June 30, 2020 are shown in Illustration 13-30.

Illustration 13-30					
Prince William County - LoSAP Plan					
LoSAP Plan Net Position Liability					
Measurement Date		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Net Position as % of Total Pension Liability
June 30, 2020	\$	28,323	18,155	10,168	64.10%
June 30, 2019	\$	27,826	17,050	10,776	61.28%

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 13-31.

Illustration 13-31					
Prince William County Schools - Virginia Retirement System Plans					
Net Pension Liability and Related Amount					
June 30, 2020					
Measurement Date 6/30/2019		Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Virginia Retirement System Plans					
VRS Pension Plans – For Professional Group	\$	870,090	195,852	81,832	99,096
VRS Pension Plans – For Non-Professional Group		10,551	8,061	3,369	3,689
Total Schools' Pension Plans	\$	880,641	203,913	85,201	102,785

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

Plan 1

- *About Plan 1:* Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit, and average final compensation at retirement using a formula.
- *Eligible members:* Employees are in Plan 1 if their membership date is before July 1, 2010, 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 multiplier for non-professional hazardous duty employees is the same as Plan 1.
- *Normal retirement age:* Normal Social Security retirement age. Non-professional hazardous duty employee's retirement age is the same as Plan 1.
- *Earliest unreduced retirement eligibility:* 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.

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.
 - 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, 2018 actuarial valuation, the following employees of the non-professional group were covered by the benefit terms of the pension plan as displayed by Illustration 13-32.

Illustration 13-32	
Schools' VRS Pension Plan – For Non-Professional Group	
Plan Membership as of the Valuation Date of June 30, 2018	
Inactive members or their beneficiaries currently receiving benefits	864
Inactive members:	
Vested inactive members	221
Non-vested inactive members	523
Inactive members active elsewhere in VRS	246
Total inactive members	990
Active members	1,855
Total covered employees	3,709

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, 2020 was 5.10% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 \$3,140 and \$3,007 for the years ended June 30, 2020 and June 30, 2019, respectively.

Professional group. Each professional group's contractually required contribution rate for the year ended June 30, 2020 was 15.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 \$93,207 and \$87,257 for the years ended June 30, 2020 and June 30, 2019, 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, 2018, 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, 2019.

Inflation	2.50%
Salary Increase, including Inflation	3.50% - 5.95%
Investment rate of return	6.75%, net pension plan investment expenses, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets of all 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 exceed 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.

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

The actuarial assumptions used in the June 30, 2018 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>
Pre-Retirement:	20% of deaths are assumed to be service related. 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.	15% of deaths are assumed to be service related. 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:

	<u>Largest 10 Non-Hazardous Duty</u>	<u>All Others (Non 10 Largest) Non-Hazardous Duty</u>	<u>Professional Group</u>
Retirement rates	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
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service	Adjusted rates to better fit experience at each year age and service through 9 years of service	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lower rates	Lower rates	Adjusted rates to better match experience.
Salary Scale	No change	No change	No change
Line of Duty Disability	Increase rate from 14.00% to 20.00%	Increase rate from 14.00% to 15.00%	Not applicable
Discount Rate	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 13-33.

Illustration 13-33			
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%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
	Inflation		2.50%
	*Expected arithmetic nominal return		7.63%

*The above allocation provides a one-year return of 7.63%. 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%. 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.

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, 2019, 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, 2019 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, 2020, the professional group reported a liability of \$870,090 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019. 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2019, the professional group's proportion was 6.61% as compared to 6.68% on June 30, 2018.

The non-professional net pension liability was measured as of June 30, 2019 for the fiscal year ended June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Schools’ Changes in Net Pension Liability – Non-Professional Group

Illustration 13-34 presents the change in the net pension liability form June 30, 2018 to June 30, 2019, which is the measurement date for the fiscal year ended June 30, 2020.

Illustration 13-34			
Schools’ VRS Pension Plan – For Non-Professional Group			
Changes in Net Pension Liability			
	Total Pension Liability (a)	Plan Fiduciary Net Position - Increase (Decrease) (b)	Net Pension Liability (a) – (b)
Balances on June 30, 2018 for FY 2019	\$ 205,499	200,515	4,984
Changes for the year:			
Service cost	5,214	-	5,214
Interest	14,067	-	14,067
Changes of assumptions	6,199	-	6,199
Differences between expected and actual experience	(761)	-	(761)
Contributions – employer	-	3,154	(3,154)
Contributions - employee	-	2,819	(2,819)
Net investment income	-	13,318	(13,318)
Benefit payments, including refunds of employee contributions	(9,092)	(9,092)	-
Administrative expenses	-	(131)	131
Other changes	-	(8)	8
Net changes	15,627	10,060	5,567
Balances on June 30, 2019 for FY 2020	\$ 221,126	210,575	10,551

Sensitivity of the Schools’ net pension liability (asset) to changes in the discount rate. Illustration 13-35 presents the net pension liability (asset) of the non-professional group measured as of June 30, 2019, for the fiscal year ended June 30, 2020, using the discount rate of 6.75%, as well as the non-professional group’s net pension liability (asset) calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

Illustration 13-35			
Schools’ VRS Pension Plan – For Non-Professional Group			
Sensitivity of Net Pension Liability to Changes in the Discount Rate			
	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Schools' Non-Professional Group’s Net Pension Liability (Asset)	\$ 37,673	10,551	(11,148)

Illustration 13-36 presents the professional group’s proportionate share of the net pension liability measured as of June 30, 2019, for the fiscal year ended June 30, 2020, 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.

Schedule 13-36			
Schools’ VRS Pension Plan – For Professional Group			
Sensitivity of Net Pension Liability to Changes in the Discount Rate			
	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Schools' Professional Group's Proportionate Share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 1,309,863	870,090	506,479

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

For the year ended June 30, 2020, the non-professional group recognized pension benefit of \$3,689. On June 30, 2020, the non-professional group reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 13-37.

Illustration 13-37		
Schools’ VRS Pension Plan – For Non-Professional Group		
Deferred Outflows and (Inflows) of Resources		
June 30, 2020		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 430	1,143
Change in actuarial assumptions	4,491	484
Net difference between projected and actual earnings on pension plan investments	-	1,742
Employer contributions subsequent to the measurement date	3,140	-
Total	\$ 8,061	3,369

\$3,140 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, 2021. 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 13-38.

Illustration 13-38		
Schools' VRS Pension Plan – For Non-Professional Group		
Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal year ended June 30,		
2021	\$	631
2022		(112)
2023		912
2024		121
Total	\$	<u>1,552</u>

Professional Group

For the year ended June 30, 2020, PWCS recognized pension expense of \$99,096 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, 2020, the professional group's reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources displayed in Illustration 13-39.

Illustration 13-39		
Schools' VRS Pension Plan – For Professional Group		
Deferred Outflows and (Inflows) of Resources		
June 30, 2020		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	55,716
Change in actuarial assumptions	86,159	-
Net difference between projected and actual earnings on pension plan investments	-	19,105
Changes in proportion and differences between Employer Contributions and proportionate share of contributions	16,486	7,011
Employer contributions subsequent to the measurement date	93,207	-
Total	<u>\$ 195,852</u>	<u>81,832</u>

PWCS' professional group contribution of \$93,207, 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, 2021. 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 13-40.

Illustration 13-40	
Schools' VRS Pension Plans – For Professional Group	
Amortization of Deferred Outflows and (Inflows) of Resources	
Fiscal year ended June 30,	
2021	\$ 5,094
2022	(13,947)
2023	9,273
2024	14,148
2025	6,245
Total	<u>\$ 20,813</u>

Schools' Pension Plan Fiduciary Net Position

The VRS issues a publicly available Comprehensive Annual Financial Report (CAFR), which can be downloaded from the VRS website at <https://employers.varetire.org/publications> when it's published, or by writing to the VRS' Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 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 plans, and three plans that participate in the OPEB Master Trust Fund.

- Virginia Retirement System (VRS) OPEB Plans:
 - VRS Group Life Insurance Program (GLI)
 - VRS Health Insurance Credit Program (HIC)
- 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.

Illustration 14-1				
Prince William County's Other Post-Employment Benefit (OPEB) Plans				
Net OPEB (Asset) Liability and Related Amounts				
June 30, 2020				
	Net OPEB Liability / (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
OPEB Master Trust Fund Plans:				
County LODA Plan	\$ (787)*	1,962	5,858	1,059
Virginia Retirement System Plans:				
VRS Group Life Insurance Program	\$ 23,309	7,999	1,484	748
VRS Retiree Health Insurance Credit	4,168	815	135	440
OPEB Master Trust Fund Plans:				
County Premium Plan	7,226	1,076	4,909	902
County RHICP	18,344	954	1,029	1,955
Total OPEB – County Funded	\$ 53,047	10,844	7,557	4,045
Primary Government:				
Governmental Funds	\$ 45,785	11,019	11,457	4,383
Intra-County Services	1,919	395	271	145
Health Insurance	75	16	10	5
Subtotal Governmental Funds (A)	47,779	11,430	11,738	4,533
Parks	54	10	9	5
Landfill	690	129	107	56
Total Proprietary Funds (B)	744	139	116	61
Total Primary Government (A+B)	48,523	11,569	11,854	4,594
Component units:				
Adult Detention Center (C)	4,524	1,237	1,561	510
Total OPEB - County Funded (A+B+C)	\$ 53,047*	12,806	13,415	5,104
School Board's OPEB Plans ** (D)	\$ 159,353	27,262	18,980	10,439
Total Component Units (C+D)	163,877	28,499	20,541	10,949
Total Reporting Entity (A+B+C+D)	\$ 212,400*	40,068	32,395	15,543
Note: Amounts are allocated based on proportion of OPEB contributions paid.				
* The County LODA Plan net OPEB assets cannot be netted against net OPEB liabilities of other OPEB plans.				
** Please see Schools separately issued financial statements for further information and Illustration 14-47 below.				

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.

i. 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:

County's VRS GROUP LIFE INSURANCE PROGRAM PROVISIONS
<p>Eligible Employees The Group Life Insurance Program was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program. Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their accumulated retirement member contributions and accrued interest.</p>
<p>Benefit Amounts The benefits payable under the Group Life Insurance Program have several components. Natural Death Benefit – The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. Accidental Death Benefit – The accidental death benefit is double the natural death benefit. Other Benefit Provisions – In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include:</p> <ul style="list-style-type: none"> • Accidental dismemberment benefit • Safety belt benefit • Repatriation benefit • Felonious assault benefit • Accelerated death benefit option
<p>Reduction in benefit Amounts The benefit amounts provided to members covered under the Group Life Insurance Program are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.</p>
<p>Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) 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 \$8,463 as of June 30, 2020.</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 1.31% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.79% (1.31% X 60%) and the employer component was 0.52% (1.31% 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, 2020, was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 \$3,996 and \$3,679 for the years ended June 30, 2020, and June 30, 2019, 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, 2020, the County reported a liability of \$23,309 for its proportionate share of the Net GLI OPEB Liability. The Net GLI OPEB Liability was measured as of June 30, 2019 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, 2018 and rolled forward to the measurement date of June 30, 2019. 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, 2019, relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2019, the County's proportion was 1.43243% as compared to 1.39846% on June 30, 2018.

For the year ended June 30, 2020, the County recognized GLI OPEB expense of \$748. 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, 2020, 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.

Illustration 14-2		
County's Virginia Retirement System – Group Life Insurance (GLI) Program Other Post-Employment Benefits (OPEB) Plan		
Deferred Outflows and (Inflows) of Resources		
June 30, 2020		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,550	302
Change in actuarial assumptions	1,472	703
Net difference between projected and actual earnings on OPEB plan investments	-	479
Changes in Proportionate Share	981	-
Employer contributions subsequent to the measurement date	3,996	-
Total	\$ 7,999	1,484

\$3,996 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, 2021. 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,		
2021	\$	291
2022		291
2023		494
2024		673
2025		607
Thereafter		163
Total	\$	2,519

County's actuarial assumptions. The total GLI OPEB liabilities were based on actuarial valuations as of June 30, 2018, 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, 2019 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, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75% net investment expense, including inflation*
Inflation	2.50%
Healthcare Trend Rate	N/A - the benefit is not based on healthcare costs but rather on compensation
General Employees:	
Payroll Growth	3.50%-5.35%, includes inflation
Mortality	
Pre-Retirement	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-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.
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 market 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, 2018 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, 2019, net OPEB liability amounts for the GLI Program are displayed in Illustration 14-5.

Illustration 14-5					
County’s Virginia Retirement System – Group Life Insurance (GLI) Program Other Post-Employment Benefits (OPEB) Plan					
Net OPEB Liability					
Fiscal Year Ending		Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Net Position as % of Total OPEB Liability
June 30, 2020	\$	48,563	25,253	23,309	52.0%

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

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	100.00%		5.13%
	Inflation		2.50%
	*Expected arithmetic nominal return		7.63%

* The above allocation provides a one-year return of 7.63%. 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 VRS, 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%. 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.

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 contributions from members 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, 2019, 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, 2019 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 Ending:	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
June 30, 2020	\$ <u>30,622</u>	<u>23,309</u>	<u>17,379</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 Comprehensive Annual Financial Report (CAFR), which can be downloaded from the VRS website at <https://employers.varetire.org/publications/> once it's published, or by writing to the VRS' Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

ii. 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 by the VRS HIC OPEB upon employment. This plan is administered by the Virginia Retirement System (the System), 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:

County’s VRS RETIREE HEALTH INSURANCE CREDIT PROGRAM PROVISIONS
<p>Eligible Employees</p> <p>The County VRS Retiree Health Insurance Credit Program was established July 1, 1993 for retired County employees of employers who elect the benefit and who retire with at least 15 years of service credit. Full-time permanent salaried employees of the County who are covered under the VRS pension plan are enrolled automatically upon employment.</p>
<p>Benefit Amounts</p> <p>The County’s VRS Retiree Health Insurance Credit Program provides the following benefits for eligible employees:</p> <ul style="list-style-type: none"> • <u>At Retirement</u> – 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. • <u>Disability Retirement</u> – For employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the monthly benefit is \$45.00 per month.
<p>County VRS Retiree Health Insurance Credit Program Notes:</p> <ul style="list-style-type: none"> • The monthly Health Insurance Credit benefit cannot exceed the individual premium amount. • 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. • 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.

County employees covered by benefit terms. As of the June 30, 2018 actuarial valuation, employees covered by the benefit terms of the VRS HIC OPEB Plan are displayed in Illustration 14-8.

Illustration 14-8 County's Virginia Retirement System Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB) Plan Plan Membership as of the Valuation Date of June 30, 2018	
Inactive plan members or their beneficiaries currently receiving benefits	1,010
Inactive members:	
Vested inactive members	-
Total inactive members	1,010
Active employees	3,725
Total covered members	4,735

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, 2020, was 0.18% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 \$498 and \$460 for the years ended June 30, 2020 and June 30, 2019, respectively.

County's Net VRS HIC OPEB Liability:

The County's net VRS HIC OPEB liability was measured as of June 30, 2019. The total VRS HIC OPEB liability was determined by an actuarial valuation performed as of June 30, 2018, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

County's actuarial assumptions. The total VRS HIC OPEB liability was based on actuarial valuations as of June 30, 2018, 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, 2019 as displayed in Illustration 14-9.

Illustration 14-9 County's Virginia Retirement System Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB) Plan Actuarial Methods and Assumptions	
Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.75% net investment expense, including inflation*
Inflation	2.50%
Healthcare Trend Rate	N/A - the benefit is not based on healthcare costs but rather on compensation
General Employees:	
Payroll Growth	3.50%-5.35%, includes inflation
Mortality	
Pre-Retirement	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.
<p>* Administrative expenses as a percent of the market 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.</p>	

The actuarial assumptions used in the June 30, 2018 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:

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 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			
Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS - Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP - Private Investment Partnership	3.00%	6.29%	0.19%
Total	<u>100.00%</u>		<u>5.13%</u>
	Inflation		<u>2.50%</u>
	*Expected arithmetic nominal return		<u>7.63%</u>

* The above allocation provides a one-year return of 7.63%. 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 VRS, 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%. 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.

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, 2019, 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, 2019 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, respectively.

County's Changes in Net VRS HIC OPEB Liability:

Illustration 14-11 presents the change in the net OPEB liability from June 30, 2018 to June 30, 2019, which is the measurement date for the fiscal year ended June 30, 2020.

Illustration 14-11			
County's Virginia Retirement System			
Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB) Plan			
Changes in Net OPEB Liability			
	Total OPEB Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net OPEB Liability
Balances on June 30, 2018 for FY 2019	\$ 7,508	3,648	3,860
Changes for the year:			
Service cost	177	-	177
Interest	509	-	509
Changes of assumptions	197	-	197
Differences between expected and actual experience	113	-	113
Contributions - employer	-	460	(460)
Net investment income	-	232	(232)
Benefit payments, including refund of employee contributions	(500)	(500)	-
Administrative expenses	-	(4)	4
Other costs	-	-	-
Net changes	496	188	308
Balances on June 30, 2019 for FY 2020	\$ 8,004	3,836	4,168

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, 2019, for the fiscal year ended June 30, 2020, using the discount rate of 6.75%, as well as the County's net OPEB liability calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

Illustration 14-12			
County's Virginia Retirement System – Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB)			
Plan Sensitivity of Net OPEB Liability Discount Rate			
Fiscal Year Ending:	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.00% Increase (7.75%)
June 30, 2020	\$ 5,041	4,168	3,426

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, 2020, the County recognized VRS HIC OPEB expense of \$440. On June 30, 2020, 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.

Illustration 14-13		
County’s Virginia Retirement System		
Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB) Plan		
Deferred Outflows and (Inflows) of Resources		
June 30, 2020		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 146	-
Change in actuarial assumptions	171	91
Net difference between projected and actual earnings on OPEB plan investments	-	44
Employer contributions subsequent to the measurement date	498	-
Total	\$ 815	135

\$498 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, 2021. 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.

Illustration 14-14		
County’s Virginia Retirement System – Retiree Health Insurance Credit (HIC) Program Other Post-Employment Benefits (OPEB)		
Plan Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal year ended June 30,		
2021	\$	4
2022		4
2023		32
2024		33
2025		33
Thereafter		76
Total	\$	182

County’s VRS HIC fiduciary net position. Detailed information about the VRS Retiree Health Insurance Credit’s Fiduciary Net Position is available in the separately issued VRS 2020 Comprehensive Annual Financial Report (CAFR), which can be downloaded from the VRS website at <https://employers.varetire.org/publications/> when it’s published, 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, 2020:

Illustration 14-15 is a summary of the Statement of Fiduciary Net Position of the Master Trust Fund Plans. See the preceding discussion for further information on each plan.

Illustration 14-15					
Prince William County – OPEB Master Trust Fund Statement of Fiduciary Net Positions					
June 30, 2020					
	County Premium Plan	County RHICP	LODA Plan	School Board Premium Plan	Total OPEB Master Trust Fund
Assets:					
Restricted investments	\$ 20,459	21,048	17,164	41,610	100,281
Total assets	<u>20,459</u>	<u>21,048</u>	<u>17,164</u>	<u>41,610</u>	<u>100,281</u>
Liabilities:					
Accounts payable	2,295	2,069	504	7	4,875
Total liabilities	<u>2,295</u>	<u>2,069</u>	<u>504</u>	<u>7</u>	<u>4,875</u>
Net position:					
Net position restricted for OPEB	18,164	18,979	16,660	41,603	95,406
Total net position	<u>\$ 18,164</u>	<u>18,979</u>	<u>16,660</u>	<u>41,603</u>	<u>95,406</u>

Illustration 14-16 is a summary of the Statement of Changes in Fiduciary Net Position of the Master Trust Fund Plans.

Illustration 14-16					
Prince William County – OPEB Master Trust Fund Statement of Changes in Fiduciary Net Position					
For the year ended June 30, 2020					
	County Premium Plan	County RHICP	LODA Plan	School Board Premium Plan	Total OPEB Master Trust Fund
Additions:					
Employer contributions	\$ 1,428	2,091	1,788	1,800	7,107
Total contributions	1,428	2,091	1,788	1,800	7,107
Investment income:					
Total investment income	1,354	1,088	1,179	2,569	6,190
Less: investment expense	(41)	(34)	(35)	(75)	(185)
Net investment income	1,313	1,054	1,144	2,494	6,005
Total additions	2,741	3,145	2,932	4,294	13,112
Deductions:					
Benefit payments	2,097	2,047	763	-	4,907
Administrative expenses	-	-	-	15	15
Total deductions	2,097	2,047	763	15	4,922
Change in net position:	644	1,098	2,169	4,279	8,190
Net position, beginning of year	17,520	17,881	14,491	37,324	87,216
Net position, end of year	\$ 18,164	18,979	16,660	41,603	95,406

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.

Illustration 14-17			
Prince William County – OPEB Master Trust Fund			
Long-Term Expected Rate of Return			
Asset Class	Target Allocation	Capital Market Assumptions	Expected Long-term Rate of Return
OPEB Master Trust Fund Investments:			
Domestic Equity	40.0%	7.4%	4.9%
International Equity	15.0%	7.3%	4.8%
International Emerging Markets Equity	5.0%	7.4%	4.9%
Core Fixed	20.0%	4.9%	2.4%
Investment Grade Corporate Debt	10.0%	5.8%	2.2%
Emerging Markets Debt	5.0%	6.5%	4.0%
High Yield	5.0%	6.4%	3.9%
	<u>100.0%</u>		
		Inflation	2.5%
		Long-Term Expected Rate of Return	<u>7.0%</u>

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 6.528% The money-weighted rate of return expresses investment performance, net of investment expenses, and adjusted for the changing amounts actually invested.

i. **Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)**

Plan Activity for the Fiscal Year Ending June 30, 2020:

Illustration 14-18 is a summary of the Statement of Fiduciary Net Position of the County Premium Plan.

Illustration 14-18 Prince William County - Other Post-Employment Benefits (OPEB) Premium Plan Trust Fund Statement of Fiduciary Net Position June 30, 2020	
Assets:	
Restricted investments	\$ 20,459
Total assets	<u>\$ 20,459</u>
Liabilities:	
Accounts payable	\$ 2,295
Total liabilities	<u>\$ 2,295</u>
Net position:	
Net position restricted for OPEB	\$ 18,164
Total net position	<u>\$ 18,164</u>

Illustration 14-19 is a summary of the Statement of Changes in Fiduciary Net Position of the County Premium Plan.

Illustration 14-19 Prince William County - Other Post-Employment Benefits (OPEB) Premium Plan Trust Fund Statement of Changes Fiduciary Net Position For the year ended June 30, 2020	
Additions:	
Employer contributions	\$ 1,428
Total contributions	<u>1,428</u>
Investment income:	
Total investment income	1,354
Less: investment expense	<u>(41)</u>
Net investment income	1,313
Total additions	<u>2,741</u>
Deductions:	
Benefit payments	<u>2,097</u>
Total deductions	<u>2,097</u>
Change in net position:	
Net position, beginning of year	<u>644</u>
Net position, end of year	<u>\$ 17,520</u>
Net position, end of year	<u>\$ 18,164</u>

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 14-20 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 14-20	
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	<u>3,572</u>

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 \$1,428 to the OPEB Master Trust’s County Premium Plan for the year ended June 30, 2020. The contribution amounts were determined using the actuarial valuations performed as of January 1, 2020 and valuation rolled forward to June 30, 2020. 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, 2020. 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, 2020.

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 14-21, applied to all periods included in the measurement year and rolled forward to the measurement date of June 30, 2020.

Illustration 14-21	
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	18 years, closed
Asset Valuation Method	Fair Market 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 7.0%. 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, 2020 are shown in Illustration 14-22.

Illustration 14-22				
Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)				
Net OPEB Liability				
Fiscal Year Ending	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Net Position as % of Total OPEB Liability
June 30, 2020	\$ 25,390	18,164	7,226	71.54%

County's Changes in Net OPEB Liability:

Illustration 14-23 presents the changes in net pension liability from June 30, 2019 to June 30, 2020.

Illustration 14-23			
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, 2019	\$ 25,053	17,520	7,533
Changes for the year:			
Service cost	1,163	-	1,163
Interest	1,705	-	1,705
Differences between expected and actual experience	1,230	-	1,230
Changes in assumptions	(1,664)	-	(1,664)
Contributions - employer	-	1,428	(1,428)
Net investment income	-	1,313	(1,313)
Benefit payments, including refund of employee contributions	(2,097)	(2,097)	-
Administrative expenses	-	-	-
Net changes	337	644	(307)
Balances on June 30, 2020	\$ 25,390	18,164	7,226

Sensitivity of the County's net OPEB liability to changes in the discount rate. Illustration 14-24 presents the net OPEB liability of the County Premium Plan using the discount rate of 7.0%, as well as the net OPEB liability calculated using a discount rate that is one percentage point lower (6.0%) and one percentage point higher (8.0%) than the current rate.

Illustration 14-24			
Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)			
Sensitivity of Net OPEB Liability to Changes in the Discount Rate			
	1.0% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
County's net OPEB liability	\$ 9,696	7,226	5,030

Sensitivity of the County's net pension liability to changes in the healthcare cost trend rate. Illustration 14-25 presents the net OPEB liability of the County Premium Plan using the current Healthcare Cost Trend Rate of 4.7% base with an 4.0% ultimate pre-Medicare coverage and it is not applicable to post-Medicare coverage as well as the net OPEB liability calculated using a healthcare cost trend rate that is one percentage point lower (3.0%) and one percentage point higher (5.0%) than the current rate.

Illustration 14-25			
Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)			
Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate			
	1.0% Decrease (3.0%)	Current Discount Rate (4.0%)	1.00% Increase (5.0%)
County's net OPEB liability	\$ 4,422	7,226	10,842

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 Premium Plan recognized OPEB expense of \$902. On June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources presented in Illustration 14-26.

Illustration 14-26			
Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan) Deferred Outflows and (Inflows) of Resources			
June 30, 2020			
		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	1,076	2,823
Change in actuarial assumptions		-	1,724
Net difference between projected and actual earnings on OPEB plan investments		-	362
Total	\$	1,076	4,909

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 14-27.

Illustration 14-27		
Prince William County Post-Retirement Medical Benefits Premium Plan (County Premium Plan)		
Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal year ended June 30,		
2021	\$	(806)
2022		(806)
2023		(733)
2024		(702)
2025		(672)
Thereafter		(114)
Total	\$	(3,833)

ii. **Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Plan**

Plan Activity for the Fiscal Year Ending June 30, 2020:

Illustration 14-28 is a summary of the Statement of Fiduciary Net Position of the County RHICP.

Illustration 14-28	
Prince William County - Other Post-Employment Benefits (OPEB) Retiree Health Insurance Credit (County RHICP) Plan	
Statement of Fiduciary Net Position	
June 30, 2020	
Assets:	
Restricted investments	\$ 21,048
Total assets	<u>21,048</u>
Liabilities:	
Accounts payable	2,069
Total liabilities	<u>2,069</u>
Net position:	
Net position restricted for OPEB	18,979
Total net position	<u>\$ 18,979</u>

Illustration 14-29 is a summary of the Statement of Changes in Fiduciary Net Position of the County RHICP.

Illustration 14-29	
Prince William County - Other Post-Employment Benefits (OPEB) Retiree Health Insurance Credit (County RHICP) Plan	
Statement of Changes Fiduciary Net Position	
For the year ended June 30, 2020	
Additions:	
Employer contributions	\$ 2,091
Total contributions	<u>2,091</u>
Investment income:	
Total investment income	1,088
Less: investment expense	(34)
Net investment income	<u>1,054</u>
Total additions	<u>3,145</u>
Deductions:	
Benefit payments	2,047
Total deductions	<u>2,047</u>
Change in net position:	
Net position, beginning of year	17,881
Net position, end of year	<u>\$ 18,979</u>

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 14-30 summarizes the membership in the County RHICP as of January 1, 2020 the latest actuarial valuations for the County.

Illustration 14-30 Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Plan Membership as of the Valuation Date of January 1, 2020	
Active employees	4,181
Inactive members receiving benefits	1,255
Total covered members	<u>5,436</u>

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 \$2,091 to the County RHICP for the year ended June 30, 2020. The contribution amounts were determined using the actuarial valuations performed as of January 1, 2020 and rolled forward to June 30, 2020. 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, 2020. 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, 2020.

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 14-31, applied to all periods included in the measurement year and rolled forward to the measurement date of June 30, 2020.

Illustration 14-31	
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 Market 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, 2020.

County’s discount rate. The discount rate used to measure the total OPEB liability for the County’s RHICP was 7.0%. 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 14-32.

Illustration 14-32					
Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Plan					
Net OPEB Liability					
Fiscal Year Ending		Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Net Position as % of Total OPEB Liability
June 30, 2020	\$	37,323	18,979	18,344	50.85%

County's Changes in Net OPEB Liability:

Illustration 14-33 presents the changes in net pension liability from June 30, 2019 to June 30, 2020.

Illustration 14-33			
Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Plan			
Changes in Net OPEB Liability			
	Total OPEB Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net OPEB Liability
Balances on June 30, 2019	\$ 35,949	17,881	18,068
Changes for the year:			
Service cost	744	-	744
Interest	2,443	-	2,443
Differences between expected and actual experience	874	-	874
Changes in assumptions	(640)	-	(640)
Contributions - employer	-	2,091	(2,091)
Net investment income	-	1,054	(1,054)
Benefit payments, including refund of employee contributions	(2,047)	(2,047)	-
Administrative expenses	-	-	-
Net changes	1,374	1,098	276
Balances on June 30, 2020	\$ 37,323	18,979	18,344

Sensitivity of the County's net OPEB liability to changes in the discount rate. Illustration 14-34 presents the net OPEB liability of the County using the discount rate of 7.0%, as well as the County's net OPEB liability calculated using a discount rate that is one percentage point lower (6.0%) and one percentage point higher (8.0%) than the current rate.

Illustration 14-34			
Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (RHICP) Plan			
Sensitivity of Net OPEB Liability to Changes in the Discount Rate			
	1.0% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
County's net OPEB liability	\$ 22,664	18,344	14,708

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, 2020, the County recognized OPEB expense of \$1,955. On June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources displayed in Illustration 14-35.

Illustration 14-35		
Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (RHICP) Plan		
Deferred Outflows and (Inflows) of Resources		
June 30, 2020		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 765	192
Change in actuarial assumptions	-	837
Net difference between projected and actual earnings on OPEB plan investments	189	-
Total	\$ 954	1,029

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 14-36.

Illustration 14-36		
Prince William County Post-Retirement Medical Benefits Retiree Health Insurance Credit (County RHICP) Plan		
Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal year ended June 30,		
2021	\$	(15)
2022		(15)
2023		(3)
2024		(31)
2025		(63)
Thereafter		52
Total	\$	(75)

iii. Prince William County Line of Duty Act (LODA) Plan

Plan Activity for the Fiscal Year Ending June 30, 2020:

Illustration 14-37 is a summary of the Statement of Fiduciary Net Position of the County LODA Plan.

Illustration 14-37	
Prince William County - Other Post-Employment Benefits (OPEB) Line of Duty Act (LODA) Plan	
Statement of Fiduciary Net Position	
June 30, 2020	
Assets:	
Restricted investments	\$ 17,164
Total assets	<u>17,164</u>
Liabilities:	
Accounts payable	504
Total liabilities	<u>504</u>
Net position:	
Net position restricted for OPEB	16,660
Total net position	<u>\$ 16,660</u>

Illustration 14-38 is a summary of the Statement of Changes in Fiduciary Net Position of the County LODA Plan.

Illustration 14-38	
Prince William County - Other Post-Employment Benefits (OPEB) Line of Duty Act (LODA) Plan	
Statement of Changes Fiduciary Net Position	
For the year ended June 30, 2020	
Additions:	
Employer contributions	\$ 1,788
Total contributions	<u>1,788</u>
Investment income:	
Total investment income	1,179
Less: investment expense	(35)
Net investment income	<u>1,144</u>
Total additions	<u>2,932</u>
Deductions:	
Benefit payments	763
Total deductions	<u>763</u>
Change in net position:	
Net position, beginning of year	14,491
Net position, end of year	<u>\$ 16,660</u>

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, 2018 the latest actuarial valuations for the County.

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.

Illustration 14-39	
Prince William County Line of Duty Act (LODA) Plan	
Plan Membership as of the Valuation Date of January 1, 2020	
Active employees	2,322
Inactive members receiving benefits	<u>42</u>
Total covered members	<u><u>2,364</u></u>

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 \$1,788 to the LODA Plan for the year ended June 30, 2020. The contribution amounts were determined using the actuarial valuations performed as of January 1, 2020 and valuation rolled forward to June 30, 2020. 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, 2020. 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, 2020.

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 14-40, applied to all periods included in the measurement year and rolled forward to the measurement date of June 30, 2020.

Illustration 14-40	
Prince William County Line of Duty Act (LODA) 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 Market 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, 2020.

County’s discount rate. The discount rate used to measure the total OPEB liability for the County’s Premium Plan was 7.0%. 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. Illustration 14-41 shows the net OPEB liability for the OPEB Master Trust’s County LODA Plan was measured as of June 30, 2020.

Illustration 14-41				
Prince William County Line of Duty Act (LODA) Plan				
Net OPEB Liability				
Fiscal Year Ending	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Net Position as % of Total OPEB Liability
June 30, 2020	\$ 15,873	16,660	(787)	104.96%

County's Changes in Net OPEB Liability:

Illustration 14-42 presents the changes in net pension liability from June 30, 2019 to June 30, 2020.

Illustration 14-42 Prince William County Line of Duty Act (LODA) Plan Changes in Net OPEB Liability				
		Total OPEB Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net OPEB Liability (Asset)
Balances on June 30, 2019	\$	20,013	14,491	5,522
Changes for the year:				
Service cost		1,113	-	1,113
Interest		1,367	-	1,367
Differences between expected and actual experience		(5,869)	-	(5,869)
Changes in assumptions		12	-	12
Contributions - employer		-	1,788	(1,788)
Net investment income		-	1,144	(1,144)
Benefit payments, including refund of employee contributions		(763)	(763)	-
Administrative expenses		-	-	-
Net changes		(4,140)	2,169	(6,309)
Balances on June 30, 2020	\$	15,873	16,660	(787)

Sensitivity of the County's net OPEB liability to changes in the discount rate. Illustration 14-43 presents the net OPEB liability (asset) of the County LODA Plan using the discount rate of 7.0%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate.

Illustration 14-43 Prince William County Line of Duty Act (LODA) Plan Sensitivity of Net OPEB Liability to Changes in the Discount Rate				
		1.0% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
County's net OPEB liability	\$	833	(787)	(2,189)

Sensitivity of the County's net OPEB liability to changes in the discount rate. Illustration 14-44 presents the net OPEB liability (asset) of the County LODA plan using the current Healthcare Cost Trend Rate of 4.7% base with 4.0% 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 (3.0%) and one percentage point higher (5.0%) than the current rate.

Illustration 14-44 Prince William County Line of Duty Act (LODA) Plan Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate				
		1.0% Decrease (3.0%)	Current Discount Rate (4.0%)	1.00% Increase (5.0%)
County's net OPEB liability	\$	(2,992)	(787)	1,866

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 \$1,059. On June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the sources displayed in Illustration 14-45.

Illustration 14-45		
Prince William County Line of Duty Act (LODA) Plan - Deferred Outflows and (Inflows) of Resources		
June 30, 2020		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 680	5,537
Change in actuarial assumptions	1,282	-
Net difference between projected and actual earnings on OPEB plan investments	-	321
Total	\$ 1,962	5,858

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 14-46.

Illustration 14-46		
Prince William County Line of Duty Act (LODA) Plan		
Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal year ended June 30,		
2021	\$	(406)
2022		(406)
2023		(344)
2024		(313)
2025		(287)
Thereafter		(2,140)
Total	\$	(3,896)

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, related deferred outflows of resources and deferred inflows of resources, and OPEB expense for the County's OPEB plans are summarized in Illustration 14-47 below.

Illustration 14-47				
Prince William County School Board's (Schools) Other Post-Employment Benefit (OPEB) Plans				
Net OPEB Liability and Related Amounts				
	Net OPEB Liability	Deferred Outflow of Resources	Deferred Inflows of Resources	OPEB Expense
VRS Group Life Insurance Program	\$ 51,342	11,074	3,523	1,407
VRS Health Insurance Credit				
Non-Professional Group	773	183	122	89
Professional Group	86,886	10,875	1,850	7,368
Total VRS Health Insurance Credit	<u>139,001</u>	<u>22,132</u>	<u>5,495</u>	<u>8,864</u>
School Board Premium Plan	<u>20,352</u>	<u>5,130</u>	<u>13,485</u>	<u>1,575</u>
Total Schools' OPEB Plans	<u>\$ 159,353</u>	<u>27,262</u>	<u>18,980</u>	<u>10,439</u>

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

i. 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, 2020 was 0.21% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 \$129 and \$124 for the years ended June 30, 2020 and June 30, 2019, 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, 2020 was 1.20% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 \$7,134 and \$6,678 for the years ended June 30, 2020 and June 30, 2019, 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, 2020, the professional group reported a liability of \$86,886 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, 2019 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, 2018 and rolled forward to the measurement date of June 30, 2019. 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, 2019 relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2019, Schools' proportion of the VRS HIC program for professional group was 6.64% as compared to 6.70% on June 30, 2018.

The non-professional HIC program OPEB liability was measured as of June 30, 2019. 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, 2018, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2019.

Schools' Changes in Net HIC OPEB Liability – Non-Professional Group

Illustration 14-48 present the change in the net OPEB liability from June 30, 2018 to June 30, 2019, which is the measurement date for June 30, 2020.

Illustration 14-48

School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan

Non-Professional Groups Changes in Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net OPEB Liability
Balances on June 30, 2018 for FY 2019	\$ 2,331	1,590	741
Changes for the year:			
Service cost	64	-	64
Interest	160	-	160
Changes of assumptions	64	-	64
Differences between expected and actual experience	(32)	-	(32)
Contributions - employer	-	124	(124)
Net investment income	-	103	(103)
Benefit payments, including refund of employee contributions	(105)	(105)	-
Administrative expenses	-	(3)	3
Other costs	-	-	-
Net changes	151	119	32
Balances on June 30, 2019 for FY 2020	\$ 2,482	1,709	773

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

Illustration 14-49 presents the VRS HIC program net OPEB liability of the non-professional group measured as of June 30, 2019, for the fiscal year ended June 30, 2020, 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 14-49

**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**

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Proportionate share of the VRS HIC OPEB Plan Net HIC OPEB Liability - Non-Professional Group	\$ 1,057	773	532

Illustration 14-50 present the professional’s group proportionate share of the VRS HIC program net liability measured as of June 30, 2019, for the fiscal year ended June 30, 2020, using the discount rate of 6.75%, as well as the professional group’s proportionate share of the net HIC OPEB liability calculated using a discount rate that is one percentage point lower (5.75%) and one percentage point higher (7.75%) than the current rate.

Illustration 14-50			
School Board’s (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Professional Groups Sensitivity of Net OPEB Liability to Changes in the Discount Rate			
	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Proportionate share of the VRS HIC OPEB Plan Net HIC OPEB Liability - Professional Group	\$ 97,240	86,886	78,090

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, 2020, Schools recognized VRS HIC program OPEB expense of \$89 for the non-professional group. On June 30, 2020, 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 14-51.

Illustration 14-51		
School Board’s (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan –Non-Professional Groups Deferred Outflows and (Inflows) of Resources June 30, 2020		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	67
Change in actuarial assumptions	54	38
Net difference between projected and actual earnings on OPEB plan investments	-	17
Employer contributions subsequent to the measurement date	129	-
Total	\$ 183	122

\$129 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, 2021. 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 14-52.

Illustration 14-52		
School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Non-Professional Groups		
Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal year ended June 30,		
2021	\$	(25)
2022		(25)
2023		(13)
2024		(8)
2025		1
Thereafter		2
Total	\$	<u>(68)</u>

Professional Group

For the year ended June 30, 2019, Schools recognized VRS HIC program OPEB expense of \$7,368 for the professional group.

On June 30, 2020, 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 14-53.

Illustration 14-53		
School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Professional Groups Deferred		
Outflows and (Inflows) of Resources		
June 30, 2020		
	Deferred	Deferred
	Outflows of	Inflows of
	Resources	Resources
Differences between expected and actual experience	\$ -	492
Change in actuarial assumptions	2,022	604
Net difference between projected and actual earnings on OPEB plan investments	5	-
Employer contributions and proportionate share of Contributions	1,714	754
Employer contributions subsequent to the measurement date	7,134	-
Total	\$ <u>10,875</u>	<u>1,850</u>

\$7,134 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, 2021. 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 14-54.

Illustration 14-54	
School Board's (Schools) Virginia Retirement System (VRS) – Health Insurance Credit (HIC) Plan – Professional Groups	
Amortization of Deferred Outflows and (Inflows) of Resources	
Fiscal year ended June 30,	
2021	\$ 300
2022	300
2023	338
2024	325
2025	303
Thereafter	325
Total	\$ <u>1,891</u>

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 Comprehensive Annual Financial Report (CAFR), which can be download from their website at <https://employers.varetire.org/publications>, or by writing to the VRS' Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

ii. 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 by statute in 2015. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8.463.

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 1.31% of covered employee compensation. This was allocated into an employee and employer component using a 60/40 split. The employee component was 0.79% (1.3% x 60%) and the employer component was 0.52% (1.3% 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, 2020 was 0.52% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. 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 \$3,423 and \$3,215 for the years ended June 30, 2020 and June 30, 2019, 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, 2020, Schools reported a liability of \$51,342 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2019 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, 2018 and rolled forward to the measurement date of June 30, 2019. 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, 2019, relative to the total of the actuarially determined employer contributions for all participating employers. On June 30, 2019, Schools' proportion for the professional and non-professional groups, respectively, was 2.85% and 0.30% as compared to 2.87% and 0.31% on June 30, 2018.

For the year ended June 30, 2020, Schools recognized GLI OPEB expense of \$1,407. 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, 2020, Schools reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources displayed in Illustration 14-55.

Illustration 14-55
School Board's (Schools) Virginia Retirement System (VRS) – Group Life Insurance (GLI) Plan
Deferred Outflows and (Inflows) of Resources
June 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,414	666
Change in actuarial assumptions	3,242	1,549
Net difference between projected and actual earnings on OPEB plan investments	-	1,055
Change in proportion and differences between employer contributions and proportionate share of contributions	995	253
Employer contributions subsequent to the measurement date	3,423	-
Total	\$ 11,074	3,523

\$3,423 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, 2021. 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 14-56.

Illustration 14-56		
School Board's (Schools) Virginia Retirement System (VRS) – Group Life Insurance (GLI) Plan		
Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal year ended June 30,		
2021	\$	402
2022		402
2023		849
2024		1,155
2025		1,041
Thereafter		279
Total	\$	<u>4,128</u>

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 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 14-57 and 14-58.

Illustration 14-57			
School Board's (Schools) Virginia Retirement System (VRS) – Group Life Insurance (GLI) Plan			
Sensitivity of Net OPEB Liability to Changes in the Discount Rate			
	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Proportionate share of the VRS HIC OPEB Plan Net – GLI OPEB Liability - Non-Professional Group	\$ <u>6,464</u>	<u>4,921</u>	<u>3,669</u>

Illustration 14-58			
School Board's (Schools) Virginia Retirement System (VRS) – Group Life Insurance (GLI) Plan			
Sensitivity of Net OPEB Liability to Changes in the Discount Rate			
	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Proportionate share of the VRS HIC OPEB Plan Net – GLI OPEB Liability - Professional Group	\$ <u>60,984</u>	<u>46,421</u>	<u>34,611</u>

Schools' VRS GLI Program Fiduciary Net Position

Detailed information about the Schools' VRS GLI program's Fiduciary Net Position is available in the separately issued VRS Comprehensive Annual Financial Report (CAFR), which can be downloaded from their website at <https://employers.varetire.org/publications/> when it's published, or by writing to the VRS' Chief Financial Officer at P.O. Box 2500, Richmond, Virginia 23218-2500.

C. 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, 2020:

Illustration 14-59 is a summary of the Statement of Fiduciary Net Position of the OPEB Master Trust Related to the Schools Premium Plan.

Illustration 14-59 School Board (Schools) Other Post-Employment Benefits (OPEB) Trust Fund – School Board Premium Plan Statement of Fiduciary Net Position June 30, 2020		
Assets:		
Restricted investments	\$	41,610
Total assets		<u>41,610</u>
Liabilities:		
Accounts payable		<u>7</u>
Total liabilities		<u>7</u>
Net position:		
Net position restricted for OPEB		<u>41,603</u>
Total net position	\$	<u><u>41,603</u></u>

Illustration 14-60 is a summary of the Statement of Changes in Fiduciary Net Position of the OPEB Master Trust related to the Schools Premium Plan.

Illustration 14-60	
School Board (Schools) Other Post-Employment Benefits (OPEB) Trust Fund – School Board Premium Plan	
Statement of Changes Fiduciary Net Position	
For the year ended June 30, 2020	
Additions:	
Employer contributions	\$ 1,800
Total contributions	<u>1,800</u>
Investment income:	
Total investment income	<u>2,569</u>
Less: investment expense	<u>(75)</u>
Net investment income	<u>2,494</u>
Total additions	<u>4,294</u>
Deductions:	
Administrative expenses	<u>15</u>
Total deductions	<u>15</u>
Change in net position:	<u>4,279</u>
Net position, beginning of year	<u>37,324</u>
Net position, end of year	<u>\$ 41,603</u>

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 CAFR 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 by download from their website at <https://www.pwccgov.org/government/dept/finance/Pages/Finance-and-Revenue-Publications.aspx>.

All OPEB Master Trust Plans' assets are commingled for investment purposes. Please refer to discussion in Footnote Disclosure 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, 2020, was \$3,045. This rate was based on an actuarially determined rate from an actuarial valuation as of July 1, 2020. 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, 2020, and June 30, 2019, respectively. Additional information about Schools net benefits paid for the year ended June 30, 2020 are in Illustration 14-16.

Schools' Net OPEB Liability

Schools' net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020.

Illustration 14-61					
School Board (Schools) Other Post-Employment Benefits (OPEB) Master Trust Fund Plans – School Board Premium Plan					
Net OPEB Liability (Asset)					
Fiscal Year Ending		Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)	Net Position as % of Total OPEB Liability
June 30, 2020	\$	38,601	41,603	(3,002)	107.8%

Sensitivity of Schools’ Net OPEB Liability to Changes in the Discount Rate

Illustration 14-62 represents the net OPEB liability measured calculated using a discount rate of 7.0%, as well as what the net OPEB liability would be if it were calculated using a discount rate one percentage point lower (6.0%) and one percentage point higher (8.0%) than the current rate.

Illustration 14-62				
School Board (Schools) Other Post-Employment Benefits (OPEB) Master Trust Fund Plans – School Board Premium Plan				
Sensitivity of Net OPEB Liability (Asset) to Changes in the Discount Rate				
		1.0% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
Net OPEB Liability (Asset)	\$	(182)	(3,002)	(5,595)

Sensitivity of Schools’ Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

Illustration 14-63 represents the total and net OPEB liability calculated using the stated health care cost trend assumption, as well as the OPEB liability calculated using a healthcare cost trend rate of 4.0%, as well as what the net OPEB liability would be if it were calculated using a discount rate one percentage point lower (3.0%) or one percentage point higher (5.0%) than the assumed trend rate.

Illustration 14-63				
School Board (Schools) Other Post-Employment Benefits (OPEB) Master Trust Fund Plans – School Board Premium Plan				
Sensitivity of Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate				
		1.0% Decrease (3.0%)	Current Discount Rate (4.0%)	1.0% Increase (5.0%)
Net OPEB Liability (Asset)	\$	(6,629)	(3,002)	1,217

A. 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, 2018 (valuation date), the following employees were covered by the benefit terms displayed in Illustration 14-64.

Illustration 14-64 Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan Plan Membership as of the Valuation Date of July 1, 2018	
Active employees	6,750
Inactive members receiving benefits	242
Total covered members	<u>6,992</u>

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, 2020, plan members received \$5,712 in benefits and contributed \$2,667 in premiums, resulting in net benefits paid by Schools of \$3,045.

Schools' Actuarial Methods and Assumptions

Schools' total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement, unless otherwise specified in Illustration 14-65.

Illustration 14-65											
Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan											
Actuarial Methods and Assumptions											
Valuation date	July 1, 2018										
Measurement date	June 30, 2019										
Actuarial cost method	Entry Age Normal										
Asset valuation method	Market value of assets, assets were assumed to earn 7.0% per annum										
Payroll growth	3.0% per year-used in level percentage of pay amortization										
Subsidy rate	It is assumed that all retirees will receive a 30.0% subsidy. This is based on the average of all current subsidies, and not an actual subsidy option.										
Medical trend	The medical trend assumption is based on a model developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The SOA Model was released in October 2010 and updated in 2018. We have a blended medical trend rate of 2.0% based on the following baseline assumptions were used as input variables into a model: <table border="0" style="margin-left: 20px;"> <tr> <td>Rate of Inflation</td> <td style="text-align: right;">2.4%</td> </tr> <tr> <td>Rate of Growth in Real Income / GDP per capita</td> <td style="text-align: right;">1.5%</td> </tr> <tr> <td>Extra Trend due to Technology and other factors</td> <td style="text-align: right;">1.2%</td> </tr> <tr> <td>Health Share of GDP Resistance Point</td> <td style="text-align: right;">25.0%</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	2.4%	Rate of Growth in Real Income / GDP per capita	1.5%	Extra Trend due to Technology and other factors	1.2%	Health Share of GDP Resistance Point	25.0%	Year of Limiting Cost Growth to GDP Growth	2075
Rate of Inflation	2.4%										
Rate of Growth in Real Income / GDP per capita	1.5%										
Extra Trend due to Technology and other factors	1.2%										
Health Share of GDP Resistance Point	25.0%										
Year of Limiting Cost Growth to GDP Growth	2075										
Discount rate / Investment rate of return	7.0% per annum										
Coverage status and age of spouse	Active employees that currently have coverage: 35.0% are assumed to continue coverage in retirement. Females are assumed to be 3 years younger than male spouse. Of active employees electing retirement health coverage 25.0% are assumed to have spousal or family coverage. Of these 25.0% with spouse or family coverage, approximately 75.0% are assumed to have retiree and spouse and 25.0% have family coverage. Employees currently waiving coverage are assumed to continue to waive coverage in retirement.										
Professional / Non-Professional	It is assumed that 80% of actives are professionals and 20% are non-professionals. This is used to determine the subsidy, since the active subsidy is different for professionals and non-professionals.										
Amortization method	Unfunded (Surplus) liabilities are amortized using level percentage of projected pay.										
Amortization period	The amortization period is closed and equals 28 years as of June 30, 2019.										
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 2019 premium rates by the current enrollment. Gross claims are equal to the age adjusted assumed cost. The results were increased by a load of 1.37 so that the 2019 retiree portion of premiums would equal the expected FY 2019 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.

FYE 2019			
Total Costs (per annum)	Single	Family	
1. Assumed Costs (Explicit costs)			
a. Pre-medicare	\$8.1	\$19.1	
2. Total Medicare Costs (including prescription drugs)			
a. Under 50	\$10.4	\$24.5	
b. Age 50-54	\$12.7	\$29.8	
c. Age 55-59	\$14.8	\$35.0	
d. Age 60-64	\$17.9	\$42.2	

Schools' Net OPEB Liability

Schools' net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018.

Illustration 14-66					
Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan					
Net OPEB Liability					
Fiscal Year Ending		Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Net Position as % of Total OPEB Liability
June 30, 2020	\$	57,676	37,324	20,352	64.71%

Illustration 14-67 presents the change in net OPEB liability from June 30, 2018 to June 30, 2019, which is the measurement date for the fiscal year ended June 30, 2020.

Illustration 14-67			
Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan			
Changes in Net OPEB Liability			
	Total OPEB Liability	Plan Fiduciary Net Position - Increase (Decrease)	Net OPEB Liability
Balances on June 30, 2018 for FY 2019	\$ 54,820	33,278	21,542
Changes for the year:			
Service cost	2,801	-	2,801
Interest	3,709	-	3,709
Differences between expected and actual experience Contributions - employer	(594)	-	(594)
Net investment income	-	4,860	(4,860)
Benefit payments, including refund of employee contributions	-	2,248	(2,248)
Administrative expenses	(3,060)	(3,060)	-
	-	(2)	2
Net changes	2,856	4,046	(1,190)
Balances on June 30, 2019 for FY 2020	\$ 57,676	37,324	20,352

Sensitivity of Schools’ Net OPEB Liability to Changes in the Discount Rate

Illustration 14-68 represents the net OPEB liability measured as of June 30, 2019, for the fiscal year ended June 30, 2020, using the discount rate of 7.0%, as well as the net OPEB liability calculated using a discount rate that is one percentage point lower (6.0%) and one percentage point higher (8.0%) than the current rate.

Illustration 14-68			
Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan			
Sensitivity of Net OPEB Liability to Changes in the Discount Rate			
	1.0% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
Net OPEB Liability	\$ 25,333	20,352	15,843

Sensitivity of Schools' Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

Illustration 14-69 represents the total and net OPEB liability calculated using the stated health care cost trend assumption, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (2.8%) or one percentage point higher (4.8%) than the assumed trend rate.

Illustration 14-69 Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate				
		1.0% Decrease (2.8%)	Current Discount Rate (3.8%)	1.00% Increase (4.8%)
Net OPEB Liability	\$	<u>13,774</u>	20,352	<u>28,124</u>

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

For the year ended June 30, 2020, Schools recognized OPEB expense of \$1,575. On June 30, 2020, Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources displayed in Illustration 14-70.

Illustration 14-70 Prince William County School Board (Schools) – Retiree Health Insurance Premium Deferred Outflows and (Inflows) of Resources June 30, 2020			
		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	-	13,485
Net difference between projected and actual earnings on OPEB plan investments		285	-
Employer contributions subsequent to the measurement date		<u>4,845</u>	-
Total	\$	<u>5,130</u>	<u>13,485</u>

\$4,845 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense per Illustration 14-71.

Illustration 14-71 Prince William County School Board (Schools) – Retiree Health Insurance Premium Plan Amortization of Deferred Outflows and (Inflows) of Resources		
Fiscal year ended June 30,		
2021	\$	(2,545)
2022		(2,545)
2023		(2,693)
2024		(2,652)
2025		(2,680)
Thereafter		<u>(85)</u>
Total	\$	<u>(13,200)</u>

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 liabilities 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 \$50,503 for claims and administration in fiscal year 2020.

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 2020, 2019 and 2018, 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, 2017	\$ 178	467	16,869	4,695
Total claims incurred, fiscal year 2018	213	474	2,389	38,811
Total claims paid, fiscal year 2018	(117)	(355)	(3,441)	(38,802)
Unpaid claims June 30, 2018	274	586	15,817	4,704
Total claims incurred, fiscal year 2019	69	790	1,902	43,671
Total claims paid, fiscal year 2019	(75)	(629)	(2,459)	(43,956)
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

*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 \$33 and \$0 respectively on June 30, 2020.

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, 2020, is \$11,232. 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 \$352 and \$120 for the County's portion of operating expenses as of June 30, 2020. See Illustration 17-1 for future long-term obligations regarding County payments to cover the 2015 Series Bonds debt service.

Illustration 17-1		
County's Share of NVCJTA Debt Service Requirements		
Fiscal year Ending June 30:		
2021	\$	344
2022		337
2023		330
2024		323
2025		316
2026		292
Total	\$	1,942

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://thenovaauthority.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, 2020, the outstanding balance on the capitalized lease was approximately \$8,542

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, 2020, was \$42,120.

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 \$6,098 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, which continues to spread throughout the United States and world today. The pandemic has adversely impacted national and global commercial activity, supply chain disruptions, an economic downturn, disrupted many industries, and increased the volatility and decline national and global financial markets. Local governments, like the County, are having to respond in ways we have never had to before. The pandemic could potentially have a material, adverse impact on economic and market conditions and trigger a period of national and global economic shutdown.

Local governments, like the County, are faced with an unprecedented response effort. On March 8, 2020, the County Executive activated its Emergency Operations Center (EOC) to respond to the pandemic and place the County in a flexible position to scale up services and operations as necessary and appropriate. On March 31, 2020, the Board of County Supervisors ratified and confirmed the actions of the County Executive. 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.

NOTE (20) – SUBSEQUENT EVENTS

Land Purchases:

On August 4, 2020, the Board of County Supervisors approved Resolution No. 20-586 authorizing the purchase of 55 acres of land at 14220 Van Doren Road for \$1,800. The County anticipates settlement by June 30, 2021.

On December 8, 2020, the Board of County Supervisors approved Resolution No. 20-819 authorizing the purchase and settlement of 0.0664 acres at 14109 Jefferson Davis Highway for \$1,275. The County anticipates settlement by July 2021.

Land Sales:

On July 14, 2020, the Board of County Supervisors approved Resolution No. 20-504 authorizing the sale of approximately 8.55 acres of County-owned property located at 9665 Discovery Boulevard for a sales price of \$2,234. The County anticipates settlement by May 31, 2021.

On July 14, 2020, the Board of County Supervisors approved Resolution No. 20-505 authorizing the amended sale of approximately 23.7 acres of County-owned property at 11100 University Boulevard for a sales price of \$5,171. The County anticipates settlement no later than April 30, 2021.

On October 6, 2020, the Board of County Supervisors approved Resolution No. 20-687 authorizing the amended sale of approximately 8.415 acres of County-owned property at 9601 Discovery Boulevard for a sale price of \$2,199. The County anticipates settlement no later than September 30, 2021.

Bonds:

On October 15, 2020, the County sold the VPSA Special Obligation School Financing Bonds, Series 2020, in the par amount of \$106,510 with a true interest cost of 1.43%. The sale of the bonds was approved by the Board on September 22, 2020 by Resolution Number 20-645. The proceeds of the bonds 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. The proceeds of the bonds 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, proceeds also refunded the remaining \$5.4M balance of the Park Facilities County Contribution Revenue Bonds, Series 2010 to achieve interest savings. Payments due under the terms of the Installment Purchase Contract are subject to annual appropriation. The County has assumed all responsibilities for continuing disclosure.

On December 15, 2020, the Board of County Supervisors approved Resolution No. 20-841 to agree to a moral obligation pledge for the County's proportionate share of Stafford Regional Airport Authority (Airport) financing of \$790. The Support Agreement limits the County's contribution to 29% of the Airport's debt service obligation.

Investment Policy:

On December 15, 2020, the Board of County Supervisors amended the County's general pool investment policy adjusting the minimum/maximum limits for specific asset class categories.

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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 Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
BUDGETARY REVENUES:				
FROM LOCAL SOURCES:				
GENERAL PROPERTY TAXES:				
Real property taxes	\$ 671,478	671,478	675,922	4,444
Real and personal property taxes of public service corporations	20,956	20,956	21,241	285
Personal property taxes	204,706	150,418	153,822	3,404
Penalties and interest	8,264	8,264	8,090	(174)
Total general property taxes	905,404	851,116	859,075	7,959
OTHER LOCAL TAXES:				
Short term rental taxes	509	509	589	80
Local sales taxes	68,176	68,176	72,341	4,165
Consumer's utility taxes	14,590	14,590	14,408	(182)
Bank stock taxes	1,500	1,500	1,816	316
Motor vehicle license taxes	9,400	9,400	9,086	(314)
Recordation taxes	10,125	10,125	13,016	2,891
Business, professional and occupational license taxes	28,000	28,000	28,236	236
Public utility gross receipts taxes	1,414	1,414	1,600	186
Transient occupancy taxes	4,188	4,188	3,336	(852)
Total other local taxes	137,902	137,902	144,428	6,526
PERMITS, PRIVILEGE FEES AND REGULATORY LICENSES:				
Animal licenses	141	246	223	(23)
Fire protection permits	1,481	141	151	10
Health protection permits	177	177	186	9
Cable franchise fees	1,481	1,481	1,307	(174)
Permits and other licenses	71	71	115	44
Total permits, privilege fees and regulatory licenses	3,351	2,116	1,982	(134)
FINES AND FORFEITURES:				
	3,121	3,121	2,705	(416)
FROM USE OF MONEY AND PROPERTY:				
Use of money	13,772	6,423	6,402	(21)
Use of property	822	822	1,030	208
Total revenues from use of money and property	14,594	7,245	7,432	187
CHARGES FOR SERVICES:				
Court costs	1,961	1,961	1,913	(48)
Correction and detention	1,101	1,101	730	(371)
Commonwealth's Attorney	-	-	17	17
Parks and recreation	8,548	8,548	5,546	(3,002)
Mental health and developmental disabilities	740	740	929	189
Welfare and social services	192	193	138	(55)
Library	663	663	403	(260)
Public safety	1,064	1,064	871	(193)
Other charges	443	449	566	117
Total charges for services	14,712	14,719	11,113	(3,606)
Total revenues from local sources	1,079,084	1,016,219	1,026,735	10,516

COUNTY OF PRINCE WILLIAM, VIRGINIA
GENERAL FUND

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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 Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
THE FEDERAL GOVERNMENT:				
Payments in lieu of taxes	75	75	99	24
Categorical aid grants:				
Aging programs	1,355	1,319	940	(379)
United States Department of Agriculture	110	116	59	(57)
Welfare programs	13,526	15,009	16,460	1,451
Mental health, developmental disabilities and substance abuse programs	2,946	3,501	3,219	(282)
Homeland Security grants	262	1,154	850	(304)
Other	236	530	2,499	1,969
Total revenues from the federal government	18,510	21,704	24,126	2,422
THE COMMONWEALTH:				
NONCATEGORICAL AID:				
Personal property tax relief act	-	54,288	54,288	-
Communications sales and use taxes	16,750	16,750	16,057	(693)
Anti-Annexation public safety	9,835	9,835	10,218	383
Mobile home taxes	44	44	36	(8)
Rental car taxes	1,231	1,231	1,493	262
Rolling stock taxes	93	93	93	-
Total noncategorical aid	27,953	82,241	82,185	(56)
SHARED EXPENDITURES:				
Commonwealth's Attorney	1,744	1,744	2,003	259
Sheriff	1,889	1,889	1,884	(5)
Director of Finance	722	722	718	(4)
Registrar	92	92	-	(92)
Clerk of the Court	1,788	2,013	1,994	(19)
Total shared expenditures	6,235	6,460	6,599	139
CATEGORICAL AID:				
Public safety	1,715	2,067	2,020	(47)
Fire programs	1,256	1,455	1,943	488
Library	524	524	587	63
Public assistance and welfare administration	16,617	21,276	18,421	(2,855)
Public health	228	228	311	83
Total categorical aid	20,340	25,550	23,282	(2,268)
OTHER CATEGORICAL AID:				
Aging program	416	503	534	31
Community services	17,367	19,798	18,528	(1,270)
Juvenile detention	2,238	2,328	2,366	38
Criminal justice services	1,029	1,055	1,083	28
Police extraditions	30	30	32	2
Sheriff extraditions	25	25	23	(2)
Victim / witness program	194	194	95	(99)
Other	236	253	164	(89)
Total other categorical aid	21,535	24,186	22,825	(1,361)
Total revenues from the Commonwealth	76,063	138,437	134,891	(3,546)
LOCAL GOVERNMENTS:				
City of Manassas	6,409	6,409	6,349	(60)
City of Manassas Park	2,296	2,296	2,361	65
Other localities	-	255	255	-
Total revenues from local governments	8,705	8,960	8,965	5

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 Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
MISCELLANEOUS:				
Expenditure refunds	669	706	1,064	358
Donations - Proffers	-	12,243	12,243	-
Donations - Other	2,898	1,582	401	(1,181)
Other	1,003	969	884	(85)
Total miscellaneous revenues	4,570	15,500	14,592	(908)
Total budgetary revenues	1,186,932	1,200,820	1,209,309	8,489
BUDGETARY EXPENDITURES:				
GENERAL GOVERNMENTAL ADMINISTRATION:				
Board of County Supervisors	3,990	4,011	3,809	202
County Attorney	4,015	4,095	4,068	27
Office of Executive Management	9,990	10,151	9,685	466
Technology and Support Services	-	-	(17)	17
Finance	21,757	22,292	21,205	1,087
Audit Services	799	824	816	8
Human Rights	771	834	775	59
Board of Registration / Elections	2,634	2,622	2,493	129
Mailroom and Print Shop	580	702	702	-
Fleet	2,708	2,046	1,847	199
Contingency reserve	689	239	-	239
Unemployment insurance reserves	125	157	107	50
Total general governmental administration	48,058	47,973	45,490	2,483
JUDICIAL ADMINISTRATION:				
Commonwealth's Attorney	6,619	6,704	6,605	99
Sheriff	11,809	13,069	13,226	(157)
Juvenile and Domestic Relations Court	420	428	218	210
Clerk of Court / Judges Chambers	5,444	5,780	5,569	211
General District Court	681	682	301	381
Magistrates	116	117	116	1
Total judicial administration	25,089	26,780	26,035	745
PUBLIC SAFETY:				
Public Works - Development	2,629	2,631	2,556	75
Police	113,768	116,156	111,833	4,323
Juvenile Court Services Unit	1,012	1,035	934	101
Adult Detention Center	31,833	30,688	30,090	598
Correction and detention of youth	7,723	7,754	7,345	409
Criminal Justice Services	4,534	4,585	4,392	193
Public Safety Communications	11,739	11,642	11,535	107
Fire and Rescue	101,722	105,540	104,410	1,130
Northern Virginia Criminal Justice Training Academy	352	352	352	-
Total public safety	275,312	280,383	273,447	6,936
PUBLIC WORKS:				
Public Works	27,706	28,818	27,997	821
Transportation	2,935	2,852	2,616	236
Property and Miscellaneous Insurance	7,741	1,074	785	289
Total public works	38,382	32,744	31,398	1,346

COUNTY OF PRINCE WILLIAM, VIRGINIA
GENERAL FUND

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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 Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
HEALTH AND WELFARE:				
Social Services	49,392	56,408	54,300	2,108
Public Health	3,403	3,379	3,317	62
Community Services Board	47,233	49,316	46,918	2,398
Aging	6,784	6,833	6,479	354
Total health and welfare	106,812	115,936	111,014	4,922
EDUCATION:				
Schools	610,966	506,773	506,729	44
PARKS, RECREATIONAL AND CULTURAL:				
Parks and recreation	33,764	36,543	32,938	3,605
Library	17,683	18,159	17,557	602
Total parks, recreational and cultural	51,447	54,702	50,495	4,207
COMMUNITY DEVELOPMENT:				
Planning	3,990	4,815	4,608	207
Economic and community development	6,338	7,020	6,463	557
Extension and continuing education	928	1,124	1,065	59
Total community development	11,256	12,959	12,136	823
DEBT SERVICE:				
Principal retirement	22,111	93,610	93,610	-
Interest and other debt costs	14,416	47,937	47,675	262
Total debt service	36,527	141,547	141,285	262
Total budgetary expenditures	1,203,849	1,219,797	1,198,029	21,768
Excess / (deficiency) of budgetary revenues over / (under) expenditures	(16,917)	(18,477)	11,280	30,257
OTHER FINANCING SOURCES / (USES):				
TRANSFERS IN FROM:				
Fire & rescue levy fund	27,100	27,100	27,100	-
Special revenue funds	7,874	7,882	7,882	-
Capital projects funds	273	14,236	14,236	-
Internal service funds	-	827	827	-
Enterprise funds	2,184	2,058	2,058	-
Total transfers in	37,431	52,103	52,103	-
TRANSFERS OUT TO:				
Special revenue funds	(4,514)	(4,552)	(4,552)	-
Capital projects funds	(15,301)	(32,429)	(33,429)	-
Enterprise funds	(1,790)	(1,471)	(1,471)	-
Total transfers out	(21,605)	(38,452)	(38,452)	-
NON-REVENUE RECEIPTS:				
Issuance of debt	-	-	56,891	56,891
Issuance of debt costs	-	-	(119)	(119)
Premium on refunding of bonds	-	-	2,403	2,403
Payment to refunded bond escrow agent	-	-	(59,123)	(59,123)
Insurance claims and recoveries	-	-	14	14
Sale of surplus property	244	244	386	142
Total non-revenue receipts	244	244	452	208
Total other financing sources	16,070	13,896	13,103	207
Net change in budgetary fund balance	(847)	(5,581)	24,383	29,964
BUDGETARY FUND BALANCE, beginning of year	200,879	200,879	200,879	-
BUDGETARY FUND BALANCE, end of year	\$ 200,032	195,298	225,262	29,964

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 Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 1)	\$ 14,594	7,245	7,432	187
Current year fair value adjustment	-	-	9,418	9,418
From use of money and property (Exhibit 5)	14,594	7,245	16,850	9,605
Cumulative fair value adjustments of prior periods	-	-	(5,648)	(5,648)
BUDGETARY FUND BALANCE, end of year	200,032	195,298	225,262	29,964
Total adjustments	-	-	3,770	3,770
FUND BALANCE, end of year	\$ 200,032	195,298	229,032	33,734

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 Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With
	Original	Final		Final Budget Favorable (Unfavorable)
BUDGETARY REVENUES:				
General property taxes	\$ 49,370	49,370	49,586	216
From use of money and property	1,400	1,400	1,176	(224)
Miscellaneous	1,400	1,380	2,214	834
Total budgetary revenues	52,170	52,150	52,976	826
BUDGETARY EXPENDITURES:				
Public Safety - Fire & Rescue	30,226	31,828	23,155	8,673
Total budgetary expenditures	30,226	31,828	23,155	8,673
OTHER FINANCING SOURCES (USES):				
Transfers out to:				
General fund	(27,100)	(27,100)	(27,100)	-
Internal service funds	(98)	(98)	(98)	-
Sales of surplus property	-	-	32	32
Total other financing sources / (uses)	(27,198)	(27,198)	(27,166)	32
Net change in budgetary fund balance	(5,254)	(6,876)	2,655	9,531
BUDGETARY FUND BALANCE, beginning of year	37,765	37,765	37,765	-
BUDGETARY FUND BALANCE, end of year	\$ 32,511	30,889	40,420	9,531
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 2)	\$ 1,400	1,400	1,176	(224)
Current year fair value adjustment	-	-	826	826
From use of money and property (Exhibit 5)	1,400	1,400	2,002	602
Cumulative fair value adjustments of prior periods	-	-	(1,347)	(1,347)
BUDGETARY FUND BALANCE, end of year	32,511	30,889	40,420	9,531
Total adjustments	-	-	(521)	(521)
FUND BALANCE, end of year	\$ 32,511	30,889	39,899	9,010

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 3A

Virginia Retirement System - All Plans							
Changes in the County's Net Pension Liability and Related Ratios - Last 10 Fiscal Years							
Fiscal Year	2019	2018	2017	2016	2015	2014	2013 2012 2011 2010
<i>Information for FY 2013 and earlier is not available.</i>							
Total pension liability							
Service cost	\$ 35,162	33,491	30,983	29,376	28,708	28,205	
Interest	88,053	84,034	78,978	75,010	71,222	67,389	
Changes of benefit terms	-	-	21,630	-	-	-	
Differences between expected and actual experience	7,503	(2,509)	2,494	1,128	(757)	-	
Changes of assumptions	40,798	-	(8,860)	-	-	-	
Benefit payments including refunds of member contributions	(59,907)	(55,297)	(50,666)	(47,001)	(43,108)	(38,578)	
Net change in total pension liability	111,609	59,719	74,559	58,513	56,065	57,016	
Total pension liability - beginning	1,287,860	1,228,141	1,153,582	1,095,069	1,039,004	981,988	
Total pension liability - ending (a)	\$ 1,399,469	1,287,860	1,228,141	1,153,582	1,095,069	1,039,004	
Plan fiduciary net position							
Contributions - employer	\$ 35,323	32,552	30,826	32,010	30,571	30,488	
Contributions - member	13,922	13,721	12,645	12,336	11,628	11,385	
Net investment income	75,210	78,483	116,130	16,623	41,324	122,481	
Benefit payments, including refunds of member contributions	(59,907)	(55,297)	(50,666)	(47,001)	(43,108)	(38,578)	
Administrative expense	(736)	(671)	(665)	(579)	(558)	(651)	
Other	(47)	(72)	(104)	(8)	(8)	7	
Net change in plan fiduciary net position	63,765	68,716	108,166	13,381	39,849	125,132	
Plan fiduciary net position - beginning	1,128,156	1,059,440	951,274	937,893	898,044	772,912	
Plan fiduciary net position - ending (b)	\$ 1,191,921	1,128,156	1,059,440	951,274	937,893	898,044	
County's net pension liability - ending (a)-(b)	\$ 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)	85.17%	87.60%	86.26%	82.46%	85.65%	86.43%	
Covered payroll	\$ 280,007	271,552	255,547	242,735	242,757	230,499	
County's net pension liability as a percentage of covered payroll	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	
See Note 13 Illustration 13-7 for expected arithmetic nominal rate of return	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	through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 15%
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	Increased age 50 rates, and lowered rates at older ages
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service
Disability Rates	Adjusted rates to better fit experience
Salary Scale	No change
Line of Duty Disability	Decrease rate from 60% to 45%
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 3B

		Virginia Retirement System - All Plans									
		Schedule of County Contributions - 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>									
Actuarially determined contribution	\$	38,050	35,323	32,552	30,826	32,010	30,571	30,488			
Contributions in relation to the actuarially determined contribution		38,050	35,323	32,552	30,826	32,010	30,571	30,488			
Contribution deficiency (excess)	\$	-	-	-	-	-	-	-			
Covered payroll	\$	306,566	280,007	265,226	255,547	242,735	242,757	230,499			
Contributions as a percentage of covered payroll ¹		12.41%	12.62%	12.27%	12.06%	13.19%	12.59%	13.23%			

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

Notes to Schedule:

Valuation date. Actuarially determined contribution rates are calculated as of the beginning of the fiscal year (July 1) for the two years immediately following the fiscal year. Actuarial valuations are performed every other 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 market value
Investment rate of return	6.75%
Salary increases	3.50% - 5.35%
Inflation	2.50%
Cost-of-living adjustments	2.25% - 2.50%

COUNTY OF PRINCE WILLIAM, VIRGINIA
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)

Schedule 4A

Prince William County Supplemental Plan for Police Officers and Uniformed Fire and Rescue Personnel (Supplemental Pension Plan)										
Changes in the County's Net Pension (Asset) Liability and Related Ratios - Last 10 Fiscal Years										
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	\$ 2,701	2,043	2,005	1,946	1,747	1,747	1,602			
Interest	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	(2,778)	(2,248)	(2,294)	(2,591)	(2,149)	(1,980)	(1,905)			
Net change in total pension liability	2,812	2,145	2,189	702	1,899	662	2,053			
Total pension liability - beginning	40,862	38,717	36,528	35,826	33,927	33,265	31,212			
Total pension liability - ending (a)	\$ 43,674	40,862	38,717	36,528	35,826	33,927	33,265			
Plan fiduciary net position										
Contributions - employer	\$ 1,921	1,372	1,294	1,199	1,137	1,083	1,007			
Contributions - member	1,921	1,372	1,294	1,199	1,137	1,083	1,007			
Net investment income	812	1,924	2,469	3,905	119	(339)	4,438			
Benefit payments, including refunds of member contributions	(2,779)	(2,248)	(2,294)	(2,591)	(2,148)	(1,980)	(1,905)			
Administrative expense	(143)	(71)	(90)	(93)	(116)	(83)	(109)			
Other	-	-	-	-	-	-	-			
Net change in plan fiduciary net position	1,732	2,350	2,673	3,619	129	(236)	4,438			
Plan fiduciary net position - beginning	41,679	39,329	36,656	33,037	32,908	33,144	28,706			
Plan fiduciary net position - ending (b)	\$ 43,411	41,679	39,329	36,656	33,037	32,908	33,144			
County's net pension (asset) liability - ending (a)-(b)	\$ 263	(817)	(612)	(128)	2,789	1,019	121			
Plan fiduciary net position as a percentage of the total pension (asset) liability (b)/(a)	99.40%	102.00%	101.58%	100.35%	92.22%	97.00%	99.64%			
Covered payroll	\$ 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	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	8	8	8			
Annual money-weighted rate of return	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 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		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
											<i>Information for FY 2013 and earlier is not available.</i>
Actuarially determined contribution	\$	1,534	1,096	1,087	1,007	1,137	1,083	1,058			
Contributions in relation to the actuarially determined contribution		1,921	1,372	1,294	1,199	1,137	1,083	1,007			
Contribution deficiency (excess)	\$	(387)	(276)	(207)	(192)	-	-	51			
Covered payroll	\$	133,390	95,289	89,833	83,241	78,968	75,229	73,505			
Contributions as a percentage of covered payroll ¹		1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.37%			

¹The 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	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	\$ 429	522	235	252	286	290	308			
Interest	839	838	958	930	911	885	821			
Differences between expected and actual experience	(202)	(335)	(168)	(291)	(471)	(392)	-			
Changes of assumptions	(80)	(330)	11,019	22	70	-	-			
Benefit payments, including refunds of member contributions	(489)	(505)	(447)	(397)	(362)	(345)	(338)			
Net change in total pension liability	497	190	11,597	516	434	438	791			
Total pension liability - beginning	27,826	27,636	16,039	15,523	15,089	14,651	13,860			
Total pension liability - ending (a)	\$ 28,323	27,826	27,636	16,039	15,523	15,089	14,651			
Plan fiduciary net position										
Contributions - employer	\$ 1,156	941	798	811	853	940	2,115			
Net investment income	517	488	463	428	409	372	354			
Benefit payments, including refunds of member contributions	(489)	(505)	(447)	(397)	(362)	(345)	(338)			
Administrative expense	(79)	(46)	(54)	(62)	(37)	(34)	(61)			
Other	-	-	-	-	-	-	-			
Net change in plan fiduciary net position	1,105	878	760	780	863	933	2,070			
Plan fiduciary net position - beginning	17,050	16,172	15,412	14,632	13,769	12,836	10,766			
Plan fiduciary net position - ending (b)	\$ 18,155	17,050	16,172	15,412	14,632	13,769	12,836			
County's net pension liability - ending (a)-(b)	\$ 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)	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			
Expected average remaining service years of all participants	1.32	2.11	2.41	2.60	2.97	3.39	N/A			
Annual money-weighted rate of return	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.

Prince William County Volunteer Fire and Rescue Personnel Length of Service Award Program (LoSAP)
Schedule of County Contributions - 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>									
Actuarially determined contribution	\$ 1,156	941	798	811	853	940	2,115			
Contributions in relation to the actuarially determined contribution	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			
Contributions as a percentage of covered payroll	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 market 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-2018

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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
	<i>Information for FY 2016 and earlier is not available.</i>									
Prince William County's Proportion of the Net GLI OPEB Liability (Asset)	1.43243%	1.39846%	1.35566%							
Prince William County's Proportionate Share of the Net GLI OPEB Liability (Asset)	\$ 23,309	21,239	20,400							
Employer's Payroll	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	8.30%	7.82%	7.98%							
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	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, 2018, 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)	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
Disability Rates	Lowered disability rates
Salary Scale	No change
Line of Duty Disability	Increased rate from 14% to 15%
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	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
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 6B

Virginia Retirement System - Group Life Insurance Plan											
Schedule of County Contributions - Last 10 Fiscal Years											
Fiscal Year		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$	3,996	1,460	1,383	1,300	1,288	1,223	1,197	1,144	926	902
Contributions in relation to the contractually required contribution		3,996	1,460	1,383	1,300	1,288	1,223	1,197	1,144	926	902
Contribution deficiency (excess)	\$	-	-	-	-	-	-	-	-	-	-
Covered payroll	\$	306,566	280,808	265,909	255,547	250,061	242,930	230,688	225,905	215,901	210,486
Contributions as a percentage of covered payroll ¹		1.30%	0.52%	0.52%	0.51%	0.52%	0.50%	0.52%	0.51%	0.43%	0.43%

¹ 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 7A

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

Fiscal Year	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<i>Information for FY 2016 and earlier is not available.</i>										
Total OPEB liability										
Service cost	\$ 177	169	161							
Interest on total OPEB liability	509	493	487							
Differences between expected and actual experience	113	63	-							
Changes of assumptions	197	-	(149)							
Benefit payments	(500)	(513)	(337)							
Net change in total OPEB liability	496	212	162							
Total OPEB liability - beginning	7,508	7,296	7,134							
Total OPEB liability - ending (a)	\$ 8,004	7,508	7,296							
Plan fiduciary net position										
Contributions - employer	\$ 460	437	411							
Net investment income	233	248	358							
Benefit payments, including refunds of member contributions	(500)	(513)	(337)							
Administrative expense	(5)	(6)	(6)							
Other	-	(18)	18							
Net change in plan fiduciary net position	188	148	444							
Plan fiduciary net position - beginning	3,648	3,500	3,056							
Plan fiduciary net position - ending (b)	\$ 3,836	3,648	3,500							
County's net OPEB liability - ending (a)-(b)	\$ 4,168	3,860	3,796							
Plan fiduciary net position as a percentage of the total OPEB liability (b)/(a)	47.93%	48.59%	47.97%							
Covered payroll	\$ 280,007	271,552	255,547							
County's net OPEB liability as a percentage of covered payroll	1.49%	1.42%	1.49%							
Expected average remaining service years of all participants	n/a	n/a	n/a							
See Note 14 Illustration 14-10 for expected arithmetic nominal rate of return	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

Changes of assumptions. The actuarial assumptions used in the June 30, 2018, valuation were based on the results of an actuarial

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 15%
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	Increased age 50 rates and lowered rates at older ages
Withdrawal Rates	Adjusted termination rates to better fit experience at each age and service year
Disability Rates	Adjusted rates to better match experience
Salary Scale	No change
Line of Duty Disability	Decreased rate from 60% to 45%
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 7B

Virginia Retirement System - Health Insurance Credit Plan										
Schedule of County Contributions - Last 10 Fiscal Years										
Fiscal Year	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 498	460	437	411	376	357	371	363	378	368
Contributions in relation to the net position restricted for contractually required contribution	498	460	437	411	376	357	371	363	378	368
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 276,527	255,529	248,097	255,547	220,911	212,264	204,740	198,448	191,157	184,120
Contributions as a percentage of covered payroll ¹	0.18%	0.18%	0.18%	0.16%	0.17%	0.17%	0.18%	0.18%	0.20%	0.20%

¹Contribution 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
Amortization method	Level percent closed
Remaining amortization period	16-25 years
Asset valuation method	Market 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 8A

		OPEB Master Trust Fund - County Premium 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	\$	1,163	1,119	1,285	1,234						
Interest on total OPEB liability		1,705	1,608	1,785	1,673						
Differences between expected and actual experience		1,230	(37)	(4,473)	34						
Changes of assumptions		(1,664)	-	(428)	-						
Benefit payments		(2,097)	(1,228)	(777)	(1,261)						
Net change in total OPEB liability		337	1,462	(2,608)	1,680						
Total OPEB liability - beginning		25,053	23,591	26,199	24,519						
Total OPEB liability - ending (a)	\$	25,390	25,053	23,591	26,199						
Plan fiduciary net position											
Contributions - employer	\$	1,428	1,521	1,954	1,884						
Net investment income		1,313	1,244	1,310	1,285						
Benefit payments, including refunds of member contributions		(2,097)	(1,228)	(777)	(1,261)						
Asset adjustment		-	-	-	(1,609)						
Administrative expense		-	-	-	(3)						
Other		-	-	-	-						
Net change in plan fiduciary net position		644	1,537	2,487	296						
Plan fiduciary net position - beginning		17,520	15,983	13,496	13,200						
Plan fiduciary net position - ending (b)	\$	18,164	17,520	15,983	13,496						
County's net OPEB liability - ending (a)-(b)	\$	7,226	7,533	7,608	12,703						
Plan fiduciary net position as a percentage of the total OPEB liability (b)/(a)		71.54%	69.93%	67.75%	51.51%						
Covered payroll	\$	306,566	280,007	271,552	292,195						
County's net OPEB liability as a percentage of covered payroll		2.36%	2.69%	2.80%	4.35%						
Expected average remaining service years of all participants		8	8	8	8						
Annual money-weighted rate of return		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.

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

Last Ten Fiscal Years

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

OPEB Master Trust Fund - County Premium Plan										
Schedule of County Contributions - Last 10 Fiscal Years										
Fiscal Year	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 1,428	1,521	1,500	1,884	1,623	1,567	2,085	2,072	3,543	3,417
Contributions in relation to the actuarially determined contribution	1,428	1,521	1,954	1,884	1,623	1,567	2,085	2,072	3,543	3,417
Contribution deficiency (excess)	\$ -	-	(454)	-	-	-	-	-	-	-
Covered payroll	\$ 306,566	280,007	271,552	292,195	280,308	256,956	258,704	247,366	237,034	220,389
Contributions as a percentage of covered payroll ¹	0.47%	0.54%	0.72%	0.64%	0.58%	0.61%	0.81%	0.84%	1.49%	1.55%

¹The 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 market 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

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.

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 Retiree 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	\$ 744	744	755	755						
Interest on total OPEB liability	2,443	2,368	2,335	2,254						
Differences between expected and actual experience	874	(52)	(245)	(163)						
Changes of assumptions	(640)	-	(443)	-						
Benefit payments	(2,047)	(1,957)	(1,867)	(1,647)						
Net change in total OPEB liability	1,374	1,103	535	1,199						
Total OPEB liability - beginning	35,949	34,846	34,311	33,112						
Total OPEB liability - ending (a)	\$ 37,323	35,949	34,846	34,311						
Plan fiduciary net position										
Contributions - employer	\$ 2,091	1,977	2,311	2,267						
Net investment income	1,054	1,007	1,115	1,479						
Benefit payments, including refunds of member contributions	(2,047)	(1,957)	(1,867)	(1,647)						
Asset adjustment	-	-	-	1,609						
Administrative expense	-	-	-	-						
Net change in plan fiduciary net position	1,098	1,027	1,559	3,708						
Plan fiduciary net position - beginning	17,881	16,854	15,295	11,587						
Plan fiduciary net position - ending (b)	\$ 18,979	17,881	16,854	15,295						
County's net OPEB liability - ending (a)-(b)	\$ 18,344	18,068	17,992	19,016						
Plan fiduciary net position as a percentage of the total OPEB liability (b)/(a)	50.85%	49.74%	48.37%	44.58%						
Covered payroll	\$ 306,566	280,007	271,552	292,195						
County's net OPEB liability as a percentage of covered payroll	5.98%	6.45%	6.63%	6.51%						
Expected average remaining service years of all participants	8	8	8	8						
Annual money-weighted rate of return	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)

OPEB Master Trust Fund - County Retiree Health Insurance Credit Plan											
Schedule of County Contributions - Last 10 Fiscal Years											
Fiscal Year		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$	2,091	1,977	1,967	2,267	2,061	2,023	2,107	2,082	1,844	1,811
Contributions in relation to the actuarially determined contribution		2,091	1,977	2,311	2,267	2,061	2,023	2,107	2,082	1,844	1,811
Contribution deficiency (excess)	\$	-	-	(344)	-	-	-	-	-	-	-
Covered payroll	\$	306,566	280,007	271,552	292,195	280,308	256,956	258,704	247,366	237,034	220,389
Contributions as a percentage of covered payroll ¹		0.68%	0.71%	0.85%	0.78%	0.74%	0.79%	0.81%	0.84%	0.78%	0.82%

¹ 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 market 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

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	\$ 1,113	1,071	1,087	1,044						
Interest on total OPEB liability	1,367	1,270	1,002	920						
Differences between expected and actual experience	(5,869)	(188)	907	45						
Changes of assumptions	12	-	1,695	-						
Benefit payments	(763)	(750)	(810)	(815)						
Net change in total OPEB liability	(4,140)	1,403	3,881	1,194						
Total OPEB liability - beginning	20,013	18,610	14,729	13,535						
Total OPEB liability - ending (a)	\$ 15,873	20,013	18,610	14,729						
Plan fiduciary net position										
Contributions - employer	\$ 1,788	1,526	1,476	1,424						
Net investment income	1,144	1,034	1,071	1,169						
Benefit payments, including refunds of member contributions	(763)	(750)	(810)	(815)						
Administrative expense	-	-	-	-						
Net change in plan fiduciary net position	2,169	1,810	1,737	1,778						
Plan fiduciary net position - beginning	14,491	12,681	10,944	9,166						
Plan fiduciary net position - ending (b)	\$ 16,660	14,491	12,681	10,944						
County's net OPEB liability - ending (a)-(b)	\$ (787)	5,522	5,929	3,785						
Plan fiduciary net position as a percentage of the total OPEB liability (b)/(a)	104.96%	72.41%	68.14%	74.30%						
Covered payroll	\$ 135,139	112,846	106,195	83,241						
County's net OPEB liability (asset) as a percentage of covered payroll	-0.58%	4.89%	5.58%	4.55%						
Expected average remaining service years of all participants	12	12	12	12						
Annual money-weighted rate of return	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 10B

OPEB Master Trust Fund - County Line of Duty Act Plan Schedule of County Contributions - Last 10 Fiscal Years										
Fiscal Year	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
	<i>Information for FY 2012 and earlier is not available.</i>									
Actuarially determined contribution	\$ 1,788	1,526	1,472	1,424	1,529	1,474	3,165	5,312		
Contributions in relation to the actuarially determined contribution	1,788	1,526	1,476	1,424	1,529	1,474	7,778	-		
Contribution deficiency (excess)	\$ -	-	(4)	-	-	-	(4,613)	5,312		
Covered payroll	\$ 135,139	112,846	106,195	83,241	79,081	95,795	86,476	105,805		
Contributions as a percentage of covered payroll ¹	1.32%	1.35%	1.39%	1.71%	1.93%	1.54%	8.99%	0.00%		

¹ 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 23 years, closed
 Asset valuation method Fair market 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

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.

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 - Schools Board Premium 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	\$ 2,913	2,801	3,015	2,624						
Interest on total OPEB liability	3,903	3,709	4,652	4,691						
Changes of benefit terms	-	-	-	-						
Differences between expected and actual experience	(22,626)	(594)	(18,166)	-						
Changes of assumptions	(220)	-	-	-						
Benefit payments/refunds	(3,045)	(3,060)	(3,042)	(3,329)						
Net change in total OPEB liability	(19,075)	2,856	(13,541)	3,986						
Total OPEB liability - beginning	57,676	54,820	68,361	64,375						
Total OPEB liability - ending (a)	\$ 38,601	57,676	54,820	68,361						
Plan fiduciary net position										
Contributions - employer	\$ 1,800	1,800	1,000	1,000						
Net investment income	2,478	2,248	2,340	2,619						
Administrative expense	-	(2)	(7)	-						
Other	-	-	-	-						
Net change in plan fiduciary net position	4,278	4,046	3,333	3,619						
Plan fiduciary net position - beginning	37,325	33,279	29,946	26,327						
Plan fiduciary net position - ending (b)	\$ 41,603	37,325	33,279	29,946						
School's net OPEB liability - ending (a)-(b)	\$ (3,002)	20,352	21,541	38,415						
Plan fiduciary net position as a percentage of the total OPEB liability (b)/(a)	107.78%	64.71%	60.71%	43.81%						
Covered payroll	\$ 655,997	615,455	599,822	576,721						
School's net OPEB liability as a percentage of covered payroll	-0.46%	3.31%	3.59%	6.66%						
Expected average remaining service years of all participants	7	7	8	8						
Annual money-weighted rate of return	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 11B

OPEB Master Trust Fund - Schools Premium Plan										
Schedule of County Contributions - Last 10 Fiscal Years										
Fiscal Year	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 4,845	4,860	4,041	4,328	3,412	4,700	7,762	8,580	3,961	6,786
Contributions in relation to the actuarially determined contribution	4,845	4,860	4,041	4,328	3,412	4,700	7,762	8,580	3,961	6,786
Other contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 655,997	615,455	599,822	576,721	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll ¹	0.74%	0.79%	0.67%	0.75%	N/A	N/A	N/A	N/A	N/A	N/A

¹The 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	7/1/2018
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of projected pay
Remaining amortization period	30 years
Asset valuation method	Fair market 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 revenues primarily from Federal housing grants that are used to develop affordable housing opportunities for County residents.

COMMUNITY DEVELOPMENT AUTHORITIES

Community Development Authorities receives revenues 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 revenues from ambulatory transport charges associated with fire and rescue emergency services delivery.

CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY ACT

The Coronavirus Aid, Relief and Economic Security (CARES) Act receives revenues from the Federal CARES Act funding. The expenditures consist of costs associated with Coronavirus (COVID-19) response and recovery efforts.

TRANSIENT OCCUPANCY TAX

Transient Occupancy Tax receives revenues 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 revenues 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, 2020

(amounts expressed in thousands)

	Transportation Districts	Stormwater Management District / Gypsy Moth and Forest Pest Management	Development Fee Services	Housing Authorities	Community Development Authorities	Emergency Medical Services
ASSETS						
Equity in pooled cash and investments	\$ 1,521	8,826	9,584	4,101	90	5,758
Property taxes receivable, net	4	4	-	-	36	-
Accounts receivable, net	6	89	30	263	-	414
Due from other governmental units	-	-	-	-	-	306
Inventory	-	27	-	-	-	-
Advances and Prepays	-	-	-	-	-	-
Total assets	1,531	8,946	9,614	4,364	126	6,478
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE						
LIABILITIES:						
Accounts payable	46	44	12	2	-	17
Wages and benefits payable	-	168	660	93	-	36
Due to other governmental units	-	25	-	-	-	-
Unearned revenues	-	2,087	15	378	-	-
Total liabilities	46	2,324	687	473	-	53
DEFERRED INFLOWS OF RESOURCES:						
Prepaid taxes	154	502	-	-	119	-
Unavailable taxes	-	25	-	-	-	-
Total deferred inflows of resources	154	527	-	-	119	-
FUND BALANCES:						
Non-spendable	-	27	-	-	-	-
Restricted	1,331	6,068	8,927	3,891	7	6,425
Unassigned	-	-	-	-	-	-
Total fund balances	1,331	6,095	8,927	3,891	7	6,425
Total liabilities, deferred inflows of resources and fund balances	\$ 1,531	8,946	9,614	4,364	126	6,478

Coronavirus Aid, Relief and Economic Security Act	Transient Occupancy Tax	Grantor's / Deed Tax	Other	Totals	
36,787	2,968	15,096	168	84,899	ASSETS
-	-	-	-	44	Equity in pooled cash and investments
1	173	37	1	1,014	Property taxes receivable, net
-	-	-	-	306	Accounts receivable, net
-	-	-	-	27	Due from other governmental units
31	-	-	-	31	Inventory
<u>36,819</u>	<u>3,141</u>	<u>15,133</u>	<u>169</u>	<u>86,321</u>	Advances and Prepays
					Total assets
					LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE
					LIABILITIES:
900	-	-	-	1,021	Accounts payable
-	-	-	-	957	Wages and benefits payable
-	-	-	-	25	Due to other governmental units
<u>35,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,397</u>	Unearned revenues
<u>36,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,400</u>	Total liabilities
					DEFERRED INFLOWS OF RESOURCES:
-	-	-	-	775	Prepaid taxes
-	-	-	-	25	Unavailable taxes
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800</u>	Total deferred inflows of resources
					FUND BALANCES:
31	-	-	-	58	Non-spendable
-	3,141	15,133	169	45,092	Restricted
(29)	-	-	-	(29)	Unassigned
<u>2</u>	<u>3,141</u>	<u>15,133</u>	<u>169</u>	<u>45,121</u>	Total fund balances
<u>36,819</u>	<u>3,141</u>	<u>15,133</u>	<u>169</u>	<u>86,321</u>	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 Year Ended June 30, 2020
(amounts expressed in thousands)

	Transportation Districts	Stormwater Management District/Gypsy Moth and Forest Pest Management	Development Fee Services	Housing Authorities	Community Development Authorities	Emergency Medical Services
REVENUES:						
General property taxes	\$ 903	1,534	-	-	2,933	-
Other local taxes	-	-	-	-	-	-
Permits, privilege fees and regulatory licenses	-	320	17,545	-	-	-
From use of money and property	57	319	348	1	-	216
Charges for services	12	8,451	1,038	2,381	-	5,291
Intergovernmental revenues:						
Federal	-	-	-	28,817	-	-
State	-	-	-	156	-	24
Miscellaneous	-	-	14	-	-	-
Total revenues	972	10,624	18,945	31,355	2,933	5,531
EXPENDITURES:						
General government administration	-	-	-	-	-	-
Judicial administration	-	-	-	-	-	-
Public safety - Public Works	-	-	14,761	-	-	1,323
Public works - Public Works	321	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Parks, recreation and cultural	-	-	-	-	-	-
Community development - Housing	-	-	-	33,333	-	-
Community development - Public Works	-	7,257	6,201	-	-	-
Community Development Authorities	-	-	-	-	2,918	-
Total expenditures	321	7,257	20,962	33,333	2,918	1,323
OTHER FINANCING SOURCES / (USES):						
Transfers in from:						
General fund	-	39	4,418	95	-	-
Capital projects funds	-	31	321	-	-	-
Transfers out to:						
General fund	(500)	(1,281)	(2,133)	(133)	(8)	(3,827)
Internal service funds	-	(35)	(367)	-	-	-
Capital projects funds	-	(2,196)	-	-	-	-
Sale of surplus property	-	3	11	-	-	-
Total other financing sources / (uses)	(500)	(3,439)	2,250	(38)	(8)	(3,827)
Net change in fund balances	151	(72)	233	(2,016)	7	381
FUND BALANCE, beginning of year	1,180	6,167	8,694	5,907	-	6,044
FUND BALANCE, end of year	\$ 1,331	6,095	8,927	3,891	7	6,425

Coronavirus Aid, Relief and Economic Security Act	Transient Occupancy Tax	Grantor's / Deed Tax	Other	Totals	
-	-	-	-	5,370	REVENUES: General property taxes
-	1,349	7,628	-	8,977	Other local taxes
-	-	-	-	17,865	Permits, privilege fees and regulatory licenses
2	70	210	5	1,228	From use of money and property
-	-	-	-	17,173	Charges for services
5,118	-	-	-	33,935	Intergovernmental revenues:
-	-	-	3	183	Federal
-	-	-	9	23	State
-	-	-	-	23	Miscellaneous
5,120	1,419	7,838	17	84,754	Total revenues
1,029	-	-	-	1,029	EXPENDITURES: General government administration
4	-	-	-	4	Judicial administration
2,366	-	-	9	18,459	Public safety - Public Works
81	-	-	-	402	Public works - Public Works
441	-	-	-	441	Health and welfare
64	-	-	-	64	Parks, recreation and cultural
-	-	-	-	33,333	Community development - Housing
1,133	-	-	-	14,591	Community development - Public Works
-	-	-	-	2,918	Community Development Authorities
5,118	-	-	9	71,241	Total expenditures
-	-	-	-	4,552	OTHER FINANCING SOURCES / (USES): Transfers in from:
-	-	-	-	352	General fund
-	-	-	-	(7,882)	Capital projects funds
-	-	-	-	(402)	Transfers out to:
-	-	-	-	(2,196)	General fund
-	-	-	-	14	Internal service funds
-	-	-	-	(5,562)	Capital projects funds
2	1,419	7,838	8	7,951	Sale of surplus property
-	1,722	7,295	161	37,170	Total other financing sources / (uses)
2	3,141	15,133	169	45,121	Net change in fund balances
					FUND BALANCE, beginning of year
					FUND BALANCE, end of year

SPECIAL REVENUE FUND - Transportation Districts

Schedule of Budgetary Revenues, Budgetary Expenditures and Changes in Budgetary Fund Balance - Budget and Actual
(UNAUDITED - BUDGET PREPARED ON A NON-GAAP BASIS)

For the Year Ended June 30, 2020

(amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
BUDGETARY REVENUES:				
General property taxes	\$ 858	858	903	45
From use of money and property	7	7	34	27
Charges for services	-	-	12	12
Total budgetary revenues	865	865	949	84
BUDGETARY EXPENDITURES:				
Public works - Public Works	365	448	321	127
Total budgetary expenditures	365	448	321	127
OTHER FINANCING USES:				
Transfers out to:				
General fund	(500)	(500)	(500)	-
Total other financing uses	(500)	(500)	(500)	-
Net change in budgetary fund balance	-	(83)	128	211
BUDGETARY FUND BALANCE, beginning of year	1,229	1,229	1,229	-
BUDGETARY FUND BALANCE, end of year	\$ 1,229	1,146	1,357	211
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 14)	\$ 7	7	34	27
Current year fair value adjustment	-	-	23	23
From use of money and property (Schedule 13)	7	7	57	50
Cumulative fair value adjustments of prior periods	-	-	(49)	(49)
BUDGETARY FUND BALANCE, end of year	1,229	1,146	1,357	211
Total adjustments	-	-	(26)	(26)
FUND BALANCE, end of year	\$ 1,229	1,146	1,331	185

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 Year Ended June 30, 2020
 (amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With Final Budget
	Original	Final		Favorable (Unfavorable)
BUDGETARY REVENUES:				
General property taxes	\$ 1,512	1,512	1,534	22
Permits, privilege fees and regulatory licenses	200	200	320	120
From use of money and property	130	130	192	62
Charges for services	8,046	8,046	8,451	405
Total budgetary revenues	9,888	9,888	10,497	609
BUDGETARY EXPENDITURES:				
Community development - Public Works	7,597	8,091	7,257	834
Total budgetary expenditures	7,597	8,091	7,257	834
OTHER FINANCING SOURCES / (USES):				
Transfers in from:				
General fund	-	39	39	-
Capital projects funds	-	31	31	-
Transfers out from:				
General Fund	(1,281)	(1,281)	(1,281)	-
Internal service funds	(35)	(35)	(35)	-
Capital projects funds	(2,196)	(2,196)	(2,196)	-
Sale of surplus property	-	-	3	3
Total other financing sources / (uses)	(3,512)	(3,442)	(3,439)	3
Net change in budgetary fund balance	(1,221)	(1,645)	(199)	1,446
BUDGETARY FUND BALANCE, beginning of year	6,328	6,328	6,328	-
BUDGETARY FUND BALANCE, end of year	\$ 5,107	4,683	6,129	1,446
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 15)	\$ 130	130	192	62
Current year fair value adjustment	-	-	127	127
From use of money and property (Schedule 13)	130	130	319	189
Cumulative fair value adjustments of prior periods	-	-	(161)	(161)
BUDGETARY FUND BALANCE, end of year	5,107	4,683	6,129	1,446
Total adjustments	-	-	(34)	(34)
FUND BALANCE, end of year	\$ 5,107	4,683	6,095	1,412

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 Year Ended June 30, 2020

(amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
BUDGETARY REVENUES:				
Permits, privilege fees and regulatory licenses	\$ 16,960	16,960	17,545	585
From use of money and property	55	55	220	165
Charges for services	1,104	1,104	1,038	(66)
Miscellaneous	268	268	14	(254)
Total budgetary revenues	18,387	18,387	18,817	430
BUDGETARY EXPENDITURES:				
Public safety - Public Works	15,878	15,951	14,761	1,190
Community development - Public Works	6,539	6,529	6,201	328
Total budgetary expenditures	22,417	22,480	20,962	1,518
OTHER FINANCING SOURCES / (USES):				
Transfers in from:				
General fund	4,420	4,420	4,418	(2)
Capital projects funds	-	321	321	-
Transfers out to:				
General fund	(2,133)	(2,133)	(2,133)	-
Internal service funds	(367)	(367)	(367)	-
Sale of surplus property	-	-	11	11
Total other financing sources / (uses)	1,920	2,241	2,250	9
Net change in budgetary fund balance	(2,110)	(1,852)	105	1,957
BUDGETARY FUND BALANCE, beginning of year	8,705	8,705	8,705	-
BUDGETARY FUND BALANCE, end of year	\$ 6,595	6,853	8,810	1,957
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 16)	\$ 55	55	220	165
Current year fair value adjustment	-	-	128	128
From use of money and property (Schedule 13)	55	55	348	293
Cumulative fair value adjustments of prior periods	-	-	(11)	(11)
BUDGETARY FUND BALANCE, end of year	6,595	6,853	8,810	1,957
Total adjustments	-	-	117	117
FUND BALANCE, end of year	\$ 6,595	6,853	8,927	2,074

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 Year Ended June 30, 2020

(amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
BUDGETARY REVENUES:				
From use of money and property	\$ -	-	1	1
Charges for services	7,970	7,570	2,381	(5,189)
Intergovernmental revenues:				
Federal	34,955	37,296	28,817	(8,479)
State	-	126	156	30
Miscellaneous	145	145	-	(145)
Total budgetary revenues	43,070	45,137	31,355	(13,782)
BUDGETARY EXPENDITURES:				
Community development - Housing	42,956	50,300	33,333	16,967
Total budgetary expenditures	42,956	50,300	33,333	16,967
OTHER FINANCING SOURCES / (USES):				
Transfers in from:				
General fund	95	95	95	-
Transfers out to:				
General fund	(134)	(133)	(133)	-
Total other financing uses	(39)	(38)	(38)	-
Net change in budgetary fund balance	75	(5,201)	(2,016)	3,185
BUDGETARY FUND BALANCE, beginning of year	5,907	5,907	5,907	-
BUDGETARY FUND BALANCE, end of year	\$ 5,982	706	3,891	3,185

Note to Schedule:

GAAP basis equals Budgetary basis.

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 Year Ended June 30, 2020

(amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
BUDGETARY REVENUES:				
General property taxes	\$ 2,971	2,971	2,933	(38)
Total budgetary revenues	2,971	2,971	2,933	(38)
BUDGETARY EXPENDITURES:				
Community Development Authorities	2,971	2,964	2,918	46
Total budgetary expenditures	2,971	2,964	2,918	46
OTHER FINANCING USES:				
Transfers out to:				
General fund	-	(8)	(8)	-
Total other financing uses	-	(8)	(8)	-
Net change in budgetary fund balance	-	(1)	7	8
BUDGETARY FUND BALANCE, beginning of year	-	-	-	-
BUDGETARY FUND BALANCE, end of year	\$ -	(1)	7	8

Note to Schedule:

GAAP basis equals Budgetary basis.

COUNTY OF PRINCE WILLIAM, VIRGINIA
 SPECIAL REVENUE FUND - Emergency Medical Services

Schedule 19

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 Year Ended June 30, 2020
 (amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
BUDGETARY REVENUES:				
From use of money and property	\$ -	-	130	130
Charges for services	5,582	5,582	5,291	(291)
Intergovernmental revenues:				
State	-	-	24	24
Miscellaneous	1	-	-	-
Total budgetary revenues	5,583	5,582	5,445	(137)
BUDGETARY EXPENDITURES:				
Public safety - Public Works	1,607	1,625	1,323	302
Total budgetary expenditures	1,607	1,625	1,323	302
OTHER FINANCING USES:				
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	149	130	295	165
BUDGETARY FUND BALANCE, beginning of year	6,129	6,129	6,129	-
BUDGETARY FUND BALANCE, end of year	\$ 6,278	6,259	6,424	165
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 19)	\$ -	-	130	130
Current year fair value adjustment	-	-	86	86
From use of money and property (Schedule 13)	-	-	216	216
Cumulative fair value adjustments of prior periods	-	-	(85)	(85)
BUDGETARY FUND BALANCE, end of year	6,278	6,259	6,424	165
Total adjustments	-	-	1	1
FUND BALANCE, end of year	\$ 6,278	6,259	6,425	166

SPECIAL REVENUE FUND - Coronavirus Aid, Relief and Economic Security Act

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 Year Ended June 30, 2020
(amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With
	Original	Final		Final Budget Favorable (Unfavorable)
BUDGETARY REVENUES:				
From use of money and property	\$ -	-	1	1
Intergovernmental revenues:				
Federal	-	41,035	5,118	(35,917)
Total budgetary revenues	-	41,035	5,119	(35,916)
BUDGETARY EXPENDITURES:				
General government administration	-	1,029	1,029	-
Judicial administration Public safety	-	4	4	-
Public works	-	14,828	2,366	12,462
Health and welfare	-	81	81	-
Parks, Recreation and cultural	-	15,000	441	14,559
Community development	-	64	64	-
	-	6,127	1,133	4,994
Total budgetary expenditures	-	37,133	5,118	32,015
Net change in budgetary fund balance	-	3,902	1	(3,901)
BUDGETARY FUND BALANCE, beginning of year	-	-	-	-
BUDGETARY FUND BALANCE, end of year	\$ -	3,902	1	(3,901)
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 20)	\$ -	-	1	1
Current year fair value adjustment	-	-	1	1
From use of money and property (Schedule 13)	-	-	2	2
Cumulative fair value adjustments of prior periods	-	-	-	-
BUDGETARY FUND BALANCE, end of year	-	3,902	1	(3,901)
Total adjustments	-	-	1	1
FUND BALANCE, end of year	\$ -	3,902	2	(3,900)

SPECIAL REVENUE FUND - Transient Occupancy Tax

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

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

For the Year Ended June 30, 2020

(amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With
	Original	Final		Final Budget Favorable (Unfavorable)
BUDGETARY REVENUES:				
Other local taxes	\$ 1,400	1,400	1,349	(51)
From use of money and property	-	-	40	40
Total budgetary revenues	1,400	1,400	1,389	(11)
BUDGETARY EXPENDITURES:				
Public safety - Public Works	-	1,400	-	1,400
Total budgetary expenditures	-	1,400	-	1,400
Net change in budgetary fund balance	1,400	-	1,389	1,389
BUDGETARY FUND BALANCE, beginning of year	1,700	1,700	1,700	-
BUDGETARY FUND BALANCE, end of year	\$ 3,100	1,700	3,089	1,389
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 21)	\$ -	-	40	40
Current year fair value adjustment	-	-	30	30
From use of money and property (Schedule 13)	-	-	70	70
Cumulative fair value adjustments of prior periods	-	-	22	22
BUDGETARY FUND BALANCE, end of year	3,100	1,700	3,089	1,389
Total adjustments	-	-	52	52
FUND BALANCE, end of year	\$ 3,100	1,700	3,141	1,441

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 Year Ended June 30, 2020
 (amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With
	Original	Final		Final Budget Favorable (Unfavorable)
BUDGETARY REVENUES:				
Other local taxes	\$ -	-	7,628	7,628
From use of money and property	-	-	116	116
Total budgetary revenues	-	-	7,744	7,744
Net change in budgetary fund balance	-	-	7,744	7,744
BUDGETARY FUND BALANCE, beginning of year	7,278	7,278	7,278	-
BUDGETARY FUND BALANCE, end of year	\$ 7,278	7,278	15,022	7,744
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 22)	\$ -	-	116	116
Current year fair value adjustment	-	-	94	94
From use of money and property (Schedule 13)	-	-	210	210
Cumulative fair value adjustments of prior periods	-	-	17	17
BUDGETARY FUND BALANCE, end of year	7,278	7,278	15,022	7,744
Total adjustments	-	-	111	111
FUND BALANCE, end of year	\$ 7,278	7,278	15,133	7,855

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 Year Ended June 30, 2020

(amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
BUDGETARY REVENUES:				
From use of money and property	\$ -	-	3	3
Intergovernmental revenues:				
State	-	-	3	3
Miscellaneous	-	-	9	9
Total budgetary revenues	-	-	15	15
BUDGETARY EXPENDITURES:				
Public safety - Public Works	-	-	9	(9)
Total budgetary expenditures	-	-	9	(9)
Net change in budgetary fund balance	-	-	6	6
BUDGETARY FUND BALANCE, beginning of year	161	161	161	-
BUDGETARY FUND BALANCE, end of year	\$ 161	161	167	6
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property (Schedule 23)	\$ -	-	3	3
Current year fair value adjustment	-	-	2	2
From use of money and property (Schedule 13)	-	-	5	5
Cumulative fair value adjustments of prior periods	-	-	-	-
BUDGETARY FUND BALANCE, end of year	161	161	167	6
Total adjustments	-	-	2	2
FUND BALANCE, end of year	\$ 161	161	169	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, 2020
(amounts expressed in thousands)

Schedule 24

	Intra-County Services	Other Self-Insurance	Self-Insurance Casualty Pool	Self-Insurance Workers' Compensation Association	Health Insurance	Totals
ASSETS						
Current assets:						
Equity in pooled cash and investments	\$ 17,432	309	-	-	39,807	57,548
Restricted cash and temporary investments	-	-	1,694	14,870	-	16,564
Investments	-	-	1,099	17,759	-	18,858
Accounts receivable, net	32	1	1	185	5,278	5,497
Due from component units	-	-	-	-	103	103
Inventory	533	-	-	-	-	533
Prepaid items	225	-	135	9	77	446
Total current assets	18,222	310	2,929	32,823	45,265	99,549
Non-current assets:						
Restricted investments	-	-	500	750	-	1,250
Capital assets:						
Land and construction in progress	277	-	-	-	-	277
Buildings and other capital assets, net of depreciation	3,848	-	-	-	-	3,848
Total non-current assets	4,125	-	500	750	-	5,375
Total assets	22,347	310	3,429	33,573	45,265	104,924
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to OPEB	395	-	-	-	16	411
Deferred outflows related to pension	2,809	-	-	-	123	2,932
Total deferred outflows of resources	3,204	-	-	-	139	3,343
LIABILITIES						
Current liabilities:						
Accounts payable	1,762	-	30	132	3,502	5,426
Wages and benefits payable	589	-	-	-	-	589
Unpaid losses, related liabilities and IBNR	-	221	414	2,248	4,207	7,090
Current portion of surplus distribution payables	-	-	450	800	-	1,250
Current portion of compensated absences	142	-	-	-	-	142
Total current liabilities	2,493	221	894	3,180	7,709	14,497
Non-current liabilities:						
Unpaid losses, related liabilities and IBNR	-	-	424	14,065	-	14,489
Surplus distribution payables	-	-	956	1,731	-	2,687
Net OPEB liabilities	1,919	-	-	-	75	1,994
Net pension liabilities	7,596	-	-	-	332	7,928
Compensated absences	1,861	-	-	-	-	1,861
Total non-current liabilities	11,376	-	1,380	15,796	407	28,959
Total liabilities	13,869	221	2,274	18,976	8,116	43,456
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to OPEB	271	-	-	-	10	281
Deferred inflows related to pensions	539	-	-	-	24	563
Total deferred inflows of resources	810	-	-	-	34	844
NET POSITION						
Net investment in capital assets	4,125	-	-	-	-	4,125
Restricted for self-insurance funds	-	-	500	2,574	-	3,074
Unrestricted	6,747	89	655	12,023	37,254	56,768
Total net position	\$ 10,872	89	1,155	14,597	37,254	63,967

COUNTY OF PRINCE WILLIAM, VIRGINIA
INTERNAL SERVICE FUNDS

Schedule 25

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2020
(amounts expressed in thousands)

	Intra-County Services	Other Self- Insurance	Self- Insurance Casualty Pool	Self- Insurance Workers' Compensation Association	Health Insurance	Totals
OPERATING REVENUES:						
Charges for services	\$ 44,810	-	1,878	6,228	61,053	113,969
Miscellaneous	205	23	-	-	6,138	6,366
Total operating revenues	45,015	23	1,878	6,228	67,191	120,335
OPERATING EXPENSES:						
Personal services	16,073	-	-	-	516	16,589
Contractual services	19,000	-	624	711	5,397	25,732
Materials / supplies	7,475	-	-	-	-	7,475
Depreciation	1,779	-	-	-	-	1,779
Other	684	-	-	-	15	699
Claims and premiums	83	-	546	450	54,491	55,570
OPEB costs	-	-	-	-	4,701	4,701
Losses and loss adjustment expenses	-	-	659	4,014	(212)	4,461
Total operating expenses	45,094	-	1,829	5,175	64,908	117,006
Operating income / (loss)	(79)	23	49	1,053	2,283	3,329
NON-OPERATING REVENUES / (EXPENSES):						
Interest income	827	10	56	903	1,283	3,079
Gain on sale of capital assets	22	-	-	-	-	22
Declaration of surplus distribution	-	-	(521)	-	-	(521)
Total non-operating revenues / (expenses)	849	10	(465)	903	1,283	2,580
Income / (Loss) before transfers and capital contributions	770	33	(416)	1,956	3,566	5,909
TRANSFERS:						
Transfers in from:						
Special revenue funds	402	-	-	-	-	402
Fire & rescue levy funds	-	-	-	-	98	98
Transfers out to:						
General funds	(827)	-	-	-	-	(827)
Capital projects funds	(8,000)	-	-	-	-	(8,000)
Total transfers	(8,425)	-	-	-	98	(8,327)
Capital contributions	(4)	-	-	-	-	(4)
Change in net position	(7,659)	33	(416)	1,956	3,664	(2,422)
NET POSITION, beginning of year	18,531	56	1,571	12,641	33,590	66,389
NET POSITION, end of year	\$ 10,872	89	1,155	14,597	37,254	63,967

COUNTY OF PRINCE WILLIAM, VIRGINIA
INTERNAL SERVICE FUNDS

Schedule 26
Page 1 of 2

Combining Statement of Cash Flows

For the Year Ended June 30, 2020

(amounts expressed in thousands)

	Intra-County Services	Other Self-Insurance	Self-Insurance Casualty Pool	Self-Insurance Workers' Compensation Association	Health Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers	\$ 44,810	-	1,611	5,574	67,191	119,186
Cash received / (paid) from / (to) other entities	222	23	-	-	(1,153)	(908)
Payments for claims and premiums	-	(47)	(1,193)	(3,412)	(54,491)	(59,143)
Payments to suppliers for goods and services	(27,291)	-	(642)	(673)	(8,433)	(37,039)
Payments to employees for services	(15,690)	-	-	-	(696)	(16,386)
Net cash provided / (used) by operating activities	2,051	(24)	(224)	1,489	2,418	5,710
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Surplus distributions paid	-	-	(21)	-	-	(21)
Transfers in	402	-	-	-	98	500
Transfers out	(8,827)	-	-	-	-	(8,827)
Net cash provided / (used) by non-capital financing activities	(8,425)	-	(21)	-	98	(8,348)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition of capital assets	(1,254)	-	-	-	-	(1,254)
Proceeds from the sale of capital assets	159	-	-	-	-	159
Net cash used by capital and related financing activities	(1,095)	-	-	-	-	(1,095)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from maturities of investments	-	-	2,400	29,944	-	32,344
Purchases of investments	-	-	(2,398)	(23,435)	-	(25,833)
Interest and dividends received on investments	827	10	56	596	1,287	2,776
Net cash provided by investing activities	827	10	58	7,105	1,287	9,287
Net increase / (decrease) in cash and cash equivalents	(6,642)	(14)	(187)	8,594	3,803	5,554
CASH AND CASH EQUIVALENTS, beginning of year	24,074	323	1,881	6,276	36,004	68,558
CASH AND CASH EQUIVALENTS, end of year	\$ 17,432	309	1,694	14,870	39,807	74,112

COUNTY OF PRINCE WILLIAM, VIRGINIA
INTERNAL SERVICE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 2020
(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
RECONCILIATION OF OPERATING INCOME / (LOSS) TO NET CASH PROVIDED / (USED) BY OPERATING ACTIVITIES:						
Operating income / (loss)	\$ (79)	23	49	1,053	2,283	3,329
Adjustments to reconcile operating income / (loss) to net cash provided / (used) by operating activities:						
Depreciation	1,779	-	-	-	-	1,779
Dividends applied to premiums	-	-	(267)	(654)	-	(921)
Change in assets:						
(Increase) / decrease in:						
Accounts receivable, net of accrued interest	17	-	-	38	(1,153)	(1,098)
Due from component units	-	-	-	-	(103)	(103)
Inventory	(3)	-	-	-	-	(3)
Prepaid items	-	-	(97)	-	(73)	(170)
Change in deferred outflows of resources:						
Increase in:						
Deferred outflows of resources OPEB	(172)	-	-	-	(4)	(176)
Deferred outflows of resources pensions	(1,427)	-	-	-	(49)	(1,476)
Change in liabilities:						
Increase / (decrease) in:						
Accounts payable and personnel costs, net of interest	306	-	-	-	1,753	2,059
Unpaid losses and related liabilities	-	(47)	91	1,052	(212)	884
Other long term liabilities	1,698	-	-	-	(11)	1,687
Change in deferred inflows of resources:						
(Increase) / decrease in:						
Deferred inflows of resources OPEB	19	-	-	-	(3)	16
Deferred inflows of resources pensions	(87)	-	-	-	(10)	(97)
Total adjustments	2,130	(47)	(273)	436	135	2,381
Net cash provided / (used) by operating activities	\$ 2,051	(24)	(224)	1,489	2,418	5,710

Fiduciary & Agency Funds

Fiduciary funds are used to report assets held in a trustee or agency on behalf of others. Such funds cannot be used to support the County's programs. The County uses fiduciary funds to report the financial activities related to: pensions, other post-employment benefits (OPEB) obligations, and the related assets held to fund those obligations, as well as for trust arrangements with private organizations.

Private-Purpose Trust funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. 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.

FIDUCIARY FUNDS

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

June 30, 2020

(amounts expressed in thousands)

	Pension Trust Funds	OPEB Master Trust Fund	Totals
ASSETS			
Restricted cash	\$ 1,578	-	1,578
Restricted investments:			
Money market mutual funds	665	103	768
Equity investments	23,158	57,821	80,979
Real estate investments	2,680	-	2,680
Fixed return investments	11,578	42,357	53,935
Diversified investments	3,860	-	3,860
Life insurance annuity	18,155	-	18,155
Total investments	<u>60,096</u>	<u>100,281</u>	<u>160,377</u>
Total assets	<u>61,674</u>	<u>100,281</u>	<u>161,955</u>
LIABILITIES			
Accounts payable	<u>108</u>	<u>4,875</u>	<u>4,983</u>
Total liabilities	<u>108</u>	<u>4,875</u>	<u>4,983</u>
NET POSITION			
Net position restricted for pensions	61,566	-	61,566
Net position restricted for OPEB	<u>-</u>	<u>95,406</u>	<u>95,406</u>
Total net position	<u>\$ 61,566</u>	<u>95,406</u>	<u>156,972</u>

Combining Statement of Changes in Fiduciary Net Position - Pension and Other Post-Employment Benefits (OPEB) Master Trust Funds
 For the Year Ended June 30, 2020
 (amounts expressed in thousands)

	Pension Trust Funds	OPEB Master Trust Fund	Totals
ADDITIONS			
Contributions:			
Member	\$ 1,921	-	1,921
Employer	3,077	7,107	10,184
Total Contributions	<u>4,998</u>	<u>7,107</u>	<u>12,105</u>
Investment income:			
Interest and dividends	1,418	2,198	3,616
Net appreciation in fair value of investments	47	3,992	4,039
Total investment income	<u>1,465</u>	<u>6,190</u>	<u>7,655</u>
Less: investment expenses	(136)	(185)	(321)
Net investment income	<u>1,329</u>	<u>6,005</u>	<u>7,334</u>
Total additions	<u>6,327</u>	<u>13,112</u>	<u>19,439</u>
DEDUCTIONS			
Pension and OPEB payments	2,923	4,907	7,830
Refund of members' contributions	345	-	345
Administrative expenses	222	15	237
Total deductions	<u>3,490</u>	<u>4,922</u>	<u>8,412</u>
Change in net position	2,837	8,190	11,027
NET POSITION, beginning of year	<u>58,729</u>	<u>87,216</u>	<u>145,945</u>
NET POSITION, end of year	<u>\$ 61,566</u>	<u>95,406</u>	<u>156,972</u>

FIDUCIARY FUNDS

Combining Statement of Fiduciary Net Position - Pension Trust Funds

June 30, 2020

(amounts expressed in thousands)

	Supplemental Pension Plan Trust Fund	Length of Service Award Program (LoSAP) Trust Fund	Total Pension Trust Funds
ASSETS			
Restricted cash	\$ 1,578	-	1,578
Restricted investments:			
Money market mutual funds	665	-	665
Equity investments	23,158	-	23,158
Real estate investments	2,680	-	2,680
Fixed return investments	11,578	-	11,578
Diversified investments	3,860	-	3,860
Life insurance funds	-	18,155	18,155
Total investments	<u>41,941</u>	<u>18,155</u>	<u>60,096</u>
Total assets	<u>43,519</u>	<u>18,155</u>	<u>61,674</u>
LIABILITIES			
Accounts payable	<u>108</u>	-	<u>108</u>
Total liabilities	<u>108</u>	-	<u>108</u>
NET POSITION			
Net position restricted for pension	<u>43,411</u>	<u>18,155</u>	<u>61,566</u>
Total net position	<u>\$ 43,411</u>	<u>18,155</u>	<u>61,566</u>

FIDUCIARY FUNDS

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

For the Year Ended June 30, 2020

(amounts expressed in thousands)

	Supplemental Pension Plan Trust Fund	Length of Service Award Program (LoSAP) Trust Fund	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Member	\$ 1,921	-	1,921
Employer	1,921	1,156	3,077
Total contributions	3,842	1,156	4,998
Investment income:			
Interest and dividends	901	517	1,418
Net appreciation in fair value of investments	47	-	47
Total investment income	948	517	1,465
Less: investment expenses	(136)	-	(136)
Net investment income	812	517	1,329
Total additions	4,654	1,673	6,327
DEDUCTIONS			
Pension and OPEB payments	2,434	489	2,923
Refund of members' contributions	345	-	345
Administrative expenses	143	79	222
Total deductions	2,922	568	3,490
Change in net position	1,732	1,105	2,837
NET POSITION, beginning of year	41,679	17,050	58,729
NET POSITION, end of year	\$ 43,411	18,155	61,566

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

June 30, 2020

(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	School Board OPEB Trust Fund	
ASSETS					
Restricted investments	\$ 20,459	21,048	17,164	41,610	100,281
Total assets	<u>20,459</u>	<u>21,048</u>	<u>17,164</u>	<u>41,610</u>	<u>100,281</u>
LIABILITIES					
Accounts payable	\$ 2,295	2,069	504	7	4,875
Total liabilities	<u>2,295</u>	<u>2,069</u>	<u>504</u>	<u>7</u>	<u>4,875</u>
NET POSITION					
Net position restricted for OPEB	18,164	18,979	16,660	41,603	95,406
Total net position	<u>\$ 18,164</u>	<u>18,979</u>	<u>16,660</u>	<u>41,603</u>	<u>95,406</u>

Combining Statement of Changes in Fiduciary Net Position - Other Post-Employment Benefits (OPEB) Master Trust Fund
 For the Year Ended June 30, 2020
 (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	School Board OPEB Trust Fund	
ADDITIONS					
Contributions:					
Employer	\$ 1,428	2,091	1,788	1,800	7,107
Investment income:					
Interest and dividends	491	401	412	894	2,198
Net appreciation in fair value of investments	863	687	767	1,675	3,992
Total investment income	1,354	1,088	1,179	2,569	6,190
Less: investment expenses	(41)	(34)	(35)	(75)	(185)
Net investment income	1,313	1,054	1,144	2,494	6,005
Total additions	2,741	3,145	2,932	4,294	13,112
DEDUCTIONS					
Pension and OPEB payments	2,097	2,047	763	-	4,907
Administrative expenses	-	-	-	15	15
Total deductions	2,097	2,047	763	15	4,922
Change in net position	644	1,098	2,169	4,279	8,190
NET POSITION, beginning of year	17,520	17,881	14,491	37,324	87,216
NET POSITION, end of year	\$ 18,164	18,979	16,660	41,603	95,406

Combining Statement of Fiduciary Net Position - Private-Purpose Trust Funds

June 30, 2020

(amounts expressed in thousands)

	Private-Purpose Trust Funds						Total
	Innovation Owners' Association	Historic Preservation Foundation	Library Donations	Police Donations	Animal Donations	Liberty Donations	
ASSETS							
Equity in pooled cash and investments	\$ 453	12	421	28	97	96	1,107
Accounts receivable, net	77	-	1	-	-	-	78
Total assets	\$ 530	12	422	28	97	96	1,185
LIABILITIES							
Accounts payable	\$ -	-	-	-	-	17	17
Deposits and escrow	-	-	-	-	42	-	42
Total liabilities	-	-	-	-	42	17	59
NET POSITION							
Net position restricted for other purposes	530	12	422	28	55	79	1,126
Total net position	\$ 530	12	422	28	55	79	1,126

Combining Statement of Changes in Fiduciary Net Position - Private-Purpose Trust Funds
 For the Year Ended June 30, 2020
 (amounts expressed in thousands)

	Private-Purpose Trust Funds						Total
	Innovation Owners' Association	Historic Preservation Foundation	Library Donations	Police Donations	Animal Donations	Liberty Donations	
ADDITIONS							
Donations	\$ 88	10	129	-	10	-	237
Investment income:							
Interest and dividends	14	-	12	1	4	3	34
Total additions	102	10	141	1	14	3	271
DEDUCTIONS							
Administrative expenses	86	8	68	-	-	17	179
Total deductions	86	8	68	-	-	17	179
Change in net position	16	2	73	1	14	(14)	92
NET POSITION, beginning of year	514	10	349	27	41	93	1,034
NET POSITION, end of year	\$ 530	12	422	28	55	79	1,126

COUNTY OF PRINCE WILLIAM, VIRGINIA
 AGENCY FUNDS
 Combining Statement of Fiduciary Net Position
 June 30, 2020
 (amounts expressed in thousands)

Schedule 35

	Special Welfare	Community Services Board Payees	Housing FSS Recipients	Total
ASSETS				
Equity in pooled cash and investments	\$ 46	-	635	681
Cash in other banks	-	90	-	90
Total assets	<u>\$ 46</u>	<u>90</u>	<u>635</u>	<u>771</u>
LIABILITIES				
Deposits and escrows	<u>\$ 46</u>	<u>90</u>	<u>635</u>	<u>771</u>
Total liabilities	<u>\$ 46</u>	<u>90</u>	<u>635</u>	<u>771</u>

COUNTY OF PRINCE WILLIAM, VIRGINIA
 AGENCY FUNDS

Schedule 36

Combining Statement of Changes In Assets and Liabilities

For the Year Ended June 30, 2020

(amounts expressed in thousands)

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
SPECIAL WELFARE				
Equity in pooled cash and investments	\$ 37	81	72	46
Total assets	\$ 37	81	72	46
Deposits and escrows	\$ 37	81	72	46
Total liabilities	\$ 37	81	72	46
COMMUNITY SERVICES BOARD PAYEES				
Cash in other banks	\$ 39	546	495	90
Total assets	\$ 39	546	495	90
Deposits and escrows	\$ 39	546	495	90
Total liabilities	\$ 39	546	495	90
HOUSING FSS RECIPIENTS				
Equity in pooled cash and investments	\$ 711	29	105	635
Total assets	\$ 711	29	105	635
Deposits and escrows	\$ 711	29	105	635
Total liabilities	\$ 711	29	105	635
TOTAL AGENCY FUNDS				
Equity in pooled cash and investments	\$ 748	110	177	681
Cash in other banks	39	546	495	90
Total assets	\$ 787	656	672	771
Deposits and escrows	787	656	672	771
Total liabilities	\$ 787	656	672	771

DISCRETELY PRESENTED
COMPONENT UNIT
Adult Detention Center

The Adult Detention Center derives revenues from the County and charges for services. The Adult Detention Center statement includes revenues and expenditures for the general operation and capital projects of the Prince William-Manassas regional adult detention center.

COUNTY OF PRINCE WILLIAM, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT - ADULT DETENTION CENTER

Schedule 37

Combining Balance Sheet

June 30, 2020

(amounts expressed in thousands)

	General	Capital	
	Operating	Projects	Totals
ASSETS			
Equity in pooled cash and investments	\$ 1,395	-	1,395
Restricted cash and temporary investments	-	1,096	1,096
Accounts receivable, net	46	-	46
Due from other governmental units	1,899	-	1,899
Due from other funds	6,731	-	6,731
Total assets	<u>\$ 10,071</u>	<u>1,096</u>	<u>11,167</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 297	3,427	3,724
Wages and benefits payable	1,377	-	1,377
Retainages	-	1,096	1,096
Due to other funds	-	6,731	6,731
Due to general fund	103	3,806	3,909
Total liabilities	<u>1,777</u>	<u>15,060</u>	<u>16,837</u>
FUND BALANCES:			
Assigned	416	973	1,389
Unassigned	7,878	(14,937)	(7,059)
Total fund balances / (deficit)	<u>8,294</u>	<u>(13,964)</u>	<u>(5,670)</u>
Total liabilities and fund balances	<u>\$ 10,071</u>	<u>1,096</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.			\$ 105,568
Assets used in governmental activities are not financial resources, are not reported in the funds:			
Net OPEB assets			124
GASB 68 and 75 requires that deferred inflow and outflows of resources be reported:			
Deferred outflows related to OPEB			1,237
Deferred outflows related to pensions			6,593
Deferred inflows related to OPEB			(1,561)
Deferred inflows related to pensions			(1,265)
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			(4,524)
Current year net pension liabilities			(17,828)
Compensated absences			(4,253)
Net position of governmental activities			<u>\$ 78,421</u>

COUNTY OF PRINCE WILLIAM, VIRGINIA
DISCRETELY PRESENTED COMPONENT UNIT - ADULT DETENTION CENTER
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2020
(amounts expressed in thousands)

Schedule 38

	Governmental Fund Types		Totals
	General Operating	Capital Projects	
REVENUES:			
From use of money and property	\$ (43)	-	(43)
Charges for services	418	-	418
Intergovernmental revenues:			
Federal	908	-	908
State	11,787	-	11,787
Local	34,988	-	34,988
Miscellaneous	76	-	76
Total revenues	<u>48,134</u>	<u>-</u>	<u>48,134</u>
EXPENDITURES:			
Public safety	<u>47,722</u>	<u>14,416</u>	<u>62,138</u>
Total expenditures	<u>47,722</u>	<u>14,416</u>	<u>62,138</u>
Excess / (deficiency) of revenues over / (under) expenditures	412	(14,416)	(14,004)
OTHER FINANCING SOURCES / (USES):			
Transfers in	-	10,892	10,892
Transfers out	(10,892)	-	(10,892)
Sale of surplus property	11	-	11
Total other financing sources / (uses)	<u>(10,881)</u>	<u>10,892</u>	<u>11</u>
Net change in fund balances	(10,469)	(3,524)	(13,993)
FUND BALANCES, beginning of year	<u>18,763</u>	<u>(10,440)</u>	
FUND BALANCES, end of year	<u>\$ 8,294</u>	<u>(13,964)</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	14,505
Subtract depreciation expense	(2,347)

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

Net OPEB assets	124
-----------------	-----

GASB 68 and 75 requires reporting deferred inflows and outflow of resources:

Add current year's deferred outflows related to OPEB	1,237
Add current year's deferred outflows related to pension	6,593
Add deferred inflows related to OPEB from prior year	629
Add deferred inflows related to pensions from prior year	1,349
Subtract deferred outflows related to OPEB from prior year	(805)
Subtract deferred outflows related to pensions from prior year	(2,976)
Subtract current year's deferred inflows related to OPEB	(1,561)
Subtract current year's deferred inflows related to pension	(1,265)

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	(4,524)
Subtract current year's pension	(17,828)
Subtract current year's compensated absences liability	(4,253)
Add prior year's OPEB	4,948
Add prior year's pension	12,791
Add prior year's compensated absences liability	<u>3,613</u>

Change in Adult Detention Center net position \$ (3,763)

DISCRETELY PRESENTED COMPONENT UNIT - Adult Detention Center (General Operating Fund)

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

For the Year Ended June 30, 2020

(amounts expressed in thousands)

	Budgeted Amounts		2020 Actuals	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
From use of money and property	\$ -	-	(43)	(43)
Charges for services	486	486	418	(68)
Intergovernmental revenues:				
Federal	293	845	908	63
State	12,625	12,625	11,787	(838)
Local:				
Manassas	4,149	4,149	4,480	331
Manassas Park	713	713	541	(172)
Prince William County	31,833	29,924	29,967	43
Miscellaneous	62	62	76	14
Total revenues	50,161	48,804	48,134	(670)
EXPENDITURES:				
Public safety - Adult Detention	50,744	49,133	47,722	1,411
Total expenditures	50,744	49,133	47,722	1,411
OTHER FINANCING SOURCES / (USES):				
Transfers out to:				
Capital projects funds	(7,113)	(10,892)	(10,892)	-
Sale of surplus property	-	-	11	11
Total other financing sources / (uses)	(7,113)	(10,892)	(10,881)	11
Excess / (deficiency) of revenues and other sources over / (under) expenditures and other uses	(7,696)	(11,221)	(10,469)	752
FUND BALANCE, beginning of year	18,763	18,763	18,763	-
FUND BALANCE, end of year	\$ 11,067	7,542	8,294	752

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, 2020										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, 2020	Amount		Fiscal Year	
General Obligation Bonds and Revenue Bonds:													
2006 Referendum													
	\$ 101,110	28,635	31-Jul-13	\$ -	6,258	-	897	-	7,155	5.00	1,435	2021	
										5.00	1,430	2022 thru 2024	
										3.00	1,430	2025	
	-	61,805	29-Jul-15	10,846	14,461	-	2,503	-	27,810	5.00	3,090	2021 thru 2026	
										3.00	3,090	2027 thru 2028	
										3.00	3,090	2031	
Taxable - Local Build America Bonds	-	10,670	29-Jul-10	-	1,000	-	-	-	1,000	3.68	1,000	2021	
Total 2006 Referendum	\$ 101,110	101,110		\$ 10,846	21,719	-	3,400	-	35,965				
Revenue Bonds													
	\$ 30,985	23,355	1-Mar-16	\$ 18,675	-	-	-	-	18,675	3.00	1,170	2021 thru 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	
Total Revenue Bonds	\$ 30,985	23,355		\$ 18,675	-	-	-	-	18,675				
School Bonds													
	\$ 33,650	33,650	18-May-00	\$ -	-	-	-	1,680	1,680	5.60	1,680	2021 thru 2021	
	48,175	48,175	17-May-01	-	-	-	-	4,810	4,810	5.10	2,405	2021 thru 2022	
	52,660	52,660	16-May-02	-	-	-	-	7,890	7,890	5.10	2,630	2021 thru 2023	
	80,675	80,675	15-May-03	-	-	-	-	16,120	16,120	5.10	4,030	2021 thru 2022	
										4.60	4,030	2023 thru 2024	
	48,795	48,795	13-May-04	-	-	-	-	12,195	12,195	5.10	2,440	2021 thru 2024	
										5.10	2,435	2025	
	62,320	62,320	12-May-05	-	-	-	-	18,690	18,690	5.10	3,115	2021 thru 2025	
										4.35	3,115	2026	
	61,605	61,605	11-May-06	-	-	-	-	21,560	21,560	5.10	3,080	2021	
										4.48	3,080	2022	
										4.60	3,080	2023 thru 2026	
										5.10	3,080	2027	
	64,975	64,975	10-May-07	-	-	-	-	25,975	25,975	4.10	3,250	2021	
										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	-	-	-	-	20,645	20,645	5.10	2,295	2021 thru 2027	
										5.10	2,290	2028	
										4.60	2,290	2029	
	51,020	51,020	15-May-09	-	-	-	-	25,500	25,500	5.05	2,550	2021 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	
	51,200	46,445	4-Aug-11	-	-	-	-	2,325	2,325	5.00	2,325	2021	
	79,600	65,675	1-Aug-12	-	-	-	-	6,570	6,570	5.00	3,285	2021 thru 2022	
	69,280	59,990	31-Jul-13	-	-	-	-	12,000	12,000	5.00	3,000	2021 thru 2024	
	91,910	82,545	23-Sep-14	-	-	-	-	53,645	53,645	5.00	4,130	2021 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	-	-	-	-	59,100	59,100	5.00	4,925	2021 thru 2026	
										3.00	4,925	2027 thru 2031	
										3.13	4,925	2032	

Description	Total Outstanding at June 30, 2020										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, 2020			Amount	Fiscal Year
General Obligation Bonds and Revenue Bonds (cont'd):													
	139,480	120,220	29-Mar-16	-	-	-	-	102,175	102,175	5.00	6,015	2021	
										5.00	6,010	2022 thru 2030	
										3.00	6,010	2031 thru 2037	
	219,695	77,660	9-Mar-17	-	-	-	-	66,005	66,005	5.00	3,885	2021 thru 2027	
										4.00	3,885	2028 thru 2029	
										3.00	3,880	2030 thru 2031	
										3.13	3,880	2032 thru 2034	
										3.25	3,880	2035 thru 2036	
										3.38	3,880	2037	
	245,340	115,895	24-May-18	-	-	-	-	104,310	104,310	5.00	5,795	2021 thru 2030	
										4.00	5,795	2031 thru 2033	
										3.13	5,795	2034 thru 2035	
										3.38	5,795	2036 thru 2038	
	378,500	109,155	29-Oct-19	-	-	-	-	109,155	109,155	5.00	5,460	2021 thru 2031	
										5.00	5,455	2032	
										3.00	5,455	2033 thru 2040	
Taxable - Local Build America Bonds	60,765	56,445	13-May-10	-	-	-	-	44,340	44,340	4.52	4,035	2021	
										4.72	4,035	2022	
										4.82	4,030	2023	
										4.97	4,030	2024	
										5.07	4,030	2025	
										5.17	4,030	2026	
										5.56	4,030	2027 thru 2031	
School Bonds													
Taxable-Direct Payment Qualified School Construction Bonds ^A	9,800	9,685	8-Jul-10	-	-	-	-	3,990	3,990	-	570	2021 thru 2027	
Total School Bonds	\$ 2,004,325	1,391,965		\$ -	-	-	-	718,680	718,680				
Refunding Bonds:													
	\$ 47,175	47,175	1-Sep-04	\$ 355	-	-	-	635	990	4.13	990	2021	
	50,000	48,260	29-Jul-10	-	3,880	-	465	500	4,845	2.75	4,845	2021	
	59,000	35,550	29-Feb-12	-	32,551	-	1,349	-	33,900	4.00	3,295	2021	
										4.00	3,275	2022	
										4.00	3,695	2023	
										5.00	5,590	2024	
										5.00	6,610	2025	
										5.00	3,695	2026	
										5.00	3,690	2027	
										5.00	2,025	2028 thru 2029	
	115,000	50,940	29-Mar-16	-	-	-	-	50,940	50,940	5.00	3,210	2023	
										5.00	2,940	2024	
										5.00	8,275	2025	
										5.00	8,310	2026	
										5.00	8,350	2027	
										5.00	6,055	2028	
										5.00	8,385	2029	
										5.00	5,415	2030	
	3,015	2,935	1-Mar-16	630	-	-	-	-	630	5.00	630	2021	
	640,140	24,465	18-Jun-20	-	16,763	-	604	7,098	24,465	5.00	7,675	2022	
										5.00	6,775	2023	
										5.00	4,925	2024	
										5.00	710	2025	
										5.00	715	2026	
										5.00	725	2027	
										5.00	730	2028	
										5.00	735	2029	
										5.00	735	2030	
										5.00	740	2031	

Description	Total Outstanding at June 30, 2020										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, 2020	Rate (%)	Amount		Fiscal Year	
											Amount	Fiscal Year		
General Obligation Bonds and Revenue Bonds (cont'd):														
Taxable Bonds:	378,500	24,465	29-Oct-19	-	-	-	-	34,610	34,610	1.77	275	2021		
										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		
Total Refunding Bonds	\$ 1,932,970	306,010		\$ 10,681	78,947	-	6,493	126,479	222,600					
Total General Obligation Bonds and Revenue Bonds	\$ 4,069,390	1,822,440		\$ 40,202	100,666	-	9,893	845,159	995,920					
Capital Leases:														
Refunding LPC - Judicial Center	\$ 18,500	16,025	6-Oct-10	\$ 3,255	-	-	-	-	3,255	5.00	3,255	2021		
Refunding VRA - Yorkshire Fire Station	3,000	2,780	2-Nov-10	895	-	-	-	-	895	5.10	285	2021		
										3.53	300	2022		
										5.10	310	2023		
Refunding VRA - Western District Police	16,000	13,165	2-Nov-10	4,235	-	-	-	-	4,235	5.10	1,350	2021		
										3.54	1,410	2022		
										5.10	1,475	2023		
Refunding VRA - Nokesville Fire Station	3,000	2,180	2-Nov-10	860	-	-	-	-	860	5.10	215	2021 thru 2024		
Refunding VRA - Spriggs Road	10,100	10,095	27-Jun-12	-	5,990	-	-	-	5,990	5.13	1,000	2021 thru 2024		
										4.83	995	2025		
										4.82	995	2026		
Refunding VRA - Nokesville Fire Station	900	880	27-Jun-12	340	-	-	-	-	340	5.13	85	2021 thru 2024		
Refunding COP	50,000	35,205	26-Mar-13	9,891	-	10,533	171	-	20,595	5.00	3,510	2021		
										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	485	-	-	-	-	485	4.44	95	2021		
										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	1,625	-	-	-	-	1,625	4.42	235	2021		
										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	1,715	-	-	-	-	1,715	4.43	245	2021		
										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, 2020										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, 2020	Amount		Fiscal Year	
Capital Leases (cont'd):													
Refunding VRA - Roads	6,245	6,245	5-Nov-14	-	4,845	-	-	-	4,845	4.42	695	2021	
										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	1,920	-	-	-	-	1,920	4.43	215	2021	
										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	-	2,700	-	-	-	2,700	4.42	305	2021	
										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	-	18,835	-	-	-	18,835	4.42	1,890	2021	
										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	
Total Capital Leases	\$ 148,245	116,005		\$ 25,221	32,370	10,533	171	-	68,295				
Loans Payable:													
IDA Loan	\$ 21,153	21,153	22-Feb-19	\$ -	-	21,153	-	-	21,153	Variable	21,153	2024	
Total Loans Payable	\$ 21,153	21,153		\$ -	-	21,153	-	-	21,153				
Total General Obligation, Revenue Bonds, Capital Leases and Other Long-Term Debt	\$ 4,238,788	1,959,598		\$ 65,423	133,036	31,686	10,064	845,159	1,085,368				

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.

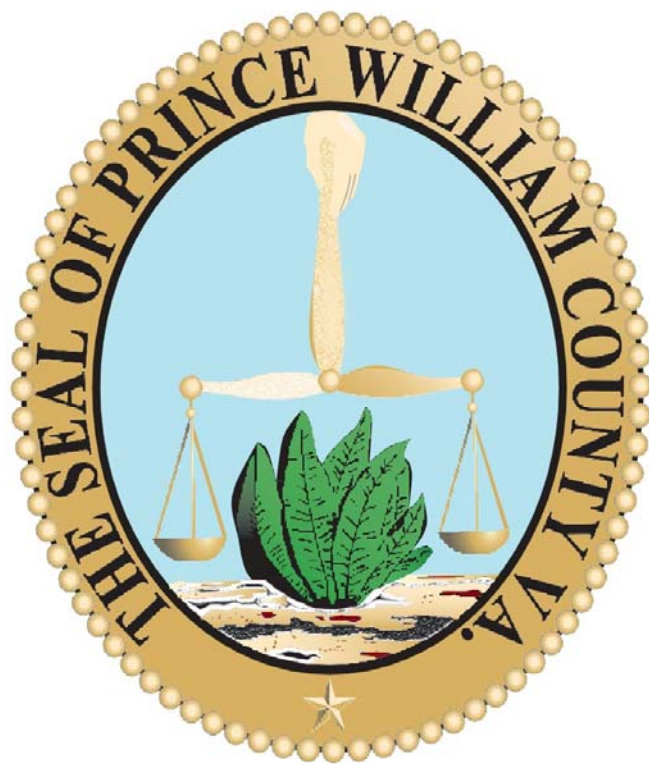
PROPRIETARY FUNDS

Schedule of Bonds, Capital Leases and Other Long-Term Debt

As of June 30, 2020

(amounts expressed in thousands)

Description	Total Outstanding at June 30, 2020						Total Outstanding (Not Matured) at June 30, 2020	Interest Rate (%)	Maturing Annually	
	Authorized	Issued	Date Issued	Landfill	Parks & Recreation	Amount			Fiscal Year	
Revenue Bonds:										
Refunding Bonds	\$ 19,000	13,285	14-Apr-10	\$ -	5,410	5,410	3.50	715	2021	
							3.75	730	2022	
							3.88	760	2023	
							4.00	790	2024	
							4.00	815	2025	
							4.00	850	2026	
							4.00	750	2027	
Total Revenue Bonds	<u>\$ 19,000</u>	<u>13,285</u>		<u>\$ -</u>	<u>5,410</u>	<u>5,410</u>				
Total Bonds, Capital Leases and Other Long-Term Debt	<u>\$ 19,000</u>	<u>13,285</u>		<u>\$ -</u>	<u>5,410</u>	<u>5,410</u>				





Statistical Section
(Unaudited)

Statistical Section



STATISTICAL SECTION

This section of Prince William County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

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

	Page
Financial Trends	253
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity	263
These schedules contain information to help the reader assess the County's most significant local revenue source, the real estate tax, as well as other revenue sources.	
Debt Capacity	270
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information	277
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
Operating Information	280
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	
Other Statistical Tables	286
These schedules present other information useful to certain readers of the County's financial statements.	

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 1 - Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting; amounts expressed in thousands)

	2011	2012 ^c	2013	2014	2015
Governmental activities:					
Net Investment in capital assets	\$ 309,109	\$ 370,247	\$ 405,803	\$ 432,016	\$ 459,442
Restricted	102,590	103,323	116,177	140,516	159,366
Unrestricted	<u>(540,498)</u>	<u>(513,067)</u>	<u>(572,683)</u>	<u>(620,271)</u>	<u>(753,856)</u>
Total governmental activities net position	\$ <u>(128,799)</u>	\$ <u>(39,497)</u>	\$ <u>(50,703)</u>	\$ <u>(47,739)</u>	\$ <u>(135,048)</u>
Business-type activities:					
Net Investment in capital assets	\$ 28,333	\$ 37,030	\$ 36,810	\$ 37,943	\$ 44,021
Unrestricted	<u>9,506</u>	<u>5,675</u>	<u>(146)</u>	<u>3,818</u>	<u>(5,808)</u>
Total business-type activities net position	\$ <u>37,839</u>	\$ <u>42,705</u>	\$ <u>36,664</u>	\$ <u>41,761</u>	\$ <u>38,213</u>
Primary government:					
Net Investment in capital assets	\$ 337,442	\$ 407,277	\$ 442,613	\$ 469,959	\$ 503,463
Restricted	102,590	103,323	116,177	140,516	159,366
Unrestricted	<u>(530,992)</u>	<u>(507,392)</u>	<u>(572,829)</u>	<u>(616,453)</u>	<u>(759,664)</u>
Total primary government net position	\$ <u>(90,960)</u>	\$ <u>3,208</u>	\$ <u>(14,039)</u>	\$ <u>(5,978)</u>	\$ <u>(96,835)</u>
Component units:^d					
Net Investment in capital assets	\$ 1,161,881	\$ 1,149,459	\$ 1,195,075	\$ 1,247,771	\$ 1,326,687
Restricted	39,134	34,791	43,091	50,515	66,882
Unrestricted	<u>139,408</u>	<u>111,523</u>	<u>114,809</u>	<u>114,162</u>	<u>(737,984)</u>
Total component units net position	\$ <u>1,340,423</u>	\$ <u>1,295,773</u>	\$ <u>1,352,975</u>	\$ <u>1,412,448</u>	\$ <u>655,585</u>
Total reporting entity:					
Net Investment in capital assets ^b	\$ 928,973	\$ 975,195	\$ 1,051,232	\$ 1,121,735	\$ 1,222,302
Restricted ^b	118,527	115,407	139,850	168,908	183,503
Unrestricted	<u>201,963</u>	<u>212,308</u>	<u>147,854</u>	<u>115,827</u>	<u>(847,055)</u>
Total reporting entity net position	\$ <u>1,249,463</u>	\$ <u>1,302,910</u>	\$ <u>1,338,936</u>	\$ <u>1,406,470</u>	\$ <u>558,750</u>

^a Component unit net position represents a significant portion of net position for the total reporting entity.

^b The sum of the rows does not equal the amount reported for the total reporting entity because certain debt related to the School Board, and the Adult Detention Center Component Units is reflected in the primary government's general governmental activities. See Exhibit 1 for further details.

^c 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.

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

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

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

2016 as restated ^d	2017 as restated ^e	2018	2019 as restated ^f	2020	
					Governmental activities:
\$ 442,098	\$ 485,264	\$ 505,044	\$ 539,411	\$ 547,230	Net Investment in capital assets
170,299	140,373	95,769	98,872	108,975	Restricted
<u>(885,739)</u>	<u>(994,204)</u>	<u>(1,010,760)</u>	<u>(926,005)</u>	<u>(930,535)</u>	Unrestricted
\$ <u>(273,342)</u>	\$ <u>(368,567)</u>	\$ <u>(409,947)</u>	\$ <u>(287,722)</u>	\$ <u>(274,330)</u>	Total governmental activities net position
					Business-type activities:
\$ 32,870	\$ 40,381	\$ 38,545	\$ 39,852	\$ 39,222	Net Investment in capital assets
6,280	9,522	12,147	22,939	28,721	Unrestricted
<u>39,150</u>	<u>49,903</u>	<u>50,692</u>	<u>62,791</u>	<u>67,943</u>	Total business-type activities net position
					Primary government:
\$ 474,968	\$ 525,645	\$ 543,589	\$ 579,263	\$ 586,452	Net Investment in capital assets
170,299	140,373	95,769	98,872	108,975	Restricted
<u>(879,459)</u>	<u>(984,682)</u>	<u>(998,613)</u>	<u>(903,066)</u>	<u>(901,814)</u>	Unrestricted
\$ <u>(234,192)</u>	\$ <u>(318,664)</u>	\$ <u>(359,255)</u>	\$ <u>(224,931)</u>	\$ <u>(206,387)</u>	Total primary government net position
					Component units: ^a
\$ 1,416,258	\$ 1,522,452	\$ 1,572,907	\$ 1,689,674	\$ 1,809,830	Net Investment in capital assets
198,106	173,810	231,206	104,459	80,492	Restricted
<u>(700,164)</u>	<u>(860,881)</u>	<u>(823,297)</u>	<u>(732,730)</u>	<u>(714,995)</u>	Unrestricted
\$ <u>914,200</u>	\$ <u>835,381</u>	\$ <u>980,816</u>	\$ <u>1,061,403</u>	\$ <u>1,175,327</u>	Total component units net position
					Total reporting entity:
\$ 1,891,226	\$ 1,367,824	\$ 2,215,208	\$ 1,501,676	\$ 1,566,473	Net Investment in capital assets ^b
368,405	163,665	130,578	203,331	142,431	Restricted ^b
<u>(1,579,623)</u>	<u>(1,014,772)</u>	<u>(1,724,225)</u>	<u>(868,535)</u>	<u>(739,964)</u>	Unrestricted
\$ <u>680,008</u>	\$ <u>516,717</u>	\$ <u>621,561</u>	\$ <u>836,472</u>	\$ <u>968,940</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)

	2011	2012	2013	2014	2015	2016 as restated ^b	2017 as restated ^b	2018	2019 as restated ^c	2020
Primary Government:										
Expenses										
Governmental activities:										
General government administration	\$ 45,435	\$ 40,151	\$ 37,932	\$ 34,857	\$ 34,865	\$ 40,258	\$ 50,059	\$ 47,002	\$ 47,572	\$ 51,328
Judicial administration	18,157	18,222	19,524	20,060	20,581	21,960	22,458	21,557	23,677	26,943
Public safety	205,341	215,366	234,880	238,965	243,870	270,610	295,806	292,517	335,421	323,824
Public works	48,819	55,538	72,924	91,874	88,390	96,977	81,479	112,634	107,447	102,006
Health and welfare	76,664	75,217	75,909	76,638	81,711	88,726	92,898	95,658	100,931	111,427
Education	368,236	406,022	463,154	461,676	513,087	672,297	554,522	589,737	468,667	633,749
Parks, recreational and cultural	33,728	54,934	34,077	36,059	37,150	78,278	50,250	49,000	57,677	56,706
Community development	50,227	52,318	53,726	59,129	64,674	37,307	66,559	71,037	65,623	76,709
Interest on long-term debt	44,095	43,242	43,086	47,553	45,104	47,263	54,176	51,305	49,473	49,964
Pension	--	--	--	--	(12,502)	--	--	--	--	--
Total governmental activities expenses	<u>890,702</u>	<u>961,010</u>	<u>1,035,212</u>	<u>1,066,811</u>	<u>1,116,930</u>	<u>1,353,676</u>	<u>1,268,207</u>	<u>1,330,447</u>	<u>1,256,488</u>	<u>1,432,656</u>
Business-type activities:										
Landfill	15,804	16,734	15,832	17,327	17,337	16,613	16,195	14,745	14,749	16,922
Parks and Recreation	--	15,927	19,729	14,793	14,865	6,427	6,445	6,943	6,336	756
Innovation Technology Park	48	48	60	75	405	340	458	268	590	5,038
Total business-type activities expenses	<u>15,852</u>	<u>32,709</u>	<u>35,621</u>	<u>32,195</u>	<u>32,607</u>	<u>23,380</u>	<u>23,098</u>	<u>21,956</u>	<u>21,675</u>	<u>22,716</u>
Total primary government expenses	<u>\$ 906,554</u>	<u>\$ 993,719</u>	<u>\$ 1,070,833</u>	<u>\$ 1,099,006</u>	<u>\$ 1,149,537</u>	<u>\$ 1,377,056</u>	<u>\$ 1,291,305</u>	<u>\$ 1,352,403</u>	<u>\$ 1,278,163</u>	<u>\$ 1,455,372</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government administration	\$ 554	\$ 597	\$ 590	\$ 571	\$ 568	\$ 2,263	\$ 1,969	\$ 1,996	\$ 1,925	\$ 1,988
Judicial administration	4,160	4,548	4,929	4,079	4,238	1,939	1,982	1,695	2,030	1,930
Public safety	6,646	11,105	12,220	13,177	13,249	11,113	24,005	14,572	15,514	13,958
Public works	5,038	5,054	8,248	8,237	8,725	8,796	8,523	8,533	8,748	8,957
Health and welfare	1,287	1,381	1,345	1,113	1,477	6,635	977	1,332	1,543	1,252
Parks, recreational and cultural	562	1,807	548	641	580	8,695	8,992	8,302	8,123	5,951
Community development	10,461	15,234	18,973	20,708	20,194	15,527	12,164	18,382	17,551	16,976
Operating grants and contributions	88,851	101,066	77,104	80,159	79,740	85,699	89,962	96,631	101,515	110,909
Capital grants and contributions	46,890	37,115	29,758	42,952	49,288	74,430	56,574	80,726	77,724	75,832
Total governmental activities program revenues	<u>164,449</u>	<u>177,907</u>	<u>153,715</u>	<u>171,637</u>	<u>178,059</u>	<u>215,097</u>	<u>205,148</u>	<u>232,169</u>	<u>234,673</u>	<u>237,753</u>
Business-type activities:										
Charges for services:										
Landfill	17,696	17,213	17,556	18,008	18,805	19,660	19,568	19,879	20,381	19,797
Parks and Recreation	--	13,228	10,904	11,783	11,927	5,472	5,222	4,654	4,524	3,566
Innovation Technology Park	--	990	--	--	64	1,132	4,312	978	3,408	3,050
Capital grants and contributions	66	57	27	20	--	--	--	--	--	--
Total business-type activities program revenues	<u>17,762</u>	<u>31,488</u>	<u>28,487</u>	<u>29,811</u>	<u>30,796</u>	<u>26,264</u>	<u>29,102</u>	<u>25,511</u>	<u>28,313</u>	<u>26,413</u>
Total primary government program revenues	<u>\$ 182,211</u>	<u>\$ 209,395</u>	<u>\$ 182,202</u>	<u>\$ 201,448</u>	<u>\$ 208,855</u>	<u>\$ 241,361</u>	<u>\$ 234,250</u>	<u>\$ 257,680</u>	<u>\$ 262,986</u>	<u>\$ 264,166</u>
Net (Expense)/Revenue										
Governmental activities	\$ (726,253)	\$ (783,103)	\$ (881,497)	\$ (895,174)	\$ (938,871)	\$ (1,138,579)	\$ (1,063,059)	\$ (1,098,278)	\$ (1,021,815)	\$ (1,194,903)
Business-type activities	1,910	(1,221)	(7,134)	(2,384)	(1,811)	2,884	6,004	3,555	6,638	3,697
Total primary government net (expense)/revenue	<u>\$ (724,343)</u>	<u>\$ (784,324)</u>	<u>\$ (888,631)</u>	<u>\$ (897,558)</u>	<u>\$ (940,682)</u>	<u>\$ (1,135,695)</u>	<u>\$ (1,057,055)</u>	<u>\$ (1,094,723)</u>	<u>\$ (1,015,177)</u>	<u>\$ (1,191,206)</u>
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Taxes										
Real property	\$ 508,761	\$ 526,885	\$ 551,951	\$ 571,847	\$ 599,802	\$ 628,960	\$ 650,851	\$ 679,762	\$ 713,059	\$ 754,989
Personal property	72,641	78,338	85,515	96,013	104,060	114,750	128,280	137,198	150,269	162,528
Local sales	49,554	52,003	55,169	56,511	59,709	60,551	63,022	64,566	68,710	72,342
Consumers utility	13,190	13,075	13,490	13,766	13,974	13,977	14,196	14,417	14,443	14,408
Business, professional and occupational license	20,965	21,725	22,913	23,772	24,744	25,065	25,341	26,554	26,945	28,236
Recordation	7,562	8,014	10,277	7,879	8,868	10,613	11,149	9,839	10,687	13,016
Motor vehicle licenses	7,504	7,591	7,877	7,907	8,053	8,260	8,409	8,845	8,987	9,086
Other local taxes	--	--	--	--	--	--	--	--	13,215	12,311
Transient occupancy	3,169	3,274	3,369	3,096	3,425	3,721	4,030	4,025	--	--
Short term rental, bank stock, public utility gross receipts	3,208	3,080	2,973	3,226	3,292	3,350	3,733	4,102	4,431	4,006
Grants and contributions not restricted to specific programs	82,422	81,503	81,785	81,878	82,278	85,327	81,728	81,058	80,200	81,030
Investment earnings	11,754	20,222	(1,558)	26,049	20,548	26,736	11,123	13,727	43,026	38,443
Gain on disposition of capital assets	--	--	--	--	--	17	649	161	745	--
Insurance claims and recoveries	--	66	100	9	10	2,197	61	26	13	14
Miscellaneous	14,876	10,348	37,530	12,522	19,304	12,480	24,112	8,322	12,200	17,299
Special item - transfer of volunteer fire and rescue operations	--	--	--	--	--	2,929	13,026	--	--	--
Transfers	1,556	1,527	(376)	(6,337)	465	792	(4,377)	4,010	(2,890)	587
Total governmental activities	<u>797,162</u>	<u>827,651</u>	<u>871,015</u>	<u>898,138</u>	<u>948,532</u>	<u>999,725</u>	<u>1,035,333</u>	<u>1,056,612</u>	<u>1,144,040</u>	<u>1,208,295</u>

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 2 - Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting; amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016 as restated ^b	2017 as restated ^b	2018	2019 as restated ^c	2020
Business-type activities:										
Investment earnings	343	513	(99)	307	389	533	--	57	1,494	1,060
Miscellaneous	1,099	794	816	837	979	933	1,215	1,187	1,077	982
Transfers	(1,556)	(1,527)	376	6,337	(465)	(792)	4,377	(4,010)	2,890	(587)
Total business-type activities	(114)	(220)	1,093	7,481	903	674	5,592	(2,766)	5,461	1,455
Total primary government	\$ 797,048	\$ 827,431	\$ 872,108	\$ 905,619	\$ 949,435	\$ 1,000,399	\$ 1,040,925	\$ 1,053,846	\$ 1,149,501	\$ 1,209,750
Change in Net Position										
Governmental activities	70,909	\$ 44,548	\$ (10,482)	\$ 2,964	\$ 9,661	\$ (138,854)	\$ (27,726)	\$ (41,666)	\$ 122,225	\$ 13,392
Cumulative effect of restatement- Gov't Activities	--	--	--	--	(96,970)	--	(15,068)	--	--	--
Business-type activities	1,796	(1,441)	(6,041)	5,097	(908)	3,558	11,596	789	12,099	5,152
Cumulative effect of restatement - Business-type Activities	--	--	--	--	(2,640)	--	--	--	--	--
Total primary government	\$ 72,705	\$ 43,107	\$ (16,523)	\$ 8,061	\$ (90,857)	\$ (135,296)	\$ (31,198)	\$ (40,877)	\$ 134,324	\$ 18,544
Component Units:^a										
Expenses										
School Board	\$ 885,979	\$ 945,026	\$ 982,546	\$ 998,911	\$ 1,046,510	\$ 1,059,657	\$ 1,149,263	\$ 1,163,792	\$ 1,183,841	\$ 1,296,560
Adult Detention Center	30,816	39,719	46,030	44,629	42,366	48,241	44,712	43,365	43,742	51,908
Park Authority	29,517	--	--	--	--	--	--	--	--	--
Convention & Visitors Bureau	--	1,183	1,253	1,188	1,288	1,275	1,178	--	--	--
Total component unit expenses	\$ 946,312	\$ 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
Program Revenues										
Charges for services	\$ 35,144	\$ 23,551	\$ 24,230	\$ 24,087	\$ 23,795	\$ 24,429	\$ 25,735	\$ 26,138	\$ 25,457	\$ 18,009
Operating grants and contributions	144,496	144,394	146,617	149,565	158,349	168,110	179,935	182,304	182,964	185,517
Capital grants and contributions	209	98	113	108	116	124	119	123	128	119
Total component unit program revenues	\$ 179,849	\$ 168,043	\$ 170,960	\$ 173,760	\$ 182,260	\$ 192,663	\$ 205,789	\$ 208,565	\$ 208,549	\$ 203,645
General Revenues and Other										
Changes in Net Position										
Payment from primary government	\$ 469,759	\$ 497,540	\$ 556,524	\$ 560,412	\$ 615,939	\$ 783,479	\$ 672,345	\$ 717,067	\$ 633,538	\$ 774,951
Grants and contributions not restricted to specific programs	306,261	324,278	354,051	359,939	373,325	381,856	401,967	419,099	452,149	471,510
Investment earnings	4,358	3,287	1,892	3,261	3,125	3,489	2,603	2,700	8,669	7,117
Gain/(loss) on disposition of capital assets	--	--	--	--	4	(1)	--	--	--	11
Miscellaneous	1,696	2,758	3,604	6,829	3,216	3,734	5,523	5,447	4,631	5,158
Total general revenues and other changes in net position	\$ 782,074	\$ 827,863	\$ 916,071	\$ 930,441	\$ 995,609	\$ 1,172,557	\$ 1,082,438	\$ 1,144,313	\$ 1,098,987	\$ 1,258,747
Cumulative effect of restatement	--	--	--	--	(844,568)	--	--	--	--	--
Total component unit change in net position	\$ 15,611	\$ 9,978	\$ 57,202	\$ 59,473	\$ (756,863)	\$ 256,047	\$ 93,074	\$ 145,721	\$ 79,953	\$ 113,924

^a The Park Authority Component Unit was dissolved and became the County Department of Parks and Recreation (now Parks, Recreation and Tourism) effective FY 2013. The Convention and Visitors Bureau became a component unit of the County effective FY 2013, but was dissolved and incorporated into the Parks & Recreation department in FY 2018.

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

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

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 3 - Fund Balances, Governmental Funds

Last Ten Fiscal Years

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

	2011	2012	2013 ^a	2014	2015
General Fund:					
Non-spendable	\$ 224	\$ 229	\$ 299	\$ 222	\$ 178
Restricted	1,369	1,274	2,101	3,693	13,224
Committed	113,811	90,209	81,114	67,735	58,692
Assigned	7,570	7,073	8,137	6,442	29,847
Unassigned	62,422	64,457	67,075	69,669	73,055
Total general fund	<u>185,396</u>	<u>163,242</u>	<u>158,726</u>	<u>147,761</u>	<u>174,996</u>
Capital Projects:					
Non-spendable	34	199	34	240	232
Restricted	26,798	21,633	--	--	--
Committed	109,413	87,301	102,692	102,106	56,783
Total capital projects	<u>136,245</u>	<u>109,133</u>	<u>102,726</u>	<u>102,346</u>	<u>57,015</u>
Fire & Rescue Levy:					
Restricted			66,893	77,831	86,617
Total fire & rescue levy funds			<u>66,893</u>	<u>77,831</u>	<u>86,617</u>
Non-major Special Revenue Funds:					
Non-spendable	--	--	30	--	--
Restricted	73,173	77,568	16,895	18,472	16,766
Unassigned	--	--	--	--	--
Total non-major special revenue funds	<u>\$ 73,173</u>	<u>\$ 77,568</u>	<u>\$ 16,925</u>	<u>\$ 18,472</u>	<u>\$ 16,766</u>

^aBeginning in FY2013, the Fire & Rescue Levy fund became a major fund.

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

2016					
as restated ^b	2017	2018	2019	2020	
\$ 142	\$ 178	\$ 288	\$ 396	\$ 262	General Fund:
8,366	10,350	9,941	9,524	9,445	Non-spendable
127,058	92,852	89,315	88,951	118,703	Restricted
7,775	9,123	12,096	9,025	9,217	Committed
75,674	79,769	82,107	87,335	91,405	Assigned
<u>219,015</u>	<u>192,272</u>	<u>193,747</u>	<u>195,231</u>	<u>229,032</u>	Unassigned
					Total general fund
331	331	306	311	311	Capital Projects:
--	--	--	--	--	Non-spendable
148,995	136,717	98,602	104,811	92,699	Restricted
<u>149,326</u>	<u>137,048</u>	<u>98,908</u>	<u>105,122</u>	<u>93,010</u>	Committed
					Total capital projects
59,127	50,974	44,284	36,418	39,899	Fire & Rescue Levy:
<u>59,127</u>	<u>50,974</u>	<u>44,284</u>	<u>36,418</u>	<u>39,899</u>	Restricted
					Total fire & rescue levy funds
2,167	--	8	13	58	Non-major Special Revenue Funds:
20,055	25,466	26,949	37,157	45,092	Non-spendable
--	--	--	--	(29)	Restricted
<u>\$ 22,222</u>	<u>25,466</u>	<u>\$ 26,957</u>	<u>\$ 37,170</u>	<u>\$ 45,121</u>	Unassigned
					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)

	2011	2012	2013 ^a	2014	2015
REVENUES:					
General property taxes	\$ 583,220	\$ 605,896	\$ 636,789	\$ 667,497	\$ 703,097
Other local taxes	105,152	108,762	116,068	116,157	122,065
Permits, privilege fees and regulatory licenses	11,495	13,836	16,354	17,389	17,057
Fines and forfeitures	3,241	3,435	3,260	3,252	3,168
From use of money and property	7,547	13,870	(6,422)	14,434	12,456
Charges for services	13,972	21,226	27,240	27,886	28,806
Intergovernmental revenues:					
Federal	62,154	50,986	49,644	51,378	48,313
State	126,233	122,949	118,507	137,111	141,743
Local	8,473	6,661	6,884	7,435	9,679
Donations and contributions	70	142	20	1,897	1,723
Miscellaneous	15,706	10,206	27,284	11,592	18,083
Total revenues	<u>937,263</u>	<u>957,969</u>	<u>995,628</u>	<u>1,056,028</u>	<u>1,106,190</u>
EXPENDITURES:					
General government administration	35,296	38,897	36,788	34,966	37,651
Judicial administration	17,505	17,593	18,388	19,190	19,681
Public safety	198,402	210,461	228,769	232,492	241,360
Public works	27,736	30,408	30,522	31,441	30,857
Health and welfare	76,896	75,014	75,066	76,549	80,840
Education	361,447	416,071	463,652	466,249	508,016
Parks, recreational and cultural	29,849	35,801	26,550	28,507	31,085
Community development	45,183	47,280	48,555	53,185	53,879
Debt service:					
Principal retirement	66,811	74,760	69,858	72,969	76,750
Interest and other debt costs	43,817	42,803	41,991	42,546	42,476
Capital outlays	26,914	33,283	53,426	76,086	85,565
Total expenditures	<u>929,856</u>	<u>1,022,371</u>	<u>1,093,565</u>	<u>1,134,180</u>	<u>1,208,160</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,407</u>	<u>(64,402)</u>	<u>(97,937)</u>	<u>(78,152)</u>	<u>(101,970)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	32,677	59,039	58,513	73,278	54,852
Transfers out	(32,486)	(88,907)	(62,825)	(93,780)	(54,508)
Issuance of debt	29,085	46,445	65,675	88,625	82,545
Issuance of debt costs	82,410	51,585	46,180	--	35,675
Premium on sale of bonds	1,069	2,236	12,301	10,309	7,247
Premium from refunding bonds	9,757	9,690	9,048	--	6,219
Payments to escrow agent Loan payables	(91,667)	(60,921)	(54,689)	--	(41,508)
Insurance recoveries	--	--	100	9	10
Sale of surplus property	188	298	252	851	422
Total other financing sources (uses)	<u>31,033</u>	<u>19,531</u>	<u>74,555</u>	<u>79,292</u>	<u>90,954</u>
Net change in fund balances	<u>\$ 38,440</u>	<u>\$ (44,871)</u>	<u>\$ (23,382)</u>	<u>\$ 1,140</u>	<u>\$ (11,016)</u>
Debt service as a percentage of noncapital expenditures	12.00%	11.62%	10.37%	10.35%	10.12%

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

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

^c Prior to FY 2019, these taxes were included in 'Other local taxes'. Please see Footnote 17 for additional information.

2016									
as restated ^b	2017	2018	2019	2020					
\$ 703,952	\$ 780,642	\$ 818,357	\$ 862,399	\$ 914,031	REVENUES:				
125,537	129,880	132,348	147,417	153,405	General property taxes				
2,295	19,867	19,141	20,156	19,847	Other local taxes				
2,952	2,732	3,050	3,456	2,705	Permits, privilege fees and regulatory licenses				
14,702	1,477	4,112	28,750	20,978	Fines and forfeitures				
14,379	33,420	32,621	31,821	28,460	From use of money and property				
					Charges for services				
					Intergovernmental revenues:				
19,322	65,147	54,902	55,060	62,046	Federal				
122,798	153,173	137,416	144,857	148,932	State				
7,302	6,947	47,101	60,272	48,273	Local				
--	731	--	--	--	Donations and contributions				
14,038	23,819	12,011	12,528	18,930	Miscellaneous				
<u>1,027,277</u>	<u>1,217,835</u>	<u>1,261,059</u>	<u>1,366,716</u>	<u>1,417,607</u>	Total revenues				
39,108	44,340	42,300	45,704	46,519	EXPENDITURES:				
20,174	21,292	21,052	22,512	26,039	General government administration				
188,460	272,018	279,766	327,582	315,061	Judicial administration				
31,420	31,269	32,063	33,523	31,800	Public safety				
85,237	89,166	96,955	104,378	111,455	Public works				
425,142	551,880	591,463	473,433	506,729	Health and welfare				
43,943	44,186	47,160	49,645	50,559	Education				
10,503	58,165	58,932	58,519	62,978	Parks, recreational and cultural				
					Community development				
					Debt service:				
77,784	86,849	93,220	97,685	93,610	Principal retirement				
45,231	47,888	48,688	48,358	47,675	Interest and other debt costs				
--	94,440	122,321	114,778	226,895	Capital outlays				
<u>967,002</u>	<u>1,341,493</u>	<u>1,433,920</u>	<u>1,376,117</u>	<u>1,519,320</u>	Total expenditures				
60,275	(123,658)	(172,861)	(9,401)	(101,713)	Excess (deficiency) of revenues over (under) expenditures				
120,687	85,749	91,372	116,454	100,632	OTHER FINANCING SOURCES (USES):				
(149,036)	(90,895)	(88,194)	(118,600)	(91,718)	Transfers in				
--	77,660	115,895	--	240,450	Transfers out				
2,935	--	--	--	(817)	Issuance of debt				
--	6,554	11,371	--	--	Issuance of debt costs				
189	--	--	--	19,646	Premium on sale of bonds				
(3,068)	--	--	--	(133,805)	Premium from refunding bonds				
--	--	--	21,153	--	Payments to escrow agent Loan payables				
12	61	26	13	14	Insurance recoveries				
2,094	599	282	426	432	Sale of surplus property				
<u>(26,187)</u>	<u>79,728</u>	<u>130,752</u>	<u>19,446</u>	<u>134,834</u>	Total other financing sources (uses)				
\$ <u>34,088</u>	\$ <u>(43,930)</u>	\$ <u>(42,109)</u>	\$ <u>10,045</u>	\$ <u>33,121</u>	Net change in fund balances				
13.24%	10.33%	9.90%	10.61%	9.30%	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)

	2011	2012	2013	2014	2015
Additions					
Member contributions	\$ 839	\$ 909	\$ 946	\$ 1,007	\$ 1,083
Employer contributions	839	909	946	1,007	1,083
Investment income (net of expenses)	4,983	(559)	2,449	4,438	(339)
Total additions to plan net position	<u>6,661</u>	<u>1,259</u>	<u>4,341</u>	<u>6,452</u>	<u>1,827</u>
Deductions					
Pension payments	1,763	1,742	1,981	1,810	1,883
Refund of members' contributions	86	78	84	95	97
Administrative expenses	105	92	57	109	83
Total deductions to plan net position	<u>1,954</u>	<u>1,912</u>	<u>2,122</u>	<u>2,014</u>	<u>2,063</u>
Change in net position	<u>\$ 4,707</u>	<u>\$ (653)</u>	<u>\$ 2,219</u>	<u>\$ 4,438</u>	<u>\$ (236)</u>

	2016	2017	2018	2019	2020	
						Additions
\$	1,137	\$ 1,199	\$ 1,294	\$ 1,372	\$ 1,921	Member contributions
	1,137	2,010	2,092	2,313	3,077	Employer contributions
	119	4,341	2,933	2,416	1,329	Investment income (net of expenses)
	<u>2,393</u>	<u>7,550</u>	<u>6,319</u>	<u>6,101</u>	<u>6,327</u>	Total additions to plan net position
						Deductions
	2,004	2,837	2,639	2,623	2,923	Pension payments
	144	151	102	129	345	Refund of members' contributions
	116	163	148	118	222	Administrative expenses
	<u>2,264</u>	<u>3,151</u>	<u>2,889</u>	<u>2,870</u>	<u>3,490</u>	Total deductions to plan net position
\$	<u>129</u>	<u>4,399</u>	<u>3,430</u>	<u>3,231</u>	<u>2,837</u>	Change in net position

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 6 - General Governmental Revenues by Source^a

Last Ten Fiscal Years

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

Fiscal Year	Taxes ^b	Licenses, Fees & Permits	Fines & Forfeitures	Use of Money & Property ^c	Charges for Services
2011	\$ 688,372	\$ 11,495	\$ 3,241	\$ 12,406	\$ 34,953
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
Change 2011 - 2020	56.37%	72.66%	-16.54%	143.08%	30.90%

^a Includes revenues of the General Fund, Special Revenue Funds, Capital Projects Funds and the School Board and Adult Detention Center Component Units.

^b Tax revenues exclude reimbursements from the Commonwealth under the Personal Property Tax Relief Act (PPTRA)

^c Fluctuations in revenue from the use of money can be primarily attributed to favorable or unfavorable market conditions.

^d Beginning with fiscal year 2000, the State reimbursed the County for personal property tax for non-business use vehicles under the PPTRA. The State reimbursement is classified as inter-governmental revenue. The PPTRA reimbursement 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 ^a	Public Service	Total General ^b Property Taxes	Sales Tax
2011	\$ 492,738	\$ 68,792	\$ 19,207	\$ 580,737	\$ 49,554
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
Change 2011 - 2020	48.78%	127.46%	18.10%	57.08%	45.98%

^a Personal property tax revenues exclude reimbursements from the Commonwealth under the PPTRA.

^b Excludes administration fees and interest related to property taxes. These revenues are included in "All Other" column.

Inter-Governmental ^d							
	PPTRA		All Others		Miscellaneous	Total	Fiscal Year
\$	54,288	\$	656,758	\$	18,130	\$ 1,479,643	2011
\$	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
	0.00%		47.13%		32.29%	50.00%	Change 2011 - 2020

BPOL							
	Utility Taxes		Tax		All Other ^b	Total	Fiscal Year
\$	13,190	\$	20,965	\$	23,926	\$ 688,372	2011
\$	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
	9.23%		34.68%		105.63%	56.37%	Change 2011 - 2020

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 ^a	Apartments ^a	Commercial & Industrial ^a	Public Service ^a	Vacant Land & Other ^a	Total Taxable Assessed Value	Total Direct Tax Rate ^b	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2011	\$30,434,819	\$1,451,944	\$5,722,158	\$1,466,645	\$180,505	\$39,256,071	\$1.31460	\$48,535,035	80.88%
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%

^a Net of tax-exempt property:

2011	\$3,119,173	2016	\$3,901,930
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

^b See Table 8, Direct and Overlapping Property Tax Rates.

TABLE 7A - Commercial to Total Assessment Ratio, Construction, and Bank Deposits

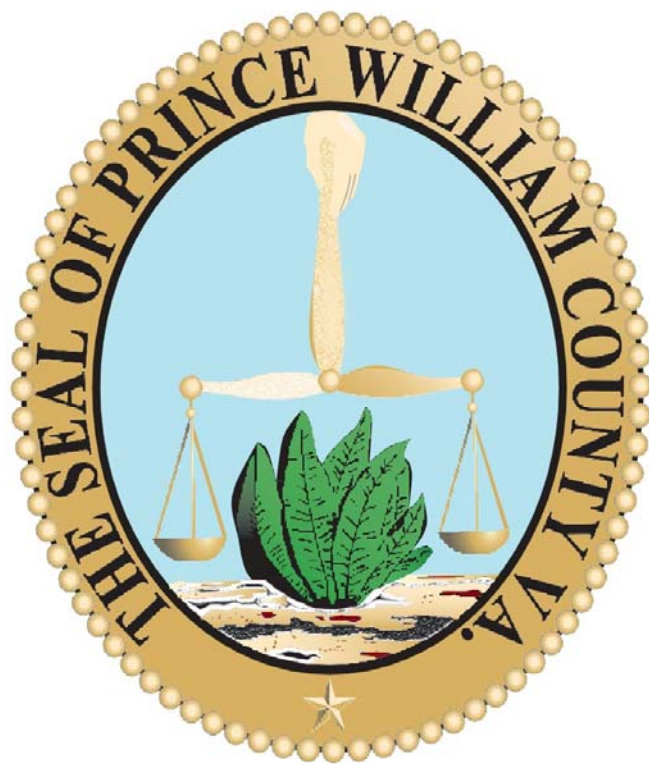
Last Ten Fiscal Years

(dollar amounts expressed in millions)

Fiscal	Commercial as a Percent of Total Taxable		New Construction ^a				Bank Deposits ^b
	Commercial to Total	Commercial & Public Service to Total	Residential		Non-Residential		
			Permits	Value	Permits	Value	
2011	14.6%	18.3%	1,377	\$ 242	99	\$ 53	\$ 3,531
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

^a Building Development Division, Department of Public Works.

^b Includes deposits in commercial banks, savings banks and credit unions at June 30 for year shown. 2011-2020, Federal Deposit Insurance Corporation, (commercial and savings bank deposits) and National Credit Union Administration (credit union deposits).



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)

Type of Tax	2011	2012	2013	2014	2015
PRINCE WILLIAM COUNTY					
<i>Countywide Tax Levies:</i>					
Real Estate - General Fund	\$1.23600	\$1.20400	\$1.20900	\$1.18100	\$1.14800
Fire and Rescue Levy (Countywide)	\$0.07610	\$0.07410	\$0.07440	\$0.07270	\$0.07070
Mosquito & Forest Pest Management (Countywide)	\$0.00250	\$0.00250	\$0.00250	\$0.00250	\$0.00250
Total Direct Tax Rate	<u>\$1.31460</u>	<u>\$1.28060</u>	<u>\$1.28590</u>	<u>\$1.25620</u>	<u>\$1.22120</u>
Service District Levies -					
Bull Run	\$0.20100	\$0.20100	\$0.20100	\$0.18300	\$0.14710
Lake Jackson	\$0.17500	\$0.17500	\$0.17500	\$0.16500	\$0.16500
Transportation District Levies -					
Prince William Parkway	\$0.20000	\$0.20000	\$0.20000	\$0.20000	\$0.20000
234-Bypass	\$0.02000	\$0.02000	\$0.02000	\$0.02000	\$0.02000
OVERLAPPING GOVERNMENTS					
<i>Real Estate Tax Levy:</i>					
Town of Dumfries	\$0.33350	\$0.33330	\$0.27733	\$0.27330	\$0.23330
Town of Haymarket	\$0.16400	\$0.16400	\$0.16400	\$0.13900	\$0.13900
Town of Occoquan	\$0.10000	\$0.10000	\$0.10000	\$0.11000	\$0.11000
Town of Quantico	\$0.20000	\$0.20000	\$0.20000	\$0.20000	\$0.20000

2016	2017	2018	2019	2020	Type of Tax
PRINCE WILLIAM COUNTY					
<i>Countywide Tax Levies:</i>					
\$1.12200	\$1.12200	\$1.12500	\$1.12500	\$1.12500	Real Estate - General Fund
\$0.06910	\$0.07050	\$0.07920	\$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>\$1.19360</u>	<u>\$1.19500</u>	<u>\$1.20670</u>	<u>\$1.20750</u>	<u>\$1.20750</u>	Total Direct Tax Rate
Service District Levies -					
\$0.13770	\$0.13770	\$0.13110	\$0.12630	\$0.12300	Bull Run
\$0.16500	\$0.16500	\$0.16500	\$0.16500	\$0.16500	Lake Jackson
Transportation District Levies -					
--	--	--	--	--	Prince William Parkway
\$0.02000	\$0.02000	\$0.02000	\$0.02000	\$0.02000	234-Bypass
OVERLAPPING GOVERNMENTS					
<i>Real Estate Tax Levy:</i>					
\$0.18990	\$0.18990	\$0.18990	\$0.18990	\$0.18990	Town of Dumfries
\$0.12900	\$0.14600	\$0.14600	\$0.14600	\$0.13600	Town of Haymarket
\$0.11000	\$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	2020				2011			
	Taxable Assessed		Percentage of Total County Taxable Assessed		Taxable Assessed		Percentage of Total County Taxable Assessed	
	Value	Rank	Value ^a		Value	Rank	Value ^a	
VA Electric & Power Company	\$ 929,163	1	1.45%		\$ 705,155	1	1.80%	
Mall at Potomac Mills, LLC	519,964	2	0.81%		400,609	2	1.02%	
Abteen Ventures, LLC	501,809	3	0.78%		263,114	3	0.67%	
Northern Virginia Electric Co-op	362,688	4	0.57%					
VA Data Inc	250,220	5	0.39%					
Powerloft @ Innovation I LLC	165,132	6	0.26%					
Washington Gas Light Company	158,576	7	0.25%		96,901	5	0.25%	
Verizon South, Inc.	149,702	8	0.23%		169,997	4	0.43%	
JBG/Woodbridge Retail LLC	134,232	9	0.21%					
Porpoise Ventures LLC	115,930	10	0.18%					
Prince William Square Investors, LLC					81,111	6	0.21%	
Manassas Owner, LLC					77,179	7	0.20%	
TR Rolling Brook Corp.					75,033	8	0.19%	
Stellar Chatsworth LLC					72,568	9	0.18%	
Dominion Country Club, LP					67,914	10	0.17%	
	\$ <u>3,287,416</u>		<u>5.14%</u>		\$ <u>2,009,581</u>		<u>5.12%</u>	

^a See Table 7 for a ten-year listing of Taxable Assessed Values.

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 10 - Real Property Tax Levies and Collections

Last Ten Fiscal Years

(dollar amounts expressed in thousands)

Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date			
	Total Adjusted Tax Levy ^a	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy Collected	
2011	\$ 511,316	\$ 509,154	99.6%	\$ 1,871	\$ 511,025	99.9%	
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%	\$ 886	\$ 713,768	99.9%	
2020	\$ 754,389	\$ 745,087	98.8%	--	\$ 745,087	98.8%	

^a Total tax levy includes gross real estate and public service taxes less adjustments to tax due made prior to payment.

COUNTY OF PRINCE WILLIAM, VIRGINIA

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

Last Ten Fiscal Years

(dollar amounts expressed in thousands)

	2011	2012	2013	2014	2015
Primary Government					
<i>Governmental Activities:</i>					
General Obligation Bonds ^a					
General Government	\$ 156,520	\$ 139,782	\$ 127,400	\$ 140,032	\$ 126,438
School Board-Related	549,775	556,747	579,969	594,188	628,638
Park Related	7,210	7,126	6,651	9,746	9,069
IDA Lease Revenue Bonds	7,160	6,260	5,325	4,355	3,345
IDA Loan	--	--	--	--	--
Literary Fund Loans	3,000	2,750	2,500	2,250	2,000
Real Property Capital Leases					
General Government	156,854	145,695	133,415	122,609	110,324
Adult Detention Center	33,100	25,875	23,405	21,680	19,955
Park Related	462	429	385	352	644
Commuter Rail Capital Leases**	--	--	--	--	--
Equipment Capital Leases	485	398	1,456	951	539
<i>Business-Type Activities:</i>					
Solid Waste System Revenue Bonds**	4,595	3,004	1,590	--	--
Parks & Recreation Revenue Bonds	--	--	11,031	10,525	10,555
Parks & Recreation Equipment Capital Leases	--	--	889	596	295
Total Primary Government	\$ 919,161	\$ 888,066	\$ 894,016	\$ 907,284	\$ 911,802
Percentage of Personal Income ^b	4.02%	3.76%	3.78%	3.69%	3.56%
Per Capita ^b	2,239	2,124	2,100	2,092	2,065
Component Units					
<i>Park Authority Component Unit^c:</i>					
Series 1999 Revenue Bonds **	\$ 12,008	\$ 11,528	\$ --	\$ --	\$ --
Equipment Capital Leases**	1,689	2,793	--	--	--
Installment Notes Payable**	78	--	--	--	--
Total Component Units	13,775	14,321	--	--	--
Total Reporting Entity Outstanding Debt	932,936	902,387	894,016	907,284	911,802
Less: Self-Supporting Revenue and Other Bonds	18,370	17,325	13,510	11,121	10,850
Net Tax-Supported Debt	\$ 914,566	\$ 885,062	\$ 880,506	\$ 896,163	\$ 900,952

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

^a Includes general obligation bonds associated with School Board-related Debt and Park related debt; See Exhibit 1.

^b See Table 16 for personal income and population data.

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

2016	2017	2018	2019	2020	
					Primary Government
					<i>Governmental Activities:</i>
					General Obligation Bonds ^a
\$ 197,564	\$ 181,934	\$ 167,369	\$ 152,782	\$ 140,868	General Government
793,235	815,195	865,535	796,785	845,159	School Board-Related
14,421	13,606	11,816	10,833	9,893	Park Related
2,290	1,175	--	--	--	IDA Lease Revenue Bonds
--	--	--	21,153	21,153	IDA Loan
--	--	--	--	--	Literary Fund Loans
					Real Property Capital Leases
96,720	86,026	77,630	65,985	57,591	General Government
18,230	15,596	13,890	12,202	10,533	Adult Detention Center
395	268	235	203	171	Park Related
--	--	--	--	--	Commuter Rail Capital Leases**
110	--	--	--	--	Equipment Capital Leases
					<i>Business-Type Activities:</i>
--	--	--	--	--	Solid Waste System Revenue Bonds**
9,965	9,355	8,725	6,090	5,410	Parks & Recreation Revenue Bonds ^c
99	--	--	--	--	Parks & Recreation Equipment Capital Leases
<u>\$ 1,133,029</u>	<u>\$ 1,123,155</u>	<u>\$ 1,145,200</u>	<u>\$ 1,066,033</u>	<u>\$ 1,090,778</u>	Total Primary Government
4.29%	4.10%	3.97%	3.57%	3.51%	Percentage of Personal Income ^b
2,519	2,462	2,490	2,298	2,331	Per Capita ^b
					Component Units
					Park Authority Component Unit:
\$ --	\$ --	\$ --	\$ --	\$ --	Series 1999 Revenue Bonds**
--	--	--	--	--	Equipment Capital Leases**
--	--	--	--	--	Installment Notes Payable**
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	Total Component Units
1,133,029	1,123,155	1,145,200	1,066,033	1,090,778	Total Reporting Entity Outstanding Debt
10,064	9,355	8,725	6,090	5,410	Less: Self-Supporting Revenue and Other Bonds
<u>\$ 1,122,965</u>	<u>\$ 1,113,800</u>	<u>\$ 1,136,475</u>	<u>\$ 1,059,943</u>	<u>\$ 1,085,368</u>	Net Tax-Supported Debt

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 12 - Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(amounts expressed in thousands, except percentage and per capita)

Fiscal Year	General Obligation Bonds ^a	Solid Waste System Revenue Bonds	Total	Percentage of Estimated Actual Taxable Value of Property ^b	Per Capita ^c
2011	\$ 713,505	4,595	718,100	1.48%	1,750
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

^a Includes general obligation bonds associated with School Board-related and Adult Detention Center-related debt; excludes Literary Fund loans, if any. See also Table 11.

^b See Table 7 for property value data.

^c See Table 16 for population data.

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 13 - Direct and Overlapping Governmental Activities Debt (based on assessed values)

June 30, 2020

(dollar amounts expressed in thousands)

	Outstanding on June 30, 2020	Percent Applicable to County	Amount Applicable to County	Percent of Assessed Value ^b
Direct:				
Net Tax Supported Debt ^a	\$ 1,085,368	100.00%	\$ 1,085,368	1.6975%
Overlapping:				
Town of Dumfries	8,036	100.00%	8,036	0.0126%
Town of Quantico	85	100.00%	85	0.0001%
Town of Haymarket	816 ^d	100.00%	816	0.0013%
Heritage Hunt Commercial Community Development Authority Special Assessment Bonds Series 1999 B	817	100.00%	817	0.0013%
Virginia Gateway Community Development Authority Refunding Bond Series 1999 and 2003 B	7,800	100.00%	7,800	0.0122%
Cherry Hill Community Development Authority Special Assessment Bonds Series 2015	29,565	100.00%	29,565	0.0462%
Northern Virginia Transportation Commission - Virginia Railway Express ^c	55,738	32.32%	18,014	0.0282%
Northern Virginia Criminal Justice Training Academy (NVCJTA) ^c	5,375	33.40%	1,795	0.0028%
Total Overlapping Governmental Activities Debt	\$ 108,232	61.84%	\$ 66,928	0.1047%
Total Direct and Overlapping Governmental Activities Debt	\$ 1,193,600	96.54%	\$ 1,152,296	1.8021%

^a From Table 11.

^b Assessed value of taxable property is from Table 7.

^c Amount applicable determined on basis other than assessed value of taxable property.

^d Equals Outstanding Debt less amounts due within 1 year, per FY2019 CAFR (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.

	2011	2012	2013	2014	2015
General Government ^a					
Principal	\$ 66,299	\$ 74,760	\$ 69,858	\$ 72,969	\$ 76,750
Interest ^b	43,783	42,803	41,991	42,546	42,476
Debt Service on Net Tax-Supported Debt	\$ 110,082	\$ 117,563	\$ 111,849	\$ 115,515	\$ 119,226
Total Government Expenditures ^c	\$ 1,337,189	\$ 1,427,543	\$ 1,461,112	\$ 1,491,793	\$ 1,557,703
Ratio of Debt Service to Expenditures	8.2%	8.2%	7.7%	7.7%	7.7%
Total Revenues ^d	\$ 1,439,786	\$ 1,460,245	\$ 1,493,495	\$ 1,636,801	\$ 1,611,230
Ratio of Debt Service to Revenues	7.6%	8.1%	7.5%	7.1%	7.4%
Net Tax-Supported Debt ^e	\$ 914,566	\$ 885,062	\$ 880,506	\$ 896,163	\$ 900,952
Assessed Value of Taxable Property ^f	42,750,432	45,413,737	47,672,172	50,601,568	54,623,175
Ratio of Net Tax-Supported Debt to Assessed Value	2.1%	1.9%	1.8%	1.8%	1.6%

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

^a Includes debt service expenditures of the General Fund, Special Revenue Funds (excluding the PRTC lease), Capital Projects Funds, and the School Board and Adult Detention Center Component Units.

^b Excludes bond issuance and other costs.

^c Total expenditures excluding capital projects from Table 22.

^d Includes revenues of the General Fund, Special Revenue Funds and the School Board and Adult Detention Center Component Units.

^e From Table 11.

^f From Table 7 and Table 21.

	2016	2017	2018	2019	2020	
\$	78,093	\$ 86,849	\$ 93,220	\$ 97,685	\$ 93,610	General Government ^a
	46,072	47,888	48,688	48,358	47,675	Principal
\$	124,165	\$ 134,737	\$ 141,908	146,043	141,285	Interest ^b
						Debt Service on Net Tax-Supported Debt
\$	1,610,616	\$ 1,734,264	\$ 1,731,969	1,867,084	1,948,000	Total Government Expenditures ^c
	7.7%	7.8%	8.2%	7.8%	7.3%	Ratio of Debt Service to Expenditures
\$	1,496,700	\$ 1,649,319	\$ 1,802,191	2,067,001	2,139,662	Total Revenues ^d
	8.3%	8.2%	7.9%	7.1%	6.6%	Ratio of Debt Service to Revenues
\$	1,122,965	\$ 1,113,800	\$ 1,136,475	1,059,943	1,085,368	Net Tax-Supported Debt ^e
	58,854,961	61,335,721	63,755,919	67,613,073	70,339,207	Assessed Value of Taxable Property ^f
	1.9%	1.8%	1.8%	1.6%	1.5%	Ratio of Net Tax-Supported Debt to Assessed Value

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 15 - Revenue Bond Coverage for Solid Waste System Revenue Bonds

Last Ten Fiscal Years

(dollar amounts expressed in thousands)

Fiscal Year	System Revenues ^a	Operating Expenses and Transfers ^b	Closure Payment ^c	Net Revenue Available for Debt Service	Debt Service Payments ^d			Coverage ^e
					Principal	Interest	Total	
2011	\$ 18,861	\$ 11,694	\$ 749	\$ 6,418	\$ 1,700	\$ 295	\$ 1,995	3.22
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 ^f
2016	\$ 20,455	\$ 11,200	\$ 1,484	\$ 7,771	\$ --	\$ --	\$ --	n/a ^f
2017	\$ 20,416	\$ 12,710	\$ 1,951	\$ 5,755	\$ --	\$ --	\$ --	n/a ^f
2018	\$ 21,033	\$ 12,870	\$ 657	\$ 7,506	\$ --	\$ --	\$ --	n/a ^f
2019	\$ 22,679	\$ 14,801	\$ 2,612	\$ 5,266	\$ --	\$ --	\$ --	n/a ^f
2020	\$ 21,449	\$ 13,864	\$ 2,863	\$ 4,722	\$ --	\$ --	\$ --	n/a ^f

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

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

^c There was no provision for closure payment in fiscal years 2009 or 2010 due to revised engineering estimate increasing the capacity due to changes in slope design.

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

^e Required coverage is 1.15.

^f Principal on Solid Waste Revenue Bonds was retired during FY 2014.

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 16 - Demographic and Economic Statistics

Last Ten Years

Year	Population ^a	Personal Income ^b (in thousands)	Per Capita Income ^b	Fall School Enrollment ^c	Average Civilian Labor Force ^d	Average Unemployment Rate ^d
2011	410,454	\$22,871,770	\$48,239	79,358	225,335	5.7%
2012	418,107	\$23,598,964	\$48,511	81,937	229,856	5.3%
2013	425,681	\$23,658,239	\$47,678	83,551	232,925	5.2%
2014	433,621	\$24,587,457	\$48,962	85,055	233,654	4.8%
2015	441,627	\$25,621,570	\$50,355	86,641	233,379	4.4%
2016	449,864	\$26,426,685	\$51,354	87,823	236,471	3.7%
2017	456,126	\$27,420,200	\$52,555	89,378	241,663	3.5%
2018	459,966	\$28,845,521	\$54,740	90,595	244,925	3.0%
2019	463,867	\$29,870,606	\$55,356	90,876	249,170	2.6%
2020	467,935	\$31,075,084	\$56,238	92,270	247,201	8.9%

^a 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>)

^b 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.

^c Fall Membership by Division, by Grade for Prince William County Schools, Virginia Department of Education

^d Bureau of Labor Statistics, LAUS data

TABLE 16A - Comparative Demographic Statistics

2000 & 2010 U.S. Census Bureau Data

	2000	2010			
	Prince William County	Prince William County	Washington MSA	Virginia	United States
Population^a:					
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%
Education^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%
Income^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%
Housing:					
Number persons / household ^a	2.9	3.1	2.1	2.5	2.6
Percent owner occupied ^b	71.0%	73.2%	42.0%	67.2%	65.1%
Owner occupied median value ^b	\$149,600	\$316,600	\$376,200	\$249,100	\$179,900

^a U.S. Bureau of the Census Bureau, 2000 and 2010 Census Data.

^b 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 ^a	2020			2011		
	Ownership	Rank	Number of Employees ^b	Ownership	Rank	Number of Employees ^b
Prince William County School Board	Local Government	1	1000 and over	Local Government	1	1000 and over
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	5	1000 and over
Morale Welfare and Recreation	Federal Government	5	1000 and over	Federal Government	7	1000 and over
Sentara Healthcare/Potomac Hospital Corporation	Private	6	1000 and over	Private	6	1000 and over
Target Corporation	Private	7	500 to 999	Private	8	500 to 999
Wegmans Store #07	Private	8	500 to 999	Private	9	500 to 999
Northern Virginia Community College	State Government	9	500 to 999			
M J Morgan Group	Private	10	500 to 999			
U.S. Federal Bureau of Investigation				Federal Government	4	1000 and over
Minnieland Private Day School				Private	10	500 to 999

^a All data provided by the Virginia Employment Commission (1st Quarter, 2020 & 2011).

^b 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Board of Supervisors	18.00	22.00	25.00	25.00	25.00	25.00	25.00	26.00	26.00	26.00
County Attorney	24.00	25.00	27.00	27.00	27.00	27.00	28.00	28.00	28.00	29.00
Audit Services	7.00	7.00	7.00	1.00	1.00	1.00	1.00	--	--	--
Office of Executive Management ^b	49.95	24.00	24.00	25.00	25.00	26.00	26.00	26.00	28.00	29.00
Office of Management & Budget ^b	--	11.00	11.00	11.00	11.00	12.00	13.00	13.00	12.00	12.00
Human Resources ^b	--	18.50	18.50	23.50	23.50	23.50	26.50	26.50	26.50	29.50
Technology and Support Services	77.53	77.00	79.00	79.00	87.88	88.88	91.88	91.88	94.88	105.88
Finance	147.00	149.00	155.00	156.00	156.00	158.00	159.00	161.00	162.00	170.00
Human Rights	5.00	5.00	5.00	5.00	5.00	5.00	5.00	6.00	7.00	6.25
Board of Registration/Elections	11.00	11.00	11.00	13.00	13.00	14.00	14.00	14.00	14.00	15.00
Judicial Administration										
Commonwealth Attorney	41.00	42.00	43.00	44.00	44.00	44.00	45.00	50.00	50.00	50.00
Sheriff	89.00	91.50	94.50	94.50	94.50	96.50	100.50	102.50	102.50	106.50
Juvenile and Domestic Relations Court	8.00	8.00	8.00	8.00	8.00	6.00	6.00	6.00	6.00	6.00
Clerk of Court/Judges Chambers	55.00	55.00	55.00	55.00	55.00	56.00	58.00	58.00	58.00	61.00
General District Court	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	3.00
Law Library	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	--	--
Public Safety										
Police	747.20	751.00	763.00	792.00	820.00	847.00	854.00	871.00	886.00	901.00
Criminal Justice Services	37.60	37.60	39.60	39.60	39.60	39.60	42.60	43.60	44.60	44.60
Public Safety Communications	98.00	103.00	103.00	103.00	103.00	109.00	113.00	112.00	113.00	118.00
Fire Service	514.50	529.50	549.70	574.70	589.70	614.70	662.70	722.70	751.70	759.70
Public Works										
Public Works	225.61	227.79	232.31	234.45	238.54	237.17	241.76	247.72	250.72	238.17
Transportation	53.80	52.80	50.80	50.80	50.80	42.80	43.80	44.80	44.80	47.80
Solid Waste	57.71	58.72	59.72	59.72	59.72	60.72	60.72	60.72	62.72	65.72
Fleet Management	34.15	35.15	35.15	35.15	35.15	35.15	35.15	35.15	35.15	44.41
Small Project Construction	19.80	18.86	17.34	17.20	15.11	14.98	14.39	14.43	14.43	12.43
Health & Welfare										
Social Services	307.99	309.39	309.39	307.46	306.46	322.26	331.26	352.26	359.76	390.76
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	264.88	266.88	279.88	286.71	294.21	293.96	316.26	331.76	345.76	348.76
At-Risk Youth and Family Services	2.00	4.60	4.60	5.00	6.00	--	--	--	--	--
Office on Aging	30.07	31.40	32.14	32.14	32.14	32.14	32.28	32.28	31.28	33.75
Parks, Recreational and Cultural										
Library	164.33	163.33	163.33	163.86	179.51	208.48	208.16	208.16	208.16	208.14
Parks & Recreation	--	--	377.00	382.07	391.68	396.58	408.57	411.16	416.62	441.12
Tourism ^a	--	--	--	--	--	--	--	8.47	7.20	9.00
Planning/Community Development										
Development Services	86.50	85.50	88.50	95.50	107.00	112.00	112.00	113.00	116.00	117.00
Office of Planning	32.05	32.50	32.50	33.50	29.00	29.00	29.00	29.00	30.00	31.00
Economic and Community Development	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	14.00	17.00
Housing & Community Development	29.00	28.00	27.00	27.00	24.00	24.00	24.00	24.00	24.00	24.00
Extension and Continuing Education	7.69	7.81	7.81	7.14	7.14	7.14	6.87	6.87	5.11	5.11
Total Primary Government	3,263.96	3,308.43	3,754.37	3,832.60	3,923.24	4,028.16	4,154.00	4,296.56	4,380.49	4,510.20
Component Units										
School Board	9,641.00	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
Adult Detention Center	337.00	337.00	337.00	339.00	348.40	349.40	351.20	377.40	422.40	450.40
Park Authority ^a	372.00	344.00	--	--	--	--	--	--	--	--
Convention & Visitors Bureau ^a	--	--	8.00	9.00	8.00	8.00	7.00	--	--	--
Total Reporting Entity	13,613.96	14,060.23	14,336.67	14,517.60	14,841.64	15,099.21	15,520.93	16,028.26	16,340.89	16,914.60

Sources: Primary Government and ADC data taken from the PWC Adopted Fiscal Plan; School Board and Park Authority data is obtained directly from each organization.

^aThe Park Authority was dissolved and became County Department of Parks & Recreation effective FY 2013. The Convention and Visitors Bureau became a component unit of the County effective FY 2013, but was dissolved and incorporated into the Parks & Recreation department in FY 2018.

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

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
Judicial Administration¹										
Land Records Instruments Recorded	78,794	84,067	102,141	73,107	73,232	76,868	96,302	82,909	78,898	94,710
Civil Cases Concluded	4,335	3,762	3,018	7,198	9,161	2,760	2,841	2,641	5,270	3,841
Criminal Cases Concluded	4,159	4,377	5,163	5,505	5,825	5,023	4,905	4,853	4,904	4,259
Public Safety										
<u>Fire & Rescue:</u> ²										
Fire Incidents	5,639	5,937	5,513	5,826	6,142	6,263	8,070	9,069	8,619	*
EMS Incidents	26,201	31,332	26,188	26,299	27,423	28,925	29,532	29,730	30,922	*
<u>Police:</u> ³										
Criminal Arrests	14,289	14,369	13,392	*	12,532	11,408	8,610	10,937	12,166	*
Calls for Service Handled	231,557	226,292	224,977	214,050	226,520	225,850	217,306	228,639	245,584	*
<u>Jail:</u> ⁴										
Inmate Population	850	870	977	1,043	1,060	965	1,040	1,061	920	528
Public Works⁵										
Facilities Constructed	2	2	--	--	--	2	--	2	--	2
Health & Welfare										
Total CSB Clients Served ⁶	7,661	8,295	8,041	8,818	8,949	9,506	9,762	9,832	10,135	9,275
Children Services Act Residential Placements ⁷	130	132	110	108	95	104	118	139	127	102
Parks, Recreational and Cultural										
Participant Visits ⁸	3,798	3,622	3,390	3,490	3,398	3,399	3,255	3,654	3,497	1,898
Library Patrons (Library Card Holders) ⁹	288,752	310,343	332,700	324,826	314,723	318,175	337,904	346,268	298,497	292,194
Planning/Community Development¹⁰										
Non-Residential Permits	1,034	1,200	1,470	1,394	1,350	1,355	1,228	1,202	1,212	1,008
Residential Permits	4,547	4,464	4,542	4,649	4,605	5,224	5,163	5,203	4,701	4,814

¹Office of the Clerk of the Circuit Court

²Annual Fiscal Plan - Office of the Chief Program

³Annual Fiscal Plan - Police Operations Program

⁴Adult Detention Center

⁵Facilities Construction Management, Department of Public Works

* Not available

⁶Community Services Board

⁷Department of Social Services

⁸Department of Parks and Recreation

⁹Prince William County Library

¹⁰Building Development Division, Department of Public Works.

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 20 - Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Administrative buildings	4	4	4	4	4	4	4	4	4	4
Judicial Administration										
Courthouse complex	1	1	1	1	1	1	1	1	1	1
Public Safety										
Police stations	2	2	2	2	2	2	2	3	3	3
Fire stations	20	21	21	21	21	21	21	21	21	21
Public Works										
Fleet/fuel facilities	3	3	3	3	3	3	4	4	5	5
Health & Welfare										
Senior centers	2	2	2	2	2	2	2	2	2	2
Group homes/clinics	5	5	5	5	5	5	5	5	5	5
Housing/shelters	4	6	6	6	5	5	5	5	5	5
Parks, Recreational and Cultural										
Athletic fields ^a	298	277	277	277	301	281	283	288	210	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)	29	33	33	33	43	43	45	45	59	59
Indoor gymnasiums ^a	69	69	69	69	36	69	69	69	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	5	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	9	11	17	18	18	18
Picnic shelters	63	63	63	63	63	68	78	77	72	77
Playgrounds	36	36	36	36	36	37	37	37	43	43
Regulation golf courses	4	4	4	4	4	4	4	4	3	3
Skateboard/BMX courses	2	3	3	3	3	3	3	3	3	3
Tennis & racquetball courts	30	28	28	28	28	29	29	29	28	29
Waterparks	2	2	2	2	2	2	2	2	2	2
Regional and community libraries	4	4	4	4	4	6	6	6	6	6
Neighborhood libraries	6	6	6	6	6	5	5	5	5	5

Sources: Various county departments.

Note: No capital asset indicators are available for the planning/community development function.

^a Includes School Board school facilities programmed by the Parks Department.

* Not available

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 21 - Personal Property Tax Rates and Assessments^a

Last Ten Fiscal Years

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

	2011	2012	2013	2014	2015
Personal Property Tax Rates					
Personal Property Class:					
General Class	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000
Heavy Equipment and Machinery	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000
Computer Equipment	\$ 1.25000	\$ 1.25000	\$ 1.25000	\$ 1.25000	\$ 1.25000
Farmers Machinery and Tools	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Aircraft (small scheduled)	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Aircraft (all other aircraft)	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Mining & Manufacturing Tools	\$ 2.00000	\$ 2.00000	\$ 2.00000	\$ 2.00000	\$ 2.00000
Mobile Homes	\$ 1.23600	\$ 1.20400	\$ 1.20900	\$ 1.18100	\$ 1.14800
Research & Development	\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000
Van Pool Vans	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Emergency Volunteer Vehicles	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Auxiliary Volunteer Fire Vehicles	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Vehicles Modified for Disabled	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Watercraft-Recreation Use Only	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Watercraft-Weighing 5 tons or more	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Camping Trailers and Motor Homes	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Owned by Certain Elderly and Handicapped Persons	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001
Personal Property Assessments^c					
Locally Assessed Value	\$ 3,492,204	\$ 3,754,050	\$ 4,083,424	\$ 4,320,401	\$ 4,526,613
Public Service Value ^b	\$ 2,157	\$ 5,243	\$ 4,520	\$ 3,401	\$ 3,106
Total Personal Property Assessments	<u>\$ 3,494,361</u>	<u>\$ 3,759,293</u>	<u>\$ 4,087,944</u>	<u>\$ 4,323,802</u>	<u>\$ 4,529,719</u>

^a Fiscal year values represent the assessed value for the prior January 1 (e.g. fiscal year 2015 values are based on the January 1, 2014 assessment).

^b Public Service property is valued by the State Corporation Commission and the Department of Taxation at prevailing assessment ratios.

^c The estimated market value of personal property is assumed to equal 100% of the assessed value.

TABLE 21

2016	2017	2018	2019	2020	
Personal Property Tax Rates					
Personal Property Class:					
\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	General Class
\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	\$ 3.70000	Heavy Equipment and Machinery
\$ 1.25000	\$ 1.25000	\$ 1.25000	\$ 1.25000	\$ 1.35000	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	\$ 1.12200	\$ 1.12500	\$ 1.12500	\$ 1.12500	Mobile Homes
\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000	\$ 1.00000	Research & Development
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Van Pool Vans
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Emergency Volunteer Vehicles
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Auxiliary Volunteer Fire Vehicles
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Vehicles Modified for Disabled
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Watercraft-Recreation Use Only
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Watercraft-Weighing 5 tons or more
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Camping Trailers and Motor Homes
\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	\$ 0.00001	Owned by Certain Elderly and Handicapped Persons
\$ 4,986,744	\$ 5,568,159	\$ 5,861,397	\$ 6,395,587	\$ 6,867,508	Locally Assessed Value
\$ 3,536	\$ 3,033	\$ 3,440	\$ 3,274	\$ 3,915	Public Service Value ^b
<u>\$ 4,990,280</u>	<u>\$ 5,571,192</u>	<u>\$ 5,864,837</u>	<u>\$ 6,398,862</u>	<u>\$ 6,871,423</u>	Total Personal Property Assessments

COUNTY OF PRINCE WILLIAM, VIRGINIA

TABLE 22 - General Governmental Expenditures by Function^a

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	General Government	Judicial Administration	Public Safety	Public Works	Health & Welfare	Education
2010	\$ 34,108	\$ 16,971	\$ 236,685	\$ 25,545	\$ 74,593	\$ 782,563
2011	\$ 35,296	\$ 17,505	\$ 212,478	\$ 27,736	\$ 76,896	\$ 781,618
2012	\$ 38,897	\$ 17,593	\$ 226,137	\$ 30,408	\$ 75,014	\$ 838,850
2013	\$ 36,788	\$ 18,388	\$ 244,577	\$ 30,522	\$ 75,066	\$ 868,818
2014	\$ 34,966	\$ 19,190	\$ 251,009	\$ 31,441	\$ 76,549	\$ 881,432
2015	\$ 37,651	\$ 19,681	\$ 257,076	\$ 30,857	\$ 80,840	\$ 927,408
2016	\$ 39,122	\$ 20,175	\$ 276,656	\$ 31,633	\$ 85,237	\$ 945,468
2017	\$ 44,340	\$ 21,292	\$ 311,046	\$ 31,269	\$ 89,166	\$ 1,000,063
2018	\$ 42,300	\$ 21,052	\$ 254,657	\$ 32,063	\$ 96,955	\$ 1,036,942
2019	\$ 45,704	\$ 22,512	\$ 341,278	\$ 33,523	\$ 104,378	\$ 1,065,482
2020	\$ 46,519	\$ 26,039	\$ 361,849	\$ 31,800	\$ 111,455	\$ 1,115,516

^a Includes expenditures of the General Fund, Special Revenue Funds, Capital Projects Funds and the School Board and Adult Detention Component Units excluding inter-entirety expenditures between primary government and component units.

^b Includes principal retirement, interest and other debt costs, and intergovernmental rebate.

TABLE 22A - Capital Projects Expenditures by Function^d

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	General Government	Judicial Administration	Public Safety	Public Works	Education	Parks, Recreation & Culture
2010	\$ 1,365	\$ 35	\$ 7,815	\$ 28,960	\$ 88,332	\$ 1,325
2011	\$ 648	\$ 33	\$ 3,845	\$ 21,413	\$ 104,311	\$ 2,935
2012	\$ 848	\$ --	\$ 2,020	\$ 25,420	\$ 75,643	\$ 3,692
2013	\$ 642	\$ --	\$ 2,955	\$ 42,080	\$ 83,232	\$ 6,263
2014	\$ 812	\$ 2	\$ 1,559	\$ 60,125	\$ 90,892	\$ 11,767
2015	\$ 379	\$ 142	\$ 3,502	\$ 57,318	\$ 128,605	\$ 22,370
2016	\$ 147	\$ 11	\$ 10,409	\$ 64,141	\$ 133,195	\$ 18,743
2017	\$ 3,511	\$ 365	\$ 34,487	\$ 47,833	\$ 155,581	\$ 3,885
2018	\$ 1,324	\$ 632	\$ 26,941	\$ 80,010	\$ 96,351	\$ 6,459
2019	\$ 6,432	\$ 1,100	\$ 45,243	\$ 80,386	\$ 144,499	\$ 6,140
2020	\$ 10,259	\$ 350	\$ 28,922	\$ 58,780	\$ 171,038	\$ 9,150

^d Includes expenditures for capital projects in the Capital Projects Funds of the Primary Government and the School Board and Adult Detention Center Component Units.

	Parks, Recreation & Culture	Community Development	Capital Projects	Debt Service ^b	Total	Fiscal Year
\$	36,485	\$ 44,389	\$ 129,078	\$ 135,562	\$ 1,515,979	2010
\$	29,849	\$ 45,183	\$ 134,160	\$ 110,628	\$ 1,471,349	2011
\$	35,801	\$ 47,280	\$ 108,942	\$ 117,563	\$ 1,536,485	2012
\$	26,550	\$ 48,555	\$ 136,658	\$ 111,849	\$ 1,597,771	2013
\$	28,507	\$ 53,185	\$ 166,978	\$ 115,515	\$ 1,658,772	2014
\$	31,085	\$ 53,879	\$ 214,170	\$ 119,226	\$ 1,771,873	2015
\$	34,797	\$ 53,363	\$ 229,154	\$ 124,165	\$ 1,839,770	2016
\$	44,186	\$ 58,165	\$ 251,255	\$ 134,737	\$ 1,985,519	2017
\$	47,160	\$ 58,932	\$ 219,906	\$ 141,908	\$ 1,951,875	2018
\$	49,645	\$ 58,519	\$ 287,672	\$ 146,043	\$ 2,154,756	2019
\$	50,559	\$ 62,978	\$ 286,927	\$ 141,285	\$ 2,234,927	2020

	Community Development	Health & Welfare	Total	Fiscal Year
\$	1,246	\$ --	\$ 129,078	2010
\$	975	\$ --	\$ 134,160	2011
\$	1,319	\$ --	\$ 108,942	2012
\$	1,486	\$ --	\$ 136,658	2013
\$	1,821	\$ --	\$ 166,978	2014
\$	1,854	\$ --	\$ 214,170	2015
\$	2,508	\$ --	\$ 229,154	2016
\$	5,538	\$ 55	\$ 251,255	2017
\$	7,829	\$ 360	\$ 219,906	2018
\$	3,545	\$ 327	\$ 287,672	2019
\$	8,300	\$ 128	\$ 286,927	2020

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

June 30, 2020

Date of County Organization:	March 25, 1731
Form of Government:	County Executive (as provided for by the Code of Virginia)
Area:	348 Square Miles
Services of Primary Government:	
Fire protection:	
Number of career employees	688
Number of volunteers	649
Police protection:	
Number of police officers	698
Public Safety Communications:	
Number of employees	118
Recreation (Parks & Recreation Department):	
Acres developed or reserved for County parks	4,510
Tourism	
Tourist information center visitors	12,028
Services not included in the Primary Government:	
Education (School Board Component Unit):	
Number of public elementary, middle, and other schools	83
Number of public high schools	12
Fall Membership, fiscal year 2017	92,270
Number of personnel (full-time equivalent)	11,954
Correctional Operations (ADC Component Unit)	
Capacity of main jail and modular jail	519
Capacity of work-release center	9
Number of personnel (full-time equivalent)	447
Other statistical data:	
Elections:	
Registered voters at last general election	306,789
Number of votes cast in last general election	227,397
Percent voting in last general election	74%
Water and Wastewater Treatment	
<i>(provided by Prince William County Service Authority):</i>	
Miles of water mains	1,273
Miles of sanitary sewer mains	1,126

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, 2020

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

Prince William County, Virginia

Department of Finance
One County Complex Court
Prince William, Virginia 22192-9201
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PRINCE WILLIAM
COUNTY