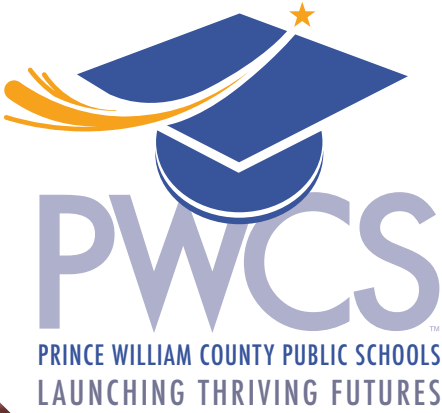


ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended
June 30, 2025



P.O. Box 389, Manassas, VA 20108 • www.pwcs.edu
A Component Unit of Prince William County, Virginia



Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025

Prince William County Public Schools
A Component Unit of Prince William County, Virginia
Prepared by the Department of Finance

Prince William County School Board
as of June 30, 2025

The map shows the following districts and their corresponding board members:

- GAINESVILLE:** JENNIFER T. WALL
- BRENTSVILLE:** ERICA C. TREDINNICK
- COLES:** JUSTIN DAVID WILK
- POTOMAC:** LISA A. ZARGARPUR
- OCCOQUAN:** RICHARD M. JESSIE
- NEABSCO:** BABUR B. LATEEF, M.D. (CHAIRMAN AT-LARGE)
- WOODBRIDGE:** LOREE Y. WILLIAMS
- TRACY L. BLAKE (VICE CHAIRMAN):** Represented the area including Woodbridge and Potomac.

Prince William County Public Schools Administration

as of June 30, 2025



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



Elisa M. Botello
Chief of Staff



Vernon Bock
Chief Operating Officer



Donna L. Eagle
Chief Human Resources Officer



Matthew Guilfoyle
Chief Information Officer



Shakeel Yusuf
Chief Financial Officer



Charmelle Ackins
Chief Equity Officer



Carol E. Flenard
Deputy Superintendent



Stephanie Soliven
Associate Superintendent for Teaching and Learning



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



Ashley Reyher
Associate Superintendent for Special Education



Gregory Hood
Associate Superintendent for High Schools



Keith F. Wolfe
Associate Superintendent for High Schools



Corey Harris
Associate Superintendent for Middle Schools



Catherine Porter-Lucas
Associate Superintendent for Middle Schools



R. Todd Erickson
Associate Superintendent for Central Elementary Schools



Kimberly A. Gudinas
Associate Superintendent for Western Elementary Schools



Kimberly A. Werle
Associate Superintendent for Eastern Elementary Schools

This Report was Prepared By:

Department of Finance

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Manassas, Virginia 20112
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Chief Financial Officer

Shakeel Yusuf, CPA

Director of Finance

La Toya Thomas, CPA

Assistant Director of Finance

Rene L. Gapasin, CPA

Comptroller

Matthew Gossage, CPA

Senior Manager

Theo Tackie-Yarboi, CPA

Accountants

Amanda Cotherman
Darrell Phillips
Ashley Triglia
Ji-Hyang Yu

Special thanks to the individuals and teams whose dedication and contributions greatly enhanced this report.

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Introductory Section

Letter of Transmittal

Certificates of Achievement

List of Elected and Appointed Officials

Organizational Chart



December 15, 2025

**Chair-At-Large, Members of the Board of County Supervisors:
Chairman At-Large, Members of the School Board:
Citizens of the County of Prince William Virginia:**

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of Prince William County Public Schools (PWCS), a component unit of Prince William County (the County), Virginia, for the year ending June 30, 2025. The financial statements included in this report are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America, as applicable for governmental units.

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

PWCS' financial statements have been audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that PWCS' financial statements for the fiscal year ending June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that PWCS' financial statements for the fiscal year ending June 30, 2025, are fairly presented in conformity with GAAP. The report of the independent auditor is presented as the first component of the financial section of this report.

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

Profile of School Division

OVERVIEW

The Virginia Board of Education divides the state into school divisions by geography and student population. PWCS is about 35 miles southwest of Washington, D.C., within the County, which covers 348 square miles from the Potomac River to the Bull Run Mountains. Each division must uphold the quality standards set by the Virginia Constitution.

The Prince William County School Board sets policies for the school division and includes eight members: one from each of seven districts and an at-large chair, all serving four-year terms. A division selection committee recommends student representatives for one-year terms; they join public meetings and discussions but do not vote. The School Board hires the Superintendent, who works with the Deputy Superintendent and Executive Cabinet to oversee daily operations and support services.

PWCS, serving 90,709 students in FY 2025, is Virginia's second largest school division and ranks 34th nationwide. It offers general, special, and vocational education for pre-K to 12th grade, and operates 102 schools and centers.

Schools and Centers – Fiscal Year 2025

Elementary (K-5)	62
Middle (6-8)	17
Combined (K-8)	1
High (9-12)	13
Traditional	2
Non-traditional	2
Preschool	1
Governor's School	1
Virtual Prince William	1
Global Welcome Center	2
Total	102

PWCS is a component unit of the County and is included as an integral part of the County's financial statements. The costs of PWCS' governmental activities are primarily funded by the County, consisting mainly of two components: 57.23% of all County general revenues (excluding recordation tax) and funds from bonds sold by the County to finance school capital projects.

Economic Condition and Outlook

LOCAL ECONOMY

Prince William County remains a diverse, economically strong community with steady growth. As of mid-2025, its population is estimated at 508,109, supported by high living standards, quality services, and a skilled workforce. The median household income is \$129,527, and almost half the residents have at least a bachelor's degree. Its location near employment centers, cultural diversity, and ongoing development drive continued growth.

Despite national economic challenges, the County remains financially resilient with top-tier credit ratings. Housing affordability is an issue, as soaring prices, mortgage rates at 6.26%, and limited inventory have reduced buyer activity.

The County's revenue primarily comes from three sources: residential real estate taxes, personal property taxes, and sales taxes.

1. **Residential Real Estate Taxes:** This is the largest revenue source, making up nearly 73% of the real estate tax base. As home values and investment in the community have increased, the County was able

to decrease the tax rate for FY 2026 to \$0.906 per \$100 of assessed value, continuing a five-year downward trend.

2. **Personal Property Taxes:** The second largest source saw a significant increase of about 21% over the prior year, driven by business tangible growth and the data center sector.
3. **Sales Taxes:** Local sales tax revenue increased by 3.9% over the previous fiscal year, supported by strong consumer spending, a robust labor market, and healthy savings among higher-income earners enabling discretionary spending.

Additional revenue sources like the Business, Professional, and Occupational License (BPOL) Tax and the Food and Beverage Tax also exceeded expectations.

Prince William County's labor market showed mixed signals in FY 2025 with unemployment rates rising to 3.7%. However, the County's labor force has continued to combat unemployment rate increases with at-place employment growing 1.3% and average weekly wages increasing to \$1,263.

Overall, the County's leadership remains focused on maintaining financial agility and monitoring economic trends to ensure continued stability, service delivery, and funding for PWCS.

School Enrollment

PROJECTED ENROLLMENT

Projected student enrollment for FY 2026 is 89,442—a decrease from the FY 2025 projection of 92,105, mainly due to lower birth rates and outmigration in northern Virginia. PWCS uses the cohort-survival method to estimate K-12 enrollment, calculating five-year projections for elementary and middle schools and seven-year projections for high schools. The model follows industry standards and is regularly updated.

SPECIAL EDUCATION

PWCS provides services to 12,995 students with disabilities, PK-12. This includes students ages 2-5 who receive early childhood special education services as well as school-age students. Students who are earning an Applied Studies diploma may elect to receive services beyond their fourth year of high school until the year in which they turn 22 to receive support related to post-secondary transition. Of the 12,995 students, over 5,900 receive speech-language services and over 2,400 are identified only as students with a speech-language impairment. PWCS funds special education and related services across the continuum of settings to include a resource model offered through all base schools, through specialized programs for lower incidence disabilities, in public-separate settings, and in private day schools. This includes the provision of transportation. Special education services are determined by each student's Individualized Education Program (IEP) and are mandated by the Individuals with Disabilities Education Act (IDEA).

ENGLISH LEARNERS

During the past five years, the rate of growth for PWCS students receiving English learning services increased by 27%. Students identified as English Learners come from a wide range of cultural and linguistic backgrounds, speaking dozens of languages. This diversity enriches classrooms but also requires targeted support to ensure academic success.

PWCS provides language instruction programs at every K–12 school, designed to help students attain English proficiency while meeting rigorous academic standards. Services include cotaught classes, push-in and pull-out models, and specialized English Language Development courses. Instruction is tailored to students' English Language Proficiency (ELP) levels, ranging from newcomers to advanced learners. Additionally, PWCS emphasizes family engagement through multilingual outreach and adult English as a Second Language (ESL) classes, fostering a supportive environment for both students and parents.

COMMUNITY ELIGIBILITY PROVISION

The Community Eligibility Provision (CEP) allows schools and districts that meet certain criteria to offer free breakfast and lunch to all enrolled students, without requiring household applications. Schools qualify for CEP based on the percentage of students directly certified for free meals through programs such as SNAP, TANF, or other means-tested assistance. PWCS has 69 total schools participating in CEP for the 2025-26 school year, including one newly added school from the prior year, serving a total of 58,887 students with access to free breakfast and lunch each school day. Additionally, 7,279 students at non-CEP schools qualify for meal benefits. This continued expansion reflects the division's commitment to equitable access to nutritious meals, fostering student well-being and supporting academic success.

Major Initiatives

STRATEGIC PLAN

In February 2022, PWCS launched a strategic plan, *PWCS Vision 2025 Launching Thriving Futures* which focuses on the vision that every student will graduate on time with the knowledge, skills, and habits of mind necessary to create a thriving future for themselves and their community. The vision, mission, values, and commitments included in this Strategic Plan reflect a collective vision for the future of PWCS.

From the beginning, the PWCS Strategic Plan was built around four key themes, which have been refined into the commitments PWCS is making to all students, families, and the community:

1. **Learning and Achievement for All:** PWCS' promise to provide academic excellence for all.
2. **Positive Climate and Culture:** PWCS' promise to provide a welcoming, supportive, and safe environment for teaching and learning; this environment will facilitate the academic journey for students.
3. **Family and Community Engagement:** PWCS' commitment to building collaborative, meaningful partnerships, and trusting relationships to foster the success of all students.
4. **Organizational Coherence:** PWCS' commitment to align the entire school division as one team, united in a singular commitment to support all schools, students, and families.

PWCS is dedicated to developing initiatives that uphold these commitments. The division is also currently working on launching *PWCS Elevate 2030: Launching Thriving Futures*, which will build on the success of *Vision 2025* and guide the division for the next four years focusing on global competency, personalized and adaptive learning, and empowering educators.

CAREER & TECHNICAL EDUCATION

PWCS Career and Technical Education (CTE) programs help students build skills for college, careers, and life through hands-on learning in eight different fields, including health sciences, information technology, engineering, and trades. Students earn certifications, gain work experience, and benefit from partnerships with businesses and industry leaders. The program ensures equitable access to high-demand career paths and promotes leadership through student organizations. CTE supports local economic growth, preparing graduates for further education or immediate entry into the workforce in Prince William County and Virginia.

COMMUNITY FOOD PANTRY PROGRAM

PWCS has launched a pilot school-based food pantry initiative to address food insecurity and strengthen family engagement. This program, developed in partnership with the Prince William County Community Foundation, Capital Area Food Bank, and the C.H.O.W. (Combating Hunger on Wheels) Wagon, began with a ribbon-cutting ceremony at C.D. Hylton High School and now serves families at multiple school sites across the division.

The food pantry program reflects PWCS' commitment to fostering a positive climate and culture by ensuring that students' basic needs are met, thereby supporting their academic success and overall well-being. By reducing

barriers to learning and promoting equity, this initiative creates a more inclusive and supportive environment for all students.

As the program expands, PWCS aims to serve as a regional leader in addressing food insecurity through sustainable, school-based solutions that strengthen the connection between education and community well-being.

Achievements

PWCS is continuously committed to *Launching Thriving Futures* by investing in instructional core, maintaining high expectations to ensure academic excellence, and strengthening infrastructure toward greater equitable and accessible academic achievement for all students. Demonstrating this dedication, students and groups consistently receive honors and awards in regional, state, and national competitions each year. Additionally, PWCS employees are acknowledged for their achievements at regional, state, and national levels.

NOTABLE DIVISION ACHIEVEMENTS

- The school division's 94.8% on-time graduation rate for the class of 2025 continues to meet or exceed national averages.
- 2021-2025 chronic absenteeism rates decreased by 29%.
- 18 schools were recognized by Virginia Department of Education (VDOE) as 2025 Virginia Purple Star schools.
- 30 schools were recognized by the Virginia Department of Wildlife Resources as 2024-25 Virginia Naturally Schools, an increase of 16 schools from the prior year.
- Nine schools were recognized with the Virginia Music Educators Association Blue Ribbon Award, Virginia's highest honor for school music programs.
- 100% of schools have a formal business partnership to advance improvement goals.

NOTABLE STUDENT ACHIEVEMENTS

- Two PWCS students were awarded the Congressional Gold Medal, the highest recognition presented by the United States Congress to young Americans.
- Six PWCS students were named 2025 National Merit Finalists. Of these, one became a 2025 National Merit Scholar, and another received a 2025 National Merit College-Sponsored Scholarship.
- 55.7% of high school students participated in one or more advanced courses during the 2024-25 school year, an increase of 1.9% over the prior school year.
- The class of 2025 self-reported over \$159 million in scholarships, an increase of \$36 million from the class of 2024.

NOTABLE TEACHER ACHIEVEMENTS

- Project Lead the Way (PLTW) named Battlefield, Charles J. Colgan Sr., Gainesville, and Gar-Field High Schools as 2024-25 PLTW Distinguished Schools for their outstanding commitment in expanding student access, engagement, and achievement in rigorous science, technology, engineering, and math (STEM) programs.
- Neabsco Elementary School counselor named 2025 Counselor of the Year by the Virginia School Counselor Association (VSCA).
- PWCS psychologist serving Tyler and Yorkshire Elementary Schools was named 2025 Virginia School Psychologist of the Year by the Virginia Academy of School Psychologists.

Long-Term Financial Planning

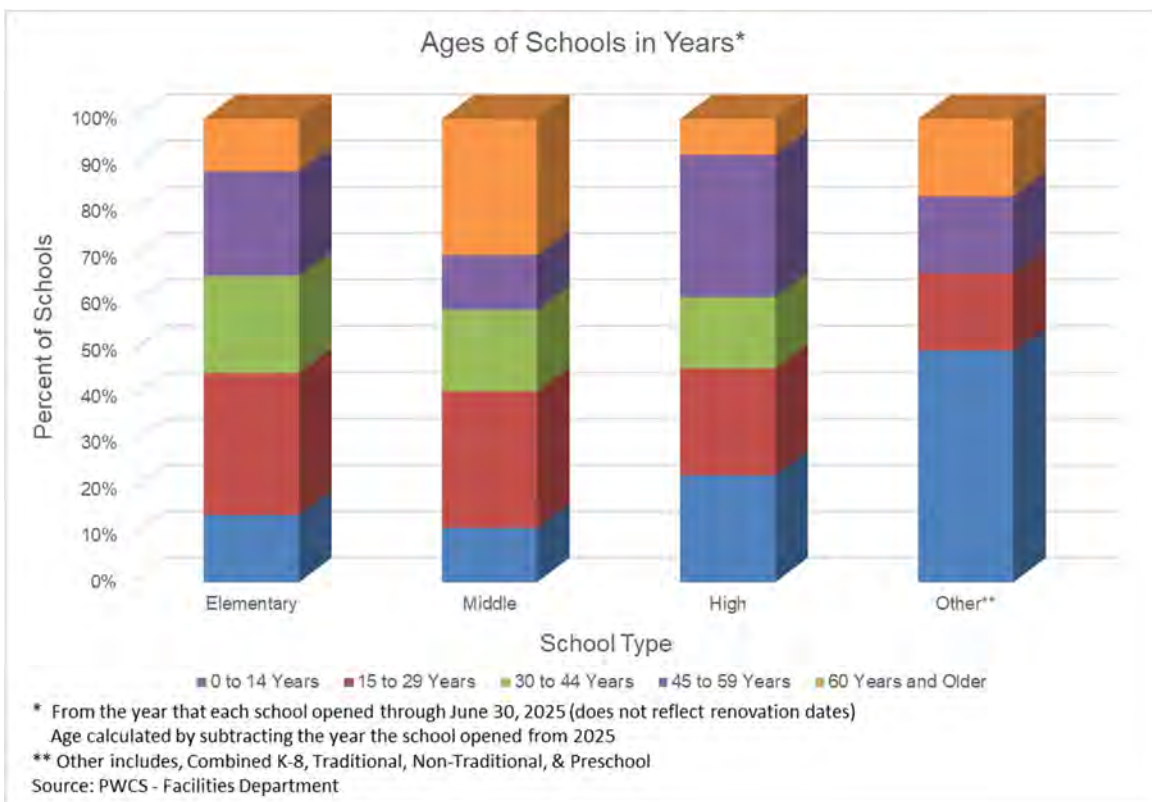
Coordinating with the County each year, PWCS prepares a Five-Year Budget Plan. This plan incorporates expected revenue and expenditure growth to determine how future needs will be met.

The Five-Year Budget Plan major components:

- Current Programs and Services – include a step or salary scale adjustment for employees in each year as funding permits, and the net impact of changes in enrollment and categories of students.
- Building Repairs and Renewals – include \$629.6 million in funding for repairs and renovations of older facilities.
- New Schools – include funding for the debt service on \$869.4 million in construction bonds for new schools, renovations, and some major maintenance projects. Also included are start-up costs, and operating costs for new schools and additions (two elementary schools, one replacement elementary school, one new high school, additions at five schools, a Global Welcome Center, and Brentsville Turf Management Facility).

PWCS annually develops a five-year Capital Improvements Program (CIP) that outlines needed investments in new facilities and maintenance to maintain good operations. The CIP also informs the debt service portion of the five-year budget plan.

The graph below reflects the ages of PWCS’ elementary, middle, high, and specialty schools as of June 30, 2025.



Relevant Financial Policies

As a component unit, PWCS is directly impacted by the County's financial policies that control fund balance, revenues and collections, debt management, cash management, and investments. These areas in particular have a long-term impact on the fiscal health of the County and PWCS. The County has adopted several policy documents, including the Strategic Plan, the Comprehensive Plan, and the Principles of Sound Financial Management that help guide both the general management and financial management of PWCS.

BUDGET DEVELOPMENT PROCESS

Budget appropriation occurs annually and must be approved by May 15, per the Code of Virginia. The Prince William Board of County Supervisors (BOCS) typically approves the school division's budget in total. This process enables departments and schools to plan effectively for student instruction and support, serving as a financial representation of strategic planning. The budget process includes the following five basic components:

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

School and central office budgets are combined into a divisionwide budget for approval. Allocations may change if projected revenues shift during the process, and final school budgets will be adjusted based on student enrollment as of September 30.

BUDGET POLICIES

RESERVE POLICIES

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

FUND BALANCE RESERVE POLICIES

PWCS has a policy to establish and maintain a minimum unassigned fund balance of 1.5% of the current fiscal year's General Fund revenue. As of June 30, 2025, PWCS maintained an unassigned fund balance of 1.5% of the current fiscal year's General Fund revenue.

BUDGETARY CONTROLS

The budget is controlled at both legal and administrative levels. Legal control is placed at the governmentwide level of PWCS, while administrative control is placed at the department level. Amendments that change the legal level of the expenditure budget require the approval of both the School Board and the BOCS.

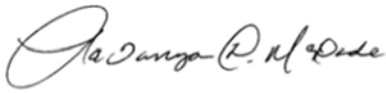
Awards

PWCS received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Board Officials International (ASBO) Certificate of Excellence for its annual comprehensive financial report for the fiscal year ending June 30, 2024. Both awards recognize PWCS commitment to clear, well-organized, and compliant reporting. This marks the 23rd consecutive year PWCS has earned these honors, and the current report is being submitted again for consideration. PWCS has received the Meritorious Budget Award from ASBO for the fiscal year ending June 30, 2025—its 29th consecutive year. This ACFR demonstrates PWCS' commitment to financial accountability and transparency for Prince William County's citizens, officials, and financial community.

Acknowledgments

We thank the PWCS Finance Department staff and Cherry Bekaert LLP for their contributions to this report. We also appreciate the support from PWCS departments and our School Board, which helps ensure smooth financial operations and a strong school system.

Respectfully,



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



Shakeel Yusuf
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Prince William County Public Schools
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Prince William County Public Schools
for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director

Prince William County Public Schools

List of Elected and Appointed Officials as of June 30, 2025

Elected Officials - The Prince William County School Board

Babur B. Lateef, Chairman At-Large
Tracy L. Blake, Vice Chair, Neabsco District
Erica C. Tredinnick, Brentsville District
Jennifer T. Wall, Gainesville District
Richard M. Jessie, Occoquan District
Justin David Wilk, Potomac District
Loree Y. Williams, Woodbridge District
Lisa A. Zargapur, Coles District

Appointed Official – Superintendent of Schools

LaTanya D. McDade

Appointed Officials - Executive Cabinet

Carol E. Flenard
Deputy Superintendent

Elisa M. Botello
Chief of Staff

Stephanie A. Soliven
Associate Superintendent for
Teaching and Learning

Ashley E. Reyher
Associate Superintendent for
Special Education

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

Charmelle J. Ackins
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Matthew S. Guilfoyle
Chief Information Officer

Shakeel Yusuf
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Eastern Elementary Schools

R. Todd Erickson
Associate Superintendent
Central Elementary Schools

Kimberly A. Gudinas
Associate Superintendent
Western Elementary Schools

Corey E. Harris
Associate Superintendent
Middle Schools

Catherine Porter-Lucas
Associate Superintendent
Middle Schools

Gregory S. Hood
Associate Superintendent
High Schools

Keith F. Wolfe
Associate Superintendent
High Schools



Prince William County School Board

Superintendent

Division Counsel

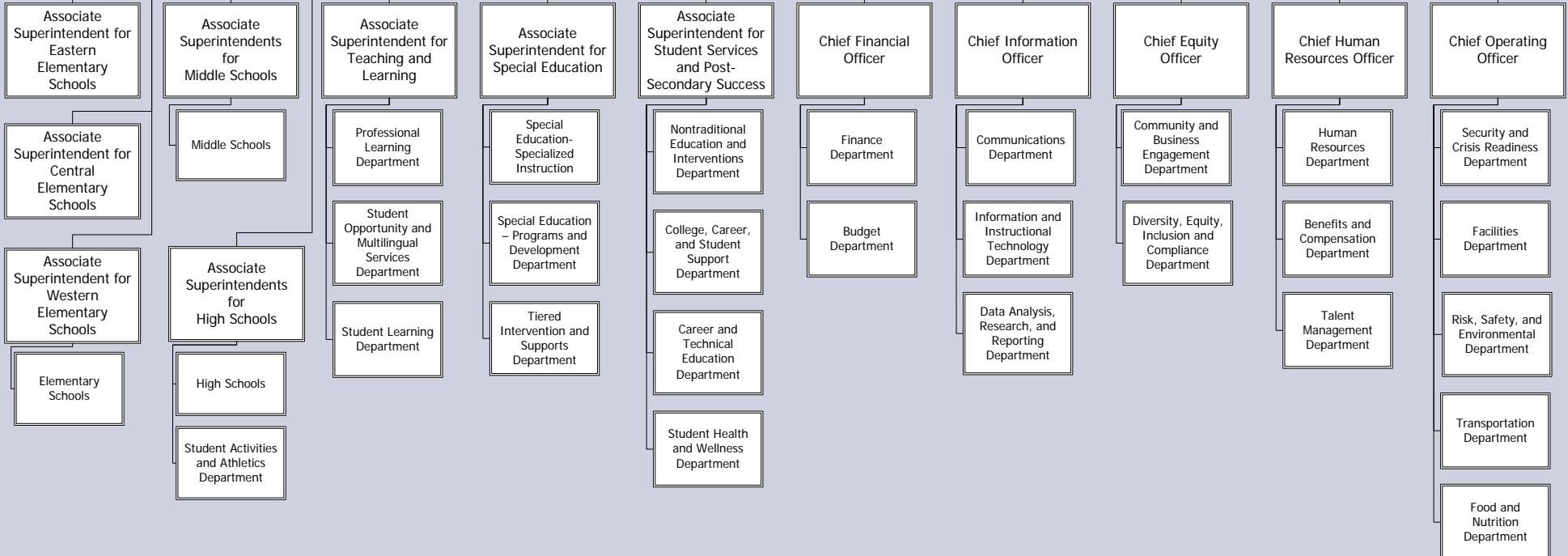
Ombudsman

Chief Internal Auditor

Deputy Superintendent

Chief of Staff

Strategic Planning and Continuous Improvement Department



Financial Section

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

Report of Independent Auditor

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Prince William County Public Schools (“PWCS”), a component unit of Prince William County, Virginia, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise PWCS’ basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of PWCS, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Prince William County Public Schools Education Foundation, Inc. (“SPARK”), which is the discretely presented component unit of PWCS. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for SPARK, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* (the “Specifications”), issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards and the Specifications are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of PWCS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of SPARK were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note IV to the financial statements, PWCS adopted Governmental Accounting Standards Board (“GASB”) Statement 101, *Compensated Absences*, effective July 1, 2024, which resulted in a restatement of beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025, on our consideration of PWCS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PWCS' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PWCS' internal control over financial reporting and compliance.

Cherry Bekaert LLP

Tysons Corner, Virginia
December 10, 2025

Management's Discussion and Analysis

(Unaudited)

This section of the Prince William County Public Schools' (PWCS) annual financial report presents our discussion and analysis of PWCS' financial performance during the fiscal year ended June 30, 2025 (FY 2025). Please read it in conjunction with the transmittal letter at the front of this report and the financial statements, which immediately follow this section. (All values in the Management's Discussion and Analysis (MD&A) are expressed in thousands).

FINANCIAL HIGHLIGHTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

- PWCS' General revenues accounted for \$1,757,597 or 84.1% of total revenues of \$2,089,555. Program specific revenues in the form of charges for services, grants, and contributions accounted for \$331,958 or 15.9% of total revenues.
- PWCS had \$1,902,999 in expenses of which \$331,958 was offset by program specific charges, grants, or contributions. General revenues, primarily from Prince William County (the County) and the Commonwealth of Virginia, were adequate to fund the remaining expenses.
- Total net position in FY 2025 increased by \$144,986 to a total of \$2,013,319. The value of net position reflects the financial health of PWCS and includes certain assets procured with debt. PWCS is a component unit of and is fiscally dependent on the County. As such, all debt related to PWCS assets are shown on the County's Statement of Net Position.
- Business-type Activities total revenues decreased by \$36 or 2% from FY 2024. Primarily due to decreased enrollment in Aquatics swim lessons.
- On September 30, 2024 (FY 2025) student membership was 90,709, a decrease of 482 students, or 0.53% less than FY 2024. The student membership was also 1,396 students less than projected for FY 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are government-wide financial statements that provide both short-term and long-term information about PWCS' overall financial status.
- The remaining statements are fund financial statements that focus on reporting the individual parts of PWCS, reporting its operations in more detail than the government-wide statements.
- The governmental fund statements describe how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- The proprietary fund statements offer short-term and long-term financial information about the activities that PWCS operates like businesses.

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

The required supplementary information consists of the budget to actual comparison schedule for pension-related

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

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about PWCS as a whole using accounting methods similar to those used in private-sector companies. While this document contains several funds used to provide programs and activities, the view of PWCS, as a whole, looks at all financial transactions and asks the question, “How did we do financially during FY 2025?” The Statement of Net Position and the Statement of Activities answer this question. These statements report all the assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting. The accrual basis of accounting reflects all the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

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

Governmental-type activities – include regular instruction, special instruction, other instruction, instructional leadership, general administration – student services, curricular/staff development, pupil transportation, operations, utilities, maintenance, central business services, reimbursement to the County for debt service, construction, maintenance and capital outlay, food & nutrition services, student activity services, and community service operations.

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

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

FUND FINANCIAL STATEMENTS

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

PWCS has three types of funds:

- **Governmental Funds:** Governmental funds are used to report the same functions presented as governmental activities in the government-wide financial statements. The focus is on how much money flows into and out of those funds and the balances remaining at year-end available for spending in future periods. These funds are reported using modified accrual accounting. The governmental fund statements provide a detailed short-term view of PWCS’ general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer resources that can be spent in the near future to finance educational

programs. Because the governmental funds' information does not encompass the additional long-term focus of the government-wide statements, additional information has been added in the form of reconciliations between the total fund balances of the governmental funds and the total net position of the government-wide activities. An additional reconciliation is added to explain the differences between the net change in fund balance and the change in the net position of PWCS.

- **Proprietary Funds:** Proprietary funds are reported on a full accrual basis and economic resources focus. PWCS maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in government-wide financial statements. Internal service funds are used to report activities that provide supplies and services for PWCS' other programs and activities. PWCS has two enterprise funds: the SACC fund and the Aquatics Center fund; and four internal service funds: the Distribution Center fund, the Self-Insurance fund, the Health Insurance fund, and the Imaging Center fund.
- **Fiduciary Fund:** PWCS's fiduciary fund is composed of the Governor's School @ Innovation Park Fund in a Custodial Fund capacity. The Custodial Fund accounts for miscellaneous assets held by the PWCS as a fiscal agent. PWCS along with the County are trustees for the Prince William County OPEB trust fund, an agent multiple employer defined benefit postemployment benefits trust fund to provide funding for other postemployment benefit payments on behalf of retirees and COBRA participants. The fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position for all fiduciary funds, except for OPEB, which are presented in the Notes to the Financial Statements. All these activities are excluded from PWCS' government-wide statements since these funds are held in a trustee capacity and cannot be used to finance PWCS' operations.

FINANCIAL ANALYSIS OF GOVERNMENTAL ACTIVITIES & BUSINESS-TYPE ACTIVITIES

The Statement of Net Position and the Statement of Activities provide the financial status and operating results of PWCS in its entirety.

STATEMENT OF NET POSITION

The following table provides the condensed statement of net position of PWCS for year fiscal years ended June 30, 2025 and 2024:

Condensed Statement of Net Position						
(amounts expressed in thousands)						
	Governmental Activities		Business-type Activities		Total School Division	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 1,112,077	977,980	976	991	1,113,053	978,971
Capital assets	1,934,947	1,873,658	7,616	7,799	1,942,563	1,881,457
Total assets	3,047,024	2,851,638	8,592	8,790	3,055,616	2,860,428
Pension	291,308	272,203	-	-	291,308	272,203
OPEB	33,760	33,813	-	-	33,760	33,813
Total deferred outflows of resources	325,068	306,016	-	-	325,068	306,016
Current liabilities	235,658	225,503	372	204	236,030	225,707
Long-term liabilities	977,327	961,779	-	-	977,327	961,779
Total liabilities	1,212,985	1,187,282	372	204	1,213,357	1,187,486
Pension	116,513	81,373	-	-	116,513	81,373
OPEB	37,495	29,252	-	-	37,495	29,252
Total deferred inflows of resources	154,008	110,625	-	-	154,008	110,625
Net position						
Net investment in capital assets	1,885,256	1,836,534	7,616	7,799	1,892,872	1,844,333
Restricted	295,558	254,502	-	1,524	295,558	256,026
Unrestricted (deficit)	(175,715)	(231,289)	604	(737)	(175,111)	(232,026)
Total net position	\$ 2,005,099	1,859,747	8,220	8,586	2,013,319	1,868,333

The largest portion of PWCS' net position reflects its investment in capital assets, which account for 94% of the total net position and has increased by \$48,539 since June 30, 2024. These capital assets are net of SBITA, Leases and retainage liabilities. PWCS does not have the authority to issue debt. All debt is issued by the County; therefore, debt is shown as a liability on its Statement of Net Position. In years where there are substantial additions to capital assets that are funded through the issuance of debt, PWCS will have substantial increases in net position. A more detailed discussion on debt is contained in a later section entitled "Outstanding Long-Term Debt".

The other components of net position are restricted net position and unrestricted net position. Restricted net position represents those resources that have externally imposed constraints on their use. Restricted net position increased by a net of \$39,532 during the current fiscal year reflecting a decrease in PWCS' resources restricted for food & nutrition services and grant programs of \$27,139, an increase in PWCS's resources restricted for specific construction projects of \$45,519, an increase in restricted net position for OPEB programs of \$20,398 and the increase in restricted net position for student activity programs of \$754. Unrestricted net position includes the resources that may be used to pay for ongoing operations and meet the obligations placed on PWCS by its creditors. At the end of the fiscal year, unrestricted net position amounted to a deficit of \$175,111, an increase of \$56,915 from FY 2024.

STATEMENT OF ACTIVITIES

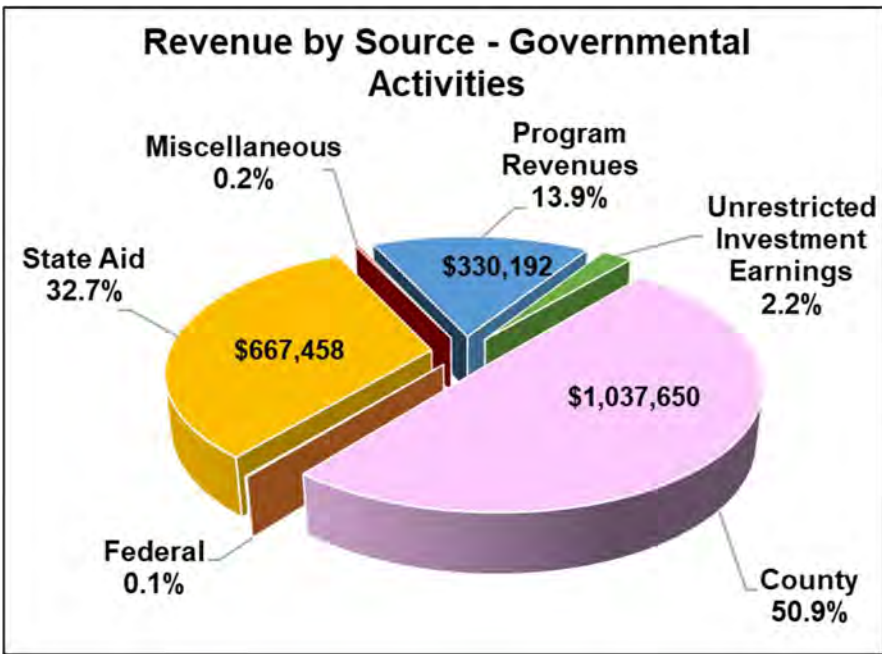
The following table provides the summary of the changes in PWCS's net position for the fiscal years ended June 30, 2025 and 2024:

	Governmental Activities		Business-type Activities		Total School Division	
	2025	2024	2025	2024	2025	2024
	Changes in Net Position (amounts expressed in thousands)					
Program revenues:						
Charges for services	\$ 27,411	\$ 30,085	1,766	1,830	29,177	31,915
Operating grants and contributions	302,658	257,111	-	-	302,658	257,111
Capital grants and contributions	123	120	-	-	123	120
General revenues:						
Federal	2,021	1,161	-	-	2,021	1,161
State	667,458	625,139	-	-	667,458	625,139
County	1,037,650	975,843	-	-	1,037,650	975,843
Other	50,437	37,761	31	3	50,468	37,764
Total revenues	2,087,758	1,927,220	1,797	1,833	2,089,555	1,929,053
Expenses						
Instruction	1,209,003	1,093,376	-	-	1,209,003	1,093,376
Support Services	690,193	616,141	-	-	690,193	616,141
Interest on long-term debt	893	938	-	-	893	938
School Age Child Care	-	-	560	523	560	523
Aquatics Center	-	-	2,350	2,366	2,350	2,366
Total expenses	1,900,089	1,710,455	2,910	2,889	1,902,999	1,713,344
Change in net position before transfers	187,669	216,765	(1,113)	(1,056)	186,556	215,709
Transfers	(850)	(1,000)	850	1,000	-	-
Change in net position	186,819	215,765	(263)	(56)	186,556	215,709
Net position, beginning of year	1,859,747	1,643,982	8,586	8,642	1,868,333	1,652,624
Restatement of the beginning net position	(41,467)	-	(103)	-	(41,570)	-
Net position, beginning of year, restated	1,818,280	1,643,982	8,483	8,642	1,826,763	1,652,624
Net position, end of year	\$ 2,005,099	\$ 1,859,747	8,220	8,586	2,013,319	1,868,333

Total revenues increased by \$160,502, an 8.3% increase over FY 2024. This is primarily the result of the increase in State aid, County revenues, and operating grants and contributions, as well as an increase in unrestricted investment earnings. This revenue increase was partially offset by a moderate decrease in charges for services.

The primary sources of PWCS' revenue come from: 50.9% from County government, 32.7% from the State, 13.9% from program revenues, and 2.5% from other categories. The funds PWCS receives from the County are comprised, primarily, of two components; 57.23% of all County general revenues, excluding recordation tax, and amounts provided to PWCS that are the result of bonds sold by the County to fund schools' capital projects.

The component of PWCS's "county revenue" that is a function of bond sales increased by \$3,001 or 2.1% compared to FY 2024 while all other components of "county revenue" increased by \$58,806 or 7.1% due to favorable revenues from property taxes.



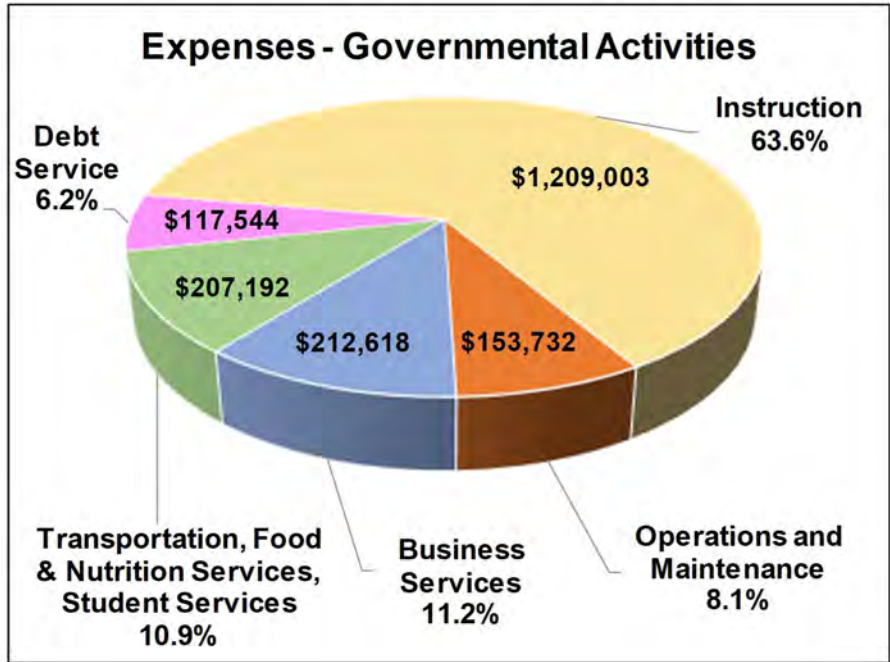
State general revenue rose by \$42,319, or 6.8%, compared to FY 2024, primarily driven by an increase in Virginia Basic Aid as determined by the Standards of Quality formula paired with a reduction in compensation incentives.

Federal general revenue increased by \$860, representing a 74.1% increase, primarily driven by higher reimbursable Medicaid expenditures.

The total cost of all programs increased by 11.1% to \$1,900,089 in FY 2025. This increase is mainly related to an average pay adjustment of 6% for all eligible PWCS employees. It is also a function of the increase in the number of teaching

assistants and specialist to support student needs. Of the governmental activity expenses, 74.5% are related to the instruction of and caring for the needs of students (instruction, transportation, student services, and food & nutrition services).

The business and administrative activities accounted for 11.2% of total costs while operations and maintenance amounted to 8.1% of total costs. Reimbursements to the County for debt service totaled 6.2% of FY 2025 costs.



For FY 2025, total revenues exceeded expenses by \$144,986. The main components of this excess include the increased revenue funding from Federal, State, and County agencies, along with an increase in investment earnings due to positive trends in mark-to-market adjustments.

GOVERNMENTAL ACTIVITIES

The FY 2025 budget was developed in FY 2024 using revenue projections available at that time. During FY 2025 revenues were adjusted to reflect the difference between projected and actual revenues (plus or minus).

The County has a fund balance policy that includes a provision to maintain an unassigned General Fund balance of no less than 7.5% of the year's General Fund revenues in every fiscal year, with certain exceptions. The revenue sharing agreement between the County and PWCS requires PWCS to contribute to maintain the unassigned General fund balance and to receive a return of funds when fund balance is in excess of the required 7.5%. There will be additional funding from the County in FY 2025 related to additional recognized revenues in

the amount of \$6,581 combined with a payable in the amount of \$11 to the County due to an overpayment related to the cable franchise tax grant. Also, \$6,409 was needed to maintain the 7.5% of unassigned General Fund balance. This netted an increase in revenue from FY 2025 in the amount of \$161.

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

The Net Cost of Governmental Activities table shows the cost of program services and the charges for services and grants offsetting those services.

The following table shows, for governmental-type activities, the total cost of services and the net cost of services. The net cost of services reflects the support provided by tax revenue, State aid, Federal aid not restricted to specific programs, and miscellaneous revenue.

Net Cost of Governmental Activities							
(amounts expressed in thousands)							
	Total Cost of Services			Percent Change	Net Cost of Services		Percent Change
	2025	2024			2025	2024	
Instruction							
Regular	\$ 850,386	\$ 786,175	8.2%	672,999	664,342	1.3%	
Special	230,682	190,035	21.4%	160,378	114,627	39.9%	
Other	11,644	14,289	-18.5%	772	4,381	-82.4%	
Instructional leadership	116,291	102,877	13.0%	116,291	102,877	13.0%	
Total instruction	<u>1,209,003</u>	<u>1,093,376</u>	<u>10.6%</u>	<u>950,440</u>	<u>886,227</u>	<u>7.2%</u>	
Support services	690,193	616,141	12.0%	618,564	535,975	15.4%	
Interest on long-term debt:	893	938	-4.8%	893	938	-4.8%	
Total expenses	<u>\$ 1,900,089</u>	<u>\$1,710,455</u>	<u>11.1%</u>	<u>1,569,897</u>	<u>1,423,140</u>	<u>10.3%</u>	

The Net Cost of Governmental Activities is summarized by the following:

- The cost of all governmental activities was \$1,900,089.
- The net cost of all governmental activities was \$1,569,897.
- The amount the citizens of Prince William County paid for these activities through County taxes was \$892,497. Additional revenue from the County consisted of bond sales in the amount of \$145,153.
- The State contributed general revenue of \$667,458.
- The Federal Government contributed general revenue of \$2,021.
- Some of the other costs were paid for by:
 - Users who benefited from the programs: \$27,411.
 - Total Grants and Contributions: \$302,781.
- There are significant activity changes in the net cost of services:
 - Net costs for regular and special instruction increased due to ongoing investments in

personnel, including classroom teachers and teacher assistants, as well as the division's participation in Participate Learning—an international teacher exchange program that brings diverse perspectives and cultural awareness to schools.

- Additional increases in special instruction net costs are attributed to expanded speech therapy services for students in need, as well as higher expenses for instructional supplies.
- Other instruction net costs decreased primarily due to the decreased expenditures related to summer school programs offset.
- The increase in instructional leadership net costs is due to additional full-time equivalents (FTEs) for school administration, and student activity support personnel.

BUSINESS-TYPE ACTIVITIES

Revenues of PWCS' business-type activities decreased 2% to \$1,797, and expenses increased 0.7% to \$2,910. The decrease in revenues from FY 2025 compared to FY 2024, is primarily attributable to the decrease of enrollment in Aquatics swim lessons and the increase in expenses is due to required repairs and maintenance of Aquatics equipment.

FINANCIAL ANALYSIS OF THE DIVISION'S FUNDS

Information about PWCS' major funds begins on page 34. Governmental funds had total revenues of \$2,119,191 and expenditures of \$2,006,837. The increase of \$124,302 in fund balance was most significant in the Construction Fund amounting to an increase of \$115,427, driven largely by increased operating funding to support current and future construction projects. In addition, recent bond sales continue to outpace current construction project expenditures, and interest earnings remain strong on bond sale investments and cash accounts.

The overall increase in Governmental fund balances is primarily driven by a \$14,157 rise in the General Fund, largely due to higher State and County revenues and greater investment earnings. Additionally, Non-major Governmental Funds saw an increase of \$1,122. However, these gains were partially offset by a \$6,404 decrease in the Food & Nutrition Services Fund, which resulted from higher expenses combined with reduced service charge revenues, attributable to more schools qualifying for the Community Eligibility Provision (CEP).

GENERAL FUND BUDGETARY HIGHLIGHTS

The PWCS' budget is prepared in accordance with Virginia School Laws. The most significant budgeted fund is the General Fund. During FY 2025, PWCS amended its General Fund budget as follows:

- Amended appropriation of \$38,070 to reflect the carryover of encumbrances from FY 2024 to FY 2025.
- Supplemental appropriations totaled \$145,559; of which \$88,248 was related to the carryover of unencumbered FY 2024 budget and appropriations, as well as a \$57,311 increase in Federal, State, and local funding.

PWCS' final budget for the General Fund anticipated that expenditures, including transfers, would exceed revenues by \$57,582. The actual results for the year show expenditures exceeded revenues by \$13,742. The key factors contributing to the significant changes in revenues/appropriations from the final budgeted amounts include:

- Central office expenditures were \$28,117 below the final budget, primarily due to the allocation of division reserves that did not result in corresponding spending. Additional savings were achieved through reduced costs in technology and professional services.
- Operations expenditures exceeded the final budget by \$5,102 million, primarily due to increased costs

associated with custodian personnel.

- Utility expenditures came in \$7,718 below the final budget, largely due to the ongoing success and expansion of the Energy Conservation Program, coupled with prudent budgeting practices.

CAPITAL ASSETS AND OUTSTANDING LONG-TERM DEBT

CAPITAL ASSETS

At the end of FY 2025, PWCS had \$1,934,947 invested in buildings, land, equipment, vehicles, construction-in-progress, library books, and intangibles in governmental-type activities.

Additionally, PWCS had \$7,616 invested in land and buildings in business-type activities. The Aquatics Center recorded land in the amount of \$114 and buildings and improvements in the amount of \$7,502, net of depreciation, at the end of the year.

The following table shows FY 2025 balances, net of accumulated depreciation/amortization. Readers interested in more detailed information on capital assets should refer to the Capital assets note in the Notes to the Financial Statements.

Capital Assets						
(net of accumulated depreciation)						
(amounts expressed in thousands)						
	Governmental Activities		Business-Type Activities		Total School Division	
	2025	2024	2025	2024	2025	2024
Land	\$ 124,481	\$ 124,251	114	114	124,595	124,365
Construction in progress	131,965	56,232	-	-	131,965	56,232
Depreciable/amortizable capital assets	1,678,501	1,693,175	7,502	7,685	1,686,003	1,700,860
Total	\$ 1,934,947	\$ 1,873,658	7,616	7,799	1,942,563	1,881,457

MAJOR CAPITAL ASSET ADDITIONS FOR FY 2025 INCLUDED:

- Architecture for one new school building:
 - Potomac Shores Area Elementary School
- Architecture for major renovation of one school building:
 - Fred Lynn Middle School
- Continued design phase of one new school building:
 - 14th High School
- Continued construction of two new school buildings:
 - Occoquan Elementary School Replacement
 - Woodbridge Area Elementary School
- Continued major renovations of two school buildings:
 - Cedar Point Elementary School
 - Swans Creek Elementary School
- Completed major renovations, additions, replacements at:
 - Hylton High School
 - Sinclair Elementary School parking improvements

- Purchased 47 additional buses, 86 trucks and 19 cars.

THE FOLLOWING MAJOR CAPITAL PROJECTS ARE INCLUDED IN PWCS' FY 2026 CAPITAL BUDGET:

- New facilities and additions:
 - Marsteller Middle School – Addition
 - Dale City Elementary School – Addition
 - The Nokesville School – Addition
 - Pennington Traditional School – Addition
 - Occoquan Elementary School – Pre-K Center
- Facility renovations:
 - Graham Park Middle School
 - Fred Lynn Middle School
 - Woodbridge Middle School
 - Ann Ludwig Pre-K Center

Funding for the FY 2026 capital projects includes a general fund transfer of \$28,379 and \$156,640 to be financed in the future by the County through the sale of General Obligation bonds to the Virginia Public School Authority (VPSA). An additional \$15,381 was provided by the Board of County Supervisors, allowing for a reduction in anticipated bond sale amounts.

OUTSTANDING LONG-TERM DEBT

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

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

The following table is provided to acknowledge the portion of long-term debt that is incurred by the County at the request of the School Board and funded by the school division.

Outstanding Long-Term Debt						
(Incurred by Prince William County on behalf of PWCS)						
(amounts expressed in thousands)						
	Governmental Activities		Business-Type Activities		Total School Division	
	2025	2024	2025	2024	2025	2024
General Obligation Bonds *	\$ 946,653	\$ 890,417	-	-	946,653	890,417
Total	\$ 946,653	\$ 890,417	-	-	946,653	890,417

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

At June 30, 2025 the County is liable for \$946,653 in general obligation bonds and other long-term debt

outstanding to support school capital projects. During FY 2025, total outstanding long-term debt increased by a net of \$56,236 consisting of:

- \$77,704 in debt principal retired during the fiscal year.
- \$133,940 in new debt issued during FY 2025 through the sale of general obligation bonds to the VPSA:
 - In addition, a bond premium of \$11,213 was realized on the sale of the VPSA bonds, bringing the total bonds available from the sale to \$145,153.

The Approved School Board budget for FY 2026 provides funding of \$122,952 to support the payment of debt service by the County. The sale of \$156,640 in new bonds during FY 2026 is to support school capital projects, as detailed in the FY 2026 – 2030 Capital Improvements Program (CIP). Readers interested in more detailed information for long-term debt activity should refer to the Long-term debt note in the Notes to the Financial Statements.

BOND RATINGS

In October 2025, each of the three major bond credit rating agencies (Fitch Ratings, Moody's Investors Service, and S&P Global Ratings) reaffirmed the County's financial position with an AAA bond rating – the highest credit rating available. This triple-AAA reflects the financial strength and sound fiscal management of Prince William County and is an achievement held by less than one percent of approximately 18,000 counties nationwide.

FACTORS INFLUENCING FUTURE BUDGETS

FISCAL YEAR 2026 BUDGET

The FY 2026 budget provides funding for the following significant costs:

- 1,824 less K-12 students as compared to the FY 2025 approved budget.
- Inflation of 3% on supplies, equipment, and services.
- Compensation adjustments:
 - 6.9% average employee pay increase (Step plus pay scale and cost of living adjustments)
 - Health Insurance premium increase of 5%
 - Adjustment for Supplemental Pay rates
 - Adjustment for Substitutes/Temporary Pay rates
- New resources to realize the strategic goals as follows:
 - Commitment 1: Learning and Achievement for All
 - 50.0 FTE Special Education Teacher Assistants
 - 23.0 FTE Special Education Teacher (minimum of 3.0 FTE per elementary school)
 - 40.0 FTE English Learner (EL) Teacher Assistants
 - 39.9 FTE EL Teachers due to reduced student-teacher ratios per state requirements
 - 15.0 FTE EL Teacher Leads
 - 26.0 FTE Counselors due to improved student-counselor ratios at high schools
 - 15.0 FTE Behavior Specialists
 - 18.0 FTE Math Coaches
 - 8.0 FTE Graduation Coaches

- \$3.0 million for mobile science labs
- Commitment 2: Positive Climate and Culture
 - 33.0 FTE Dean of Students
 - 6.0 FTE Elementary School Community Safety Officers
 - \$1.3 million to fund the PWCS-Virginia Commonwealth University (VCU) apprentice Program
 - \$7.0 million for police radio frequency
- Commitment 3: Family and Community Engagement
 - 1.0 FTE Transportation Liaison
 - \$0.1 million to launch customer service chatbot on PWCS website
- Commitment 4: Organizational Coherence
 - 20.0 FTE Bus Attendants
 - 5.0 FTE Car/Van Drivers
 - \$1.2 million to fund the PWCS Student Teacher Program

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

- PWCS has experienced an overall decline in enrollment over the past three years, with a reduction of 1,644 PK–12 students. As of September 30, 2025 (FY 2026), enrollment stood at 89,731—down 978 students from FY 2025. While countywide birth rates and outmigration contribute to this trend, some areas continue to see growth due to new residential development.

Despite anticipated housing growth, October 2025 enrollment projections indicate enrollment will decrease by approximately 3,000 students over the next five years. To address localized overcrowding, approved capital improvements are underway on the eastern side of the division, and PWCS may consider redistricting to reduce reliance on 220 portable classrooms.

Escalating construction costs, supply chain disruptions, and rising labor rates tied to prevailing wage requirements are impacting capital planning and could significantly affect CIP outcomes. Additionally, shifting student demographics will increase demand for specialized educational services, driving operating costs higher. PWCS remains committed to meeting the needs of its diverse student population.

- PWCS has committed to a historic two-year wage agreement totaling over \$160 million, with average pay raises of 7% and 6.4% in consecutive years. Starting teacher salaries are set to rise to \$65,000 by FY 2027 increasing long-term payroll obligations.
- Fund balance supported the General Fund budgets to the extent of \$40 million for fiscal year 2026. This is approximately 2.2% of the General Fund budget.
- The VRS teacher retirement employee contribution rate is 16.14% for FY 2026, a decrease of 0.02% from FY 2025.
- PWCS' local composite index (LCI) for the 2026-2028 biennium is .3767, a slight increase from the 2024-2026 biennium of .3631. This indicates that Prince William County is now responsible for covering approximately 37.7% of the cost of the minimum educational program as mandated by the state's Standards of Quality.
- Real estate assessed values have steadily increased over the last 10 years, enabling reductions to the real property tax rate while still providing additional revenue to the County and School Board. Since FY 2014, the real estate rate decreased a total of \$0.261 per \$100 value, from \$1.181 per \$100 value to

\$0.920 for FY 2025. The FY 2026 rate was further reduced to \$0.906 per \$100 value, a reduction of \$0.014 from the FY 2025 rate.

- In FY 2016, the Board of County Supervisors (BOCS), in a cooperative agreement with the Prince William County School Board, established a grant program through which there is an increased focus on class size reduction. For FY 2026 the BOCS continues to match, up to \$1.0 million in funds provided by PWCS budget to reduce class size.

CONTACTING PWCS FINANCIAL MANAGEMENT

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

Basic Financial Statements

Prince William County Public Schools
Statement of Net Position
June 30, 2025

Exhibit 1

	School Division			Component Unit	Total Reporting Entity
	Governmental Activities	Business - Type Activities	Total School Division		
ASSETS					
Equity in cash and pooled investments	\$ 866,508,794	666,271	867,175,065	2,170,096	869,345,161
Accounts receivable and other current assets	4,355,893	307,803	4,663,696	48,700	4,712,396
Due from other governmental units	42,952,072	-	42,952,072	-	42,952,072
Inventory	7,779,979	2,012	7,781,991	634,950	8,416,941
Prepaid asset	-	-	-	670	670
OPEB asset	32,085,177	-	32,085,177	-	32,085,177
Restricted assets:					
Restricted cash	158,395,128	-	158,395,128	1,457,118	159,852,246
Capital assets:					
Land	124,480,762	114,013	124,594,775	-	124,594,775
Construction in progress	131,965,551	-	131,965,551	-	131,965,551
Depreciable/amortizable capital assets	2,562,483,674	9,114,963	2,571,598,637	-	2,571,598,637
Less: accumulated depreciation/ amortization	(883,983,005)	(1,612,989)	(885,595,994)	-	(885,595,994)
Total assets	<u>3,047,024,025</u>	<u>8,592,073</u>	<u>3,055,616,098</u>	<u>4,311,534</u>	<u>3,059,927,632</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension	291,308,196	-	291,308,196	-	291,308,196
OPEB	33,760,226	-	33,760,226	-	33,760,226
Total deferred outflows of resources	<u>325,068,422</u>	<u>-</u>	<u>325,068,422</u>	<u>-</u>	<u>325,068,422</u>
LIABILITIES					
Accounts payable and accrued liabilities	27,934,950	71,987	28,006,937	30,778	28,037,715
Salaries payable and withholdings	165,055,033	53,045	165,108,078	-	165,108,078
Due to other governmental units	3,205,835	-	3,205,835	-	3,205,835
Retainage	5,918,243	-	5,918,243	-	5,918,243
Unearned revenues	33,544,082	117,092	33,661,174	33,887	33,695,061
Long-term liabilities:					
Due within one year	62,863,033	43,363	62,906,396	-	62,906,396
Due in more than one year	914,464,654	86,078	914,550,732	-	914,550,732
Total liabilities	<u>1,212,985,830</u>	<u>371,565</u>	<u>1,213,357,395</u>	<u>64,665</u>	<u>1,213,422,060</u>
DEFERRED INFLOWS OF RESOURCES					
Pension	116,512,642	-	116,512,642	-	116,512,642
OPEB	37,495,351	-	37,495,351	-	37,495,351
Total deferred inflows of resources	<u>154,007,993</u>	<u>-</u>	<u>154,007,993</u>	<u>-</u>	<u>154,007,993</u>
NET POSITION					
Net investment in capital assets	1,885,256,082	7,615,987	1,892,872,069	-	1,892,872,069
Restricted for:					
Capital projects	151,765,368	-	151,765,368	-	151,765,368
Food & nutrition services	78,428,971	-	78,428,971	-	78,428,971
Grant programs	22,697,396	-	22,697,396	-	22,697,396
OPEB programs	32,085,177	-	32,085,177	-	32,085,177
Student activities	10,580,895	-	10,580,895	-	10,580,895
Education foundation	-	-	-	3,558,573	3,558,573
Unrestricted (deficit)	(175,715,265)	604,521	(175,110,744)	688,296	(174,422,448)
Total net position	<u>\$ 2,005,098,624</u>	<u>8,220,508</u>	<u>2,013,319,132</u>	<u>4,246,869</u>	<u>2,017,566,001</u>

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular	\$ 850,386,535	1,377,683	175,887,109	122,768
Special	230,681,681	503,916	69,799,709	-
Other	11,643,767	1,364,838	9,506,566	-
Instructional leadership	116,290,930	-	-	-
Total instruction	<u>1,209,002,913</u>	<u>3,246,437</u>	<u>255,193,384</u>	<u>122,768</u>
Support services:				
General administration	22,558,903	-	-	-
Student services	51,508,667	-	596,724	-
Curricular/staff development	39,264,902	-	44,234	-
Pupil transportation	92,954,665	274,001	-	-
Operations	38,885,518	299,768	-	-
Utilities	27,050,036	-	-	-
Maintenance	87,797,405	-	3,890,032	-
Central business services	136,738,455	500,428	80,498	-
Reimbursement to County for debt service	116,650,555	-	-	-
Food & nutrition services	62,728,790	8,735,460	42,853,503	-
Community service operations	1,192,911	1,391,666	-	-
Student activities	12,208,779	12,962,913	-	-
Education Foundation	653,585	-	-	-
Total support services	<u>690,193,171</u>	<u>24,164,236</u>	<u>47,464,991</u>	<u>-</u>
Interest on long-term debt:	893,295	-	-	-
Total governmental activities	<u>1,900,089,379</u>	<u>27,410,673</u>	<u>302,658,375</u>	<u>122,768</u>
Business-type activities:				
School Age Child Care	559,999	600,000	-	-
Aquatics Center	2,350,396	1,166,445	-	-
Total business-type activities	<u>2,910,395</u>	<u>1,766,445</u>	<u>-</u>	<u>-</u>
Total school division	<u>\$ 1,902,999,774</u>	<u>29,177,118</u>	<u>302,658,375</u>	<u>122,768</u>
Component unit:				
Education Foundation	6,841,092	-	6,265,126	-
Total component unit	<u>\$ 6,841,092</u>	<u>-</u>	<u>6,265,126</u>	<u>-</u>

General revenues:

Grants and contributions not restricted to specific programs:

- Federal
- State
- County

Unrestricted investment earnings
Revenue from school division
Miscellaneous revenues

Transfers:

Total general revenues and transfers

Change in net position

Net position, beginning of year, as previously reported
Change in accounting principle, GASB 101 implementation
Net position, beginning of year, restated
Net position, end of year

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

Net (Expense) Revenue and Changes in Net Position					
School Division					
Governmental Activities	Business - Type Activities	Total School Division	Component Unit	Total Reporting Entity	Functions/Programs
					Governmental activities:
					Instruction:
\$ (672,998,975)	-	(672,998,975)	-	(672,998,975)	Regular
(160,378,056)	-	(160,378,056)	-	(160,378,056)	Special
(772,363)	-	(772,363)	-	(772,363)	Other
(116,290,930)	-	(116,290,930)	-	(116,290,930)	Instructional leadership
(950,440,324)	-	(950,440,324)	-	(950,440,324)	Total instruction
					Support services:
(22,558,903)	-	(22,558,903)	-	(22,558,903)	General administration
(50,911,943)	-	(50,911,943)	-	(50,911,943)	Student services
(39,220,668)	-	(39,220,668)	-	(39,220,668)	Curricular/staff development
(92,680,664)	-	(92,680,664)	-	(92,680,664)	Pupil transportation
(38,585,750)	-	(38,585,750)	-	(38,585,750)	Operations
(27,050,036)	-	(27,050,036)	-	(27,050,036)	Utilities
(83,907,373)	-	(83,907,373)	-	(83,907,373)	Maintenance
(136,157,529)	-	(136,157,529)	-	(136,157,529)	Central business services
(116,650,555)	-	(116,650,555)	-	(116,650,555)	Reimbursement to County for debt service
(11,139,827)	-	(11,139,827)	-	(11,139,827)	Food & nutrition services
198,755	-	198,755	-	198,755	Community service operations
754,134	-	754,134	-	754,134	Student activities
(653,585)	-	(653,585)	-	(653,585)	Education Foundation
(618,563,944)	-	(618,563,944)	-	(618,563,944)	Total support services
(893,295)	-	(893,295)	-	(893,295)	Interest on long-term debt:
(1,569,897,563)	-	(1,569,897,563)	-	(1,569,897,563)	Total governmental activities
					Business-type activities:
-	40,001	40,001	-	40,001	School Age Child Care
-	(1,183,951)	(1,183,951)	-	(1,183,951)	Aquatics Center
-	(1,143,950)	(1,143,950)	-	(1,143,950)	Total business-type activities
(1,569,897,563)	(1,143,950)	(1,571,041,513)	-	(1,571,041,513)	Total school division
					Component unit:
-	-	-	(575,966)	(575,966)	Education Foundation
-	-	-	(575,966)	(575,966)	Total component unit
					General revenues:
					Grants and contributions not restricted to specific programs:
2,021,301	-	2,021,301	-	2,021,301	Federal
667,457,679	-	667,457,679	-	667,457,679	State
1,037,649,998	-	1,037,649,998	-	1,037,649,998	County
45,637,930	30,948	45,668,878	81,614	45,750,492	Unrestricted investment earnings
-	-	-	653,585	653,585	Revenue from school division
4,799,479	-	4,799,479	-	4,799,479	Miscellaneous revenues
(850,000)	850,000	-	-	-	
1,756,716,387	880,948	1,757,597,335	735,199	1,758,332,534	Total general revenues and transfers
186,818,824	(263,002)	186,555,822	159,233	186,715,055	Change in net position
1,859,747,012	8,586,258	1,868,333,270	4,087,636	1,872,420,906	Net position, beginning of year, as previously reported
(41,467,212)	(102,748)	(41,569,960)	-	(41,569,960)	Change in accounting principle, GASB 101 implementation
1,818,279,800	8,483,510	1,826,763,310	4,087,636	1,830,850,946	Net position, beginning of year, restated
\$ 2,005,098,624	8,220,508	2,013,319,132	4,246,869	2,017,566,001	Net position, end of year

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

Prince William County Public Schools
Balance Sheet
Governmental Funds
June 30, 2025

Exhibit 3

	General Fund	Construction Fund	Food & Nutrition Services Fund	Other Non- major Governmental Fund	Total Governmental Funds
ASSETS					
Equity in cash and pooled investments	\$497,766,943	201,089,734	75,079,148	13,896,491	787,832,316
Restricted cash	-	158,395,128	-	-	158,395,128
Accounts receivable	1,143,704	919,296	344,006	570,321	2,977,327
Due from other funds	1,253,932	-	-	-	1,253,932
Due from other governmental units	35,897,695	727,683	6,326,694	-	42,952,072
Inventory	4,703,217	-	1,208,448	-	5,911,665
Total assets	<u>540,765,491</u>	<u>361,131,841</u>	<u>82,958,296</u>	<u>14,466,812</u>	<u>999,322,440</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES and FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	17,077,342	6,051,005	763,461	537,656	24,429,464
Salaries payable and withholdings	164,081,644	-	903,983	68,239	165,053,866
Retainage payable	-	5,918,243	-	-	5,918,243
Unearned revenues	19,964,745	35,000	1,653,433	-	21,653,178
Total liabilities	<u>201,123,731</u>	<u>12,004,248</u>	<u>3,320,877</u>	<u>605,895</u>	<u>217,054,751</u>
Deferred Inflows of Resources:					
County support	160,742	-	-	-	160,742
Total deferred inflows of resources	<u>160,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,742</u>
Fund Balances:					
Nonspendable	4,703,217	-	1,208,448	-	5,911,665
Restricted	22,697,396	151,765,368	78,428,971	10,580,895	263,472,630
Committed	40,000,000	-	-	3,280,022	43,280,022
Assigned	161,633,202	197,362,225	-	-	358,995,427
Unassigned	110,447,203	-	-	-	110,447,203
Total fund balances	<u>339,481,018</u>	<u>349,127,593</u>	<u>79,637,419</u>	<u>13,860,917</u>	<u>782,106,947</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$540,765,491</u>	<u>361,131,841</u>	<u>82,958,296</u>	<u>14,466,812</u>	<u>999,322,440</u>

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

Prince William County Public Schools
 Reconciliation of the Balance Sheet of the Governmental Funds
 to the Statement of Net Position
 June 30, 2025

Exhibit 4

Total fund balances - governmental funds (Exhibit 3) \$ 782,106,947

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 fund statements.

Land	\$ 124,480,762	
Construction in progress	131,965,551	
Buildings and improvements	2,287,591,951	
Library books	5,064,693	
Equipment (excludes \$222,299 for Internal Service Funds)	66,627,264	
Vehicles	123,681,031	
Intangible Assets		
Software	5,840,432	
Subscription assets (excludes \$623,748 for Internal Service Funds)	55,021,328	
Lease	17,810,928	
Total capital assets	<u>2,818,083,940</u>	
Accumulated depreciation/amortization (excludes \$274,628 for Internal Service Funds)	<u>(883,708,377)</u>	1,934,375,563

OPEB assets are not available to pay for current period expenditures and,
 therefore, are not reported in the fund statements. 32,085,177

Deferred inflows and outflows of resources are not available to pay for current-period
 expenditures and, therefore, are not reported in the funds.

Pension - inflows	(116,512,642)	
OPEB - inflows	(37,495,351)	
Pension - outflows	291,308,196	
OPEB - outflows	<u>33,760,226</u>	171,060,429

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

Arbitrage rebate (3,205,835)

Certain revenues are measurable but not available to pay for current period
 expenditures and, therefore, are reported in the funds as deferred inflows of resources. 160,742

Long-term liabilities are not due and payable in the current period and, therefore,
 are not reported in the funds.

Compensated absences (excludes \$171,094 for Internal Service Funds)	(101,508,719)	
Net pension liability	(686,031,409)	
Net OPEB liability	(121,548,660)	
SBITA liability (excludes \$213,390 for Internal Service Funds)	(29,575,399)	
Lease liability	(13,983,868)	
Pollution remediation	<u>(852,724)</u>	(953,500,779)

Net position of internal service funds (Exhibit 7) 42,016,380

Net position - governmental activities (Exhibit 1) \$ 2,005,098,624

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

Prince William County Public Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

Exhibit 5
Page 1 of 2

	General Fund	Construction Fund	Food & Nutrition Services Fund	Other Non-major Governmental Fund	Total Governmental Funds
REVENUES:					
Charges for services	\$ 6,618,683	-	8,735,460	-	15,354,143
Intergovernmental:					
Federal	60,309,519	3,890,032	40,550,923	-	104,750,474
State	864,543,736	-	1,368,143	-	865,911,879
County	901,075,932	160,152,840	-	-	1,061,228,772
Use of money and property:					
Use of money - interest and investments	31,812,782	16,837,695	4,671,904	169,717	53,492,098
Use of property	-	-	-	1,391,666	1,391,666
Miscellaneous	3,043,452	110,188	945,560	12,962,913	17,062,113
Total revenues	<u>1,867,404,104</u>	<u>180,990,755</u>	<u>56,271,990</u>	<u>14,524,296</u>	<u>2,119,191,145</u>
EXPENDITURES:					
Current:					
Regular instruction	826,170,179	3,314,431	-	-	829,484,610
Special instruction	234,203,022	-	-	-	234,203,022
Other instruction	11,953,162	-	-	-	11,953,162
Instructional leadership	116,297,056	-	-	-	116,297,056
General administration	25,457,313	-	-	-	25,457,313
Student services	52,377,201	-	-	-	52,377,201
Curricular/staff development	39,718,656	-	-	-	39,718,656
Pupil transportation	97,243,160	-	-	-	97,243,160
Operations	39,644,371	-	-	-	39,644,371
Utilities	27,050,036	-	-	-	27,050,036
Maintenance	35,899,464	52,307,451	-	-	88,206,915
Central business services	124,548,232	-	-	-	124,548,232
Community service operations	-	-	-	1,192,911	1,192,911
Food & nutrition services	-	-	62,676,061	-	62,676,061
Student activities	-	-	-	12,208,779	12,208,779
Governor's school programs	-	-	-	-	-
Regional school programs	-	-	-	-	-
Capital outlay:	29,736,183	83,147,385	-	-	112,883,568
Debt Service:					
Principal	15,840,810	-	-	-	15,840,810
Interest	882,862	-	-	-	882,862
Intergovernmental:					
Reimbursement to the County for debt service	114,968,753	-	-	-	114,968,753
Total expenditures	<u>1,791,990,460</u>	<u>138,769,267</u>	<u>62,676,061</u>	<u>13,401,690</u>	<u>2,006,837,478</u>
Excess (deficiency) of revenues over (under) expenditures	<u>75,413,644</u>	<u>42,221,488</u>	<u>(6,404,071)</u>	<u>1,122,606</u>	<u>112,353,667</u>

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

Prince William County Public Schools
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Construction Fund	Food & Nutrition Services Fund	Other Non-major Governmental Fund	Total Governmental Funds
OTHER FINANCING SOURCES (USES):					
Transfers in	10,784,249	83,989,869	-	-	94,774,118
Transfers out	(99,939,869)	(10,784,249)	-	-	(110,724,118)
Other financing sources - SBITA & Leases	27,898,565	-	-	-	27,898,565
Total other financing sources (uses), net	<u>(61,257,055)</u>	<u>73,205,620</u>	<u>-</u>	<u>-</u>	<u>11,948,565</u>
Net change in fund balances	14,156,589	115,427,108	(6,404,071)	1,122,606	124,302,232
FUND BALANCES, beginning of year	<u>325,324,429</u>	<u>233,700,485</u>	<u>86,041,490</u>	<u>12,738,311</u>	<u>657,804,715</u>
FUND BALANCES, end of year	<u><u>\$ 339,481,018</u></u>	<u><u>349,127,593</u></u>	<u><u>79,637,419</u></u>	<u><u>13,860,917</u></u>	<u><u>782,106,947</u></u>

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

Prince William County Public Schools
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Exhibit 6

Total net change in fund balances - total governmental funds (Exhibit 5) \$ 124,302,232

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Certain revenues that are presented in the Statement of Activities do not provide current financial resources and, therefore, are not reported in the funds. (31,432,942)

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlay exceeds depreciation/amortization in the period:

Capital outlays (excludes \$117,620 for Internal Service Funds)	\$ 131,437,252	
Depreciation/amortization expense (excludes \$220,793 for Internal Service Funds)	<u>(69,879,428)</u>	61,557,824

The net effect of various transactions including disposal of capital assets (165,179)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Arbitrage		(1,681,802)
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Pension expenses		33,131,863
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OPEB benefits		18,850,005
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Add prior year's compensated absences liability, restated (excludes \$178,968 for Internal Service Funds)	86,471,559	
Subtract current year's compensated absences liability, restated (excludes \$171,094 for Internal Service Funds)	<u>(101,508,720)</u>	(15,037,161)

Add prior year's subscription liabilities (excludes \$416,826 for Internal Service Funds)	31,501,513	
Add current year's subscription liabilities (excludes \$213,390 for Internal Service Funds)	<u>(29,575,399)</u>	1,926,114

Add prior year's lease liability	-	
Subtract current year's lease liability	<u>(13,983,868)</u>	(13,983,868)

Add prior year's pollution remediation	1,047,722	
Subtract current year's pollution remediation	<u>(852,724)</u>	194,998

Activities of Internal Service Funds that serve governmental activities (Exhibit 8)		<u>9,156,740</u>
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Change in net position of governmental activities (Exhibit 2) \$ 186,818,824

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

Prince William County Public Schools
Statement of Net Position
Proprietary Funds
June 30, 2025

Exhibit 7

	Business-type Activities - Nonmajor Enterprise Funds	Governmental Activities - Internal Service Funds
	<u>Funds</u>	<u>Funds</u>
ASSETS		
Current assets:		
Equity in cash and pooled investments	\$ 666,271	78,676,478
Accounts receivable and other current assets	307,803	1,378,566
Inventory	2,012	1,868,314
Total current assets	<u>976,086</u>	<u>81,923,358</u>
Noncurrent assets:		
Nondepreciable capital assets:		
Land	114,013	-
Depreciable capital assets:		
Buildings and equipment	9,114,963	222,299
Less: accumulated depreciation	(1,612,989)	(14,733)
Intangible right to use	-	623,748
Less: accumulated amortization	-	(259,895)
Total noncurrent assets	<u>7,615,987</u>	<u>571,419</u>
Total assets	<u>8,592,073</u>	<u>82,494,777</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	71,987	3,505,486
Salaries payable and withholdings	53,045	1,167
Compensated Absences	43,363	57,316
Subscription liabilities	-	213,390
Unearned revenues	117,092	11,890,904
Due to other funds	-	1,253,932
Incurred but not reported claims	-	15,080,727
Total current liabilities	<u>285,487</u>	<u>32,002,922</u>
Noncurrent liabilities:		
Incurred but not reported claims	-	8,361,697
Compensated Absences	86,078	113,778
Total noncurrent liabilities	<u>86,078</u>	<u>8,475,475</u>
Total liabilities	<u>371,565</u>	<u>40,478,397</u>
NET POSITION		
Net investment in capital assets	7,615,987	571,419
Unrestricted	604,521	41,444,961
Total net position	<u>\$ 8,220,508</u>	<u>42,016,380</u>

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

Prince William County Public Schools
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025

Exhibit 8

	Business-type Activities - Nonmajor Enterprise Funds	Governmental Activities - Internal Service Funds
OPERATING REVENUES:		
Charges for services	\$ 1,766,445	162,092,323
Total operating revenues	<u>1,766,445</u>	<u>162,092,323</u>
OPERATING EXPENSES:		
Personnel services	1,984,113	1,311,864
Materials/supplies	130,720	282,135
Administrative costs	-	9,852,610
Utilities	189,998	-
Contractual services	422,978	577,810
Premiums	-	3,149,448
Claims and benefits paid	-	144,018,810
Losses and unallocated loss adjustment	-	6,205,384
Cost of goods sold	(722)	5,705,140
Amortization/depreciation	183,308	220,793
Total operating expenses	<u>2,910,395</u>	<u>171,323,994</u>
Operating loss	<u>(1,143,950)</u>	<u>(9,231,671)</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest earnings	30,948	3,298,845
Subscription interest (expense)	-	(10,434)
Total non-operating revenues	<u>30,948</u>	<u>3,288,411</u>
Loss before transfers	(1,113,002)	(5,943,260)
TRANSFERS:		
Transfers In:		
General Fund	850,000	15,100,000
Total other transfers	<u>850,000</u>	<u>15,100,000</u>
Change in net position	(263,002)	9,156,740
NET POSITION, beginning of year, as previously reported	8,586,258	33,038,608
Change in accounting principle, GASB 101 implementation	(102,748)	(178,968)
NET POSITION, beginning of year, restated	<u>8,483,510</u>	<u>32,859,640</u>
NET POSITION, end of year	<u>\$ 8,220,508</u>	<u>42,016,380</u>

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

Prince William County Public Schools
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

Exhibit 9

	Business-type Activities -	Governmental Activities -
	Nonmajor Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:		
Receipts from interfund services provided	\$ -	165,171,112
Receipts from customers and users	1,738,726	13,531
Payments to suppliers for goods and services	(690,286)	(166,083,628)
Payments to employees	(1,955,098)	(1,354,868)
Net cash used in operating activities	<u>(906,658)</u>	<u>(2,253,853)</u>
Cash Flow from Capital and Related Financing Activities:		
Interest paid on subscriptions	-	(10,434)
Purchase of equipment	-	(117,620)
Net cash used in non-capital financing activities	<u>-</u>	<u>(128,054)</u>
Cash Flows from Non-capital Financing Activities:		
Due to other funds	-	(129,006)
Transfers from other funds	850,000	15,100,000
Net cash provided by non-capital financing activities	<u>850,000</u>	<u>14,970,994</u>
Cash Flows from Investing Activities:		
Interest provided by investments	29,930	3,273,648
Net cash provided by investing activities	<u>29,930</u>	<u>3,273,648</u>
Net increase (decrease) in equity in cash and pooled investments	(26,728)	15,862,735
Equity in cash and pooled investments, beginning of year	692,999	62,813,743
Equity in cash and pooled investments, end of year	<u>\$ 666,271</u>	<u>78,676,478</u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:		
Operating loss	\$ (1,143,950)	(9,231,671)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Change in assets and liabilities:		
Amortization/depreciation expense	183,308	220,793
(Increase) decrease in accounts receivable	(10,346)	1,973,279
(Increase) decrease in inventory	(884)	222,616
Increase (decrease) in unearned revenue	(17,373)	1,119,041
Increase in accounts payable and accrued liabilities	53,572	347,220
Increase (decrease) in compensated absences	26,693	(7,874)
(Decrease) in subscription liabilities	-	(203,436)
Increase (decrease) in salaries payable and withholdings	2,322	(343)
Increase in incurred but not reported claims	-	3,306,522
Net cash used in operating activities	<u>\$ (906,658)</u>	<u>(2,253,853)</u>

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

Prince William County Public Schools
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2025

Exhibit 10

	<u>Governor's School @ Innovation Park</u>
ASSETS	
Cash and pooled investments	\$ 365,836
Interest and other receivables	2,701
Capital assets:	
Depreciable capital assets	42,433
Less: accumulated depreciation	<u>(18,732)</u>
Total assets	<u>392,238</u>
LIABILITIES	
Accounts payable and accrued liabilities	<u>272,092</u>
Total liabilities	<u>272,092</u>
NET POSITION	
Investment in capital assets	23,701
Restricted for:	
Individuals, organizations, and other governments	<u>96,445</u>
Total net position	<u>\$ 120,146</u>

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

Prince William County Public Schools
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended June 30, 2025

Exhibit 11

	<u>Governor's School @ Innovation Park</u>
ADDITIONS:	
Investment earnings:	
Net increase in fair value of investments	\$ 24,649
Interest, dividends, and other	121,205
Total investment earnings	<u>145,854</u>
Collections for other governments:	
Governor's school program	1,139,874
Grants from the State	818,025
Miscellaneous revenues	2,000
Total additions	<u>2,105,753</u>
DEDUCTIONS:	
Depreciation	1,773
Distributions on behalf of other governments:	
Governor's school program	1,744,234
Total deductions	<u>1,746,007</u>
Change in net position	359,746
NET POSITION, beginning of year, as previously reported	(99,264)
Change in accounting principle, GASB 101 implementation	<u>(140,336)</u>
NET POSITION, beginning of year, restated	<u>(239,600)</u>
NET POSITION, end of year	<u>\$ 120,146</u>

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

Notes to the Financial Statements

As of and for the year ended June 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING ENTITY

Prince William County Public Schools (PWCS) is a corporate body operating under the constitution of the Commonwealth of Virginia and the Code of Virginia. The eight members of the School Board are elected by the citizens of Prince William County (the County) to serve four-year terms. One member represents each of the County's seven magisterial districts and the chairman serves at large. The mission of PWCS is to serve as trusted partners in education with our students, families, and community, preparing students to be critical thinkers, responsible digital citizens, resilient innovators, and global collaborators, while committing to inclusive practices, equity, and excellence from every student and employee every day. PWCS receives funding from taxes collected and allocated by the County; tuition and fees; state and federal aid; and other grants and donations from private sources. School construction projects are funded by the proceeds of general obligation bonds issued by the County and approved by the County voters. Other sources of PWCS school construction funding are Virginia Public School Authority (VPSA) bonds, Build America Bonds (BAB), Qualified School Construction Bonds (QSCB), and cash funding. PWCS is a component unit of the County.

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

B. COMPONENT UNIT AND THE REPORTING METHOD

The Education Foundation for Prince William County Public Schools (SPARK) is organized under the laws of the Commonwealth of Virginia as a not-for-profit corporation. The purpose of SPARK is to engage community partners to fund and promote initiatives that enhance educational excellence. SPARK's purpose is to promote and aid endeavors of every kind for PWCS. Inclusion criteria consist of a financial benefit/burden relationship and imposition of will, meaning PWCS can significantly influence SPARK's decisions or operations. This is demonstrated by the fact that SPARK's Executive Director is a PWCS employee, giving PWCS direct control over key management decisions such as approving budgets or strategic plans, directing how funds are spent, and influencing leadership decisions. Therefore, SPARK is a discretely presented component unit.

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

C. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Government-Wide Financial Statements - The reporting model includes financial statements prepared on a full accrual basis for PWCS activities and its component unit. This method accounts for both current and long-term items, including capital assets and long-term liabilities, rather than only short-term assets and obligations such as cash and accounts payable. Governmental activities—primarily funded by intergovernmental revenues—are reported separately from business-type activities, which are generally supported by service charges. The discretely presented component unit is shown separately from PWCS. Fiduciary funds are excluded from the government-wide financial statements.

In the government-wide Statement of Net Position, assets, deferred outflows of resources, liabilities, and deferred inflows of resources are presented on a consolidated basis using the full accrual, economic resources measurement focus. This approach incorporates long-term assets and receivables as well as long-term obligations.

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

Statement of Activities – The government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each PWCS functional category or business-type activity. The expense of individual functions or activities is compared to the revenues generated directly by the function (instruction, general administration, etc.) or activity. These directly matched revenues are called program revenues. This format enables the government-wide Statement of Activities to reflect both the gross and net cost per functional category or business-type activities that are otherwise being supported by general government revenues.

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

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

The effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements - Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Business-type activities and internal service funds are reported in separate columns as well.

In the fund financial statements, financial transactions and accounts of PWCS are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The governmental funds' financial statements are presented on a current financial resource measurement focus and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental funds' statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund financial statements to the governmental activities column of the government-wide financial statements.

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

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

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds' financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. It is PWCS' policy to first use restricted resources for expenses incurred when both restricted and unrestricted resources are available.

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

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

For governmental funds, it is PWCS' policy to first use restricted resources for expenditures incurred when both restricted and unrestricted resources are available. For unrestricted resources, the policy is to use committed amounts first, then assigned amounts, and finally unassigned amounts. Any of these classifications may be used when needed. Because a different measurement focus and basis of accounting is used in the government-wide Statement of Net Position than in governmental funds' statements, amounts reported as restricted fund balances in governmental funds may be different from amounts reported as restricted in the Statement of Net Position.

PWCS reports the following major governmental funds:

- **General Fund:** The *General Fund* is the operating fund of PWCS and is used to account for the revenues and expenditures necessary for the day-to-day operation of PWCS. This fund is used to account for all financial resources except those required to be accounted for in another fund.
- **Construction Fund:** The *Construction Fund* is used to account for restricted or assigned financial resources to be used for the acquisition, construction, or repair of PWCS major capital facilities.
- **Food & Nutrition Services Fund:** The *Food & Nutrition Services Fund* is a special revenue fund used to account for the operations of food service activities throughout PWCS. Revenues come primarily from sales of meals and through participation in the National School Lunch and Breakfast Programs.

Additionally, PWCS reports the following fiduciary fund:

- **Governor's School @ Innovation Park Fund:** The *Governor's School @ Innovation Park Fund* is classified as a fiduciary fund. PWCS holds the funds for the Governors' School program as an agent and is responsible for the receipt and disbursement of the funds. A fiduciary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

E. DEPOSITS AND INVESTMENTS

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

Bank deposits are governed by a combination of Federal Deposit Insurance Corporation guidelines and the Virginia Security for Public Deposits Act. In contrast, investments (e.g., fixed-income securities) held by the County's custodian are carried at fair value based on quoted market prices. The County allocates investment earnings to PWCS monthly based on PWCS's average daily balance in invested assets.

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

1. DEPOSITS

At June 30, 2025, all of the County's deposits were covered by federal depository related insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (the Act). Under the Act, banks holding public deposits in excess of the amounts insured by the Federal Deposit Insurance Corporation (FDIC) must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the Commonwealth Treasury Board. If any member bank fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. With the ability to make additional assessments, the multiple bank collateral pool functions similar to depository insurance. Savings and loan institutions are required to collateralize 100% of deposits in excess of FDIC limits. The Commonwealth Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act.

Restricted cash of \$158,395,128 consists of bond proceeds held by trustees for the funding of specific construction projects. The funds are maintained to comply with the provision of the Tax Reform Act of 1966 or as required by various bond covenants.

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

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

2. FAIR VALUE MEASUREMENTS

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

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, significant other observable inputs, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 – inputs to the valuation methodology are unobservable for the asset or liability and are significant to the fair value measurement.

3. INVESTMENTS

Code of Virginia §2.2-4501 through 2.2-4600 authorizes the County to invest in obligations of the United States or agencies thereof, obligations of the Commonwealth or political subdivisions thereof; obligations of other states not in default; obligations of the International Bank for Reconstruction and Development (World Bank); the Asian Development Bank; the African Development Bank; "prime quality" commercial paper; negotiable certificates of deposits and negotiable bank notes; corporate notes; bankers' acceptances; overnight, term and open repurchase agreements; money market mutual funds; the State Treasurer's Local Government Investment Pool (LGIP), non-negotiable certificates of deposit, and insured deposits. PWCS' pro rata share of the County's pooled cash and investments was approximately 33.29% at June 30, 2025.

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

F. INTERFUND RECEIVABLES AND PAYABLES

All interfund receivables and payables are displayed in the fund statements as "due to/due from other funds." These amounts offset each other and are eliminated from the government-wide statement of net position, so as not to overstate PWCS' assets and liabilities.

G. INVENTORY

Inventory consists of expendable supplies held for consumption. Inventories are reported at cost, using the weighted average cost method for the internal service funds and the first-in, first-out (FIFO) method for all other funds. The consumption method is used to record inventories, meaning costs are recognized as expenditures when items are used. In the fund statements, inventories are offset by a nonspendable fund balance to indicate they are not available for current spending.

H. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, vehicles, computer software, right-to-use assets, and library books, are reported in the government-wide financial statements. Capital assets, with the exception of computer software, are defined by PWCS as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year.

Computer software is defined by PWCS as purchased software and software licenses with an initial, individual cost of \$250,000 or more and internally generated software with development costs of \$750,000 and an estimated useful life in excess of one year.

Right-to-use assets with a cost threshold equal to or greater than \$100,000 are capitalized. Such assets are recorded at present value of future payments.

Donated capital assets are recorded at acquisition cost at the date of the donation. Donated easements with acquisition cost greater than \$75,000 are recorded as capital assets. Utility, storm drainage, right-of-way and sight distance easements are often acquired during the construction of new schools. These easements are generally transferred to the applicable utility company or the Virginia Department of Transportation within one year.

PWCS evaluates prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset is generally considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset.

Impaired capital assets that will no longer be used by PWCS are reported at the lower carrying value or fair value. Impairment losses on capital assets that will continue to be used by PWCS are measured using the method that best reflects the diminished service utility of the capital asset. Any insurance recoveries received as a result of impairment events or changes in circumstances resulting in the impairment of a capital asset are netted against the impairment loss.

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

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

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

Estimated useful lives:	
<u>Assets</u>	<u>Years</u>
Buildings	20-50
Improvements	20-50
Equipment	5-12
Vehicles	4-14
Intangible assets, including computer software	3-10
Library books	5

I. DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

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

PWCS's Deferred Outflows of Resources are related to Pension and OPEB activities that represent future benefits such as contributions made after the measurement date, the difference between expected and actual experience (losses), changes in assumptions that increase liability, and investment gains.

In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. Deferred Inflows of Resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as revenue until then.

PWCS's Deferred Inflow of Resources is mainly related to Pension and OPEB activities such as differences between expected and actual experience (gains), changes in assumptions that decrease liability, and investment gains.

Additionally, PWCS has a deferred inflow in the governmental funds for County support.

J. COMPENSATED ABSENCES

PWCS recognizes a liability for compensated absences for leave time that:

- Has been earned for services previously rendered by employees,
- Accumulates and is allowed to be carried over to subsequent years, and
- Is more likely than not to be used as time off or settled (e.g., paid in cash or applied to an employee's flexible spending account) during or upon separation from employment.

Based on these criteria, PWCS has determined that Annual Leave and Sick Leave qualify for liability recognition.

PWCS' Annual Leave policy permits employees to accumulate leave up to a maximum number of days based on employment type, with any excess forfeited at fiscal year-end. Upon separation from employment, employees are entitled to a lump-sum payment for all accumulated Annual Leave. Sick Leave may be accumulated without limitation; however, upon termination, employees are eligible to receive payment for 10 percent of unused Sick Leave. Historical usage patterns were evaluated to estimate the portion of Sick Leave expected to be used prior to termination. PWCS also provides employees with Personal Leave separate from Annual and Sick Leave. Any unused Personal Leave as of June 30 is converted to Sick Leave, and converted amounts are included in the calculation of compensated absences liability.

For measurement purposes, PWCS includes salary-related benefits where applicable. The liability is reported as incurred in the government-wide and proprietary fund financial statements and only when matured in governmental funds. PWCS uses a last-in, first-out (LIFO) flows assumption when attributing payments to leave balances.

K. POLLUTION REMEDIATION

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

L. PENSIONS

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

M. OTHER POSTEMPLOYMENT BENEFITS

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

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

In addition, PWCS participates in the VRS Group Life Insurance (GLI) OPEB program to provide other postemployment benefits to eligible retired employees. The GLI OPEB program is a multiple-employer, cost-sharing, defined benefit plan. The GLI OPEB program provides a basic group life insurance benefit for eligible employees. For purposes of measuring the net GLI OPEB program liability, deferred outflows of resources and deferred inflows of resources related to the GLI program OPEB, and GLI OPEB program expense, information about the fiduciary net position of the GLI OPEB program and the additions to/deductions from the

GLI OPEB program's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. FUND BALANCE

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

- Non-spendable fund balance represents amounts that are either not in spendable form, inventories for example, or are legally or contractually required to be maintained intact.
- Restricted fund balance represents amounts that have been restricted by outside parties for use for a specific purpose. Unrestricted fund balance components include committed fund balance, which represents amounts set aside for a specific purpose through resolution by the Board.
- Assigned fund balance, which represents management's plans for amounts to be used for specific purposes, but are subject to change. The Board approved a resolution to delegate the authority to assign fund balance to the Chief Financial Officer.
- Unassigned fund balance, which represents a residual classification for the General Fund for amounts that have not been restricted, committed, or assigned to specific purposes.

Details of governmental funds balances as of June 30, 2025, were as follows:

	General Fund	Construction Fund	Food & Nutrition Services Fund	Other Non- major Governmental Fund	Total Governmental Funds
FUND BALANCES:					
Nonspendable:					
Inventory	\$ 4,703,217	-	1,208,448	-	5,911,665
	<u>4,703,217</u>	<u>-</u>	<u>1,208,448</u>	<u>-</u>	<u>5,911,665</u>
Restricted:					
Regular instruction	20,000,289	-	-	-	20,000,289
Special instruction	1,146,085	-	-	-	1,146,085
Other instruction	51,159	-	-	-	51,159
General administration	155,671	-	-	-	155,671
Curricular/staff development	86,753	-	-	-	86,753
Student services	173,427	-	-	-	173,427
Central business services	1,084,012	-	-	-	1,084,012
Food & nutrition services	-	-	78,428,971	-	78,428,971
Capital outlay	-	148,559,533	-	-	148,559,533
Student activities	-	-	-	10,580,895	10,580,895
For payments to PWC for arbitrage rebate	-	3,205,835	-	-	3,205,835
	<u>22,697,396</u>	<u>151,765,368</u>	<u>78,428,971</u>	<u>10,580,895</u>	<u>263,472,630</u>
Committed:					
Set aside for fiscal year 2026 budget	40,000,000	-	-	-	40,000,000
Community service operations	-	-	-	3,280,022	3,280,022
	<u>40,000,000</u>	<u>-</u>	<u>-</u>	<u>3,280,022</u>	<u>43,280,022</u>
Assigned:					
Regular instruction	48,849,440	-	-	-	48,849,440
Special instruction	11,752,408	-	-	-	11,752,408
Other instruction	242,450	-	-	-	242,450
Instructional leadership	3,473,107	-	-	-	3,473,107
General administration	1,772,317	-	-	-	1,772,317
Student services	1,848,611	-	-	-	1,848,611
Curricular/staff development	28,743,476	-	-	-	28,743,476
Pupil transportation	17,156,554	-	-	-	17,156,554
Operations	2,286,520	-	-	-	2,286,520
Utilities	1,388,601	-	-	-	1,388,601
Maintenance	11,386,964	-	-	-	11,386,964
Central business services	19,962,212	-	-	-	19,962,212
Capital outlay	12,270,542	197,362,225	-	-	209,632,767
Transfer to other funds	500,000	-	-	-	500,000
	<u>161,633,202</u>	<u>197,362,225</u>	<u>-</u>	<u>-</u>	<u>358,995,427</u>
Unassigned	<u>110,447,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,447,203</u>
Total fund balances	<u>\$ 339,481,018</u>	<u>349,127,593</u>	<u>79,637,419</u>	<u>13,860,917</u>	<u>782,106,947</u>

1. MINIMUM UNASSIGNED FUND BALANCE

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

2. ENCUMBRANCES

Encumbrance accounting, the recording of purchase orders, contracts, and other commitments for the expenditure of monies to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in all governmental funds. Encumbrances outstanding at year-end are reported as restricted, committed, or assigned fund balance, depending on the governmental fund, since they do not constitute expenditures or liabilities. Encumbrances are normally re-appropriated each year by County Board resolution.

O. GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS

PWCS has implemented the following GASB pronouncements in FY 2025:

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

GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

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

GASB Statement No. 103, *Financial Reporting Model Improvements*. The purpose of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

II. COMMITMENTS

At June 30, 2025, PWCS had contractual commitments of \$61,631,531 in the General Fund, \$195,307,700 in the Construction Fund for construction of various projects, and \$ 281,954 in the Food & Nutrition Services Fund for contractual commitments.

III. CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENTS

Effective July 1, 2024, PWCS implemented GASB Statement No. 101, *Compensated Absences*. PWCS recognizes a liability for leave that is earned, unused, and more likely than not to be taken or paid. The implementation increased the compensated absences liability and decreased beginning net position.

IV. RECEIVABLES, DUE TO AND DUE FROM OTHER GOVERNMENTAL UNITS, DEFERRED INFLOWS OF RESOURCES, AND UNEARNED REVENUES

Receivables and due from other governmental units at June 30, 2025, for PWCS' individual major funds, non-major, internal service, and nonmajor enterprise funds, in the aggregate, are as follows:

	Accounts Receivables	Due From Other Governments			Total
		Federal	State	County	
General Fund	\$ 1,143,704.46	11,378,299	24,358,654	160,742	37,041,399
Construction Fund	919,296	727,683	-	-	1,646,979
Food & Nutrition Services Fund	344,006	6,293,502	33,192	-	6,670,700
Nonmajor Governmental Funds	570,321	-	-	-	570,321
Internal Service Funds	1,378,566	-	-	-	1,378,566
Nonmajor Enterprise Fund	307,803	-	-	-	307,803
Fiduciary Funds	2,701	-	-	-	2,701
Total	<u>\$ 4,666,397.38</u>	<u>18,399,484</u>	<u>24,391,846</u>	<u>160,742</u>	<u>47,618,469</u>

A significant portion of the receivable from the Commonwealth of Virginia in the General Fund, \$20,962,685, is attributed to state sales taxes due to PWCS. The Virginia Retail Sales and Use Tax Act requires one and one-eighth out of every five cents collected in Virginia state sales tax to be distributed to PWCS.

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

In the fund financial statements, governmental funds report the deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2025, deferred inflows of resources were recorded in the General Fund for excess revenue receivable for the cable franchise fees agreement and excess general tax supported revenues to be distributed by the County in the amount of \$160,742.

Due to Other Governmental Units at June 30, 2025:

	Governmental Activities
Due to other governmental units:	
County - arbitrage	<u>\$ 3,205,835</u>

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

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

	Unearned Revenues
<u>Governmental Activities</u>	
Construction Fund	\$ 35,000
Food & Nutrition Services Fund – other unearned revenues	1,653,433
General Fund – All in state funding, prepaid tuition or fees and other unearned revenues	<u>19,964,745</u>
Governmental Funds	21,653,178
Internal Service Fund – prepaid health insurance premiums	<u>11,890,904</u>
Total Governmental Activities	<u>\$ 33,544,082</u>
<u>Business-type Activities</u>	
Aquatics Center - prepaid fees related to events and programs not yet occurred	<u>\$ 117,092</u>
Total Business-type Activities	<u>\$ 117,092</u>

V. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

	Due to other funds:
	Distribution Center Fund
	<u> </u>
Due from other funds:	
General Fund	<u>\$ 1,253,932</u>

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

At the end of each fiscal year, the Distribution Center Fund must make purchases in advance of the sale in order to have all items in place prior to the start of the following school year.

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

Transfers In:	Transfers Out:	
	<u>General Fund</u>	<u>Construction Fund</u>
General Fund	\$ -	10,784,249
Construction Fund	83,989,869	-
Internal Service Fund	15,100,000	-
Nonmajor Enterprise Fund	850,000	-
Total	<u>\$ 99,939,869</u>	<u>10,784,249</u>

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

- The General Fund transfer of \$83,989,869 to the Construction Fund represents funds required for building, maintenance, classroom equipment, and facility modifications.
- The Construction Fund transfer of \$10,784,249 to the General Fund represents funds contributed to debt service expenditures.
- The General Fund transfer of \$10,100,000 and \$5,000,000 to the Internal Service Funds represent support for the self-insured portion of the Health Insurance fund and Self Insurance fund.
- The General Fund transfer of \$850,000 to the nonmajor enterprise funds represents support for the operation of these programs.

VI. RELATED PARTY TRANSACTIONS

SPARK is a discretely presented component unit of PWCS. PWCS provided contributions of personnel, equipment, and facilities to SPARK in support of their education programs and partnerships. PWCS reported expenses related to these transactions in the amount of \$653,585 for the year ended June 30, 2025.

VII. LONG-TERM LIABILITIES

PWCS' long-term liabilities are included as part of governmental activities. Long-term liabilities for claims are liquidated by the Internal Service Funds. Liabilities for compensated absences are recognized in government-wide statements and are expected to be liquidated by the respective funds when they mature. Liabilities for pollution remediation are liquidated by the General Fund and Construction Fund. Subscription liabilities are liquidated by the General Fund and Health Insurance Fund. Net pension and net OPEB liabilities are liquidated by the General Fund.

The following is a summary of changes in the long-term liabilities of PWCS governmental activities for the year ended June 30, 2025:

Governmental Activities	Balance July 1, 2024 as Restated	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Compensated absences	\$ 86,650,527	15,029,286 *	-	101,679,813	34,062,737
Claims liabilities	20,135,902	146,369,538	(143,063,016)	23,442,424	15,080,727
Pollution remediation	1,047,722	1,648,420	(1,843,417)	852,724	852,724
SBITA liabilities	31,918,339	10,087,637	(12,217,187)	29,788,789	8,414,113
Lease liabilities	-	17,810,928	(3,827,060)	13,983,868	4,452,732
Net Pension liabilities	735,197,603	352,088,383	(401,254,577)	686,031,409	-
Net OPEB liabilities - GLI	40,244,282	14,656,922	(17,758,185)	37,143,019	-
Net OPEB liabilities - HIC	88,051,910	18,678,392	(22,324,661)	84,405,641	-
Total	\$1,003,246,285	576,369,506	(602,288,103)	977,327,687	62,863,033

*The change in the compensated absence liability is presented as a net change.

The following is a summary of changes in the long-term liabilities of PWCS business-type activities for the year ended June 30, 2025:

Business-type Activities	Balance July 1, 2024 as Restated	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Compensated absences	\$ 102,748	26,693 *	-	129,441	43,363
Total	\$ 102,748	26,693	-	129,441	43,363

*The change in the compensated absence liability is presented as a net change.

A. LONG-TERM DEBT

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

B. SUBSCRIPTION LIABILITIES

PWCS has entered into various agreements for subscription services. The agreement terms range from 24 to 120 months. An initial subscription liability was recorded in amounts ranging from \$140,360 to \$17,621,138. PWCS is required to make annual fixed payments ranging from \$40,000 to \$2,574,260. Contracts have interest rates ranging from 2.08% to 3.44%. The subscription right-to-use assets estimated useful lives range from 24 to 120 months as of the contract commencements.

At June 30, 2025, PWCS recognized a subscription right-to-use asset of \$55,645,076, and a subscription liability of \$29,788,789 related to these agreements. During FY 2025, PWCS recorded \$10,679,469 in amortization expense and \$893,295 in interest expense for the right-to-use subscription assets.

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

Principal and Interest Requirements to Maturity			
Fiscal Year	Governmental Activities		
	Principal Payment	Interest Payment	Total
2026	\$ 8,414,113	685,078	9,099,191
2027	6,998,710	479,946	7,478,656
2028	3,817,174	363,586	4,180,760
2029	2,678,738	278,196	2,956,934
2030	2,790,067	189,307	2,979,374
2031-2033	5,089,987	121,387	5,211,374
	<u>\$ 29,788,789</u>	<u>2,117,500</u>	<u>31,906,289</u>

C. LEASE LIABILITIES

PWCS has entered into two agreements for right-to-use leases. The agreement terms for each lease are 48 months. An initial lease liability was recorded for each lease in the amounts of \$2,502,689 and \$15,308,238. PWCS is required to make annual fixed payments in the amounts of \$625,672 and \$3,827,060. The interest rate for each contract is 0%. The lease right-to-use assets estimated useful lives are 48 months as of the contract commencements.

At June 30, 2025, PWCS recognized a lease right-to-use asset of \$17,810,928, and a lease liability of \$13,983,868 related to these agreements. During FY 2025, PWCS recorded \$3,491,394 in amortization expense and \$0 in interest expense for the right-to-use lease assets.

These lease right-to-use assets are recorded at the present value of their future lease payments as of the inception date and expire at various times through fiscal year 2029.

Principal and Interest Requirements to Maturity			
Fiscal Year	Governmental Activities		
	Principal Payment	Interest Payment	Total
2026	\$ 4,452,732	-	4,452,732
2027	4,452,732	-	4,452,732
2028	4,452,732	-	4,452,732
2029	625,672	-	625,672
	<u>\$ 13,983,868</u>	<u>-</u>	<u>13,983,868</u>

Additional detailed information regarding long-term liabilities, including the current year's activity, can be found in notes I, XI, and XII in the notes to the financial statements.

VIII. SELF-INSURANCE FUNDS

PWCS is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which PWCS carries commercial insurance. PWCS established a limited risk management program for workers' compensation. For the fiscal year ended June 30, 2025, PWCS incurred \$4,309,839 for self-insured workers' compensation claims.

PWCS participates in a Consortium Group Health Insurance Program made up of employers who provide health insurance to their employees and dependents under one program. Each participant in the program is separately rated and has separate accounting. Anthem Blue Cross/Blue Shield and Kaiser Permanente are the plan administrators for medical, CarelonRX and Kaiser Pharmacy are the plan administrators for pharmacy benefits, and Delta Dental Plan of Virginia, Inc. (Delta Dental) is the dental plan administrator. All regular full-time and part-time employees who are working at least 17½ hours per week are eligible to enroll in the health insurance program. There are three (3) plans administered by Anthem Blue Cross/Blue Shield offered through the PWCS insurance program. An employee may choose either the HMO plan called "*Healthkeepers*," or one of the two PPO plans offered, "*KeyCare Enhanced*" or the "*KeyCare Core*". PWCS insurance program also offered a medical plan "*Kaiser Permanente HMO*." All four plans include comprehensive medical, preventive care, vision, and prescription drug coverage (Anthem Blue Cross/Blue Shield through CarelonRx, a new pharmacy benefit manager beginning FY24, Kaiser Permanente through Kaiser Pharmacy). The basis for estimating incurred, but not reported, claims at year-end is an annual analysis performed by the plan's health and welfare consultant. For the fiscal year ended June 30, 2025 PWCS incurred \$142,059,699 in self-insured health insurance claims.

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

Liabilities of the funds are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims' liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claim's liability estimate. The Self-Insurance Fund, covering the risks of loss, has \$600,000 per occurrence retention and purchases excess insurance coverage which covers individual claims with a \$75,000,000 limit. The Health Insurance Fund, covering the risks of loss, has \$500,000 per member. There have been no significant reductions in insurance coverage in the prior year, and settlements have not exceeded coverage for each of the past three fiscal years.

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

Changes in aggregate liabilities for claims are as follows:

	Self-Insurance	Health Insurance
Unpaid Claims June 30, 2023	\$ 7,347,789	9,178,000
Incurred Claims	6,062,417	117,624,064
Claims Paid	3,350,304	116,726,064
Unpaid Claims June 30, 2024	10,059,902	10,076,000
Incurred Claims	4,309,839	142,059,699
Claims Paid	3,250,317	139,812,699
Unpaid Claims June 30, 2025	\$ 11,119,424	12,323,000
Due Within One Year	\$ 2,757,727	12,323,000

IX. CAPITAL ASSETS

Capital asset activities for PWCS governmental activities for the year ended June 30, 2025, were as follows:

	Primary Government			
	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 124,251,124	229,638	-	124,480,762
Construction in Progress	56,232,188	78,194,315	(2,460,952)	131,965,551
Total capital assets, not being depreciated	180,483,312	78,423,953	(2,460,952)	256,446,313
Capital assets, being depreciated/amortized:				
Buildings and improvements	2,281,089,544	6,502,407	-	2,287,591,951
Library books	4,609,972	942,264	(487,543)	5,064,693
Equipment	60,978,244	6,884,269	(1,012,950)	66,849,563
Vehicles	114,870,449	11,526,748	(2,716,166)	123,681,031
Intangible assets				
Software	5,840,432	-	-	5,840,432
Subscription assets	43,719,821	11,925,255	-	55,645,076
Lease assets - equipment	-	17,810,928	-	17,810,928
Total capital assets being depreciated/amortized	2,511,108,462	55,591,871	(4,216,659)	2,562,483,674
Less accumulated depreciation/amortization for:				
Buildings and improvements	685,006,982	43,565,909	-	728,572,891
Library books	2,565,861	1,012,938	(487,543)	3,091,256
Equipment	46,559,377	2,586,474	(924,291)	48,221,560
Vehicles	66,519,516	8,542,673	(2,639,646)	72,422,543
Intangible assets				
Software	5,619,067	221,365	-	5,840,432
Subscription assets	11,663,460	10,679,469	-	22,342,929
Lease assets - equipment	-	3,491,394	-	3,491,394
Total accumulated depreciation/amortization	817,934,263	70,100,222	(4,051,480)	883,983,005
Total capital assets, being depreciated, net	1,693,174,199	(14,508,351)	(165,179)	1,678,500,669
Total Governmental activities capital assets, net	\$ 1,873,657,511	63,915,602	(2,626,131)	1,934,946,982

Capital asset activities for PWCS governmental activities for the year ended June 30, 2025, were as follows:

	Primary Government			Balance June 30,2025
	Balance July 1,2024	Increases	Decreases	
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 114,013	-	-	114,013
Total capital assets, not being depreciated	114,013	-	-	114,013
Capital assets, being depreciated:				
Buildings and improvements	9,095,044	-	-	9,095,044
Equipment	19,919	-	-	19,919
Total capital assets being depreciated	9,114,963	-	-	9,114,963
Less accumulated depreciation				
Buildings and improvements	1,424,890	181,650	-	1,606,540
Equipment	4,791	1,658	-	6,449
Total accumulated depreciation	1,429,681	183,308	-	1,612,989
Total capital assets, being depreciated, net	7,685,282	(183,308)	-	7,501,974
Total Business-type activities capital assets, net	\$ 7,799,295	(183,308)	-	7,615,987

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

Governmental Activities	Depreciation Expense
Instruction:	
Regular	\$ 43,573,052
Special	1,049,833
Other	4,120
Support Services:	
General administration	1,007,862
Student services	11,347
Curricular/staff development	17,496
Pupil transportation	8,810,357
Maintenance	525,607
Central business services	15,000,119
Food & nutrition services	100,429
Total depreciation/amortization expense	\$ 70,100,222

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

Business-type Activities	Depreciation Expense
Aquatics Center	\$ 183,308
Total depreciation expense	\$ 183,308

X. CONTINGENCIES

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

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

XI. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. VIRGINIA RETIREMENT SYSTEM

Plan description

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

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

VRS Retirement Plan Provisions by Plan Structure

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
About the Plans		
<p>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.</p>	<p>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.</p>	<p>The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <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 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.

VRS Retirement Plan Provisions by Plan Structure (cont'd)

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
Eligible Members		
<p>Members are in Plan 1 if their membership date is prior to July 1, 2010, they were vested before January 1, 2013, and they have not taken a refund.</p> <p><i>Hybrid Opt-In Election</i> VRS non-hazardous duty-covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014. The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan, and remain as Plan 1 or ORP.</p>	<p>Members are in Plan 2 if their membership date is from July 1, 2010, to December 31, 2013, and they have not taken a refund. Members are covered under Plan 2 if they have a membership date prior to July 1, 2010, and they were not vested before January 1, 2013.</p> <p><i>Hybrid Opt-In Election</i> Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p>Members are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> • School division 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.

VRS Retirement Plan Provisions by Plan Structure (cont'd)

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
Retirement Contributions		
<p>Members contribute 5% of their compensation each month to their member contribution account through a pretax 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 payment.</p>	<p>Same as Plan 1.</p>	<p>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.</p>
Service Credit		
<p>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.</p>	<p>Same as Plan 1.</p>	<p><i>Defined Benefit Component:</i> Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><i>Defined Contributions Component:</i> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.</p>

VRS Retirement Plan Provisions by Plan Structure (cont'd)

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
Vesting		
<p>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.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p>Same as Plan 1.</p>	<p><i>Defined Benefit Component:</i> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><i>Defined Contribution Component:</i> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer 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 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. <p>Distributions not required, except as governed by law.</p>

VRS Retirement Plan Provisions by Plan Structure (cont'd)

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
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.	See definition under Plan 1.	<i>Defined Benefit Component:</i> See definition under Plan 1. <i>Defined Contribution Component:</i> 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		
A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	A 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.
Service Retirement Multiplier		
The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for members is 1.70%.	Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. The retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.	<i>Defined Benefit Component:</i> The retirement multiplier for the defined benefit component is 1.00%. For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans. <i>Defined Contribution Component:</i> Not applicable.
Normal Retirement Age		
Age 65.	Normal Social Security retirement age.	<i>Defined Benefit Component:</i> Same as Plan 2. <i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.

VRS Retirement Plan Provisions by Plan Structure (cont'd)		
VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
Earliest Unreduced Retirement Eligibility		
Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.	Normal Social Security retirement age with at least five years (60 months) of service credit or when their age and service equal 90.	<p><i>Defined Benefit Component:</i> Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age and service equal 90.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
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.	Age 60 with at least five years (60 months) of service credit.	<p><i>Defined Benefit Component:</i> Age 60 with at least five years (60 months) of service credit.</p> <p><i>Defined Contribution Component:</i> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

VRS Retirement Plan Provisions by Plan Structure (cont'd)

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
Cost-of-Living Adjustment (COLA) in Retirement		
<p>The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><i>Eligibility:</i> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p> <p><i>Exceptions to COLA Effective Dates:</i> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term or long-term disability. • The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. • The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. 	<p>The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><i>Eligibility:</i> Same as Plan 1.</p> <p><i>Exceptions to COLA Effective Dates:</i> Same as Plan 1.</p>	<p><i>Defined Benefit Component:</i> Same as Plan 2.</p> <p><i>Defined Contribution Component:</i> Not applicable.</p> <p><i>Eligibility:</i> Same as Plan 1.</p> <p><i>Exceptions to COLA Effective Dates:</i> Same as Plan 1.</p>

VRS Retirement Plan Provisions by Plan Structure (cont'd)

VRS Plan 1	VRS Plan 2	Hybrid Retirement Plan
Disability Coverage		
For 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.	For members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.	<p>Employees of school divisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid plan members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
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.	Same as Plan 1.	<p><i>Defined Benefit Component:</i> Same as Plan 1, with the following exception:</p> <ul style="list-style-type: none"> Hybrid Retirement Plan members are ineligible for ported service. <p><i>Defined Contribution Component:</i> Not applicable.</p>

B. EMPLOYEES COVERED BY BENEFIT TERMS

As of the June 30, 2023 actuarial valuation date, the following employees of the non-professional group were covered by the benefit terms of the pension plan:

	Number
Retirees and Beneficiaries	1,109
Inactive members:	
Inactive Vested Members	354
Inactive Nonvested Members	743
Inactive members Active Elsewhere in VRS	318
Total inactive members	1,415
Active members	1,766
Total covered employees	4,290

C. 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 provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

D. CONTRIBUTIONS – NON-PROFESSIONAL GROUP

The non-professional group's contractually required contribution rate for the year ended June 30, 2025, was 6.38% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the non-professional group was \$5,325,084 for the year ended June 30, 2025.

E. CONTRIBUTIONS – PROFESSIONAL GROUP

The professional group's contractually required employer contribution rate for the year ended June 30, 2025, was 14.21% of covered employee compensation. This was the General Assembly approved rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the professional group was \$122,226,751 for the year ended June 30, 2025.

F. ACTUARIAL ASSUMPTIONS

The total pension liability for the VRS Teacher Retirement Plan and General Employees in the Political Subdivision's Retirement Plan was based on an actuarial valuation as of June 30, 2023, 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, 2024.

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

1. MORTALITY RATES:

	Non-Hazardous Duty for Non-professional Group	Professional Group
	20% of deaths are assumed to be service-related*	
Pre-Retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years	Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males
Post-Retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females
Post-Disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years	Pub-2010 Amount Weighted Teachers Contingent Annuitant Rates projected generationally
Mortality Improvement:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the standard rates

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

G. 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 the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	32.00 %	6.70 %	2.14 %
Fixed Income	16.00	5.40	0.86
Credit Strategies	16.00	8.10	1.30
Real Assets	15.00	7.20	1.08
Private Equity	15.00	8.70	1.31
PIP - Private Investment Partnerships	1.00	8.00	0.08
Diversifying Strategies	6.00	5.80	0.35
Cash	2.00	3.00	0.06
Leverage	(3.00)	3.50	(0.11)
Total	100.00 %		7.07 %
		**Expected arithmetic nominal return	7.07 %

* The above allocation provides a one-year return of 7.07% (includes 2.50% inflation assumptions). However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.10%, including expected inflation of 2.50%.

**On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

H. 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 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. Through the fiscal year ending June 30, 2024, the rate contributed by the school division for the VRS Teacher Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 112% of the actuarially determined contribution rate. From July 1, 2024, 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.

I. NET PENSION LIABILITY

At June 30, 2025, the professional group reported a liability of \$678,952,289 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30,

2023, and rolled forward to the measurement date of June 30, 2024. The professional group's proportion of the net pension liability was based on the actuarially determined employer contributions to the pension plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, the professional group's proportion was 7.23%.

The non-professional net pension liability (asset) was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2023, rolled forward to the measurement date of June 30, 2024.

J. CHANGES IN NET PENSION LIABILITY (ASSET) – NON-PROFESSIONAL GROUP

The following presents the change in net pension liability of the non-professional group at June 30, 2024:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2023	\$ 275,864,908	265,846,108	10,018,800
Changes for the year:			
Service cost	5,806,207	-	5,806,207
Interest	18,522,285	-	18,522,285
Difference between expected and actual experience	5,474,032	-	5,474,032
Contributions - employer	-	4,059,775	(4,059,775)
Contributions - employee	-	3,305,719	(3,305,719)
Net investment income	-	25,545,843	(25,545,843)
Benefit payments, including refunds of employee contributions	(14,533,798)	(14,533,798)	-
Pension Plan Administrative expense	-	(173,560)	173,560
Other changes	-	4,427	(4,427)
Net changes	<u>15,268,726</u>	<u>18,208,406</u>	<u>(2,939,680)</u>
Balance at June 30, 2024	<u>\$ 291,133,634</u>	<u>284,054,514</u>	<u>7,079,120</u>

K. SENSITIVITY OF THE NET PENSION LIABILITY (ASSET) TO CHANGES IN THE DISCOUNT RATE

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Non-Professional Group's Net Pension Liability (Asset)	\$ 42,910,690	\$ 7,079,120	\$ (22,585,223)

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Professional group's proportionate share of the VRS Teacher Employee Retirement Plan Net Pension Liability	\$ 1,261,360,271	\$ 678,952,289	\$ 201,978,681

L. PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended June 30, 2025, the professional group recognized pension expenses of \$81,919,200 and non-professional expenses of \$4,354,325. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between employer contributions and the proportionate share of employer contributions.

At June 30, 2025, PWCS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Professional</u>	<u>Non Professional</u>	<u>Total VRS Pension</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 117,788,649	5,888,359	123,677,008
Employer contributions made subsequent to the Measurement Date	122,226,751	5,325,084	127,551,835
Change of assumptions	12,323,891	-	12,323,891
Changes in proportionate share of contributions	27,755,462	-	27,755,462
Deferred Outflows of Resources	<u>\$ 280,094,753</u>	<u>11,213,443</u>	<u>291,308,196</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	13,980,100	-	13,980,100
Changes in proportionate share of contributions	1,679,172	-	1,679,172
Difference between projected and actual earnings on Plan Investments	93,458,196	7,395,174	100,853,370
Deferred Inflows of Resources	<u>\$ 109,117,468</u>	<u>7,395,174</u>	<u>116,512,642</u>
Pension expenses for the year ended June 30, 2025	<u>\$ 81,919,200</u>	<u>4,354,325</u>	<u>86,273,525</u>
Net pension liability as of June 30, 2025	<u>\$ 678,952,289</u>	<u>7,079,120</u>	<u>686,031,409</u>

The \$127,551,835 reported as deferred outflows of resources related to pensions resulting from the PWCS contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year ended June 30,			
	<u>Professional</u>	<u>Non Professional</u>	<u>Total</u>
2026	\$ (29,968,735)	(2,372,541)	(32,341,276)
2027	66,291,537	3,869,464	70,161,001
2028	20,045,531	(1,433,965)	18,611,566
2029	(7,617,799)	(1,569,773)	(9,187,572)
2030	-	-	-
Thereafter	-	-	-
Total	<u>\$ 48,750,534</u>	<u>(1,506,815)</u>	<u>47,243,719</u>

M. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the VRS Teacher Retirement Plan's Fiduciary Net Position is available in the separately issued VRS 2024 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at: varetire.org/media/shared/pdf/publications/2024-annualreport.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

XII. VRS HEALTH INSURANCE CREDIT PROGRAM

A. PLAN DESCRIPTION

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

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. All full-time, salaried permanent employees of PWCS are automatically covered by the VRS Teacher Employee HIC program (professional) and by the VRS Political Subdivision HIC program (non-professional) upon employment. 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 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.

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

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

1. CONTRIBUTIONS – NON-PROFESSIONAL GROUP

The contribution requirement for active employees is governed by § 51.1-1402(E) of the Code of Virginia, as amended, but may be impacted as a result of funding options provided to PWCS by the Virginia General Assembly. The non-professional group's contractually required employer contribution rate for the year ended June 30, 2025, was 0.13% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from PWCS to the VRS HIC Program were \$170,777 for the year ended June 30, 2025.

2. CONTRIBUTIONS – PROFESSIONAL GROUP

The contribution requirement for active employees is governed by §51.1-1401(E) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to PWCS by the Virginia General Assembly. PWCS' contractually required employer contribution rate for the year ended June 30, 2025 was 1.21% of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from PWCS to the VRS HIC Program for the professional group were \$10,309,745 for the year ended June 30, 2025.

3. ACTUARIAL ASSUMPTIONS, LONG-TERM EXPECTED RATE OF RETURN AND DISCOUNT RATE

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

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

B. NET HIC OPEB LIABILITY

At June 30, 2025, the professional group reported a liability of \$83,922,349 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, 2024, 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, 2023 and rolled forward to the measurement date of June 30, 2024. PWCS' proportion of the net VRS HIC program OPEB liability was based on the PWCS' actuarially determined employer contributions to the VRS HIC program OPEB plan for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, reporting year 2024, PWCS' proportion of the VRS HIC program for professional group was 7.26%.

The non-professional HIC program OPEB liability was measured as of June 30, 2024. 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, 2023, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024.

C. CHANGES IN NET HIC OPEB LIABILITY – NON-PROFESSIONAL GROUP

The following presents the changes in net VRS HIC OPEB liability of the non-professional group at June 30, 2024:

	Total HIC OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net HIC OPEB Liability (a) - (b)
Balances at June 30, 2023	\$ 3,002,085	2,331,529	670,556
Changes for the Year:			
Service cost	42,579	-	42,579
Interest	200,902	-	200,902
Difference Between Expected and Actual Experience	(97,947)	-	(97,947)
Contributions - Employer	-	117,701	(117,701)
Net Investment Income	-	218,096	(218,096)
Benefit Payments, including refunds of employee contributions	(136,673)	(136,673)	-
Administrative Expense	-	(2,999)	2,999
Other changes	-	-	-
Net Changes	<u>8,861</u>	<u>196,125</u>	<u>(187,264)</u>
Balances at June 30, 2024	<u>\$ 3,010,946</u>	<u>2,527,654</u>	<u>483,292</u>

D. SENSITIVITY OF THE PWCS' HIC NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Proportionate share of the VRS HIC OPEB Plan Net HIC OPEB Liability			
- Non-professional Group	\$ 830,817	\$ 483,292	\$ 190,453

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Proportionate share of the VRS HIC OPEB Plan Net HIC OPEB Liability			
- Professional Group	\$ 95,440,647	\$ 83,922,349	\$ 74,159,539

E. EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO HIC PROGRAM OPEB

1. NON-PROFESSIONAL GROUP

For the year ended June 30, 2025, PWCS recognized VRS HIC program OPEB expense of \$44,801 for the non-professional group.

At June 30, 2025, PWCS reported deferred outflows of resources and deferred inflows of resources related to the VRS HIC program OPEB for the non-professional group from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	178,199
Change of assumptions	136,287	-
Net difference between projected and actual earnings on HIC OPEB plan investments	-	47,683
Employer contributions subsequent to the Measurement Date	170,777	-
Total	<u>\$ 307,064</u>	<u>225,882</u>

The \$170,777 reported as deferred outflow of resources related to the non-professional group HIC OPEB resulting from PWCS' contributions subsequent to the measurement date will be recognized as a reduction of the net non-professional group HIC OPEB liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIC OPEB will be recognized in the HIC OPEB expense in future reporting periods as follows:

Year ended June 30,	
2026	\$ (60,359)
2027	10,662
2028	(13,005)
2029	(26,893)
2030	-
Thereafter	-
Total	<u>\$ (89,595)</u>

2. PROFESSIONAL GROUP

For the year ended June 30, 2025, PWCS recognized VRS HIC program OPEB expense of \$7,678,455 for the professional group.

At June 30, 2025, PWCS reported deferred outflows of resources and deferred inflows of resources related to the VRS HIC program OPEB for the professional group from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	3,976,040
Change of assumptions	1,445,740	-
Net difference between projected and actual earnings on HIC OPEB plan investments	-	298,515
Changes in proportion and differences between Employer contributions and proportionate share of contributions	4,829,561	357,660
Employer contributions subsequent to the measurement date	10,309,745	-
Total	<u>\$ 16,585,046</u>	<u>4,632,215</u>

The \$10,309,745 reported as deferred outflow of resources related to the professional group HIC OPEB resulting from PWCS' contributions subsequent to the measurement date will be recognized as a reduction of the net professional group HIC OPEB liability in the fiscal year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the professional group HIC OPEB will be recognized in the OPEB expense in the future reporting periods as follows:

Year ended June 30,	
2026	\$ 470,192
2027	703,002
2028	302,391
2029	(2,394)
2030	241,211
Thereafter	(71,316)
Total	<u>\$ 1,643,086</u>

3. VRS HIC PROGRAM FIDUCIARY NET POSITION

Detailed information about the VRS Teacher Employee Health Insurance Credit Program's Fiduciary Net Position is available in the separately issued VRS 2024 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

F. VRS GROUP LIFE INSURANCE PROGRAM

1. PLAN DESCRIPTION

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

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

In addition to the Basic Group Life Insurance benefit, PWCS employees are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional Group Life Insurance Program. For PWCS employees who elect the optional group life insurance coverage, the insurer bills PWCS directly for the premiums. PWCS 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.

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

Reduction in Benefit Amounts. The benefit amounts provided to members covered under the 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.

Minimum Benefit Amount and Cost-of-Living Adjustment (COLA). For covered members with at least 30 years of service credit, there is a minimum benefit payable under the 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 \$9,254 as of June 30, 2024.

2. CONTRIBUTIONS

The contribution requirements for the GLI Program are governed by § 51.1-506 and § 51.1-508 of the Code of Virginia, as amended, but may be impacted as a result of funding provided to PWCS by the Virginia General Assembly. The total rate for the GLI Program was 1.18% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.47% (1.18% X 40%). Employers may elect to pay all or part of the employee contribution, however the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2025, was 0.47% of covered employee compensation. This rate was the final approved General Assembly rate which was based on an actuarially determined rate from an actuarial valuation as of June 30, 2023. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI Program from the entity were \$4,436,457 for the year ended June 30, 2025.

3. 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.

4. OPEB LIABILITIES, EXPENSES, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO THE GLI PROGRAM OPEB

At June 30, 2025, PWCS reported a liability of \$37,143,019 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2024, 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, 2023, and rolled forward to the measurement date of June 30, 2024. PWCS' proportion of the net GLI OPEB liability was based on PWCS' actuarially determined employer contributions to the VRS GLI Program for the year ended June 30, 2024, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2024, reporting year 2025, , PWCS' proportion for the professional and non-professional groups, respectively, was 3.04% and 0.29%.

For the year ended June 30, 2025, PWCS recognized GLI OPEB expenses of \$1,317,717 . Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2025, PWCS reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,858,308	907,279
Change of assumptions	211,716	1,840,732
Net difference between projected and actual earnings on GLI OPEB plan investments	-	3,130,768
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,397,651	440,742
Employer contributions subsequent to the measurement date	4,436,457	-
Total	<u>\$ 11,904,132</u>	<u>6,319,521</u>

The \$ 4,436,457 reported as deferred outflows of resources related to the GLI OPEB resulting from PWCS' contributions subsequent to the measurement date will be recognized as a reduction of the Net GLI OPEB Liability in the Fiscal Year ending June 30, 2026. 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 follows:

Year ended June 30,		
2026	\$	(1,224,190)
2027	\$	1,017,637
2028	\$	250,635
2029	\$	576,309
2030	\$	527,763
Thereafter		-
Total	\$	<u>1,148,154</u>

5. SENSITIVITY OF THE PWCS' PROPORTIONATE SHARE OF THE GLI NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Proportionate share of the VRS GLI OPEB Plan Net GLI OPEB Liability	\$ 57,762,220	\$ 37,143,019	\$ 20,485,417

6. VRS GLI PROGRAM FIDUCIARY NET POSITION

Detailed information about the Group Life Insurance Program's Fiduciary Net Position is available in the separately issued VRS 2024 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2024 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2024-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

G. SUPPLEMENTAL RETIREMENT PLAN

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

PWCS contributes money on the eligible employee's behalf to purchase annuities after the employee has completed one (1) year of service with PWCS. The School Board's contribution increases each time an employee has completed three (3), five (5), ten (10), and fifteen (15) years of service. At the end of the current year, the cap on the employer contribution was \$3,614 per employee. The total employer contribution for fiscal year 2025 was \$ 7,109,245. Substitutes, temporary employees, and ROP participants who participate in the TDC plan are not eligible to receive the employer matching contribution.

XIII. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. OPEB MASTER TRUST FUND

1. PLAN DESCRIPTION

PWCS contributes to the Prince William County OPEB Master Trust Fund, an agent multiple-employer defined benefit postemployment benefits trust fund administered by the County.

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

At March 1, 2024 (valuation date), the following employees were covered by the benefit terms:

Total active employees with coverage	8,376
Total retirees with coverage	<u>284</u>
Total participants with coverage	8,660

2. ACTUARIAL METHODS AND ASSUMPTIONS

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

Valuation Date:	March 1, 2024												
Measurement Date:	June 30, 2025												
Cost Method:	Entry Age Normal												
Asset Valuation Method:	Market value of assets, assets were assumed to earn 6.75% per annum.												
Future Payroll Growth Rate:	3.00% per year-used in level percentage of pay amortization.												
Subsidy Rate:	It is assumed that all retirees will receive a 30% subsidy. This is based on the average of all current subsidies, and not an actual subsidy option.												
Medical Trend:	<p>The healthcare cost trend assumption was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The current valuation uses the 2024 version of the model with baseline assumptions. The following assumptions were used as input variables into this model:</p> <p>This model was designed to estimate the trend after 2025. The trend rate for 2024 was set to 7.5% and 2025 was set to 7.0%. These initial trends are greater than in the past valuation due to recent inflation, which we estimate will result in higher medical costs as providers renew their contracts.</p> <table> <tr> <td>Rate of Inflation</td> <td>2.60%</td> </tr> <tr> <td>Rate of Growth in Real Income/GDP per capita</td> <td>1.40%</td> </tr> <tr> <td>Excess Medical Growth</td> <td>0.09%</td> </tr> <tr> <td>Expected Health Share of GDP in 2033</td> <td>19.00%</td> </tr> <tr> <td>Health Share of GDP Resistance Point</td> <td>17.00%</td> </tr> <tr> <td>Year for Limiting Cost Growth to GDP Growth</td> <td>2075</td> </tr> </table>	Rate of Inflation	2.60%	Rate of Growth in Real Income/GDP per capita	1.40%	Excess Medical Growth	0.09%	Expected Health Share of GDP in 2033	19.00%	Health Share of GDP Resistance Point	17.00%	Year for Limiting Cost Growth to GDP Growth	2075
Rate of Inflation	2.60%												
Rate of Growth in Real Income/GDP per capita	1.40%												
Excess Medical Growth	0.09%												
Expected Health Share of GDP in 2033	19.00%												
Health Share of GDP Resistance Point	17.00%												
Year for Limiting Cost Growth to GDP Growth	2075												
Discount Rate/Investment Rate of Return:	6.75% per annum.												
Spousal Coverage and Age:	For current retirees, actual medical coverage elections for spouses as provided by the Schools were used. Of active employees electing retirement health coverage 25% of are assumed to have spousal or family coverage. Of these 25% with spouse or family coverage, approximately 75% are assumed to have retiree and spouse and 25% have family coverage. Females were assumed to be 3 years younger than male spouses. Spouses were assumed to be the opposite gender of retirees.												
Professional/Non-Professional:	It is assumed that 80% of activities are professionals and 20% are non-professionals. This is used in determining the subsidy, since the subsidy is different for professionals and non-professionals.												
Decrement Assumptions:	VRS Termination Rates for Teachers, Retirement and Disability.												
Mortality Assumption:	None - not material, since benefits end at 65.												

3. NET OPEB (ASSET)

PWCS' net OPEB (asset) was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation date on March 1, 2024.

4. CHANGES IN THE NET OPEB (ASSET)

Changes in the net OPEB (asset) for the year ended June 30, 2025 are as follows:

Total OPEB liability	\$ 28,336,445
Plan fiduciary net position	<u>(65,938,693)</u>
Net OPEB (asset)	<u>(37,602,248)</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	232.70%

5. SENSITIVITY OF NET OPEB (ASSET) TO CHANGES IN THE DISCOUNT RATE

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

	<u>1% Decrease (5.75%)</u>	<u>Current Discount Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net OPEB (Asset)	\$ (35,686,426)	\$ (37,602,248)	\$ (39,397,135)

6. SENSITIVITY OF NET OPEB (ASSET) TO CHANGES IN THE HEALTHCARE COST TREND RATE

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

	<u>1% Decrease (3.04%)</u>	<u>Medical Trend (4.04%)</u>	<u>1% Increase (5.04%)</u>
Net OPEB (Asset)	\$ (40,421,022)	\$ (37,602,248)	\$ (34,359,814)

B. PRINCE WILLIAM COUNTY PUBLIC SCHOOLS' RETIREE HEALTH INSURANCE PREMIUM PLAN

1. PLAN DESCRIPTION

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

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

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

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

At March 1, 2024 (valuation date), the following employees were covered by the benefit terms:

Total active employees with coverage	8,376
Total retirees with coverage	<u>284</u>
Total participants with coverage	8,660

2. CONTRIBUTIONS

Postemployment healthcare expenses, depending on the number of sick leave days exchanged, are made from the Health Insurance Fund, which is maintained on the full accrual basis of accounting. The School Board establishes employer contribution rates for plan participants and determines how the plan will be funded as part of the budgetary process each year. Retirees pay the full budgeted rates for coverage under the medical plan. For the year ended June 30, 2025, plan members received \$7,362,348.78 in benefits and contributed \$2,644,674.00 in premiums, resulting in net benefits paid by PWCS of \$4,717,675.

3. ACTUARIAL METHODS AND ASSUMPTIONS

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

Valuation Date:	March 1, 2024								
Measurement Date:	June 30, 2024								
Cost Method:	Entry Age Normal								
Asset Valuation Method:	Market value of assets								
Payroll Growth Rate:	2.50% per year-used in level percentage of pay amortization.								
Subsidy Rate:	It is assumed that all retirees will receive a 30% subsidy.								
Medical Trend:	The healthcare cost trend assumption was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The current valuation uses the 2024 version of the model with baseline assumptions. This model was designed to estimate the trend after 2025. The trend rate for 2024 was set to 7.5% and 2025 was set to 7.0%. These initial trends are greater than in the past valuation due to recent inflation, which we estimate will result in higher medical costs as providers renew their contracts. The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group.								
Discount Rate/Investment Rate of Return:	6.75% per annum.								
Spousal Coverage and Age:	For current retirees, actual medical coverage elections for spouses as provided by the Schools were used. Of active employees electing retirement health coverage 25% of are assumed to have spousal or family coverage. Of these 25% with spouse or family coverage, approximately 75% are assumed to have retiree and spouse and 25% have family coverage. Females were assumed to be 3 years younger than male spouses. Spouses were assumed to be the opposite gender of retirees.								
	<table border="0"> <tr> <td>Excess Medical Growth</td> <td>0.90%</td> </tr> <tr> <td>Expected Health Share of GDP in 2033</td> <td>19.00%</td> </tr> <tr> <td>Health Share of GDP Resistance Point</td> <td>17.00%</td> </tr> <tr> <td>Year for Limiting Cost Growth to GDP Growth</td> <td>2075</td> </tr> </table>	Excess Medical Growth	0.90%	Expected Health Share of GDP in 2033	19.00%	Health Share of GDP Resistance Point	17.00%	Year for Limiting Cost Growth to GDP Growth	2075
Excess Medical Growth	0.90%								
Expected Health Share of GDP in 2033	19.00%								
Health Share of GDP Resistance Point	17.00%								
Year for Limiting Cost Growth to GDP Growth	2075								
Professional/Non-Professional:	It is assumed that 80% of activities are professionals and 20% are non-professionals. This is used in determining the subsidy, since the subsidy is different for professionals and non-professionals.								
Decrement Assumptions:	VRS Termination Rates for Teachers.								
Mortality Assumption:	None - not material, since benefits end at 65.								
Per Capita Cost Assumption:	All plans include both medical and Rx benefits. Administrative fees and risk premiums were assumed to be included in the premium rates provided. The average premium was calculated by blending the 2024 premiums for each plan based on enrollment as of the valuation date and trending to the midpoint of the projection period using 7.5% trend. The average premium was then age-adjusted using the Yamamoto aging curve to determine a								

retiree per capita cost. Costs for spouses were calculated separately based on the spouse portion of the Retiree+Spouse and Retiree+Family Premiums.

C. NET OPEB LIABILITY (ASSET)

PWCS' net OPEB (asset) was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB (asset) was determined by an actuarial valuation performed as of June 30, 2023, and rolled forward to the measurement date of June 30, 2025.

1. CHANGES IN THE NET OPEB (ASSET)

The following represents the total changes in net OPEB (asset) at June 30, 2025:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) (a) - (b)
Balances as of June 30, 2023 for FYE 2024	\$40,770,611	52,457,716	(11,687,105)
Changes for the year:			
Service cost	2,038,973	-	2,038,973
Interest	2,644,634	-	2,644,634
Experience Losses	(15,895,729)	-	(15,895,729)
Trust Contributions - employer	-	1,500,609	(1,500,609)
Net Investment Income	-	6,780,508	(6,780,508)
Changes in Assumptions	(904,833)	-	(904,833)
Benefit Payments (net of retiree contributions)	(1,500,609)	(1,500,609)	-
Net Changes	(13,617,564)	6,780,508	(20,398,072)
Balance as of June 30, 2024 for FYE 2025	\$ 27,153,047	59,238,224	(32,085,177)

2. SENSITIVITY OF NET OPEB (ASSET) TO CHANGES IN THE DISCOUNT RATE

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB (asset)	\$ (30,213,985)	\$ (32,085,177)	\$ (33,834,637)

3. SENSITIVITY OF NET OPEB (ASSET) TO CHANGES IN THE HEALTHCARE COST TREND RATE

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

	1% Decrease (3.04%)	Medical Trend (4.04%)	1% Increase (5.04%)
Net OPEB (asset)	\$ (34,604,690)	\$ (32,085,177)	\$ (29,195,340)

4. OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the fiscal year ended June 30, 2025, PWCS recognized OPEB expenses of \$ 8,211,951. At June 30, 2025, PWCS reported deferred outflows of resources and deferred inflows of resources related to OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 246,309	23,460,256
Change of assumptions	-	2,782,046
Net difference between projected and actual earnings on OPEB plan investments	-	75,431
Employer contributions subsequent to the measurement date	4,717,675	-
Total	\$ 4,963,984	26,317,733

The \$ 4,717,675 reported as deferred outflows of resources related to OPEB resulting from PWCS' contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB (asset) in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended June 30	Earnings (Inflow)/Outflow
2026	\$ (6,798,908)
2027	(5,164,928)
2028	(7,448,420)
2029	(3,859,076)
2030	(2,800,092)
Thereafter	-
Total	\$ (26,071,424)

5. SUMMARY OF OPEB PLANS

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

	<u>VRS HIC OPEB</u>	<u>VRS GLI OPEB</u>	<u>PWCS OPEB</u>	<u>TOTAL OPEB</u>
Deferred Outflows of Resources:				
Differences between expected and actual experience	-	5,858,308	246,309	6,104,617
Employer contributions made subsequent to the Measurement Date	10,480,522	4,436,457	4,717,675	19,634,654
Change of assumptions	1,582,027	211,716	-	1,793,743
Changes in proportionate share of contributions	4,829,561	1,397,651	-	6,227,212
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Deferred Outflows of Resources	<u>\$ 16,892,110</u>	<u>11,904,132</u>	<u>4,963,984</u>	<u>33,760,226</u>
Deferred Inflows of Resources:				
Differences between expected and actual experience	4,154,239	907,279	23,460,256	28,521,774
Changes in proportionate share of contributions	357,660	440,742	-	798,402
Changes of assumptions	-	1,840,732	2,782,046	4,622,778
Net difference between projected and actual earnings on pension plan investments	<u>346,198</u>	<u>3,130,768</u>	<u>75,431.00</u>	<u>3,552,397</u>
Deferred Inflows of Resources	<u>\$ 4,858,097</u>	<u>6,319,521</u>	<u>26,317,733</u>	<u>37,495,351</u>
OPEB expenses for the year ended June 30, 2025	<u>\$ 7,723,256</u>	<u>1,324,972</u>	<u>(4,627,314)</u>	<u>4,420,914</u>
Net OPEB liability (Asset) as of June 30, 2025	<u>\$ 84,405,641</u>	<u>37,143,019</u>	<u>(32,085,177)</u>	<u>89,463,483</u>

XIV. SUBSEQUENT EVENTS

On November 5, 2025, the County sold the VPSA Special Obligation School Financing Bonds, Series 2025, in the par amount of \$94,530,000 with a true interest cost of 3.59%. The sale of the bonds was approved by the Board on October 28, 2025, by Resolution No. 25-549. The proceeds of the bonds provided funds for construction and cost of issuance for various capital school improvement projects.

Required Supplementary Information

Prince William County Public Schools
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 General Fund
 For the Year Ended June 30, 2025

Exhibit 12
 Page 1 of 2

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 2,956,096	3,446,206	6,618,683	3,172,477
Intergovernmental:				
Federal	53,613,800	50,543,631	60,309,519	9,765,888
State	836,626,865	853,589,443	864,543,736	10,954,293
County	871,201,023	911,471,801	901,075,932	(10,395,869)
Use of money and property:				
Use of money - interest and investments	31,797,098	31,797,098	31,812,782	15,684
Miscellaneous	405,302	966,926	3,043,452	2,076,526
Total revenues	<u>1,796,600,184</u>	<u>1,851,815,105</u>	<u>1,867,404,104</u>	<u>15,588,999</u>
EXPENDITURES:				
Current:				
Regular instruction	893,006,328	823,784,476	826,170,179	(2,385,703)
Special instruction	245,540,754	243,993,466	234,203,022	9,790,444
Other instruction	11,185,304	12,316,476	11,953,162	363,314
Instructional leadership	121,172,503	116,157,391	116,297,056	(139,665)
General administration	26,536,409	26,088,025	25,457,313	630,712
Student services	51,760,965	54,563,888	52,377,201	2,186,687
Curricular/staff development	40,635,488	43,845,520	39,718,656	4,126,864
Pupil transportation	106,213,979	98,776,291	97,243,160	1,533,131
Operations	37,047,494	34,541,871	39,644,371	(5,102,500)
Utilities	41,452,055	34,768,244	27,050,036	7,718,208
Maintenance	43,618,202	36,055,888	35,899,464	156,424
Central business services	144,420,597	152,665,057	124,548,232	28,116,825
Debt Service:				
Principal	15,840,810	15,840,810	15,840,810	-
Interest	882,862	882,862	882,862	-
Intergovernmental:				
Reimbursement to the County for debt service	116,177,041	116,177,041	114,968,753	1,208,288
Total expenditures	<u>1,895,490,791</u>	<u>1,810,457,306</u>	<u>1,762,254,277</u>	<u>48,203,029</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(98,890,607)</u>	<u>41,357,799</u>	<u>105,149,827</u>	<u>63,792,028</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,000,000	1,000,000	10,784,249	9,784,249
Transfers out	(23,399,091)	(99,939,869)	(99,939,869)	-
Total other financing sources (uses), net	<u>(22,399,091)</u>	<u>(98,939,869)</u>	<u>(89,155,620)</u>	<u>9,784,249</u>
Net change in fund balance	(121,289,698)	(57,582,070)	15,994,207	73,576,277
BUDGETARY FUND BALANCES, beginning of year	<u>325,324,429</u>	<u>325,324,429</u>	<u>325,324,429</u>	<u>-</u>
BUDGETARY FUND BALANCES, end of year	<u>\$ 204,034,731</u>	<u>267,742,359</u>	<u>341,318,636</u>	<u>73,576,277</u>

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 General Fund
 For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Reconciliation of Budgetary Basis to GAAP Basis:				
Capital outlay expense	\$ -	-	29,736,183	(29,736,183)
Other financing sources - SBITA & Leases	-	-	27,898,565	27,898,565
BUDGETARY FUND BALANCES, end of year	204,034,731	267,742,359	341,318,636	73,576,277
Total adjustments	-	-	(1,837,618)	(1,837,618)
FUND BALANCES, end of year	<u>\$ 204,034,731</u>	<u>267,742,359</u>	<u>339,481,018</u>	<u>71,738,659</u>

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Food & Nutrition Services Fund
For the Year Ended June 30, 2025

Exhibit 13

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive/ (Negative)
REVENUES:				
Charges for services	\$12,250,000	12,250,000	8,735,460	(3,514,540)
Intergovernmental:				
Federal	39,743,697	39,743,697	40,550,923	807,226
State	1,535,000	1,535,000	1,368,143	(166,857)
Use of money and property:				
Use of money - interest and investments	-	-	2,478,533	2,478,533
Miscellaneous	800,000	800,000	945,560	145,560
Total revenues	<u>54,328,697</u>	<u>54,328,697</u>	<u>54,078,619</u>	<u>(250,078)</u>
EXPENDITURES:				
Current:				
Food & nutrition services	<u>64,918,625</u>	<u>64,716,322</u>	<u>59,754,453</u>	<u>4,961,869</u>
Total expenditures	<u>64,918,625</u>	<u>64,716,322</u>	<u>59,754,453</u>	<u>4,961,869</u>
Deficiency of revenues under expenditures	<u>(10,589,928)</u>	<u>(10,387,625)</u>	<u>(5,675,834)</u>	<u>4,711,791</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out:				
Construction fund	<u>(393,705)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses), net	<u>(393,705)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in budgetary fund balances	(10,983,633)	(10,387,625)	(5,675,834)	4,711,791
BUDGETARY FUND BALANCES, beginning of year	<u>86,041,490</u>	<u>86,041,490</u>	<u>86,041,490</u>	<u>-</u>
BUDGETARY FUND BALANCES, end of year	<u>\$75,057,857</u>	<u>75,653,865</u>	<u>80,365,656</u>	<u>4,711,791</u>
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property - interest and investments	\$ -	-	2,478,533	2,478,533
Current year fair value adjustment	-	-	2,193,371	2,193,371
From use of money and property - interest and investments (Exhibit 5)	-	-	4,671,904	4,671,904
Food Commodity Expense	-	-	2,921,608	(2,921,608)
BUDGETARY FUND BALANCES, end of year	<u>75,057,857</u>	<u>75,653,865</u>	<u>80,365,656</u>	<u>4,711,791</u>
Total adjustments	<u>-</u>	<u>-</u>	<u>(728,237)</u>	<u>(728,237)</u>
FUND BALANCES, end of year	<u>\$75,057,857</u>	<u>75,653,865</u>	<u>79,637,419</u>	<u>3,983,554</u>

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
 Virginia Retirement System Pension Plan
 Schedule of Non-professional Group Employer Contributions
 Last Ten Fiscal Years

Exhibit 14

Fiscal Year	Contractually Required Contribution	Contributions in Relation Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 5,325,084	\$ 5,325,084	-	\$ 81,548,001	6.53 %
2024	4,806,814	4,806,814	-	73,611,234	6.53
2023	4,137,236	4,137,236	-	68,158,743	6.07
2022	3,752,340	3,752,340	-	61,817,796	6.07
2021	3,653,522	3,653,522	-	60,189,812	6.07
2020	3,139,774	3,139,774	-	61,564,188	5.10
2019	3,007,441	3,007,441	-	58,969,432	5.10
2018	3,422,956	3,422,956	-	57,625,524	5.94
2017	3,649,222	3,649,222	-	56,228,376	6.49
2016	4,326,680	4,326,680	-	53,948,630	8.02

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
Virginia Retirement System Pension Plan
Schedule of Changes in the Non-Professional Group Net Pension Liability and Related Ratios
Last Ten Fiscal Years*

Exhibit 15
Page 1 of 2

	2024	2023	2022	2021	2020
Total pension liability					
Service cost	\$ 5,806,207	5,483,467	4,841,864	5,288,149	5,342,194
Interest	18,522,285	17,425,983	16,709,106	15,166,237	14,578,736
Differences between expected and actual experience	5,474,032	6,603,239	1,070,293	2,139,257	(621,178)
Changes in assumptions	-	-	-	7,188,576	-
Benefit payments, including refunds of employee contributions	(14,533,798)	(12,654,055)	(12,630,859)	(10,902,691)	(10,289,367)
Net change in total pension liability	15,268,726	16,858,634	9,990,404	18,879,528	9,010,385
Total pension liability - beginning	275,864,908	259,006,274	249,015,870	230,136,342	221,125,957
Total pension liability - ending	<u>291,133,634</u>	<u>275,864,908</u>	<u>259,006,274</u>	<u>249,015,870</u>	<u>230,136,342</u>
Plan fiduciary net position					
Contributions - employer	\$ 4,059,775	3,836,381	3,262,506	3,237,408	3,200,039
Contributions - employee	3,305,719	3,120,715	2,826,436	2,789,740	2,881,279
Net investment income	25,545,843	16,358,911	(242,000)	57,078,058	3,992,911
Benefit payments, including refunds of employee contributions	(14,533,798)	(12,654,055)	(12,630,859)	(10,902,691)	(10,289,367)
Administrative expenses	(173,560)	(163,650)	(163,500)	(142,756)	(136,917)
Other changes	4,427	6,581	5,380	5,382	(4,740)
Net change in plan fiduciary net position	18,208,406	10,504,883	(6,942,037)	52,065,141	(356,795)
Plan fiduciary net position - beginning	265,846,108	255,341,225	262,283,262	210,218,121	210,574,916
Plan fiduciary net position - ending	<u>\$ 284,054,514</u>	<u>\$265,846,108</u>	<u>\$255,341,225</u>	<u>\$262,283,262</u>	<u>210,218,121</u>
Non-professional groups' net pension liability (asset) - ending	<u>\$ 7,079,120</u>	<u>10,018,800</u>	<u>3,665,049</u>	<u>(13,267,392)</u>	<u>19,918,221</u>
Plan fiduciary net position as a percentage of the total pension liability	98 %	96	99	105	91
Covered payroll	\$ 73,611,234	68,158,743	61,817,796	60,189,812	61,564,188
Non-professional groups' net pension liability (asset) as a percentage of covered payroll	10 %	15	5	(22)	32

* Years presented as of measurement date

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
Virginia Retirement System Pension Plan
Schedule of Changes in the Non-Professional Group Net Pension Liability and Related Ratios
Last Ten Fiscal Years*

Exhibit 15
Page 2 of 2

2019	2018	2017	2016	2015	
					Total pension liability
\$ 5,214,001	5,226,349	5,373,106	5,488,020	5,522,513	Service cost
14,066,735	13,330,134	12,947,772	12,389,908	11,689,241	Interest
					Differences between expected and actual experience
(761,360)	909,690	(2,110,561)	(1,740,559)	527,708	Changes in assumptions
6,199,051	-	(2,193,518)	-	-	Benefit payments, including refunds of employee contributions
<u>(9,091,649)</u>	<u>(8,794,953)</u>	<u>(8,314,018)</u>	<u>(8,021,757)</u>	<u>(7,438,101)</u>	
15,626,778	10,671,220	5,702,781	8,115,612	10,301,361	Net change in total pension liability
205,499,179	194,827,959	189,125,178	181,009,566	170,708,205	Total pension liability - beginning
<u>221,125,957</u>	<u>205,499,179</u>	<u>194,827,959</u>	<u>189,125,178</u>	<u>181,009,566</u>	Total pension liability - ending
					Plan fiduciary net position
\$ 3,154,179	3,550,621	3,512,916	4,237,856	4,216,224	Contributions - employer
2,819,104	2,757,542	2,751,600	2,663,882	2,629,471	Contributions - employee
13,317,444	13,917,266	20,712,494	2,941,145	7,407,239	Net investment income
					Benefit payments, including refunds of employee contributions
(9,091,649)	(8,794,953)	(8,314,018)	(8,021,757)	(7,438,101)	Administrative expenses
(131,359)	(119,620)	(118,992)	(103,842)	(100,577)	Other changes
<u>(8,405)</u>	<u>(12,445)</u>	<u>(18,491)</u>	<u>(1,248)</u>	<u>(1,578)</u>	
10,059,314	11,298,411	18,525,509	1,716,036	6,712,678	Net change in plan fiduciary net position
200,515,602	189,217,191	170,691,682	168,975,646	162,262,968	Plan fiduciary net position - beginning
<u>210,574,916</u>	<u>200,515,602</u>	<u>189,217,191</u>	<u>170,691,682</u>	<u>168,975,646</u>	Plan fiduciary net position - ending
					Non-professional groups' net pension liability (asset) - ending
\$ 10,551,041	4,983,577	5,610,768	18,433,496	12,033,920	
					Plan fiduciary net position as a percentage of the total pension liability
95 %	98	97	90	93	
\$ 58,969,432	57,625,524	56,228,376	53,948,630	52,522,441	Covered payroll
					Non-professional groups' net pension liability (asset) as a percentage of covered payroll
18 %	9	10	34	23	

* Years presented as of measurement date

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
 Virginia Retirement System Pension Plan
 Schedule of Professional Group Employer Contributions
 Last Ten Fiscal Years

Exhibit 16

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 122,226,751	\$ 122,226,751	-	\$ 860,146,029	14.21 %
2024	129,391,457	129,391,457	-	778,528,624	16.62
2023	119,544,529	119,544,529	-	719,281,161	16.62
2022	106,711,693	106,711,693	-	642,067,947	16.62
2021	101,153,302	101,153,302	-	608,623,961	16.62
2020	93,207,003	93,207,003	-	594,432,415	15.68
2019	87,256,873	87,256,873	-	556,485,157	15.68
2018	88,486,407	88,486,407	-	542,196,119	16.32
2017	76,304,250	76,304,250	-	520,492,837	14.66
2016	69,744,378	69,744,378	-	496,048,208	14.06

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
 Virginia Retirement System Pension Plan
 Schedule of Changes in the Professional Group Net Pension Liability and Related Ratios
 Last Ten Fiscal Years*

Exhibit 17
 Page 1 of 2

	2025	2024	2023	2022	2021
Proportion of the net pension liability	7.23 %	7.17	6.86	6.87	6.76
Proportionate share of the net pension liability	\$ 678,952,289	725,178,803	652,855,060	533,648,511	983,823,015
Covered payroll	\$ 778,528,624	719,281,161	642,067,947	608,623,961	594,432,415
Proportionate Share of the net pension liability as a percentage of covered payroll	87.2 %	100.82	101.68	87.68	165.51
Plan fiduciary net position as a percentage of the total pension liability	84.52 %	82.45	82.61	85.46	71.47

* The amounts presented have a measurement date of the previous fiscal year end.

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
 Virginia Retirement System Pension Plan
 Schedule of Changes in the Professional Group Net Pension Liability and Related Ratios
 Last Ten Fiscal Years*

2020	2019	2018	2017	2016	
6.61 %	6.68	6.57	6.51	6.45	Proportion of the net pension liability
\$ 870,089,914	785,340,000	808,531,000	911,712,000	811,927,000	Proportionate share of the net pension liability
\$ 556,485,157	542,196,119	520,492,837	496,048,208	479,588,166	Covered payroll
156.35 %	144.84	155.34	183.80	169.30	Proportionate Share of the net pension liability as a percentage of covered payroll
73.51 %	74.81	72.92	68.28	70.68	Plan fiduciary net position as a percentage of the total pension liability

* The amounts presented have a measurement date of the previous fiscal year end

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
 Virginia Retirement System Health Insurance Credit Program
 Schedule of Non-Professional Group Employer Contributions
 Last Ten Fiscal Years

Exhibit 18

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 170,777	\$ 170,777	-	\$ 82,206,654	0.21 %
2024	152,831	152,831	-	73,587,428	0.21
2023	143,133	143,133	-	68,158,743	0.21
2022	129,804	129,804	-	61,811,513	0.21
2021	126,399	126,399	-	60,189,812	0.21
2020	129,285	129,285	-	61,564,208	0.21
2019	123,821	123,821	-	58,962,494	0.21
2018	126,680	126,680	-	57,625,524	0.22
2017	123,856	123,856	-	56,288,932	0.22
2016	118,331	118,331	-	53,786,705	0.22

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
Virginia Retirement System Health Insurance Credit Program
Schedule of Changes in the Non-Professional Group Net HIC OPEB Liability and Related Ratios
Last Ten Fiscal Years*

Exhibit 19
Page 1 of 2

	2024	2023	2022	2021
Total HIC OPEB liability				
Service cost	\$ 42,579	42,998	52,044	67,755
Interest	200,902	195,934	181,108	172,377
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(97,947)	(29,933)	(105,041)	(43,735)
Changes in assumptions	-	-	241,849	23,234
Benefit payments, including refunds of employee contributions	(136,673)	(133,296)	(149,226)	(135,434)
Net change in total HIC OPEB liability	8,861	75,703	220,734	84,197
Total HIC OPEB liability - beginning	3,002,085	2,926,382	2,705,648	2,621,451
Total HIC OPEB liability - ending	<u>\$ 3,010,946</u>	<u>3,002,085</u>	<u>2,926,382</u>	<u>2,705,648</u>
Plan fiduciary net position				
Contributions - employer	\$ 117,701	108,852	134,706	131,353
Net investment income	218,096	131,918	2,556	453,780
Benefit payments, including refunds of employee contributions	(136,673)	(133,296)	(149,226)	(135,434)
Administrative expenses	(2,999)	(3,139)	(3,820)	(5,407)
Other changes	-	3,125	58,103	-
Net change in plan fiduciary net position	196,125	107,460	42,319	444,292
Plan fiduciary net position - beginning	2,331,529	2,224,069	2,181,750	1,737,458
Plan fiduciary net position - ending	<u>\$ 2,527,654</u>	<u>2,331,529</u>	<u>2,224,069</u>	<u>2,181,750</u>
Non-professional groups' net HIC OPEB liability- ending	<u>\$ 483,292</u>	<u>670,556</u>	<u>702,313</u>	<u>523,898</u>
Plan fiduciary net position as a percentage of the total HIC OPEB liability	83.9%	77.7%	76.0%	80.6%
Covered payroll	\$ 73,587,428	68,158,743	61,811,513	60,189,812
Non-professional groups' net HIC OPEB liability as a percentage of covered payroll	0.66%	0.98%	1.14%	0.87%

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

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
Virginia Retirement System Health Insurance Credit Program
Schedule of Changes in the Non-Professional Group Net HIC OPEB Liability and Related Ratios
Last Ten Fiscal Years*

Exhibit 19
Page 2 of 2

	2020	2019	2018	2017	
					Total HIC OPEB liability
\$	66,306	64,277	62,278	67,405	Service cost
	163,117	159,532	156,456	153,000	Interest
	93,666	-	-	-	Changes of benefit terms
	(52,167)	(31,876)	(58,144)	-	Differences between expected and actual experience
	-	63,915	-	(70,000)	Changes in assumptions
	(132,035)	(104,630)	(128,649)	(70,000)	Benefit payments, including refunds of employee contributions
	138,887	151,218	31,941	80,405	Net change in total HIC OPEB liability
	2,482,564	2,331,346	2,299,405	2,219,000	Total HIC OPEB liability - beginning
\$	<u>2,621,451</u>	<u>2,482,564</u>	<u>2,331,346</u>	<u>2,299,405</u>	Total HIC OPEB liability - ending
					Plan fiduciary net position
\$	128,961	123,765	126,680	123,856	Contributions - employer
	34,065	103,070	105,718	151,368	Net investment income
	(132,035)	(104,630)	(128,649)	(69,750)	Benefit payments, including refunds of employee contributions
	(3,301)	(2,257)	(2,500)	(2,506)	Administrative expenses
	(15)	(122)	(7,449)	7,449	Other changes
	27,675	119,826	93,800	210,417	Net change in plan fiduciary net position
	1,709,783	1,589,957	1,496,157	1,285,740	Plan fiduciary net position - beginning
\$	<u>1,737,458</u>	<u>1,709,783</u>	<u>1,589,957</u>	<u>1,496,157</u>	Plan fiduciary net position - ending
\$	<u>883,993</u>	<u>772,781</u>	<u>741,389</u>	<u>803,248</u>	Non-professional groups' net HIC OPEB liability- ending
	66.3%	68.9%	68.2%	65.1%	Plan fiduciary net position as a percentage of the total HIC OPEB liability
\$	61,564,208	58,962,494	57,625,524	56,288,932	Covered payroll
	1.44%	1.31%	1.29%	1.43%	Non-professional groups' net HIC OPEB liability as a percentage of covered payroll

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

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
 Virginia Retirement System Health Insurance Credit Program
 Schedule of Professional Group Employer Contributions
 Last Ten Fiscal Years

Exhibit 20

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 10,309,745	\$ 10,309,745	-	\$ 859,145,402	1.20 %
2024	9,334,719	9,334,719	-	777,893,289	1.20
2023	8,632,145	8,632,145	-	719,242,307	1.20
2022	7,704,587	7,704,587	-	642,048,936	1.20
2021	7,325,651	7,325,651	-	610,470,920	1.20
2020	7,133,739	7,133,739	-	594,478,287	1.20
2019	6,678,231	6,678,231	-	556,519,225	1.20
2018	6,670,000	6,670,000	-	542,242,000	1.23
2017	5,778,000	5,778,000	-	520,545,000	1.11
2016	5,258,204	5,258,204	-	496,057,012	1.06

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
 Virginia Retirement System Health Insurance Credit Program
 Schedule of Professional Group Employer's Share of Net HIC OPEB Liability and Related Ratios
 Last Ten Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Proportion of the net HIC OPEB liability	7.26 %	7.21	6.89	6.91
Proportionate share of the net HIC OPEB liability	\$ 83,922,349	87,381,354	86,056,058	88,642,517
Covered payroll	\$ 777,893,289	719,242,307	642,048,936	610,470,920
Proportionate share of the net HIC liability as a percentage of covered payroll	10.79 %	12.15	13.40	14.52
Plan fiduciary net position as a percentage of the total HIC OPEB liability	<u>21.82 %</u>	<u>17.9</u>	<u>15.08</u>	<u>13.15</u>

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

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
 Virginia Retirement System Health Insurance Credit Program
 Schedule of Professional Group Employer's Share of Net HIC OPEB Liability and Related Ratios
 Last Ten Fiscal Years*

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

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

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
 Virginia Retirement System Group Life Insurance Program
 Schedule of Non-Professional Group Employer Contributions
 Last Ten Fiscal Years

Exhibit 22

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 389,189	\$ 389,189	-	\$ 82,806,125	0.47 %
2024	400,381	400,381	-	74,144,553	0.54
2023	370,632	370,632	-	68,635,464	0.54
2022	336,524	336,524	-	62,319,332	0.54
2021	328,343	328,343	-	60,804,181	0.54
2020	322,141	322,141	-	61,950,129	0.52
2019	308,426	308,426	-	59,312,661	0.52
2018	302,000	302,000	-	58,065,000	0.52
2017	294,000	294,000	-	56,540,000	0.52
2016	260,802	260,802	-	54,333,805	0.48

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
 Virginia Retirement System Group Life Insurance Program
 Schedule of Non-professional Group Employer's Share of Net GLI OPEB Liability and Related Ratios
 Last Ten Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Proportion of the net GLI OPEB liability	0.30 %	0.29	0.29	0.29
Proportionate share of the net GLI OPEB liability	\$ 3,219,658	3,490,842	3,442,873	3,417,835
Covered payroll	74,144,553	68,635,464	62,319,332	60,804,181
Proportionate share of the net GLI liability as a percentage of covered payroll	4.34 %	5.09	5.52	5.62
Plan fiduciary net position as a percentage of the total GLI OPEB liability	<u>73.41 %</u>	<u>69.30</u>	<u>67.21</u>	<u>67.45</u>

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

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
 Virginia Retirement System Group Life Insurance Program
 Schedule of Non-professional Group Employer's Share of Net GLI OPEB Liability and Related Ratios
 Last Ten Fiscal Years*

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

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

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
 Virginia Retirement System Group Life Insurance Program
 Schedule of Professional Group Employer Contributions
 Last Ten Fiscal Years

Exhibit 24

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 4,047,268	\$ 4,047,268	-	\$ 861,120,920	0.47 %
2024	4,214,583	4,214,583	-	780,478,397	0.54
2023	3,898,401	3,898,401	-	721,926,175	0.54
2022	3,480,472	3,480,472	-	644,531,852	0.54
2021	3,307,619	3,307,619	-	612,522,029	0.54
2020	3,100,707	3,100,707	-	596,289,711	0.52
2019	2,907,340	2,907,340	-	559,103,828	0.52
2018	2,835,000	2,835,000	-	545,279,000	0.52
2017	2,719,000	2,719,000	-	522,882,000	0.52
2016	2,391,677	2,391,677	-	498,265,965	0.48

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
 Virginia Retirement System Group Life Insurance Program
 Schedule of Professional Group Employer's Share of Net GLI OPEB Liability and Related Ratios
 Last Ten Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Proportion of the net GLI OPEB liability	3.13 %	3.04	3.06	2.96
Proportionate share of the net GLI OPEB liability	\$ 33,923,361	36,753,440	35,682,916	34,552,780
Covered payroll	\$ 780,478,397	721,926,175	644,531,852	612,522,029
Proportionate share of the net GLI liability as a percentage	4.35 %	5.09	5.54	5.64
Plan fiduciary net position as a percentage of the total GLI OPEB liability	<u>73.41 %</u>	<u>69.30</u>	<u>67.21</u>	<u>67.45</u>

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

The accompanying notes to the required supplementary information are an integral part of this statement.

Prince William County Public Schools
 Virginia Retirement System Group Life Insurance Program
 Schedule of Professional Group Employer's Share of Net GLI OPEB Liability and Related Ratios
 Last Ten Fiscal Years*

2021	2020	2019	2018	
2.90 %	2.85	2.87	2.84	Proportion of the net GLI OPEB liability
\$ 48,370,052	46,421,022	43,550,000	42,687,000	Proportionate share of the net GLI OPEB liability
\$ 596,289,711	559,103,828	545,279,000	522,882,000	Covered payroll
8.11 %	8.30	7.99	8.16	Proportionate share of the net GLI liability as a percentage
52.64 %	52.00	51.22	48.86	Plan fiduciary net position as a percentage of the total GLI OPEB liability

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

The accompanying notes to the required supplementary information are an integral part of this statement.

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

Exhibit 26

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 4,717,675	\$ 4,717,675	-	\$ 941,352,055	0.18 %
2024	1,500,609	1,500,609	-	851,480,717	0.18
2023	2,002,956	2,002,956	-	787,401,050	0.25
2022	3,713,963	3,713,963	-	703,885,743	0.53
2021	3,555,784	3,555,784	-	668,813,774	0.53
2020	4,844,816	4,844,816	-	655,996,604	0.74
2019	4,859,924	4,859,924	-	615,454,589	0.79
2018	4,041,063	4,041,063	-	599,821,643	0.67
2017	4,328,588	4,328,588	-	576,721,212	0.75
2016	3,411,989	3,411,989	-	549,996,838	0.62

The accompanying notes to the required supplementary information are an integral part of this statement.

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

Exhibit 27
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	2025	2024	2023	2022	2021
Total OPEB liability					
Service cost	\$ 1,275,608	2,038,973	1,961,683	2,237,809	2,151,739
Interest	1,853,274	2,644,634	2,552,996	2,669,877	2,578,232
Changes of Benefit Terms					
Differences between expected and actual experience	2,772,191	(15,895,729)	(1,129,502)	492,621	(1,782,427)
Changes in assumptions employee contributions	-	(904,833)	-	(3,890,710)	-
	(4,717,675)	(1,500,609)	(2,002,956)	(1,913,963)	(1,755,784)
Net change in total OPEB liability	<u>1,183,398</u>	<u>(13,617,564)</u>	<u>1,382,221</u>	<u>(404,366)</u>	<u>1,191,760</u>
Total OPEB liability - beginning	<u>27,153,047</u>	<u>40,770,611</u>	<u>39,388,390</u>	<u>39,792,756</u>	<u>38,600,996</u>
Total OPEB liability - ending	<u><u>28,336,445</u></u>	<u><u>27,153,047</u></u>	<u><u>40,770,611</u></u>	<u><u>39,388,390</u></u>	<u><u>39,792,756</u></u>
Plan fiduciary net position					
Contributions - employer	\$ 4,717,675	1,500,609	2,002,956	3,713,963	3,555,784
Net investment income employee contributions	6,700,469	6,780,508	4,100,239	(7,565,842)	10,720,528
	(4,717,675)	(1,500,609)	(2,002,956)	(1,913,963)	(1,755,784)
Administrative expenses	-	-	-	-	-
Net change in plan fiduciary net position	<u>6,700,469</u>	<u>6,780,508</u>	<u>4,100,239</u>	<u>(5,765,842)</u>	<u>12,520,528</u>
Plan fiduciary net position - beginning	<u>59,238,224</u>	<u>52,457,716</u>	<u>48,357,477</u>	<u>54,123,319</u>	<u>41,602,791</u>
Plan fiduciary net position - ending	<u><u>65,938,693</u></u>	<u><u>59,238,224</u></u>	<u><u>52,457,716</u></u>	<u><u>48,357,477</u></u>	<u><u>54,123,319</u></u>
Net OPEB liability (asset) - ending	<u><u>\$ (37,602,248)</u></u>	<u><u>(32,085,177)</u></u>	<u><u>(11,687,105)</u></u>	<u><u>(8,969,087)</u></u>	<u><u>(14,330,563)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	232.7 %	218.2	128.7	122.8	136.0
Covered-employee payroll	\$ 787,401,050	787,401,050	703,885,743	668,813,774	655,996,604
Non-professional groups' net OPEB liability (asset) as a percentage of covered-employee payroll	(4.8) %	(4.1)	(1.7)	(1.3)	(2.2)

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

The accompanying notes to the required supplementary information are an integral part of this statement.

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

Exhibit 27
 Page 2 of 2

	2020	2019	2018	2017	
\$	2,912,856	2,800,822	3,015,212	2,624,490	Total OPEB liability
	3,902,547	3,709,543	4,651,642	4,689,989	Service cost
			-	-	Interest
	(22,625,822)	(594,394)	(18,166,413)	-	Changes of Benefit Terms
	(220,440)	-	-	-	Differences between expected and actual experience
	(3,044,816)	(3,059,924)	(3,041,063)	(3,328,588)	Changes in assumptions
	(19,075,675)	2,856,047	(13,540,622)	3,985,891	Benefit payments, including refunds of employee contributions
	57,676,671	54,820,624	68,361,246	64,375,355	Net change in total OPEB liability
	38,600,996	57,676,671	54,820,624	68,361,246	Total OPEB liability - beginning
					Total OPEB liability - ending
					Plan fiduciary net position
\$	4,844,816	4,859,924	4,041,063	4,328,588	Contributions - employer
	2,478,472	2,248,464	2,340,204	2,618,693	Net investment income
	(3,044,816)	(3,059,924)	(3,041,063)	(3,328,588)	Benefit payments, including refunds of employee contributions
	-	(2,000)	(8,500)	-	Administrative expenses
	4,278,472	4,046,464	3,331,704	3,618,693	Net change in plan fiduciary net position
	37,324,319	33,277,855	29,946,151	26,327,458	Plan fiduciary net position - beginning
	41,602,791	37,324,319	33,277,855	29,946,151	Plan fiduciary net position - ending
	(3,001,795)	20,352,352	21,542,769	38,415,095	Net OPEB liability (asset) - ending
	107.8 %	64.7	60.7	43.8 %	Plan fiduciary net position as a percentage of the total OPEB liability
\$	615,454,589	599,821,643	576,721,212	549,996,838	Covered-employee payroll
	(0.5) %	3.4	3.7	7.0 %	Non-professional groups' net OPEB liability (asset) as a percentage of covered-employee payroll

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

The accompanying notes to the required supplementary information are an integral part of this statement.

Notes to the Required Supplementary Information

As of and for the year ended June 30, 2025

I. BUDGETARY INFORMATION

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

Annual budgets are adopted for all funds. Project length financial plans are adopted for all capital projects in the Construction Fund. PWCS uses the modified accrual basis of accounting in budgeting for governmental funds and the budgets are consistent with accounting principles generally accepted in the United States of America, with the following exceptions:

Transactions for subscriptions, when initiated, are not budgeted as other financing sources in the General fund. Transactions for food commodity expenses and fair value adjustments are not budgeted within the Food & Nutrition Services fund.

All annual appropriations lapse at year-end. The budget is revised and amended in October based on September 30 student enrollments.

The budget is controlled at both legal and administrative levels. Legal control is placed at the government-wide level of PWCS, while administrative control is placed at the department level. Amendments that change the legal level of the expenditure budget require the approval of both the School Board and the BOCS.

II. CHANGES OF BENEFIT TERMS

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

III. CHANGES OF ASSUMPTIONS

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

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

Supplementary Information

Other Governmental Funds

Special Revenue Funds

Facilities Use Fund – The Facilities Use Fund accounts for the use of PWCS facilities by external organizations.

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

Prince William County Public Schools
 Combining Balance Sheet
 Other Non-major Governmental Funds - Special Revenue Funds
 June 30, 2025

Exhibit 28

	Facilities Use Fund	Student Activity Fund	Total Other Non-major Governmental Funds
ASSETS			
Equity in cash and pooled investments	\$ 3,029,983	10,866,508	13,896,491
Accounts receivable	333,700	236,621	570,321
Total assets	<u>3,363,683</u>	<u>11,103,129</u>	<u>14,466,812</u>
LIABILITIES and FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	15,422	522,234	537,656
Salaries payable and withholdings	68,239	-	68,239
Total liabilities	<u>83,661</u>	<u>522,234</u>	<u>605,895</u>
Fund Balances:			
Restricted for:			
Student activity services	-	10,580,895	10,580,895
Committed:			
Community service operations	3,280,022	-	3,280,022
Total fund balances	<u>3,280,022</u>	<u>10,580,895</u>	<u>13,860,917</u>
Total liabilities and fund balances	<u>\$ 3,363,683</u>	<u>11,103,129</u>	<u>14,466,812</u>

Prince William County Public Schools
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Other Non-major Governmental Funds - Special Revenue Funds
 For the Year Ended June 30, 2025

Exhibit 29

	Facilities Use Fund	Student Activity Fund	Total Other Non-major Governmental Funds
REVENUES:			
Use of money and property:			
Use of money - interest and investments	\$ 169,717	-	169,717
Use of property	1,391,666	-	1,391,666
Miscellaneous	-	12,962,913	12,962,913
Total revenues	<u>1,561,383</u>	<u>12,962,913</u>	<u>14,524,296</u>
EXPENDITURES:			
Current:			
Community service operations	1,192,911	-	1,192,911
Student activities	-	12,208,779	12,208,779
Total expenditures	<u>1,192,911</u>	<u>12,208,779</u>	<u>13,401,690</u>
Excess of revenues over expenditures	<u>368,472</u>	<u>754,134</u>	<u>1,122,606</u>
Net change in fund balances	368,472	754,134	1,122,606
FUND BALANCES, beginning of year	<u>2,911,550</u>	<u>9,826,761</u>	<u>12,738,311</u>
FUND BALANCES, end of year	<u>\$ 3,280,022</u>	<u>10,580,895</u>	<u>13,860,917</u>

Prince William County Public Schools
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Facilities Use Fund
 For the Year Ended June 30, 2025

Exhibit 30

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
REVENUES:				
Use of money and property:				
Use of money - interest and investments	\$ -	-	59,746	59,746
Use of property	1,263,712	1,263,712	1,391,666	127,954
Total revenues	1,263,712	1,263,712	1,451,412	187,700
EXPENDITURES:				
Current:				
Community service operations	1,317,118	1,286,274	1,192,911	93,363
Total expenditures	1,317,118	1,286,274	1,192,911	93,363
Excess (deficiency) of revenues over (under) expenditures	(53,406)	(22,562)	258,501	281,063
Net change in budgetary fund balances	(53,406)	(22,562)	258,501	281,063
BUDGETARY FUND BALANCES, beginning of year	2,911,550	2,911,550	2,911,550	-
BUDGETARY FUND BALANCES, end of year	\$ 2,858,144	2,888,988	3,170,051	281,063
Reconciliation of Budgetary Basis to GAAP Basis:				
From use of money and property - interest and investments	\$ -	-	59,746	59,746
Current year fair value adjustment	-	-	109,971	109,971
From use of money and property - interest and investments (Exhibit 29)	-	-	169,717	169,717
BUDGETARY FUND BALANCES, end of year	2,858,144	2,888,988	3,170,051	281,063
Total adjustments	-	-	109,971	109,971
FUND BALANCES, end of year	\$ 2,858,144	2,888,988	3,280,022	391,034

Prince William County Public Schools
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 Student Activity Fund
 For the Year Ended June 30, 2025

Exhibit 31

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive/ (Negative)
REVENUES:				
Miscellaneous	\$ 15,656,000	15,656,000	12,962,913	(2,693,087)
Total revenues	<u>15,656,000</u>	<u>15,656,000</u>	<u>12,962,913</u>	<u>(2,693,087)</u>
EXPENDITURES:				
Current:				
Student activities	15,656,000	15,656,000	12,208,779	3,447,221
Total expenditures	<u>15,656,000</u>	<u>15,656,000</u>	<u>12,208,779</u>	<u>3,447,221</u>
Excess of revenues over expenditures	-	-	754,134	754,134
Net change in budgetary fund balances	-	-	754,134	754,134
BUDGETARY FUND BALANCES, beginning of year	<u>9,826,761</u>	<u>9,826,761</u>	<u>9,826,761</u>	<u>-</u>
BUDGETARY FUND BALANCES, end of year	<u>\$ 9,826,761</u>	<u>9,826,761</u>	<u>10,580,895</u>	<u>754,134</u>

Statistical Section

(unaudited)

Internal Service Funds

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

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

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

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

Prince William County Public Schools
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2025

Exhibit 32

	Distribution Center Fund	Imaging Center Fund	Self- Insurance Fund	Health Insurance Fund	Total Internal Service Funds
ASSETS					
Current assets:					
Equity in cash and pooled investments	\$ -	541,000	12,931,600	65,203,878	78,676,478
Accounts receivable and other current assets	-	3,362	76,829	1,298,375	1,378,566
Inventory	1,868,314	-	-	-	1,868,314
Total current assets	1,868,314	544,362	13,008,429	66,502,253	81,923,358
Noncurrent assets:					
Depreciable capital assets:					
Equipment	-	222,299	-	-	222,299
Less: accumulated depreciation	-	(14,733)	-	-	(14,733)
Intangible right to use	-	-	-	623,748	623,748
Less: accumulated amortization	-	-	-	(259,895)	(259,895)
Total noncurrent assets	-	207,566	-	363,853	571,419
Total assets	1,868,314	751,928	13,008,429	66,866,106	82,494,777
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	294,019	18,526	-	3,192,941	3,505,486
Salaries payable and withholdings	-	1,057	-	110	1,167
Compensated Absences	-	9,038	14,899	33,379	57,316
Subscription liabilities	-	-	-	213,390	213,390
Unearned revenue	-	-	-	11,890,904	11,890,904
Due to other funds	1,253,932	-	-	-	1,253,932
Incurred but not reported claims	-	-	2,757,727	12,323,000	15,080,727
Total current liabilities	1,547,951	28,621	2,772,626	27,653,724	32,002,922
Noncurrent liabilities:					
Incurred but not reported claims	-	-	8,361,697	-	8,361,697
Compensated Absences	-	17,942	29,577	66,259	113,778
Total noncurrent liabilities	-	17,942	8,391,274	66,259	8,475,475
Total liabilities	1,547,951	46,563	11,163,900	27,719,983	40,478,397
NET POSITION					
Net investment in capital assets	-	207,566	-	363,853	571,419
Unrestricted	320,363	497,799	1,844,529	38,782,270	41,444,961
Total net position	\$ 320,363	705,365	1,844,529	39,146,123	42,016,380

Prince William County Public Schools
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2025

Exhibit 33

	Distribution Center Fund	Imaging Center Fund	Self- Insurance Fund	Health Insurance Fund	Total Internal Service Funds
OPERATING REVENUES:					
Charges for services	\$ 5,613,040	792,894	7,031,085	148,655,304	162,092,323
Total operating revenues	<u>5,613,040</u>	<u>792,894</u>	<u>7,031,085</u>	<u>148,655,304</u>	<u>162,092,323</u>
OPERATING EXPENSES:					
Personnel services	-	339,899	131,214	840,751	1,311,864
Materials/supplies	-	230,924	3,668	47,543	282,135
Administrative costs	-	-	465,859	9,386,751	9,852,610
Contractual services	-	68,296	3,219	506,295	577,810
Premiums	-	-	3,149,448	-	3,149,448
Claims and benefits paid	-	-	-	144,018,810	144,018,810
Losses and unallocated loss adjustment	-	-	6,205,384	-	6,205,384
Cost of goods sold	5,705,140	-	-	-	5,705,140
Amortization/depreciation	-	12,877	-	207,916	220,793
Total operating expenses	<u>5,705,140</u>	<u>651,996</u>	<u>9,958,792</u>	<u>155,008,066</u>	<u>171,323,994</u>
Operating Income (loss)	<u>(92,100)</u>	<u>140,898</u>	<u>(2,927,707)</u>	<u>(6,352,762)</u>	<u>(9,231,671)</u>
NON-OPERATING REVENUES (EXPENSES):					
Interest earnings (expense)	(74,086)	29,310	652,958	2,690,663	3,298,845
Subscription interest (expense)	-	-	-	(10,434)	(10,434)
Total non-operating revenues (expenses), net	<u>(74,086)</u>	<u>29,310</u>	<u>652,958</u>	<u>2,680,229</u>	<u>3,288,411</u>
Income (loss) before transfers	(166,186)	170,208	(2,274,749)	(3,672,533)	(5,943,260)
TRANSFERS:					
Transfers In:					
General fund	-	-	5,000,000	10,100,000	15,100,000
Total other transfers	<u>-</u>	<u>-</u>	<u>5,000,000</u>	<u>10,100,000</u>	<u>15,100,000</u>
Change in net position	(166,186)	170,208	2,725,251	6,427,467	9,156,740
NET POSITION, beginning of year, as previously reported	486,549	556,717	(801,459)	32,796,801	33,038,608
Change in accounting principle, GASB 101 implementation	-	(21,560)	(79,263)	(78,145)	(178,968)
NET POSITION, beginning of year, restated	<u>486,549</u>	<u>535,157</u>	<u>(880,722)</u>	<u>32,718,656</u>	<u>32,859,640</u>
NET POSITION, end of year	<u>\$ 320,363</u>	<u>705,365</u>	<u>1,844,529</u>	<u>39,146,123</u>	<u>42,016,380</u>

Prince William County Public Schools
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

Exhibit 34
Page 1 of 2

	Distribution Center Fund	Imaging Center Fund	Self- Insurance Fund	Health Insurance Fund	Total Internal Service Funds
Cash Flows from Operating Activities:					
Receipts from interfund services provided	\$ 5,613,040	779,363	7,031,085	151,747,624	165,171,112
Receipts from customers and users	-	13,531	-	-	13,531
Payments to suppliers for goods and services	(5,409,948)	(299,035)	(8,733,469)	(151,641,176)	(166,083,628)
Payments to employees	-	(333,784)	(201,055)	(820,029)	(1,354,868)
Net cash provided by (used in) operating activities	203,092	160,075	(1,903,439)	(713,581)	(2,253,853)
Cash Flows from Capital and Related Financing Activities:					
Interest paid on subscriptions	-	-	-	(10,434)	(10,434)
Purchase of equipment	-	(117,620)	-	-	(117,620)
Net cash used in capital and related financing activities	-	(117,620)	-	(10,434)	(128,054)
Cash Flows from Non-Capital Financing Activities:					
Due to other funds	(129,006)	-	-	-	(129,006)
Transfers from other funds	-	-	5,000,000	10,100,000	15,100,000
Net cash provided by (used in) non-capital financing activities	(129,006)	-	5,000,000	10,100,000	14,970,994
Cash Flows from Investing Activities:					
Interest provided by (used in) investments	(74,086)	27,949	610,037	2,709,748	3,273,648
Net cash provided by (used in) investing activities	(74,086)	27,949	610,037	2,709,748	3,273,648
Net increase in equity in cash and pooled investments	-	70,404	3,706,598	12,085,733	15,862,735
Equity in cash and pooled investments, beginning of year	-	470,596	9,225,002	53,118,145	62,813,743
Equity in cash and pooled investments, end of year	\$ -	541,000	12,931,600	65,203,878	78,676,478

Prince William County Public Schools
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

Exhibit 34
Page 2 of 2

	Distribution Center Fund	Imaging Center Fund	Self- Insurance Fund	Health Insurance Fund	Total Internal Service Funds
Reconciliation of Operating Income (loss) to Net Cash Provided by (Used in) Operating Activities:					
Operating Income (loss)	\$ (92,100)	140,898	(2,927,707)	(6,352,762)	(9,231,671)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Change in assets and liabilities:					
Amortization/depreciation expense	-	12,877	-	207,916	220,793
Decrease in accounts receivable	-	-	-	1,973,279	1,973,279
Decrease in inventory	222,616	-	-	-	222,616
Increase in unearned revenues	-	-	-	1,119,041	1,119,041
Increase (decrease) in accounts payable and accrued liabilities	72,576	185	(200)	274,659	347,220
Increase (decrease) in compensated absences	-	5,420	(34,787)	21,493	(7,874)
(Decrease) in subscription liabilities	-	-	-	(203,436)	(203,436)
Increase (decrease) in salaries payable and withholdings	-	695	(267)	(771)	(343)
Increase in incurred but not reported claims	-	-	1,059,522	2,247,000	3,306,522
Net cash provided by (used in) operating activities	<u>\$ 203,092</u>	<u>160,075</u>	<u>(1,903,439)</u>	<u>(713,581)</u>	<u>(2,253,853)</u>

Enterprise Funds

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

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

Prince William County Public Schools
Combining Statement of Fund Net Position
Enterprise Funds
June 30, 2025

Exhibit 35

	School Age Child Care Fund	Aquatics Center Fund	Total Enterprise Funds
ASSETS			
Current assets:			
Equity in cash and pooled investments	\$ 156,490	509,781	666,271
Accounts receivable and other current assets	151,045	156,758	307,803
Inventory	-	2,012	2,012
Total current assets	<u>307,535</u>	<u>668,551</u>	<u>976,086</u>
Noncurrent assets:			
Nondepreciable capital assets:			
Land	-	114,013	114,013
Depreciable capital assets:			
Buildings	-	9,095,044	9,095,044
Equipment	-	19,919	19,919
Less: accumulated depreciation	-	(1,612,989)	(1,612,989)
Total noncurrent assets	<u>-</u>	<u>7,615,987</u>	<u>7,615,987</u>
Total assets	<u>307,535</u>	<u>8,284,538</u>	<u>8,592,073</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	3,442	68,545	71,987
Salaries payable and withholdings	-	53,045	53,045
Compensated Absences	-	43,363	43,363
Unearned revenues	-	117,092	117,092
Total current liabilities	<u>3,442</u>	<u>282,045</u>	<u>285,487</u>
Noncurrent liabilities:			
Compensated Absences	-	86,078	86,078
Total noncurrent liabilities	<u>-</u>	<u>86,078</u>	<u>86,078</u>
Total liabilities	<u>3,442</u>	<u>368,123</u>	<u>371,565</u>
NET POSITION			
Net investment in capital assets	-	7,615,987	7,615,987
Unrestricted	304,093	300,428	604,521
Total net position	<u>\$ 304,093</u>	<u>7,916,415</u>	<u>8,220,508</u>

Prince William County Public Schools
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2025

Exhibit 36

	School Age Child Care Fund	Aquatics Center Fund	Total Enterprise Funds
OPERATING REVENUES:			
Charges for services	\$ 600,000	1,166,445	1,766,445
Total operating revenues	<u>600,000</u>	<u>1,166,445</u>	<u>1,766,445</u>
OPERATING EXPENSES:			
Personnel services	366,644	1,617,469	1,984,113
Materials/supplies	63,355	67,365	130,720
Utilities	-	189,998	189,998
Contractual services	130,000	292,978	422,978
Cost of goods sold	-	(722)	(722)
Depreciation	-	183,308	183,308
Total operating expenses	<u>559,999</u>	<u>2,350,396</u>	<u>2,910,395</u>
Operating income (loss)	<u>40,001</u>	<u>(1,183,951)</u>	<u>(1,143,950)</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest earnings	7,514	23,434	30,948
Total non-operating revenues	<u>7,514</u>	<u>23,434</u>	<u>30,948</u>
Income (loss) before transfers	47,515	(1,160,517)	(1,113,002)
TRANSFERS:			
Transfers In:			
General Fund	-	850,000	850,000
Total other transfers	<u>-</u>	<u>850,000</u>	<u>850,000</u>
Change in net position	47,515	(310,517)	(263,002)
NET POSITION, beginning of year, as previously reported	256,578	8,329,680	8,586,258
Change in accounting principle, GASB 101 implementation	-	(102,748)	(102,748)
NET POSITION, beginning of year, restated	<u>256,578</u>	<u>8,226,932</u>	<u>8,483,510</u>
NET POSITION, end of year	<u>\$ 304,093</u>	<u>7,916,415</u>	<u>8,220,508</u>

Prince William County Public Schools
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2025

Exhibit 37

	<u>School Age Child Care Fund</u>	<u>Aquatics Center Fund</u>	<u>Total Enterprise Funds</u>
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 600,000	1,138,726	1,738,726
Payments to suppliers for goods and services	(194,335)	(495,951)	(690,286)
Payments to employees	(366,644)	(1,588,454)	(1,955,098)
Net cash provided by (used in) operating activities	<u>39,021</u>	<u>(945,679)</u>	<u>(906,658)</u>
Cash Flows from Non-capital Financing Activities:			
Transfers from other funds	-	850,000	850,000
Net cash provided by non-capital financing activities	<u>-</u>	<u>850,000</u>	<u>850,000</u>
Cash Flows from Investing Activities:			
Interest provided by investments	7,062	22,868	29,930
Net cash provided by investing activities	<u>7,062</u>	<u>22,868</u>	<u>29,930</u>
Net increase (decrease) in equity in cash and pooled investments	46,083	(72,811)	(26,728)
Equity in cash and pooled investments, beginning of year	<u>110,407</u>	<u>582,592</u>	<u>692,999</u>
Equity in cash and pooled investments, end of year	<u>\$ 156,490</u>	<u>509,781</u>	<u>666,271</u>
Reconciliation of Operating Income (loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (loss)	<u>\$ 40,001</u>	<u>(1,183,951)</u>	<u>(1,143,950)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Change in assets and liabilities:			
Depreciation expense	-	183,308	183,308
(Increase) in accounts receivable	-	(10,346)	(10,346)
(Increase) in inventory	-	(884)	(884)
(Decrease) in unearned revenues	-	(17,373)	(17,373)
Increase (decrease) in accounts payable and accrued liabilities	(980)	54,552	53,572
Increase in compensated absences	-	26,693	26,693
Increase in salaries payable and withholdings	-	2,322	2,322
(Decrease) in incurred but not reported claims	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 39,021</u>	<u>(945,679)</u>	<u>(906,658)</u>

Statistical Section

(unaudited)

Statistical Section

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

Financial Trends - These tables contain trend information to help the reader understand how the School Divisions' financial performance and well-being have changed over time. (Tables 1-4)

Revenue Capacity - The revenue capacity section of the statistical tables contains information to help the reader assess the factors affecting the School Divisions' ability to generate its own source revenue. PWCS' most significant own source revenue is charges for services. (Tables 5-6)

Debt Capacity - The debt capacity tables present information to help the reader understand PWCS' debt burden. (Table 7)

Demographic and Economic Information - These tables offer demographic and economic indicators to help the reader understand the environment within which the school division's financial activities take place and to aid the reader in making comparisons over time with other governments. (Information is inserted from the Prince William County ACFR) (Tables 8-9)

Operating Information - These tables provide contextual information about PWCS' operations, service and infrastructure data to assist readers in understanding the resources used and services provided in PWCS' operations. (Tables 10-15)

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

Prince William County Public Schools
Net Position by Component
Last Ten Fiscal Years

Table 1
Page 1 of 2

(accrual basis of accounting; amounts expressed in thousands)

	Fiscal Year				
	2016	2017 ⁽¹⁾	2018	2019	2020 ⁽²⁾
Governmental activities:					
Invested in capital assets	\$ 1,351,097	1,449,348	1,496,855	1,587,570	1,695,750
Restricted	197,524	173,218	230,312	101,666	86,649
Unrestricted (deficit)	<u>(697,152)</u>	<u>(856,226)</u>	<u>(814,905)</u>	<u>(721,635)</u>	<u>(687,540)</u>
Total governmental activities net position	<u>\$ 851,469</u>	<u>766,340</u>	<u>912,262</u>	<u>967,601</u>	<u>1,094,859</u>
Business-type activities:					
Invested in capital assets	\$ -	9,058	8,876	8,694	8,512
Restricted	-	-	-	-	-
Unrestricted (deficit)	<u>340</u>	<u>274</u>	<u>48</u>	<u>(8)</u>	<u>(429)</u>
Total business-type activities net position	<u>\$ 340</u>	<u>9,332</u>	<u>8,924</u>	<u>8,686</u>	<u>8,083</u>
Total school division:					
Invested in capital assets	\$ 1,351,097	1,458,406	1,505,731	1,596,264	1,704,262
Restricted	197,524	173,218	230,312	101,666	86,649
Unrestricted (deficit)	<u>(696,812)</u>	<u>(855,952)</u>	<u>(814,857)</u>	<u>(721,643)</u>	<u>(687,969)</u>
Total school division net position	<u>\$ 851,809</u>	<u>775,672</u>	<u>921,186</u>	<u>976,287</u>	<u>1,102,942</u>

⁽¹⁾ GASB 75 restatement.

⁽²⁾ GASB 84 restatement.

⁽³⁾ GASB 101 restatement.

Prince William County Public Schools
 Net Position by Component
 Last Ten Fiscal Years

Table 1
 Page 2 of 2

(accrual basis of accounting; amounts expressed in thousands)

		Fiscal Year					
		2021	2022	2023	2024 ⁽³⁾	2025	
	\$	1,751,977	1,798,840	1,855,650	1,836,534	1,885,256	Governmental activities:
		136,535	236,374	183,229	254,502	295,558	Invested in capital assets
		(615,288)	(560,757)	(394,897)	(231,289)	(175,715)	Restricted
	\$	<u>1,273,224</u>	<u>1,474,457</u>	<u>1,643,982</u>	<u>1,859,747</u>	<u>2,005,099</u>	Unrestricted (deficit)
							Total governmental activities net position
	\$	8,330	8,167	7,983	7,799	7,616	Business-type activities:
		-	-	-	1,524	-	Invested in capital assets
		(791)	456	659	(737)	604	Restricted
	\$	<u>7,539</u>	<u>8,623</u>	<u>8,642</u>	<u>8,586</u>	<u>8,220</u>	Unrestricted (deficit)
							Total business-type activities net position
	\$	1,760,307	1,807,007	1,863,633	1,844,333	1,892,872	Total school division:
		136,535	236,374	183,229	256,026	295,558	Invested in capital assets
		(616,079)	(560,301)	(394,238)	(232,026)	(175,111)	Restricted
	\$	<u>1,280,763</u>	<u>1,483,080</u>	<u>1,652,624</u>	<u>1,868,333</u>	<u>2,013,319</u>	Unrestricted (deficit)
							Total school division net position

Prince William County Public Schools
Changes in Net Position
Last Ten Fiscal Years

Table 2
Page 1 of 4

(accrual basis of accounting; amounts expressed in thousands)

	Fiscal Year				
	2016	2017 ⁽¹⁾	2018	2019	2020 ⁽²⁾
Expenses					
Governmental activities:					
Instruction:					
Regular	\$ 514,177	562,799	560,440	560,277	638,487
Special	107,705	115,150	119,230	124,952	139,207
Other	11,811	13,279	13,315	11,796	10,549
Instructional leadership	62,180	65,905	70,159	72,143	75,639
Support services:					
General administration	10,265	12,185	10,029	10,202	13,234
Student services	12,972	16,267	15,356	16,675	22,222
Curricular/staff development	12,512	14,935	15,762	18,498	19,666
Pupil transportation	54,212	57,032	58,863	60,435	62,282
Operations	22,907	24,977	24,100	23,780	27,430
Utilities	21,058	23,030	22,822	22,347	21,454
Maintenance	42,033	42,245	40,971	40,981	45,628
Central business services	50,487	58,559	55,008	61,938	65,454
Reimbursement to County for debt service	88,470	89,728	101,582	105,491	104,997
Food & nutrition services	42,390	44,879	45,631	44,842	41,003
Community service operations	1,420	1,441	1,514	1,465	957
Student activities	-	-	-	-	-
Education foundation	594	509	532	535	559
Interest on long-term debt	-	-	-	-	-
Total governmental activities expenses	<u>1,055,193</u>	<u>1,142,920</u>	<u>1,155,314</u>	<u>1,176,357</u>	<u>1,288,768</u>
Business-type activities: ⁽¹⁾					
School Age Child Care	632	633	619	576	518
Aquatics Center	-	902	1,238	1,373	1,240
Total business-type activities expenses	<u>632</u>	<u>1,535</u>	<u>1,857</u>	<u>1,949</u>	<u>1,758</u>
Total school division expenses	<u>\$ 1,055,825</u>	<u>1,144,455</u>	<u>1,157,171</u>	<u>1,178,306</u>	<u>1,290,526</u>
Program Revenues					
Governmental activities:					
Charges for services:					
Instruction	\$ 3,285	3,117	3,416	3,262	2,694
Pupil transportation	60	110	78	157	236
Operations	326	326	323	321	260
Central business services	407	373	831	421	402
Food & nutrition services	17,860	18,932	18,415	17,953	12,322
Community service operations	1,490	1,554	1,552	1,512	893
Student activities	-	-	-	-	-
Operating grants and contributions	153,479	164,137	164,271	164,707	168,118
Capital grants and contributions	124	119	123	128	119
Total governmental activities program revenues	<u>177,031</u>	<u>188,668</u>	<u>189,009</u>	<u>188,461</u>	<u>185,044</u>
Business-type activities:					
Charges for services					
School Age Child Care	500	513	538	550	297
Aquatics Center	-	310	510	756	487
Total business-type activities program revenues	<u>500</u>	<u>823</u>	<u>1,048</u>	<u>1,306</u>	<u>784</u>
Total school division program revenues	<u>\$ 177,531</u>	<u>189,491</u>	<u>190,057</u>	<u>189,767</u>	<u>185,828</u>

**Prince William Cou
Changes in Net Position
Last Ten Fiscal Years**

(accrual basis of accounting; amounts expressed in thousands)

		Fiscal Year					
		2021	2022	2023	2024 ⁽³⁾	2025	
							Expenses
							Governmental activities:
							Instruction:
\$	663,688	663,967	716,602	786,175	850,386	Regular	
	152,543	144,343	159,867	190,035	230,682	Special	
	8,672	11,826	11,890	14,289	11,644	Other	
	78,233	84,708	94,108	102,877	116,291	Instructional leadership	
							Support services:
	14,054	6,628	9,739	17,849	22,559	General administration	
	25,745	25,941	31,471	37,369	51,509	Student services	
	24,497	35,422	36,715	30,958	39,265	Curricular/staff development	
	57,249	66,018	73,926	81,242	92,955	Pupil transportation	
	32,766	28,955	36,692	35,812	38,885	Operations	
	20,091	24,537	25,463	27,072	27,050	Utilities	
	44,314	54,854	77,012	94,935	87,797	Maintenance	
	102,035	74,799	94,403	106,578	136,738	Central business services	
	108,665	111,222	109,471	110,572	116,650	Reimbursement to County for debt service	
	39,079	44,727	52,530	58,368	62,729	Food & nutrition services	
	246	826	1,170	985	1,193	Community service operations	
	2,754	9,193	11,540	13,740	12,209	Student activities	
	622	571	564	661	654	Education foundation	
	-	-	555	938	893	Interest on long-term debt	
	<u>1,375,253</u>	<u>1,388,537</u>	<u>1,543,718</u>	<u>1,710,455</u>	<u>1,900,089</u>	Total governmental activities expenses	
							Business-type activities: ⁽¹⁾
	432	497	527	523	560	School Age Child Care	
	1,200	1,654	2,094	2,366	2,350	Aquatics Center	
	<u>1,632</u>	<u>2,151</u>	<u>2,621</u>	<u>2,889</u>	<u>2,910</u>	Total business-type activities expenses	
\$	<u>1,376,885</u>	<u>1,390,688</u>	<u>1,546,339</u>	<u>1,713,344</u>	<u>1,902,999</u>	Total school division expenses	
							Program Revenues
							Governmental activities:
							Charges for services:
\$	2,043	2,672	2,700	3,089	3,246	Instruction	
	29	77	81	122	274	Pupil transportation	
	185	269	314	292	300	Operations	
	408	465	488	461	500	Central business services	
	163	689	10,784	11,733	8,735	Food & nutrition services	
	27	756	872	858	1,392	Community service operations	
	2,021	10,614	12,683	13,529	12,963	Student activities	
	280,176	292,392	284,388	257,111	302,658	Operating grants and contributions	
	127	130	22,737	120	123	Capital grants and contributions	
	<u>285,179</u>	<u>308,064</u>	<u>335,047</u>	<u>287,315</u>	<u>330,191</u>	Total governmental activities program revenues	
							Business-type activities:
							Charges for services
	502	550	550	600	600	School Age Child Care	
	184	693	1,022	1,230	1,166	Aquatics Center	
	<u>686</u>	<u>1,243</u>	<u>1,572</u>	<u>1,830</u>	<u>1,766</u>	Total business-type activities program revenues	
\$	<u>285,865</u>	<u>309,307</u>	<u>336,619</u>	<u>289,145</u>	<u>331,957</u>	Total school division program revenues	

Prince William County Public Schools
Changes in Net Position
Last Ten Fiscal Years

Table 2
Page 3 of 4

(accrual basis of accounting; amounts expressed in thousands)

	Fiscal Year				
	2016	2017 ⁽¹⁾	2018	2019	2020 ⁽²⁾
Net (Expense) Revenues					
Governmental activities	\$ (878,162)	(954,252)	(966,305)	(987,896)	(1,103,724)
Business-type activities	(132)	(712)	(809)	(643)	(974)
Total school division net (expense)	<u>\$ (878,294)</u>	<u>(954,964)</u>	<u>(967,114)</u>	<u>(988,539)</u>	<u>(1,104,698)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Unrestricted grants and contributions	\$ 1,133,523	1,037,970	1,105,143	1,031,003	1,211,472
Unrestricted investment earnings	3,343	2,638	2,731	8,622	7,180
Miscellaneous revenues	3,017	5,400	4,753	4,010	4,523
Transfer to Aquatic Center	-	(9,709)	(400)	(400)	(400)
Total governmental activities general revenues	<u>1,139,883</u>	<u>1,036,299</u>	<u>1,112,227</u>	<u>1,043,235</u>	<u>1,222,775</u>
Business-type activities:					
Unrestricted investment earnings	6	(4)	1	5	(29)
Transfer to Aquatic Center	-	9,709	400	400	400
Total business-type activities general revenues	<u>6</u>	<u>9,705</u>	<u>401</u>	<u>405</u>	<u>371</u>
Total school division general revenues and other changes in net position	<u>\$ 1,139,889</u>	<u>1,046,004</u>	<u>1,112,628</u>	<u>1,043,640</u>	<u>1,223,146</u>
Change in Net Position					
Governmental activities	\$ 261,721	82,047	145,922	55,339	119,051
Business-type activities	(126)	8,993	(408)	(238)	(603)
Total school division	<u>\$ 261,595</u>	<u>91,040</u>	<u>145,514</u>	<u>55,101</u>	<u>118,448</u>

⁽¹⁾ PWCS implemented GASB 75 in fiscal year 2018, thus a prior period adjustment of \$167,177 for prior OPEB liabilities was added.

⁽²⁾ PWCS implemented GASB 84 in fiscal year 2021, thus a prior period adjustment of \$(8,207) was added.

⁽³⁾ PWCS implemented GASB 101 in fiscal year 2025, thus a prior period adjustment of \$41,570 for prior compensated absences liability was added.

Prince William County Public Schools
Changes in Net Position
Last Ten Fiscal Years

Table 2
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(accrual basis of accounting; amounts expressed in thousands)

		Fiscal Year					
		2021	2022	2023	2024 ⁽³⁾	2025	
							Net (Expense) Revenues
\$	(1,090,074)	(1,080,473)	(1,208,671)	(1,423,140)	(1,569,898)		Governmental activities
	(946)	(908)	(1,049)	(1,059)	(1,144)		Business-type activities
\$	<u>(1,091,020)</u>	<u>(1,081,381)</u>	<u>(1,209,720)</u>	<u>(1,424,199)</u>	<u>(1,571,042)</u>		Total school division net (expense)
							General Revenues and Other Changes in Net Position
							Governmental activities:
\$	1,260,603	1,293,094	1,368,232	1,602,144	1,707,129		Unrestricted grants and contributions
	3,285	(16,624)	2,227	29,415	45,638		Unrestricted investment earnings
	4,953	7,236	8,817	8,346	4,799		Miscellaneous revenues
	(402)	(2,000)	(1,080)	(1,000)	(850)		Transfer to Aquatic Center
	<u>1,268,439</u>	<u>1,281,706</u>	<u>1,378,196</u>	<u>1,638,905</u>	<u>1,756,716</u>		Total governmental activities general revenues
							Business-type activities:
	-	(8)	(13)	3	31		Unrestricted investment earnings
	<u>402</u>	<u>2,000</u>	<u>1,080</u>	<u>1,000</u>	<u>850</u>		Transfer to Aquatic Center
	402	1,992	1,067	1,003	881		Total business-type activities general revenues
							Total school division general revenues and other changes in net position
\$	<u>1,268,841</u>	<u>1,283,698</u>	<u>1,379,263</u>	<u>1,639,908</u>	<u>1,757,597</u>		
							Change in Net Position
\$	178,365	201,233	169,525	215,765	186,818		Governmental activities
	<u>(544)</u>	<u>1,084</u>	<u>18</u>	<u>(56)</u>	<u>(263)</u>		Business-type activities
\$	<u>177,821</u>	<u>202,317</u>	<u>169,543</u>	<u>215,709</u>	<u>186,555</u>		Total school division

Prince William County Public Schools
Fund Balances, Governmental Funds
Last Ten Fiscal Years

Table 3
Page 1 of 2

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

	Fiscal Year				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 1,247	1,158	1,639	4,192	4,039
Restricted	5,042	2,282	6,563	7,938	4,204
Committed	-	-	-	-	-
Assigned	64,684	70,183	88,930	81,919	125,559
Unassigned	16,172	24,888	15,259	47,224	26,078
Total General Fund	\$ 87,145	98,511	112,391	141,273	159,880
All Other Governmental Funds:					
Construction Fund					
Restricted	\$ 165,354	143,327	193,540	58,175	40,615
Assigned	28,218	20,170	20,270	40,521	53,960
Food & Nutrition Services Fund					
Nonspendable	1,246	1,455	1,696	1,529	1,771
Restricted	26,628	27,609	30,208	35,554	33,622
Other Nonmajor Special Revenue Fund					
Restricted	-	-	-	-	-
Committed	3,262	3,366	3,420	3,633	3,688
Total all other governmental funds	\$ 224,708	195,927	249,134	139,412	133,656

**Prince William County Public Schools
Fund Balances, Governmental Funds
Last Ten Fiscal Years**

**Table 3
Page 2 of 2**

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

						Fiscal Year
						2021
						2022
						2023
						2024
						2025
						General Fund
\$	4,057	3,946	3,986	3,876	4,703	Nonspendable
	6,920	83,183	45,091	41,903	22,698	Restricted
	-	-	-	33,887	40,000	Committed
	174,158	115,745	109,308	144,565	161,633	Assigned
	44,750	32,336	120,906	101,093	110,447	Unassigned
\$	<u>229,885</u>	<u>235,210</u>	<u>279,291</u>	<u>325,324</u>	<u>339,481</u>	Total General Fund
						All Other Governmental Funds:
						Construction Fund
\$	57,857	44,339	35,195	106,247	151,766	Restricted
	70,684	81,722	106,902	127,454	197,362	Assigned
						Food & Nutrition Services Fund
	1,625	1,180	961	1,202	1,208	Nonspendable
	64,284	85,626	83,936	84,839	78,429	Restricted
						Other Nonmajor Special Revenue Fund
	7,474	8,895	10,038	9,827	10,581	Restricted
	3,473	3,217	2,914	2,912	3,280	Committed
\$	<u>205,397</u>	<u>224,979</u>	<u>239,946</u>	<u>332,481</u>	<u>442,626</u>	Total all other governmental funds

Prince William County Public Schools
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

Table 4
Page 1 of 4

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

	Fiscal Year				
	2016	2017	2018	2019	2020
Revenues					
Federal sources:					
Food & nutrition services	\$ 25,418	26,975	28,417	29,001	24,003
Other federal sources	36,129	39,360	41,290	40,020	46,963
Total federal sources	<u>61,547</u>	<u>66,335</u>	<u>69,707</u>	<u>69,021</u>	<u>70,966</u>
State sources:					
Basic aid	242,427	258,167	259,954	276,492	278,032
Food & nutrition services	752	938	1,074	1,098	1,054
Regional school program	22,904	24,091	20,531	15,000	12,000
Sales tax	85,219	87,330	85,089	98,199	98,715
Special education SOQ ⁽¹⁾	17,675	18,226	18,371	21,212	21,520
Other state sources	97,448	102,579	122,452	129,303	151,994
Total state sources	<u>466,425</u>	<u>491,331</u>	<u>507,471</u>	<u>541,304</u>	<u>563,315</u>
County sources:					
County bond sale transfer	243,190	84,214	127,266	-	125,417
County general transfer ⁽²⁾	503,877	542,732	557,697	585,711	609,923
County proffer transfer	6,000	12,000	6,000	-	6,000
Total county sources	<u>753,067</u>	<u>638,946</u>	<u>690,963</u>	<u>585,711</u>	<u>741,340</u>
Local sources:					
Charges for services	4,673	4,178	5,319	4,948	4,555
Food & nutrition services sales	18,153	19,226	18,840	17,952	12,321
Interest and other income	3,768	3,773	4,338	11,572	8,599
Use of property	1,192	1,255	1,123	1,107	623
Other local sources	3,661	6,936	5,600	5,248	4,979
Total local sources	<u>31,447</u>	<u>35,368</u>	<u>35,220</u>	<u>40,827</u>	<u>31,077</u>
Total revenues	<u>1,312,486</u>	<u>1,231,980</u>	<u>1,303,361</u>	<u>1,236,863</u>	<u>1,406,698</u>
Expenditures					
Instruction:					
Regular	500,245	530,467	546,629	556,133	600,665
Special	109,796	114,639	123,051	130,757	137,354
Other	12,005	13,180	13,674	12,351	10,477
Instructional leadership	62,180	65,905	70,159	72,143	75,639
Support services:					
General administration	9,711	11,596	10,395	11,399	12,824
Student services	14,562	15,784	17,298	19,410	21,604
Curricular/staff development	12,846	14,817	16,314	19,382	19,510
Pupil transportation	59,298	62,748	65,508	66,581	61,060
Operations	23,921	24,665	25,433	25,800	27,080
Utilities	21,671	22,855	23,461	23,167	21,224
Maintenance	42,256	38,995	40,592	41,655	45,373
Central business services	53,074	56,646	56,485	62,356	64,966
Community service operations	1,420	1,441	1,514	1,465	957
Food & nutrition service	42,353	44,842	45,570	44,772	40,914
Student activities	-	-	-	-	-
Capital Outlay	113,326	137,050	77,210	122,610	104,996
Debt Services					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Intergovernmental					
Reimbursement to County for debt service	84,523	89,728	101,582	105,491	147,004
Total expenditures	<u>1,163,187</u>	<u>1,245,358</u>	<u>1,234,875</u>	<u>1,315,472</u>	<u>1,391,647</u>
Excess (deficiency) of revenues over (under) expenditures	<u>149,299</u>	<u>(13,378)</u>	<u>68,486</u>	<u>(78,609)</u>	<u>15,051</u>

Prince William County Public Schools
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

Table 4
Page 2 of 4

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

		Fiscal Year					
		2021	2022	2023	2024	2025	
							Revenues
							Federal sources:
\$	68,176	67,039	38,190	41,804	40,551	Food & nutrition services	
	88,110	105,362	107,772	81,772	64,199	Other federal sources	
	<u>156,286</u>	<u>172,401</u>	<u>145,962</u>	<u>123,576</u>	<u>104,750</u>	Total federal sources	
							State sources:
	292,968	291,111	322,779	339,868	406,055	Basic aid	
	691	1,619	1,644	1,256	1,257	Food & nutrition services	
	9,046	7,397	6,572	8,059	6,356	Regional school program	
	111,544	127,398	122,788	119,589	123,251	Sales tax	
	25,303	25,523	35,383	35,289	43,499	Special education SOQ ⁽¹⁾	
	169,620	184,855	241,530	254,806	285,494	Other state sources	
	<u>609,172</u>	<u>637,903</u>	<u>730,696</u>	<u>758,867</u>	<u>865,912</u>	Total state sources	
							County sources:
	116,528	64,942	70,200	160,574	160,153	County bond sale transfer	
	630,298	667,587	762,803	796,001	901,076	County general transfer ⁽²⁾	
	16,500	-	-	-	-	County proffer transfer	
	<u>763,326</u>	<u>732,529</u>	<u>833,003</u>	<u>956,575</u>	<u>1,061,229</u>	Total county sources	
							Local sources:
	3,384	4,762	4,882	7,091	6,619	Charges for services	
	157	687	10,783	11,732	8,735	Food & nutrition services sales	
	3,406	(16,462)	3,712	34,743	53,492	Interest and other income	
	24	700	872	858	1,392	Use of property	
	7,451	17,883	21,273	19,838	17,062	Other local sources	
	<u>14,422</u>	<u>7,570</u>	<u>41,522</u>	<u>74,262</u>	<u>87,300</u>	Total local sources	
	<u>1,543,206</u>	<u>1,550,403</u>	<u>1,751,183</u>	<u>1,913,280</u>	<u>2,119,191</u>	Total revenues	
							Expenditures
							Instruction:
	614,559	676,787	746,263	776,604	829,485	Regular	
	147,993	155,446	175,041	196,118	234,203	Special	
	8,471	12,734	12,954	14,791	11,953	Other	
	78,233	84,708	94,107	102,877	116,297	Instructional leadership	
							Support services:
	13,412	13,709	19,646	22,036	25,457	General administration	
	23,897	27,945	34,664	38,737	52,377	Student services	
	23,935	36,741	38,460	31,104	39,719	Curricular/staff development	
	54,027	68,231	78,358	75,699	97,243	Pupil transportation	
	31,659	31,090	39,514	36,672	39,644	Operations	
	19,452	24,538	25,463	27,072	27,050	Utilities	
	43,041	56,449	79,413	95,274	88,207	Maintenance	
	101,191	77,029	94,224	100,952	124,548	Central business services	
	246	825	1,169	985	1,193	Community service operations	
	38,981	44,631	52,434	58,315	62,676	Food & nutrition service	
	2,754	9,193	11,540	13,740	12,209	Student activities	
	108,665	90,273	103,768	75,290	112,883	Capital Outlay	
							Debt Services
	-	-	4,234	7,360	15,841	Principal	
	-	-	555	935	883	Interest	
							Intergovernmental
	96,771	111,222	109,333	109,186	114,969	Reimbursement to County for debt service	
	<u>1,407,287</u>	<u>1,521,551</u>	<u>1,721,140</u>	<u>1,783,747</u>	<u>2,006,837</u>	Total expenditures	
	<u>135,919</u>	<u>28,852</u>	<u>30,043</u>	<u>129,533</u>	<u>112,354</u>	Excess (deficiency) of revenues over (under) expenditures	

Prince William County Public Schools
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

Table 4
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(modified accrual basis of accounting; amounts expressed in thousands)

	Fiscal Year				
	2016	2017	2018	2019	2020
Other Financing Sources (Uses):					
Transfers in:					
General fund	2,436	3,292	1,631	2,864	1,365
Construction fund	17,863	18,301	11,719	25,737	32,393
Other Governmental funds	11	1	4	-	-
Transfers out:					
General fund	(21,142)	(21,639)	(12,793)	(27,437)	(34,593)
Construction fund	(2,436)	(2,262)	(1,631)	(2,864)	(1,365)
Other Governmental funds	(650)	(1,730)	(330)	(532)	-
Other Financing Sources - SBITA	-	-	-	-	-
Total other financing sources (uses), net	<u>(3,918)</u>	<u>(4,037)</u>	<u>(1,400)</u>	<u>(2,232)</u>	<u>(2,200)</u>
Net change in fund balances	<u>\$ 145,381</u>	<u>(17,415)</u>	<u>67,086</u>	<u>(80,841)</u>	<u>12,851</u>
Debt service as a percentage of noncapital expenditures	-	-	-	-	-

⁽¹⁾ Standards of Quality

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

Prince William County Public Schools
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

Table 4
Page 4 of 4

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

		Fiscal Year			
2021	2022	2023	2024	2025	
					Other Financing Sources (Uses):
					Transfers in:
1,495	1,501	1,436	1,769	10,784	General fund
20,153	62,129	65,880	43,525	83,990	Construction fund
132	-	-	48	-	Other Governmental funds
					Transfers out:
(22,056)	(65,574)	(68,260)	(46,373)	(99,940)	General fund
(1,495)	(1,501)	(1,436)	(1,769)	(10,784)	Construction fund
(609)	(500)	(500)	-	-	Other Governmental funds
-	-	31,886	11,834	27,898	Other Financing Sources - SBITA
<u>(2,380)</u>	<u>(3,945)</u>	<u>29,006</u>	<u>9,034</u>	<u>11,948</u>	Total other financing sources (uses), net
\$ <u>133,539</u>	<u>24,907</u>	<u>59,049</u>	<u>138,567</u>	<u>124,302</u>	Net change in fund balances
-	-	0.3%	0.5%	0.9%	Debt service as a percentage of noncapital expenditures

Prince William County Public Schools
Charges for Services Revenue by Source ⁽¹⁾
Last Ten Fiscal Years

Table 5

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

Fiscal Year	Food Sales	Tuition	Facility Use	Driver's Ed Fees	Aquatics Center Fees	Miscellaneous Fees	Total
2016	\$ 18,144	1,538	1,192	224	56	2,556	23,710
2017	19,219	1,650	1,468	204	154	3,858	26,553
2018	18,831	1,875	1,470	295	410	4,003	26,884
2019	18,348	1,897	1,493	202	425	3,435	25,800
2020	12,582	1,531	788	275	383	3,257	18,816
2021	160	1,592	169	122	107	2,682	4,832
2022	741	1,685	1,090	278	410	4,274	8,478
2023	10,783	1,815	1,238	300	3,643	4,148	21,927
2024	11,732	2,005	1,302	335	2,512	4,484	22,370
2025	8,735	2,137	1,839	365	1,423	5,452	19,951

⁽¹⁾ PWCS' primary own source revenue is charges for services, which consists of food sales, tuition, facility use fees, drivers education fees, aquatics center fees and miscellaneous fees.

Fiscal Year	Number of Lunches Served Daily	Student Lunch Price			Lunch Sites	Number of Breakfasts Served Daily
		Elementary School	Middle School	High School		
2016	53,319	\$ 2.45	\$ 2.60	\$ 2.70	95	18,851
2017	54,487	2.45	2.60	2.70	96	21,047
2018	55,566	2.50	2.65	2.75	95	24,136
2019	55,490	2.50	2.65	2.75	95	23,792
2020	55,250	2.50	2.65	2.75	95	23,455
2021 ⁽¹⁾	22,891	-	-	-	93	21,327
2022 ⁽¹⁾	61,435	-	-	-	96	30,099
2023	47,933	2.50	2.65	2.75	96	20,372
2024	53,016	2.60	2.75	2.85	97	22,593
2025	56,094	2.60	2.75	2.85	97	24,885

⁽¹⁾ In fiscal years 2021 and 2022, meals were distributed and provided to the community for school age children at no charge.

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

	Student Breakfast Price	Breakfast Sites	Free and Reduced Eligibility	Free and Reduced Eligibility %	Adult Breakfast	Adult Lunch	Fiscal Year
\$	1.45	95	36,483	41.4%	\$ 2.00	\$ 3.40	2016
	1.45	96	38,425	42.8%	2.00	3.40	2017
	1.50	95	37,883	41.9%	2.05	3.45	2018
	1.50	95	38,383	42.3%	2.05	3.45	2019
	1.50	95	39,258	42.8%	2.05	3.45	2020
	-	93	NA	NA	2.05	3.45	2021 ⁽¹⁾
	-	96	NA	NA	2.05	3.45	2022 ⁽¹⁾
	1.50	96	43,558	47.6%	2.35	4.00	2023
	1.60	97	48,022	52.3%	2.75	4.50	2024
	1.60	97	49,468	54.3%	2.75	4.65	2025

Prince William County Public Schools
Ratios of Outstanding Debt
Last Ten Fiscal Years

Table 7

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

Fiscal Year	SBITA Liability ⁽¹⁾	Lease Liability ⁽¹⁾	Total	Percent of Personal Income ⁽²⁾	Debt Per Capita ⁽²⁾
2016	\$ -	\$ -	\$ -	-	\$ -
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	27,651	-	27,651	0.08%	56
2024	31,918	-	31,918	0.08%	64
2025	29,789	13,984	43,773	0.08%	86

Schedule is intended to show information for 10 years. 2023 is the first year for SBITA liability.

Source: PWCS Annual Comprehensive Financial Reports

⁽¹⁾ See PWCS Note V in the notes to the financial statements for additional details on PWCS' long term liability.

⁽²⁾ See PWC Table 16, Demographic and Economic Statistics, for personal income and population data.

**Prince William County Public Schools
Demographic and Economic Statistics
Last Ten Years**

Table 8

Year	Population ⁽¹⁾	Personal Income ⁽²⁾ (in thousands)	Per Capita Income ⁽²⁾	Fall School Enrollment ⁽³⁾	Average Civilian Labor Force ⁽⁴⁾	Average Unemployment Rate ⁽⁴⁾
2016	449,864	\$ 26,373,844	\$ 50,769	87,823	237,291	3.7%
2017	456,126	27,520,527	52,157	89,378	243,231	3.5%
2018	459,966	28,565,133	53,655	90,595	246,394	2.9%
2019	463,867	29,767,221	55,297	90,876	250,974	2.5%
2020	467,935	31,773,057	58,552	92,270	247,971	9.6%
2021	482,204	33,838,564	62,083	92,271	242,644	4.5%
2022	492,576	34,799,313	63,701	90,135	247,241	2.8%
2023	491,693	36,199,969	64,695	89,205	263,603	2.7%
2024	496,322	37,751,353	68,802	91,191 ⁽⁵⁾	260,963	2.9%
2025	508,109	39,400,803	77,544	90,709	270,023	2.9%

Source: County of Prince William, Virginia

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

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

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

⁽⁴⁾ Bureau of Labor Statistics, LAUS data

⁽⁵⁾ FY24 enrollment data corrected in FY25.

**Prince William County Public Schools
Comparative Demographic Statistics
2010 & 2020 U.S. Census Bureau Data**

Table 8A

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

Source: County of Prince William, Virginia.

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

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

**Prince William County Public Schools
Principal Employers
Current Year and Nine Years Ago**

Table 9

Employer ⁽¹⁾	2025		2016	
	Rank	Number of Employees ⁽²⁾	Rank	Number of Employees ⁽²⁾
Prince William County School Board	1	1000 and over	1	1000 and over
County of Prince William	2	1000 and over	2	1000 and over
U.S. Department of Defense	3	1000 and over	3	1000 and over
Wal Mart	4	1000 and over	4	1000 and over
Sentara Healthcare/Potomac Hospital Corp	5	1000 and over	6	1000 and over
Morale Welfare and Recreation	6	1000 and over	5	1000 and over
Target Corporation	7	500 to 999	9	500 to 999
Wegmans Store #07	8	500 to 999	7	500 to 999
The Fishel Company	9	500 to 999		
Giant Food	10	500 to 999		
Northern Virginia Community College			8	500 to 999
New Horizon Security Services			10	500 to 999

Source: County of Prince William, Virginia.

⁽¹⁾ All data provided by the Virginia Employment Commission (1st Quarter, 2025 & 2016).

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

Prince William County Public Schools
 Full-time-Equivalent School Employees by Positions
 Last Ten Fiscal Years

Table 10
 Page 1 of 2

	Fiscal Year				
	2016	2017	2018	2019	2020
School -Based Positions					
Teachers	5,975	6,218	6,431	6,511	6,655
School-Based Administrators	295	302	322	324	345
Education Specialist	78	206	209	223	206
Instructional Assistants	641	645	703	737	746
Other Positions	1,176	1,156	1,197	1,198	1,235
Total School-Based Positions	8,165	8,527	8,862	8,993	9,187
Non-school-Based Positions					
Leadership team	12	12	12	13	15
Technical support	163	171	175	168	200
Management	147	179	183	190	236
Education specialist	135	127	133	132	127
Office assistants	102	113	117	117	126
Custodial/maintenance	248	248	249	247	248
Total Non-school-Based Positions	808	850	869	867	951
Total Authorized Positions	8,972	9,378	9,730	9,860	10,137
Other Operating Fund Positions	1,061	917	933	966	930
Total Non-Operating Fund Positions	673	706	691	708	709
Total Positions	10,706	11,000	11,354	11,534	11,776

Prince William County Public Schools
 Full-time-Equivalent School Employees by Positions
 Last Ten Fiscal Years

Table 10
 Page 2 of 2

Fiscal Year					
2021	2022	2023	2024	2025	
					School -Based Positions
6,793	6,857	7,153	7,296	7,438	Teachers
354	355	363	335	357	School-Based Administrators
209	266	275	313	317	Education Specialist
751	768	963	1,077	1,273	Instructional Assistants
1,257	1,277	1,407	1,607	1,627	Other Positions
<u>9,364</u>	<u>9,522</u>	<u>10,161</u>	<u>10,628</u>	<u>11,012</u>	Total School-Based Positions
					Non-school-Based Positions
15	16	17	17	18	Leadership team
200	210	218	216	234	Technical support
241	264	330	376	410	Management
125	128	149	102	111	Education specialist
125	135	150	150	150	Office assistants
250	251	251	281	273	Custodial/maintenance
<u>954</u>	<u>1,003</u>	<u>1,115</u>	<u>1,141</u>	<u>1,195</u>	Total Non-school-Based Positions
10,318	10,525	11,275	11,769	12,207	Total Authorized Positions
935	908	864	836	926	Other Operating Fund Positions
<u>715</u>	<u>706</u>	<u>713</u>	<u>721</u>	<u>716</u>	Total Non-Operating Fund Positions
<u><u>11,968</u></u>	<u><u>12,138</u></u>	<u><u>12,852</u></u>	<u><u>13,325</u></u>	<u><u>13,849</u></u>	Total Positions

Fiscal Year	Total Student Enrollment ⁽¹⁾	Special Education Enrollment ⁽²⁾	English Learners and World Languages Enrollment ⁽³⁾
2016	87,253	10,256	18,855
2017	88,920	10,752	23,479
2018	89,861	11,195	23,646
2019	90,203	11,444	23,971
2020	91,526	11,907	24,196
2021	89,076	11,636	23,421
2022	89,468	12,028	24,647
2023	90,226	12,139	25,126
2024	91,191 ⁽⁴⁾	12,692	25,872
2025	90,709	12,995	26,677

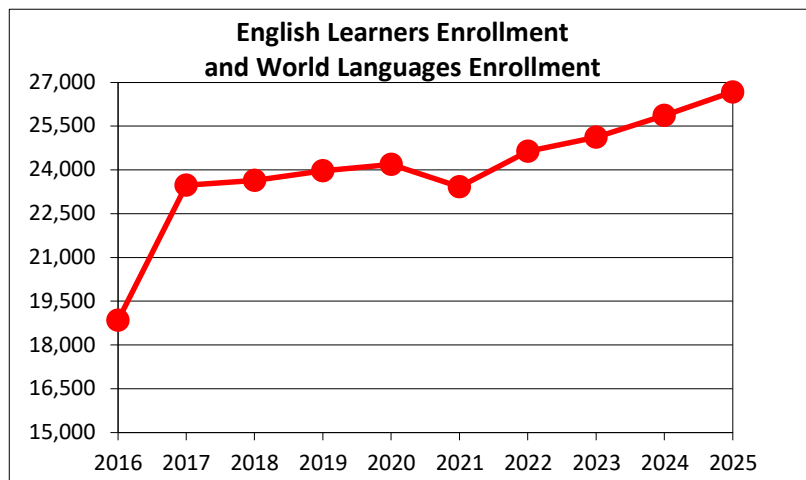
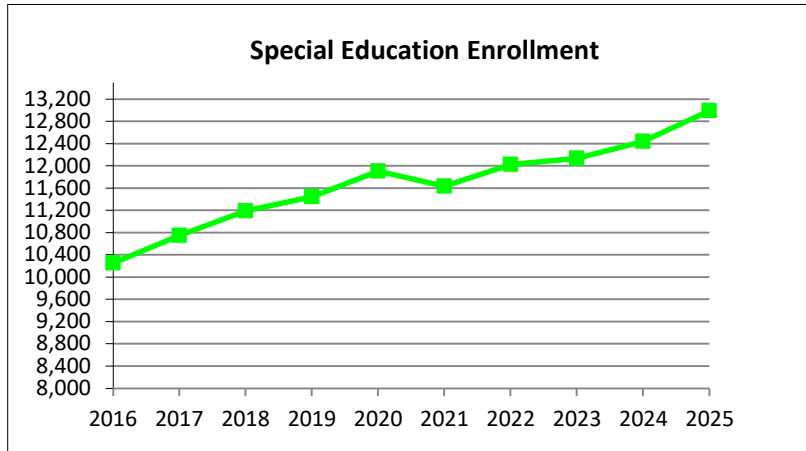
Note: Student Enrollments are at September 30th for each fiscal year for Total Student Enrollment and English Learners and World Languages.

⁽¹⁾ Source: FY2026 mSchool Board Proposed Budget

⁽²⁾ Student Enrollment at October 1, 2025. Source: IT Services, State and Federal Reporting for Prince William County Public Schools.

⁽³⁾ Source: IT Services, State and Federal Reporting for Prince William County Public Schools.

⁽⁴⁾ FY24 enrollment data corrected in FY25



Fiscal Year	Student Enrollment ⁽¹⁾	Operating Expenditures ⁽²⁾	Cost per Pupil	Percentage Change	Expenses
2016	87,253	\$ 918,908,944	\$ 10,532	0.3%	\$ 1,071,751,585
2017	88,920	971,382,255	10,924	3.7%	1,142,919,924
2018	89,861	1,001,245,740	11,142	2.0%	1,146,685,942
2019	90,203	1,112,411,082	12,332	10.7%	1,176,318,537
2020	91,526	1,106,134,345	12,085	-2.0%	1,288,768,125
2021	89,076	1,158,251,345	13,003	7.6%	1,375,253,173
2022	89,468	1,293,749,464	14,460	11.2%	1,388,537,255
2023	90,226	1,488,250,626	16,495	14.1%	1,543,718,096
2024	90,366	1,515,176,097	16,767	1.7%	1,710,455,238
2025	89,320	1,761,011,576	19,716	17.6%	1,900,085,212

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

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

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

	Cost per Pupil	Percentage Change	Teaching Staff ⁽³⁾	Pupil- Teacher Ratio	Fiscal Year
\$	12,283	1.2%	5,231	16.7	2016
	12,853	4.6%	5,453	16.3	2017
	12,761	-0.7%	5,611	16.0	2018
	13,041	2.2%	5,684	15.9	2019
	14,081	8.0%	5,731	16.0	2020
	15,439	9.6%	5,863	15.2	2021
	15,520	0.5%	5,900	15.2	2022
	17,109	10.2%	5,900	15.3	2023
	18,928	10.6%	5,900	15.3	2024
	21,273	12.4%	5,900	15.1	2025

Prince William County Public Schools
 Teacher Base Salaries
 Last Ten Fiscal Years

Table 13

Fiscal Year	Bachelors Minimum Salary	Bachelors Average Salary	Masters Mid-Point Salary	Masters Maximum Salary
2016	\$ 46,458	64,523	57,750	110,705
2017	46,923	65,334	58,328	115,066
2018	47,724	66,066	58,328	118,420
2019	47,724	67,944	78,874	121,872
2020	49,496	68,584	79,954	127,945
2021	50,324	69,252	82,353	131,680
2022	51,431	68,212	86,690	138,505
2023	53,570	75,915	90,015	143,881
2024	54,761	78,834	91,908	146,689
2025	57,340	83,124	95,806	152,763

Source: Washington Area Boards of Education (WABE) Guide FY2025.

Prince William County Public Schools
 School Building Information
 Last Ten Fiscal Years

Table 14

Fiscal Year	Elementary Schools					Special Schools				
	Buildings	Square feet	Capacity	Trailers	Acres	Buildings	Square feet	Capacity	Trailers	Acres
2016	59	4,294,230	41,976	128	972.7	3	97,522	**	1	25.4
2017	60	4,454,721	40,655	110	994.1	3	97,522	**	1	25.4
2018	60	4,532,947	40,655	107	994.1	3	73,029	**	1	24.6
2019	*61	4,633,212	42,739	72	1011.3	4	195,688	**	-	34.5
2020	61	4,683,645	41,692	66	1011.28	4	187,559	**	-	32.6
2021	61	4,729,973	41,772	74	1011	3	187,559	**	1	32.6
2022	61	4,729,973	41,687	86	1011.24	3	187,559	**	1	32.6
2023	62	4,859,806	41,958	92	1031	3	187,559	**	2	32.6
2024	62	4,893,270	41,509	128	1031.4	3	187,559	**	2	32.6
2025	62	4,893,270	40,646	136	1031	3	187,559	**	4	32.6

Fiscal Year	Middle Schools					Combined Schools				
	Buildings	Square feet	Capacity	Trailers	Acres	Buildings	Square feet	Capacity	Trailers	Acres
2016	16	2,144,004	19,385	30	557.7	3	269,407	2,351	-	80.1
2017	16	2,144,004	19,385	36	557.7	3	269,407	2,333	-	80.1
2018	16	2,194,133	19,647	47	557.7	3	269,407	2,333	-	80.1
2019	16	2,194,133	19,658	50	557.7	3	269,407	2,333	-	80.1
2020	16	2,194,133	20,015	58	557.656	3	271,423	2,295	-	80.1
2021	*17	2,395,487	21,321	46	610.2	3	271,423	2,438	-	80.1
2022	17	2,442,461	21,653	24	610.184	3	271,423	2,388	4	80.1
2023	17	2,442,461	21,653	24	610.2	3	271,423	2,388	8	80.1
2024	17	2,461,480	21,537	18	610.184	3	271,423	2,352	12	80.1
2025	17	2,461,480	21,537	19	610	3	271,423	3,252	16	80.1

Fiscal Year	High Schools					Alternative Schools				
	Buildings	Square feet	Capacity	Trailers	Acres	Buildings	Square feet	Capacity	Trailers	Acres
2016	*12	3,627,651	26,239	41	843.6	2	34,994	**	11	5
2017	12	3,627,651	26,239	49	843.6	2	34,994	**	11	5
2018	12	3,627,651	26,239	51	843.6	1	122,659	**	-	9.9
2019	12	3,627,651	26,197	61	843.6	0				
2020	12	3,596,073	26,197	67	843.6	0				
2021	*13	3,940,005	28,754	67	926.3	0				
2022	13	3,940,005	28,754	56	926.3	0				
2023	13	3,940,005	28,754	48	926.3	0				
2024	13	3,940,005	28,754	43	926.3	0				
2025	13	3,940,005	28,586	45	926.3	0				

Fiscal Year	Total School Buildings ⁽¹⁾				
	Buildings	Square feet	Capacity	Trailers	Acres
2016	95	10,467,808	89,951	211	2,484.5
2017	96	10,628,299	88,612	207	2,505.9
2018	95	10,819,826	88,874	206	2,510.0
2019	96	10,920,091	90,927	183	2,527.2
2020	96	10,932,833	90,199	191	2,525.2
2021	97	11,524,447	94,285	188	2,660.5
2022	97	11,571,421	94,482	171	2,660.5
2023	98	11,701,254	94,753	174	2,680.2
2024	98	11,753,737	94,152	203	2,680.6
2025	98	11,753,737	94,021	220	2,680.6

Source: School Board Construction and Planning Office.

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

** Data not available.

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

Date of County Organization:	March 25, 1731
Form of Government:	County Executive (as provided for by the <i>Code of Virginia</i>)
Area:	348 Square Miles
Number of general County personnel (full-time equivalent)	5,374
Services of Primary Government:	
Fire protection:	
Number of stations	22
Number of career employees	702
Number of volunteers	313
Police protection:	
Number of stations	3
Number of police officers	660
Public Safety Communications:	
Number of employees	123
Recreation (Parks & Recreation Department):	
Acres developed or reserved for County parks	5,395
Tourism	
Tourist information center visitors	n/a
Services not included in the Primary Government:	
Education (School Board Component Unit):	
Number of public elementary, middle, and other schools	85
Number of public high schools	13
Fall Membership, fiscal year 2025	90,709 ⁽¹⁾
Number of personnel (full-time equivalent)	13,857 ⁽²⁾
Correctional Operations (ADC Component Unit)	
Capacity of main jail and modular jail	519
Capacity of work-release center	4
Number of personnel (full-time equivalent)	401
Other statistical data:	
Elections:	
Registered voters at last general election	339,580
Number of votes cast in last general election	229,495
Percent voting in last general election	68%
Water and Wastewater Treatment:	
<i>(provided by Prince William County Service Authority)</i>	
Miles of water mains	1,338
Miles of sanitary sewer mains	1,172

Source: County of Prince William, Virginia.

Gas, electricity, and telephone are furnished by private corporations. Water and sewage treatment for serviceable areas not covered by the Service Authority is provided by other private corporations.

⁽¹⁾ Source: Prince William County Schools Fiscal Year 2026 Approved Budget Book.

Number differs from other sources due to criteria used for determining membership.

⁽²⁾ Source: Prince William County Schools Fiscal Year 2025 Approved Budget book.



Prince William County Public Schools
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