Fairfax County Park Authority
Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2015

A Component Unit of the County of Fairfax, Virginia

PARK AUTHORITY MISSION

To set aside public spaces for, and assist citizens in, the protection and enhancement of environmental values, diversity of natural habitats and cultural heritage to guarantee that these resources will be available to both present and future generations; to create and sustain quality facilities and services that offer citizens opportunities for recreation, improvement of their physical and mental well-being, and enhancement of their quality of life.

PARK AUTHORITY VALUES

ENHANCING STEWARDSHIP	We are stewards for a wonderfully rich community trust of natural and cultural resources. We will provide leadership to expand awareness, appreciation and protection of this heritage.
FOSTERING DIVERSITY	We embrace the diversity of our community and seek to provide every resident with a wide variety of park experiences and recreational opportunities.
DEVELOPING PARTNERSHIPS	We believe seeking and maintaining active partnerships with neighborhood and community organizations and individuals are essential to becoming a vital and treasured component of the communities we serve.
PROVIDING QUALITY AND VALUE	We are committed to providing high quality facilities and services that offer superior value and prompt efficient service to our customers and the community.
COMMUNICATING EFFECTIVELY	We strive for productive two-way communication with residents and our staff to allow all to participate fully in creating quality parks and services.
VALUING OUR WORKFORCE	We believe our paid and volunteer staff is the key ingredient to our success and commit to creating a participative, team-oriented organization including career development opportunities and meaningful recognition.
DEMONSTRATING FISCAL RESPONSIBILITY	We are committed to building and preserving a park system that meets the community's needs in a cost effective, fiscally responsible manner.

FAIRFAX COUNTY PARK AUTHORITY

A Component Unit of the County of Fairfax, Virginia

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2015

Financial Management Branch
12055 Government Center Parkway, Suite 927
Fairfax, Virginia 22035
(703) 324-8700, TTY (703) 803-3354
www.fairfaxcounty.gov/parks

Fairfax County Park Authority
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

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Introductory Section

The Introductory Section contains the letter of transmittal, which provides an overview of the Authority's finances, economic prospects, and achievements. It also provides general information on the Authority's structure and personnel.

FAIRFAX COUNTY PARK AUTHORITY

12055 Government Center Parkway, Suite 927 • Fairfax, VA 22035-5500
703-324-8700 • Fax: 703-324-3974 • www.fairfaxcounty.gov/parks

November 5, 2015

Honorable Chairman, Members of the Board of the Fairfax County Park Authority (the Authority), and Residents of the County of Fairfax, Virginia:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Fairfax County Park Authority for the fiscal year ended June 30, 2015 which is prepared in conformity with U. S. generally accepted accounting principles. The accuracy, completeness, and presentation of the financial statements, along with the entire contents of this report, are the sole responsibility of management. To the best of our knowledge, management has been diligent in adhering to internal control guidelines to ensure the highest degree of accuracy in the data presented.

An independent audit firm, KPMG LLP, performed the audit of the financial statements included in this report to determine whether or not the financial statements are free of material misstatement. They have concluded that the financial statements present fairly, in all material respects, the financial position of the governmental activities and the major funds of the Authority as of and for the fiscal year ended June 30, 2015.

The reader is referred to the Management's Discussion and Analysis (MD&A) section for additional information regarding the activities and financial position of the Authority. All necessary disclosures have been included to enable the reader to gain the maximum understanding of the Authority's financial position.

Profile of the Authority

The Authority is a political subdivision of the Commonwealth of Virginia (the Commonwealth) created pursuant to the Park Authorities Act by ordinance adopted by the Board of Supervisors of the County of Fairfax (the county) on December 6, 1950, as amended on October 28, 1991. The Authority has been in operation since its creation in 1950. The Authority operates under the policy oversight of a 12-member Park Authority Board, in accordance with a Memorandum of Understanding with the County Board of Supervisors. The Authority manages acquisition, preservation, development, maintenance and operation of its assets and activities through five funds to include County General Fund, Park Revenue and Operating Fund, County General Construction and Contributions Fund, Park Bond Construction Fund, and Park Improvement Fund. The Park Authority Board has direct fiduciary responsibility for the Park Revenue and Operating Fund and the Park Improvement Fund, while Fairfax County has fiduciary responsibility for the other three funds. The Authority also aggressively seeks management initiatives and alternate funding sources to sustain the delivery of quality services and facilities. The Park Foundation, established in 2001, serves to coordinate and seek generous gifts from individuals, foundations, and corporations who wish to contribute to delighting current and future generations of park visitors. Grants, donations, the Adopt-A-Field and Adopt-A-Park programs, as well as many "friends groups" and other partnerships have provided cash and in-kind contributions to the Authority.

Due to its location in the northeastern section of the Commonwealth of Virginia, within the Washington D.C. metropolitan area, the Authority serves residents of neighboring jurisdictions as well as those of Fairfax County. With 23,346 acres of land, over 9.2% of the county's land mass, challenges continue as the population has grown to over one million residents. Leisure and recreational opportunities are provided through a wide variety of facilities and services that provide valued enhancements to the quality of life for county residents. Optimizing the quality of life in the county is the ultimate goal and mission of the Authority through preservation of open space and natural areas, and by providing nature centers, recreation centers, historic sites, programs, golf courses, athletic fields, public gardens, and neighborhood, community, district and county-wide parks.

Full-time merit staff for all funds in fiscal year 2015 totaled 595 which include a support staff of engineers, park specialists, accountants, architects, landscape architects, planners and market research specialists and archaeologists. In addition to contracted program and service providers, 3,087 limited term and seasonal staff, and numerous volunteers, who contribute 180,642 hours annually, provide a myriad of direct and support services.

ECONOMIC CONDITIONS and OUTLOOK

Local Economy

Fairfax County is continuing to emerge as a growing market in the D.C. metropolitan area with its economy showing some hopeful signs. County economic data suggests that the 2014 slump that was largely attributed to federal budget cuts has passed.

As the most populous jurisdiction in both Virginia and the Washington, D.C. metropolitan area, the county's population exceeds one million residents. This represents 13.6% of the Commonwealth of Virginia's population and 19.8% of the Metropolitan Statistical Area (MSA) population.

According to the Organization for Economic Cooperation and Development's (OECD) "Better Life Index," which compares countries based on a wide variety of factors, Fairfax County is credited with being one of the happiest places in the world.

SmartAsset analyzed data on metrics ranging from marriage rates to bankruptcies to life expectancy to find the U.S. counties with the highest quality of life - the happiest places in America. To quantify the quality of life in U.S. counties, SmartAsset collected data on every U.S. county with a population of at least 50,000, a total of 978 counties. For each of those counties, they looked at four factors key to a high regional quality of life: family stability, physical health, personal financial health, and economic security.

Fairfax County is the largest county to rank in the top 25 of SmartAsset's analysis. It is one of the few U.S. counties with a median household income over $100,000. However household income isn't the only reason the county's quality of life is so high. The average life expectancy in Fairfax County is 83.1 years, third highest of any major U.S. county. Part of the reason for that longevity is attributed to the fact that nearly 63% of the population, compared to the U.S. average of 54.5%, exercises regularly. The Authority plays a major role in providing facilities to help meet these needs with 79% of county households being park users.

Housing

"The United States' economy has been doing well this year, and as of June, consumer confidence has remained up 16% over last year. This positivity is shown in the real estate market, including in the Northern

Virginia region, where increases in the number of homes sold was seen," said Jeffrey S. Detwiler, president and chief operating officer for The Long & Foster Companies. According to Long & Foster Real Estate Inc. Fairfax County had an average of about 50 housing sales a day in May, 2015, an 8% jump in activity from a year ago. The median price in the county was up 4%, to $496,000. Inventory was also up 16% from last May. Both these changes indicate an improving local economy and growing consumer confidence.

In June, 1,861 homes were sold in Fairfax County, an increase of 19.3% over the 1,560 homes sold in June 2014. On average, homes that sold in the county in June were on the market for 34 days. However, this is 6 days longer than the 28-day average in June 2014.

The Housing Association for Nonprofit Developers reported that "the overall demand for multi-family units is expected to grow somewhat faster than the demand for single-family detached and attached units." This can also been seen in data from the U.S. Census Bureau, where June increased 9.8% compared to the previous month, primarily due to a strong demand for apartment units. The multi-family component surged 28.6% over the month, while the single-family component fell 0.9%.

Economic Development

Technology has been the driving force behind Fairfax County's economic expansion. It diversified from its traditional government market base to include new economy sectors such as internet services, information technology and network communications. The county also has a strong base of defense, environmental engineering, energy, satellite and biotechnology clusters.

Sales tax receipts are again approaching, or in some cases exceeding, 2013 levels. Lynn Franco, Director of Economic Indicators said that, "overall, consumers are in considerably better spirits and their renewed optimism could lead to a greater willingness to spend in the near-term."

Sales tax receipts distributed to Fairfax County in July for retail purchases made in May were $15.4 million, an increase of 3.5% over July 2014. Total Fiscal Year 2015 sales tax receipts were $176.3 million, an increase of 6.6% compared to FY 2014.

According to county officials, the recent 2015 World Police & Fire Games brought more than $83.85 million in economic benefits to the area. These figures are conservative and do not include spending by 3,500 volunteers and participants who likely spent some of their own money for overnight stays in the metro area. The Games featured competition at 52 venues, most of which were in Fairfax County.

Employment

The county's unemployment rate was unchanged from May at 4.0% in June. The number of unemployed residents increased slightly over the month from 25,247 to 25,464 due partly to students and graduates entering the labor force. The county's unemployment rate was 0.3% lower than last June.

More than a dozen Fairfax County firms have been named to the 20th annual "Virginia's Fantastic 50," a ranking of the fastest-growing firms compiled by the Virginia Chamber of Commerce. They include Eagle Ray Inc. (ranked sixth); Technatomy Corp. (seventh); MindPoint Group LLC (ninth); Zantech IT Services (11th); TeraThink Corp. (18th); InTec LLC (24th); Concept Plus LLC (29th); Data Networks Corp. (31st); Veris Group LLC (32nd); Sevatec Inc. (35th); First Virginia Community Bank (37th); MetroStar Systems Inc. (41st); Octo Consulting Group Inc. (44th); and Search Technologies (45th). These firms are helping Virginia and Fairfax County remain a leader in the areas of technology, innovation and startups. Eight Fairfax County-based companies, in industries ranging from defense and technology consulting to financial services and hospitality, hold spots in Fortune magazine's list of the 500 largest publicly traded companies in the United States.

The current Fortune 500 companies headquarter in Fairfax County are:

- Booz Allen Hamilton Holding
- Capital One Financial
- Computer Sciences Corporation (CSC)
- Freddie Mac
- Gannett Corporation
- General Dynamics
- Hilton Worldwide Holdings
- Northrop Grumman

Even though the number of Fairfax County companies on the list is down from 10 in 2014 to eight in 2015, it still has more Fortune 500 headquarters than 30 states and the District of Columbia. Fairfax County is home to more than half of the 15 Fortune 500 companies in the Washington, D.C. region.

Excellent location advantages, a highly skilled workforce, extraordinary educational systems at all levels, and an excellent quality of life gives Fairfax County all the important components of a dynamic business environment and collectively support the attraction, growth, and success of corporate headquarters.

Fairfax County Economic Development Authority (FCEDA) promotes Fairfax County as a world-class center for commerce and trade and as the East coast's technology hub. In addition to its headquarters in Tysons Corner, VA, the FCEDA maintains six offices around the world to assist companies that want to locate or expand commercial operations in Fairfax County - Bangalore, London, Los Angeles, Munich, Seoul, and Tel Aviv.

The county is well-positioned to lead the nation as economic growth returns through its thriving and diversified business base. Business growth helps Fairfax County fund the nation's top-rated school system and other public services that contribute to the quality of life of its residents. Fairfax County offers businesses a state-of-the-art telecommunications infrastructure, access to global markets through Washington Dulles International Airport and a well-educated workforce.

The Authority, a healthy, functional park system, is also a critical component of the county's economic vitality and attracts businesses and visitors to the county.

MAJOR INITIATIVES & ACCOMPLISHMENTS

Strategic Plan

On June 26, 2013 the Authority Board approved the FY 2014 – FY 2018 Strategic Plan. The Strategic Plan is a tool to enable the Authority to focus on the most pressing concerns and opportunities over the next five years. In light of increasing demands and limited or shrinking resources, it is more important than ever that priorities be strategically determined.

Key focus areas include emphasizing and communicating the park system's values and benefits, encouraging park users to utilize the park system from generation to generation, inspiring tomorrow's stewards, investing in aging infrastructure and natural capital, strengthening community partnerships, stabilizing funding sources and prioritizing core services, and building leadership capacity to champion innovative solutions. Using input from park leadership, staff, stakeholders, and the general public, the strategic plan is structured around four important perspectives: customer, financial, business process and learning and growth.

Needs Assessment

In FY 2004, to address a growing population and evolving recreation desires of county residents, the Authority implemented a comprehensive Needs Assessment Study that resulted in a 10 Year Action Plan, including a phased in 10 year Capital Improvement Program. The Needs Assessment was a significant part of the justification for the 2004, 2006, 2008 and 2012 voter approved park bond referendums totaling $218 million. An update to the Needs Assessment has been initiated to determine countywide capital park and recreation needs through 2023. The final report is anticipated to be delivered by winter of 2015 and will set the stage for future capital improvement programs and prioritize projects for the upcoming 2016 bond.

"Great Parks, Great Communities," a comprehensive park planning effort to develop district level long range plans, was initiated in 2007 and will continue to serve as a guide for future park development and resource protection to better address changing needs and growth forecasts through 2020.

Survey

The Authority partnered with ETC Institute, a leading national consultant, to administer the statistically valid survey, a critical part of the Needs Assessment Study. The survey was mailed to 15,000 randomly selected Fairfax County households. This survey was a key element of the *Parks Count* study conducted by the Authority. The survey results will help form priorities and decisions about future park and recreation service delivery and facility improvements.

Resident Curator Program (RCP)

Fairfax County is the first Virginia locality to pursue establishing a Resident Curator Program and an implementation study supporting the establishment of a RCP in Fairfax County was initiated. The Fairfax County Board of Supervisors directed the Park Authority and the Department of Planning and Zoning staff to work with the Fairfax County History Commission to evaluate how a RCP would work in the county. The county contracted with John Milner Associates, Inc. (JMA) to deliver a program implementation package identifying what it will take to execute and maintain a successful RCP in Fairfax County.

The Virginia General Assembly enacted enabling legislation allowing local jurisdictions to establish a RCP in January 2011. The state enabling legislation in Virginia indicates a property must be historic, as determined by the local jurisdiction. Fairfax County defines a historic site as being listed in, or eligible for listing in the Fairfax County Inventory of Historic Sites. Properties must meet a certain set of criteria to be considered eligible for listing in the Inventory, which is a catalog of historically significant sites as determined by the Fairfax County History Commission. Sites listed in the Inventory may be either privately or publically owned.

Urban Parks

The increasing urbanization within the county requires that the existing suburban park system be supplemented by parks that are more suitable for the unique urban context. Urban parks will provide appropriate elements to enhance the urban landscape, create a sense of place, promote community building, and allow for varied leisure opportunities.

In May 2013, the Fairfax County Board of Supervisors approved amendments to the county Comprehensive Plan to incorporate an Urban Parks Framework into the Policy Plan's Park and Recreation Section. The Framework was originally endorsed by the Park Authority Board in 2008 and serves to set expectations for residents, developers, county staff, and community decision-makers to ensure that new urban developments will provide for park and recreation needs in the county's growth areas such as Tysons, Reston, central Springfield, Merrifield, Annandale, Seven Corners, Bailey's Crossroads, and Richmond Highway.

Smoke Free Playgrounds and Athletic Fields

Fairfax County parks and schools began placing anti-smoking signs at its facilities. Voluntary no-smoking signs are placed at 1,300 athletic fields, playgrounds and skate parks. The $30,000 anti-smoking-signs project was financed by the Live Healthy Fairfax initiative.

FINANCIAL INFORMATION

Financial Management

All financial activities of the Authority are included within this report. As a component unit of Fairfax County, the Authority adheres to the same financial practices as the county and is reported as a discretely presented component unit within the Fairfax County Government CAFR.

The Authority is committed to building and preserving a park system that meets the community's needs in a cost effective, fiscally responsible manner. The Authority's Board sets policies and establishes priorities to ensure fiscal integrity and sound financial management.

For additional information regarding the basic financial statements and the Authority's financial position, please refer to the Management's Discussion and Analysis section of this report.

Independent Audit

As a component unit of the county, the Authority is audited each year by its independent auditing firm. The Authority's financial statements of the governmental activities and each major fund have been audited as required by the *Code of Virginia* and received unmodified opinions by the accounting firm of KPMG LLP. The report of the independent auditors on the basic financial statements can be found in the financial section of this annual report.

Budgetary and Accounting Controls

The *Code of Virginia* requires that the county adopt a balanced budget. As a component unit of Fairfax County, the Authority adheres to the same budget policies as the county. The county maintains extensive budgetary controls at certain legal, managerial and administrative levels. The adopted Fiscal Planning Resolution places legal restrictions on expenditures at the agency or fund level. Managerial budgetary control is maintained at the fund, cost center and/or project level. Approval by the Board of Supervisors must be granted to alter the total expenditure appropriation of any agency or fund. The Park Board has fiduciary responsibility over the Park Revenue and Operating Fund and Park Improvement Fund. The Fairfax County Board of Supervisors has final approval on all budgets of the Authority.

Management is responsible for establishing and maintaining an internal control system which is designed to ensure that the assets of the Authority are protected from loss, theft, or misuse, and that U.S. generally accepted accounting principles are followed. This system of controls is designed to provide reasonable, but not absolute, assurance that its objectives are met. The concept of reasonable assurance connotes that the cost of controls should not exceed the benefits likely derived. The evaluation of costs and benefits requires estimates and judgments by management. Management has been diligent in adhering to its internal control guidelines to ensure the highest degree of accuracy in its representations. Additionally, as a recipient of federal, state and local financial assistance, the Authority is responsible for maintaining an internal control structure which ensures compliance with all laws and regulations associated with those programs. The internal control structure is subject to periodic evaluation by management, the internal audit staff of the county and independent auditors.

The county's budget is adopted by May 1 for the upcoming fiscal year which begins on July 1. Two budget reviews, Carryover Review and Third Quarter Review, serve as the primary mechanisms for revising budget appropriations. State law requires that a public hearing be held prior to the adoption of amendments to the current year budget when adjustments exceed $500,000. Any such amendments of $500,000 or more requires that the Board of Supervisors advertise a synopsis of the proposed changes.

Debt Administration

Fairfax County borrows money by issuing tax-exempt general obligation bonds to finance major capital projects. Bond financing spreads the cost of land acquisition and building construction over a period of many years, rather than charging the full cost to current taxpayers. By law, general obligation bonds must be approved in advance by county voters in a referendum. The county continues to maintain its status as a top rated issuer of tax-exempt securities and has a AAA ratings from all three rating agencies at this point: AAA from Moody's Investors Service, Inc., AAA from Standard and Poor's Corporation, and AAA from Fitch Investor Service. The Authority holds an A- rating from Standard and Poor's and may from time to time issue its own bonds.

For additional information on the budgetary, accounting and debt policies, please refer to the Letter of Transmittal in the County of Fairfax, Virginia, Comprehensive Annual Financial Report (county CAFR).

AWARDS

Certificate of Achievement for Excellence in Financial Reporting

- The Park Authority's Comprehensive Annual Financial Report (CAFR) was once again recognized by the Government Finance Officers Association (GFOA) with the awarded of its Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ending June 30, 2014. This is the GFOA's highest form of recognition in the area of governmental accounting and financial reporting.

  In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, an entity must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. Attainment of this award represents a significant accomplishment.

National Recreation and Park Association (NRPA)

- **Kudos Marketing Award -** This award recognized materials and accomplishments by staff who promoted the Colvin Run Mill, Partners in Preservation (PiP) contest communications efforts.

Virginia Recreation and Park Society (VRPS)

- **LERN International Award: Best Management Practice, Class and Summer Camp Summits** - The Authority was recognized for its service as well as a unique project. The Class and Summer Camp Summits bring together over 60 agency staff and partners from across Fairfax County to make use of customer feedback to improve service. The summits draw from an online class evaluation system now in operation for its fourth year that has collected more than 20,000 customer responses evaluating over 700 program titles.

- **Distinguished Volunteer Service Award** - This award was presented to Norma Hoffman a longtime Huntley Meadows Park Volunteer.

- **Best New Renovation/Addition Award for Parks, Playground, Blueways, Greenways and Trails** - This award was presented for the Huntley Meadows Park Wetland's Restoration project.

National Association of Government Communicators (NAGC)

- **Excellence in Inclusion Award** - This award recognized the Authority's adaptive programming and commitment to full accessibility for all at Our Special Harbor, Chessie's Big Backyard, Clemyjontri Park and other Park Authority sites.

- **Award of Excellence: Shoestring Budget Award** - The Authority's Promotional and Communications staff was honored for their work on the Black Friday Campaign.

- **Award of Excellence: Article** - The Authority's staff was honored for an article regarding Chessie's Big Backyard.

- **Award of Excellence: Special Events** - This award was received for the Healthy Strides Community 5K/10K & Fitness Expo.

- **Award of Excellence: Mobile Applications** - Parktakes Mobile

Blue Pencil and Gold Screen Awards - Honoring communications projects in several categories

- **Graphic Design, Second Place** - Logo/Theme Art for the 5 Days of Iron Logo. Prepared by Promotional Services.

- **Graphic Design, First Place** - What's New Postcard to announce the completion of RECenter renovations. Prepared by Promotional Services.

- **Special Purpose Product, Second Place** - Discovery Trail Map raising awareness of historic sites and nature centers. Prepared by Promotional Services and Colvin Run Mill Historic Site.

- **E-Newsletter Category, Second Place** - ResOURces Newsletter. Prepared by Resource Management Division.

- **Special Purpose Product, Award of Excellence -** Web article: Northern Snakeheads: New Burke Lake Residents.

- **Award of Excellence: Getting the Job Done/Collaboration, Innovation and Partnerships**. This award was received for the Authority's annual report prepared by the Public Information Office.

- **Award of Excellence: Statistical Report Category** - The Authority received this award for its Comprehensive Annual Financial Report prepared by the Financial Management Branch.

Dominion Envirothon Virginia Award, First Place: Wildlife, Forestry, Urban Forestry and Soils Divisions

- The Hidden Pond Nature Center Envirothon team placed first at the state championship held at Longwood University, Farmville, VA. The team qualified for the state competition after winning first place at the District competition held at Hidden Oaks Nature Center and the regional competition held in Fauquier County. This is the second time in three years that the team has claimed the state crown. The team is supported by site staff at the Hidden Pond Nature Center.

The Chesapeake Stormwater Network

- **BUBBA Award: Habitat Creation Category, Second Place** - The Best Urban BMP in the Bay Award (BUBBA) recognized the best management practices (BMPs) that have been installed in the Chesapeake Bay watershed.

  The partnership between the Park Authority and DPWES Stormwater Management Division resulted in this award for innovative storm water management practices in the restoration of Brookfield Pond.

Virginia Sesquicentennial Commission

- **2015 Sesquicentennial Leadership Recognition Awards** - The Park Authority's Manager of the Cultural Resource Protection Branch, Elizabeth Crowell, received this award.

Public Technology Institute (PTI)

- **PTI Solutions and Significant Achievement Award** - This award was received for the Authority's Athletic Courts Lighting Control project.

ACKNOWLEDGEMENTS

We express our sincere appreciation to all staff who contributed to this report, especially the members of the CAFR Project Team who prepared and compiled this report. We commend them for their professionalism, hard work, and continued efforts to improve this report. Further, we acknowledge and thank our colleagues throughout the Authority for their dedication and assistance in adhering to the financial objectives of the agency.

This CAFR reflects our commitment to provide transparency of information and conformance with the highest standards of financial reporting to the residents of Fairfax County, the Authority's Board, and all interested readers of this report.

Respectfully submitted,

Kirk Kincannon
Director

Sara Baldwin
Deputy Director/COO

Aimee Vosper
Deputy Director/CBD

Janet Burns
Senior Fiscal Manager

FAIRFAX COUNTY PARK AUTHORITY
A Component Unit of the County of Fairfax, Virginia
As of June 30, 2015

Board Members

William G. Bouie, Chairman	Hunter Mill District
Ken Quincy, Vice Chairman	Providence District
Kala L. Quintana, Secretary	Member-at-Large
Harold L. Strickland, Treasurer	Sully District
Mary D. Cortina	Member-at-Large
Grace H. Wolf	Dranesville District
Edward R. Batten, Sr.	Lee District
Linwood Gorham	Mount Vernon District
Michael W. Thompson, Jr.	Springfield District
Faisal Khan	Member-at-Large
Anthony J. Vellucci	Braddock District
Frank S. Vajda	Mason District

Director
Kirk W. Kincannon

Deputy Director/COO
Sara Baldwin

Deputy Director/CBD
Aimee Vosper

Park Operations Division
James Johnson, Director

Financial Management Branch
Janet Burns, Senior Fiscal Manager

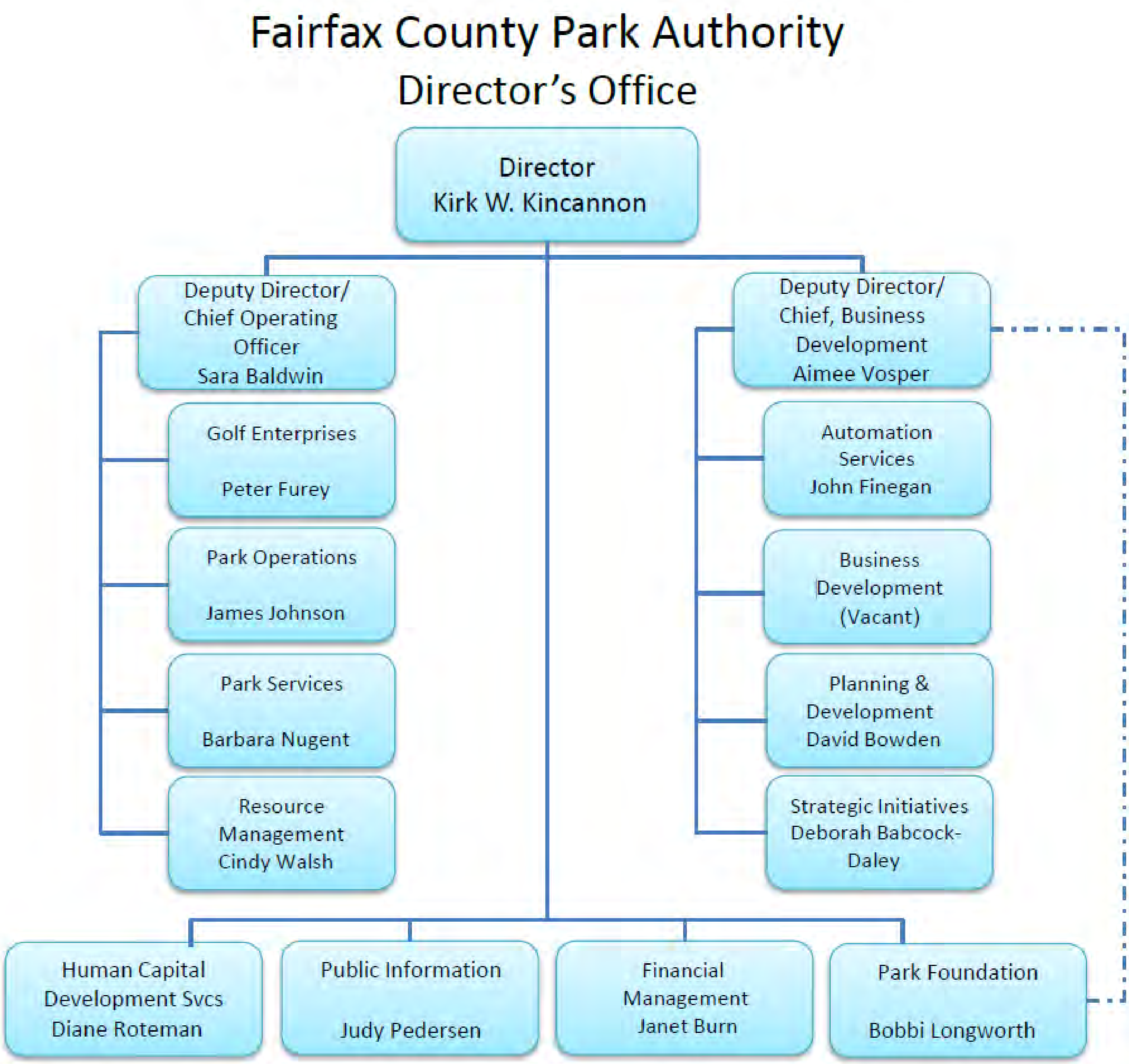
Park Services Division
Barbara Nugent, Director

Golf Enterprises
Peter Furey, Manager

Resource Management Division
Cindy Walsh, Director

Planning and Development Division
David Bowden, Director

ORGANIZATION OF
FAIRFAX COUNTY PARK AUTHORITY



This report was prepared by:

COUNTY OF FAIRFAX, VIRGINIA
PARK AUTHORITY

FINANCIAL MANAGEMENT BRANCH

12055 Government Center Parkway, Suite 927
Fairfax, Virginia 22035
(703) 324-8700, TTY (703) 803-3354
www.fairfaxcounty.gov/parks

Janet Burns, Senior Fiscal Manager

CAFR PROJECT TEAM

Anh Bui, Financial Reporting
Dolores Claytor, Audits, Policies & Procedures
Shashi Dua, Revenue, Accounts Receivable & Grants
Susan Tavallai, Budget
Melinda Samimi, Accounts Payable
Hong Li, Capital Projects
Yen Chi Lin, System Support

Special thanks to Cindy Fortuno, Graphic Artist, for cover design.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fairfax County Park Authority
Virginia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Jeffrey R. Emer

Executive Director/CEO

Financial Section

The Financial Section includes the independent auditor's report on the financial statements, management's discussion and analysis, the basic financial statements, including the accompanying notes, and required supplementary information with notes.

KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report

The Board of Supervisors
County of Fairfax, Virginia

The Fairfax County Park Authority Board

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Fairfax County Park Authority (the Authority), a component unit of the County of Fairfax, Virginia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Fairfax County Park Authority, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in Note I to the financial statements, the Authority implemented Governmental Accounting Standards Board (GASB) Statement number 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement number 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. As a result of this implementation, the Authority has restated the beginning balance of net position in order to establish the net pension liability and deferred outflows of resources related to pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and budgetary comparison information, schedule of proportionate share of the net pension liability, and schedule of contributions on pages 3-18 and 51-56, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section on pages v-xviii and the statistical section on pages 58-72 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

KPMG LLP

Washington, DC
November 5, 2015

Management's Discussion and Analysis

The Management's Discussion and Analysis subsection provides a narrative introduction and overview of the basic financial statements. It also provides an analytical overview of the Authority's overall financial performance and results of operations.

Fairfax County Park Authority
A Component Unit of the County of Fairfax, Virginia
Management's Discussion and Analysis *(Unaudited)*
For the Fiscal Year Ended June 30, 2015

I. INTRODUCTION

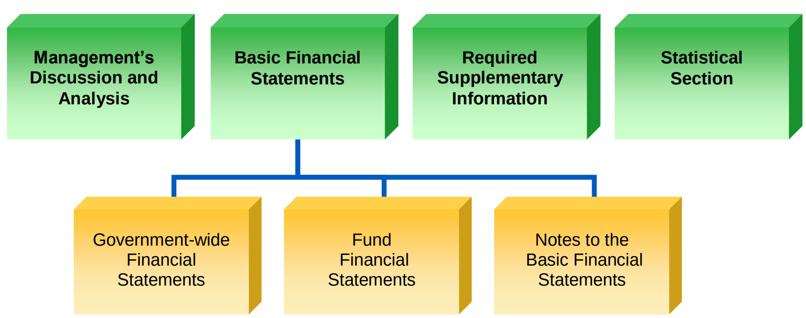
This section of the Fairfax County Park Authority's (the Authority) Comprehensive Annual Financial Report (CAFR) presents a discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to give perspective on the Authority's fiscal year 2015 financial performance as a whole.

The Management's Discussion and Analysis (MD&A) presents information that will help the reader ascertain and understand the reasons for changes in expenses, revenues, and net position for the fiscal year ended June 30, 2015 and includes a comparative analysis to the fiscal year ended June 30, 2014.

II. OVERVIEW OF THE FINANCIAL STATEMENTS

The CAFR consists of five parts: Management's Discussion and Analysis, Basic Financial Statements and Notes to the Basic Financial Statements, Required Supplementary Information, and a Statistical Section. The Basic Financial Statements are organized to provide an understanding of the fiscal performance of the Authority as a whole, followed by an increasingly detailed look at the Authority's specific financial activities.

<u>Components of the Financial Report</u>



Government-wide Financial Statements

The government-wide financial statements can be found on pages 19-20 of this report.

The government-wide financial statements are designed to provide readers with a broad overview of the Authority in a manner similar to a private sector business. The Statement of Net Position and the Statement of Activities are financial statements that provide information about the activities of the Authority as a whole, and present a long-term view of the Authority's finances. These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

The ***Statement of Net Position*** presents information on all of the Authority's assets and deferred outflows of resources less liabilities, and deferred inflows of resources, resulting in the net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The Statement of Net Position can be found on page 19 of this report.

The ***Statement of Activities*** presents information showing how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the Statement of Activities for some items that will only result in cash flows in future fiscal periods. The Statement of Activities can be found on page 20 of this report.

The government-wide financial statements of the Authority have only one category of operations titled Governmental Activities. The Authority's services and programs are included here, such as golf courses, lake parks, recreation centers, cultural activities, park maintenance and general administration. The county provides an annual subsidy to the Authority through its General Fund to supplement fees charged for the services provided at the Authority's facilities and for maintenance and support through the County General Construction and Contributions Fund.

Fund Financial Statements

The fund financial statements can be found on pages 21-24 of this report.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority uses governmental funds only.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The fund financial statements utilize the current financial resources measurement focus and the modified accrual basis of accounting. Under modified accrual accounting, the fund recognizes revenues when they become available and measurable, and expenditures when the liability is incurred (if measurable), except for long-term debt and obligations which are recognized as they become due. Modified accrual accounting measures cash and all other financial assets that can be readily converted to cash and, as such, provides a more detailed short-term view of general operations.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements can be found on pages 25-49 of this report.

The Notes to the Basic Financial Statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

III. FINANCIAL HIGHLIGHTS

Highlights for Government-wide Financial Statements

The government-wide financial statements report information about the Authority as a whole using the economic resources measurement focus and accrual basis of accounting, net of special items.

- Assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred inflows of resources by $570.82 million. Of this amount, ($34.80) million is unrestricted, $9.37 million is restricted for capital projects, $1.51 million is restricted for E.C. Lawrence trust and $0.70 million is restricted for repair and replacement.
- Revenues of the Authority's functions/programs amounted to $64.67 million. Expenses amounted to $102.02 million.

Highlights for Fund Financial Statements

The fund financial statements provide detailed information about the Authority's funds using the current financial resources measurement focus and modified accrual basis of accounting.

- Governmental funds of the Authority reported combined ending fund balances of $22.07 million, a decrease of $7.56 million in comparison to the prior year.
- Revenues of the Authority's governmental funds amounted to $109.35 million and expenses amounted to $116.92 million.

General Financial Highlights

- As of June 30, 2015, the Authority's cash of $31.85 million was held in the county's treasury and investment pool.
- The Authority's expenditures in certain funds were supported by the county. As of June 30, 2015, the amount due from the county was $2.27 million.
- Total capital assets, net, as of June 30, 2015, amounted to $610.58 million compared to $590.40 million in the prior year.

IV. FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net position may serve as a useful indicator of an entity's financial position. The following table represents a summary of the net position of the Authority at June 30, 2015 and 2014:

Summary of Park Authority Net Position
As of June 30

	2015	2014	$ Change	% Change
Assets				
Other	$ 37,349,934	40,995,063	(3,645,129)	(8.9)
Capital assets, net	610,580,999	590,400,651	20,180,348	3.4
Total assets	647,930,933	631,395,714	16,535,219	2.6
Deferred outflows of resources				
Total deferred outflows of resources	5,566,534	467,904	5,098,630	1,089.7
Total assets and deferred outflows of resources	653,497,467	631,863,618	21,633,849	3.4
Liabilities				
Other	15,329,961	11,412,558	3,917,403	34.3
Long-term	60,152,727	22,521,683	37,631,044	167.1
Total liabilities	75,482,688	33,934,241	41,548,447	122.4
Deferred inflows of resources				
Total deferred inflows of resources	7,191,312	-	7,191,312	100.0
Total liabilities and deferred inflows of resources	82,674,000	33,934,241	48,739,759	222.4
Net Position				
Net investment in capital assets	594,047,486	573,420,490	20,626,996	3.6
Restricted for:				
Certain capital projects	9,369,674	12,074,496	(2,704,822)	(22.4)
E.C. Lawrence trust - Non-Expendable	1,507,926	1,507,926	-	-
Repair and replacement	700,000	700,000	-	-
Unrestricted (deficit)	(34,801,619)	10,226,465	(45,028,084)	(440.3)
Total net position	$ 570,823,467	597,929,377	(27,105,910)	(4.5)

*FY 2014 amounts were not restated to reflect the implementation of GASB 68. See Note I on pages 48-49 for more information.

Analysis of Net Position

At the end of the fiscal year, the Authority reported a total net position of $570.82 million. Of this amount, a deficit of $34.80 million was unrestricted, $9.37 million was restricted for certain capital projects, $1.51 million was restricted for E.C. Lawrence trust and $0.70 million was restricted for repair and replacement. This is a cumulative amount representing the accumulated results of all past years' operations.

The largest portion of the Authority's net position, 104.07%, reflects its investment of $594.05 million in capital assets (i.e., land, buildings and equipment) net of any related outstanding debt used to acquire those assets. The Authority uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

The Authority's overall total net position has decreased by $27.11 million, or 4.5%, during fiscal year 2015 due to the inclusion of the net pension liability of $38.77 million.

- Current assets have decreased by $3.65 million, or 8.9%, primarily due to a decrease of restricted cash resulting from an increase of bond funds spent on the capital projects and also an increase in capital improvement projects under Park Capital Improvement Fund.

- Capital assets, net, have increased by $20.18 million, or 3.4%, mainly due to a $4.36 million increase in land acquisition, $23.07 million increase in building and improvement, a decrease of $7.28 million in construction in progress balance as more capital projects were completed in fiscal year 2015, and a $0.34 million increase in equipment.

- Long-term liabilities increased by $37.63 million, or 167.1%, primarily due to the adoption of GASB 68, which resulted in the recording of the Authority's net pension liability of $38.77 million.

- Net investment in capital assets, net of related debt, increased by $20.63 million, or 3.6%. The increase reflects an increase mainly in Land, and Building and Improvements.

- Net position restricted for certain capital projects decreased by $2.70 million, or 22.4%, due to an increase in project costs for synthetic turf fields at Fairfax County Public School, park development, and park and building renovations.

The results of this fiscal year's operations as a whole are reported in the Statement of Activities. The table below summarizes the changes in net position for the fiscal years ended June 30, 2015 and 2014:

Summary of Park Authority Changes in Net Position
For the Fiscal Years Ended June 30

	2015	2014	$ Change	% Change
Revenues:				
Program revenues:				
Charges for services	$ 44,754,803	43,501,817	1,252,986	2.9
Capital grants and contributions	19,911,841	14,151,467	5,760,374	40.7
General revenues:				
Intergovernmental	42,714,813	40,881,154	1,833,659	4.5
Investment earnings	30,194	30,515	(321)	(1.1)
Operating grants not restricted to specific programs	746,244	678,644	67,600	10.0
Capital contributions not restricted to specific programs	8,683,597	4,279,090	4,404,507	102.9
Total revenues	116,841,492	103,522,687	13,318,805	12.9
Expenses:				
Administration	17,414,644	17,362,236	52,408	0.3
Maintenance	20,851,415	24,084,271	(3,232,856)	(13.4)
Golf courses	9,418,648	9,405,205	13,443	0.1
Recreation centers	25,629,281	25,327,192	302,089	1.2
Lake parks	4,389,120	3,984,548	404,572	10.2
Other leisure services	16,687,299	7,347,617	9,339,682	127.1
Cultural enrichment	7,015,854	10,764,788	(3,748,934)	(34.8)
Interest on long-term debt	617,618	659,215	(41,597)	(6.3)
Total expenses	102,023,879	98,935,072	3,088,807	3.2
Increase (decrease) in net position	14,817,613	4,587,615	10,229,998	223.0
Beginning net position, restated	556,005,854	593,341,762	(37,335,908)	(6.3)
Ending net position	$ 570,823,467	597,929,377	(27,105,910)	(4.5)

*FY 2014 amounts were not restated to reflect the implementation of GASB 68. See Note I on pages 48-49 for more information.

Analysis of Changes in Net Position

The Statement of Activities presents the Authority's revenues and expenses in a programmatic format. For each program, it presents gross expenses, offsetting program revenues and the resulting net cost of each program or activity. A large portion of the Authority's revenues are general*,* that is, not associated with any specific program or activity.

Revenues

In fiscal year 2015, revenues from governmental activities totaled $116.84 million, an increase of $13.32 million, or 12.9%, from fiscal year 2014. This increase was primarily due to an increase in capital grants and contributions and an increase of unrestricted capital contributions.

Explanations of these changes include the following:

- Charges for services slightly increased $1.25 million, or 2.9%, due to increases in fees and revenues from programs.

- Capital grants and contributions from program revenues increased $5.76 million, or 40.7%, primarily due to an increase of $5.97 million in bond proceeds, offset by a decrease of $0.40 million in developer's contribution and $0.19 million increase in public links revenues.

- Intergovernmental revenue increased $1.83 million, or 4.5%, mainly due to an increase in county contribution in both General Fund and County Construction and Contributions Fund.

- Unrestricted Operating grants increased by $0.07 million, or 10.0%, primarily due to more gifts and donations received in Park Revenue and Operating Fund.

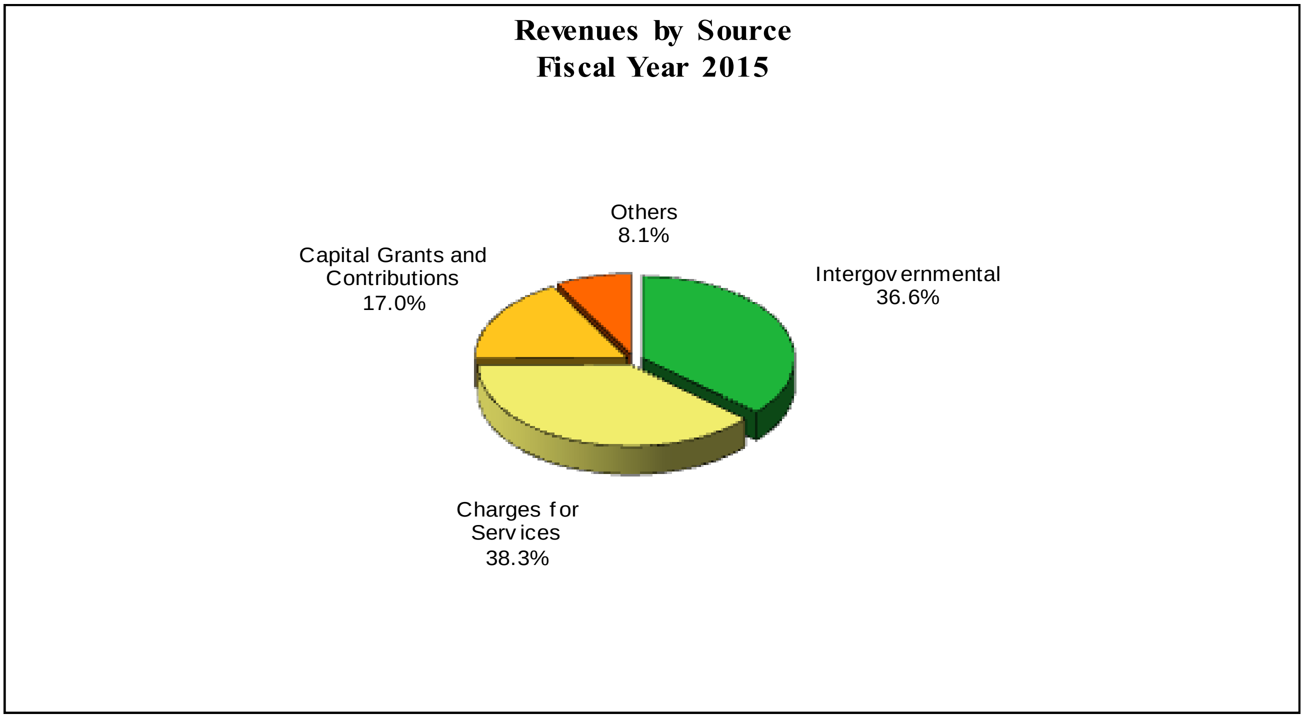
- Unrestricted capital contributions increased $4.40 million, or 102.9%, primarily due to a donation of land improvements at Sully Highlands Park.

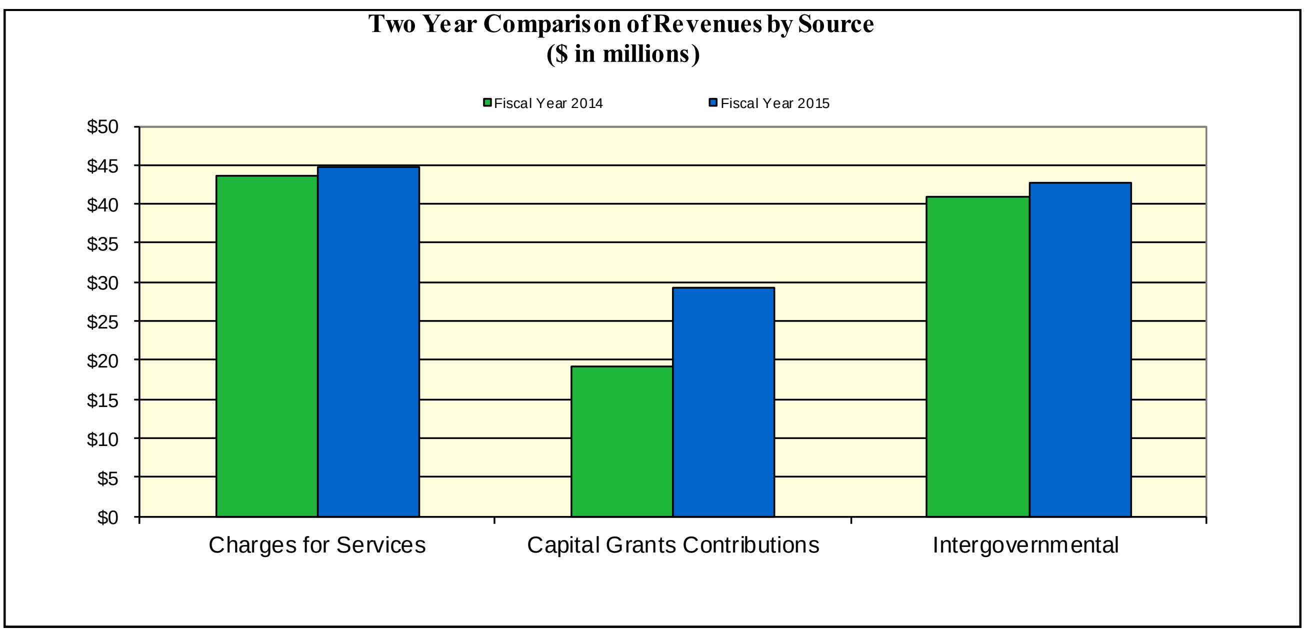
Expenses

An increase of $3.09 million, or 3.2%, in expenses in fiscal year 2015 was primarily due to a $6.44 million transfer to Fairfax County Public Schools to support the development of synthetic turf fields and for the turf field replacement program at various schools.

Revenues

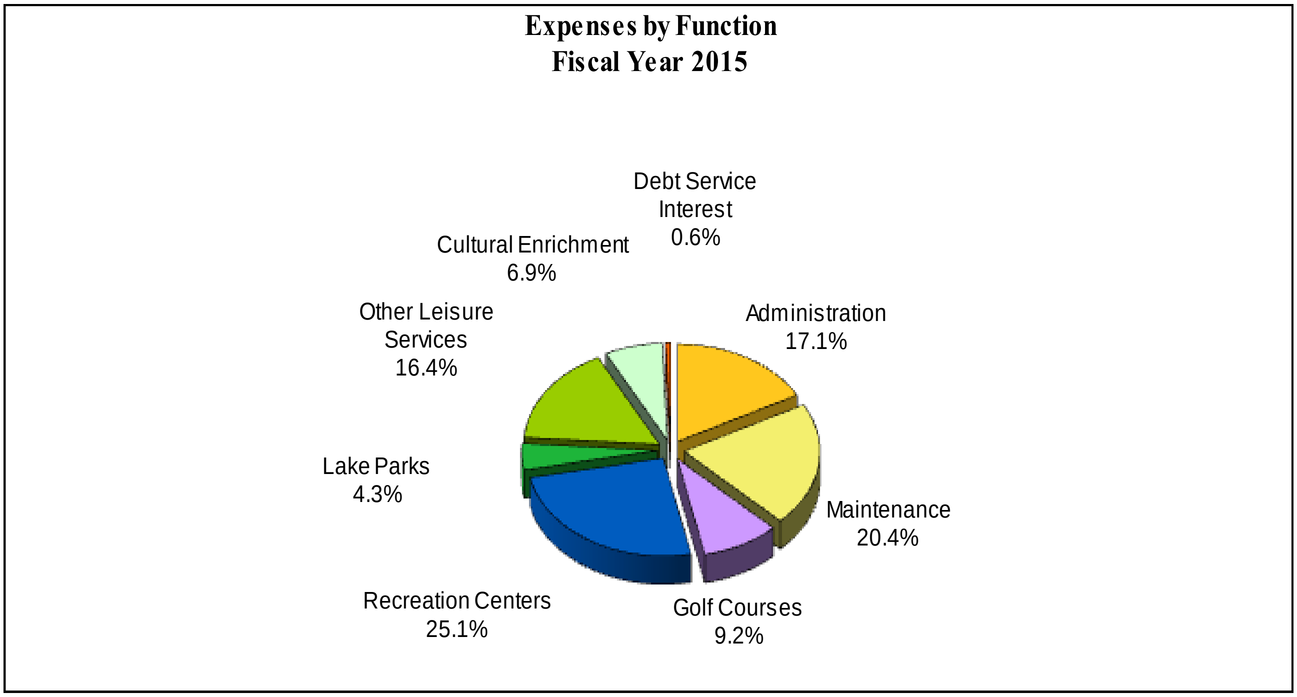
The Authority receives most of its funding from the Charges for Services, Capital Grants and Contributions, and Intergovernmental. The following graphics illustrate the Authority's major sources of revenues:

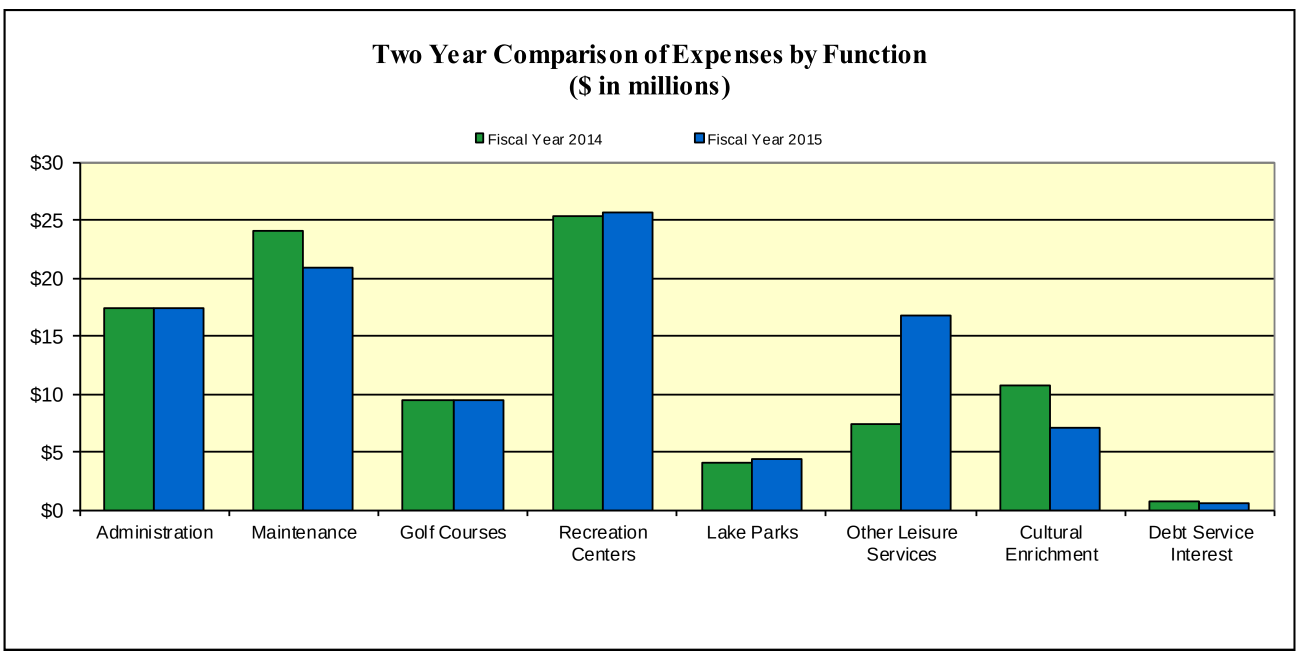




Expenses

For the fiscal year ended June 30, 2015, expenses for governmental activities totaled $102.02 million. The Authority's overall expenses have increased by $3.09 million, or 3.2%, from fiscal year 2014. The following graphics show the Authority's major expenses by function:





V. MAJOR FUND HIGHLIGHTS

The Authority considers all of its funds to be major. Each fund uses the modified accrual basis of accounting and the current financial resources measurement focus. The fund amounts have been aggregated for fiscal years 2015 and 2014 for the purpose of this analysis.

	Financed from County General Fund	Park Revenue and Operating Fund	Financed from County Construction and Contributions Fund	Park Bond Construction Fund	Park Improvement Fund	Total Major Funds
Fund balances, 6/30/2013	$ -	5,480,910	-	6,945,778	28,829,002	41,255,690
Revenues	32,742,633	43,055,110	9,473,083	13,037,500	2,253,550	100,561,876
Expenditures	(32,742,633)	(42,920,847)	(9,473,083)	(18,650,536)	(8,398,484)	(112,185,583)
Transfers (In/Out)	-	(1,500,000)	-	-	1,500,000	-
Net change in fund balance	-	(1,365,737)	-	(5,613,036)	(4,644,934)	(11,623,707)
Fund balances, 6/30/2014	-	4,115,173	-	1,332,742	24,184,068	29,631,983
Revenues	32,128,161	44,678,696	11,600,056	19,333,314	1,612,737	109,352,964
Expenditures	(32,128,161)	(44,178,613)	(11,600,056)	(23,466,815)	(5,545,560)	(116,919,205)
Net change in fund balance	-	500,083	-	(4,133,501)	(3,932,823)	(7,566,241)
Fund balances, 6/30/2015	$ -	4,615,256	-	(2,800,759)	20,251,245	22,065,742

At the end of the current fiscal year, the Authority's governmental funds reported a combined fund balance of $22.07 million, a decrease of $7.56 million compared to the prior year.

The fund balance of the Park Revenue and Operating Fund increased by $0.50 million in fiscal year 2015 due to an increase in revenues. Of the total fund balance of $4.62 million in the Park Revenue and Operating Fund, $.52 million is committed for debt service, $2.14 million is committed for revenue and operating fund stabilization reserve, $1.25 million is committed for donation and deferred revenue, and $0.71 million is for set aside reserve and park operation and maintenance. The fund balance of the Park Bond Construction Fund decreased $4.13 million due to an increase in expenditures for the completion of the on-going and new capital projects. The fund balance of the Park Improvement Fund decreased $3.93 million mainly due to a decrease in revenues and no transfer in from the Park Revenue and Operating Fund. Of the total fund balance of $20.25 million in the Park Improvement Fund, $1.51 million is restricted for E.C. Lawrence Trust, $0.70 million is restricted for repair and replacement, and $9.06 million is restricted for capital projects. Of the remaining fund balance of $8.98 million, $2.57 million is committed for the Revenue Facilities Sinking Fund and $6.41 million is committed for other capital projects. The fund balances of the Financed from County General Fund and the Financed from County General Construction and Contributions Fund were zero as expenditures are fully offset by revenue received from county appropriations.

VI. CAPITAL ASSETS

The Authority's investment in capital assets includes land, easement, buildings, improvements, equipment, and construction in progress (CIP), which is detailed as follows (net of accumulated depreciation):

Park Authority Capital Assets

	June 30, 2015	June 30, 2014
Land	$ 357,654,954	$ 353,295,656
Easement	17,016,009	17,016,009
Buildings and improvements	223,454,274	203,208,623
Equipment	4,117,187	1,260,427
Construction in progress	8,338,575	15,619,937
Total	$ 610,580,999	590,400,651

Major capital asset events during fiscal year 2015 included the following:

- Land increased to $357.65 million, an increase of $4.36 million, or 1.2%, primarily due to the acquisition of the Roat property that adds a new 10 acre park in the Mason District, a proffer for an additional 11 acres at Loisdale Community Park in the Lee District and transfer of 11.7 acres from the Board of Supervisors in the Dulles Station area of the Dranesville District.

- Buildings and improvements, net of depreciation, increased $20.25 million, or 9.1%, as various projects were completed. Some of the complete capital projects included the Oak Marr RECenter Renovation and Fitness Expansion totaling to $5.46 million, Spring Hill RECenter Renovation and Addition totaling to $7.77 million, new ball fields and parking lots at Sully Highland Park totaling to $7.08 million, the Clemyjontri Park Playground Rubber Safety Surfacing Replacement totaling to $1.01 million, a new synthetic turf field at Rolling Valley West Park totaling to $0.80 million, golf course improvement at Greendale Park totaling to $0.64 million and a new practice area at Twin Lakes Golf Course totaling to $0.09 million.

- Equipment balances increased $2.86 million, or 69.4%, due to an increase of equipment for the expansion of Oak Marr RECenter and a decrease in accumulated depreciation resulted from the sale of assets.

- The decrease of $7.28 million, or 87.3%, in construction in progress was due to the completion of various projects for parks, recreation centers and golf courses including the Oak Marr RECenter Fitness Expansion, the Spring Hill RECenter Expansion and Energy Management Projects, Audrey Moore RECenter Natatorium West Wall Improvement, and Dead Run Park Trail Improvements.

Additional information on the Authority's capital assets can be found in Note E, page 38, of the Notes to the Basic Financial Statements.

VII. DEBT ADMINISTRATION

The following table summarizes the Authority's gross debt outstanding, as reported in the Statement of Net Position:

Park Authority Outstanding Debt

		June 30, 2015	June 30, 2014
Revenue bonds payable	$	4,185,000	4,800,000
Loan payable		12,305,400	12,588,500
Total outstanding debt	$	16,490,400	17,388,500

Revenue Bonds

As of June 2015, Revenue Bonds Series 2013 Bonds had an outstanding principal balance of $4,185,000. The county's sale of General Obligation Bonds in January 2013 yielded one of the lowest interest rates in recent history. As a result, the Authority and the county took this opportunity to refinance the Series 2001 debt at a lower rate and provided debt service savings to the Authority.

On June 5, 2013, the Virginia Resources Authority (VRA) successfully closed the Virginia Pooled Financing Program Spring Series 2013A bond issue and the Authority's local loan. Refunding of the remaining Series 2001 bonds presented a Net Present Value Savings of $784,460 at the rate of 1.2%. The Authority paid $191,541 in interest during fiscal year 2015.

Loan Payable to the County

On June 24, 2003, the Authority entered into a long-term agreement with the county to provide funding of $15,530,000 to finance the costs of the development and construction of a public golf course in the Laurel Hill area of southern Fairfax County. The Laurel Hill Golf Club began operating in fiscal year 2006 and opened its clubhouse in fiscal year 2007. The Laurel Hill revenue bonds Series 2003 was refunded in April 2012 with the outstanding loan payable amount of $13,042,200. The Laurel Hill Series 2012 has an outstanding loan payable amount of $12,305,400. Principal payments of $283,100 and interest payments of $487,249 were made in fiscal year 2015.

Conduit Debt

On December 27, 2005, the Authority entered into a long-term conservation easement agreement, the "Salona Agreement", in the amount of $12,900,000 with the Northern Virginia Conservation Trust and the DuVal family. This agreement permanently preserves 41 acres of open space as a public park in McLean, VA and will be enforced in perpetuity by the Northern Virginia Conservation Trust. The county made principal payments of $645,000 and interest payments of $296,716 in fiscal year 2015.

As the county is responsible, under the related documents and subject to appropriation, to pay the principal and interest on the related debt, the related transactions, including the liability for the Notes, have been recorded in the county's financial statements and not in those of the Authority. As of June 30, 2015, $6,772,500 of these related debt are outstanding. The easement is recorded on the Authority's Basic Financial Statements.

Bond Rating

The county has the highest credit ratings possible for a local government for its general obligation bonds: Aaa from Moody's Investors Service, Inc., AAA from Standard and Poor's Corporation, and AAA from Fitch Investors Service. The Authority maintains an "A-" rating from Standard and Poor's for its revenue bond debt.

Additional information on the Authority's long-term obligations can be found in Note F, pages 38-40, of the Notes to the Basic Financial Statements.

VIII. GENERAL BUDGET HIGHLIGHTS

The original and final budgeted amounts are shown in the Budgetary Comparison Schedules on pages 50 and 51. Revisions that alter the total appropriations of the budgets must be approved by the County Board of Supervisors.

Financed from County General Fund

The Authority's revenue for the leisure services programs (charges for services) continues to be impacted by lower than expected actual revenue as a result of reduced participants. Intergovernmental revenue increased from the original Adopted Budget Plan to offset expenditure increases. Total expenditures appropriation increased from the original fiscal year 2015 Adopted Budget Plan level by \$0.02 million, from \$23.52 million to \$23.54 million. This increase consists of \$0.20 million from fiscal year 2014 Carryover funding that was offset by a \$0.18 million decrease to help the county fund changes to reserve policies.

Budgetary Trends

The county has experienced many consecutive years of slow revenue growth due to the sluggish economy. Based on a fairly slow economic recovery, complicated by increased needs in services and programs and the revenue shortfalls that the State is experiencing, there is limited flexibility to provide required resources. At the current tax rates, General Fund revenues are expected to grow only minimally over the next several years. The approved FY 2015 County General Fund totals \$3,704.39 million, an increase of \$118.02 million, or 3.29%, over the FY 2014 Adopted Budget Plan. The increase over the Adopted Budget Plan is primarily attributable to requirements of \$39.11 million for Fairfax County Public Schools to support operating and debt expenses, \$29.54 million for employee compensation, and \$14.23 million for expanded public safety.

IX. ECONOMIC FACTORS AND TRENDS

Even though the regional economy continues to be sluggish, Fairfax County continues to show signs of growth in its economy. Technology has been the driving force behind this economic expansion. The county is diversifying from its long time, traditional government market base to new economic sectors such as internet services, information technology and network communications. However the county continues to have a strong base of defense, environmental engineering, energy, satellite and biotechnology clusters. All of these sectors are important components of the county's diversified economic base.

Fairfax County is credited with being one of the best places in the world to live according to the Organization for Economic Cooperation and Development's (OECD) "Better Life Index". OECD compares countries on a wide variety of factors. In addition, Fairfax County ranked in the top 25 of the SmartAsset analysis to identify the counties with the highest quality of life – the happiest places in America. Its analysis was based on family stability, physical health, personal financial health and economic security.

The county is well-positioned to lead the nation as economic growth returns to the country. For those who live and work in the county, the benefits of a thriving and diversified business base include: high paying, rewarding job opportunities and a strong tax base that allows the Board of Supervisors to fund high-quality services that support the quality of life enjoyed in the county. Fairfax County is one of the few U.S. counties with a median household income over $100,000. Another factor that influences the quality of life in Fairfax County is that 63% of the population exercises regularly. As a result of all these factors, the county has an average life longevity expectancy of 83.01 years. Fairfax County also boasts of a world class school system, thanks to high test scores, advanced academic programs, language emersion and more.

The county's unemployment rate was unchanged from May at 4.0% in June. The number of unemployed residents increased slightly over the month from 25,247 to 25,464 due partly to students and graduates entering the labor force. The county's unemployment rate was 0.3% lower than last June.

The Consumer Confidence Index increased again in June after improving slightly in May. Both the present situation component and the expectations component increased. Lynn Franco, Director of Economic Indicators said that, "Overall, consumers are in considerably better spirits and their renewed optimism could lead to a greater willingness to spend in the near-term."

Sales Tax receipts distributed to Fairfax County in July for retail purchases made in May were $15.4 million, an increase of 3.5% over July 2014. Total Fiscal Year 2015 Sales Tax receipts were $176.3 million, an increase of 6.6% compared to Fiscal Year 2014.

The real estate market plays a vital role in the local economy as there is a direct correlation between home values and real estate taxes collected by the county. According to data from the U.S. Census Bureau, housing in June increased 9.8% compared to the previous month, primarily due to a strong demand for apartment units. The multi-family component surged 28.6% over the month, while the single-family component fell 0.9%. In June, 1,861 homes were sold, an increase of 19.3% over the 1,560 homes sold in June 2014. According to Long & Foster Real Estate Inc., the county had an average of 50 housing sales a day in May, 2015, an 8.0% jump in activity from 2014. The median housing price in the county was up 4.0% to $496,000. Inventory was also up 16.0% from last May. On average, homes that sold in the county in June were on the market for 34 days. This is 6 days longer than the 28 day average in June 2014.

X. FAIRFAX COUNTY PARK AUTHORITY HIGHLIGHTS

From its humble beginnings, the Authority turns 65 this year. Over the course of its existence, it has continued to be true to its dual mission: to provide recreational opportunity and to preserve and protect natural and cultural resources in Fairfax County. The Authority continues to be nationally recognized for its excellence in the field of park and recreation management and is considered amongst the best of the best.

The Authority made the top 50 U.S. playground list from the Early Childhood Education Zone with Clemyjontri Park, McLean, VA ranking in 4th place. This playground is one of the first large-scale parks in the United States specifically planned and built so children with and without disabilities can play side-by-side. The Early Childhood Education Zone is an online resource for parents and educators that annually releases a list of the best playgrounds in America. Clemyjontri Park was also named one of the Top Ten Most Imaginative Playgrounds Around the World by InCultureParents Magazine. InCultureParent is an online magazine centered around culture, tradition and language for parents raising young global citizens.

Laurel Hill Golf Club has earned the No. 10 ranking in Virginia among GolfWeek's 2015 "Best Courses You Can Play." To build GolfWeek's list, a very prestigious honor among golf facilities, an experienced team of more than 700 evaluators rate courses across the country on the basis of 10 different criteria. These include routing, conditioning, variety, and memorability of holes. In addition to hosting the 2013 US Amateur Public Championship in 2013, Laurel Hill, along with two other area golf courses, hosted the World Police and Fire golf games in June 2015.

The May issue of the *Washingtonian* magazine featured Huntley Meadows Park as one of the best walks in the area. Its boardwalk and two miles of trails, amid nearly 1,600 acres of wetlands and forest, are a living textbook of things that chirp, croak, chatter, and do what comes naturally. It is also an excellent place in the area for bird-watching.

Delivering high-quality service in parks, consistent with public needs, remains a major focus for the Authority even with the influences of population growth pressures, changing land use patterns and life styles, and fiscal realities. As demands and usage continues to grow, the pace of urban development is rapidly closing the availability of land suitable for future parks, while escalating land costs further constrain opportunities for purchase of public parklands.

In 1951, the Park Authority received its first land donation which later became Eakin Park. Four years later the Authority owned nine parks on 92 acres of land. Sixty-five years later, the Authority has 23,346 acres and owns, maintains and operates 426 beautiful parks.

The Authority acquired 36 acres of land in FY 2015 for a total of 23,346 park acres which equates to over 9.2% of the land mass of Fairfax County. In FY 2015, the cumulative level of parkland increased primarily due to the acquisition of the Roat property that adds a new 10 acre park in the Mason District, a proffer for an additional 11 acres at Loisdale Community Park in the Lee District and a transfer of 11.7 acres from the Board of Supervisors in the Dulles Station area of the Dranesville District. The Authority has been challenged to acquire an additional 1,934 acres of land, which would ensure that 10% of the total county landmass, or a total of 25,280 acres, are held as county parks.

New facilities completed include repairs to the Audrey Moore RECenter Natatorium West Wall, Wakefield Park, Renovation and Addition of Gym and Fitness Area at Spring Hill RECenter, Replacement of Playground Rubber Safety Surface at Clemyjontri Park, Pond Reconstruction at Bookfield Park, New Sports Complex at Sully Highlands Park, New Visitor's Center at Sully Historic Site, ADA Replacement of Restroom Building serving Picnic Shelter "A" at Burke Lake Park, Playground Replacement – School Age and Tot Lot at Collingwood Park, and Picnic Shelter at Turner Farm Park.

Parks give all county residents and visitors, regardless of age, background or economic condition, the opportunity to seek active recreation as well as natural and cultural enrichment. Park patron use, which includes paid and unpaid visits to staffed and non-staffed parks increased in fiscal year 2015 to 17.7 million visitors compared to 16.7 million visitors in fiscal year 2014. This increase is indicative of the residents of Fairfax County taking advantage of all the leisure and recreational opportunities the county has to offer.

The Authority is continually challenged by the economic slowdown stressing the park system with continued limited General Fund support in addition to rising fuel, utility, repair and maintenance costs, aging infrastructure, and needs for active natural and cultural resource management.

Residents demand for services continues to grow with the rising population and changing needs and diversity of the community. The continuing urbanization of the county requires different types of parks and recreational services and facilities. The existing suburban park system must be supplemented by parks that are more suitable for the unique urban context and provide appropriate functions, uses, amenities, visual form, ownership, and accessibility to various users of an urban environment. In addition, seniors comprise the most rapidly expanding population group needing park and other county services.

In order to meet the growing challenges in fiscal year 2016, the Authority's Board and staff, along with the County Board of Supervisors, will continue to work through the economic challenge and continue to implement the initiatives and strategies outlined in the 2014 - 2018 Strategic Plan.

XI. CONTACTING THE AUTHORITY'S MANAGEMENT

This CAFR is designed to provide a general overview of the financial condition of the Authority. If you have questions about this report or need additional financial information, please contact the Fairfax County Park Authority, Financial Management Branch, 12055 Government Center Parkway, Suite 927, Fairfax, Virginia 22035. This report can also be found on the Authority's website at www.fairfaxcounty.gov/parks.

Basic Financial Statements

The Basic Financial Statements subsection includes the government-wide financial statements, which incorporate all funds of the Authority. It also includes the Authority's fund financial statements and the accompanying note disclosures to the financial statements.

Fairfax County Park Authority **Exhibit A**
A Component Unit of the County of Fairfax, Virginia
Statement of Net Position
June 30, 2015

	Governmental Activities
ASSETS	
Equity in pooled cash and temporary investments	$ 31,848,500
Cash with fiscal agents	519,439
Receivables:	
Accounts receivable	44,067
Accrued interest	20,421
Due from primary government	2,273,442
Due from intergovernmental units	128,491
Restricted assets:	
Equity in pooled cash and temporary investments	2,515,574
Capital assets:	
Non-depreciable:	
Land	357,654,954
Easement	17,016,009
Construction in progress	8,338,575
Depreciable:	
Equipment	14,136,699
Buildings and improvements	417,725,726
Accumulated depreciation	(204,290,964)
Total assets	647,930,933
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts from the refunding debt	389,920
Deferred outflow related to pensions	5,176,614
Total deferred outflows of resources	5,566,534
Total assets and deferred outflows of resources	653,497,467
LIABILITIES	
Accounts payable and other accrued liabilities	2,977,512
Accrued salaries and benefits	2,768,976
Due to primary government	2,000,000
Contract retainages	845,984
Unearned revenue:	
Unused Park passes	5,568,906
Monopole revenue	204,372
Performance and other deposits	918,442
Accrued interest payable	45,769
Long-term liabilities:	
Portion due or payable within one year:	
Compensated absences payable	2,436,096
Loans payable	327,900
Bonds payable, net	753,664
Portion due or payable after one year:	
Compensated absences payable	2,018,878
Loans payable	11,977,500
Bonds payable, net	3,864,369
Net pension liability	38,774,320
Total liabilities	75,482,688
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow related to pensions	7,191,312
Total deferred inflows of resources	7,191,312
Total liabilities and deferred inflows of resources	82,674,000
NET POSITION	
Net investment in capital assets	594,047,486
Restricted for:	
Certain capital projects	9,369,674
E.C. Lawrence Trust - Non-Expendable	1,507,926
Repair and replacement	700,000
Unrestricted (deficit)	(34,801,619)
Total net position	$ 570,823,467

See accompanying notes to the financial statements.

Fairfax County Park Authority **Exhibit B**
A Component Unit of the County of Fairfax, Virginia
Statement of Activities
For the Fiscal Year Ended June 30, 2015

			Program Revenues		Net (Expense)/ Revenue and Changes in Net Position
Functions/Programs		Expenses	Charges for services	Capital grants and contributions	Governmental activities
Governmental activities:					
Administration	$	17,414,644	1,496,663	4,580,131	(11,337,850)
Maintenance / renovation		20,851,415	-	439,765	(20,411,650)
Golf courses		9,418,648	9,609,835	1,039,830	1,231,017
Recreation centers		25,629,281	26,948,141	4,805,219	6,124,079
Lake parks		4,389,120	2,945,257	851,157	(592,706)
Other leisure services		16,687,299	1,013,164	4,337,160	(11,336,975)
Cultural enrichment		7,015,854	2,741,743	3,858,579	(415,532)
Interest on long-term debt		617,618	-	-	(617,618)
Total governmental activities	$	102,023,879	44,754,803	19,911,841	(37,357,235)

General revenues:			
Intergovernmental	$	42,714,813	
Investment earnings		30,194	
Operating grants not restricted to specific programs		746,244	
Capital contributions not restricted to specific programs		8,683,597	
Total general revenues		52,174,848	
Change in net position		14,817,613	
Net position, June 30, 2014, restated		556,005,854	*
Net position, June 30, 2015	$	570,823,467	

See accompanying notes to the financial statements.

*Fiscal Year 2014 amounts restated due to the implementation of GASB statement 68. See Note I on pages 48 - 49 for more information.

Fairfax County Park Authority **Exhibit C**
A Component Unit of the County of Fairfax, Virginia
Balance Sheet-Governmental Funds
June 30, 2015

	Financed from County General Fund	Park Revenue and Operating Fund	Financed from County General Construction and Contributions	Park Bond Construction Fund	Park Improvement Fund	Total Governmental Funds
ASSETS						
Equity in pooled cash and temporary investments	$ -	12,196,751	-	-	19,651,749	31,848,500
Cash with fiscal agents	-	519,439	-	-	-	519,439
Receivables:						
Accounts receivable	-	2,991	3,576	-	37,500	44,067
Accrued interest	-		-	-	20,421	20,421
Due from primary government	1,670,685	-	602,757	-	-	2,273,442
Due from intergovernmental units	-	-	-	128,491		128,491
Restricted assets:						
Equity in pooled cash and temporary investments	-	-	-	307,648	2,207,926	2,515,574
Total assets	1,670,685	12,719,181	606,333	436,139	21,917,596	37,349,934
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	1,670,685	12,719,181	606,333	436,139	21,917,596	37,349,934
LIABILITIES						
Accounts payable and accrued liabilities	386,880	986,470	599,394	430,765	574,003	2,977,512
Accrued salaries and benefits	1,283,805	1,485,171	-	-	-	2,768,976
Contract retainages	-	-	6,939	806,133	32,912	845,984
Unearned revenue:						
Unused Park passes	-	5,568,906	-	-	-	5,568,906
Monopole revenue	-		-	-	204,372	204,372
Due to primary government				2,000,000		2,000,000
Performance and other deposits	-	63,378	-	-	855,064	918,442
Total liabilities	1,670,685	8,103,925	606,333	3,236,898	1,666,351	15,284,192
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	1,670,685	8,103,925	606,333	3,236,898	1,666,351	15,284,192
Fund balances:						
Restricted for:						
Capital projects	-	-	-	-	9,062,026	9,062,026
E.C. Lawrence Trust	-	-	-	-	1,507,926	1,507,926
Repair and replacement	-	-	-	-	700,000	700,000
Committed to:						
Debt service	-	519,439	-	-	-	519,439
Revenue and operating fund stabilization	-	2,136,097	-	-	-	2,136,097
Donation/Deferred revenue	-	1,246,804	-	-	-	1,246,804
Revenue facilities capital sinking fund	-	-	-	-	2,572,411	2,572,411
Other capital projects	-	-	-	-	6,408,882	6,408,882
Assigned to:						
Park operation and maintenance	-	712,916	-	-	-	712,916
Unassigned	-	-	-	(2,800,759)	-	(2,800,759)
Total fund balances	-	4,615,256	-	(2,800,759)	20,251,245	22,065,742
Total liabilities, deferred inflows of resources and fund balances	$ 1,670,685	12,719,181	606,333	436,139	21,917,596	37,349,934

See accompanying notes to the financial statements.

Fairfax County Park Authority **Exhibit C-1**
A Component Unit of the County of Fairfax, Virginia
Reconciliation of the Balance Sheet—Governmental Funds to the Statement of Net Position
June 30, 2015

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are not reported as assets in governmental funds:		
Capital assets:		
Non-depreciable:		
Land	357,654,954	
Easement	17,016,009	
Construction in progress	8,338,575	
Depreciable:		
Equipment	14,136,699	
Buildings and improvements	417,725,726	
Accumulated depreciation	(204,290,964)	610,580,999
Long-term liabilities, including bonds payable, and deferred outflows of resources are not due and payable in the current period and, therefore, are not reported as liabilities in governmental funds:		
Accrued interest payable	(45,769)	
Compensated absences payable	(4,454,974)	
Loan payable	(12,305,400)	
Bonds payable due within one year	(630,000)	
Bonds payable due in more than one year	(3,555,000)	
Bonds payable discount	(433,033)	
Deferred amounts from the refunding debt	389,920	(21,034,256)
Pension liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds:		
Deferred outflow related to pensions		5,176,614
Net pension liability		(38,774,320)
Deferred inflow of net difference between projected and actual earning on pension plan investments		(7,191,312)
Net position of governmental activities		$ 570,823,467

Fairfax County Park Authority **Exhibit D**
A Component Unit of the County of Fairfax, Virginia
Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Financed from County General Fund	Park Revenue and Operating Fund	Financed from County General Construction and Contributions	Park Bond Construction Fund	Park Improvement Fund	Total Governmental Funds
REVENUES						
Intergovernmental	$ 31,114,997	-	11,599,816	19,333,314	37,500	62,085,627
Charges for services	1,013,164	41,333,916	240	-	220	42,347,540
Revenue from the use of money and property	-	2,351,301	-	-	881,549	3,232,850
Gifts, donations, and contributions	-	746,244	-		320,978	1,067,222
Developers' contributions	-	-	-	-	365,490	365,490
Other	-	247,235	-	-	7,000	254,235
Total revenues	32,128,161	44,678,696	11,600,056	19,333,314	1,612,737	109,352,964
EXPENDITURES						
Current:						
Administration	8,031,106	1,042,183	-	267,533	456,455	9,797,277
Maintenance	11,467,379	-	6,296,784	14,208	225,930	18,004,301
Golf courses	-	9,226,050	-	-		9,226,050
Recreation centers	-	24,823,600	-	41,037	31,999	24,896,636
Lake parks	1,516,722	2,126,251	-	1,514	42,926	3,687,413
Other leisure services	3,882,020	2,217,645	-	99,411	341,090	6,540,166
Cultural enrichment	7,161,890	2,276,711	-	136,780	110,322	9,685,703
Intergovernmental expenditures	-	775,000	3,877,992	2,296,763	266,937	7,216,692
Capital outlay	69,044	111,283	1,425,280	20,609,569	4,069,901	26,285,077
Debt service:						
Principal retirement	-	898,100	-	-	-	898,100
Interest and other charges	-	681,790	-	-	-	681,790
Total expenditures	32,128,161	44,178,613	11,600,056	23,466,815	5,545,560	116,919,205
Excess (deficiency) of revenues over (under) expenditures	-	500,083	-	(4,133,501)	(3,932,823)	(7,566,241)
Net change in fund balances	-	500,083	-	(4,133,501)	(3,932,823)	(7,566,241)
Fund balances, June 30, 2014	-	4,115,173	-	1,332,742	24,184,068	29,631,983
Fund balances, June 30, 2015	$ -	4,615,256	-	(2,800,759)	20,251,245	22,065,742

See accompanying notes to the financial statements.

Fairfax County Park Authority **Exhibit D-1**
A Component Unit of the County of Fairfax, Virginia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds to the Statement of Activities
For the Fiscal Year June 30, 2015

Net change in fund balances - Total governmental funds		$ (7,566,241)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period:		
Capital outlays	26,285,077	
Depreciation expense	(11,703,424)	14,581,653
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		7,528,404
In the statement of activities, the gain or loss on the disposition of capital assets is reported. However, in the governmental funds only the proceeds from sales are reported, which increases fund balance. Thus, the difference is the depreciated cost of the capital assets dispositions.		(1,919,769)
Certain costs reported in prior year construction in progress balances were determined not to be capital.		(9,940)
Repayment of the principal amount of long-term debt is reported as an expenditure or as an other financing use when debt is refunded in governmental funds and thus, reduces fund balance. However, the principal payment reduces the liabilities in the statement of net position and do not result in the statement of activities:		
Principal payments of bonds	615,000	
Principal payments of notes	283,100	898,100
Interest on long-term debt is reported as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is affected as this interest accrues and as bond-related items are amortized. This difference in interest reporting is as follows:		
Interest expense	3,709	
Amortized premium and deferred loss	60,463	64,172
Under the modified accrual basis of accounting used in the governmental funds, expenditures for the following are not recognized until they mature. In the statement of activities, however, they are reported as expenses and liabilities as they accrue. The timing differences are as follows:		
Compensated absences	106,729	106,729
Penison liability does not require the use of current financial resources and, therefore, is not reported in governmental funds:		
Pension expense		1,134,505
Change in net position of governmental activities		$ 14,817,613

Fairfax County Park Authority
A Component Unit of the County of Fairfax, Virginia
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

A. Summary of Significant Accounting Policies

The accounting policies of the Fairfax County Park Authority (the Authority) conform to the U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the Authority's significant accounting policies:

1. Reporting Entity

The Authority, through appropriations from the County of Fairfax, Virginia (the County) and operating revenues, maintains and operates the public parks and recreational facilities located in the county. The Authority was originally created by the Board of Supervisors (the Board) of the county on December 6, 1950, to continue in existence for 30 years unless the Board provided for an earlier termination. Its existence, however, may not be terminated while any obligation incurred by the Authority remains binding unless the Board agrees to assume such obligations. The Board approved three interim extensions of the life of the Authority between 1981 and 1991. On October 28, 1991, the Board extended the life of the Authority for a period of 30 years, until October 28, 2021.

The County's Board of Supervisors appoints the Board members of the Authority and a substantial portion of the Authority's operations are financed by the county. Therefore, the Authority is considered a component unit of the Fairfax County.

2. Basis of Presentation – Government-Wide and Fund Financial Statements

The Basic Financial Statements include both government-wide (based on the Authority as a whole) and fund financial statements. The Authority categorizes its primary activities solely as governmental activities. In the government-wide Statement of Net Position, the governmental type activities are reported using the economic resources measurement focus and the accrual basis of accounting that incorporate long-term assets and long-term obligations. The government-wide Statement of Activities reflects both the gross and net cost per functional category. The Statement of Activities reduces gross expenses, including depreciation, by related program and general revenues.

In the fund financial statements, financial transactions and accounts of the Authority are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and 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 fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government activities column in the government-wide statements, reconciliations are presented to explain the adjustments necessary to reconcile the fund financial statements to the government-wide statements.

3. Measurement Focus and Basis of Accounting

The basis of accounting determines when transactions are reported in the Basic Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions where the Authority either gives or receives value without directly receiving or giving equal value in exchange include grants and donations. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Program revenues consist primarily of charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function such as recreational classes, tours, golf lessons and green fees, and camps.

Governmental funds use the flow of current financial resources measurement focus. This focus is based on the determination of, and changes in, financial position, and generally only current assets and current liabilities are included on the balance sheet. These funds use the modified accrual basis of accounting, whereby revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or within 45 days after fiscal year end. The Authority recognizes revenues provided by appropriations from the county for the Financed from County General Fund and the County General Construction and Contributions Fund. Expenditures are recorded when the related liability is incurred and payment is due, except for principal and interest on long-term debt which are recorded only when payment is due.

The Authority considers all of its funds to be major and reports the following funds:

General Fund:
Financed from County General Fund - This fund is used to account for all financial transactions and resources except those required to be accounted for in other funds. The General Fund is financed by county tax dollars to provide operating and maintenance dollars for non-revenue producing sites and programs, agency overhead, planning, mowing, ball field maintenance, trails, natural and cultural management and protection. This fund also accounts for the operations of the park facilities that are financed by the county that generally serve to benefit the community overall.

Special Revenue Fund:
Park Revenue and Operating Fund - This fund collects user fees and charges such as general admissions, pass and retail sales, equipment and facility rentals, classes and events at RECenters, Golf Courses, Lakefronts, Historic Sites and Nature Centers. Fees are generally applied in areas serving an individual user benefit. The Park Board has fiduciary control over this fund and it is guided by the Revenue and Operating Fund Financial Management Principles found in the Financial Management Plan which is reviewed and approved annually. The Park Revenue and Operating Fund must operate on a cost recovery basis.

Capital Projects Funds:
Financed from County General Construction and Contributions Fund - This fund accounts for specific park construction and maintenance projects related to park facilities that are financed from the County General Construction and Contributions Fund. No annual operating budget is prepared for this fund as it is budgeted as part of the county's Capital Construction Program. Funding is appropriated to projects and unspent dollars are automatically carried over.

Park Bond Construction Fund - This fund accounts for construction projects and capital improvements of the Authority that are financed primarily by county general obligation bond proceeds. The county bond obligations are not included within the Authority's financial statements as they are county debt and therefore are included in the county's government-wide statement of net position. The county is responsible for paying all debt service on these bonds. No annual operating budget is prepared for this fund.

Park Improvement Fund - This fund accounts for construction projects and capital improvements of the Authority that are financed primarily by property rentals, telecommunications, developers' contributions and transfers from the Park Revenue and Operating Fund. No annual operating budget is prepared for this fund. These funds are managed by the projects that the Park Authority Board approves.

4. Equity in Pooled Cash and Temporary Investments

The Authority maintains its cash in the county treasury. As of June 30, 2015, $31,848,500 of the Authority's cash was held in the county's cash and investment pool. The county invests cash in temporary investments consisting of money market investments that have a remaining maturity at the time of purchase of one year or less and are reported at amortized cost, which approximates fair value. The county allocates the interest earned on a monthly basis to the individual funds based on each fund's average daily balance of equity in pooled cash, except for the capital projects fund financed by county general obligation bonds. Interest earned on the assets of that fund, the Park Bond Construction Fund, is allocated directly to the County General Fund because debt service is funded by the County General Fund.

5. Restricted Assets

Restricted assets typically reflect the receipt of proceeds from revenue bonds which have been restricted for future debt service payments, the revenue bond requirement for a reserve for repair and replacement of certain capital assets and the trust fund to be spent on the donor's dedicated park. In addition, unspent proceeds from general obligation bonds issued by the county and unspent loan proceeds received from the county are restricted for use in capital improvements.

6. Capital Assets

Capital assets, including land purchased, donated and transferred, easements, buildings, improvements, equipment and construction in progress, are reported in the governmental activities column in the government-wide financial statements. Purchased property and equipment are recorded at historical cost or at estimated historical cost based on appraisals or on other acceptable methods when historical cost is not available. Donated capital assets are stated at their fair market value as of the date of donation. Transferred capital assets are stated at the transferor's carrying value at the date of transfer.

The Authority capitalizes all buildings, improvements, and equipment that cost $5,000 or more with useful lives of longer than one year. Accumulated depreciation is reported as a reduction of depreciable capital assets. Depreciation is computed using the straight-line method based on estimated useful lives of 20 to 50 years for buildings; 5 to 20 years for equipment; and 10 to 25 years for improvements.

7. Compensated Absences

Employees of the Authority are granted annual and sick leave based on their length of service, and may accrue compensatory leave for hours worked in excess of their scheduled hours. Unused annual and compensatory leave is payable to employees upon termination based on the employees' current rate of pay up to certain limits. Sick leave does not vest with the employee.

The compensated absences liability in the government-wide Statement of Net Position is separated into current (expected to be paid within one year) and long-term (expected to be paid after one year). The amount expected to be paid within one year is an estimate based on historical usage. This liability is satisfied by the County General Fund.

The Memorandum of Understanding between the County Board of Supervisors (BOS) and the Authority states that the BOS has agreed to administer the employees of the Authority. All salaries of the Authority, including payments for compensated absences, lie within this understanding and have been made from the County General Fund.

8. Unearned Revenue

The Authority receives proceeds for passes sold to park patrons in advance of usage, refundable deposits from developers for future services and advanced rental fees for monopoles. These amounts are unearned and reported as unearned revenue. The balance of unearned revenue as of June 30, 2015 was $5,773,278.

9. Net Position

Net Position is comprised of three categories: Net investment in capital assets; restricted net position; and unrestricted net position. The first category reflects the portion of net position which is associated with non-liquid capital assets, less the outstanding debt (net) related to these capital assets. The related debt (net) is the debt less the outstanding liquid assets and any associated unamortized costs. Restricted net position are restricted assets, net of related debt. As of June 30, 2015, the Authority had $11,577,600 in restricted net position. Net position which is neither restricted nor related to capital assets is reported as unrestricted net position.

Total capital assets of the Authority are the combined balances of land, easements, buildings, improvements, and equipment reduced by accumulated depreciation. This total is further reduced by the Laurel Hill debt and the revenue bonds payable net of the required debt service reserve and is reported as invested in capital assets, net of related debt on the Statement of Net Position.

10. Long-Term Obligations

For long-term liabilities, only that portion expected to be financed from expendable, available financial resources is reported as a fund liability of a governmental fund. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

11. Fund Balance Classification

The Park Authority Board, as the highest level of authority, sets policies and establishes priorities for land acquisition, park development and operations for the Authority.

In the governmental fund financial statements, the Authority reports several categories of fund balances based upon the type of restrictions imposed on the use of the funds. The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as creditors, grantors, contributors, or laws and regulations of other governments; or by law through constitutional provisions or enabling legislation. The committed fund balance category includes amounts that can be used only for the specific purposes imposed by formal actions of the Authority's highest level of decision making authority, the Park Authority's Board, and requires the same level to remove or change the constraint through the approval of the annual budget plan by resolution. The assigned fund balance category includes amounts that are intended to be used by the Authority for specific purposes but do not meet the criteria for restricted or committed. The Park Authority's Board can delegate assignment authority to the upper levels of management within the Authority for this category. Unassigned fund balances are the residual classification for the County General Fund and include all spendable amounts not contained in the other categories.

The Authority's Board established the policy on the spending order of the fund balance when both restricted and unrestricted fund balances are available. For the Park Revenue and Operating Fund, the assigned fund balance is to be spent first; then the restricted fund balance when expenditures are incurred. For the Park Improvement Fund, the committed fund balance is to be spent first; then the restricted fund balance when expenditures are incurred.

Restricted for E.C. Lawrence Trust:

In January 1997, the Authority Board received $1,306,555 from the E.C. Lawrence Trust. In accordance with the Authority Board resolution, $1,275,000 is to remain in perpetuity with interest to be spent on the E.C. Lawrence Park. On June 12, 2002, the Authority Board took action to increase the portion of the fund held in perpetuity to $1,507,926 which includes $1,275,000 plus a portion of the accumulated interest. As of June 30, 2015, the fund balance of the Park Improvement Fund includes a combined principal investment and interest amount of $1,507,926 that has been restricted for E.C. Lawrence Park.

Restricted for Repair and Replacement Fund:

The 2001 Bond Indenture requires the Authority to have an accumulated fund balance sufficient to pay costs of major repairs, replacement and capital additions to certain facilities. The restricted fund balance of $700,000 is determined by the Authority to be necessary in any fiscal year for repairs and replacements to these facilities. Amounts on deposit in the balance may also be used to pay debt service on the Bonds if necessary.

Restricted for Capital Projects:

The fund balance of $9,062,026 in the Park Improvement Fund is funded through grants, proffers and contributions and is restricted for specific park capital improvements.

Committed to Debt Service:

The Authority's committed fund balance for debt service of $519,439 as of June 30, 2015 was adopted by the Authority's Board in fiscal year 2015. It represents a prepayment of principal and interest on the Revenue Refunding Bonds Series 2013.

Committed to Revenue and Operating Fund Stabilization Reserve:

The Authority's committed fund balance to Revenue and Operating Fund Stabilization Reserve of $2,136,097 in the Park Revenue and Operating Fund was adopted by the Authority's Board in fiscal year 2015 and includes set aside cash flow and emergency reserve for operations as a contingency for unanticipated operating expenses or a disruption in the revenue stream. The reserve is maintained at a minimum of 5.0% of the approved annual expenditure budget minus debt of the Park Revenue and Operating Fund.

Committed to Donation/Unearned Revenue Reserve:

The Authority's committed fund balance to Donation/Unearned Revenue Reserve of $1,246,804 in the Park Revenue and Operating Fund was adopted by the Park Authority Board in fiscal year 2015 and includes donations. It also includes a set aside to cover any unexpected delay in revenue from the sold but unused Park passes.

Committed to Revenue Facilities Capital Sinking Fund :

The Authority's committed fund balance to Revenue Facilities Capital Sinking Fund is $2,572,411 in the Park Improvement Fund. This fund was adopted by the Park Authority Board in fiscal year 2015 and provides for repairs and renovations of revenue-generating facilities and services.

Committed to Other Capital Projects:

The Authority's committed fund balance to Other Capital Projects of 6,408,882 in the Park Improvement Fund was adopted by the Park Authority Board in fiscal year 2015 and is to provide capital improvements to the revenue-generating facilities and parks, as well as to various park sites.

Assigned to Park Operation and Maintenance:

The Authority's assigned fund balance to Park Operation and Maintenance of $712,916 in the Park Revenue and Operating Fund is for operating and maintenance costs of park programs and services at the park facilities and other park sites, which was adopted by the Park Authority Board in fiscal year 2015.

12. Encumbrances

The Authority uses encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation. Encumbrances represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders are completed. Encumbrances for the capital projects funds do not lapse until the completion of the projects and are reported as reservations of fund balance at year end. Funding for all other encumbrances lapses at year end and requires re-appropriation by the County Board of Supervisors.

Significant Encumbrances by Function as of June 30, 2015:

Function		Encumbrances Balances
Administration	$	127,833
Maintenance		744,479
Golf courses		150,598
Lake parks		1,095,848
Cultural enrichment		84,235
Other leisure services		4,631,338
Recreation center		681,679
Total Encumbrances	**$**	**7,516,010**

Significant Encumbrances by Fund as of June 30, 2015:

Fund		Encumbrances Balances
Financed from County General Fund	$	408,175
Park Revenue and Operating Fund		760
Financed from County General Construction and Contributions Fund		938,801
Park Bond Construction Fund		5,054,024
Park Improvement Fund		1,114,250
Total	$	7,516,010

13. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

14. Tax Status

The Authority, as a local government authority, is not subject to federal, state, or local income taxes and accordingly, no provision for income taxes is recorded.

B. Deposits and Investments

1. Deposit and Investment Policies

The Authority's available cash is invested in the county's cash and investment pool. The county maintains an investment policy, the overall objectives of which are the preservation of capital and the protection of investment principal; maintenance of sufficient liquidity to meet operating requirements; conformance with federal, state, and other legal requirements; diversification to avoid incurring unreasonable risks regarding specific security types or individual financial institutions; and attainment of a market rate of return. Oversight of investment activity is the responsibility of the county's Investment Committee, which is comprised of the chief financial officer and certain key management and investment staff.

It is the county's policy to pool, for investing purposes, all available funds of the county and its component units that are not otherwise required to be kept separate. The investment policy, therefore, applies to the activities of the reporting entity with regard to investing the financial assets of its pooled investment funds.

The county's pension trust funds have adopted investment policies to provide a well-managed investment program to meet the long-term goals of the pension trust funds, provide a high degree of diversification, maintain appropriate asset coverage of fund liabilities, and also optimize investment return without introducing higher volatility to contribution levels. Investment decisions for the funds' assets are made by the Boards of Trustees or investment managers selected by the Boards of Trustees. While the pension trust funds are not subject to the provisions of the Employee Retirement Income Security Act (ERISA), the Boards of Trustees endeavor to adhere to the spirit of ERISA. The Boards of Trustees believe that risks can be managed by establishing constraints on the investment portfolio and by properly monitoring the investment markets, the pension trust funds' asset allocation, and investment managers. Furthermore, investment portfolios have specific benchmarks and investment guidelines.

The county's other post-employment benefits (OPEB) trust fund is a participant in the Virginia Pooled OPEB Trust. Funds of participating jurisdictions are pooled and are invested in the name of the Virginia Pooled OPEB Trust. The county's respective share in this pool is reported on the face of the corresponding OPEB trust fund statements as found in the other supplementary information section of the county CAFR. The Board of Trustees of the Virginia Pooled OPEB Trust has adopted an investment policy consistent with prudent risk-taking. Investment decisions for the funds' assets are made by the Board of Trustees. The Board of Trustees establishes investment objectives, risk tolerance and asset allocation policies in light of the investment policy, market and economic conditions, and generally prevailing prudent investment practices. Specific investment information for the Virginia Pooled OPEB Trust can be obtained by writing to VML/VACo Finance Program, 1108 East Main Street, Richmond, Virginia 23219.

Under the Code of Virginia (Code), Investment of Public Funds Act, the county is authorized to purchase the following investments:

- Commercial paper
- U.S. Treasury and agency securities
- U.S. Treasury strips
- Negotiable certificates of deposits and bank notes
- Money market funds
- Bankers acceptances
- Repurchase agreements
- Medium term corporate notes
- Local government investment pool
- Asset-backed securities
- Hedged debt obligations of sovereign governments
- Securities lending programs
- Obligations of the Asian Development Bank
- Obligations of the African Development Bank
- Obligations of the International Bank for Reconstruction and Development
- Obligations of the Commonwealth of Virginia and its instrumentalities
- Obligations of counties, cities, towns, and other public bodies located within the Common wealth of Virginia
- Obligations of state and local government units located within other states
- Savings accounts or time deposits in any bank or savings institution within the Common wealth that complies with the Code

The county's investment policy precludes the investment of pooled funds in derivative securities, reverse repurchase agreements, or security lending programs, asset-backed securities, hedged debt, obligations of sovereign governments, obligations of the Commonwealth of Virginia and its instrumentalities, obligations of counties, cities, towns, and other public bodies located within the Commonwealth of Virginia and obligations of state and local government units located within other states.

The Code also authorizes the reporting entity to purchase other investments for its pension trust funds and OPEB trust funds, including common and preferred stocks and corporate bonds that meet the standard of judgment and care set forth in the Code. The pension trust funds' Boards of Trustees' investment policies permit these funds to lend their securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future.

2. Interest Rate Risk

The Authority's investment within the county's pooled investment portfolio is covered by the county's policy to minimize the risk that the market value of securities in its portfolio will fall due to changes in market interest rates. To achieve this minimization of risk, the county structures the pooled investment portfolio so that sufficient securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Pooled investments that are purchased to meet liquidity needs shall have a target weighted average maturity of 90 days. All other pooled funds are invested primarily in shorter-term securities, with a maximum maturity of one year.

The county's pension trust funds manage interest rate risk for fixed income accounts by limiting the credit quality of the securities held as well as the duration of the portfolio against the duration of the benchmark. In addition, the fund's investment policy states that the average effective duration of each manager's portfolio should be within 25% of the portfolio's benchmark duration.

3. Credit Risk

The county's policy is to minimize the risk of loss due to the failure of an issuer or other counterparty to an investment to fulfill its obligations. The county pre-qualifies financial institutions, broker-dealers, intermediaries, and advisers with which the county does business.

In addition, the pooled investments are limited to the safest types of securities and are diversified so that potential losses on individual securities will be minimized. Also, new investments shall not be made in securities that are listed on Moody's Investors Service, Inc. (Moody's) Watch list or Standard & Poor's, Inc. (S&P) Credit Watch with a negative rating.

The policy specifies the following acceptable credit ratings for specific types of investments in the pooled portfolio:

- U.S. government sponsored enterprise instruments shall be rated by both Moody's and S&P with a minimum rating of Prime 1 and A-1, respectively.
- Prime quality commercial paper shall be rated by at least two of the following: Moody's, with a minimum rating of Prime 1; S&P, with a minimum rating of A-1; Fitch Investor's Services, Inc. (Fitch), with a minimum rating of F-1; or by Duff and Phelps, Inc., with a minimum rating of D-1.
- Mutual funds must have a rating of AAA or better by S&P, Moody's, or another nationally recognized rating agency.
- Bank deposit notes must have a rating of at least A-1 by S&P and P-1 by Moody's.
- Banker's acceptances shall be rated by at least two of the following: Moody's, with a rating of P-1; S&P, A-1; Fitch Investor's Services, Inc. (Fitch), F-1; or by Duff and Phelps, Inc., D-1.

- Corporate notes must have a rating of at least Aa by Moody's and a rating of at least AA by S&P.

While the overall investment guidelines for the primary government's pension trust funds do not specifically address credit risk, investment managers have specific quality limits appropriate for the type of mandate they are managing and that fit within the total risk tolerance of the fund. Additional information regarding investment types in the pooled portfolio can be found in the county CAFR.

4. Concentration of Credit Risk

The county's investment policy sets the following limits for the types of securities held in its pooled investment portfolio:

Repurchase agreements and money market funds	30% maximum
Bank notes, banker's acceptances and negotiable certificates of deposit	40% maximum
Commercial paper	35% maximum
Corporate notes	25% maximum
US Treasury and agency securities	100% maximum
Non-negotiable certificates of deposit	40% maximum

In addition, not more than 5.0% of the total pooled funds available for investment at the time of purchase may be invested in any one issuing or guaranteeing corporation for commercial paper, banker's acceptances, corporate notes, and bank notes. The county shall seek to maintain a minimum of 5.0% of the investment portfolio in a combination of mutual funds or open repurchase agreements to meet liquidity requirements.

Whereas the overall investment guidelines for the county's pension trust funds do not specifically address concentration of credit risk, investment managers have specific concentration limits appropriate for the type of mandate they are managing and that fit within the total risk tolerance of the fund. The Fairfax County Employees' Retirement System (ERS) does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5.0% or more of net position held in trust for pension benefits.

The county's OPEB trust funds investment policy for equity holdings states that all holdings must be publicly traded on U.S. markets with no single issue exceeding 5.0% of each individual manager portfolio at market value.

5. Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Virginia Security for Public Deposits Act (Act), all of the county's deposits are covered by federal depository insurance or collateralized in accordance with the Act, which provides for the pooling of collateral pledged by financial institutions with the Treasurer of Virginia to secure public deposits as a class. No specific collateral can be identified as security for one public depositor, and public depositors are prohibited from holding collateral in their name as security for deposits. If any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. If the value of the pool's collateral is inadequate to cover a loss, additional amounts are assessed on a pro rata basis to the member of the pool. The State Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirement of the Act and for notifying local government of compliance by participating financial institutions. A multiple financial institution collateral pool that provides for additional assessments is similar to depository insurance, therefore, funds deposited in accordance with the requirements of the Act are considered to be fully insured.

For investments, custodial credit risk is the risk that, in the event of the failure of a counterparty, the county will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Per policy, all of the pooled investments purchased by the county are insured or registered or are securities held by the county or its agent in the county's name.

Certain investments of the Authority are separately held by its fiscal agent, U.S. Bank National Association, in the Authority's name. These investments are held in Fidelity Treasury Funds through money market accounts. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost, which approximates fair value. The Authority follows the county's investment policy with respect to acceptable credit ratings for its investments. Cash with fiscal agents in the amount of $519,439 are committed for debt service requirements related to the 2013 Park Facilities Revenue Refunding Bonds.

6. Foreign Currency Risk

Per the county's policy, pooled investments are limited to U.S. dollar denominated instruments, however the pension trust funds of the county are allowed to invest in foreign currency denominated instruments.

Additional information related to the interest rate risk and the credit risk, such as the weighted average maturity and credit quality ratings of investments, pertaining to the entire cash and investment pool can be found in the county CAFR.

C. Receivables

Receivables as of June 30, 2015 consist of the following:

Receivables:	
Accounts	$ 44,067
Accrued interest	20,421
Total receivables	$ 64,488

Due from Intergovernmental Units

Amounts due to the Authority from other governmental units as of June 30, 2015 include the following:

	Park Bond Construction Fund
Federal Government	$ 128,491

D. Interfund Balances and Transfers

Due from Primary Government

The Authority's revenues in certain funds consist of a transfer from the county to offset actual expenditures incurred during the fiscal year. Consistent with the Authority's funding mechanism, the amount due from the county is equal to the Authority's total outstanding liabilities in these funds on the modified accrual basis of accounting. As of June 30, 2015 the amount due from the county was $2.27 million. Of this amount, $1.67 million is due from the Financed from County General Fund and represents accrued salaries, accrued fringe benefits, accounts payable and accrued liabilities. The remaining $0.60 million is due from the Financed from County General Construction and Contributions Fund and represents accounts payable and accrued liabilities.

Due to Primary Government

Due to primary government from component unit as of June 30, 2015, is as follows:

Receivable Entity	Payable Entity	Amount
Primary Government	**Component Unit**	
General Fund	Park Authority	$ 2,000,000
Total		$ 2,000,000

E. Capital Assets

The following is a summary of the changes in capital assets for fiscal year 2015:

	Balances June 30, 2014	Increases	Decreases	Balances June 30, 2015
Capital assets, not being depreciated:				
Land	$ 353,295,656	5,493,774	(1,134,476)	357,654,954
Easement	17,016,009	-	-	17,016,009
Construction in progress	15,619,937	25,973,550	(33,254,912)	8,338,575
Total capital assets, not being depreciated	385,931,602	31,467,324	(34,389,388)	383,009,538
Capital assets, being depreciated:				
Buildings and improvements	383,695,645	34,882,378	(852,297)	417,725,726
Equipment	13,654,116	752,707	(270,124)	14,136,699
Total capital assets, being depreciated	397,349,761	35,635,085	(1,122,421)	431,862,425
Less accumulated depreciation for:				
Buildings and improvements	(180,487,022)	(13,813,881)	29,451	(194,271,452)
Equipment	(12,393,690)	2,110,457	263,721	(10,019,512)
Total accumulated depreciation	(192,880,712)	(11,703,424)	293,172	(204,290,964)
Total capital assets, being depreciated, net	204,469,049	23,931,661	(829,249)	227,571,461
Total capital assets, net	$ 590,400,651	55,398,985	(35,218,637)	610,580,999

Depreciation Expense by Function:	
Administration	$ 5,999,883
Maintenance	3,005,851
Golf courses	222,776
Recreation centers	764,024
Lake parks	672,691
Other leisure services	318,957
Cultural enrichment	719,242
Total depreciation expense	$ 11,703,424

F. Long-Term Obligations

The following is a summary of changes in the government-wide long-term obligations of the Authority for fiscal year 2015:

	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due within One Year
Revenue bonds payable:					
Principal amount of bonds payable	$ 4,800,000	-	(615,000)	4,185,000	630,000
Premium on bonds payable	571,480	-	(138,447)	433,033	123,664
Long-term loan payable	12,588,500	-	(283,100)	12,305,400	327,900
Compensated absences payable	4,561,703	2,267,492	(2,374,221)	4,454,974	2,436,096
Total	$ 22,521,683	2,267,492	(3,410,768)	21,378,407	3,517,660

Bonds Payable

In February 1995, the Authority issued $13,870,000 of Park Facilities Revenue Bonds, Series 1995 to fund the construction of additional golf facilities for county residents and patrons. On September 15, 2001, the Authority issued $13,015,000 of Park Facilities Revenue Refunding Bonds, Series 2001, with an average interest rate of 4.36% to advance refund $11,670,000 of the outstanding Series 1995 Bonds with an average interest rate of 6.62%. Proceeds of $12,615,112 were used to purchase U.S. Government securities which were deposited in an irrevocable escrow fund to provide for the resources to redeem the Series 1995 Bonds on July 15, 2003. The outstanding $7.02 million of Revenue Bonds Series 2001 was refunded on June 5, 2013 through the Virginia Resources Authority bond sale of Series 2013, which resulted in a total debt service savings of $1.92 million. These bonds are solely the obligations of the Authority and are payable from the Park Revenue Fund's revenues from operations, earnings from investments, and certain fund balance reserves.

The debt service requirements to maturity for the outstanding bonds Series 2013 as of June 30, 2015 are:

Fiscal Year	Interest Rate		Principal	Interest	Total
2016	4.12		630,000	171,088	801,088
2017	3.42		655,000	146,884	801,884
2018	4.82		680,000	119,275	799,275
2019	4.23		705,000	87,959	792,959
2020	4.82		740,000	55,206	795,206
2021	4.82		775,000	18,684	793,684
	Totals	$	4,185,000	599,096	4,784,096

As set forth in the new Park Facilities Revenue Refunding Bonds, Series 2013, the bond covenants require the Authority to continue maintaining reserves for major repairs and replacements and to meet specific revenue levels, but not for debt service. The Authority is in compliance with all bond covenants.

Loan Payable to the County of Fairfax

On June 24, 2003, the Authority entered into a long-term loan agreement with the county in the amount of $15,530,000. The loan provided funds to finance the development and construction of a public golf course located in the Laurel Hill area of the southern part of the county. As the result of the refunding of Series 2003 Laurel Hill revenue bonds by Fairfax County Economic Development Authority in April 2012, the outstanding loan payable amount was reduced to $13,042,200.

The debt service requirements to maturity for the outstanding loan as of June 30, 2015 are:

Fiscal Year	Interest Rate	Principal	Interest	Total
2016	5.00	327,900	473,094	800,994
2017	5.00	372,600	456,699	829,299
2018	5.00	422,300	438,069	860,369
2019	5.00	471,400	416,954	888,354
2020	5.00	526,100	393,384	919,484
2021-2025.	5.00	3,355,100	1,545,115	4,900,215
2026-2030	3.00-5.00	4,055,000	900,394	4,955,394
2031-2033	3.00-4.00	2,775,000	199,931	2,974,931
	Totals	$ 12,305,400	4,823,640	17,129,040

Conduit Debt

On December 27, 2005, the Authority issued two long-term notes to finance the acquisition of a permanent conservation easement totaling $12,900,000. This acquisition permanently preserves 41 acres of open space as a public park in McLean, Virginia and will be enforced in perpetuity by the Northern Virginia Conservation Trust.

As the county is responsible, under the related documents and subject to appropriation, to pay the principal and interest on the notes, the related transactions, including the liability for the notes, have been recorded in the county's financial statements and not in those of the Authority. As of June 30, 2015, $6,772,500 of these notes are outstanding.

Bond Rating

The county has the highest credit ratings possible for a local government for its general obligation bonds: Aaa from Moody's Investors Service, Inc., AAA from Standard and Poor's Corporation, and AAA from Fitch Investors Service. The Authority maintains an "A-" rating from Standard and Poor's for its revenue bond debt.

G. Commitments and Contingencies

Various claims and lawsuits may arise in the ordinary course of business. In the opinion of legal counsel, there are no significant cases, claims, or assessments of any nature against the Authority that are pending or threatened as of June 30, 2015.

H. Other Information

1. Retirement Plans

Plan Description

Employees of the Authority are provided with pensions through the Fairfax County Employees' Retirement System (ERS), a single-employer defined benefit pension plan which covers full-time and certain part-time employees of Fairfax County and component units of the county, who are not covered by other plans of the County or the Virginia Retirement System.

Benefits Provided

Benefit provisions are established and may be amended by county ordinances. All benefits vest at five years of creditable service. Members who were hired before January 1, 2013 may elect to join Plan A or Plan B, and members who were hired on or after January 1, 2013 may elect to join Plan C or Plan D. To be eligible for normal retirement, an individual must meet the following criteria: (a) attain the age of 65 with five years of creditable service, (b) for Plans A and B, attain the age of 50 with age plus years of creditable service being greater than or equal to 80, or (c) for Plans C and D, attain the age of 55 with age plus years of service being greater than or equal to 85. The normal retirement benefit is calculated using average final compensation (i.e., the highest 78 consecutive two week pay periods or the highest 36 consecutive monthly pay periods) and years (or partial years) of creditable service at date of termination. In addition, if normal retirement occurs before Social Security benefits are scheduled to begin, an additional monthly benefit is paid to retirees. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. Those who commenced employment on or after January 1, 2013, may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or DROP entry. The benefit for early retirement is actuarially reduced and payable at early termination.

Effective July 1, 2005, a Deferred Retirement Option Program (DROP) was established for eligible members of the ERS. Members who are eligible for normal service retirement are eligible to participate in this program. DROP provides the ability for an employee to retire for purposes of the pension plan, while continuing to work and receive a salary for a period of three years. During the DROP period, the pension plan accumulates the accrued monthly benefit into an account balance identified as belonging to the member. The account balance is credited with interest in the amount of 5.0% per annum, compounded monthly. The monthly benefit is calculated using service and final compensation as of the date of entry in DROP, with increases equal to the annual cost-of-living adjustment provided for retirees.

Funding Policy

All contribution requirements for ERS are established and may be amended by county ordinances, including member contribution rates. Plan A and Plan C require member contributions of 4.0% of compensation up to the Social Security wage base and 5.33% of compensation in excess of the wage base. Plan B and Plan D require member contributions of 5.33% of compensation.

The county is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2015, was 18.49% of annual covered payroll. The decision was made to commit additional funding and a rate of 19.05% was adopted for fiscal year 2014. In the event the ERS's funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) exceeds 120 percent or falls below 90 percent, the contribution rate will be adjusted to bring the funded ratio back within these parameters. The employer contribution made for the measurement period is $4,824,145.

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

At June 30, 2015, the Authority reported a liability of $38,774,320 for its proportionate share of the net pension liability. The net pension liability was determined based on an actuarial valuation as of June 30, 2013, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014. At June 30, 2014, the Authority's proportion was 3.72%, an increase of 0.03% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Authority recognized pension expense of $3,700,866. At June 30, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	-	-
Net difference between projected and actual earning on pension plan investments	-	7,191,312
Change in proportion applicable to Authority	341,242	-
Authority contributions subsequent to the measurement date	4,835,372	-
Total	$ 5,176,614.00	$ 7,191,312

$4,835,372 reported as deferred outflows of resources related to pensions resulting from the Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2016	$	(1,712,517)
2017	$	(1,712,517)
2018	$	(1,712,517)
2019	$	(1,712,519)

Actuarial Assumptions

The total pension liability (TPL) for the year ended June 30, 2014 was determined as part of the July 1, 2013, actuarial valuation using the entry age actuarial cost method and rolled forward to the measurement date of June 30, 2014. Significant actuarial assumptions used in the valuation include:

Actuarial Assumptions

Inflation	3.0%
Salary increases, including inflation	3.0% + merit
Investment rate of return, net of plan investment expenses	7.5%
Projected period of unfunded benefit payments	None
Municipal bond rate	N/A

Mortality rates with adjustments for mortality improvements were based on the RP 2000 Mortality tables projected to 2015 using Scale AA.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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.

Best estimates of arithmetic real rates of return for each major asset class included in the ERS's target asset allocation as of June 30, 2014, are summarized below.

Long Term Expected Rate of Return

Asset Class	Long Term Expected Real Rate of Return
U.S. Equities	4.5%
International Equities	5.1%
Core Fixed Income	2.0%
High Yield	3.2%
Absolute Return	6.0%
Real Estate	5.3%
Commodity	4.5%

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that county contributions will be made according to the county's stated policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Authority's share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Total Pension Liability	$ 203,974,482	$ 178,939,442	$ 158,521,494
Plan Fiduciary Net Position	140,165,209	140,165,122	140,165,209
Net Pension Liability	$ 63,809,273	$ 38,774,320	$ 18,356,285
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.7%	78.3%	88.4%

Pension Plan Fiduciary Net Position

The ERS is considered a part of the county's reporting entity and the ERS's financial statements are included in the county's basic financial statements as a trust fund.

Information concerning the ERS as a whole, including pension plan's fiduciary net position, is available in the county CAFR for the fiscal year ended June 30, 2015. Additionally, the ERS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Employees' Retirement System, 10680 Main Street, Suite 280, Fairfax, Virginia 22030, or by calling (703) 279-8200.

The reports are available on the Fairfax County Government website, select Retirement Administration Agency and Department of Finance for the individual CAFRs.

2. Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and residents, and natural disasters. For all of these risks, the Authority participates in the county's self-insurance program. The Authority is charged "premiums" which are computed based on relevant data coupled with actual loss experience applied on a retrospective basis. There were no claims settlements in excess of insurance coverage in any of the past three fiscal years. Information regarding the county's insurance program is available in the county CAFR for the fiscal year ended June 30, 2015.

3. Other Post-Employment Benefits (OPEB)

The Authority participates in the county's program to subsidize the health and other benefits of certain retirees and certain surviving spouses.

The county follows Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*. This statement establishes standards for measurement, recognition and reporting of post-employment benefits including health care, life insurance, and other non-pension benefits offered to retirees of the county. Historically, the county's subsidy was funded on a pay-as-you-go basis; however, GASB Statement No. 45 requires that the county recognize the cost of its retiree health subsidy and other post-employment benefits during the period of employees' active employment while the benefits are being earned. The unfunded actuarial accrued liability is required to be disclosed in order to accurately account for the total future cost of post-employment benefits and the financial impact on the county. This funding methodology mirrors the funding approach used for pension benefits. The legal authority to establish a trust fund to pre-fund OPEB was provided by the Virginia General Assembly and Governor in March 2007 and the county has accordingly established trust funds to fund the OPEB cost.

<u>Plan Description</u>

The Fairfax County OPEB Trust Fund is a single-employer defined benefit plan administered by Fairfax County. The county provides medical/dental, vision, and life insurance benefits to eligible retirees and their spouses. In order to participate, retirees must have reached the age of 55 or be on disability retirement and must have health benefit coverage in a plan provided by the county. Retirees must have five years of service in order to participate in this program. Beginning in fiscal year 2004, the amount of monthly subsidy provided by the county is based on years of service and ranges from $30 per month to $220 per month. Retirees receiving the subsidy prior to fiscal year 2004 are grandfathered at $100 per month unless their years of service entitle them to receive a higher monthly subsidy.

In addition, the Board of Supervisors has established a program to subsidize the continuation of term life insurance, at reduced coverage amounts, for retirees. Retirees generally pay for 50.0% of their coverage amounts at age-banded premium rates, with the county incurring the balance of the cost. Benefit provisions are established and may be amended by the Board of Supervisors.

Additional information regarding these programs is available in the county CAFR for the fiscal year ended June 30, 2015.

Funding Policy

The contributions to the OPEB Trust Fund are established and may be amended by the Board of Supervisors. The contributions are typically based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits. GASB Statement No. 45 requires recognition of the current expense of OPEB based on each governing body's annual required contribution, but does not require funding of the related liability.

Fairfax County is one of the founding participants in the Virginia Pooled OPEB Trust Fund sponsored by the Virginia Municipal League and the Virginia Association of Counties (VML/VACo). The Virginia Pooled OPEB Trust Fund is established as an investment vehicle for participating employers to accumulate assets to fund OPEB. Plan assets for purposes of GASB Statement No. 45 are usually in the form of stocks, bonds, and other classes of investments, that have been segregated and restricted in a trust, in which (a) contributions to the plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer or plan administrator, for the payment of benefits in accordance with the terms of the plan. Further information, including financial statements, can be obtained by writing to VML/VACo Finance Program, 1108 East Main Street, Richmond, Virginia 23219.

Annual OPEB Cost

The county's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The county's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, the net OPEB asset and the funding progress schedules can be found in the county CAFR for the fiscal year ended June 30, 2015.

The Authority's annual OPEB contribution to the plan for 2015, 2014, and 2013 are as follows:

		2015	2014	2013
Primary Government OPEB Annual Required Contribution	$	30,907,000	30,432,000	38,832,000
Park Annual OPEB Contribution	$	590,977	751,439	742,137
Percentage of annual OPEB cost contributed		1.91%	2.47%	1.91%

4. On-behalf Payments

On-behalf payments for salaries and fringe benefits are direct payments made by one entity (the county) to a third-party recipient for the employees of another, legally separate entity (the Authority). On-behalf payments include salaries, pension plan contributions, employee health and life insurance premiums, and salary supplements. The county expended $26,171,724 in on-behalf payments for the Authority for fiscal year 2015. This amount consisted of $17,129,214 in salaries; $3,359,002 in health, life, catastrophic loss and unemployment insurance premiums; $1,165,034 in Federal Insurance Contributions Act (FICA); $3,020,262 in pension plan contributions; and $1,498,213 in liability insurance premium payments. The Authority is not required to reimburse the county for these payments, therefore, the Authority recognized revenues and expenditures for the amounts paid on behalf of the Authority by the County General Fund for fiscal year 2015.

5. Related Parties

The Park Foundation (the Foundation) is related to the Authority through common support. For fiscal year 2015, the Authority made in-kind donations of salaries and benefits, rent and office expense to the Foundation totaling $359,112. The Foundation's fundraising efforts are directed towards granting funding to support the parks and open spaces under the management of the Authority. For fiscal year 2015, the Foundation made payments totaling $681,808 to the Authority. The Foundation does not meet the criteria in Governmental Accounting Standards Board (GASB) Statement No. 39 to be stated as a component unit of the Authority for fiscal year 2015.

During fiscal year 2015, the Authority purchased, in the ordinary course of business, services from the county under a Memorandum of Understanding. These included office services, transportation, and communications. Also, a county-owned building serves as the Authority's administrative headquarters. No rent is charged to the Authority by the county.

6. Significant Changes in CAFR Presentation

The Park Authority Board approved these financial initiatives at its July 9, 2014 Board Meeting.

<u>Fund, Reserve and Project Name Changes</u>

- Renamed Park Revenue Fund to Park Revenue and Operating Fund, to provide clarity that it is an annually appropriated operating fund.

- Renamed Park Capital Improvement Fund to Park Improvement Fund, to avoid confusion with the Park Capital Improvement Plan and items typically funded by bond dollars.

- Renamed the existing Managed Reserve to the Revenue & Operating Fund Stabilization Reserve (ROFSR) in the Authority's Park Revenue and Operating Fund.

- Renamed the existing Facilities and Services Reserve to Revenue Facilities Capital Sinking Fund (RFCSF).

Reserve and Project Structure and Definition

- The Revenue and Operating Fund Stabilization Reserve (ROFSR) will be used similarly to the county's General Fund Stabilization Reserve to support the Park Revenue and Operating Fund's operations, ensuring fiscal stability by reserving a set balance of 5% of budgeted expenses with use of up to 50% of the balance in a given year. Approval of use will be made by the Park Authority Board.

- The Revenue Facilities Capital Sinking Fund (RFCSF) will align with the goals and objectives set forth by the county and provide partial funding to address revenue facility planned long-term life cycle needs. Prioritized projects will be driven by the results of the Needs Assessment and approved by the Park Authority Board.

- Eliminated the existing Park Contingency Project in the Park Improvement Fund and established a specific Grants Match Project with a committed $250,000 set balance for use as matching grant dollars.

- Established a specific Catastrophic Events Project, with a committed $250,000 set balance to draw upon when there are unplanned natural events or disasters and/or when funding may be returned through Risk Management or FEMA. Approval for use will be required by the Park Authority Board.

- Established an Emergency Project in the Park Improvement Fund, with an initial $500,000 balance, for use at the Director's discretion for unplanned and emergency repairs not supported by the annual operating budget.

7. Negative Fund Balance of Park Authority Bond Construction Fund:

The negative fund balance of the Park Authority Bond Construction Fund is due to unanticipated progress on the Fairfax County Public School's (FCPS) synthetic turf project. Three fund transfers were made to FCPS near year end totaling $2,296,763 which resulted in a temporary negative fund balance.

The negative fund balance will be adjusted by unissued bonds to be sold during FY 2016. Details are available in the Authority's carryover budget package for fiscal year 2015.

I. Implemented and New Accounting Pronouncements:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions.*

In fiscal year 2015, the Authority implemented the new pronouncement GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27 and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Statement No. 68 establishes the standards for accounting and reporting regarding employee pension plans including the recognition and measurement of liabilities, deferred inflows and outflows, expenses/expenditures. Statement No. 71 specifies the treatment of contributions made subsequent to the liability measurement date in the year of implementation. As a result of the change in accounting requirements, the fiscal year 2014 balances presented in this report differ from the items presented in the fiscal year 2014 financial statements, which are adjusted as follows:

	2014 Statement of Net Position	Establishing Net Pension Liability	2014 Restated Balances
Deferred Outflow related to pensions	$ -	$ 4,824,145	$ 4,824,145
Net Pension Liability	-	46,747,668	46,747,668
Net Position	597,929,377	(41,923,523)	556,005,854

Required Supplementary Information

The Required Supplementary Information subsection is presented to supplement the basic statements of the Authority. It includes the budgetary comparison schedules for the Authority's General Fund (Financed from County General Fund) and Park Revenue and Operating Fund. Also included are the notes to the required supplementary information.

Fairfax County Park Authority **RSI - 1**
A Component Unit of the County of Fairfax, Virginia
Budgetary Comparison Schedule - General Fund (Financed from County General Fund) (Budget Basis)
For the Fiscal Year June 30, 2015 *(Unaudited)*

	Budgeted Amounts		Actual Amounts	Final Budget
	Original	Final	(Budget Basis)	Positive (Negative)
REVENUES				
Charges for services	$ 1,467,166	1,314,874	1,013,164	(301,710)
Intergovernmental	22,057,120	22,228,196	22,072,487	(155,709)
Total revenues	23,524,286	23,543,070	23,085,651	(457,419)
EXPENDITURES				
Administration	5,523,921	6,388,921	6,138,446	250,475
Maintenance	9,125,184	8,423,968	8,161,271	262,697
Other leisure services	4,220,523	4,220,523	3,947,709	272,814
Cultural enrichment	4,654,658	4,509,658	4,838,225	(328,567)
Total expenditures	$ 23,524,286	23,543,070	23,085,651	457,419
Net change in fund balance	-	-	-	-

See accompanying notes to the required supplementary information

Fairfax County Park Authority **RSI - 2**
A Component Unit of the County of Fairfax, Virginia
Budgetary Comparison Schedule - Park Revenue and Operating Fund
For the Fiscal Year June 30, 2015 *(Unaudited)*

	Budgeted Amounts			Variance from
	Original	Final	Actual Amounts (Budget Basis)	Final Budget Positive (Negative)
REVENUES				
Charges for services	$ 42,964,347	$ 42,964,347	41,333,916	(1,630,431)
Revenue from the use of money and property	2,520,680	2,520,680	2,351,301	(169,379)
Gifts and donations	621,337	621,337	746,244	124,907
Other	178,691	178,691	247,235	68,544
Total revenues	46,285,055	46,285,055	44,678,696	(1,606,359)
EXPENDITURES				
Administration	2,840,094	2,840,094	2,632,548	207,546
Golf Courses	9,807,457	9,807,457	9,304,374	503,083
Recreation centers	29,361,807	29,361,807	29,194,631	167,176
Cultural enrichment	2,176,316	2,176,316	2,276,711	(100,395)
Laurel Hill debt	770,349	770,349	770,349	-
Total expenditures	44,956,023	44,956,023	44,178,613	777,410
Excess (deficiency) of revenues over (under) expenditures	1,329,032	1,329,032	500,083	(828,949)
Net change in fund balance	$ 1,329,032	1,329,032	500,083	(828,949)

See accompanying notes to the required supplementary information

Fairfax County Park Authority **RSI - 3**
A Component Unit of the County of Fairfax, Virginia
Schedule of Proportionate Share of the Net Pension Liability
ERS Pension Plan - Last 10 Fiscal Years*
For the Fiscal Year June 30, 2015 *(Unaudited)*

		2015
FCPA's proportion of the net pension liability		3.7218%
FCPA's proportion share of the net pension liability	$	38,774,320
FCPA's covered-employee payroll	$	24,995,514
FCPA'S proportionate share of the net pension liability as a percentage of its covered-employee payroll		155.13%
Plan fiduciary net position as a percentage of the total pension liability		78.3%

*The schedule is intended to show information for 10 years. 2015 is the first year implemented, additional years will be displayed as they become available. The amounts presented for each fiscal year were determined as of 6/30, year shown is Fiscal Year of presentation.

Fairfax County Park Authority **RSI - 4**
A Component Unit of the County of Fairfax, Virginia
Schedule of Contributions
ERS Pension Plan - Last 10 Fiscal Years*
For the Fiscal Year June 30, 2015 *(Unaudited)*

	Actuarial Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Authority's Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 4,824,145	4,824,145	-	24,995,514	19.30%

*The schedule is intended to show information for 10 years. 2015 is the first year implemented, additional years will be displayed as they become available.

Fairfax County Park Authority
A Component Unit of the County of Fairfax, Virginia
Notes to the Required Supplementary Information *(unaudited)*
For the Fiscal Year Ended June 30, 2015

Budget Data

The Authority's budgets are formulated using the following procedures:

The Authority submits to the County Board of Supervisors proposed operating and capital budgets that have been approved by the Authority's Board for the forth-coming fiscal year.

The budgets are legally enacted through passage of an ordinance by the County Board of Supervisors, as part of the county's budget adoption process. The legal level of budgetary control is exercised at the fund level, and the administrative controls are exercised at the cost categories level.

The budget for any fund or project can be increased or decreased by formal Board of Supervisors action (budget and appropriation resolution). According to the *Code of Virginia* any budget amendment which involves a dollar amount exceeding one percent of total expenditures from that which was originally approved may not be enacted without the county first advertising the amendment and without conducting a public hearing. The advertisement must be published at least once in a newspaper with general county circulation at least 7 days to the public hearing. Any amendment greater than one percent of expenditures requires that the Board of Supervisors advertise a synopsis of the proposed changes.

Annual operating budgets are adopted for all appropriated governmental funds, except for the capital projects funds in which budgetary control is achieved on a project-by-project basis. The budgets are on a basis consistent with U.S. generally accepted accounting principles (GAAP) for all governmental funds with the following exceptions:

- ♦ Certain offsetting on-behalf payments made by the County General Fund are excluded from revenues and expenditures for budgetary purposes in the Financed from County General Fund.

- ♦ Debt service and capital outlays in the Financed from County General Fund and Park Revenue and Operating Fund are budgeted as functional expenditures.

All unexpended appropriations lapse at the end of the fiscal year unless the Board of Supervisors approves carrying it forward to the next fiscal year.

The Lake Parks function is budgeted with the Maintenance function in the Financed from County General Fund and in the Recreation Centers function in the Park Revenue and Operating Fund.

The schedule below reconciles the amounts on the Budgetary Comparison Schedule - General Fund (Financed from the County General Fund) to the amounts on the Statement of Revenues, Expenditures and Changes in Fund Balances.

	General Fund (Financed from County General Fund)	Park Revenue and Operating Fund
Actual Revenue (Budget Basis)	$ 23,085,651	44,678,696
Perspective differences:		
Certain on-behalf payments made by County are not budgeted, as they are an expenditure of the County, but must be recorded as a revenue and expenditure by the Authority under U.S. GAAP	9,042,510	-
Actual Revenue (U.S. GAAP Basis)	32,128,161	44,678,696
Actual Expenditure (Budget Basis)	23,085,651	44,178,613
Perspective differences:		
Certain on-behalf payments made by County are not budgeted, as they are an expenditure of the County, but must be recorded as a revenue and expenditure by the Authority under U.S. GAAP	9,042,510	-
Actual Expenditure (U.S. GAAP Basis)	$ 32,128,161	44,178,613

Statistical Section

The Statistical Section provides information on financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information. This historical view will assist in understanding and assessing the Authority's financial and economic conditions.

LIST OF TABLES

The Statistical Section presents detailed information to enhance the understanding of the Authority's overall financial health. Ten years of data is shown for all tables *(unaudited).*

Financial Trends

These schedules contain comparisons of financial statement information to assess the financial performance of the Authority since the implementation of Governmental Accounting Standards Board Statement Number 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, in fiscal year 2002.

Revenue Capacity

This schedule represents the Authority's primary own-source revenue.

Debt Capacity

This schedule provides information on the type of debt as well as outstanding debt ratios.

Demographic and Economic Information

These schedules provided additional insight into the environment in which the Authority operates.

Operating Information

These schedules are specific to the Authority and provide additional information about its operations.

Fairfax County Park Authority
Table 1 – Net Position by Component
Fiscal Years 2006 to 2015 *(Unaudited)*
(accrual basis of accounting)

	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental activities					
Net investment in capital assets	$ 430,404,264	464,350,705	489,764,149	502,460,903	516,804,325
Restricted	12,045,269	978,340	19,219,940	15,954,951	9,381,937
Unrestricted (deficit)	10,734,752	527,431	18,662,435	20,820,763	31,656,512
Total governmental activities net position	$ 453,184,285	465,856,476	527,646,524	539,236,617	557,842,774

Source: Fairfax County Park Authority, Financial Management Branch

* Fiscal year 2014 total net position has been revised due to the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions*

Fiscal Year					
2011	2012	2013	2014	2015	
					Governmental activities
536,126,640	549,502,057	556,761,316	573,420,490	594,047,486	Net investment in capital assets
5,952,792	8,763,485	9,615,008	14,282,422	11,577,600	Restricted
21,079,786	21,692,892	26,965,438	(31,697,058)	(34,801,619)	Unrestricted (deficit)
563,159,218	579,958,434	593,341,762	556,005,854 *	570,823,467	Total governmental activities net position

Fairfax County Park Authority
Table 2 – Changes in Net Position
Fiscal Years 2006 to 2015 *(Unaudited)*
(accrual basis of accounting)

	Fiscal Year				
	2006	2007	2008	2009	2010
Expenses					
Governmental activities:					
Administration	$ 11,211,933	11,414,098	11,482,214	9,803,152	19,314,041
Maintenance	18,138,320	21,758,038	20,623,520	20,206,716	19,708,858
Golf courses	9,107,594	9,650,140	10,374,460	9,975,192	9,975,330
Recreation centers	21,915,161	22,827,112	24,168,081	25,407,033	25,355,723
Lake parks	4,660,063	5,039,904	5,133,721	5,917,656	5,710,227
Other leisure services	3,911,204	3,953,144	4,770,382	5,947,812	5,555,311
Cultural enrichment	7,635,598	8,211,081	8,703,530	8,681,949	8,314,760
Interest on long-term debt	1,264,380	1,245,703	1,223,710	1,199,491	1,172,693
Total governmental activities expenses	77,844,253	84,099,220	86,479,618	87,139,001	95,106,943
Program Revenues [1)]					
Governmental activities:					
Charges for services					
Administration	929,850	974,363	970,548	1,124,180	1,196,644
Golf courses	9,741,161	10,570,312	11,145,594	10,278,410	10,115,276
Recreation centers	18,436,374	20,022,204	21,070,108	21,836,617	22,529,812
Lake parks	2,509,462	2,731,405	2,670,412	2,778,658	2,919,675
Other leisure services	2,459,922	2,277,754	2,312,751	2,217,356	1,849,597
Cultural enrichment	1,339,687	1,488,450	1,746,385	1,803,191	1,831,330
Capital grants and contributions	18,174,241	3,758,445	23,060,953	19,790,204	27,036,755
Total revenues	53,590,697	41,822,933	62,976,751	59,828,616	67,479,089
Net (expense)/revenue - governmental activities	(24,253,556)	(42,276,287)	(23,502,867)	(27,310,385)	(27,627,854)
General revenues and other changes in net position					
Governmental activities:					
Intergovernmental	49,909,598	50,645,885	70,820,769	36,617,597	34,595,632
Investment earnings	877,972	1,197,458	1,326,509	553,207	244,589
Operating grants not restricted to specific programs	252,779	295,228	449,743	305,698	774,041
Capital contributions not restricted to specific programs	6,792,136	2,809,907	12,695,894	1,423,976	10,619,749
Total governmental general revenues and other changes	57,832,485	54,948,478	85,292,915	38,900,478	46,234,011
Change in net position					
Change in net position - governmental activities	33,578,929	12,672,191	61,790,048	11,590,093	18,606,157
Change in accounting principle [2)]	-	-	-	-	-
Total change in net position [3]	$ 33,578,929	12,672,191	61,790,048	11,590,093	18,606,157

Source: Fairfax County Park Authority, Financial Management Branch

Notes:
1) Beginning in fiscal year 2009, bond proceeds are reclassified from Intergovernmental to Program Revenue.
2) Developer contributions are recognized as revenue rather than deferred revenue.
3) Change in net position - governmental activities, adjusted for change in accounting principle.

Fiscal Year 2011	2012	2013	2014	2015	
					Expenses
					Governmental activities:
10,640,173	17,143,757	15,052,999	17,362,236	17,414,644	Administration
20,216,277	18,097,262	20,574,333	24,084,272	20,851,415	Maintenance
10,275,083	9,108,477	9,421,670	9,405,205	9,418,648	Golf courses
26,077,168	26,373,145	23,404,559	25,327,192	25,629,281	Recreation centers
5,897,252	2,731,407	4,032,800	3,984,548	4,389,120	Lake parks
5,272,258	4,899,174	6,255,821	7,347,617	16,687,299	Other leisure services
8,901,308	9,192,733	10,181,094	10,764,788	7,015,854	Cultural enrichment
1,149,364	1,063,810	873,935	659,215	617,618	Interest on long-term debt
88,428,883	88,609,765	89,797,211	98,935,073	102,023,879	**Total governmental activities expenses**
					Program Revenues [1)]
					Governmental activities:
					Charges for services
1,161,779	1,117,465	1,104,938	1,204,404	1,496,663	Administration
9,663,300	10,321,192	9,915,912	9,755,040	9,609,835	Golf courses
23,642,808	25,170,664	26,023,313	25,831,086	26,948,141	Recreation centers
2,787,336	2,799,689	2,586,099	2,798,220	2,945,257	Lake parks
1,733,561	1,671,093	1,467,166	1,314,874	1,013,164	Other leisure services
2,004,871	2,244,886	2,380,278	2,598,193	2,741,743	Cultural enrichment
13,182,612	13,811,586	13,504,787	14,151,467	19,911,841	Capital grants and contributions
54,176,267	57,136,575	56,982,493	57,653,284	64,666,644	**Total revenues**
(34,252,616)	(31,473,190)	(32,814,718)	(41,281,789)	(37,357,235)	**Net (expense)/revenue - governmental activities**
					General revenues and other changes in net position
					Governmental activities:
36,385,759	41,388,498	39,498,643	40,881,155	42,714,813	Intergovernmental
170,585	105,060	119,592	30,515	30,194	Investment earnings
500,040	593,169	720,682	678,644	746,244	Operating grants not restricted to specific programs
2,512,676	6,185,679	5,859,129	4,279,090	8,683,597	Capital contributions not restricted to specific programs
39,569,060	48,272,406	46,198,046	45,869,404	52,174,848	**Total governmental general revenues and other changes**
					Change in net position
5,316,444	16,799,216	13,383,328	4,587,615	14,817,613	Change in net position - governmental activities
-	-	-	-	-	Change in accounting principle [2)]
5,316,444	16,799,216	13,383,328	4,587,615	14,817,613	**Total change in net position [3)]**

Fairfax County Park Authority
Table 3 – Fund Balances, Governmental Funds
Fiscal Years 2006 to 2015 *(Unaudited)*
(modified accrual basis of accounting)

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Reserved	$ 248,620	431,780	344,650	472,434	425,498
Unreserved	(248,620)	(431,780)	(344,650)	(472,434)	(425,498)
Total General Fund*	-	-	-	-	-
All Other Governmental Funds					
Reserved	13,934,639	11,643,276	13,648,497	9,983,561	10,381,385
Unreserved, reported in:					
Revenue fund	(12,577)	1,254,818	1,527,514	2,539,977	3,913,936
Capital projects funds	14,866,903	(4,756,425)	28,803,445	28,932,752	31,492,071
Total unreserved	14,854,326	(3,501,607)	30,330,959	31,472,729	35,406,007
Restricted, reported in:					
Revenue fund	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Committed, reported in:					
Revenue fund	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Assigned, reported in					
Revenue fund	-	-	-	-	-
Unassigned reported in					
Capital projects funds	-	-	-	-	-
Total All Other Governmental Funds	$ 28,788,965	8,141,669	43,979,456	41,456,290	45,787,392

Source: Fairfax County Park Authority, Financial Management Branch

Notes:

* The Authority's General Fund is financed through the County of Fairfax's General Fund and therefore has no fund balance of its own other than that arising from encumbrances existing at year end.

** Fiscal year 2011 fund balance classifications have been revised due to the implementation of the Governmental Accounting Standard No.54, Fund Balance Reporting and Governmental Fund Type Definitions

Fiscal Year					
2011**	2012	2013	2014	2015	
					General Fund
-	-	-	-	-	Reserved
-	-	-	-	-	Unreserved
-	-	-	-	-	Total General Fund*
					All Other Governmental Funds
-	-	-	-	-	Reserved
					Unreserved, reported in:
-	-	-	-	-	Revenue fund
-	-	-	-	-	Capital projects funds
-	-	-	-	-	Total unreserved
					Restricted, reported in:
1,944,916	1,972,833	61,115	-	-	Revenue fund
14,163,670	17,367,971	21,862,061	13,481,359	11,269,952	Capital projects funds
					Committed, reported in:
-	3,204,470	3,264,773	3,812,237	3,902,340	Revenue fund
14,079,770	12,096,172	13,912,719	12,035,451	8,981,293	Capital projects funds
					Assigned, reported in:
3,227,970	2,508,083	2,155,022	302,936	712,916	Revenue fund
					Unassigned reported in
-	-	-	-	(2,800,759)	Capital projects funds
33,416,326	37,149,529	41,255,690	29,631,983	22,065,742	Total All Other Governmental Funds

Fairfax County Park Authority
Table 4 – Changes in Fund Balances, Governmental Funds
Fiscal Years 2006 to 2015 *(Unaudited)*
(modified accrual basis of accounting)

	Fiscal Year				
	2006	2007	2008	2009	2010
Revenues					
Intergovernmental	$ 50,514,710	53,073,848	92,858,040	54,283,968	46,768,880
Charges for services	32,821,560	35,310,324	37,191,830	37,495,388	37,895,041
Revenue from the use of money and property	3,740,902	6,058,235	4,720,392	4,138,535	13,368,009
Gifts, donations, and contributions	2,798,695	1,524,948	3,300,870	1,816,401	902,634
Other	227,946	387,613	540,469	399,241	187,972
Total revenues	90,103,813	96,354,968	138,611,601	98,133,533	99,122,536
Expenditures					
Administration	10,191,093	11,175,200	11,447,592	9,485,448	9,048,363
Maintenance	16,274,370	19,859,760	18,845,826	18,315,522	17,649,492
Golf courses	8,140,515	8,768,528	9,227,839	8,743,520	8,684,674
Recreation centers	19,066,139	19,884,029	21,345,702	22,557,675	22,362,952
Lake parks	4,366,191	4,712,584	4,842,784	5,434,110	5,037,360
Other leisure services	3,197,775	2,865,793	3,542,622	3,983,664	3,247,056
Cultural enrichment	7,375,336	7,946,946	8,119,749	8,071,343	7,594,822
Intergovernmental expenditures	779,250	-	-	-	-
Capital outlay	30,802,096	39,958,236	23,566,657	22,213,709	19,290,945
Debt service					
Principal	570,000	660,000	685,000	725,000	775,000
Interest and other charges	1,189,383	1,171,188	1,150,043	1,126,708	1,100,770
Total expenditures	101,952,148	117,002,264	102,773,814	100,656,699	94,791,434
Excess of revenues over (under) expenditures	(11,848,335)	(20,647,296)	35,837,787	(2,523,166)	4,331,102
Other financing sources (uses)					
Revenue notes issued	-	-	-	-	-
Retirement of revenue notes	-	-	-	-	-
Loan/note proceeds	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Premium on refunding revenue bonds	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Transfers in	210,000	-	800,000	-	160,000
Transfers out	(210,000)	-	(800,000)	-	(160,000)
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(11,848,335)	(20,647,296)	35,837,787	(2,523,166)	4,331,102
Change in accounting principle	-	-	-	-	-
Net change in fund balances - adjusted for change in accounting principle	$ (11,848,335)	(20,647,296)	35,837,787	(2,523,166)	4,331,102
Debt service as a percentage of noncapital expenditures	2.47%	2.38%	2.32%	2.36%	2.48%

Source: Fairfax County Park Authority, Financial Management Branch

Notes:

1) FY 2005 excludes the $15,029,231 Hunter Tract note repayment made with County funds.

Fiscal Year 2011	2012	2013	2014	2015	
					Revenues
47,589,052	54,765,904	52,498,642	54,039,922	62,085,627	Intergovernmental
38,540,752	40,915,997	41,207,304	41,056,459	42,347,540	Charges for services
3,549,584	3,766,395	4,802,604	3,238,489	3,232,850	Revenue from the use of money and property
2,384,049	1,717,321	3,057,876	1,974,296	1,439,712	Gifts, donations, and contributions
195,998	209,216	543,170	252,711	247,235	Other
92,259,435	101,374,833	102,109,596	100,561,877	109,352,964	**Total revenues**
					Expenditures
9,600,475	10,178,562	8,298,840	8,751,358	9,797,277	Administration
18,218,165	18,193,672	19,121,612	20,740,313	18,004,301	Maintenance
9,083,552	8,836,994	9,324,522	9,170,210	9,226,050	Golf courses
23,275,013	24,954,829	23,130,248	24,570,799	24,896,636	Recreation centers
5,231,393	2,269,336	3,307,668	3,288,472	3,687,413	Lake parks
2,526,452	4,652,938	6,682,515	6,142,834	6,540,166	Other leisure services
8,230,365	8,550,171	8,603,837	9,541,711	9,685,703	Cultural enrichment
-	-	-	2,060,000	7,216,692	Intergovernmental expenditures
26,572,982	16,578,119	15,957,766	26,996,547	26,285,077	Capital outlay
					Debt service
820,000	2,652,800	935,000	243,700	898,100	Principal
1,072,104	774,209	967,217	679,640	681,790	Interest and other charges
104,630,501	97,641,630	96,329,225	112,185,584	116,919,205	**Total expenditures**
(12,371,066)	3,733,203	5,780,371	(11,623,707)	(7,566,241)	**Excess of revenues over (under) expenditures**
					Other financing sources (uses)
-	-	-	-	-	Revenue notes issued
-	-	-	-	-	Retirement of revenue notes
-	-	-	-	-	Loan/note proceeds
-	-	4,800,000	-	-	Refunding bonds issued
-	-	701,735	-	-	Premium on refunding revenue bonds
-	-	(7,175,945)	-	-	Payments to escrow agent
800,000	-	1,849,882	1,500,000	-	Transfers in
(800,000)	-	(1,849,882)	(1,500,000)	-	Transfers out
-	-	(1,674,210)	-	-	**Total other financing sources (uses)**
(12,371,066)	3,733,203	4,106,161	(11,623,707)	(7,566,241)	Net change in fund balances
-	-	-	-	-	Change in accounting principle
(12,371,066)	3,733,203	4,106,161	(11,623,707)	(7,566,241)	Net change in fund balances - adjusted for change in accounting principle
2.42%	4.23%	2.37%	1.08%	1.74%	Debt service as a percentage of noncapital expenditures

Fairfax County Park Authority
Table 5 - User Fee Revenue by Source, Park Revenue & Operating Fund
Fiscal Years 2006 to 2015 *(Unaudited)*
(modified accrual basis of accounting)

Fiscal Year	Admissions	Classes/Lessons	Golf Fees	Sales	Rentals	Total
2006	11,305,323	11,902,575	6,921,119	1,512,002	1,172,445	32,813,464
2007	11,756,973	13,190,327	7,621,269	1,633,530	1,173,774	35,375,873
2008	12,776,087	13,910,878	7,954,964	1,789,830	3,480,006	39,911,765
2009	12,985,816	14,139,145	7,248,308	1,763,024	3,449,932	39,586,225
2010	13,400,561	14,239,873	7,078,965	1,683,163	3,611,887	40,014,449
2011	13,625,076	15,099,789	6,639,157	1,687,540	3,552,361	40,603,923
2012	14,177,947	16,457,496	6,964,454	1,690,986	3,896,499	43,187,382
2013	14,207,886	17,246,671	6,529,863	1,638,286	3,817,056	43,439,762
2014	14,019,745	17,401,421	6,351,098	1,545,384	4,065,640	43,383,288
2015	14,395,771	18,519,606	6,106,081	1,509,667	3,667,820	44,198,945

Source: Fairfax County Park Authority, Financial Management Branch

Fairfax County Park Authority
Table 6 - Outstanding Debt by Type
Fiscal Years 2006 to 2015

Fiscal Year End	Revenue Bonds(1)	Notes Payable County/EDA(1)	Total	Percentage of Personal Income (2)	Debt Per Capita (2)
2006	11,575,000	15,530,000	27,105,000	0.04	26
2007	10,990,000	15,455,000	26,445,000	0.04	25
2008	10,385,000	15,375,000	25,760,000	0.04	25
2009	9,760,000	15,275,000	25,035,000	0.03	24
2010	9,110,000	15,150,000	24,260,000	0.03	23
2011	8,440,000	15,000,000	23,440,000	0.03	22
2012	7,305,315	13,042,200	20,347,515	0.03	18
2013	5,501,735	12,832,200	18,333,935	0.02	16
2014	5,371,480	12,588,500	17,959,980	0.02	16
2015	4,618,033	12,305,400	16,923,433	0.02	15

Source: Fairfax County Park Authority, Financial Management Branch

Notes:

(1) Details of the Authority's outstanding debt are located in the notes to the financial statements

(2) Per capita personal income for Fairfax County was used to calculate Percentage of Personal Income ratio and the Population of Fairfax County was used to calculate Debt Per Capita ratio. See Table 7.

The Estimated Population and Per Capita Personal Income numbers for 2000-2007 were revised based on actual data versus an estimation from the prior year. The 2014 numbers were calculated based on the 2013 population and income data in Table 7.

Fairfax County Park Authority
Table 7 - Demographic and Economic Statistics
Fiscal Years 2005 to 2014 *(Unaudited)*

Calendar Year	Estimated Population(1)	Personal Income (2) (000s)	Per Capita Personal Income(2)	Median Age(3)	Bachelor's or Higher Degree and 25 Years of Age or Older % (3)	School Enrollment(4)	Unemployment Rates % (5)
2005	1,033,646	63,917,568	61,837	38.1	58.5	164,408	2.5
2006	1,037,311	67,111,947	64,698	38.4	58.7	164,284	2.2
2007	1,041,507	70,500,650	67,691	39.1	59.0	164,486	2.2
2008	1,050,315	74,385,409	70,822	39.4	58.5	166,307	3.4
2009	1,074,227	77,325,008	71,982	37.3	58.1	169,538	5.2
2010	1,081,726	72,577,324	67,094	37.5	56.1	172,391	4.9
2011	1,100,692	71,145,429	64,637	37.6	58.0	174,933	4.2
2012	1,118,602	77,012,392	68,647	37.6	59.3	177,918	4.3
2013	1,130,924	80,982,075	71,607	37.3	58.2	181,259	3.7
2014	1,137,538	81,620,627	71,752	37.6	58.6	183,895	3.5

Notes:

(1) Population data includes the Cities of Fairfax and Falls Church and is obtained from U.S. Census Bureau's American Fact Finder.

(2) Personal income data is obtained from the Bureau of Economic Analysis, U.S. Department of Commerce and includes the Cities of Fairfax and Falls Church. Data for only Fairfax County is not available, however, it is believed that the inclusion of these Cities does not significantly affect the County's data. Fairfax County data for 2013 is estimated using percent change in per capita personal income from 2011 to 2012.

(3) Median age and educational attainment information are obtained from the U.S. Census Bureau's American Community Survey.

(4) Public school enrollment is obtained from Fairfax County Public Schools.

(5) Unemployment rates are obtained from the Virginia Employment Commission, Annual Unemployment Statistics for the calendar year, not seasonally adjusted. The previously reported estimated figures for the most recent prior year have been updated to reflect the final reported figures from the Commission.

County of Fairfax, Virginia
Table 8 - Principal Employers
Current Year and Nine Years Ago

Fiscal Year 2015 (1)				Fiscal Year 2006 (1)			
Rank	Employer	Number of Employees (2)	Pct. of Total County Employment	Rank	Employer	Number of Employees (2)	Pct. of Total County Employment (3)
1	Fairfax County Public Schools	24,181	3.81 %	1	Fairfax County Public Schools	22,562	3.95 %
2	Federal Government	23,634	3.73	2	Federal Government	12,517	2.19
3	Fairfax County Government	12,326	1.94	3	Fairfax County Government	10,999	1.92
4	Inova Health System	7,000-10,000	1.34	4	Inova Health System	10,000-11,000	1.84
5	George Mason University	5,000-10,000	1.18	5	Booz-Allen Hamilton	8,000-9,000	1.49
6	Booz-Allen Hamilton	4,000-6,999	0.87	6	Northrup Grumman	8,000-9,000	1.49
7	Federal Home Loan Mortgage	4,000-6,999	0.87	7	Science Applications International Corporation	6,000-7,000	1.14
8	General Dynamics	4,000-6,999	0.87	8	Sprint Nextel	5,000-6,000	0.96
9	Science Applications International Corporation (4)	4,000-6,999	0.87	9	Lockheed Martin	5,000-6,000	0.96
10	Northrup Grumman	1,000-3,999	0.39	10	Federal Home Loan Mortgage	4,000-5,000	0.79
Totals			15.87 %				16.73 %

Source: Fairfax County Economic Development Authority (using Virginia Employment Commission data), Fairfax County Public Schools, Fairfax County Department of Management and Budget

Notes:

(1) Employment information for fiscal year 2015, excluding data for Fairfax County Government and Fairfax County Public Schools, is from the 1st quarter of calendar year 2015 VEC. Employment information for fiscal year 2006 is from 2006 CAFR.

(2) Employment estimates for separate facilities of the same firm have been combined to create company totals. Employment ranges for the private sector are given to ensure confidentiality.

(3) Percentages are based on the midpoint of the employment range. Average total County employment for fiscal year 20145 is estimated at 634,272, based on Business Vital Statistics of the Fairfax Economic Development Authority. Average total County employment for fiscal year 2006 was estimated at 571,401.

(4) Science Applications International Corporation employment reported prior to the September 2013 split into two independent companies (SAIC and Leidos).

Fairfax County Park Authority
Table 9 - Full-Time Equivalent Employees, by Division
Fiscal Years 2006 to 2015 *(Unaudited)*

Year	Administration	Management	Operations	Services	Development	Total
2006	58	96	183	244	33	614
2007	63	95	183	240	34	615
2008	64	97	183	240	34	618
2009	62	98	184	244	32	620
2010	62	88	175	244	31	600
2011	60	103	168	240	34	605
2012	61	102	167	241	34	605
2013	59	101	163	240	35	598
2014	60	102	166	238	34	600
2015	58	100	163	240	34	595

Source: Fairfax County Department of Management and Budget.

Fairfax County Park Authority
Table 10 - Park Amenities
Fiscal Years 2006 to 2015

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Parks, Recreation and Cultural										
Park Acreage	23,677	23,977	24,149	22,600*	22,524**	22,894	23,196	23,265	23,310	23,346
Parks, Recreation and Cultural	415	417	421	417	415	418	420	421	425	426
Athletic Fields	288	288	289	289	284	273	274	272	275	268
Aquatic & Fitness Center	9	9	9	9	9	9	9	9	9	9
Dog Parks	7	7	7	7	7	7	8	8	8	8
Historic Sites	64	64	64	67	67	68	68	68	68	68
Hiking & Fitness Trails (in miles)	292	297	299	312	314	317	320	320	324	324
Indoor Gymnasiums	2	2	2	2	2	2	2	2	2	3
Indoor Ice Rinks	1	1	1	1	1	1	1	1	1	1
Marinas	3	3	3	3	3	3	3	3	3	3
Miniature Golf Course	5	5	5	5	5	5	5	5	4	4
Multi-Use Courts	132	132	132	132	132	132	132	124	124	124
Nature Areas	7	7	7	7	7	7	7	7	7	7
Outdoor Swimming Pools	1	1	1	1	1	1	1	1	1	1
Outdoor Volleyball Courts	13	13	13	13	13	13	16	17	17	17
Picnic Shelters	31	31	31	31	38	40	40	41	41	54
Playgrounds	194	194	201	201	201	204	205	205	205	210
Regulation Golf Courses	8	9	9	9	9	9	9	9	9	9
BMX/Skateparks	1	1	1	1	1	1	1	2	2	2
Tennis & Raquetball Courts	229	229	229	229	229	229	227	252	252	254
Waterparks	1	1	1	1	1	1	1	2	2	2

Source: Fairfax County Park Authority, Financial Management Branch

Notes:

* Total acreage was reduced in FY 2009 to reconcile to the Grantor's Index/Parks to Parcels.
** Reduction is due to Outsale of Vulcan (115 acres). Partially offset with the acquisition of 39 Acres for a net reduction of 76 Acres.

Fairfax County Park Authority
Table 11 - Additional Facts
Fiscal Years 2006 to 2015 *(Unaudited)*

Fiscal Year	Acres of Park Land Acquired, Dedicated, Transferred or Proffered During the Year	Cumulative Acres of Park Land Acquired, Dedicated, or Proffered	Recreation Center Attendance	Golf Course Rounds	Visits to Natural, Cultural, Historic, and Interpretive Sites	Maintainable Linear Feet of Trail	Number of Park Athletic Fields Maintained
2006	160	23,677	1,775,980	319,595	574,127	1,114,182	289
2007	300	23,977	1,773,319	318,117	526,975	1,568,160	285
2008	172	24,149	1,778,914	322,175	566,815	1,578,720	289
2009	114	22,600*	1,847,391	298,631	606,411	1,647,360	289
2010	(76) **	22,524	1,868,390	289,384	616,441	1,657,920	284
2011	370	22,894	1,988,830	281,930	723,351	1,673,971	273
2012	302	23,196	2,006,294	294,828	881,510	1,690,128	274
2013	69	23,265	1,919,684	276,759	791,038	1,691,342	272
2014	45	23,310	1,796,905	268,151	1,324,432	1,710,192	272
2015	36	23,346	1,817,882	259,313	1,601,690	1,711,829	268

Source: Fairfax County Park Authority, Financial Management Branch

Notes:

*Total acreage was reduced in FY 2009 to reconcile to the Grantor's Index/Parks to Parcels.
** Reduction is due to Outsale of Vulcan (115 acres). Partially offset with the acquisition of 39 Acres for a net reduction of 76 Acres.

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