December 13, 2000

MEMORANDUM OF LEGAL PAPERS

$52,250,000
Fairfax County, Virginia
Public Improvement Bonds
Series 2000 B

The Series 2000 B Bonds are being issued for the purpose of providing funds for school improvements ($50,000,000) and parks and park facilities ($2,250,000).

Ten complete transcripts are to be prepared, one for each of the following:

Board of Supervisors
Department of Management and Budget
Department of Finance
County Attorney
Purchaser of the Bonds
Financial Advisor
County School Board
Counsel to County School Board
Bond Counsel (2)

Each certified copy of a resolution should be accompanied by a certified copy of the covering minutes of the meeting, in each instance showing the time and date of the meeting, the location of the meeting, the character of the meeting, whether regular, adjourned or special, the names of those present and absent, and the introduction and passage of the resolution, indicating the yea and nay vote. If a meeting is an adjourned meeting, there should be furnished a certified extract of the minutes of the preceding regular meeting, which shows its time, date, location, character, the names of those present and absent and the proceedings in connection with the adjournment. If a meeting is a special meeting, the extract should show that proper notice was given and received by all members.

1. Certified copy of the proceedings of the County School Board of November 2, 2000 showing the adoption of the resolution requesting the Board of Supervisors to authorize the issuance and sale of bonds for school improvements, plus a certificate of the Clerk of the Circuit Court reciting the filing of a certified copy of this resolution with the Court.

2. Certified copy of the proceedings of the Board of Supervisors of November 20, 2000 showing the adoption of the resolution authorizing the issuance of the Series 2000 B Bonds, providing for the sale of the Series 2000 B Bonds and providing for the delegation of authority to award the Series 2000 B Bonds in the absence of a quorum, plus a certificate of the Clerk of the Circuit Court reciting the filing of a certified copy of the resolution with the Court.

3. Affidavit of publication, with original newspaper clipping attached, showing the date of publication of the Summary Notice of Sale in *The Bond Buyer*.

4. Copy of the official Notice of Sale.

5. Print outs of bids submitted pursuant to the Notice of Sale.

6. Copy of the Preliminary Official Statement.

7. Certificate of the Chief Financial Officer awarding the Series 2000 B Bonds.

8. Continuing Disclosure Agreement.

9. Bond ratings.

10. Signed copy of the Official Statement with a certificate of the Clerk of the Board of Supervisors that it is substantially in the form approved by the Board of Supervisors.

11. Certificate of the Chairman of the Board of Supervisors and the County Executive as to the accuracy and completeness of the Official Statement.

12. Officers and seal certificate for the County School Board.

13. Officers and seal certificate for the Board of Supervisors.

14. Signature and no-litigation certificate.

15. County Attorney's no-litigation opinion.

16. Certificate of authentication. Specimen bond.

17. Certificate of delivery and payment.

18. Tax Certificate, including issue price certification of winning bidder and certificate of the County School Board.

19. Completed Form 8038-G and proof of filing with the Internal Revenue Service.

20. Approving opinion of Bond Counsel.

21. Opinion of Bond Counsel as to original issue discount.

22. Blanket Letter of Representations to The Depository Trust Company.

23. Receipt from The Depository Trust Company for the bonds.

24. Certificate of successful bidder.

SCHOOL BOARD REQUESTING RESOLUTION CERTIFICATE

I, Pamela Goddard, Clerk of the School Board of Fairfax County, Virginia (the "Board"), DO HEREBY CERTIFY that attached hereto as Exhibit A is a true, correct and complete copy of a resolution of the Board entitled: **"A RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, TO ISSUE AND SELL SCHOOL BONDS OF FAIRFAX COUNTY, VIRGINIA, TOTALING $50,000,000 AND APPROVING THE FORM OF A TAX CERTIFICATE AND AUTHORIZING THE EXECUTION THEREOF."**, as adopted by the Board on November 2, 2000 (the "Resolution") and that said Resolution has not been amended or repealed since the date of its adoption and is in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of December, 2000.

Pamela Goddard
Clerk of the School Board of Fairfax County

MINUTES

Fairfax County School Board

Luther Jackson Middle School

Regular Meeting No. 7 November 2, 2000

EXCERPTED FROM PAGES 1, 4, 11

II. MEETING OPENING
TAPE REFERENCE: 1-0019

A. Call to Order/Pledge of Allegiance/National Anthem

Chairman Frye convened the meeting at 7:37 p.m. The following Board members were present:

Catherine A. Belter (Springfield, arr. 6:57)
Christian N. Braunlich (Lee)
Mychele B. Brickner (At Large)
Isis Castro (Mt. Vernon)
Robert E. Frye (At Large)
Stuart D. Gibson (Hunter Mill)
Ernestine C. Heastie (Providence)
Gary A. Reese (Sully, arr. 7:15)
Jane K. Strauss (Dranesville)
Rita S. Thompson (At Large, arr. 6:42)
Tessie Wilson (Braddock)

Also present were student representative to the Board Christopher Giovarelli; Division Superintendent Daniel A. Domenech; Deputy Superintendent Alan E. Leis; Executive Assistant/Clerk of the Board Pamela Goddard; Deputy Clerk Linda S. Sabo, and certain other members of staff.

Mr. Frye introduced that members of the Spring Hill Elementary School string ensemble who performed the National Anthem. Mr. Frye then thanked Ruth Donohue, director of the ensemble, and the students for a wonderful performance.

IV. ACTION ITEMS
TAPE REFERENCE:

A. Approval of Other Action Items
TAPE REFERENCE: 1-2148

2. **Sale of School Bonds** – Approve the resolution requesting the Board of Supervisors to issue and sell $50,000,000 in school bonds approved by the voters in the November 4, 1997, referendum; and authorize the Chairman to execute, on behalf of the School Board, the Tax Certificate in connection with the issuance by the county of the Series 2000B public improvement and refunding bonds, part of the proceeds of which will be used to finance and refinance constructing, furnishing, and equipping school improvements (Exhibit N)

Mrs. Strauss moved, and Mrs. Wilson seconded, that the School Board approve the resolution requesting the Board of Supervisors to issue and sell $50,000,000 in school bonds approved by the voters in the November 4, 1997, referendum; and authorize the Chairman to execute, on behalf of the School Board, the Tax Certificate in connection with the issuance by the County of the Series 2000B public improvement and refunding bonds, part of the proceeds of which

will be used to finance and refinance constructing, furnishing, and equipping school improvements. The motion **passed unanimously**, with Mrs. Kory absent.

[Clerk's note: The motion was incorrectly read as "...Series *2000A* public improvement and refunding bonds..."; the correct type of bonds, as noted in the agenda item, was Series *2000B*.]

IX. ADJOURNMENT

The meeting was adjourned at 9:55 p.m.

I hereby certify that the foregoing annexed extracts from the Minutes of the meeting of the School Board of Fairfax said County, held on November 2, 2000, are a true, complete, and correct copy thereof of the whole of said original Minutes so far as the same relate to the subject matter referred to in said extracts.

Pamela Goddard, Executive Assistant
County School Board of Fairfax County, Virginia

12/13/00
Date

EXHIBIT A

A RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, TO ISSUE AND SELL SCHOOL BONDS OF FAIRFAX COUNTY, VIRGINIA, TOTALING $50,000,000 AND APPROVING THE FORM OF A TAX CERTIFICATE AND AUTHORIZING THE EXECUTION THEREOF

WHEREAS, at an election duly called and held on November 4, 1997, a majority of the qualified voters of Fairfax County, Virginia, voting on the question, approved contracting a debt, borrowing money and issuing school bonds of Fairfax County, Virginia, in the aggregate principal amount of $232,850,000; and

WHEREAS, the Circuit Court of Fairfax County, Virginia, has duly entered its Final Order authorizing the Board of Supervisors of Fairfax County, Virginia, to carry out the wishes of the voters of said County as expressed at said election, and to contract a debt, borrow money, and issue school bonds of Fairfax County, Virginia, in the aggregate principal amount of $232,850,000; and

WHEREAS, the purpose of the school bonds stated in the election was for construction and acquisition of school improvements, including additions and improvements to sites, the construction of new buildings or additions and alterations to existing buildings, and the furnishing and equipping of buildings or additions to buildings; and

WHEREAS, the Board of Supervisors has heretofore issued $137,580,000 of said bonds from the November 4, 1997 referendum leaving a balance of $95,270,000 authorized but unissued bonds; and

WHEREAS, the County School Board deems it advisable for the Board of Supervisors of Fairfax County, Virginia to issue $50,000,000 in school bonds authorized by the November 4, 1997 referendum, and to sell said school bonds at this time; and

WHEREAS, the County School Board recognizes that it will be necessary for it to make certain certifications regarding the use of the proceeds of said school bonds for federal income tax purposes;

NOW, THEREFORE, BE IT RESOLVED by the County School Board of Fairfax County, Virginia:

Section 1. For the purpose of providing funds for the construction and acquisition of school improvements, including additions and improvements to sites, the construction of new buildings or additions and alterations to existing buildings, and the furnishing and equipping of buildings or additions to buildings, the Board of Supervisors of Fairfax County, Virginia, is hereby requested to issue school bonds of Fairfax County, Virginia, in the aggregate principal amount of $50,000,000 and provide for the sale of said bonds at this time.

Section 2. The form of a tax certificate attached to this resolution as Appendix A (the "County School Board Tax Certificate") to be executed by the County School Board in connection with the issuance of the County's Public Improvement Bonds, Series 2000 B is approved in all respects and the Chairman, Vice Chairman or any member or officer of the County School Board designated in writing by the Chairman of the County School Board is hereby authorized and directed to approve, by execution and delivery, the County School Board

Tax Certificate in substantially the form presented to this meeting together with such changes, modifications, insertions and deletions as the Chairman, Vice Chairman or such designated member or officer, with the advice of counsel, may deem necessary and appropriate; such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the County School Board.

Section 3. The Clerk of the County School Board is hereby authorized and directed to file two certified copies of this resolution with the Board of Supervisors of Fairfax County, Virginia.

* * * * * * * * * * * * *

I hereby certify the above is a true and correct copy of a resolution adopted by the County School Board of Fairfax County, Virginia, at a regular meeting held on November 2, 2000, at Luther Jackson Middle School, Falls Church, Virginia.

Dec. 13, 2000
Date

Pamela Goddard, Clerk
County School Board of
Fairfax County, Virginia

CERTIFICATE OF THE SCHOOL BOARD

This certificate is provided to the County of Fairfax, Virginia (the **"County"**) by the School Board of the County of Fairfax, Virginia (the **"School Board"**) in connection with the issuance by the County of its $_____ Public Improvement Bonds, Series 2000 B (the **"Bonds"**) the proceeds of which will be used to provide funds to finance the cost of constructing, furnishing, acquiring and equipping school improvements (the **"School Projects"**),

_____

_____

_____

_____ (collectively with the School Projects, the **"Projects"**).

The School Board recognizes that some of the representations made by the County in its Tax Certificate dated _____ __, 2000 and executed in connection with the issuance of the Bonds (the **"Tax Certificate"**) must be based on the representations and certifications of the School Board and that the exclusion from gross income of the interest on the Bonds for federal income tax purposes depends on the use of proceeds of the Bonds.

Accordingly, the School Board certifies that it has reviewed the representations set forth in Section _ of Part _ of the Tax Certificate to which this certificate is attached regarding the use of proceeds of the Bonds and the Projects and that such representations, to the extent they relate to the School Projects, are true and correct, except as follows: (i) with respect to paragraph (_) ("Definition of Private Use"), in the _____ paragraph, _____ line, after ("General Public Use"), there shall be deemed to be inserted "or other than as is excepted as private use by U.S. Treasury Regulations," and (ii) with respect to paragraph (_) ("Management and Service Contracts"), the references to Revenue Procedure 97-13 shall be deemed to include "or other applicable law." Furthermore, such provisions are hereby incorporated by reference in this certificate and shall be treated as representations made by the School Board with respect to the School Projects as if set forth herein. The School Board shall not take any action that is inconsistent with such representations.

The School Board further covenants that:

(a) it shall not sell or otherwise dispose of the School Projects prior to the final maturity date of the Bonds of _____, 20__ except as shall be permitted in the opinion of an attorney or firm of attorneys, acceptable to the County, nationally recognized as experienced with respect to matters pertaining to the exclusion of interest on obligations of States and political subdivisions from gross income for federal income tax purposes; and

(b) it shall not knowingly take any action which will, or fail to take any action which failure will, cause the interest on the Bonds to become includable in the gross income of the owners of the Bonds for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the **"Code"**), and the regulations promulgated thereunder in effect on the date of original issuance of the Bonds and for purposes of assuring compliance with Section 141 of the Code.

School Board of the County of Fairfax, Virginia

_____

Name:
Title:

Date: _____ __, 2000

I, Nancy Vehrs, hereby certify that on Thursday, December 7, 2000, I delivered a certified copy of each of the following two resolutions:

- **A RESOLUTION AUTHORIZING THE ISSUANCE OF $52,250,000 PUBLIC IMPROVEMENT BONDS, SERIES 2000 B, OF FAIRFAX COUNTY, VIRGINIA, PROVIDING FOR THE SALE OF SUCH BONDS AND DELEGATING TO THE COUNTY EXECUTIVE OR THE CHIEF FINANCIAL OFFICER AUTHORITY TO ACCEPT THE LOWEST RESPONSIVE BID FOR SUCH BONDS, BEING OFFERED COMPETITIVELY**
- **A RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, TO ISSUE AND SELL SCHOOL BONDS OF FAIRFAX COUNTY, VIRGINIA, TOTALING $50,000,000 AND APPROVING THE FORM OF A TAX CERTIFICATE AND AUTHORIZING THE EXECUTION THEREOF**

to the Clerk of the Circuit Court of Fairfax County, Virginia.

Nancy Vehrs

Nancy Vehrs (SEAL)
Clerk to the Board of Supervisors
Fairfax County, Virginia

This is to certify that the aforementioned Resolutions were received in the Clerk's Office of the Circuit Court of Fairfax County, Virginia, on Wednesday, the 7th of December, 2000.

John T. Frey

John T. Frey (SEAL)
Clerk of the Circuit Court
Fairfax County, Virginia

BOND RESOLUTION CERTIFICATE

I, Nancy Vehrs, Clerk to the Board of Supervisors of the County of Fairfax, Virginia (the County"), DO HEREBY CERTIFY that attached hereto as Exhibit A is a true, correct and complete copy of a resolution of the Board of Supervisors of the County entitled: **"A RESOLUTION AUTHORIZING THE ISSUANCE OF $52,250,000 PUBLIC IMPROVEMENT BONDS, SERIES 2000 B, OF FAIRFAX COUNTY, VIRGINIA, PROVIDING FOR THE SALE OF SUCH BONDS AND DELEGATING TO THE COUNTY EXECUTIVE OR THE CHIEF FINANCIAL OFFICER AUTHORITY TO ACCEPT THE LOWEST RESPONSIVE BID FOR SUCH BONDS, BEING OFFERED COMPETITIVELY"**, as adopted by the Board of Supervisors on November 20, 2000 (the "Bond Resolution") and that said Bond Resolution has not been amended or repealed since the date of its adoption and is in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of December, 2000.

Nancy Vehrs

Nancy Vehrs
Clerk to the Board of Supervisors
County of Fairfax, Virginia

EXHIBIT A

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board auditorium in the Government Center at 12000 Government Center Parkway, Fairfax, Virginia on November 20, 2000, at which meeting a quorum was present and voting, the following resolution was adopted:

A RESOLUTION AUTHORIZING THE ISSUANCE OF $52,250,000 PUBLIC IMPROVEMENT BONDS, SERIES 2000 B, OF FAIRFAX COUNTY, VIRGINIA, PROVIDING FOR THE SALE OF SUCH BONDS AND DELEGATING TO THE COUNTY EXECUTIVE OR THE CHIEF FINANCIAL OFFICER AUTHORITY TO ACCEPT THE LOWEST RESPONSIVE BID FOR SUCH BONDS, BEING OFFERED COMPETITIVELY.

[school improvements - $50,000,000]

WHEREAS, at an election duly called and held on November 4, 1997, a majority of the qualified voters of Fairfax County, Virginia, voting on the question, approved contracting a debt, borrowing money and issuing school bonds of Fairfax County, Virginia, in the aggregate principal amount of $232,850,000; and

WHEREAS, the purpose of the school bonds stated in the election was for construction and acquisition of school improvements, including additions and improvements to sites, the construction of new buildings or additions and alterations to existing buildings, and the furnishing and equipping of buildings or additions to buildings; and

WHEREAS, the Circuit Court of Fairfax County, Virginia, has duly entered its Final Order authorizing the Board of Supervisors of Fairfax County, Virginia, to carry out the wishes of the voters of said County as expressed at said election, and to contract a debt, borrow money, and issue school bonds of Fairfax County, Virginia, in the aggregate principal amount of $232,850,000; and

WHEREAS, the Board of Supervisors at the request of the School Board of Fairfax County, Virginia has heretofore authorized the issuance of and has issued $137,580,000 of said bonds from the November 4, 1997 referendum; and

WHEREAS, there has been filed with the Board of Supervisors of Fairfax County, Virginia, two certified copies of a resolution of the County School Board entitled:

"A RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, TO ISSUE AND SELL SCHOOL BONDS OF FAIRFAX COUNTY, VIRGINIA, TOTALING $50,000,000 AND APPROVING THE FORM OF A TAX CERTIFICATE AND AUTHORIZING THE EXECUTION THEREOF.";

and

WHEREAS, the Board of Supervisors deems it advisable to authorize the issuance of $50,000,000 of school bonds authorized at the November 4, 1997 election, and to sell $50,000,000 aggregate principal amount of such bonds at this time, and

[parks and park facilities - $2,250,000]

WHEREAS, at an election duly called and held on November 3, 1998, a majority of the qualified voters of Fairfax County, Virginia, voting on the question approved contracting a debt, borrowing money and issuing bonds of Fairfax County, Virginia, in the aggregate principal amount of $87,000,000 for the purpose of providing funds, with any other available funds, to finance the cost of providing additional parks and park facilities, of which amount said County may not pay in excess of $75,000,000 for the acquisition, construction, development and equipment of additional parks and park facilities and the development and improvement of existing parks and park facilities by the Fairfax County Park Authority, and of which amount the County may not pay in excess of $12,000,000 as the share of Fairfax County for the cost of parks and park facilities to be acquired, constructed, developed and equipped by the Northern Virginia Regional Park Authority; and

WHEREAS, the Circuit Court of Fairfax County, Virginia has duly entered its Final Order authorizing the Board of Supervisors of Fairfax County, Virginia, to proceed to carry out the wishes of the voters of said County as expressed at said election and to contract a debt, borrow money and issue bonds of Fairfax County, Virginia, in the aggregate principal amount of $87,000,000 for the aforesaid purpose; and

WHEREAS, the Board of Supervisors has heretofore authorized the issuance of and has issued (i) $18,000,000 of the bonds for the Fairfax County Park Authority and (ii) $3,000,000 of the bonds for the Northern Virginia Regional Park Authority, or a total of $21,000,000 of the $87,000,000 of bonds authorized for additional parks and park facilities at the election duly called and held on November 3, 1998; and

WHEREAS, the Board of Supervisors deems it advisable to authorize the issuance of $2,250,000 of said bonds for the Northern Virginia Regional Park Authority for additional parks and park facilities and to sell said $2,250,000 bonds at this time; and

WHEREAS, the Board of Supervisors has determined that it is in the best interests of Fairfax County to consolidate for the purposes of the sale the bond authorizations mentioned above into a single issue of $52,250,000 public improvement bonds of Fairfax County, Virginia; and

WHEREAS, the Board of Supervisors deems it advisable to sell said bonds at this time; and

WHEREAS, the Board of Supervisors of Fairfax County, Virginia, has determined that there may be unplanned occasions when it is not possible for some of the members of the Board of Supervisors to attend a special meeting for the purpose of receiving bids for the purchase of bonds of Fairfax County offered for sale at competitive bidding and that the accepted practice of the bond markets dictates that the lowest bid be speedily determined and the bonds be promptly awarded or that all bids be rejected; now, therefore,

BE IT RESOLVED by the Board of Supervisors of Fairfax County, Virginia:

Section 1(a). Authorization of bonds. For the purpose of providing funds for school improvements and parks and park facilities in the respective amounts referred to above, there shall be issued bonds of Fairfax County, Virginia, in the aggregate principal amount of $52,250,000. Said bonds shall be designated "Public Improvement Bonds, Series 2000 B", shall be dated as of the 1st of December, 2000, subject to the delegation provisions contained in Section 1(d) as hereinafter set forth, shall be stated to mature, subject to the right of prior redemption and the delegation provisions contained in Section 1(d) as hereinafter set forth, on the 1st day of December in the following years and in the following amounts, respectively:

Year of Maturity	Principal Amount	Year of Maturity	Principal Amount
2001	$2,615,000	2011	$2,610,000
2002	2,615,000	2012	2,610,000
2003	2,615,000	2013	2,610,000
2004	2,615,000	2014	2,610,000
2005	2,615,000	2015	2,610,000
2006	2,615,000	2016	2,610,000
2007	2,615,000	2017	2,610,000
2008	2,615,000	2018	2,610,000
2009	2,615,000	2019	2,610,000
2010	2,615,000	2020	2,610,000

and shall bear interest until their payment at a rate or rates as shall hereafter be determined by the Board of Supervisors by resolution or by the County Executive or Chief Financial Officer pursuant to the delegation of authority contained in this resolution, such interest to the respective maturities of the bonds being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001. Said bonds shall be issuable in fully registered form in the denomination of $5,000 or any multiple thereof and shall be appropriately numbered.

Each bond shall bear interest from the interest payment date next preceding the date on which it is authenticated unless it is (a) authenticated upon an interest payment date in which case it shall bear interest from such interest payment date or (b) authenticated prior to the first interest payment date in which case it shall bear interest from its date; provided, however, that if at the time of authentication of any bond interest is in default, such bonds shall bear interest from the date to which interest has been paid.

The principal of and the interest and any redemption premium on said bonds shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof. The principal of and any redemption premium on each bond shall be payable to the registered owner thereof or his registered assigns or legal representative at the principal corporate trust office of the Bond Registrar mentioned hereinafter upon the presentation and surrender thereof as the same shall become due and payable. Payment of the interest on each bond shall be made by the Bond Registrar on each interest payment date to the person appearing on the registration books of Fairfax County hereinafter provided for as the registered owner of such bond (or the previous bond or bonds evidencing the same debt as that evidenced by such bond) at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by check mailed or by wire transfer to such person at his address as it appears on such registration books.

The bonds initially issued will be in fully registered form and registered in the name of Cede & Co., a nominee of The Depositary Trust Company, New York, New York ("DTC"), and immobilized in the custody of DTC. One fully registered bond for the original principal amount of each maturity will be registered to Cede & Co. Beneficial owners will not receive physical delivery of bonds. Individual purchases of bonds may be made in book-entry form only in original principal amounts of $5,000 and integral multiples of $5,000. Payments of the principal of and premium, if any, and interest on the bonds will be made to DTC or its nominee as registered owner of the bonds on the applicable payment date.

So long as Cede & Co., or its successor, as nominee of DTC, is the registered owner of the bonds, references in this resolution to the holders of the bonds mean Cede & Co. and do not mean the beneficial owners of the bonds.

Replacement bonds (the "Replacement Bonds") will be issued directly to beneficial owners of bonds rather than to DTC, or its nominee, but only in the event that:

(1) DTC determines not to continue to act as securities depository for the bonds;

(2) The County has advised DTC of its determination that DTC is incapable of discharging its duties; or

(3) The County has determined that it is in the best interests of the beneficial owners of the bonds not to continue the book-entry system of transfer.

Upon occurrence of the events described in clause (1) or (2), the County will attempt to locate another qualified securities depository. If DTC makes the determination described in clause (1) and the County fails to select another qualified securities depository to replace DTC, the County will execute and the Bond Registrar will authenticate and deliver to the participants in DTC ("Participants") the Replacement Bonds to which the Participants are entitled. In the event the County makes the determination described in clause (2) or (3) (the County undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the County to make any such determination) and, in the case of the determination under

clause (2), the County has failed to locate another qualified securities depository and has made provisions to notify the beneficial owners of the bonds by mailing an appropriate notice to DTC, the County will execute and the Bond Registrar will authenticate and deliver to the Participants the appropriate Replacement Bonds to which the Participants are entitled. The Bond Registrar is entitled to rely on the records provided by DTC as to the Participants entitled to receive Replacement Bonds.

Section 1(b). Notice of Sale; Bids. The Clerk of the Board of Supervisors is hereby authorized and directed to cause a notice calling for bids for the purchase of the bonds, to be published once in *The Bond Buyer*, a financial journal published in New York, New York, and devoted primarily to municipal bonds, said publication to be at least five days prior to the date fixed for the receipt of bids. Said notice shall be substantially in the form of the Notice of Sale annexed to this resolution. Alternatively, the Clerk may cause to be published a summary of the principal terms of the notice. Bids shall be received electronically via the BiDCOMP/Parity Competitive Bidding System.

Section 1(c). Official Statement. The draft of the Preliminary Official Statement of the County relating to the bonds and presented at the meeting at which this resolution is adopted, and the circulation thereof, the completion thereof with the results of the sale and the printing and delivery to the winning bidder of a reasonable number of copies thereof as so completed (the "final Official Statement") are hereby approved and authorized, and the Chairman or Vice Chairman of the Board of Supervisors is hereby authorized and directed to execute and deliver the final Official Statement, both the Preliminary Official Statement and the final Official Statement to be in substantially the form of the draft Preliminary Official Statement presented at this meeting with the changes contemplated hereby and such other changes as the Chairman or Vice Chairman may approve, her or his signature on the final Official Statement to be conclusive evidence of the signer's approval thereof. The Preliminary Official Statement and the final Official Statement may be disseminated or otherwise made available through electronic means.

Section 1(d). Delegation and Standard. The Board of Supervisors hereby delegates to the County Executive or the Chief Financial Officer, subject to the limitations contained herein, powers and duties to determine the dated date of the bonds, which bonds, if any, are term bonds and the amortization requirements and maturity amounts therefor, such delegation to be effective only if the Board of Supervisors shall not then be in session (the Board not to be deemed in session if less than a quorum is present and voting).

The Board further delegates to the County Executive or the Chief Financial Officer, the authority to accept the lowest bid (determined in accordance with the Notice of Sale) for the bonds, being offered for sale by the Board at competitive bidding on a date not earlier than November 29, 2000 and not later than December 13, 2000, subject to the following conditions: (i) the Financial Advisor to Fairfax County shall have recommended that the lowest bid be accepted, (ii) the person to whom the authority to accept the lowest bid has been delegated shall have determined that the bid conforms in all material respects to the requirements of the Notice of Sale, (iii) such person shall have determined that the bid to be accepted is the lowest bid conforming to the terms of the Notice of Sale, (iv) the True or Canadian interest cost of such bid shall not exceed 7.00%, and (v) the Board of Supervisors shall not then be in special session

called for the purpose of accepting bids (the Board not to be deemed in special session if less than a quorum is present and voting).

Section 2. Form of bonds. Said bonds shall bear the facsimile signatures of the Chairman and the Clerk of the Board of Supervisors and a facsimile of the official seal of said Board shall be imprinted on said bonds. The certificate of authentication of the Bond Registrar to be endorsed on all bonds shall be executed as provided hereinafter.

In case any officer of Fairfax County whose facsimile signature shall appear on any bonds shall cease to be such officer before the delivery of such bonds, such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery, and any bond may bear the facsimile signatures of such persons at the actual time of the execution of such bond shall be the proper officers to sign such bond although at the date of such bond such persons may not have been such officers.

No bond shall be valid or become obligatory for any purpose or be entitled to any benefit or security under this resolution until it shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed thereon.

Said bonds and the endorsement thereon shall be substantially in the following form:

[Depository Legend]

(Face of Bond)

No. ____ **$**____

United States of America
Commonwealth of Virginia

FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	**Interest Rate**	**Dated Date**	**CUSIP**
December 1, ____	_____%	, 2000	_____

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

_____

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

_____ **DOLLARS**

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

For the prompt payment hereof, both principal and interest as the same shall become due, the full faith and credit of said County are hereby irrevocably pledged.

This bond and the bonds of the series of which it is one are issued under and pursuant to a resolution duly adopted by the Board of Supervisors of Fairfax County, Virginia (the "Resolution"), for the purpose of providing funds, with other available funds, for school improvements and parks and park facilities.

The bonds of this series which mature on or before December 1, 20__ are not subject to redemption before maturity. Bonds which mature after December 1, 20__ may be redeemed, at the option of Fairfax County, Virginia, before their respective maturities on any date not earlier than _____, 20__, in whole or in part (in integral multiples of $5,000), upon payment of the following redemption prices (expressed as a percentage of the principal amount of bonds to be redeemed) plus accrued interest to the redemption date:

Redemption Period (both dates inclusive)	Redemption Price
, 20__ through , 20__	10_%
, 20__ through , 20__	10_
, 20__ and thereafter	10_

[In addition, the term bonds of this series stated to mature on December 1, ____ shall be called for mandatory redemption in the amounts of the amortization requirements established pursuant to the delegation of authority contained in the Resolution on December 1, ____ and on each December 1 thereafter at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption and without premium.

[In addition, the term bonds of this series stated to mature on December 1, ____ shall be called for mandatory redemption in the amounts of the amortization requirements established pursuant to the delegation of authority contained in the Resolution on December 1, ____ and on each December 1 thereafter at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption and without premium.]

Term bonds of this series purchased or redeemed pursuant to a partial optional redemption by Fairfax County, Virginia may be credited against the amortization requirements therefor as said County in its sole discretion may determine.]

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by said County in such manner as said County in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of $5,000 or some multiple thereof and that, in selecting bonds for redemption, said County shall treat each bond as representing that number of bonds which is obtained by dividing the principal amount of such bond by $5,000.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any bonds to be redeemed, whether such redemption be in whole or in part, said County shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid,

to the registered owner of each bond to be redeemed in whole or in part at his address appearing upon the registration books of said County, but failure to mail such notice or any defect therein shall not affect the validity of the redemption. On the date fixed for redemption, notice having been given as aforesaid, the bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such bonds or portion thereof on such date and, if moneys for payment of such redemption price and the accrued interest are held by the Bond Registrar as provided in the Resolution, interest on the bonds or the portions thereof so called for redemption shall cease to accrue. If a portion of this bond shall be called for redemption, a new bond or bonds in principal amount equal to the unredeemed portion hereof will be issued to the registered owner hereof or his legal representative upon the surrender hereof.

The bonds are issuable in fully registered form in the denomination of $5,000 or any multiple thereof. At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, bonds may be exchanged for an equal aggregate principal amount of bonds of the same series and maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at its office the books of said County for the registration of transfer of bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new bond or bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this bond, of the same series and maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register the transfer of any bond during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of any bonds and ending at the close of business on the day of such mailing or of any bond called for redemption in whole or in part pursuant to the Resolution.

This bond is one of a series issued under the authority of and in full compliance with the Constitution and laws of Virginia, particularly the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia, 1950, as amended, and pursuant to votes of a majority of the qualified voters of Fairfax County, Virginia, voting at elections duly called and held under the provisions of said Code of Virginia, 1950, as amended, and under orders of the Circuit Court of Fairfax County, Virginia, authorizing the Board of Supervisors of said County to proceed to carry out the wishes of the voters as expressed at said elections, and pursuant to resolutions duly adopted by the Board of Supervisors and the County School Board of said County.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of Virginia to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed in due time, form and manner as so required, that the total indebtedness of Fairfax County, Virginia, including this bond, does not exceed any constitutional or statutory limitation thereon, and that provision has been made for the levy and collection of an annual ad valorem tax upon all taxable property in said County subject to local taxation sufficient in amount to provide for the payment of the principal of and the interest on this bond as the same shall become due which tax shall be without limitation as to rate or amount and shall be in addition to all other taxes authorized to be levied in said County to the extent other funds of said County are not lawfully available and appropriated for such purpose.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the resolution mentioned hereinafter until this bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the Board of Supervisors of Fairfax County, Virginia, has caused this bond to be issued in the name of Fairfax County, Virginia, and said Board has caused this bond to bear the facsimile signatures of its Chairman and Clerk and a facsimile of the official seal of said Board to be imprinted hereon, all as of the ___ day of _____, 2000.

(Facsimile signature)

_____

Clerk, Board of Supervisors of Fairfax County, Virginia

(Facsimile signature)

_____

Chairman, Board of Supervisors of Fairfax County, Virginia

(Facsimile seal)

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds of the series designated herein and described in the within mentioned Resolution.

Director of the Department of Finance of Fairfax County, Virginia as Bond Registrar

By_____
Authorized Signature

Date of authentication:_____

(Form of Assignment)
ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Please insert social security or
other identifying number of assignee

_____

_____

(Please Print or Typewrite Name and Address of Transferee)

the within bond, and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:_____ _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed* by:_____

*Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee which requirements will include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Section 3(a). Optional redemption. (1) Subject to the delegation of authority contained in paragraph (2) of this Section 3(a), the bonds will have the following optional redemption provisions. The bonds of this series which mature on or before December 1, 2008 are not subject to redemption before maturity. Bonds which mature after December 1, 2008 may be redeemed, at the option of Fairfax County, Virginia, before their respective maturities on any date not earlier than December 1, 2008, in whole or in part (in integral multiples of $5,000), upon payment of the following redemption prices (expressed as a percentage of the principal amount of bonds to be redeemed) plus accrued interest to the redemption date:

Redemption Period (both dates inclusive)	Redemption Price
December 1, 2008 through November 30, 2009	102%
December 1, 2009 through November 30, 2010	101
December 1, 2010 and thereafter	100

(2) The Board of Supervisors hereby delegates to the County Executive or the Chief Financial Officer, subject to the limitations contained herein, the authority to alter any of the optional redemption provisions for the bonds from those set forth in paragraph (1) above of this Section 3(a). The first optional call date for the bonds must be no later than 10 and one-half years after the date of issue of the bonds. The maximum redemption price for the bonds may not exceed 103% of the principal amount of the bonds to be redeemed. Such delegation shall be effective only if the Board of Supervisors shall not then be in session (the Board not to be deemed in session if less than a quorum is present and voting).

Section 3(b). Mandatory redemption. The term bonds of this series, if any, shall be called for redemption, in part, in the principal amounts equal to the respective amortization requirements for said term bonds of this series (less the principal amount of any term bond of this series retired by purchase or optional redemption) at a price of par plus accrued interest thereon to the date fixed for redemption on each December 1 preceding their maturity for which there is an amortization requirement.

In the event of a partial optional redemption or purchase of any such term bonds, the County will credit the principal amount of such terms bonds so purchased or redeemed against

the amortization requirements for the remaining term bonds outstanding in such amount and in such years as it in its sole discretion shall determine.

Section 3(c). Redemption provisions in general. If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by said County in such manner as said County in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of $5,000 or some multiple thereof and that, in selecting bonds for redemption, said County shall treat each bond as representing that number of bonds which is obtained by dividing the principal amount of such bond by $5,000.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any bonds to be redeemed, whether such redemption be in whole or in part, said County shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each bond to be redeemed in whole or in part at his address appearing upon the registration books of said County, but failure to mail such notice or any defect therein shall not affect the validity of the redemption. Each such notice shall set forth the date designated for redemption, the redemption price to be paid, the maturities of the bonds to be redeemed and, if less than all of the bonds of any one maturity then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such bonds to be redeemed and, in the case of any bond to be redeemed in part only, the portion of the principal amount thereof to be redeemed. If any bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such bond, a new bond or bonds in principal amount equal to the unredeemed portion of such bond will be issued.

On or before the date fixed for redemption, moneys shall be deposited with the Bond Registrar to pay the principal of and the redemption premium, if any, on the bonds or portions thereof called for redemption as well as the interest accruing thereon to the redemption date thereof.

On the date fixed for redemption, notice having been given in the manner and under the conditions hereinabove provided, the bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided therefor, plus accrued interest to such date. If moneys sufficient to pay the redemption price of the bonds or portions thereof to be redeemed, plus accrued interest thereon to the date fixed for redemption, are held by the Bond Registrar in trust for the registered owners of bonds or portions thereof to be redeemed, interest on the bonds or portions thereof called for redemption shall cease to accrue, such bonds or portions thereof shall cease to be entitled to any benefits or security under this resolution or to be deemed outstanding, and the registered owners of such bonds or portions thereof shall have no rights in respect thereof except to receive payment of the redemption price thereof, plus accrued interest to the date of redemption.

If a portion of a bond shall be called for redemption, the registered owner thereof or his attorney or legal representative shall present and surrender such bond to the Bond Registrar for payment of the principal amount thereof so called for redemption and the redemption premium, if any, on such principal amount, and the Bond Registrar shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the

unredeemed portion of the principal amount of the bond so surrendered, a bond or bonds of the same series and maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

Section 4. Exchange; registration of transfer; Bond Registrar. Bonds, upon surrender thereof at the principal corporate trust office of the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of bonds of the same series and maturity, of any denomination or denominations authorized by this resolution and bearing interest at the same rate.

The transfer of any bond may be registered only upon the registration books of said County upon the surrender thereof to the Bond Registrar together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall authenticate and deliver in exchange for such bond a new bond or bonds, registered in the name of the transferee, of any denomination or denominations authorized by this resolution, in an aggregate principal amount equal to the unredeemed principal amount of such bond so surrendered, of the same series and maturity and bearing interest at the same rate.

In all cases in which bonds shall be exchanged or the transfer of bonds shall be registered hereunder, the Bond Registrar shall authenticate and deliver at the earliest practicable time bonds in accordance with the provisions of this resolution. All bonds surrendered in any such exchange or registration of transfer shall forthwith be cancelled by the Bond Registrar. Said County or the Bond Registrar may make a charge for shipping and out-of-pocket costs for every such exchange or registration of transfer of bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge shall be made for exchanging or registering the transfer of bonds under this resolution. The Bond Registrar shall not be required to exchange or register the transfer of any bond during a period beginning at the opening of business fifteen (15) days before the day of the mailing of a notice of redemption of any bonds and ending at the close of business on the day of such mailing or of any bond called for redemption in whole or in part pursuant to Section 3 of this resolution.

As to any bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or redemption price of any such bond and the interest on any such bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such bond, including the redemption premium, if any, and the interest thereon, to the extent of the sum or sums so paid.

The County shall appoint such registrars, transfer agents, depositaries or other agents as may be necessary for the registration, registration of transfer and exchange of bonds within a reasonable time according to then current commercial standards and for the timely payment of principal, interest and any redemption premium with respect to the bonds. The Director of the Department of Finance of Fairfax County, Virginia, is hereby appointed the registrar, transfer

agent and paying agent for the bonds (collectively the "Bond Registrar"), subject to the right of the Board of Supervisors of said County to appoint another Bond Registrar, and as such shall keep at her office the books of said County for the registration, registration of transfer, exchange and payment of the bonds as provided in this resolution.

Section 5. Full faith and credit pledged. For the prompt payment of the principal of and the interest on the bonds authorized by this resolution as the same shall become due, the full faith and credit of Fairfax County, Virginia, are hereby irrevocably pledged, and each year while any of said bonds shall be outstanding, to the extent other funds of said County are not lawfully available and appropriated for such purpose, there shall be levied and collected in accordance with law an annual ad valorem tax upon all taxable property in said County subject to local taxation sufficient in amount to provide for the payment of the principal of and the interest on said bonds as such principal and interest shall become due, which tax shall be without limitation and in addition to all other taxes authorized to be levied in said County.

Section 6. Continuing Disclosure Agreement. The Chairman of the Board of Supervisors, the County Executive or the Chief Financial Officer, or such officer or officers of the County as may be designated, are hereby authorized and directed to execute a Continuing Disclosure Agreement, in the form of Appendix VII to the Preliminary Official Statement presented at this meeting, setting forth the reports and notices to be filed by the County and containing such covenants as may be necessary in order to show compliance with the provisions of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Section 7. Tax covenant. The County covenants to take all action, and to refrain from taking any action, necessary under the Internal Revenue Code of 1986, as amended, to ensure that interest on the bonds will remain not includable in gross income for Federal income tax purposes to the same extent as it is not includable on the date of closing on the bonds.

Section 8. Certificate concerning delegation. The County Executive or the Chief Financial Officer shall execute a Certificate or Certificates evidencing determinations or other actions taken pursuant to the authority granted in this resolution, and any such Certificate shall be conclusive evidence of the action or determination of such County Executive or Chief Financial Officer as stated therein.

Section 9. Authority of officers. The officers and agents of Fairfax County are hereby authorized and directed to do all the acts and things required of them by the bonds and by this resolution for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the bonds and in this resolution.

Section 10. Certification and filing. The Clerk of the Board of Supervisors is hereby authorized and directed to file a certified copy of this resolution and a certified copy of said resolution of the County School Board with the Circuit Court of Fairfax County, Virginia.

A Copy - Teste:

Nancy Vehrs

Clerk to the Board of Supervisors

MINUTES
BOARD OF SUPERVISORS
FAIRFAX COUNTY, VIRGINIA
November 20, 2000

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Government Center at Fairfax, Virginia, on Monday, November 20, 2000, at 9:05 a.m., there were present:

Chairman Katherine K. Hanley, presiding;

Supervisor Sharon Bulova, of Braddock District;

Supervisor Gerald E. Connolly, of Providence District;

Supervisor Michael R. Frey, of Sully District;

Supervisor Penelope A. Gross, of Mason District;

Supervisor Catherine M. Hudgins, of Hunter Mill District;

Supervisor Gerald W. Hyland, of Mount Vernon District;

Supervisor Stuart Mendelsohn, of Dranesville District;

Anthony H. Griffin, County Executive;

David P. Bobzien, County Attorney;

Catherine A. Chianese, Assistant to the County Executive;

Christina M. Manning, Assistant to the County Executive;

Nancy Vehrs, Clerk to the Board of Supervisors; and

Patti M. Hicks, Deputy Clerk to the Board of Supervisors.

Supervisor Elaine N. McConnell, of Springfield District, arrived at 9:30 a.m.

Supervisor T. Dana Kauffman, of Lee District, arrived at 9:35 a.m.

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Extracts from the Minutes of a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Government Center, Fairfax, Virginia, on Monday, November 20, 2000:

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16. **A-1 – SALE OF GENERAL OBLIGATION BONDS, SERIES 2000B** (Tape 3)

Supervisor McConnell moved that the Board concur in the recommendation of staff and:

- Approve the sale of General Obligation Bonds in the amount of $52.25 million. The proceeds will be used to fund the Fiscal Year 2001 construction of capital facilities and infrastructure as previously approved by the Board. An amount of $50 million will support School construction and $2.25 million will support the capital project contribution to the Northern Virginia Regional Park Authority.
- Adopt the Resolution authorizing the issuance of General Obligations Bonds. This resolution:
    - Approves the issuance of the bonds and the execution and delivery of a Continuing Disclosure Agreement.
    - Provides for the sale of the General Obligation Bonds and approves the form of the notice of sale and the Official Statement and authorizes the Chairman to sign the Official Statement.
    - Delegates to the County Executive or the Chief Financial Officer the authority to award the bonds to the best bidder. The winning bid must offer the lowest true interest cost and the true interest cost rate must not exceed seven percent per annum.

Supervisor Kauffman seconded the motion and discussion ensued.

Supervisor Connolly asked unanimous request that the Board direct staff to provide the Board with an estimate of the cumulative savings since the County has had a Triple A Rating in terms of what it has saved taxpayers in the County. Without objection, it was so ordered.

Following further discussion, the question was called on the motion and it carried by a vote of eight, Supervisor Bulova, Supervisor Connolly, Supervisor Frey, Supervisor Gross, Supervisor Hudgins, Supervisor Hyland, Supervisor Kauffman, and Chairman Hanley voting "AYE," Supervisor McConnell and Supervisor Mendelsohn being out of the room.

Extracts from the Minutes of a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Government Center, Fairfax, Virginia, on Monday, November 20, 2000:

"I, Nancy Vehrs, Clerk to the Board of Supervisors, Fairfax County, Virginia, hereby certify that the foregoing annexed extracts from the Minutes of the meeting of the Board of Supervisors of said County, held on November 20, 2000, have been compared by me with original Minutes as officially recorded in my office of the said Board and is a true, complete, and correct copy thereof of the whole of said original Minutes as far as the same relate to the subject matter referred to in said extracts.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said County, this 5th day of December, 2000."

Nancy Vehrs

Nancy Vehrs (SEAL)
Clerk to the Board of Supervisors
Fairfax County, Virginia

I, Nancy Vehrs, hereby certify that on Thursday, December 7, 2000, I delivered a certified copy of each of the following two resolutions:

- **A RESOLUTION AUTHORIZING THE ISSUANCE OF $52,250,000 PUBLIC IMPROVEMENT BONDS, SERIES 2000 B, OF FAIRFAX COUNTY, VIRGINIA, PROVIDING FOR THE SALE OF SUCH BONDS AND DELEGATING TO THE COUNTY EXECUTIVE OR THE CHIEF FINANCIAL OFFICER AUTHORITY TO ACCEPT THE LOWEST RESPONSIVE BID FOR SUCH BONDS, BEING OFFERED COMPETITIVELY**
- **A RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA, TO ISSUE AND SELL SCHOOL BONDS OF FAIRFAX COUNTY, VIRGINIA, TOTALING $50,000,000 AND APPROVING THE FORM OF A TAX CERTIFICATE AND AUTHORIZING THE EXECUTION THEREOF**

to the Clerk of the Circuit Court of Fairfax County, Virginia.

Nancy Vehrs

Nancy Vehrs (SEAL)
Clerk to the Board of Supervisors
Fairfax County, Virginia

This is to certify that the aforementioned Resolutions were received in the Clerk's Office of the Circuit Court of Fairfax County, Virginia, on Wednesday, the 7th of December, 2000.

John T. Frey

John T. Frey (SEAL)
Clerk of the Circuit Court
Fairfax County, Virginia

Copy of Advertisement

City and County of New York, ss.:-

Ricardo Rivera, being duly sworn, says that he is the Advertising Clerk of THE BOND BUYER, a daily newspaper printed and published at One State Street Plaza, in the City of New York, County of New York, State of New York; and the notice, of which the annexed is a printed copy, was regularly published in said THE BOND BUYER on

Advertising Clerk

Subscribed and sworn to before me this

28th *day of* November 2000

Dawn Brown
Notary Public, State of New York
No. 01BR5021063
Qualified in Kings County
Commission Expires December 6, 2001

FULL BOOK-ENTRY
SUMMARY NOTICE OF SALE

$52,250,000
Fairfax County, Virginia
Public Improvement Bonds, Series 2000 B

Electronic bids will be received via BiDCOMP/Parity only, by the Board of Supervisors of Fairfax County, Virginia, until 11:00 a.m., Fairfax, Virginia Time,

December 6, 2000

for the purchase of all, and not less than all, of $52,250,000 Public Improvement Bonds, Series 2000 B, of Fairfax County, Virginia, dated December 1, 2000, and maturing, subject to the right of prior redemption, in annual installments on the 1st day of December in each of the years 2001 to 2020, inclusive.

Copies of the Preliminary Official Statement and the Official Notice of Sale may be obtained without cost from BB&T Capital Markets, a division of Scott & Stringfellow, Inc., 2 South Ninth Street, Richmond, Virginia 23219, telephone (804) 649-3946, from the undersigned or via the Internet at www.thomsonprospectus.com. Each bid must conform to the terms and conditions of the Official Notice of Sale.

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The bonds will be delivered on or about December 13, 2000, in New York, New York, at The Depository Trust Company against payment of the purchase price therefor (less the amount of the good faith deposit) in Federal Reserve funds.

The approving opinion of Brown & Wood, LLP, New York, New York, in substantially the form appearing in the Preliminary Official Statement, will be furnished without cost to the successful bidder. There will also be furnished the usual closing papers.

BOARD OF SUPERVISORS OF
FAIRFAX COUNTY, VIRGINIA

By: Nancy Vehrs,
Clerk

municipal market

NOTICE OF SALE

$52,250,000

FAIRFAX COUNTY, VIRGINIA

Public Improvement Bonds, Series 2000 B

Electronic Bids, via BiDCOMP/Parity Competitive Bidding System (BiDCOMP/Parity)[1] only, will be received by the Board of Supervisors of Fairfax County, Virginia, until 11 o'clock a.m., Fairfax, Virginia Time on,

December 6, 2000

for the purchase of $52,250,000 Public Improvement Bonds, Series 2000 B, of Fairfax County, Virginia, dated December 1, 2000 and maturing, subject to the right of prior redemption as hereinafter set forth, on the 1st day of December in the following years and in the following amounts, respectively:

Year of Maturity	Principal Amount	Year of Maturity	Principal Amount
2001	$2,615,000	2011	$2,610,000
2002	2,615,000	2012	2,610,000
2003	2,615,000	2013	2,610,000
2004	2,615,000	2014	2,610,000
2005	2,615,000	2015	2,610,000
2006	2,615,000	2016	2,610,000
2007	2,615,000	2017	2,610,000
2008	2,615,000	2018	2,610,000
2009	2,615,000	2019	2,610,000
2010	2,615,000	2020	2,610,000

The Bonds

The Bonds will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. One bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York ("DTC"), and immobilized in its custody. The book-entry system will evidence beneficial ownership interests of the bonds in the principal amount of $5,000 and any multiple thereof, with transfers of beneficial ownership interests effected on the records of DTC participants and, if necessary, in turn by DTC pursuant to rules and procedures established by DTC and its participants. The successful bidder, as a condition to delivery of the bonds, shall be required to deposit the bond certificates with DTC, registered in the name of Cede & Co., nominee of DTC. Interest on the bonds will be payable June 1, 2001 (6 months' interest) and semiannually thereafter on June 1 and

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[1] Instructions on how to submit a bid via BiDCOMP/Parity are provided for the convenience of prospective bidders in Attachment A of this Notice of Sale.

December 1, and principal of and any redemption premium on the bonds will be payable at maturity or upon prior redemption, to DTC or its nominee as registered owner of the bonds. Transfer of principal, interest and any redemption premium payments to participants of DTC will be the responsibility of DTC, and transfer of principal, interest and any redemption premium payments to beneficial owners of the bonds by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The County will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

In the event that (a) DTC determines not to continue to act as securities depository for the bonds or (b) the County determines that continuation of the book-entry system of evidence and transfer of ownership of the bonds would adversely affect the interests of the beneficial owners of the bonds, the County will discontinue the book-entry system with DTC. If the County fails to select another qualified securities depository to replace DTC, the County will deliver replacement bonds in the form of fully registered certificates.

The bonds will be general obligations of Fairfax County, Virginia, and all taxable property therein will be subject to the levy of an annual ad valorem tax sufficient in amount to provide for the payment of the principal of and the interest on the bonds as the same become due, which tax will be without limitation as to rate or amount and will be in addition to all other taxes authorized to be levied in the County to the extent other funds of the County are not lawfully available and appropriated for such purposes.

The bonds are being issued for the purpose of providing funds for School Improvements ($50,000,000) and Parks and Park Facilities ($2,250,000).

Term Bond Option

The successful bidder may designate two or more of the consecutive serial maturities, as one or two (but not more than two) term bond maturities equal in aggregate principal amount to, and with amortization requirements corresponding to, such designated serial maturities.

Optional Redemption

The bonds of this series which mature on or before December 1, 2008 are not subject to optional redemption before maturity. Bonds which mature after December 1, 2008 may be redeemed, at the option of Fairfax County, Virginia, before their respective maturities on any date not earlier than December 1, 2008, in whole or in part (in integral multiples of $5,000), upon payment of the following redemption prices (expressed as a percentage of the principal amount of bonds to be redeemed) plus accrued interest to the redemption date:

Redemption Period (both dates inclusive)	Redemption Price
December 1, 2008 through November 30, 2009	102%
December 1, 2009 through November 30, 2010	101
December 1, 2010 and thereafter	100

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds to be redeemed shall be selected by DTC and its participants by lot so long as a book-entry system with DTC is continued. Notice of redemption shall be given by certified or registered mail to DTC or its nominee as the registered owner of the bonds. Such notice shall be mailed not more than 60 nor less than 30 days prior to the date fixed for redemption. The County will not be responsible for mailing notices of redemption to anyone other than DTC or its nominee.

Electronic Bidding and Bidding Procedures

Registration to Bid

All prospective bidders must be contracted customers of Thomson Financial Municipals Group's BiDCOMP Competitive Bidding System. If you do not have a contract with BiDCOMP, call (212) 806-8304 to become a customer. By submitting a bid for the bonds, a prospective bidder represents and warrants to the County that such bidder's bid for the purchase of the bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the bonds. By contracting with BiDCOMP/Parity a prospective bidder is not obligated to submit a bid in connection with the sale.

IF ANY PROVISION OF THIS NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY AS APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS NOTICE OF SALE SHALL CONTROL. Further information about BiDCOMP/Parity, including any fee charged, may be obtained from BiDCOMP/Parity at (212) 806-8304.

Disclaimer

Each prospective bidder shall be solely responsible for becoming a contracted customer of BiDCOMP/Parity as described in the attached instructions. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BiDCOMP/Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of the Notice of Sale. Neither the County nor BiDCOMP/Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the County nor BiDCOMP/Parity shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, BiDCOMP/Parity. The County is using BiDCOMP/Parity as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the bonds. The County is not bound by any advice and determination of BiDCOMP/Parity to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via BiDCOMP/Parity are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the bonds, it should telephone BiDCOMP/Parity and notify BB&T Capital Markets, the County's financial advisor, by telephone at (804) 649-3946. After receipt of bids is closed, the County through BiDCOMP/Parity will indicate the apparent successful bidder. Such message is a courtesy only for viewers, and does not constitute the award of the bonds. Each bid will remain subject to review by the County to determine its true interest cost rate and compliance with the terms of this Notice of Sale.

Bidding Procedures

Bids must be submitted electronically for the purchase of the bonds (all or none) by means of the Fairfax County, Virginia AON Bid Form (the "Bid Form") via BiDCOMP/Parity. Bids must be communicated electronically to BiDCOMP/Parity by 11:00 a.m., Fairfax, Virginia Time on Wednesday, December 6, 2000 unless postponed as described herein (see "Change of Bid Date and Closing Date"). Prior to that time, a prospective bidder may input and save the proposed terms of its bid in BiDCOMP.

Once the final bid has been saved in BiDCOMP, the bidder may select the final bid button in BiDCOMP to submit the bid to BiDCOMP/Parity. Once the bids are released electronically via BiDCOMP/Parity to the County, each bid will constitute an irrevocable offer to purchase the bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on BiDCOMP shall constitute the official Fairfax, Virginia Time. For information purposes only, bidders are requested to state in their bids the true interest cost to the County, as described under "Award of the Bonds" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of the Bid Form via BiDCOMP/Parity. No bid will be received after the time for receiving such bids specified above. For more detailed information regarding the bidding procedures, please refer to Attachment A of this Notice of Sale.

Bid Specifications

Bidders are requested to name the interest rate or rates in multiples of 1/8 or 1/20 of 1%. Each bidder must specify in his bid the amount and the maturities of bonds of each rate, and the bonds maturing on the same date must bear interest at the same rate.

Any number of interest rates may be named, provided that (a) for all bonds, the highest interest rate may not exceed the lowest by more than 300 basis points (3%) and no interest rate for any maturity may exceed 8%, (b) for the bonds maturing on and after December 1, 2010, the interest rate named for any maturity shall not be less than the interest rate named for the bonds of any earlier maturity, beginning with the December 1, 2009 maturity (for example, the interest rate specified for the bonds maturing on December 1, 2010 must not be less than the interest rate specified for the bonds maturing on December 1, 2009), and (c) the price bid for the bonds may not be less than par, nor more than 101% of the principal amount thereof. For maturities from 2009 through 2020, no bond may be initially reoffered for a price greater than 101¾% of the principal amount of such bond. No bid for less than all of the bonds offered or for less than par and accrued interest will be entertained.

A good faith deposit (Deposit) in the form of a Financial Surety Bond payable to the order of the Director of the Department of Finance of Fairfax County, Virginia, for $522,500 is required for a bid to be considered for the bonds. The Financial Surety Bond must be from an insurance company acceptable to the County and licensed to issue such a bond in the Commonwealth of Virginia, and such Financial Surety Bond must be submitted to the County prior to 5 p.m. Fairfax, Virginia Time on the day prior to the date for receipt of bids and must be in form and substance acceptable to the County. The Financial Surety Bond must identify each bidder whose Deposit is guaranteed by such Financial Surety Bond. The successful bidder is required to submit its Deposit to the County in the form of a wire transfer not later than 12 o'clock Noon, Fairfax, Virginia Time on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the County to satisfy the Deposit requirement. Award or rejection of bids will be made by or on behalf of the Board of Supervisors of Fairfax County, Virginia, on the date above stated for the receipt of bids. The proceeds of the Deposit will be held as security for the performance of its bid and applied to the purchase price of said bonds, but, in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds will be retained as and for full liquidated damages. No interest will be allowed thereon.

Award of Bonds

The bonds will be awarded to the bidder offering to purchase the bonds at the lowest "True or Canadian" interest cost, such cost to be determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount to the price bid the payments of the principal of and the interest on

the bonds from their payment dates to the dated date of the bonds, excluding the accrued interest from the dated date of the bonds to the date of their delivery.

Change of Bid Date and Closing Date

The County reserves the right to postpone, from time to time, the date established for the receipt of bids and will undertake to announce any such change via TM3 (www.tm3.com). Prospective bidders may request notification by facsimile transmission of such changes in the date or time for the receipt of bids by so advising, and furnishing their telecopier numbers to BB&T Capital Markets, a division of Scott & Stringfellow, Inc. at (804) 649-3946 by 12 o'clock Noon, Fairfax Virginia, Time on December 1, 2000.

A postponement of the bid date will be announced via TM3 not later than 10:00 a.m., Fairfax, Virginia Time on December 6, 2000. An alternative bid date and time will be announced via TM3 by Noon, Fairfax, Virginia Time, on the second business day prior to such alternative bid date.

On such alternative bid date and time, the County will accept bids for the purchase of the bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for bidding and any other changes announced via TM3 at the time the bid date and time are announced.

The County may change the scheduled delivery date for the bonds by notice given in the same manner as set forth for a change in the date for the receipt of bids.

Undertakings of the Successful Bidder

The successful bidder shall make a bona fide public offering of all of the bonds to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers who are not purchasing for their own account as ultimate purchasers without a view to resell) and will, within 30 minutes after being notified of the award of the bonds, advise Fairfax County in writing (via facsimile transmission) of the initial public offering prices of the bonds. Prior to the delivery of the bonds, the successful bidder will furnish a certificate acceptable to Bond Counsel as to the "issue price" of the bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty.

Delivery

The bonds will be delivered on or about December 13, 2000, in New York, New York, at DTC against payment of the purchase price therefor (less the amount of the Deposit) in Federal Reserve funds.

The approving opinion of Brown & Wood LLP, New York City, in substantially the form appearing in the Preliminary Official Statement, will be furnished without cost to the successful bidder. There will also be furnished the usual closing papers, including certifications as to the Official Statement and no-litigation.

Official Statements

Copies of the Preliminary Official Statement may be obtained without cost from BB&T Capital Markets, 2 South Ninth Street, Richmond, Virginia 23219, telephone (804) 649-3946, from the undersigned or via the Internet at www.thomsonprospectus.com. The Preliminary Official Statement at its date is "deemed final" by the County for purposes of SEC Rule 15c2-12 but is subject to revision, amendment and completion.

After the award of the bonds, the County will prepare copies of the Official Statement and will include therein such additional information concerning the reoffering of the bonds as the successful bidder may reasonable request; provided, however, that the County will not include in the Official Statement a "NRO" ("not reoffered") designation with respect to any maturity of the bonds. The successful bidder will be responsible to the County in all respect for the accuracy and completeness of information provided by such successful bidder with respects to such reoffering. The County expects the successful bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the bonds, the Municipal Securities Rulemaking Board ("MSRB") and to each nationally recognized municipal securities information repository (a "NRMSIR"). The successful bidder will be required to acknowledge receipt of such Official Statement, to certify that it has made delivery of the Official Statement to such repositories and to acknowledge that the County expects the successful bidder to deliver copies of such Official Statement to persons to whom such bidder initially sells the bonds and to certify that the bonds will only be offered pursuant to such Official Statement and only in states where the offer is legal. The successful bidder will be responsible to the County in all respects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

On November 10, 1994, the Securities and Exchange Commission adopted in final form certain amendments to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Amendments"). In general, the Amendments will prohibit an underwriter from purchasing or selling municipal securities, such as the bonds, unless it has determined that the issuer of such securities has committed to provide annually certain information, including audited financial information, and notice of various events described in the Amendments if material. The County will provide to each NRMSIR and to any Virginia information depository so formed, annual information respecting the County, including audited financial statements. In addition, the County will provide to each such NRMSIR or the MSRB and to any Virginia information depository so formed, notice of the occurrence of any events described in the Amendments if material. The County has not failed to comply as to its general obligation bonds with previous undertakings with regard to the Amendments. The County's most recent filing of its annual report and financial statements for its Integrated Sewer System's Enterprise Fund pursuant to an undertaking made in connection with its Sewer Revenue Bonds, Series 1996 was made approximately 30 days late, and timely notice of such late filing was given to each of the NRMSIRs.

Official Statements will be provided within seven (7) business days in such quantities as may be necessary for the successful bidder's regulatory compliance.

Further information will be furnished upon application to the undersigned.

Reservation of Rights

The right to reject any or all bids and to waive any irregularity or informality in any bid is reserved.

BOARD OF SUPERVISORS OF FAIRFAX COUNTY, VIRGINIA

By: Nancy Vehrs, Clerk

INSTRUCTIONS TO SUBMIT A BID VIA BiDCOMP/PARITY

- You must be a contracted customer of Thomson Financial Municipals Group's BiDCOMP Competitive Bidding System. If you do not have a contract with BiDCOMP, call (212) 806-8304 to become a customer.
- In BiDCOMP select the Fairfax County, Virginia sale among the list of current sales.
- Go to the bid form page. Keep notice of the time clock and be sure to read all bid specifications on bottom.
- Once you have created and saved a bid in BiDCOMP, click the final bid button in BiDCOMP to submit the bid to PARITY.
- Upon clicking the Final Bid button, the bidder will see a message box in BiDCOMP that states: "Do you want to submit this bid to Parity?" By submitting the bid electronically via Parity, you represent and warrant that this bid for the purchase of the bonds is submitted by the representative who is duly authorized to bind the bidder to a legal, valid enforceable contract for the purchase of the bonds. The Notice of Sale is incorporated herein by this reference.
- If during bid calculation BiDCOMP warns you that your current bid violates the bid parameters, please change your bid to meet bid specifications. The BiDCOMP system will submit bids which violate the bid parameters, but the County does not intend to consider any bids that do not meet its parameters.
- You may choose to proceed with submission of the bid or choose to cancel the submission.
- Contact BiDCOMP/Parity at (212) 806-8304 with questions or problems.

SUMMARY BIDDING SCHEDULE*

Date	Time	Occurrence
December 1, 2000	12:00 Noon	Deadline for prospective bidders to request notification of changes in schedule.
December 5, 2000	5:00 p.m.	Deadline for submission of Financial Surety Bond to the County.
December 6, 2000	10:00 a.m.	Revisions, if any, to bid date and delivery date for bonds given by notification via TM3(www.tm3.com) or by facsimile.
December 6, 2000	11:00 a.m.	Deadline for submission of bids via BiDCOMP/Parity.
December 6, 2000	30 minutes after award of the bonds	Successful bidder provides initial reoffering prices to the County.
December 7, 2000	12 Noon	Deadline for winning bidder to wire the Deposit to the County.

* Preliminary, subject to change.

Upcoming Calendar | Preview | Result | Excel

PaineWebber Inc.'s Bid

PARITY

Fairfax Co
$52,250,000 Public Improvement Bonds, Series 2000 B

For the aggregate principal amount of $52,250,000.00, we will pay you $52,273,304.05, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount $	Coupon %	Bond Insurance
12/01/2001	2,615M	5.7500	
12/01/2002	2,615M	5.7500	
12/01/2003	2,615M	5.0000	
12/01/2004	2,615M	4.2500	
12/01/2005	2,615M	5.0000	
12/01/2006	2,615M	5.0000	
12/01/2007	2,615M	4.3750	
12/01/2008	2,615M	4.7500	
12/01/2009	2,615M	4.5000	
12/01/2010	2,615M	4.5000	
12/01/2011	2,610M	4.6250	
12/01/2012	2,610M	4.7500	
12/01/2013	2,610M	4.7500	
12/01/2014	2,610M	5.0000	
12/01/2015	2,610M	5.0000	
12/01/2016	2,610M	5.0000	
12/01/2017	2,610M	5.0000	
12/01/2018	2,610M	5.0000	
12/01/2019	2,610M	5.1000	
12/01/2020	2,610M	5.1250	

Total Interest Cost:	$26,828,058.75
Premium:	$23,304.05
Net Interest Cost:	$26,804,754.70
TIC	4.874082%

Time Last Bid Received On:12/06/2000 10:56:10 EST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Upcoming Calendar | Preview | Result | Excel

Lehman Brothers's Bid

PARITY

Fairfax Co
$52,250,000 Public Improvement Bonds, Series 2000 B

For the aggregate principal amount of $52,250,000.00, we will pay you $52,302,359.80, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount $	Coupon %	Bond Insurance
12/01/2001	2,615M	4.7500	
12/01/2002	2,615M	5.0000	
12/01/2003	2,615M	5.0000	
12/01/2004	2,615M	5.0000	
12/01/2005	2,615M	5.0000	
12/01/2006	2,615M	5.0000	
12/01/2007	2,615M	5.0000	
12/01/2008	2,615M	5.0000	
12/01/2009	2,615M	4.5000	
12/01/2010	2,615M	4.5000	
12/01/2011	2,610M	4.6250	
12/01/2012	2,610M	5.0000	
12/01/2013	2,610M	5.0000	
12/01/2014	2,610M	5.0000	
12/01/2015	2,610M	5.0000	
12/01/2016	2,610M	5.0000	
12/01/2017	2,610M	5.0000	
12/01/2018	2,610M	5.0000	
12/01/2019	2,610M	5.0000	
12/01/2020	2,610M	5.0000	

Total Interest Cost:	$27,056,125.00
Premium:	$52,359.80
Net Interest Cost:	$27,003,765.20
TIC	4.915421%
Time Last Bid Received On:	12/06/2000 10:59:14 EST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Upcoming Calendar | Preview | Result | Excel

Merrill Lynch & Co.'s Bid

PARITY

Fairfax Co
$52,250,000 Public Improvement Bonds, Series 2000 B

For the aggregate principal amount of $52,250,000.00, we will pay you $52,250,000.00, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount $	Coupon %	Bond Insurance
12/01/2001	2,615M	5.0000	
12/01/2002	2,615M	5.2500	
12/01/2003	2,615M	5.2500	
12/01/2004	2,615M	5.2500	
12/01/2005	2,615M	5.5000	
12/01/2006	2,615M	4.7500	
12/01/2007	2,615M	4.7500	
12/01/2008	2,615M	4.7500	
12/01/2009	2,615M	4.7500	
12/01/2010	2,615M	4.7500	
12/01/2011	2,610M	4.7500	
12/01/2012	2,610M	4.7500	
12/01/2013	2,610M	4.8000	
12/01/2014	2,610M	4.8750	
12/01/2015	2,610M	4.9000	
12/01/2016	2,610M	5.0000	
12/01/2017	2,610M	5.0000	
12/01/2018	2,610M	5.0000	
12/01/2019	2,610M	5.0000	
12/01/2020	2,610M	5.0000	

Total Interest Cost:	$26,978,702.50
Discount	$0.00
Net Interest Cost:	$26,978,702.50
TIC	4.918488%
Time Last Bid Received On:	12/06/2000 10:58:29 EST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Upcoming Calendar | Preview | Result | Excel

ABN Amro Inc.'s Bid

Fairfax Co
$52,250,000 Public Improvement Bonds, Series 2000 B

For the aggregate principal amount of $52,250,000.00, we will pay you $52,265,020.80, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount $	Coupon %	Bond Insurance
12/01/2001	2,615M	4.7500	
12/01/2002	2,615M	4.7500	
12/01/2003	2,615M	4.7500	
12/01/2004	2,615M	4.7500	
12/01/2005	2,615M	4.7500	
12/01/2006	2,615M	4.7500	
12/01/2007	2,615M	5.3750	
12/01/2008	2,615M	4.8750	
12/01/2009	2,615M	4.5000	
12/01/2010	2,615M	4.6000	
12/01/2011	2,610M	4.7000	
12/01/2012	2,610M	4.7500	
12/01/2013	2,610M	5.0000	
12/01/2014	2,610M	5.0000	
12/01/2015	2,610M	5.0000	
12/01/2016	2,610M	5.0000	
12/01/2017	2,610M	5.0000	
12/01/2018	2,610M	5.0000	
12/01/2019	2,610M	5.1250	
12/01/2020	2,610M	5.1250	

Total Interest Cost:	$27,064,488.75
Premium:	$15,020.80
Net Interest Cost:	$27,049,467.95
TIC	4.919638%
Time Last Bid Received On:	12/06/2000 10:58:29 EST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Upcoming Calendar | Preview | Result | Excel

First Union National Bank's Bid

Fairfax Co
$52,250,000 Public Improvement Bonds, Series 2000 B

For the aggregate principal amount of $52,250,000.00, we will pay you $52,315,462.90, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

Maturity Date	Amount $	Coupon %	Bond Insurance
12/01/2001	2,615M	5.0000	
12/01/2002	2,615M	5.0000	
12/01/2003	2,615M	5.0000	
12/01/2004	2,615M	5.0000	
12/01/2005	2,615M	5.0000	
12/01/2006	2,615M	5.0000	
12/01/2007	2,615M	4.7500	
12/01/2008	2,615M	4.7500	
12/01/2009	2,615M	4.7500	
12/01/2010	2,615M	4.7500	
12/01/2011	2,610M	4.8750	
12/01/2012	2,610M	5.0000	
12/01/2013	2,610M	5.0000	
12/01/2014	2,610M	5.0000	
12/01/2015	2,610M	5.0000	
12/01/2016	2,610M	5.0000	
12/01/2017	2,610M	5.0000	
12/01/2018	2,610M	5.0000	
12/01/2019	2,610M	5.0000	
12/01/2020	2,610M	5.0000	

Total Interest Cost:	$27,160,587.50
Premium:	$65,462.90
Net Interest Cost:	$27,095,124.60
TIC	4.931739%
Time Last Bid Received On:	12/06/2000 10:57:17 EST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. The securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 22, 2000

In the opinion of Bond Counsel, under existing law and assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended, as described herein, interest on the Bonds will not be includable in the gross income of the owners thereof for Federal income tax purposes. See "TAX MATTERS" herein for certain provisions of the Code that may affect the tax treatment of interest on the Bonds for certain bondholders.

NEW ISSUE
Full Book-Entry

RATINGS: Fitch .....
Moody's .....
Standard & Poor's.....

$52,250,000
Fairfax County, Virginia
Public Improvement Bonds, Series 2000 B

Dated: December 1, 2000 **Due: December 1, as shown below**

Interest on the Bonds will be payable semi-annually on each June 1 and December 1, commencing June 1, 2001 (six months' interest).

The Bonds maturing after December 1, 2008 will be subject to redemption prior to their respective maturities, either in whole or in part, at the option of the County, on or after December 1, 2008, at prices determined as set forth herein.

The Bonds are being issued for the purpose of financing various public improvements.

The Bonds will be general obligations of Fairfax County, Virginia, for the payment of which the Board of Supervisors of the County is unconditionally obligated to levy and collect an annual ad valorem tax, unlimited as to rate or amount, upon all property in the County subject to local taxation.

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES/YIELDS

Maturity Date	Principal Amount	Interest Rate	Price or Yield	Maturity Date	Principal Amount	Interest Rate	Price or Yield
2001	$2,615,000	%	%	2011	$2,610,000	%	%
2002	2,615,000			2012	2,610,000		
2003	2,615,000			2013	2,610,000		
2004	2,615,000			2014	2,610,000		
2005	2,615,000			2015	2,610,000		
2006	2,615,000			2016	2,610,000		
2007	2,615,000			2017	2,610,000		
2008	2,615,000			2018	2,610,000		
2009	2,615,000			2019	2,610,000		
2010	2,615,000			2020	2,610,000		

(Accrued interest to be added)

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Brown & Wood LLP, New York, New York, Bond Counsel. The Bonds will be available for delivery in New York, New York, through the facilities of DTC on or about December 13, 2000.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds will be awarded pursuant to electronic competitive bidding to be held via BiDCOMP/Parity on December 6, 2000, unless postponed as set forth in the Notice of Sale.

December , 2000

Fairfax County, Virginia

BOARD OF SUPERVISORS

Katherine K. Hanley, *Chairman*
Gerald W. Hyland, *Vice Chairman*
Sharon Bulova
Gerald E. Connolly
Catherine M. Hudgins
Michael R. Frey
Penelope A. Gross
T. Dana Kauffman
Elaine McConnell
Stuart Mendelsohn

COUNTY OFFICIALS

Anthony H. Griffin, *County Executive*
Robert A. Stalzer, *Deputy County Executive*
Verdia L. Haywood, *Deputy County Executive*
David P. Bobzien, *County Attorney*
Edward L. Long, Jr., *Chief Financial Officer*
Robert L. Mears, *Director, Department of Finance*

BOND COUNSEL
Brown & Wood LLP
One World Trade Center
New York, New York 10048-0557
(212) 839-5323

FINANCIAL ADVISOR
BB&T Capital Markets, a division of Scott & Stringfellow, Inc.
2 South Ninth Street
Richmond, Virginia 23219
(804) 649-3946

For information relating to this Official Statement please contact:
Edward L. Long, Jr., Chief Financial Officer
Fairfax County, Virginia
12000 Government Center Parkway, Suite 561
Fairfax, Virginia 22035-0074
(703) 324-2391

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OFFICIAL STATEMENT

FAIRFAX COUNTY, VIRGINIA

Regarding

$52,250,000

Public Improvement Bonds, Series 2000 B

INTRODUCTION

The purpose of this Official Statement, which includes the cover and inside cover pages and the appendices hereto, is to furnish information in connection with the sale by Fairfax County, Virginia (the "County"), of its $52,250,000 Public Improvement Bonds, Series 2000 B (the "Bonds").

THE BONDS

AUTHORIZATION AND PURPOSES

The Bonds will be issued under a resolution (the "Resolution") adopted by the Board of Supervisors of Fairfax County (the "Board of Supervisors") on November 20, 2000 pursuant to Article VII, Section 10(b) of the Constitution of Virginia and the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia, 1950, as amended (the "Act").

The Bonds will be issued to provide funds for the following purposes:

School Improvements	$50,000,000
Parks and Park Facilities	2,250,000
Total	$52,250,000

DESCRIPTION

General

The Bonds will be dated December 1, 2000, will bear interest from their date, payable semi-annually on each June 1 and December 1, commencing June 1, 2001 (six months' interest), at rates, and will mature, subject to prior redemption, in amounts on December 1 in each of the years 2001 through 2020, inclusive, as set forth on the cover page of this Official Statement. The Bonds will be issued in denominations of $5,000 and integral multiples thereof under the book-entry system of the Depository Trust Company ("DTC"), and principal and interest on the bonds will be payable in the manner described in Appendix V, "BOOK-ENTRY ONLY SYSTEM".

Optional Redemption

The Bonds which mature on or before December 1, 2008 are not subject to optional redemption before maturity. Bonds which mature after December 1, 2008 may be redeemed, at the option of the County, before their respective maturities, on any date not earlier than December 1, 2008, in whole or in part (in integral multiples of $5,000), upon payment of the following redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed) plus accrued interest to the redemption date:

Redemption Period (both dates inclusive)	Redemption Price
December 1, 2008 through November 30, 2009	102%
December 1, 2009 through November 30, 2010	101
December 1, 2010 and thereafter	100

[Mandatory Redemption

This caption and the following two paragraphs will be included in the final Official Statement only if the successful bidder elects to combine, in accordance with the Notice of Sale, serial maturities into one or two term bonds.

The Bonds due [December 1, ____ and] December 1, ____ are term bonds subject to mandatory redemption in accordance with the provisions of the Resolution on December 1 of the following years in the following principal amounts ("Amortization Requirements") at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus interest accrued to the date of redemption.

Year	Amortization Requirement	Year	Amortization Requirement
	$		$
	*		*

*Unamortized balance at maturity.

In the event of a partial optional redemption or purchase of such term Bonds, the County will credit the principal amount of such term Bonds so purchased or redeemed against the Amortization Requirements for the remaining term Bonds outstanding in such amounts and in such years as it in its sole discretion shall determine.]

Notice of Redemption

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the County shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part at his address appearing upon the registration books of the County, but failure to mail such notice or any defect therein shall not affect the validity of the redemption. So long as the Bonds are in book-entry only form, any notice of redemption will be given only to DTC or its nominee as the sole registered owner of the Bonds. See Appendix V, "BOOK-ENTRY ONLY SYSTEM" with respect to provision of such notice to the beneficial owners of the Bonds.

SECURITY

The Bonds are general obligations of the County for which its full faith and credit are irrevocably pledged. The Act requires that the Board of Supervisors shall, in each year while any of the Bonds shall be outstanding, levy and collect an ad valorem tax upon all property in the County subject to local taxation sufficient to pay the principal of and the interest on the Bonds as the same shall become due, which tax shall be in addition to all other taxes authorized to be levied in the County.

STATE AID INTERCEPT

The provisions of Section 15.2-2659 of the Act, in substance, direct the Governor of Virginia, upon satisfactory proof of default by the County in the payment of principal of or interest on the Bonds, immediately to order the Comptroller of Virginia to withhold all further payment to the County of all funds, or any part thereof, appropriated and payable by the Commonwealth to the County for any and all purposes until such default is remedied. For as long as the default continues, the law directs the Governor to require the Comptroller to pay to the holders of such Bonds or the paying agent therefor all of the withheld funds or as much as are necessary to cure, or to cure insofar as possible, the default on such Bonds. The Governor shall, as soon as practicable, give notice of

such default and of the availability of funds with the paying agent or with the Comptroller by publication one time in a daily newspaper of general circulation in the City of Richmond and by mail to the registered owners of such Bonds. Although the provisions of Section 15.2-2659 have never been tested in a Virginia court, the Attorney General of Virginia has opined that appropriated funds can be withheld pursuant to its provisions.

REMEDIES

The Bonds do not specifically provide any remedies that would be available to a bondholder if the County defaults in the payment of principal of or interest on the Bonds, nor do they contain a provision for the appointment of a trustee to protect and enforce the interests of the bondholders upon the occurrence of such default. If a bondholder does not receive payment of principal or interest when due, the holder could seek to obtain a writ of mandamus from a court of competent jurisdiction requiring the Board of Supervisors to levy and collect an ad valorem tax, unlimited as to rate or amount, upon all property in the County subject to local taxation sufficient to pay the principal of and the interest on the Bonds as the same shall become due. The mandamus remedy, however, may be impracticable and difficult to enforce. The enforceability of rights or remedies with respect to the Bonds (but not the validity of the Bonds) may be limited by bankruptcy, insolvency, or other State or Federal laws, heretofore or hereafter enacted, and equitable principles affecting the enforcement of creditors' rights.

The County has never defaulted in the payment of either principal or interest on any indebtedness.

NO LITIGATION RESPECTING THE BONDS

No litigation is pending or, to the best of the County's knowledge, threatened (a) to restrain or enjoin the issuance, sale or delivery of any of the Bonds, the application of the proceeds thereof or the pledge of tax revenues for payment of the Bonds, (b) in any way contesting or affecting any authority for the issuance or validity of the Bonds, (c) in any way contesting the existence or powers of the County or (d) that, if determined adversely against the County, would have a material adverse affect on the County. See "FAIRFAX COUNTY -- CONTINGENT LIABILITIES AND CLAIMS" for a description of litigation affecting the County.

FAIRFAX COUNTY

GENERAL DESCRIPTION

Overview

The County is located in the northeastern corner of Virginia and encompasses a net land area of 399 square miles. The County is part of the Washington, D.C. metropolitan area, which includes jurisdictions in Maryland, the District of Columbia, and Northern Virginia.

The Fairfax County government is organized under the Urban County Executive form of government (as defined under Virginia law). The governing body of the County is the Board of Supervisors which makes policies for the administration of the County. The Board of Supervisors is comprised of ten members: the Chairman, elected at large for a four-year term, and one member from each of nine districts, elected for a four-year term by the voters of the district in which the member resides. The Board of Supervisors appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors. (See Appendix I).

In Virginia, cities and counties are discrete units of government and do not overlap. Fairfax County completely surrounds the City of Fairfax and is adjacent to the City of Falls Church and the City of Alexandria. (See Appendix II). Property within these cities is not subject to taxation by Fairfax County, and the County generally is not required to provide governmental services to their residents. The County does, however, provide certain services to the residents of certain of these cities pursuant to agreements with such cities.

In Fairfax County there are located three incorporated towns, Clifton, Herndon and Vienna, which are underlying units of government within the County, and the ordinances and regulations of the County are, with certain limitations prescribed by State law, generally effective in them. (See Appendix III). Property in these towns is subject to County taxation and the County provides certain services to their residents. These towns may incur general obligation bonded indebtedness without the prior approval of the County (more fully discussed in "FAIRFAX COUNTY--DEBT ADMINISTRATION").

Certain County Administrative and Financial Staff Members

Anthony H. Griffin, County Executive, joined Fairfax County Government in 1989 after serving as Falls Church, Virginia City Manager for six years. He was appointed County Executive effective January 17, 2000. He previously served as Deputy County Executive for the County. He had previously served as acting County Manager and Deputy County Manager of Arlington County, Virginia. He is a graduate of Hobart College in Geneva, New York, and holds Master's Degrees in Urban and Regional Planning and in Urban Affairs, with a concentration in Urban Management, from Virginia Polytechnic Institute and State University.

Verdia L. Haywood, Deputy County Executive, joined Fairfax County Government in 1978 as Executive Assistant to the County Executive. Prior to joining Fairfax County, Mr. Haywood served as Senior Budget Analyst for the City of Richmond, Virginia. Mr. Haywood holds a Bachelor's Degree with Honors from Alcorn State University, with a concentration in Political Science and Economics, and a Master's Degree in Public Administration from the University of Illinois. He also was the recipient of a Ford Foundation Grant and Illinois State Urban Fellowship.

Robert A. Stalzer, Deputy County Executive, joined Fairfax County Government on June 1, 2000. Mr. Stalzer served as Town Manager in the Town of Herndon, a position he held since 1988. He had previously served as Director of Planning and Zoning, Zoning Administrator and Planning Commission Secretary for Roanoke

County, Virginia. Mr. Stalzer holds a Bachelor of Arts from Clark University, a Master of Regional and City Planning from the University of Oklahoma and is currently a degree candidate at Syracuse University, New York for a Master of Business Administration.

David P. Bobzien was appointed County Attorney by the Board of Supervisors effective in January 1993, after serving as a member of the Fairfax County Planning Commission and as Chairman of the Fairfax County Goals Advisory Commission. He is the past Chair of the Local Government Law Section of the Virginia State Bar, the President-elect of the Local Government Attorneys of Virginia, and a member of the Virginia State Bar Council. Prior to assuming his present position he served as Assistant Counsel in the Office of Professional Responsibility of the United States Department of Justice. From 1975 to 1979 Mr. Bobzien was an associate in the Fairfax law firm of Fitzgerald and Smith. He also served as a Captain in the Judge Advocate General's Corps in the United States Army from 1971 to 1975. Mr. Bobzien is a graduate of Holy Cross College and holds a J.D. from the University of Virginia and an LL.M in Taxation from George Washington University.

Edward L. Long, Jr., Chief Financial Officer, joined the County in 1977 as a Budget Analyst. He served as a Senior Budget Analyst from 1980 to 1983 and as Assistant Director from 1983 to 1989. He was appointed Budget Director in October 1989. Mr. Long has a Bachelor's Degree in Political Science from Emory & Henry College and a Master's Degree in Urban Studies from the University of Maryland at College Park. He has served on the Fairfax-Falls Church Community Services Board and is active and has held offices in numerous professional organizations in the Northern Virginia region. In 1993 Mr. Long was recognized by the Washington Metropolitan Government Finance Officers Association with the Anna Lee Berman Award for Outstanding Leadership in Governmental Finance.

Robert L. Mears, Director of the Department of Finance, was appointed as Fairfax County Director of Finance effective September 7, 1999. He served as Finance Director of the Fairfax County Public Schools since 1989. He joined the Schools staff in 1986 as a coordinator of the logistics budget after service with the County government since 1981 as a Management Analyst. During his time with the County government, he served on the interdepartmental project team responsible for implementation of the government's new automated financial system. Mr. Mears received his Bachelor's Degree in Sociology from the College of William and Mary and his Master's Degree in Public Administration from the University of Northern Colorado. He is a Certified Governmental Financial Manager and is Treasurer and Chairman of the Investment Committee of the Board of Trustees of the Fairfax County Supplemental Retirement System, Treasurer of the Board of Trustees of the Police Officers Retirement System, and Treasurer of the Board of Trustees of the Uniformed Retirement System.

County Employees

As of July 2000, there were 31,067 full and part time positions authorized for the County. Of this total, 19,827 were authorized by the County School Board; 10,373 were authorized in other activities funded directly or supported by the General Fund of the County; and 867 were authorized in activities not supported by the General Fund, principally the Integrated Sewer System. No Fairfax County employees are represented by unions. Fairfax County public school employees have, however, organized the Fairfax Education Association and the Fairfax County Federation of Teachers to represent the interests of its members at public hearings and meetings before the County School Board and the Board of Supervisors. General County employees' interests are represented at these types of meetings by the Employees Advisory Council and other groups such as Police, Fire and Sheriff employee organizations. None of these organizations is empowered to serve as negotiating agent for its members for collective bargaining purposes. Collective bargaining by public employees in Virginia is prohibited by law, and such restriction has been upheld by the Supreme Court of Virginia.

GOVERNMENT SERVICES

Reflecting its urban character, Fairfax County provides a comprehensive range of public services characteristic of its form of government under Virginia law and its integral position within the Washington metropolitan area. The following subsections describe principal governmental services and services performed in conjunction with other governmental entities.

General Government Administration

Fairfax County has received national recognition for many administrative and managerial innovations which have been implemented in order to increase the efficiency of County services and reduce costs. For example, decentralization in the administration of County programs has been emphasized in order to augment the efficient delivery of County services. Six remote governmental centers, in addition to the central government center complex, have been established. The centers provide office space for members of the Board of Supervisors, personnel, police, and building inspectors, and provide meeting rooms for community activities.

In order to enhance service quality or improve cost-effectiveness, the performance of several County functions were recently redesigned. In the area of human services, a redesign was conducted which was oriented toward increasing efficiency by emphasizing a team-based case service delivery, consolidating administration, and increasing the use of information technology. The final stage of this redesign was completed on July 1, 1997 and includes the consolidation of four existing human services agencies (Department of Human Development, Office for Children, Department of Community Action and the Area Agency on Aging) into one Department of Family Services agency.

To support recent realignment of County functions, significant investments are being made in the County's information technology capabilities. In addition to the investments related to the projects outlined above, the County is also replacing and upgrading its Public Safety communications network; integrating existing databases into a single Corporate Land Development System; digitizing the integrated mapping system; implementing electronic imaging for the Circuit Court land records; and utilizing ongoing upgrades to provide online public access to the County's library collections.

In the area of revenue collection and financial management, the County has instituted many computer-assisted programs in order to increase County revenues and monitor costs. For its approximately 323,000 taxable land parcels, the County has an annual assessment program that utilizes a computer program similar to those used throughout the Commonwealth. In August 1996, the Board of Supervisors approved a multi-year contract to complete the modernization of the County's tax automation systems. The uniformity of the assessment program is indicated by the County's achievement in 2000 of a Russell Index of 5.7. The Russell Index indicates the amount of deviation from the mean assessed value and provides a measure of uniformity to the assessment process. The International Association of Assessing Officers considers an index of 15.0 or less to be good. In addition, the Department of Finance maintains a cash management program which generates long range cash flow projections for the County, permitting the efficient investment of funds. An internal audit staff monitors County activities and performs both financial and management audits.

The County government center complex is located in the Fairfax Center area and is accessible by U.S. Routes 50 and 29, near Interstate Highway 66. The 674,943 square foot government center houses core County services and agencies. Two adjacent County office buildings provide an additional 486,129 square feet of space and house primarily human services and community development agencies and departments of the County.

Public Works

Essential management, professional engineering, design, and construction services in support of the construction of roads, sidewalks, trails, storm drainage, street lights, public facilities (except schools, housing and parks) and sewers are provided through the Department of Public Works and Environmental Services. The Department is also responsible for the acquisition of land for, and timely construction of, public facilities projects contained in bond referenda questions approved by the voters of Fairfax County. Referenda questions approved by County voters have included $412.57 million (excluding roads and transportation improvements) since April 1988 for major public facilities, including libraries, the County courthouse, police stations, fire stations, juvenile and adult detention facilities, mental health facilities, commercial revitalization projects, public safety, neighborhood improvement projects and storm drainage projects. In addition, the Department is responsible for the operation and maintenance of sanitary sewer and storm drainage systems, refuse collection and disposal, and wastewater treatment.

Wastewater generated in the County is treated at one County-owned treatment facility, four interjurisdictional treatment facilities and one private treatment facility. The County-owned treatment facility is the

Noman M. Cole, Jr., Pollution Control Plant (formerly the Lower Potomac Pollution Control Plant). The four interjurisdictional treatment facilities are the District of Columbia's Blue Plains Facility, and plants operated by the Upper Occoquan Sewage Authority ("UOSA"), the Arlington County Department of Public Works and the Alexandria Sanitation Authority and the private treatment facility is the Harbor View Wastewater Treatment Plant. The County's treatment capacity in the six facilities totals 133.6 million gallons per day ("mgd"). In February 1991, UOSA issued $95,490,000 bonds of which approximately $79,300,000 were to finance the initial phase of an expansion of its capacity from 27 mgd capacity to 54 mgd and associated improvements. This expansion, which is projected to be completed in 2001, will result in an increase of approximately 17.7 mgd in Fairfax County's sewage treatment capacity. UOSA issued $330,860,000 of bonds in January 1996, of which $288,600,000 was for the completion of the expansion project. Fairfax County is responsible for approximately 62.8% of the debt service on UOSA's bonds. In July 1996, the County issued $104,000,000 Sewer Revenue Bonds to fund a portion of the cost of the expansion and upgrade of the Noman M. Cole, Jr., Pollution Control Plant from 54 mgd to 67 mgd.

The Department manages and operates the I-95 Sanitary Landfill located on approximately 400 acres in the southern portion of the County. This facility is operated on a "special fund" basis, which utilizes tipping fees to pay for the operation and capital expenditures of the landfill. Since December 31, 1995, the landfill has been dedicated to the disposal of ash which is generated by the incineration of municipal solid waste at the Arlington/Alexandria Energy/Resource Recovery Facility and the Fairfax County Energy/Resource Recovery Facility ("E/RRF"). The County has initiated closure activities which involve placing a synthetic cap over the closed section of the landfill along with landfill gas extraction wells and leachate collection systems. As of June 2000, capping activity was completed on approximately 150 acres of the site. The closure project is a multi-phase construction project which will be on-going throughout the remaining life of the facility. Dedicated reserves are established for this purpose, and the County has met the financial assurance requirements set forth by the Virginia Department of Environmental Quality regarding closure and post-closure care. Additional landfill requirements, either debris or sanitary waste, are met through separate contracts.

The E/RRF burns solid waste delivered to the facility from the County, the District of Columbia, Prince William County, and portions of Loudoun County and has a dependable capacity rating of 63 megawatts ("MW") for sale to Virginia Power. The Fairfax County Solid Waste Authority, which was created by the County, entered into a service contract in August 1987 with Ogden Martin Systems of Fairfax ("OMSF"), a wholly owned subsidiary of Ogden Martin Systems, Inc., under which OMSF was obligated to design, construct and operate a 3,000 ton per day resource recovery facility at the I-95 Landfill Site. Ogden Corporation, of which OMSF is an indirectly wholly-owned subsidiary, has guaranteed the obligations of OMSF under the service contract. In February and March 1988, the Fairfax County Economic Development Authority issued $252,080,000 in revenue bonds to finance the construction of the E/RRF. The bonds are not general obligations of Fairfax County, but they are secured solely by the revenues of the E/RRF. Full-scale operations at the E/RRF began in June of 1990. In 1995, the County sold an option to acquire refunding revenue bonds for the E/RRF. This option was sold to a financial institution for a one-time fee of approximately $10.25 million. On November 4, 1998, the option was exercised and the refunding revenue bonds were delivered. The refunding bonds, which total $195,505,000, have a lower interest rate, serving to decrease the net debt service for the facility. Net debt service is a crucial element in determining the annual waste disposal fee per ton which the County pays to OMSF. As a result of the option exercise, the savings per ton will be approximately four dollars ($4), a decrease of about 12% from Fall 1998 levels.

As a result of the provisions of the Clean Air Act Amendments of 1990, additional emissions control systems were required to be added to the E/RRF. The systems, which will serve to further reduce emissions of mercury, nitrogen oxides, and sulfur dioxide, among others, will be completed in December 2000. The cost of these improvements was funded through remaining bond proceeds from the original financing of the E/RRF.

Fairfax County is obligated under the service contract to deliver certain minimum annual tonnages of solid waste to the E/RRF and to pay OMSF tipping fees for the disposal of such waste to provide funds sufficient to pay the operating costs of the E/RRF and debt service on the bonds. The County's commitment to deliver minimum quantities of solid waste to the E/RRF was based on "flow control" powers granted to the County by the General Assembly of Virginia to direct private haulers of solid waste to the E/RRF. An adverse 1994 decision by the Supreme Court of the United States has created uncertainty with regard to the power of local governments to enforce flow control ordinances. The supply of municipal solid waste to the E/RRF may be subject to the competitive pricing of alternative disposal sites. In light of the competitive pressures, and in order to maintain its waste stream

to the E/RRF, in August of 1998 the County began to enter into contracts with waste haulers, providing them a discount on waste disposal fees if they commit to keep their waste within the County. On September 14, 1998, the County Board of Supervisors passed a resolution clarifying its intent to enforce only intra-state flow control, which is not impacted by the 1994 Supreme Court decision. On November 23, 1998, the Board of Supervisors approved changes to the County Code, at a public hearing, which provide for intra-state flow control.

During FY 1999, the E/RRF processed nearly 983,000 tons of material, and in FY 2000, nearly 1,059,000 tons, exceeding the guaranteed requirements by 52,000 tons and 128,000 tons, respectively.

To comply with local directives, the County has initiated a comprehensive waste reduction and recycling program. Recycling is mandatory for all residents and businesses. One goal of the recycling program, to reduce the municipal solid waste stream by 25 percent, was achieved by the close of FY 1992, 3 years ahead of State requirements. In FY 1999 the County recycled approximately 35 percent of the waste stream. The County's waste reduction/recycling efforts include: recycling of glass, aluminum, newspaper, office paper, ferrous metals, corrugated cardboard, used motor oil, automobile batteries, grass, leaves and brush (with the distribution of ground wood mulch to County citizens).

Public Schools

The Fairfax County Public Schools (FCPS) is the largest educational system in the Commonwealth of Virginia and is the twelfth largest school system nationwide when ranked by enrollment. The system is directed by a twelve-person School Board elected by the citizens of Fairfax County to serve four-year terms. A student representative with a one-year term participates in the discussions but does not vote. Because the School Board is not empowered to levy taxes or to incur indebtedness, the operating costs of the FCPS are provided by the Federal and State governments and by transfers from the General Fund of the County to the School Board (see the subsection herein entitled "Expenditures and Transfers" in the section entitled "FINANCIAL INFORMATION"). Capital construction funding for public school facilities is provided primarily by the sale of general obligation bonds of the County.

FCPS is a high quality system offering a variety of programs. There is a strong academic program for college-bound students. Approximately 93% of the June 1999 graduates enrolled in post-secondary educational programs. In addition to the traditional academic curriculum, the Thomas Jefferson High School for Science and Technology provides a four-year college preparatory program for students who have a strong interest and high aptitude in mathematics, science, computer science, engineering, or related professional fields. The school has been designated as one of the Governor's magnet schools for science and technology, and students from other Northern Virginia counties are admitted on a tuition paying basis.

An extensive program for students pursuing opportunities in technical careers has also been developed. Various courses are offered in business, health occupations, industrial technology, marketing, trade and industrial, and work and family studies program areas. In addition, there are special programs offered for gifted children and for handicapped children ages 2 through 21. A comprehensive summer school program for students in the general academic program as well as for special education students is offered. FCPS also provides an extensive adult education program offering basic education courses and general education, vocational and enrichment programs. During the 1999-2000 school year more than 83,000 persons were enrolled in the adult education program.

In FY 2001, the School Board operates 25 special education centers, 3 special service sites, and 179 schools including 131 elementary, 21 middle, 21 high and 3 secondary schools (grades 7-12) and 3 alternative high schools. Among the 207 schools and centers operated by FCPS are a variety of special programs designed to enhance student achievement. These include three elementary magnet schools with County-wide enrollment, four elementary focus schools with specific curricular approaches, one extended year elementary school, 24 foreign language partial-immersion schools, and seven International Baccalaureate programs at the high school level. Approximately 17,847 employees are assigned to work in schools and 1,581 positions are non-school based. These positions provide support in areas such as personnel, payroll, and maintenance of facilities. There are 399 grant funded positions.

In FY 2001, the average elementary class size is estimated to be 21.9 students per teacher. Kindergarten classes are staffed with a teacher and an instructional assistant at a maximum class size of 28 students. Elementary schools are staffed with pupil-teacher ratios of 24.5 to 1 in grades 1 through 3, with grade one classes capped at 25 students maximum. Grades 4 through 6 are staffed at a pupil-teacher ratio of 26.5 to 1. At the middle school level, the average number of students per classroom teacher is 17.8 students, with an average of 18.9 students per teacher at the high school level.

Certain schools are identified as having students with special needs; these schools have a high variability in test scores, a high mobility rate, a large percentage of free and reduced price lunch eligible students, and a high minority enrollment. Supplementary staffing is allotted to these schools.

The 32 elementary special needs schools have a reduced pupil-student ratio of 20.5 to 1 in grades 1 through 3 and 22.5 to 1 in grades 4 through 6; maximum kindergarten class size is set at 24 students. In addition, 46 elementary schools have a 15 to 1 pupil-teacher ratio in the first grade to provide additional support to students with special needs. These schools were selected based on their status as special needs schools, Chapter 1 schools, or schools with a high percentage of free and reduced price lunch eligible enrollment. Nine middle schools and eight high schools are classified as special needs schools. These schools have additional staff, including teachers, assigned to them. In addition, Project Excel provides students in 20 elementary schools with additional time for learning and enhanced academic programs.

FCPS provides a number of student intervention programs for the increasing population of non-traditional learners. These alternative high schools and programs and four English as a Second Language transition centers are operated throughout the County. The Intervention and Support Program is designed to help chronically disruptive students change their behaviors and attitudes. These programs are operated at 19 sites throughout the County.

As shown below, the number of students attending Fairfax County Public Schools increased between 1990 and 2000. Enrollment for FY 2000 was 154,523, an increase of 26,235 students over the FY 1990 enrollment. It is projected that enrollment will increase through 2006.

Fiscal Year	Number of Public School Students
1990	128,288
1991	130,619
1992	133,198
1993	135,102
1994	137,495
1995	140,097
1996	143,040
1997	145,805
1998	148,036
1999	151,418
2000	154,523
	Enrollment Projections
2001	160,966
2002	163,370

Source: Fairfax County Public Schools

Fairfax County has achieved its superior quality educational school system while maintaining one of the lower per-pupil costs in the Washington metropolitan area. The average per-pupil expenditures based on FY 2001 approved budget operating costs for several Washington metropolitan area jurisdictions are as follows:

Jurisdiction	Per-Pupil Expenditures
Arlington County	$11,254
City of Falls Church	10,962
City of Alexandria	10,609
Montgomery County (Md.)	9,063
Fairfax County	8,553
Loudoun County	7,829
City of Manassas	7,608
Prince William County	7,105
Prince George's County (Md.)	6,087

Source: FY 2001 Metropolitan Area Boards of Education Guide, November 2000.

FCPS compares favorably with other area school systems. In the 2000 National Merit Scholarship program, 178 FCPS students were named semifinalists and FCPS students accounted for 49 percent of Virginia's National Merit Scholarship semifinalists.

In addition, FCPS students' SAT scores compare favorably with state and national averages on Scholastic Aptitude Tests administered by the College Board.

2000 Average Scholastic Aptitude Test Scores

	Verbal	Math	Total
United States	505	514	1,019
Virginia	509	500	1,009
Fairfax County	542	556	1,098

Source: Educational Testing Service

FCPS was rated as a Gold Medal school district, the highest rating possible, by Expansion Management magazine in its 1999 rankings. In its ninth annual survey, the magazine's Educational Quotient ("EQ") ranked approximately 1,500 school districts. FCPS, one of only 152 school districts to receive the gold medal distinction, scored 144 points out of a possible 150 points. According to the magazine, the EQ assists in determining which school systems are likely to produce quality workers for today's complex global markets. The magazine emphasizes that school district desirability is a major factor for businesses in selecting the right community for expansions and locations.

Since April 1988, a total in excess of $1.22 billion in general obligation bonds has been authorized by County voters for school capital projects. In November 1999, Fairfax County voters authorized the Board of Supervisors to issue bonds in the aggregate amount of $297.205 million for planning and construction of new schools, additions and renewals at existing schools, and other school improvements countywide.

Transportation

General

Fairfax County is served by various highway, rail and air transportation facilities. The Capital Beltway (Interstate Highway 495), Interstate Highways 95, 395, and 66 and the Dulles Toll Road provide access to all parts of the Washington metropolitan area and major surface transportation corridors along the eastern seaboard. The Washington Metropolitan Area Transit Authority ("WMATA") rail system provides area residents with one of the largest and most modern regional transit systems in the world.

Two major airports serve the County with daily national and international service. Washington Dulles International Airport, located along the County's western boundary, is also the site of a designated Foreign Trade Zone. Ronald Reagan Washington National Airport, located a few miles east of the County, is accessible by Interstate Highways 66 and 395. Control of these facilities was transferred in 1987 by a 50-year lease from the Federal Government to the Metropolitan Washington Airports Authority ("MWAA"), a public authority created by interjurisdictional compact between the Commonwealth and the District of Columbia. MWAA issued revenue bonds to finance major improvements to its facilities to improve the level of service at both airports. These improvements should increase the number of passengers and flights at, as well as further stimulate economic development in the area of, Washington Dulles International Airport. A major expansion of the terminal facilities at Ronald Reagan Washington National Airport was opened in the summer of 1997 and a new concourse was opened at Washington Dulles International Airport in 1998. A new commuter concourse opened at Dulles Airport in 1999.

Ground transportation has received significant attention from the County in the past few years, primarily in an effort to relieve traffic congestion along the major arterials leading to Washington, D.C. and also to facilitate cross-County movement, connecting established and newly developing centers of commerce and industry. Efforts have included increased local funding for highway improvements, establishment of transportation improvement districts, creation of County transit systems, continued participation in WMATA, and other improvements which encourage increased use of Metrorail, bus services and carpooling. The County also participates in a regional commuter rail system to expand the family of transportation services available to County residents.

During the 1993 session of the Virginia General Assembly, a transportation bond authorization bill was approved for projects in Northern Virginia. This legislation authorized $181 million in bonds that would be serviced by recordation tax revenues that are collected by the Commonwealth on property transactions. Of this amount, $64 million was designated for the Fairfax County Parkway, $63 million for assisting Northern Virginia WMATA compact members to pay their share of Metrorail construction, and $54 million for the Route 234 Bypass which is located in Prince William County.

During the 1994 session of the Virginia General Assembly, a second transportation bond authorization bill was approved for Northern Virginia projects. This legislation authorized an additional $90 million in bonds to be serviced by recordation tax revenues. Of this amount $23.0 million was designated for the Fairfax County Parkway; $22.6 million will assist Northern Virginia's WMATA compact members in paying their share of Metrorail construction; $19.4 million will finance a portion of the Route 234 Bypass in Prince William County; $15 million will be used for Route 7 and 15 improvements in Loudoun County; and $10 million will fund the Route 50/Courthouse Road interchange in Arlington County.

During its 1995 session, the Virginia General Assembly authorized an additional $45.2 million of bonds for the construction of two additional lanes to the Dulles Toll Road between Interstate 495 in Fairfax County and Route 28 (Sully Road) in Loudoun County. This project is complete.

During its 1998 session, the Virginia General Assembly increased the total debt authorized from $271.0 million to $366.9 million. Additional bonds will be supported by public right-of-way user fees attributable to Fairfax, Loudoun and Prince William Counties and contributions from Arlington County and the Cities of Alexandria, Falls Church and Fairfax. These bonds include $50 million for the Fairfax County Parkway, $20.3 million for Route 234 in Prince William County, $17.7 million for Metrorail capital improvements, and $7.9 million for the Route 28 and Route 625 interchange in Loudoun County.

During its 1999 session, the Virginia General Assembly increased the total debt authorization from $366.9 million to $471.2 million. The additional bonds will be allocated to a variety of projects in Northern Virginia. These projects include: $16.0 million for Metro capital improvements; $10.4 million for Metrorail station improvements in Alexandria and Arlington County; $10.1 million for Route 15 in Loudoun County; $8.2 million for the Route 1/Route 123 interchange in Prince William County; $3.1 million for improvements to Lee Highway in Fairfax City; $27.0 million for Route 123 in Fairfax County; $6.0 million for transit enhancements in the Dulles Corridor; $13.0 million for Route 7 in Fairfax County; $5.0 million for the Telegraph Road in Fairfax County; $4.0 million for the Route 1/Route 234 interchange in Prince William County and $1.5 million for the Potomac and Rappahannock Transportation Commission. The General Assembly also directed the Governor to recommend a permanent funding source for payment of the debt service on these additional bonds.

Highway Improvements

Since April 1988, a total of $360.0 million of general obligation bonds has been authorized by County voters for road and other transportation improvements. In April 1988, the voters approved $150 million in bonds to focus on facilitating intra-County travel, alleviating highway congestion in the vicinity of economic development centers and improving access to Metrorail stations located within the County. In particular, various segments of the Fairfax County Parkway and Franconia-Springfield Parkway were constructed utilizing general obligation bond proceeds. These project segments, when linked with future segments of the Parkway, will eventually provide an intra-County connection from State Route 7 in the northwest corner of the County, south to the Dulles Toll Road and U.S. Route 50 and continuing southeast through the County to connect with Interstate Highway 95 in Springfield, and with Route 1 in southeastern Fairfax County. In November 1990, $80 million of County general obligation bonds were authorized to provide for local matching funds to supplement Federal Transportation Administration grants for access improvements and an express bus system along the Dulles Toll Road; to provide for a bus maintenance facility and to provide funds for the construction of the Franconia/Springfield Metro station. In November 1992, County voters approved $130 million of new bonds for the purpose of completing additional segments of the Fairfax County Parkway and providing funds to satisfy the County's obligations to WMATA for the capital construction program to finish the 103-mile rail system.

In Virginia, the State is normally responsible for highway construction and maintenance. However, highway improvement needs in Fairfax County far exceed the highway revenues available from the State. Approximately $353 million in road improvements, authorized by the 1985, 1988 and 1992 referenda, were identified as critical. County bond financing has enabled these improvements to be undertaken at a much earlier point as compared to State improvement schedules which are constrained by current State gasoline tax rates and State-wide allocation formulae. The County will have no liability for the operating costs for these roads as they are, or will become, part of the State primary and secondary road systems and will be maintained by the State.

Primary Highway Transportation Improvement Districts

Primary Highway Transportation Improvement Districts are another financing alternative for needed highway improvements. The County, in partnership with Loudoun County, a neighboring jurisdiction, formed the Route 28 Highway Transportation Improvement District on December 21, 1987. The District was formed to accelerate planned highway improvements proposed by the State to State Route 28 which connects State Route 7 in eastern Loudoun County to U.S. Route 50 and Interstate Highway 66 in western Fairfax County, running approximately parallel to the County's western border. These improvements are now complete. State Route 28 provides access to Washington Dulles International Airport, along with the Dulles Access Road and the Dulles Toll Road which connect the Capital Beltway to the Airport.

The District is administered by a Commission appointed by the Boards of Supervisors of the two counties. The Commission may subject the owners of property within the District to a maximum additional tax assessment of 20 cents per $100 of assessed value, in addition to funds received through the State Primary Road Fund allocation formula, in order to reimburse the State for its debt service payments on its bonds. The Commonwealth issued $138.5 million in revenue bonds for the Route 28 project in September 1988. The revenue bonds issued by the State are not an obligation of Fairfax County. In April 1992, the Commonwealth of Virginia refunded all of the outstanding bonds. The refunding bonds have an annual debt service requirement of $8.8 million. The District currently imposes a tax of $.20 per $100 assessed value. Taxes collected on property within the District located in Fairfax County for FY 2000 and applied to debt service on the outstanding bonds of the Commonwealth in respect of the Route 28 project were approximately $4.3 million.

County Transit Systems

In an effort to provide an alternative to escalating Metrobus costs, the FAIRFAX CONNECTOR feeder bus service to Metrorail Stations has operated since 1985 when 10 routes initially went into service. Since that time, service expansion and restructuring has occurred as demand has increased and additional Metrorail Stations have been opened. The FAIRFAX CONNECTOR currently operates 58 routes to 11 Metrorail Stations, including the Huntington, Pentagon, West Falls Church, Van Dorn, Vienna-Fairfax-GMU, Dunn Loring-Merrifield, Franconia-Springfield, Rosslyn, Pentagon City, Eisenhower Avenue and King Street Stations. Private contractors were hired to operate and maintain the service, and have the responsibility to employ and supervise all transit personnel, while the Board of Supervisors maintains control and approves all policies for bus service such as routes and service levels, fare structures, and funding assistance.

The FAIRFAX CONNECTOR System is supported from the General Fund and fare box revenues. Ridership has steadily increased since inception in 1985. The FAIRFAX CONNECTOR carried 4.8 million passengers in FY 2000. Actual General Fund support totaled $20,354,303 in FY 2000. The County runs a permanent maintenance and garage facility for the FAIRFAX CONNECTOR in the southern portion of the County. The total cost of this facility was $4.0 million.

The County also sponsors FASTRAN, a paratransit system primarily transporting clients of four human service agencies: the Fairfax-Falls Church Community Services Board, the Department of Community and Recreation Services, the Department of Family Services and the Health Department. The clients of these agencies, including those with low incomes and people with physical and cognitive disabilities who cannot drive, find a ride, use Metro or Connector buses, or afford taxi fares can use FASTRAN to reach essential programs and services. FY 2000 funding of $9,458,268 was provided primarily by the client agencies from operating funds already designated for transportation service in their respective programs. This system, which began in FY 1986, was designed to provide a centralized, more effective service in lieu of programs individually administered by each agency.

FASTRAN's private sector contractor provided 542,470 one-way rides in FY 2000 for clients needing trips to medical appointments, employment, therapy, senior centers, adult day health care, and other purposes as determined by client agencies. FASTRAN also transports those who are certified for MetroAccess paratransit service, in compliance with the Americans with Disabilities Act. MetroAccess riders are unable to use traditional fixed route bus or rail service due to physical or cognitive disability.

Metro Transit System

Since 1970, Fairfax County and the other major political subdivisions in the Washington, D.C. metropolitan area have contracted with the Washington Metropolitan Area Transit Authority ("WMATA") to finance, construct and operate a 103-mile subway and surface rail transit system known as "Metrorail." Funding for the construction of the Metrorail system has come from direct Congressional appropriations matched by direct local contributions. Five Interim Capital Contributions Agreements between WMATA and the participating political jurisdictions have been executed to date. Currently, the Fifth Interim Capital Contributions Agreement ("ICCA-V") governs the schedule and costs for the Federal and local shares of construction of the final 13.5 miles of the 103-mile Adopted Regional System ("ARS").

ICCA-V, executed on January 29, 1992, reflects the Federal authorization of $1.3 billion to complete construction of the ARS by 2001. This accelerated construction schedule, called the "Fast Track" program, requires stable Federal appropriations of $200 million per year. Of the four Metrorail segments, the Franconia-Springfield segment, which is the last segment in Fairfax County (and Virginia), opened in June 1997. In addition segments in Montgomery County Maryland and the District of Columbia have been completed. The remaining segment is currently under construction and will open on January 13, 2001.

Through June 30, 2000 Fairfax County had contributed approximately $226.6 million toward Metrorail construction, consisting of $120.8 million of County general obligation bond proceeds, $102.7 million of State aid for transportation and $3.1 million in credits. Fairfax County's obligations under ICCA-V to provide local matching funds currently total $113.2 million. ICCA-V local requirements are reallocated every two years to reflect current conditions. From FY 2001 through FY 2005 the County anticipates paying approximately $11.8 million towards the cost of completing the 103-mile ARS.

Funding sources for Fairfax County's Metrorail construction contributions are: general obligation bond proceeds, State bond proceeds and State aid. At its regular 1993 Session, the Virginia General Assembly enacted legislation authorizing the Commonwealth Transportation Board to issue bonds to finance transportation projects in northern Virginia, including $63 million Metro Capital Improvements including the Franconia-Springfield Metrorail Station and $64 million for the Fairfax County Parkway. In September 1993 the Commonwealth issued $45.6 million of Metro Capital Improvement Bonds of which Fairfax County was allocated $25.523 million to apply to Metrorail construction. An additional $90 million in transportation bonds were authorized by the Commonwealth in 1994. The Commonwealth conducted another transportation bond sale in February 1995 which generated $19.7 million in Metro Capital Improvements Bond proceeds, $10.8 million of which was allocated to Fairfax County. In addition, in November 1996, the Commonwealth sold an additional $20.3 million transportation bonds to support Metrorail construction. Of this amount, $11.2 million was allocated to Fairfax County.

The General Assembly authorized an additional $95.9 million in 1998 which included $13.3 million for Metrorail construction. Fairfax County's share of these bonds is approximately $7.0 million. These bonds were sold in Fall 1999. In 1999, the General Assembly approved another $104.3 million in transportation bonds. This authorization included $16.0 million in Metro capital projects. Fairfax County's share of these funds is expected to be approximately $9.3 million.

Funding sources for WMATA operating assistance are: the General Fund, gasoline tax receipts, State aid and Federal Operating Assistance. Fairfax County's share of the bus and rail operating subsidies for FY 1990-2000, and the estimate for FY 2001 are shown in the following table:

Fairfax County WMATA Operating Subsidies
(Millions of Dollars)

Fiscal Year	Bus Operations[1,6]	Rail Operations[1]	Rail Const. Manage-ment[1]	ADA Para-transit[1]	Less Federal Operating Subsidies	Less State Aid[2]	Less Gas Tax Receipts[3]	Prior Year Credit	Net General Fund
1990	31.112	7.376	.315		2.620	18.333	5.032		12.818
1991	33.090	8.246	.263		2.372	20.531	4.960		13.137
1992	34.696	7.911	.295		2.315	20.087	4.279		16.174
1993[4]	33.930	9.650	.283		2.315	20.044	4.920		16.588
1994[5]	33.606	12.642	.320	.435	2.325	20.164	3.589		20.925
1995	29.921	13.261	.237	.626	2.316	22.204	3.451	.119	15.956
1996	29.424	13.793	.194	.844	1.509	21.956	2.757	.868	17.166
1997	27.197	14.067	.208	1.389	1.122	28.086	4.723	.399	8.531
1998	25.108	15.714	.270	.966	1.125	27.682	5.104	1.309	6.838
1999	24.199	14.974	.305	1.512	0.000	27.850	4.108	0.000	9.032
2000	24.541	19.815	.000	2.029	0.000	28.654	6.840	1.409	7.492
2001(est.)	25.875	19.817	.000	2.833	0.000	25.776	8.016	3.034	11.639

Source: Fairfax County Department of Transportation and Department of Management and Budget.

1 The amounts shown for operating subsidies for FY 1990 through 2000 represent actual disbursements in those years. Adjustments based on final WMATA annual audited figures are incorporated in the fiscal year in which the credit for an overpayment was applied or a debited amount was paid rather than the fiscal year in which the credit or debit was earned, except as noted below.

2 In 1983, the Virginia General Assembly enacted legislation permitting the use of State aid for transportation to fund transit program operating costs in addition to transit program capital costs.

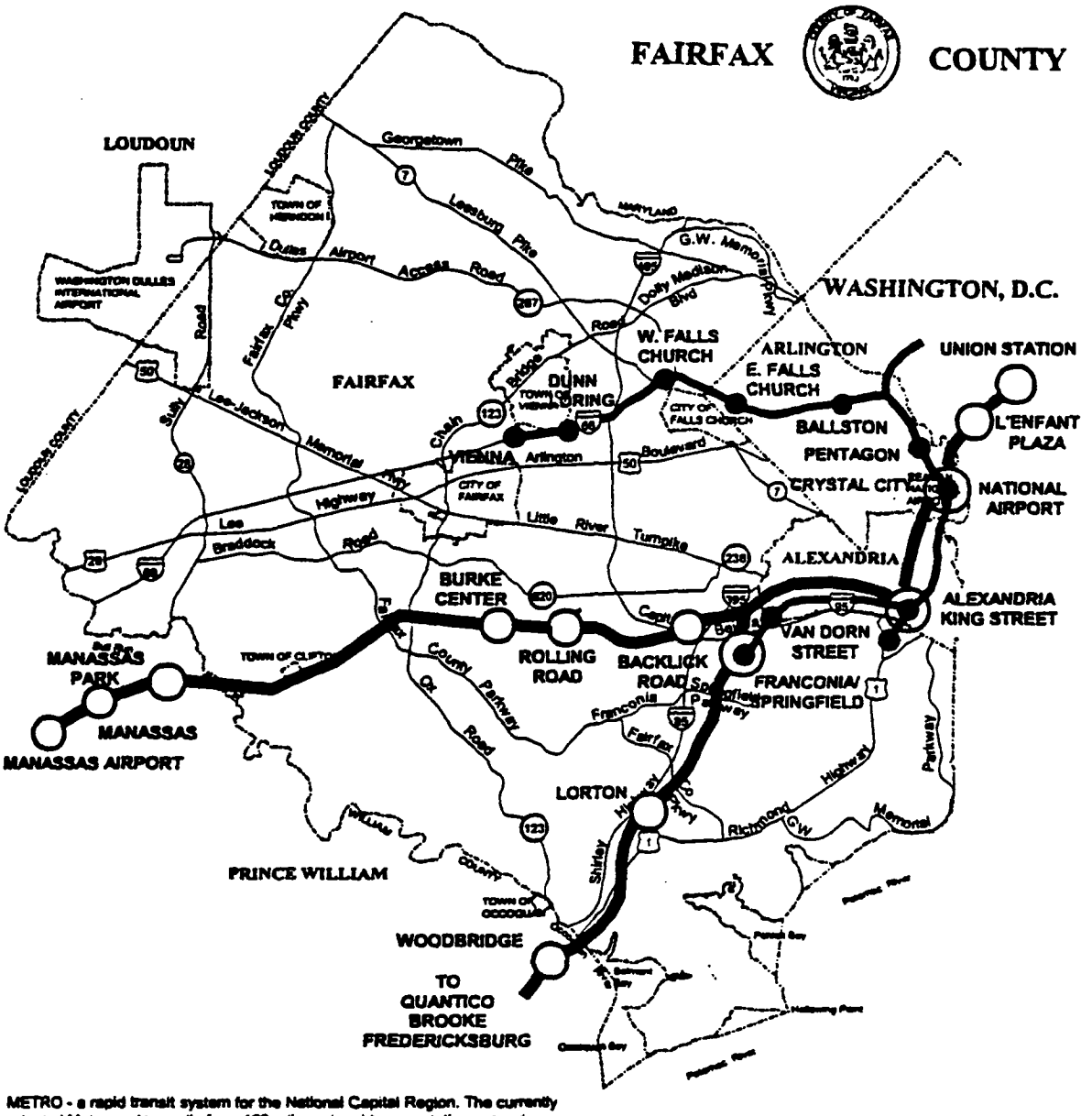
3 In January 1980, the Virginia General Assembly enacted legislation which established a 2 percent retail gasoline tax in those Northern Virginia jurisdictions covered by the Northern Virginia Transportation Commission ("NVTC") to be dedicated to mass transit costs. The receipts from this tax are paid to NVTC which then allocates these funds to participating jurisdictions for payment of transit operating, capital and debt service costs.

4 Figures do not include a prior year adjustment (cost) of $854,358 which was paid in FY 1993 with County General Funds.

5 Figures do not include a prior year adjustment (cost) of $219,772 which was paid in FY 1994 with County General Funds.

6 Includes Springfield Circulator and other services enhancements.

The Americans with Disabilities Act requires that transit systems provide paratransit service for passengers with disabilities. To comply with the Act, WMATA began operation of MetroAccess on June 1, 1994, with limited hours of service. The hours of operation was expanded in November 1995, and full service began in January 1997. The local jurisdictions, including Fairfax County, will be responsible for funding the operating deficit associated with this service. In FY 2000, Fairfax County's share of the operating deficit is expected to have been $2,832,675.



METRO - a rapid transit system for the National Capital Region. The currently adopted Metro system calls for a 103 mile regional transportation network connecting Washington with the Virginia and Maryland suburbs. It includes 40.1 miles rapid transit service in the District of Columbia, 33.3 miles in Maryland and 29.5 miles in Virginia.

The Virginia Railway Express is a transportation partnership that, beginning in June 1992, operates two commuter railroad lines on 90 miles of existing track. Approximately 35 miles of the system operates in Fairfax County serving five stations. One line originates near Manassas, Virginia and one near Fredericksburg, Virginia; both lines terminate at Union Station in the District of Columbia.

THE METRO - RAPID RAIL TRANSIT SYSTEM IN FAIRFAX COUNTY & VIRGINIA RAILWAY EXPRESS

- ADOPTED SYSTEM CURRENTLY IN OPERATION
- ADOPTED SYSTEM UNDER CONSTRUCTION OR DESIGN
- METRORAIL STATIONS
- VIRGINIA RAILWAY EXPRESS
- RAILWAY STATIONS

Other Transportation Improvements

In conjunction with direct highway improvements and participation in WMATA Metrobus and Metrorail operations, the County is examining other alternatives for commuting that will appeal to a wide variety of commuter tastes, needs and economies. Initiatives which have been, or are now being, implemented include expansion of parking facilities at Metrorail stations, establishment of commuter "Park and Ride" lots, implementation of a transportation systems management program in the Dulles corridor, and establishment of a regional, publicly operated commuter rail system.

Commuter Park-and-Ride Facilities

Fairfax County completed a comprehensive countywide analysis of its existing park-and-ride facilities and projected demand for future facilities in February 1988. From this study, two significant capital initiatives were undertaken.

Expansion of the parking capacity at Vienna and Huntington Metrorail Stations was the first initiative. In a cooperative venture with WMATA and the Fairfax County Economic Development Authority ("EDA"), the County constructed 1,300 additional structured parking spaces at the Vienna Station in 1990 and 750 additional structured parking spaces at the Huntington Station in 1991. The EDA issued $26.8 million of parking revenue bonds to fund construction of these two parking structures which have been repaid utilizing surcharge parking fee proceeds collected at Metrorail stations located in Virginia. A portion of these bonds was refunded in March 1998.

In January 1999, the Board of Supervisors approved WMATA's design of additional structured parking spaces at the Vienna Metrorail Station. In November 1999 the EDA issued $25.735 million of parking revenue bonds to fund the construction costs of these spaces. The bonds will be repaid from parking surcharge revenue.

The second primary park-and-ride initiative was the County's Suburban Mobility Grant Application to the Federal Transportation Administration ("FTA"). This grant application included three new park-and-ride facilities located in Fairfax County at two sites in Reston (South and East) and one in Centreville and the expansion of the existing Rolling Valley facility.

An additional 1,086 parking spaces were provided at a total cost of $5.7 million and funded with an FTA grant of $4.2 million (75%) and $1.5 million of County local match (25%) funds. The County's share was funded from $3.0 million of general obligation bonds for park-and-ride facilities approved by Fairfax County voters on April 12, 1988. The Centreville, Rolling Valley and Reston South facilities are currently operational. The Reston East facility at Wiehle Avenue was completed as part of the Dulles Corridor program discussed below.

Another critical commuter parking need identified by the County park-and-ride study was in the Springfield Area. As a result, Fairfax County coordinated with WMATA and the Virginia Railway Express the design and construction of a multimodal transportation center on the site of the Franconia-Springfield Metrorail Station. During 1991, Fairfax County advanced $6.1 million to WMATA to fund the design and engineering work for the transportation center and the Metrorail station. An additional $5.8 million was advanced for land acquisition. These funds were available from the approved November 6, 1990, Transportation Bond referendum that included $25 million for this project. Approximately 220 parking spaces for the commuter rail service opened in July 1996 and the Metrorail extension opened June 1997. The total parking capacity of the center is 3,800 spaces.

Dulles Corridor Transportation Systems Management ("TSM") Facilities

In 1989, Fairfax County Department of Transportation completed the Dulles Airport Access Road Corridor Transit Alternatives Study. The study recommended and the Board of Supervisors endorsed implementation of the Transportation System Management ("TSM") alternative in such a way as to preserve the option of future rail service in the Corridor. On November 6, 1990, County voters approved $36 million of general obligation bond funds for implementation of the Dulles TSM program. A grant application was forwarded to the FTA in December

1990 for $36.0 million. FTA has appropriated $32.2 million of Federal discretionary funds for this initiative thus far.

The project includes two Park and Ride facilities at Reston East and Herndon-Monroe as well as two transit centers. The transit centers located at Tysons-West*Park and Reston Town Center will serve primarily as passenger transfer points, as buses meet at these transit centers on a prescribed schedule to permit ease of transfer between buses serving various areas of the Dulles Corridor and Fairfax County. The park-and-ride facilities include 2,627 parking spaces in two facilities. These facilities will provide all day parking for persons wishing to travel on express buses to Tysons Corner or the West Falls Church Metrorail Station or an opportunity to form carpools and vanpools. The Reston East facility was completed in January 1997, the Tysons-West*Park Transit Center was completed in January 1999 and the Herndon-Monroe facility opened in July 1999. Design and construction of the Reston Town Center transit facility are pending subject to funding availability. During 2000, the County began a feasibility study to investigate the possibility of expanding the Reston East facility.

Commuter Rail

Fairfax County as a member of the Northern Virginia Transportation Commission ("NVTC") and in cooperation with the Potomac and Rappahanock Transportation Commission ("PRTC") is a participating jurisdiction in the operation of the Virginia Railway Express ("VRE") commuter rail service. As of June 30, 2000, the service consisted of six peak period trips on the CSX Transportation line from Fredericksburg to Union Station and six trips on the Norfolk Southern Railway line from Manassas to Union Station. In addition, midday service is provided on the Manassas line. Five Fairfax County stations are currently operating. The Burke Centre Station parking lot expansion was completed in August 1996. This expansion added 158 parking spaces to the Station. The Franconia-Springfield Station opened in July 1996 with 220 parking spaces.

A total of $2.75 million of general obligation bonds was approved on April 12, 1988 for engineering and construction of the parking facilities at planned commuter rail stations within Fairfax County. (These funds were supplemented with $2.4 million in transportation bonds authorized in a 1990 referendum.) The Board of Supervisors approved the Commuter Rail Master Agreement and financial plans on October 23, 1989. Subsequently, NVTC and PRTC executed the Master Agreement, Insurance Agreement, and AMTRAK Operating Agreement on October 27, 1989. Agreements with the other participating railroads were also executed.

The Master Agreement calls for the County to contribute to capital, operating and debt service costs of the VRE on a pro rata basis according to its share of ridership and population. NVTC sold $79.4 million worth of bonds in February 1990 to finance passenger cars, locomotives, yard facilities and stations. Afterward, NVTC and PRTC purchased 38 new rail cars and 10 refurbished locomotives. In addition, 31 used cars and four additional locomotives have been purchased since 1992. Subsequently, VRE has purchased additional used passenger cars. A portion of the bond proceeds was made available to the County and other participating jurisdictions to assist with financing their local stations. In December 1996, NVTC and PRTC approved the sale of $23 million in commuter rail revenue bonds to purchase 13 new bi-level coaches. These rail cars began entering service in early 2000. They will replace some of the 31 used passenger cars purchased in 1992, and give VRE flexibility to meet growth in ridership. The Fairfax County Board of Supervisors approved the sale of these bonds on November 18, 1996, which were issued in early 1997. The County expects that debt service on these bonds will be funded predominantly by State and Federal funds and VRE revenues. In April 1998, the NVTC and PRTC refunded the remaining portion of the bonds sold by NVTC in 1990.

The VRE FY 2000 Budget identified its principal sources of revenue as: state and federal aid (53.4 percent), passenger revenues (27.0 percent), jurisdictional subsidies (13.9 percent) and miscellaneous income (10.7 percent). The County's share of the FY 2000 commuter rail operating and capital budget was $2.41 million.

Parks, Recreation and Cultural

Fairfax County provides a variety of recreational, educational, and cultural activities and services, including an extensive park system. The County provides library services for its citizens at 20 locations, which include 8 regional and 12 community library branches. In addition, outreach services are provided to the homebound and those with disabilities. The collection consists of more than 2 million books and other materials.

During FY 2000, the library recorded almost 5 million visits and made more than 10 million loans to more than 756,000 library cardholders.

In addition, a variety of recreational, community, and human services are provided by the Department of Recreation and Community Services for County residents of all ages and incomes. These services include senior adult programs and centers, therapeutic recreation services for individuals with disabilities; a variety of youth programs including recreational activities at youth centers and short-term, interim counseling; community-based recreational opportunities structured to meet the needs of the communities in which they are located; support for Fairfax County's various volunteer sports councils and leagues; and a variety of volunteer opportunities utilizing DIRECT (Division of Independent Retired Executives Contributing Talent) to support activity in any of these services.

Fairfax County has also been particularly active in developing and operating an extensive park system which provides a variety of recreational activities. The Fairfax County Park Authority ("FCPA"), whose members are appointed by the Board of Supervisors, operates 386 parks encompassing 19,326 acres. The Northern Virginia Regional Park Authority ("NVRPA"), an independent entity in which the County participates, also operates 19 parks covering approximately 10,000 acres. NVRPA is continually in the process of completing, acquiring, developing or expanding its regional park facilities. On November 3, 1998, the County voters approved bond referenda that included $87 million of which $75 million is for Fairfax County Park Authority projects including land acquisition, renovation of older parks and construction of a new recreation center and $12 million is for capital contributions to the NVRPA.

Community Development

In order to enhance the quality of life and the community environment, Fairfax County provides many direct and indirect services. The County addresses the housing, revitalization, employment and transportation needs of County residents, and strives to provide and maintain a well-balanced environment, by adhering to a comprehensive land use plan.

To meet low and moderate income family housing needs, the Fairfax County Redevelopment and Housing Authority ("FCRHA") was established in February 1966, having been approved by a voter referendum in 1965. Further, the County established the Department of Housing and Community Development to serve as the professional staff for the FCRHA and to carry out the County's Housing Program. In FY 1985, the FCRHA and the Board of Supervisors entered into a Memorandum of Agreement which set forth the working relationship between the two entities. The Memorandum of Agreement and resolutions adopted by the FCRHA have reaffirmed the County Executive as the Executive Director of the FCRHA.

The FCRHA owns or administers housing projects in Fairfax County with staff and funding provided from County, Federal, State and private sources. At the beginning of FY 2000 the FCRHA was assisting 6,640 households in Fairfax County through Public Housing; the Fairfax County Rental Program; Section 8 Certificates, Vouchers and project based programs; and the First-Time Homebuyer's Program. The FCRHA has also provided financing for a number of privately owned, assisted housing developments with a total of 711 assisted units as well as for privately owned developments without subsidies which reserve a total of 821 units for lower income tenants. Since FY 1993, 639 Affordable Dwelling Units ("ADUs") have been developed and sold to moderate income homebuyers through the First-Time Homebuyer's Program, and more than 560 ADUs are in the development pipeline. Also, in FY 2000, an estimated $27.6 million in funding was available for the County's Community Development Program. These funds, derived from a variety of sources, provide a wide spectrum of activities designed to meet the needs of the County's low and moderate income population. Projects range from public services and home improvement programs to neighborhood drainage and road improvements.

Other services include efforts to increase local employment opportunities by encouraging and retaining business and industrial development through the County's Economic Development Authority. The Department of Transportation continually monitors the County's transportation system to maintain a public transportation network system that meets the needs of County citizens (more fully discussed in the subsection herein entitled "Transportation").

In addition to the provision of direct services, the County is responsible for all comprehensive land use functions including planning, zoning, economic development, environmental improvement, community conservation, and the preservation of historic landmarks. The Comprehensive Plan for the County provides for orderly development through its policies and recommendations that help to guide decisions regarding future development within the County. The Comprehensive Plan is reviewed periodically with extensive citizen involvement to assure that it reflects community goals as well as current conditions and future trends. Almost all zoning applications processed in the County are in accordance with the Plan. The County has received national recognition for the development of such a thorough and coordinated planning process.

Integrated with the County's land use plan are programs for historical and archaeological preservation which are designed to identify and protect pre-historic and historic County landmarks from inappropriate neighboring development. Staff in the Department of Planning and Zoning (DPZ) act as a liaison with the Architectural Review Board to monitor development within the thirteen historic overlay districts which have been established and are now recognized through the Commonwealth's Certified Local Government program. In addition, DPZ maintains the County Historic Site Inventory of over 300 sites, established through the Fairfax County History Commission.

The County Archaeological Services research program, managed through the Park Authority, identifies and registers pre-historic and historic sites, currently numbering over 2,500, with the Virginia Department of Historic Resources.

Health and Welfare

The County provides an extensive array of services which are designed to protect and promote the health and welfare of Fairfax County citizens through a decentralized human services program. The County operates human service centers in locations convenient to residents to provide financial, medical, vocational and social services. Based on individual needs, the centers attempt to define a comprehensive assistance plan that utilizes the services provided by all County departments.

The County provides medical, dental, maternal and child health services at three other locations in addition to the service centers and to the medically indigent at three primary health care centers. Preventive and health promotion services are provided by the County to school-aged children in all County public schools. Mental health, mental retardation, and alcohol and drug abuse services are provided to families and individuals by the Fairfax-Falls Church Community Services Board ("CSB"). Through the CSB, the County operates three community mental health centers which offer individual, group and community services focused on the mental health needs of the population, various group homes for clients, and several specialized treatment facilities. Other programs that the County provides include subsidized day care programs for senior citizens and children of low-income families, 124 school-age child centers (located in the public schools) that serve 8,000 children during the school year and 2,000 children during the summer, two special needs centers that serve emotionally disturbed or physically challenged children, and group homes for emotionally disturbed youth. Residential treatment services are also offered in the areas of substance abuse as well as substance abuse outpatient and specialized day treatment programs. In addition, vocational and residential programs are provided for citizens with mental retardation. In November 1988 and in November 1990, voters approved $16.8 million and $9.5 million, respectively, in general obligation bonds for human services facilities. Facilities built with the proceeds of these bond referenda include a 70-bed therapeutic residence for substance abusers, a 30-bed substance abuse treatment facility co-located with a 25-bed detoxification center, a specialized 16-bed treatment facility for clients who are both mentally ill and substance abusers, and an adult living facility for 36 adults with mental illness.

Financial assistance and social services are available to eligible citizens under programs established by the State and Federal governments, as well as the County, and will be administered by the Department of Family Services. The Department will continue to implement welfare reform program activities while emphasizing prevention and early intervention initiatives. Programs serving senior citizens within the County are jointly funded by the Federal Older Americans Act, State, County and public/private funds. In FY 1986, the County began to provide a comprehensive County transportation service, FASTRAN, for qualified elderly, disabled, and low-income persons. Transportation is provided by bus, van, or cab on a door-to-door basis to County programs, medical care,

and grocery and other personal shopping destinations (more fully discussed in the subsection herein entitled "Transportation").

Judicial Administration

Fairfax County's court system is one of the most sophisticated systems in Virginia in its use of advanced management techniques and rehabilitation programs. The County utilizes automated systems to support case docketing and record retrieval, juror selection, service of notices and subpoenas, and the processing of criminal and traffic warrants and delinquent tax retrieval.

The County has undertaken rehabilitation efforts through the Juvenile and Domestic Relations District Court and the Office of the Sheriff. These efforts include work training programs and counseling service for both adults and juvenile offenders. Additionally, residential treatment services are provided for juvenile offenders and a work release program is provided for offenders confined in the County's Adult Detention Center. In November 1988, voters approved $1.7 million in general obligation bonds to provide a new 12 bed, 8,000 square foot Less Secure Juvenile Shelter to provide live-in counseling and residential care for juveniles awaiting court action who do not require secure detention. This facility was completed in December 1990. On November 7, 1989, the County voters approved a bond referendum that included $12.57 million for Juvenile Detention facilities including expansion of the Juvenile Detention Center, renovation and expansion of the Boy's Probation Home, a Juvenile Halfway House and a Chronic Offenders Residence. Construction for the Juvenile Detention Center expansion from 55 to 121 beds was completed in June 1998. The Boy's Probation Home houses 22 juveniles and was completed in November 1995. The commencement of construction of the Juvenile Halfway House and the Chronic Offenders Residence is dependent upon funding availability. Construction for the expansion of the fourth floor of the Jennings Judicial Center was completed in March 1995. This expansion included the addition of four courtrooms, four jury rooms, two hearing rooms and associated judges chambers and administrative offices. This expansion provides a courtroom and associated other rooms for each of the 15 judges plus one additional courtroom to be used by visiting judges.

On November 7, 1989, the County voters approved a bond referendum that included $94.33 million for adult detention facilities including a 750-bed expansion to the Adult Detention Center. The expansion was completed in August 2000, with renovations to existing facilities completed by Spring 2001.

Public Safety

The responsibility for public safety in Fairfax County is shared by a number of agencies. The Police Department, which is responsible for law enforcement, had an authorized strength of 1,191 sworn police officers and 505 civilian personnel as of July 1, 2000. The agency is accredited by the Virginia Law Enforcement Professional Standards Commission ("VLEPSC"). VLEPSC accreditation signifies the department's compliance with certain standards which are specific to Virginia law enforcement operations and administration. The commanders of the seven police district stations located throughout the County have considerable latitude to tailor their operations to provide police services in ways most responsive to the needs of their respective communities, to include community policing endeavors. The department operates a variety of specialized units, including a helicopter division which operates two helicopters to provide support to general police operations, traffic monitoring and emergency medical evacuation and rescue support. For the past 10 years, the County has maintained one of the lowest rates of serious crimes among jurisdictions in the Washington Metropolitan area and among comparable suburban jurisdictions throughout the country. At the same time, the Police Department has continually attained a clearance rate for violent crimes such as murder, rape and robbery far above the national averages for such offenses. Citizen participation in crime prevention is emphasized, with over 900 Neighborhood Watch groups involving approximately 30,000 volunteers throughout the County. An Auxiliary Police Unit, comprised of up to 100 trained, unpaid citizen volunteers, supplements the Police Department's paid personnel by performing a variety of operational and administrative functions. The department utilizes many applications of the latest technology available, including serving as lead agency for the Northern Virginia Regional Identification System, a computerized fingerprint comparison system which greatly enhances and expedites the abilities of the 9 participating agencies to identify latent fingerprints recovered from crime scenes with those of known offenders in the database. The County's law enforcement training needs are met by its own Criminal Justice Academy which trains new officers and provides in-service training to members of the participating agencies. In November 1989 voters

approved a bond referendum which included funding for a police academy facility, a driver and firearms training facility, as well as classroom instruction and practical exercise facilities. The driver training component became operational in February 1994, and the academy facility, with classrooms and practical exercise areas, became operational in July 1996. The firearms training range opened in March 1998. For the past ten years, Fairfax County has maintained one of the lowest per capita cost for police services of all the local jurisdictions in the Washington metropolitan area.

Fire and rescue services are provided by 1,167 paid fire fighters, 96 paid civilian support personnel and approximately 400 operational volunteers. Thirty-four fire and rescue stations are currently operated by the County. Future station locations have been identified to achieve a five-minute response time for fire and basic life support and a six-minute response time for advanced life support. The department operates various specialty units, including paramedic engine companies, a hazardous materials response unit, a technical rescue operations team, an arson canine unit and a water rescue team whose members are certified in swift water rescue. In addition to emergency response, the department provides various non-emergency services. Fire Prevention Division personnel test fire protection systems in public buildings, inspect businesses for fire code violations and determine the cause and origin of all fires, false alarms and bombings. The department receives direct technical support in the areas of logistics, procurement, apparatus, telecommunications and automated systems and information processing from the Support Services Division. Recruiting and testing firefighter applicants is the responsibility of the Administrative Services. They also manage the department's payroll and budget, among other managerial functions. Personnel in the Occupational Health and Safety program provide health and safety services to all County uniform public safety personnel, fire and rescue volunteers and applicants, in order to maintain a safe and healthy work environment. The Hazardous Materials Services Section investigates hazardous materials releases, enforces local and state hazardous materials laws, provides oversight for long-term cleanup sites and supports other County agencies and committees. The Fire and Rescue Department provides more than 300,000 hours of firefighter and emergency medical training to career and volunteer firefighters throughout the year using indoor and outdoor facilities. Community fire safety and injury prevention programs are a major focus of the department. Education programs are delivered to audiences ranging from pre-school children to senior adults.

On November 7, 1989, the County voters approved a Public Safety Facilities bond referendum which included funding for seven new fire and rescue stations, expansion of one fire and rescue station, safety improvements to several existing fire and rescue stations, and improvements and expanded facilities at the Fire and Rescue Academy. On November 3, 1998, the County voters approved bond referenda that included $99.92 million for public safety projects including expansion of two existing Police Stations, reconstruction of a Fire Station, construction of a one new Police Station and one new Fire Station and expansion of the County Judicial Center.

The County also operates a Computer Aided Dispatch System, which provides a computer link between call takers and dispatchers within the County's Public Safety Communications Center. Through an additional computer link, information is transmitted from dispatchers to mobile data terminals within the County's police, fire and ambulance vehicles. The County also utilizes automated systems to process court ordered child support and restitution payments and to support juvenile case processing information functions. In addition, the County also has an automated dog licensing and inoculation monitoring system.

Water Supply Service

Water service is provided to the residents of Fairfax County either by the Fairfax County Water Authority ("FCWA"), the City of Fairfax, the City of Falls Church, the Town of Herndon, the Town of Vienna or individual wells. FCWA, which operates the largest water system in the Commonwealth of Virginia, was established by the Board of Supervisors in 1957, under the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia, 1950, as amended), for the purpose of developing a comprehensive, countywide water supply system through the acquisition of existing systems and the construction of new facilities. It is an independent body administered by a ten-member board appointed by the Fairfax County Board of Supervisors. FCWA finances its capital improvements through the issuance of revenue bonds which are not backed by the full faith and credit of the County but principally by revenues derived from charges for services rendered. FCWA had total debt outstanding of $380,920,000 as of September 30, 2000. FCWA's basic retail water charge is $1.30 per 1,000 gallons, plus a quarterly service charge ($5.25 for most single family homes and townhouses). To pay for treatment and pumping capacity which is used only during periods of high demand, FCWA also levies a peak use charge of an additional

$2.50 per 1,000 gallons on customers who exceed their winter quarter consumption by 6,000 gallons or 30 percent, whichever is greater. There also are fees for initial connection to the system and for opening, closing or transferring an account.

FCWA utilizes two sources of water supply (Occoquan River and Potomac River), operates associated treatment, transmission, storage and distribution facilities and currently provides service to approximately 215,000 metered accounts (representing about 275,000 residential, commercial, industrial, municipal and institutional units) in Fairfax County with an average daily consumption of about 70 million gallons per day ("mgd"). In addition, FCWA supplies about 47 mgd to other suppliers for resale principally in the City of Alexandria, Loudoun County and Prince William County. The average population served by FCWA in 2000 is estimated to have been 1,200,000 persons. The combined maximum daily capacity of the supply and treatment facilities is 262 mgd, which is sufficient to meet current demand.

Under an agreement with the Board of Supervisors, FCWA annually submits a five-year capital improvement program which is reviewed and approved by the Board as part of the County's total capital improvement program. FCWA's 2001 10-year Capital Improvement Program includes projects totaling $521,939,000.

ECONOMIC FACTORS

Economic Development

Economic development activities of the County are carried out through the Fairfax County Economic Development Authority (the "EDA") whose commissioners are appointed by the Board of Supervisors. The EDA promotes Fairfax County as a preferred location for business start-up, relocation and expansion, capital investment, and business travel and events. It works with new and existing businesses to help identify their facility and site needs and assist in resolving County-related issues. Pursuant to its enabling legislation, the EDA encourages investment in the County with tax-exempt industrial revenue bond financing.

Through its Convention and Visitors Bureau, the EDA attracts meetings, conferences and business travel to the County and encourages local private sector support for this effort, and draws visitors to the County's historic, cultural and recreational attractions.

The Center for Innovative Technology ("CIT"), chartered by the Commonwealth of Virginia in 1985, promotes economic development and competitiveness through many programs designed to promote Virginia as a leader in technology. It offers a wide variety of services to technology-based businesses through its relationships with state colleges and universities, regionally based manufacturing centers, business organizations and federal laboratories.

More than 7.9 million square feet of office space was absorbed in Fairfax County in the first half of 2000. The total inventory of office space in the County was estimated at 90.5 million square feet as of mid-year 2000. Industrial/hybrid space in the County was estimated at 36.5 million square feet. The vacancy rates for the office market and industrial/hybrid markets were 3.2 percent and 2.3 percent, respectively, as of mid-year 2000. Fairfax County is the tenth largest suburban office markets in the United States.

The base of technology-oriented companies, particularly in computer software development, computer systems integration, telecommunications, and Internet and Internet-related services, has served as a strong magnet for the expansion and attraction of business and professional services. Diversified business and financial services have added to the demand for prime office space in a number of key employment centers throughout the County. Major corporations such as American Management Systems, American Mobile Satellite Corporation, Arnold Communications, BTG, Booz-Allen & Hamilton, Cable & Wireless Communications, Federal Home Loan Mortgage Corporation, General Dynamics, Northern Telecom, Oracle and Orkand Corporation have located their corporate headquarters in Fairfax County.

As of midyear 2000, there were 93 hotels with 75 or more rooms completed or under construction in the County, totaling more than 16,300 hotel rooms. This development parallels commercial construction in terms of diversity of concept and design with new product and service mixes (all-suites, business meeting facilities and recreational facilities) brought into the marketplace. National chains such as Best Western, Comfort Inn, Doubletree, Embassy Suites, Hampton Inn, Hilton, Holiday Inn, Hyatt, Marriott, Motel 6, Ritz-Carlton and Sheraton currently have a wide range of hotel facilities in the County.

The 16-mile Dulles Toll Road provides access from Washington, D.C. through Tysons Corner and Reston-Herndon (the largest business centers in the County) to Washington Dulles International Airport, on the County's western edge. Pursuant to legislation enacted by the Virginia General Assembly in its 1995 session, the Commonwealth sold $45.2 million in bonds for the construction of two additional lanes (for a total of eight lanes) to the Dulles Toll Road between Interstate 495 in Fairfax County and Road 28 (Sully Road) in Loudoun County. Additionally, a 14-mile extension of the Dulles Toll Road, the privately-financed Dulles Greenway, connects the airport with Leesburg, west of Fairfax County in Loudoun County.

Washington Dulles International Airport has experienced a significant increase in service levels and demand in recent years, serving as a catalyst for corporate activities dependent on immediate access to air travel. The fastest-growing airport of the world's 50 largest airports, Dulles serves nearly 60,000 passengers daily with nonstop flights to 81 U.S. cities and 32 foreign markets. On the East Coast, the airport is the fifth largest international gateway. Twenty million passengers, including more than 3.5 million international travelers, flew in and out of Washington Dulles in 1999. The doubling of size of the signature Dulles (Main) Terminal, which added 1.1 million square feet to the original structure, was completed in 1996, as was a second Customs and Immigration facility. Six major improvement projects are currently planned at the airport, including terminal interior upgrades, an automated train system, parking garages and a new concourse.

In January 1990, the Smithsonian Board of Regents selected 176 acres of Washington Dulles International as the site for the Smithsonian National Air and Space Museum (NASM) Dulles Center. More than 280 rare and historic aircraft and spacecraft including the Space Shuttle Enterprise will be displayed at the Dulles Center, a $238 million expansion at the airport. The Smithsonian has retained the internationally renowned design firm Hellmuth, Obata & Kassabaum to design the facility. Groundbreaking for the museum was held in October 2000. Construction on the 760,000 square-foot museum is scheduled to begin in January 2001. The doors are slated to open in 2003 in time to celebrate the 100th anniversary of the Wright Brothers' first powered flight on December 17, 1903.

The Board of Supervisors and the County have supported the revitalization and redevelopment of the County's more mature business areas. The revitalization of seven designated commercial revitalization areas of the County is underway in Annandale, Bailey Crossroads/Seven Corners, the Lake Anne section of Reston, the Springfield and McLean central business districts, Merrifield and the Richmond Highway corridor in the southeastern portion of the County. A number of capital improvement projects in process or completed have enhanced these communities.

Employment

More than 27,100 payroll businesses, including corporate and regional headquarters, information technology firms, sales and marketing offices, and business services are located within Fairfax County. Local businesses create employment in such diversified areas as computer software development and systems integration, telecommunications, Internet and Internet related services, wholesale and retail trade, and financial services. The following table presents data on the number of payroll establishments and employment by major industry classification in Fairfax County as of fourth quarter 1999.

Businesses and Employment by Industry
Fairfax County, Virginia[1]

Industrial Classification	Number of Establishments	Payroll Employment
Agriculture	436	4,735
Manufacturing	491	15,189
Mining	4	93
Wholesale Trade	1,833	23,092
Construction	2,199	29,031
Transportation, Communications, Utilities	846	32,611
Retail Trade	4,012	80,898
Services[2]	14,618	236,112
Finance, Insurance, Real Estate	2,501	33,602
Local/State/Federal Government	201	64,080
Non-Classified	3	7
Total	27,144	519,450

Source: Virginia Employment Commission, fourth quarter 1999.

1 Excludes self-employed business owners.

2 The Services category includes computer-related services, health care, legal and personal services, engineering and architectural services, and other activities, as well as membership organizations and trade associations.

The following table presents data on 25 of the largest private sector employers in the County.

	Company Name	Type of Business	County Employment Range*
1.	Kaiser Permanente	Insurance Carriers	10,000-11,000
2.	Mobil Corporation	Petroleum Refining and Related Industries	6,000-7,000
3.	Computer Sciences Corporation (CSC)	Business Services	6,000-7,000
4.	Science Applications International Corporation (SAIC)	Engineering, Accounting & Research Services	5,000-6,000
5.	TRW, Inc. (includes BDM International)	Engineering, Accounting & Research Services/Transportation Equipment	5,000-6,000
6.	INOVA Health Care Services	Health Services	4,000-5,000
7.	Northrop Grumman Technical Services	Business Services	4,000-5,000
8.	Northern Telecom, Inc.	Electronic, Electrical Equipment & Components	3,000-4,000
9.	American Management Systems, Inc. (AMS)	Business Services	3,000-4,000
10.	Electronic Data Systems Corporation (EDS)	Business Services	3,000-4,000
11.	Lockheed Martin Corporation	Business Services/Transportation Equipment	3,000-4,000
12.	Washington Gas	Electric, Gas & Sanitary Services	3,000-4,000
13.	ICF Kaiser Engineers Group	Construction	3,000-4,000
14.	Mitre Corporation	Engineering, Accounting, & Research Services	2,000-3,000
15.	Raytheon Company	Services/Manufacturing	2,000-3,000
16.	Cable & Wireless, Inc.	Communications	2,000-3,000
17.	Booz-Allen & Hamilton, Inc.	Business Services	2,000-3,000
18.	AT&T	Communications	2,000-3,000
19.	Navy Federal Credit Union	Depository Institutions	2,000-3,000
20.	Global One (Subsidiary of Sprint)	Communications	2,000-3,000
21.	First Virginia Bank	Depository Institutions	2,000-3,000
22.	Federal Home Loan Mortgage Association (Freddie Mac)	Nondepository Credit Institutions	2,000-3,000
23.	Nextel Communications, Inc.	Communications	2,000-3,000
24.	GTE Corporation	Communications/ Services	2,000-3,000
25.	VBR Joint Venture	Building Maintenance Services	2,000-3,000

Source: Dun and Bradstreet, 1998.

*Note: Employment estimates for separate facilities of the same firm have been combined. Employment ranges are given to ensure confidentiality.

Unemployment in the County has historically been and continues to be well below national and statewide averages. The 1999 average unemployment rate was 1.6% in the County. State and national 1999 unemployment rates were 2.8% and 4.2%, respectively. The following table shows the average annual unemployment rate in Fairfax County as compared with the national average in the past decade:

Average Annual Unemployment Rates

Calendar Year	Fairfax County	United States	Calendar Year	Fairfax County	United States
1990	1.9%	5.5%	1995	2.8%	5.6%
1991	3.2	6.7	1996	2.7	5.4
1992	3.8	7.4	1997	2.3	4.9
1993	3.3	6.8	1998	1.6	4.5
1994	3.1	6.1	1999	1.6	4.2

Source: Virginia Employment Commission.

According to the Virginia Employment Commission, the number of jobs in the County was 487,113 as of March of 1999, up from 464,945 in March 1998. This figure does not include self-employed persons or agricultural employment. The following table presents total nonagricultural payroll employment in recent years:

Nonagricultural Employment

As of March	Nonagricultural Employment in Fairfax County	% Change	As of March	Nonagricultural Employment in Fairfax County	% Change
1990	371,716	3.1%	1995	410,146	4.6%
1991	367,555	(1.1)	1996	420,929	2.6
1992	364,372	(0.9)	1997	443,734	5.4
1993	373,998	2.6	1998	464,945	4.8
1994	392,048	4.8	1999	487,113	4.8

Source: Virginia Employment Commission.

Population

Fairfax County added an average of about 22,200 persons per year to its population between 1980 and 1990. In 1980, Fairfax County was the third most populous jurisdiction in the Washington, D.C. primary metropolitan statistical area, as defined by the U.S. Bureau of the Census. By 1990, Fairfax County with 818,584 residents had become the most populous jurisdiction in the Washington, D.C. primary metropolitan statistical area. Population growth during the current decade has slowed somewhat in Fairfax County. On average, about 14,200 persons per year were added to the population between 1990 and 1999.

Fairfax County Population

Calendar Year	Population
1940	40,929
1950	98,557
1960	248,897
1970	454,275
1980	596,901
1990	818,584
1991	827,119
1992	837,141
1993	851,858
1994	863,134
1995	879,401
1996	899,650
1997	912,126
1998	931,452
1999	946,371
2000 (est.)	968,225
2001 (est.)	983,013

Source: U.S. Bureau of the Census, 1940-1980 and 1990. 1991-2001 figures and estimates were provided by the Fairfax County Department of Systems Management for Human Services.

The following table reflects the population age distribution of County residents:

Population Age Distribution
Fairfax County

	1998	
Age Group	Number	Percent
Under 5	56,648	6.1%
5-9	66,741	7.2
10-14	63,768	6.8
15-19	63,197	6.8
20-24	48,478	5.2
25-34	140,985	15.1
35-44	169,097	18.2
45-54	159,104	17.1
55-64	86,869	9.3
65 and Over	76,565	8.2
Total	931,452	100.0%

Source: Demographic Reports 1999, Fairfax County Department of Systems Management for Human Services.

Based on early results of the 2000 Census, Fairfax County had the highest annual median household income ($90,937) of all the 3,141 counties in the United States. Median household income in Fairfax County was estimated at $87,569 in 1999. The following table illustrates the 1997 household income distribution in Fairfax County based on a survey completed in 1998. This survey is updated every 2 years.

Annual Household and Family Income Distribution (by Percentage)
Fairfax County, 1997

Income Level	Household	Family
Under $25,000	8.7%	6.5%
$25,000-49,999	19.7	15.1
$50,000-74,999	23.2	20.5
$75,000-99,999	16.6	18.4
$100,000-149,999	21.1	26.0
$150,000 or more	10.7	13.4
Median Income	$72,000	$84,000

Note: In 1997, there were 328,131 households in the County. "Families" are defined as those households containing two or more persons related by blood, marriage or adoption.
Source: Fairfax County Department of Systems Management for Human Services, 1998 Household Survey.

The following table shows that total taxable retail sales in the County rose in the period 1989-1999, except when they declined in 1991, reflecting increased income levels and the County's increasing importance as a regional commercial and retail center. Per capita retail sales in the County rose in the period 1991-1998 except when they declined very slightly in 1996.

Per Capita Taxable Sales

Calendar Year	Taxable Sales (in Billions)	Population	Per Capita Taxable Sales
1989	$ 6.36	782,600	$ 8,124
1990	6.50	818,584	7,939
1991	6.40	827,119	7,739
1992	6.58	837,141	7,862
1993	7.47	851,858	8,771
1994	7.96	863,134	9,221
1995	8.31	879,401	9,453
1996	8.50	899,650	9,448
1997	9.04	912,126	9,910
1998	9.65	931,452	10,357
1999	10.62	946,371	11,219

Sources: Commonwealth of Virginia Department of Taxation, Taxable Sales.
Fairfax County Department of Systems Management for Human Services, and U.S. Bureau of the Census for 1990.

Construction Activity

The following table illustrates trends in residential and commercial construction activity in the County:

Fiscal Year	Construction Activity Building Permits[1]				Estimated Housing Units Started[2]
	Residential Properties		Industrial and Commercial Properties		
	Number	Estimated Value (000's)	Number	Estimated Value (000's)	Number
1991	17,704	$399,300	3,771	$383,776	2,693
1992	19,498	523,408	3,326	219,462	4,040
1993	22,865	689,190	3,596	355,989	5,188
1994	23,254	781,283	3,803	288,274	6,528
1995	23,577	706,680	4,272	236,737	4,482
1996	23,086	737,971	3,961	230,300	4,361
1997	21,059	676,400	4,091	247,646	3,942
1998	21,700	702,179	4,172	699,012	2,263
1999	23,446	794,121	4,345	572,489	4,687
2000	30,178	995,247	4,735	719,885	4,067

Sources: [1] Fairfax County Department of Public Works and Environmental Services.
[2] Fairfax County Department of Systems Management for Human Services.

The following is a short list of major new or expanded office projects within the County in the second half of 1999 and the first half of 2000:

New or Expanded Commercial Projects

Name of Company	Nature of Operations	Square Footage Leased	Projected New Employment
AMS	Professional Services	249,000	1,000
Above Net Communications	Internet Data Center	367,500	214
Amazon.Com	Internet Data Center	110,000	25
Capital One/ Capital One Financial	Financial/Technical Services	630,000	1,100
Computer Associates International	Computer Services	235,000	500
Deloitte & Touche LLP	Professional Services & Management Consulting	100,000	500
DynCorp	Technical Services	54,300	200
E-Spire	Telecommunications Services	170,000	700
Gilat Satellite Networks	Satellite Communications	98,400	410
Global One	Telecommunications Services	113,400	500
Micro Strategy	Internet-Related Services	554,000	1,100
Intel	Internet Data Center	73,000	250
Nextel Communications	Telecommunications Services	132,000	700
SAIC	Technical Services	182,500	685
Teleglobe Communications	Telecommunications Services	126,000	360
KPMG/CISCO Partnership	Professional/Technical Services	50,000	500

Source: Fairfax County Economic Development Authority.

Housing

Single-family detached housing units continue to account for a majority of the housing units within Fairfax County, representing 50.3% of the total in 1999. Townhouses accounted for 21.2%; garden units, 20.3%; and high- and mid-rise units, multiplex units and mobile homes together made up the remaining 8.2%.

The percentage of owner occupied units in 1990 represented 70.7% of all units within Fairfax County. In 1990 the median market value of owner occupied housing (excluding condominiums) in Fairfax County was $213,800 compared to $166,100 in the Washington, D.C. metropolitan area, $91,000 in Virginia, and $79,100 in the United States. As of January 1999, the median market value of all owned housing units, including condominiums, in Fairfax County was estimated by the County Department of Systems Management for Human Services to be $192,110, an increase of 3.5% over 1998.

Housing Units by Type of Structure

	1970		1980		1990		1999	
	No.	%	No.	%	No.	%	No.	%
Single-Family: Detached	91,134	69.7	125,580	59.3	163,029	53.9	177,429	50.3
Attached	6,427	4.9	30,833	14.6	67,306	22.3	74,781	21.2
Multi-Family	33,207	25.4	55,333	26.1	72,129	23.8	100,531	28.5
Total	130,768	100.0	211,746	100.0	302,464	100.0	352,741	100.0

Source: 1970 U.S. Bureau of the Census, U.S. Census of Housing. Data for 1980, 1990 and 1999 were provided by the Fairfax County Department of Systems Management for Human Services. Single-family detached includes all single-family homes and mobile homes, single-family attached includes duplexes, townhouses and multiple units. Multi-family includes garden and elevator units.

Colleges and Universities

Four institutions of higher education are located in Fairfax County: George Mason University, Northern Virginia Community College (NVCC), the Virginia Polytechnic Institute and State University and the University of Virginia – the latter two located in the Northern Virginia Graduate Center – and the recently opened University of Virginia Darden School of Business. George Mason currently has an enrollment of more than 24,000 students in more than 100 disciplines, including doctoral programs. The Northern Virginia Community College has more than 60,000 students in 30 credit-earning programs and 300,000 students in non-credit courses and public service activities in five campuses in Northern Virginia. NVCC also has broken ground on a biomedical training campus in the County's Springfield community. American University, George Washington University, Catholic University and Virginia Commonwealth University also operate programs in the County's secondary schools and on military installations within the County.

Cultural Programs

Wolf Trap Farm Park for the Performing Arts, a cultural facility internationally renowned for the number and quality of its ballet, symphony, concert, and opera offerings, and the only national park for the performing arts in the U.S., is located in the northern part of Fairfax County. The County also assists in supporting the Fairfax Symphony, an internationally recognized 94-member orchestra that provides a variety of musical programs and outreach services to County residents. Other well-known attractions in the County include Mount Vernon, the home of George Washington; Woodlawn Plantation, George Washington's wedding gift to his nephew; and Gunston Hall, home of George Mason, author of the U.S. Bill of Rights and the first Constitution of Virginia.

DEBT ADMINISTRATION

Statement of Bonded Indebtedness

Pursuant to the Constitution of Virginia and the Act, a county in Virginia is authorized to issue general obligation bonds secured by a pledge of its full faith and credit. For the payment of such bonds the Board of Supervisors of the County is required to levy, if necessary, an annual ad valorem tax on all property in the County subject to local taxation.

The County had outstanding the following amounts of general obligation bonds as of June 30, 2000:

Purpose	Total General Obligation Bonds
School	$ 759,601,200
General Government	620,665,250
Total General Obligation Bonded Indebtedness	$1,380,266,450

The County does not rely upon short-term borrowings to fund operating or capital requirements.

Authorized but Unissued Bonds

The following chart presents by purpose Fairfax County's general obligation authorized but unissued bond indebtedness following the issuance of the Bonds:

Authorized Purpose	Amount Authorized but Unissued
School Improvements	$342,475,000
Transportation Improvements and Facilities	107,835,000
Parks and Park Facilities	63,750,000
Commercial and Redevelopment Area Improvements	20,580,000
Neighborhood Improvements	5,145,000
Human Services Facilities	1,185,000
Storm Drainage Improvements	4,660,000
Public Library Facilities	3,850,000
Adult Detention Facilities	8,520,000
Public Safety Facilities	113,920,000
Juvenile Detention Facilities	1,050,000
Total Authorized but Unissued Bonds	$672,970,000

Limits on Indebtedness

There is no legal limit on the amount of general obligation bonded indebtedness which Fairfax County can at any time incur or have outstanding. However, all such indebtedness must be approved by voter referendum prior to issuance. Since 1975, the Board of Supervisors has established as a financial guideline a self-imposed limit on the average annual amount of bond sales. In 1988, the Board of Supervisors increased the bond sale target to $750 million over a 5-year period or an average of $150 million annually, with the flexibility to expand to a maximum of $175 million based on market conditions and/or priority needs in any given year. The actual amount of bond sales will be determined by construction funding requirements and municipal bond market conditions.

The Board of Supervisors also has imposed limits which provide that the County's long term debt should not exceed 3% of the total market value of taxable real and personal property in the County. The limits also provide that annual debt service should not exceed 10% of annual General Fund disbursements. These limits may be changed by the Board of Supervisors, and they are not binding on future Boards of Supervisors of the County.

There are several authorities in existence which have been created at various times by the Board of Supervisors to provide specialized governmental services within the County. Certain of these authorities are empowered to issue revenue bonds that are not general obligations of the County, and the full faith and credit of the County is not pledged to secure such bonds.

Other Tax Supported Debt Obligations

The Board of Supervisors of the County directly or indirectly appoints all or a portion of the governing body of several legally independent local and regional authorities that provide services to the County and its constituents. Such authorities include those that issue debt supported directly or contingently by appropriations of tax revenues by the County.

In 1989 and 1990, the Fairfax County Economic Development Authority (the "EDA") issued $26,765,000 of parking revenue bonds to finance construction of parking structures near the Vienna Metrorail Station and the Huntington Metrorail Station in Fairfax County. The parking revenue bonds are payable under leases with the Washington Metropolitan Area Transit Authority ("WMATA") from revenues to be derived by WMATA from parking surcharges at these and other parking facilities. In the event such revenues are not sufficient to pay debt service on the parking revenue bonds and under certain other conditions, the County is, in effect, obligated, subject to annual appropriation by its Board of Supervisors, to make payments to the EDA sufficient to pay such debt service. The EDA refunded $21.46 million of these bonds in March 1998 with the proceeds of $12.93 million parking revenue refunding bonds and other available funds. The EDA issued $25.735 million in bonds on November 10, 1999 to finance a second parking structure at the Vienna Metrorail Station. The structure of this bond issue is similar to the prior EDA parking revenue bond issues.

In March 1994, the EDA issued $116,965,000 of lease revenue bonds to finance the acquisition for the County of two office buildings occupied by County agencies and departments. The County is absolutely and unconditionally obligated by the terms of a lease agreement with the EDA to pay amounts equal to debt service on the EDA's bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of funds for such purpose. The coincidental terms of the bonds and the lease agreement extend to November 15, 2018.

In October 1996, the Fairfax County Redevelopment and Housing Authority ("FCRHA") issued $6,390,000 of lease revenue bonds to finance the construction/renovation of two Community Center buildings. The County is absolutely and unconditionally obligated by the terms of lease agreements with the FCRHA to pay amounts equal to debt service on the FCRHA's bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of funds for such purpose. The coincidental terms of the bonds and the lease agreements extend to June 1, 2017. In December 1998, the FCRHA issued $5,500,000 of lease revenue bonds to finance the renovation and expansion of Bailey's Community Center. The County is absolutely and unconditionally obligated by the terms of lease agreements with the FCRHA to pay amounts equal to debt service on the FCRHA's bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of funds for such purpose. The coincidental terms of the bonds and the lease agreements extend to June 1, 2018. In May 1999, the FCRHA issued $1,000,000 of lease revenue bonds to finance the renovation and expansion of the Herndon Harbor House II adult day health care center. The County is absolutely and unconditionally obligated by the terms of lease agreements with the FCRHA to pay amounts equal to debt service on the FCRHA's bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of funds for such purpose. The coincidental terms of the bonds and the lease agreements extend to May 1, 2029.

In July, 2000, the Fairfax County Board of Supervisors entered into a Master Development Agreement with a private developer to finance and construct a 135,000 square foot government center in the southeastern region of the County. In November, 2000, $29,000,000 of Certificates of Participation ("Certificates" or "COPs") were issued, secured by a triple net lease on the property between the County and the developer. The County is absolutely and unconditionally obligated by the terms of the lease agreement to pay an amount equal to the debt service on the Certificates. The County's obligation to make such payments is first subject to the County's acceptance of the government center upon completion and is then subject to the annual appropriations by the Board

of Supervisors of funds for such purpose. The coincident terms of the lease and the Certificates extend to April 2032.

In March, 2000, the Fairfax County Park Authority issued a Note in the amount of $12,750,000, stated to mature on July 31, 2001, to raise funds sufficient to purchase approximately 800 acres of open space in the western region of the County for use as parks or park facilities. The County is obligated by the terms of a payment agreement with the FCPA to pay the FCPA amounts equal to the debt service on the Note at its maturity. The County's obligation to make such payments is subject to the appropriation by the Board of Supervisors of funds for such purpose. The County intends to pay the FCPA through the sale of other available parcels. By its terms, the Note may be exchanged once or twice for a renewal Note that would mature no later than July 31, 2003.

Lease Commitments and Contractual Obligations

The County leases certain real estate, equipment and sewer facilities under various long-term lease agreements. In addition, pursuant to contracts with Arlington County, the Alexandria Sanitation Authority, the District of Columbia and the Upper Occoquan Sewage Authority, the County is obligated to share the capital costs and associated debt service of certain facilities. Further information concerning these obligations is included in Notes H, I and J to the General Purpose Financial Statements shown in Appendix IV.

In February and March 1988, the Fairfax County Economic Development Authority issued $237,180,000 of Series A revenue bonds and $14,900,000 of Series B revenue bonds, respectively, to finance, on behalf of the Fairfax County Solid Waste Authority ("SWA"), the construction of a 3,000 ton per day Energy/Resource Recovery Facility to dispose of solid waste originating from Fairfax County and the District of Columbia. The bonds are secured solely by the revenues of the E/RRF, neither the County, the EDA nor the SWA is obligated to pay principal and interest thereon. Fairfax County is obligated under a service contract to deliver certain minimum annual tonnages of solid waste to the E/RRF and to pay fees for the disposal of such waste to provide funds sufficient to pay the E/RRF operation and maintenance costs and debt service on the bonds. In March 1995, the County sold an option to purchase refunding bonds which would refund and redeem the Series A bonds. The option was sold to a financial institution for $10.25 million. On November 4, 1998, the option was exercised and the refunding bonds were delivered to the institution at certain agreed-upon interest rates. The proceeds of the bonds have been used to refund the Series A bonds.

In February 1990, the Northern Virginia Transportation Commission issued $79.4 million of bonds to finance certain costs associated with the establishment of commuter rail services (the Virginia Railway Express) in the northern area of Virginia surrounding Washington, D.C. Fairfax County has joined with other jurisdictions through a Master Agreement to bear certain costs associated with operating and insuring the rail service as well as servicing the debt issued by NVTC. The Master Agreement requires that the County's governmental officers charged with preparing its annual budget include an amount equal to its share of the costs of the Virginia Railway Express. Each jurisdiction's share is determined by a formula set out in the Master Agreement. Fairfax County's share of this cost was $2.4 million in FY 1999. The Board of Supervisors approved the sale of $23 million in NVTC commuter rail revenue bonds to purchase 13 new bi-level rail coaches. These bonds were issued in early 1997. The County expects that debt service on these bonds will be funded predominantly by State and Federal funds and VRE revenues.

Debt Service on General Obligation Bonds, COPs and Lease Revenue Bonds

Total principal and interest payments on the County's outstanding general obligation bonds, including debt service on the Bonds, on the South County Government Center Certificates of Participation and on the EDA and FCRHA lease revenue bonds, are presented in the following table:

Debt Service Schedule - General Obligation Bonds, COPs and Lease Revenue Bonds

Fiscal Year Ending June 30	General Obligation Bonds[1]		COPs and Lease Revenue Bonds[2]		
	Principal	Interest	Principal	Interest	Total[3]
2001	$112,233,925	$71,791,003	$3,640,000	$6,132,824	$193,797,752
2002	113,898,925	66,866,716	3,835,000	5,954,079	190,554,720
2003	113,118,925	61,005,271	4,405,000	7,457,030	185,986,226
2004	107,146,425	55,307,427	4,635,000	7,229,190	174,318,042
2005	106,471,425	49,831,538	4,875,000	6,985,210	168,163,173
2006	102,651,425	44,479,432	5,135,000	6,724,087	158,989,944
2007	98,512,700	39,170,354	5,415,000	6,448,368	149,546,422
2008	93,362,700	34,149,841	5,710,000	6,152,918	139,375,459
2009	88,435,000	29,469,536	6,025,000	5,840,789	129,770,325
2010	78,580,000	25,155,421	6,350,000	5,511,423	115,596,844
2011	72,115,000	21,181,953	6,690,000	5,163,841	105,150,794
2012	64,375,000	17,529,544	7,065,000	4,797,324	93,766,868
2013	56,695,000	14,285,125	7,455,000	4,409,961	82,845,086
2014	51,420,000	11,435,900	7,855,000	4,000,622	74,711,522
2015	43,600,000	8,818,550	8,295,000	3,565,821	64,279,371
2016	38,605,000	6,530,525	8,750,000	3,106,771	56,992,296
2017	32,900,000	4,515,025	9,240,000	2,622,385	49,277,410
2018	25,700,000	2,813,300	9,210,000	2,112,636	39,835,936
2019	18,900,000	1,564,575	9,530,000	1,385,400	31,379,975
2020	11,190,000	580,850	1,030,000	1,108,379	13,909,229
2021	2,610,000	78,300	1,090,000	1,053,097	4,831,397
Future	0	0	16,890,000	6,451,483	23,341,483
Total[3]	$1,432,521,450	$566,560,186	$143,125,000	$104,213,634	$2,246,420,270

1 As of June 30, 2000, as adjusted to reflect the issuance of the Bonds which are assumed to bear interest at a rate of 6.0%.

2 See "Other Tax Supported Debt Obligations".

3 Numbers may not add to totals due to rounding.

Sewer Revenue Bonds

In 1986, the County issued $75 million of an authorized $179 million sewer revenue bonds. The proceeds were expended to finance the expansion of the wastewater treatment facilities at the Noman M. Cole, Jr., Pollution Control Plant (formerly the Lower Potomac Pollution Control Plant) from 36 million gallons per day (mgd) to 54 mgd and the County's share of the cost of expanding facilities at the District of Columbia's Blue Plains Wastewater Treatment Plant. The treatment capacity of the Blue Plains Plant expanded from 309 mgd to 370 mgd and the County's share increased from 16.02 mgd to 31.0 mgd. In 1993, the County issued $72.1 million sewer revenue refunding bonds to advance refund a portion of its outstanding sewer revenue bonds. In July 1996, the County issued the remaining authorized but unissued $104 million sewer revenue bonds to finance additional expansion and improvements to its Noman M. Cole, Jr., Pollution Control Plant.

Wastewater treatment capacity and services are also provided to the Integrated Sewer System pursuant to contracts with Arlington County, the Alexandria Sanitation Authority (the "ASA"), the District of Columbia and the Upper Occoquan Sewage Authority ("UOSA"), whereby the County is obligated to share the capital costs and associated debt service of certain facilities. The County's obligations to such entities are payable solely from the revenues of the Integrated Sewer System and are not general obligations of the County. Further information concerning these obligations is included in Notes H, I and J to the General Purpose Financial Statements shown in Appendix IV.

In January 1996, UOSA issued $330.86 million bonds: $288.60 million bonds to finance the cost of expanding its advanced wastewater treatment plant from 32 mgd to 54 mgd and $42.26 million to refinance certain of its outstanding bonds.

The debt service on the County's outstanding sewer revenue bonds and the parity and subordinate obligations payable for capacity under its contracts with UOSA as of June 30, 2000 are reflected in the following table.

Fiscal Year Ending June 30	Sewer Revenue Bonds		Other Sewer Debt Service Obligations	
	Principal	Interest	Subordinate Obligations[1]	Total
2001	$ 4,050,000	$ 9,406,134	$ 15,228,254	$ 28,684,388
2002	4,140,000	9,202,964	15,229,170	28,572,134
2003	4,535,000	8,983,282	15,227,577	28,745,859
2004	4,935,000	8,739,066	15,228,504	28,902,570
2005	5,035,000	8,477,807	15,230,086	28,742,893
2006	5,440,000	8,199,653	15,230,224	28,869,877
2007	5,855,000	7,896,081	15,669,314	29,420,395
2008	6,270,000	7,566,205	15,669,695	29,505,900
2009	6,690,000	7,210,413	15,671,327	29,571,740
2010	7,125,000	6,828,830	15,669,762	29,623,592
2011	7,555,000	6,422,155	16,247,107	30,224,262
2012	7,995,000	5,991,371	16,245,794	30,232,165
2013	8,435,000	5,536,186	16,244,520	30,215,706
2014	9,175,000	5,048,343	16,245,595	30,468,938
2015	9,630,000	4,521,364	16,245,004	30,396,368
2016	5,300,000	4,097,980	16,244,995	25,642,975
2017	3,530,000	3,846,820	16,245,410	23,622,230
2018	3,750,000	3,639,340	16,246,106	23,635,446
2019	3,980,000	3,417,045	16,244,721	23,641,766
2020	4,230,000	3,178,958	16,245,033	23,653,991
Future	52,205,000	15,019,169	146,747,220	213,971,389
Total	$169,860,000	$143,229,166	$463,255,418	$776,344,584

[1] Based on the County's share of scheduled UOSA debt service.

The County has entered into a new service agreement with ASA that will obligate the County initially for 60% of the cost of capacity of the ASA wastewater treatment plant and a joint use system, including debt service on ASA bonds issued for ASA system improvements where the County does not otherwise provide for its share of the capital cost of such improvements. The County anticipates that ASA will undertake a $200 million (approximate capital cost) improvement project that will, by the terms of the new contract, obligate the County for approximately $120 million (60%) in capital costs of ASA system improvements. The County will either be obligated for its share of the debt service on ASA's bonds or the County will issue additional sewer revenue bonds to provide its share of such capital costs.

Debt Ratios

The following data are presented to show trends in the relationship of the general obligation bond indebtedness of the County as a percentage of the estimated market value of taxable property in the County and to its estimated population and the trend of general obligation debt service requirements as a percentage of General Fund disbursements.

Trend of Net Debt as a Percentage of Estimated Market Value of Taxable Property

Fiscal Year Ended June 30	Net Bonded Indebtedness[1]	Estimated Market Value[2]	Percentage
1991	$ 857,788,925	$ 79,189,200,000	1.08
1992	940,358,345	78,537,800,000	1.20
1993	1,010,513,523	74,646,700,000	1.35
1994	1,110,177,500	74,395,400,000	1.49
1995	1,136,368,575	75,702,700,000	1.50
1996	1,167,504,650	78,155,100,000	1.49
1997	1,219,735,725	80,853,900,000	1.51
1998	1,258,171,800	83,471,400,000	1.51
1999	1,314,377,875	87,086,700,000	1.51
2000	1,380,266,450	92,692,600,000	1.49
2001(est.)	1,474,797,025	100,122,500,000	1.47

Source: Fairfax County Department of Tax Administration and Department of Management and Budget.

[1] Excludes bonds for the Integrated Sewer System, special district bonds, capital lease and installment purchase obligations, the EDA and FCRHA lease revenue bonds and defeased general obligation bonds.

[2] Estimated market value is based on recorded values as of January 1 of the prior fiscal year.

Debt Per Capita

Fiscal Year Ended June 30	Net Bonded Indebtedness[1,2]	Estimated Population[3]	Net Bonded Indebtedness Per Capita	Fairfax County Per Capita Income[4]	Debt Per Capita as Percentage of Per Capita Income[5]
1991	$857,788,925	827,119	$1,037	$32,397	3.20%
1992	940,358,345	837,141	1,123	33,611	3.34
1993	1,010,513,523	851,858	1,186	35,250	3.37
1994	1,110,177,500	863,134	1,286	36,689	3.51
1995	1,136,368,575	879,401	1,292	38,055	3.40
1996	1,167,504,650	899,650	1,298	39,531	3.28
1997	1,219,735,725	912,126	1,337	41,910	3.19
1998	1,258,171,800	931,452	1,351	44,303	3.05
1999	1,314,377,875	946,371	1,389	46,829	2.97
2000	1,380,266,450	968,225	1,426	49,729	2.87
2001 (est.)	1,474,797,025	983,013	1,500	52,799	2.84

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1 Excludes bonds for the Integrated Sewer System, special district bonds, capital lease and installment purchase obligations, the EDA and FCRHA lease revenue bonds and defeased general obligation bonds.

2 *Source*: Fairfax County Department of Management and Budget.

3 *Source*: Fairfax County Department of Systems Management for Human Services; U.S. Bureau of the Census; 1990 Decennial Census Summary Tape File IA.

4 *Source*: Bureau of Economic Analysis, U.S. Department of Commerce, 1991-1998; Fairfax County Department of Management and Budget 1999-2001. Includes Fairfax City and City of Falls Church.

5 The Bureau of Economic Analysis rebenched data back to 1991. Debt Per Capita as Percentage of Per Capita Income for fiscal years 1991 through 1999 was 3.31, 3.45, 3.47, 3.65, 3.52, 3.39, 3.35, 3.23 and 3.16 respectively.

Debt Service Requirements as a Percentage of General Fund Disbursements

Fiscal Year Ended June 30	Debt Service Requirements	General Fund Disbursements	Percentage
1991	$112,355,158	$1,367,284,518	8.2%
1992	124,197,591	1,366,325,337	9.1
1993	124,683,326	1,357,105,721	9.2
1994	129,675,197	1,394,808,186	9.3
1995	132,902,278	1,487,080,719	8.9
1996	142,754,018	1,602,457,378	8.9
1997	152,813,435	1,682,606,121	9.1
1998	163,501,001	1,756,990,140	9.3
1999	163,541,092	1,849,587,184	8.8
2000	177,001,990	2,000,540,810	8.8
2001(est.)	186,668,468	2,177,809,703	8.6

Source: Fairfax County Department of Management and Budget. Debt Service Requirements exclude special district bonds, capital lease and installment purchase obligations, EDA lease revenue bonds and defeased general obligation bonds. Beginning in FY 2000, the General Fund Disbursement includes transfers to the Revenue Stabilization Fund.

Underlying Bonded Indebtedness

As of June 30, 2000, there was outstanding the following underlying bonded indebtedness of towns or districts within the boundaries of Fairfax County:

Town of Vienna	Storm Drainage/Street Improvement/Water and Sewer/Public Buildings	$17,962,000
Town of Herndon	Recreational Complex/Water and Sewer/Recreational Facilities	13,190,000
Small District #1 of Dranesville District	McLean Community Center	675,000
Total Underlying Indebtedness		$31,827,000

These underlying general obligation bonds are obligations of the respective town or district only and are not obligations of Fairfax County and the full faith and credit of the County are not pledged to the payment of such bonds or notes.

The bonds and notes of the Fairfax County Water Authority, the Fairfax County Park Authority, the Fairfax County Industrial Development Authority, the Fairfax County Economic Development Authority, the Fairfax County Redevelopment and Housing Authority, the Route 28 Highway Transportation Improvement District, the Northern Virginia Health Center Commission, and the Northern Virginia Transportation Commission are not obligations of the County.

TAX BASE DATA

Fairfax County reassesses more than 323,000 parcels of real property annually employing a computer assisted mass reassessment program for both residential and non-residential properties. The performance of the annual assessment program as measured by assessment to sale ratios and coefficient of equity, referred to as the Russell Index, is excellent. For the reassessment effective January 1, 2000, the countywide assessment to sale price ratio was .90 and the Russell Index was 5.7.

The assessed value of the real estate tax base, as reported for FY 2001 in the main tax book for Fairfax County, increased 8.94% in value from the prior year.

The data in the following five tables are presented to illustrate trends and characteristics of the assessed value of real and personal property which are major sources of County-derived revenue:

Assessed Value of All Taxable Property
(000's)

Fiscal Year	Real Property	Personal Property	Public Service Corporation	Total Assessed Value[1]
1991	$72,095,800	$ 5,511,500	$1,581,900	$ 79,189,200
1992	71,355,900	5,552,900	1,629,000	78,537,800
1993	67,192,500	5,641,200	1,813,000	74,646,700
1994	66,381,500	6,070,300	1,943,600	74,395,400
1995	66,912,100	6,775,400	2,015,200	75,702,700
1996	68,647,300	7,539,300	1,968,500	78,155,100
1997	70,510,800	8,257,400	2,085,700	80,853,900
1998	72,507,700	8,620,700	2,343,000	83,471,400
1999	75,500,700	9,070,800	2,515,200	87,086,700
2000	80,225,000	9,885,000	2,582,600	92,692,600
2001 (est.)	87,022,800	10,334,600	2,765,100	100,122,500

Source: Actual values are from the Fairfax County Department of Tax Administration as reported in the FY 2000 CAFR. FY 2001 estimated values are from the Department of Management and Budget; figures are net of exonerated assessments and tax relief for the elderly and disabled.

[1] Pursuant to State statute all real property assessments are required to be made at 100% of estimated market value.

Tax Rates per $100 Assessed Value

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Real Estate-Regular and Public Service	$1.11	$1.16	$1.16	$1.16	$1.16	$1.23	$1.23	$1.23	$1.23	$1.23
Personal Property-Regular	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property-Public Service	1.11	1.16	1.16	1.16	1.16	1.23	1.23	1.23	1.23	1.23
Personal Property-Mining and Manufacturing, Machinery and Tools	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property-Research and Development	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property-Mobile Homes	1.11	1.16	1.16	1.16	1.16	1.23	1.23	1.23	1.23	1.23
Personal Property-Antique Cars	.01	.01	.01	.01	.01	.01	.01	.01	.01	.01
Personal Property-Special[1]	.01	.01	.01	.01	.01	.01	.01	.01	.01	.01

Source: Approved Fiscal Plans, FY 1992-2001.

[1] Includes vehicles specially equipped for the handicapped; privately owned vans used for van pools; vehicles belonging to volunteer fire and rescue squad members; vehicles owned by auxiliary police; certain property of homeowners associations; aircraft to include flight simulators; and motor vehicles owned by qualified elderly or disabled individuals and, effective in FY 2000, boats.

Commercial-Industrial Percentage of the Total Assessed Value of Real Property

Fiscal Year[1]	Percent[2]
1992	25.66
1993	22.82
1994	20.94
1995	19.58
1996	19.04
1997	19.56
1998	20.47
1999	21.84
2000	24.32
2001	25.37

Source: Fairfax County Department of Tax Administration. Assessed values are reported by State of Virginia Land Use Codes. Vacant land is defined according to zoning classification.

[1] Fiscal year property taxes are levied on prior year assessments.

[2] Includes the Towns of Vienna, Herndon and Clifton.

The following data shows the assessed value of real property of the 25 largest holders of real property in the County (as of January 1, 2000).

Rank	Property Owner	Property Type	Total Assessment
1	West Group Properties, LLC	Various Offices, Retail, Ind. & Land	$ 468,551,880
2	Lehndorff Tysons Property	Tysons Corner Regional Shop Center	432,284,700
3	Virginia Electric	Public Utility	316,142,056
4	Smith Property Holdings	Various Commercial	249,778,110
5	Franconia Two LP	Springfield Mall	237,956,045
6	Fairfax Company	Fair Oaks Mall	223,507,820
7	Mobil Oil Corp.	Headquarter Office & Various Commercial	204,299,225
8	EOP Reston Town Center	Office, Shopping Center & Land	190,992,995
9	Washington Gas Light Co.	Public Utility	189,008,310
10	Prentiss Properties	Office & Land	186,427,555
11	WRIT LP	Office, Apts., Ind. & Shopping Centers	158,709,735
12	West Mac Associates	Various Offices & Land	157,529,755
13	Equitable Life Assurance	Various Commercial	141,863,915
14	Boston Properties LP	Office, Industrial & Land	133,470,115
15	Avalon Properties Inc.	Apartments	125,310,690
16	Navy Federal Credit Union	Various Offices & Land	123,313,580
17	Summit Properties	Apartments	113,271,570
18	Fairfax Square Partners	Office, Retail	111,324,855
19	Plaza America Office	Offices &Land	108,501,705
20	Commonwealth Atlantic	Office, Land & Railroad Land	105,945,345
21	OTR	Office, Shopping Center	98,802,450
22	Brandywine Grande B LP	Offices & Land	97,560,745
23	Massachusetts Mutual Life	Office, Apts., Ind. & Shopping Centers	97,018,250
24	E D S Realty Corp.	Office & Land	96,029,645
25	Saul B. Francis II TR	Offices, Apts. & Hotels	92,783,270
			$4,460,384,321

Source: Fairfax County Department of Tax Administration. Derived from January 1, 2000 tax rolls.

As of January 1, 2000 the assessed value of the real property of the 25 largest holders of real property in the County represented 5.08% of the total assessed value of all real property in Fairfax County, excluding tax exempt properties. January 1, 2000 assessments represent tax revenue generated in FY 2001.

Real and Personal Property
Tax Levies and Tax Collection
(000's)

Fiscal Year	Total Levy[1]	Current Collections[2]	% of Levy[3]	Collection of Back Taxes	Total Collection of Current & Back Taxes	% of Current & Back Taxes Collected to Tax Levy
1991	$1,033,122	$1,020,368	98.77	$ 8,189	$1,028,557	99.56
1992	1,028,443	1,012,210	98.42	11,492	1,023,702	99.54
1993	1,019,270	1,007,987	98.89	13,726	1,021,712	100.24
1994	1,025,807	1,013,350	98.79	18,224	1,031,574	100.56
1995	1,058,500	1,048,276	99.03	13,000	1,061,276	100.26
1996	1,103,903	1,095,762	99.26	11,490	1,107,252	100.30
1997	1,203,645	1,195,312	99.31	6,479	1,201,791	99.85
1998	1,250,521	1,241,128	99.25	1,267	1,242,395	99.35
1999	1,308,122	1,299,201	99.32	12,088	1,311,289	100.24
2000	1,394,627	1,385,239	99.33	13,795	1,399,033	100.32

Section 58.1-3916 of the Code of Virginia authorizes Fairfax County, pursuant to Section 4-10-1 of the County Code, to impose a penalty of 10% for failure to pay taxes when due, with interest to be due on such taxes and penalty following the day such taxes are due at the rate of 10% per annum the first year and at the rate established pursuant to paragraph 6621 of the Internal Revenue Code for the second and subsequent years of delinquency.

Source: Comprehensive Annual Financial Reports for the Fiscal Years Ending June 30, 1991-2000.

1 The total levy is the levy for General Fund real and personal property taxes and does not include the property tax levy for Special Revenue Funds, e.g. for Refuse Collection and Community Centers.

2 Current collections do not include tax collections for the Special Revenue Funds or payments in lieu of taxes. As a result of revised accounting procedures, the collection of penalty and interest payments for late payments of current taxes is included in the collection of current taxes rather than under the collection of back taxes.

3 The percentage of levy is not the collection rate since current collections also include penalty and interest payments for late payments of current taxes.

FINANCIAL INFORMATION

Five-Year Summary of Revenues, Expenditures and Fund Balances for General, Special Revenue and Debt Service Funds

The financial data shown in the following table represents a summary for the five fiscal years ended June 30, 2000 of the revenues, expenditures and fund balances accounted for in the primary government's General Fund, Special Revenue Funds and Debt Service Funds, and in the comparable, primary government-appropriated funds of the discreetly reported component units. In prior years these government-appropriated funds were included in the primary government's General Fund and Special Revenue Funds, but as of fiscal year 1994 have been reflected within the discretely reported component units for financial reporting purposes in accordance with Statement No. 14 of the Governmental Accounting Standards Board. The summaries for the five fiscal years ended June 30, 2000 have been compiled from the financial statements of the County for the respective years and should be read in conjunction with the related financial statements and notes thereto.

	Fiscal Years Ended June 30,				
	1996	1997	1998	1999	2000
Revenues:					
Taxes[1]	$1,381,702,595	$1,491,735,145	$1,548,908,361	$1,640,594,459	$1,690,371,422
Permits, privilege fees and Regulatory licenses	30,544,252	34,075,400	37,128,657	43,044,787	43,835,560
Fines and forfeitures	6,751,974	7,213,398	7,413,004	7,140,533	7,579,871
Revenue from the use of Money and property	48,174,029	51,273,563	57,948,818	60,432,180	92,433,812
Charges for services and Recovered Costs	180,214,874	185,775,499	178,215,159	182,229,862	161,367,134
Intergovernmental	349,385,548	403,106,423	412,512,882	467,462,273	1,475,111,562
Miscellaneous	9,511,292	11,017,670	12,262,095	23,696,684	21,098,809
Net Refunded Bonds	0	0	0	0	0
Total revenues	$2,006,284,564	$2,184,197,098	$2,254,388,976	$2,424,600,778	$3,491,798,170
Expenditures and transfers:					
General governmental administration	$ 72,338,728	$ 73,355,323	$ 77,592,551	$ 80,031,244	$ 87,400,231
Judicial administration	17,498,901	18,170,437	18,652,509	19,502,814	21,408,526
Public safety	189,685,237	195,088,737	211,191,952	231,108,675	256,155,919
Public works	140,348,137	131,821,568	122,113,299	113,140,139	124,495,828
Health and welfare	246,697,313	249,423,752	253,136,820	268,726,844	299,299,517
Parks, recreation & cultural	53,203,730	53,945,365	56,856,867	62,777,866	66,582,759
Community development	53,847,111	52,994,739	59,776,412	79,776,026	79,981,590
Education[2,3]	976,708,934	1,059,549,080	1,143,993,182	1,192,010,103	1,335,202,169
Debt service	151,296,823	161,406,538	171,580,513	176,262,542	184,970,872
Nondepartmental[2]	97,494,046	97,491,772	97,667,906	96,500,551	106,035,082
Net transfers to other funds	33,163,102	34,490,198	34,355,831	40,172,221	937,394,339
Total expenditures and transfers	$2,032,282,062	$2,127,737,509	$2,246,907,842	$2,360,009,025	$3,498,926,832
Excess (deficiency) of revenues over expenditures and transfers	$ (25,997,498)[4]	$ 56,459,589	$ 7,481,134	$ 4,591,753	$ (6,725,670)
Fund balance, beginning of year	275,711,280	249,709,518	306,254,760	321,061,166	381,782,211[6]
Adjustment of fund balance, Beginning of year	0	0	6,890,257[5]	0	0
Increase (Decrease) in Fund Balance Reserves	(4,264)	85,653	142,795	(2,536,962)	2,285,327
Residual Equity Transfer	0	0	292,220	0	0
Fund balance, end of year	$ 249,709,518	$ 306,254,760	$ 321,061,166	$ 383,115,957	$ 377,341,868

Source: Comprehensive Annual Financial Reports for the Fiscal Years Ended June 30, 1999-2000.

[1] Taxes include real estate, personal property, sales, recordation, business, professional and other licenses and miscellaneous other taxes. Fund balance includes amounts reserved for inventories of supplies and unreserved-undesignated. The interfund transfers among the funds presented have been eliminated.

[2] Pension contributions to employee retirement funds, which are included in the Education and Nondepartmental expenditures shown above, for each of the five fiscal years ended June 30, 1996 through 2000, were as follows: 1996, $84,243,983; 1997, $93,104,897; 1998, $95,773,603; 1999, $88,898,079; and 2000, $91,228,972.

[3] Teachers' salaries accounted for in the School Operating Fund are paid by contract over a twelve-month period ending in August. Consequently, in order to reflect the total teachers' salaries in the year the services are rendered, an accrual is made at the end of each fiscal year for the payroll liability arising from those teachers' salaries to be paid in the first two months of the succeeding fiscal year. In FY 1984 the County began a program to fund this liability to the Fairfax County Public Schools over a 10-year period. In FY 1991, the payment to offset the unfunded liability was deferred. Beginning in FY 1997 payments were resumed over a ten year period at a rate of $1.62 million per year. As of June 30, 2000, the unfunded liability was approximately $9.7 million.

[4] The FY 1996 deficiency of revenues over expenditures in the amount of $26.0 million is primarily the result of a deficiency of $45.6 million in the County's General Fund offset by an excess of $22.0 million in the Fairfax County Public School Operating Fund. During FY 1996, the

County transferred $725.0 million from its General Fund to the Public School Operating Fund; this was an increase of $71.5 million over the FY 1995 transfer.

[5] The July 1, 1997 fund balances were restated to comply with the provisions of Governmental Accounting Standards Board Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools".

[6] For FY 2000 Housing Funds are now reported as Enterprise Funds, the beginning Fund Balance reflects the restated amounts.

Certain Financial Procedures

Description of Funds

The County's annual audited financial statements include the funds administered by the Board of Supervisors and the School Board. The accounts of the County are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The transactions in each fund or account group are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures.

Annual Financial Statements

The County's financial statements have been examined and reported on by independent certified public accountants since FY 1969. The FY 2000 audit was performed by KPMG Peat Marwick LLP, Certified Public Accountants, Washington, D.C. For further information regarding the County's audit see the Independent Auditor's Report-Appendix IV.

The County maintains its accounting system in accordance with the specifications of the Auditor of Public Accounts of the Commonwealth of Virginia. Certain adjustments have been made to present the accompanying financial statements in accordance with generally accepted accounting principles applicable to governmental units. The County has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its annual financial statements each year since the fiscal year ended June 30, 1977.

The County's annual financial statements are available for inspection at the Office of the Director of Finance, 12000 Government Center Parkway, Suite 214, Fairfax, Virginia, 22035. See "FUTURE FINANCIAL INFORMATION" and "Appendix VII—CONTINUING DISCLOSURE AGREEMENT."

Budgetary Procedure

The County has no legal authority to borrow in anticipation of future years' revenues, except by the issuance of bonds or bond anticipation notes.

Prior to the beginning of each fiscal year, the Board of Supervisors adopts a budget plan consisting of contemplated expenditures and estimated revenues for such fiscal year. On the basis of the adopted budget plan, the Board of Supervisors appropriates funds for the expenditures and establishes tax rates sufficient to produce the revenues contemplated in the budget plan.

The annual budgeting process for a fiscal year begins in the first quarter of the previous fiscal year with the submission by agency directors of budget requests to the County Department of Management and Budget. During the second quarter, budget requests are reviewed and meetings between the County Executive, Deputy County Executives and agency directors are held to discuss agency requests. Upon receipt of the preliminary budget of the County School Board in the third quarter, the County Executive prepares an initial budget for submission to the Board of Supervisors and proposes tax rates sufficient to produce revenues needed to meet expenditures contemplated in the initial budget. After work sessions with the Board of Supervisors and public hearings on the proposed budget, changes are made and the final budget is adopted. Tax rates are established prior to the beginning of the fiscal year for which the budget is prepared.

During the fiscal year, quarterly reviews of revenue and expenditures are undertaken by the County Department of Management and Budget. On the basis of these reviews, the Board of Supervisors revises appropriations as needed or desired.

On January 25, 1982, the Board of Supervisors adopted a financial policy requiring maintenance of a "managed reserve" in the General Fund beginning on July 1, 1982 at a level not less than two percent of General Fund disbursements. This reserve has been incorporated in the budget each fiscal year. This reserve was implemented to provide for temporary financing of unforeseen needs of an emergency nature and to permit orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies. In 1985, the Board also adopted a policy on appropriations during quarterly budget reviews which provides that nonrecurring revenues should be used for either capital expenditures or other nonrecurring expenditures and that quarterly review adjustments are not to exceed two percent of the General Fund disbursements. In addition, on September 13, 1999, the Board of Supervisors established a Revenue Stabilization Fund with a goal of reaching three percent of General Fund disbursements. This reserve is designed to address ongoing requirements in years of significant economic downturn.

The Government Finance Officers Association of the United States and Canada ("GFOA") has presented the Award for Distinguished Budget Presentation to Fairfax County for its annual budget for each year since the fiscal year beginning July 1, 1985. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

Investment Management Policy

The County's Investment and Cash Management Program operates under the direction of the Investment Committee comprised of the Director of the Department of Finance, the Chief Financial Officer, the Director of the Department of Tax Administration and the Deputy Director of the Department of Finance. Guided by a formal investment policy, the Committee continually reviews the County's investment policies and strategies bi-weekly, and monitors daily investment activity.

During FY 2000, the County's average portfolio size (which includes investments in the General Fund, Special Revenue Funds and Enterprise Funds) was approximately $1.4 billion. The funds are invested in U.S. Treasury obligations, obligations of the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank and Federal National Mortgage Association, bankers acceptances, commercial paper (rated A1/P1 or higher), certificates of deposit and repurchase agreements collateralized by U.S. Treasury securities.

The County's investment policies which govern the pooled cash and general obligation bond proceeds portfolio prohibit investment in instruments generally referred to as derivatives, and the County does not employ leverage in its investments.

General Fund Revenues, Expenditures, Transfers and Beginning Fund Balance

The General Fund is maintained by the County to account for revenue derived from County-wide ad valorem taxes, other local taxes, licenses, fees, permits, charges for services, certain revenue from Federal and State governments, and interest earned on invested cash balances of the General Fund and Capital Project Funds. General Funds expenditures and transfers include the costs of general County government, transfers to the School Operating Fund to pay the local share of operating Fairfax County public schools, and transfers to the Debt Service and Capital Project Funds to pay debt service on County general obligation bonds and for certain capital improvement projects.

General Fund Summary

Shown below are the County's revenues, expenditures, transfers and beginning fund balance of the General Fund for FY 1996 through FY 2000.

General Fund Revenues, Transfers and Beginning Fund Balance
(in thousands)

	Fiscal Year Ended June 30[1]				
	1996	1997	1998	1999	2000
General Property Taxes	$1,107,252	$1,201,791	$1,242,395	$1,311,289	$1,336,728
Other Local Taxes	265,725	284,407	295,705	317,893	343,197
Permits, Privilege Fees and Regulatory Licenses	24,088	27,250	30,091	32,874	33,654
Fines and Forfeitures	6,751	7,212	7,412	7,140	7,580
Revenue from the Use of Money and Property	37,308	39,085	46,202	48,008	49,853
Charges for Services & Recovered Costs	28,865	30,388	32,573	35,445	34,293
Intergovernmental	85,534	99,838	96,279	103,449	180,966
Miscellaneous	206	733	722	17	6,361
Transfers In and Beginning Fund Balance[2]	126,403	80,744	90,012	94,738	--
Adjustment to Beginning Fund Balance	--	--	5,932[3]	--	--
Residual Equity Transfer	--	--	232	--	--
Total	$1,682,132	$1,771,448	$1,847,555	$1,950,853	$1,992,632

1 *Source*: Comprehensive Annual Financial Reports for FY 1996-FY 2000.
2 Beginning fund balance adjusted to reflect reserve for inventory.
3 The July 1, 1997 fund balance was restated to comply with the provisions of Governmental Accounting Standards Board Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools".

General Fund Expenditures and Transfers
(in thousands)

	Fiscal Year Ended June 30[1]				
	1996	1997	1998	1999	2000
Transfer to School Operating Fund	$ 724,951	$ 788,143	$ 819,669	$ 852,128	$ 897,413
Costs of General County Government	671,882	678,255	707,473	746,337	820,403
Transfer to Debt Service Funds	146,210	161,533	171,504	177,649	184,072
Transfer to Capital Project Funds	11,836	9,270	12,841	14,607	23,360
Transfer to Metro Construction and Operations Fund	12,511	15,102	1,959	11,151	7,046
Other Transfers	35,122	30,327	43,577	47,715	50,283
Total	$1,602,512	$1,682,630	$1,757,023	$1,849,587	$1,932,577

1 Source: Comprehensive Annual Financial Reports for FY 1996-FY 2000.

Revenues

The following is a discussion of the General Fund revenue structure.

General Property Taxes -- An annual ad valorem tax is levied by the County on the assessed value of real and tangible personal property located within the County as of January 1 preceding the fiscal year in which the said tax is due. The personal property tax on motor vehicles which acquire situs within the County or have title transferred on or after January 2 is prorated on a monthly basis. Real property is assessed at 100% of its fair market value. Personal property is also assessed at 100% of its fair market value. Real property taxes are due July 28 and December 5 of the fiscal year in which they are levied. The payment date for personal property taxes is October 5. The penalty for late payment is 10% of the amount due, and interest on delinquent taxes and penalties accrues at a rate of 10% per annum the first year at the rate established pursuant to State law for the second and subsequent years of delinquency. In cases of property on which delinquent taxes are not paid within three years, the County may sell the property at public auction to pay the amounts due. There is no legal limit at the present time on the property tax rates which may be established by the County. Property taxes (including delinquent payments, penalties, and interest) accounted for 67.1% of total General Fund revenues in FY 2000. However, this percentage does not include the reimbursement from the Commonwealth of Virginia for a portion of the personal property tax. Including the reimbursement which is reflected in Intergovernmental revenue, the percentage of revenue from property taxes is 70.2%. A discussion concerning the Commmonwealth's plan to reduce personal property taxes paid by citizens follows.

During its 1998 Special Session, the General Assembly of Virginia enacted legislation that will reduce personal property taxes applicable to individually owned motor vehicles. The reduction, which will apply to the first $20,000 in assessed value, is scheduled to be phased in over a five year period. The legislation states that the Commonwealth will reimburse local governments for the revenue lost from the reduction in personal property tax collections. In FY 1999, the first year of implementation, taxpayers were billed for the entire amount of tax levy and received a refund of 12.5 percent of the tax on the first $20,000 of the value of their personal vehicle from the Commonwealth of Virginia. Vehicles valued less than $1,000 were refunded 100 percent. In FY 2000, the Commonwealth's plan reduced Personal Property Taxes paid by citizens by 27.5 percent with an offsetting reimbursement paid to the County by the Commonwealth of Virginia. Reimbursement to local governments for subsequent fiscal years will be dependent upon future appropriations by the Virginia General Assembly. If funds are appropriated, the plan will reduce taxes paid by citizens by 47.5 percent in FY 2001, 70 percent in FY 2002 and 100 percent in FY 2003 with an offsetting reimbursement paid to localities by the Commonwealth. The County's total current personal property tax collections for FY 2000 were $387.1 million comprised of $324.8 million paid by individuals and $62.3 million reimbursed by the Commonwealth of Virginia.

Other Local Taxes -- The County levies various other local taxes, including a 1% local sales tax (collected by the State and remitted to the County), a tax on consumer utility bills (8% for gas and electric and 22.2% for telephone on bills up to $50 per month for residential classes; for commercial customers the rate is 10% for bills up to $3,000 monthly for gas, 10% for bills up to $10,000 monthly for electric, and 22.2% for bills up to $1,600 monthly for telephone. Beginning January 1, 2001, consumer utility taxes on gas and electric will be calculated based on consumption. Also included in this category is a cigarette tax of 5¢ per pack, property recordation taxes, an automobile license tax, and various business, professional and occupational licenses taxes. These taxes accounted for 17.2% of total General Fund revenues in FY 2000.

Permits, Privilege Fees and Regulatory Licenses -- The County requires that licenses or permits be obtained in order to perform certain activities in the County and that fees be paid for services provided by certain County departments. These revenues represented 1.7% of total General Fund revenues for FY 2000.

Fines and Forfeitures -- The sources of revenue in this category include court fines and penalties from the Circuit Court and the General District Court and court fines and costs from the Juvenile and Domestic Relations District Court. The fines are for traffic violations, misdemeanors and felonies. In addition, the County receives revenues from parking violations as authorized under the County Code. Revenues in this category represented 0.4% of General Fund revenues in FY 2000.

Revenue from the Use of Money and Property -- The principal sources of revenue from the use of money and property to the General Fund are interest on General Fund and Capital Project Fund investments and minor amounts of revenue from the sale and lease of County equipment and property. These revenues represented 2.5% of General Fund revenues in FY 2000.

Charges for Services and Recovered Costs -- The principal sources of revenue to the General Fund from charges for services are County Clerk fees, school age child care fees, recreation fees, publication sales and various other services for which the County charges a fee. Revenues in this category represented 1.7% of General Fund revenues in FY 2000.

Intergovernmental Revenue -- Intergovernmental revenue is comprised of revenue from the State and revenue from the Federal government. Revenues in this category represented 9.1% of General Fund revenues in FY 2000. This percentage includes the revenue that the County receives from the Commonwealth as reimbursement for the County's personal property tax. Each revenue source within intergovernmental revenue is discussed below:

- Revenue from the State -- The County is reimbursed by the Commonwealth of Virginia for a portion of shared expenses including certain expenditures for social services, the sheriff's office, courts, the Office of the Commonwealth Attorney and other constitutional offices. Additionally, the County receives a share of the net profits from the State Alcoholic Beverage Control Board's liquor sales and State contributions to assist in meeting law enforcement expenditures. As mentioned in the section concerning General Property Taxes, the Commonwealth also reimburses the County for a portion of its personal property tax on vehicles. Including the reimbursement for the County's personal property tax, revenues from this category represent 7.4% of total General Fund revenues in the fiscal year ended June 30, 2000. Excluding this reimbursement, revenue from this category represents 4.2% of General Fund revenue in FY 2000. The County receives a significant amount of additional State aid in support of public school operations. These revenues are credited directly to the School Operating and School Lunch Funds, however, and are not reflected in the General Fund.

- Revenue from the Federal Government -- The principal sources of categorical Federal aid to the General Fund are Federal grant moneys for air pollution control and Federal Title XX funds primarily used to purchase foster care, day care and protective services for clients of the Department of Family Services. This revenue category represents 1.7% of General Fund revenues in FY 2000.

Miscellaneous Revenues -- The sources of revenue in this category include the sale of land and buildings, parking meter fees, and other miscellaneous sources. These revenue sources accounted for 0.3% of General Fund revenue in FY 2000.

Expenditures and Transfers

The following is a discussion of the major classifications of General Fund expenditures and transfers.

Transfer to School Operating Fund -- The County transfers monies from the General Fund to the School Operating Fund to pay the County's share of the costs of operating public schools in Fairfax County. This transfer represented approximately 44.9% of total disbursements from the General Fund in the fiscal year ended June 30, 2000. The transfer to the School Operating Fund was approximately 72.4% of total receipts of the School Operating Fund. Other revenues credited directly to the School Operating and School Lunch Funds include revenue from the Federal government, the Commonwealth of Virginia, the City of Fairfax (representing tuition of students residing in the City of Fairfax who attend Fairfax County schools), and other revenue derived locally from sale of textbooks, school lunches, etc.

Costs of General County Government -- The County pays from the General Fund the costs of general County government. These costs include expenditures for general government administration, judicial administration, public safety, public works, health and welfare, parks, recreation and cultural, and community development. This classification was approximately 41.0% of total General Fund disbursements in FY 2000.

Transfer to Debt Service Funds -- The County transfers from the General Fund to the Debt Service Fund amounts sufficient to pay principal and interest on County general obligation bonds and the EDA and RHA lease revenue bonds. Transfers to the Debt Service Fund represented 9.2% of total General Fund disbursements in FY 2000.

Transfer to Capital Project Funds -- The County transfers monies from the General Fund to the Capital Project Funds to pay the cost of certain capital improvements. The General Fund transfer to the Capital Project Funds (except for the General Fund transfer for Fairfax County's obligations to the Washington Metropolitan Area Transit Authority ("WMATA"), which is discussed below) represented 1.2% of total General Fund disbursements in FY 2000. Other revenues of the Capital Project Funds consist primarily of bond proceeds.

Transfer to Metro Construction and Operations Fund -- The County is a member jurisdiction of WMATA and as such has agreed to make certain capital contributions in support of the construction by WMATA of a rail transit system to serve the Washington metropolitan area (which includes the County) and to pay a portion of the deficit incurred by WMATA in the operation of its bus system and rail system. The County generally has used bond proceeds to fund its capital contributions to WMATA and has transferred monies from the General Fund to pay its share of the bus and rail operating subsidies. The General Fund transfer to the Metro Construction and Operations Fund to pay the County's share of the system's operating subsidies represented 0.3% of total General Fund disbursements in FY 2000. See the subsection herein entitled "Transportation" for a more complete discussion of the County's obligations with respect to WMATA.

Transfer to Revenue Stabilization Fund -- Beginning in FY 2000 the County began transferring monies from the General Fund to a Revenue Stabilization Fund to address significant revenue reductions during severe, prolonged economic downturns. Transfers to this fund were 0.9% of total General Fund disbursements in FY 2000.

Transfers to Other Funds -- The County transfers monies from the General Fund to other funds for a variety of purposes. The General Fund transfer to other funds includes transfers to the County Transit Systems, Information Technology, Aging Grants and Programs, Community-Based Funding Pool, Housing Programs for the Elderly, Health Benefits Trust and Equipment Management and Transportation Agency. Transfers to other funds were 2.5% of total General Fund disbursements in FY 2000.

FY 2001 Budget

On April 19, 1999, the Board of Supervisors reaffirmed and approved Budget Guidelines for FY 2001. The Board directed the County Executive to develop a budget for FY 2001 that limits growth in expenditures and the School Transfer to projected increases in revenue. Balances identified throughout the fiscal year, and not required to support expenditures of a critical nature, should be held in reserve. In order to eliminate structural imbalances between County resources and requirements, the Board directed that both County and School resources should be allocated with consideration for the continued availability of funds. All non-recurring funds should be directed toward non-recurring uses and recurring resources should be targeted toward recurring expenses. In addition, the Board endorsed the efforts to explore County/School consolidation efforts. At the FY 1999 Carryover Review on September 13, 1999, the Board of Supervisors established a Revenue Stabilization Fund, initially funded with $7.83 million. The Board also modified their Budget Guidelines to include the establishment of a Revenue Stabilization Fund with a goal of reaching an amount equal to 3% of General Fund disbursements. The balance would be accomplished over a multi-year period with a policy whereby a minimum of 40% of non-recurring balances identified at quarterly reviews would be allocated to the Revenue Stabilization Fund. Withdrawal from the Revenue Stabilization Fund will not be made unless the projected revenues reflect a decrease greater than 1.5 percent of the current year estimate. In addition, any withdrawal from the Revenue Stabilization Fund should not exceed one half of the fund balance in any fiscal year.

Growth in County revenues is driven by growth in the real estate and personal property tax base that produces 71.1 percent of projected total revenue in the FY 2001 budget. While growth in County revenues is projected to be moderate, the local economy is strong. Unemployment continues to be low at 1.5 percent; consumer confidence remains positive; and job growth remains strong.

The FY 2001 Adopted Budget totals $3.58 billion including General Fund disbursements of $2.15 billion. General Fund revenues and disbursements reflect increases of 7.70 percent and 6.24 percent, respectively over the FY 2000 Revised Budget Plan. Included in the General Fund disbursement amount is a transfer of $985.23 million to the School Operating Fund, reflecting an increase of 9.79 percent. General Fund direct expenditures reflect an increase of $34.67 million or 4.42 percent over the FY 2000 Revised Budget Plan.

The FY 2001 budget also includes additional steps in the County's multi-year strategy to restructure County Government to increase effectiveness, responsiveness and accountability. The FY 2001 Adopted Budget Plan includes funding for employee compensation adjustments based on a market pay analysis and the implementation of a Pay-for-Performance System.

The FY 2001 budget also continues the County's focus on Performance Measurement indicators. In order to promote greater accountability and continuous performance improvements, a more outcome based, comprehensive method of performance measurement was initiated in FY 1999. The FY 2000 and FY 2001 budgets include refinements to the initial performance measurement system that will ultimately provide the public and decision makers better information with which to evaluate programs and County Services as well as be used in the Department Head Evaluation System.

As the result of actions taken by the Board of Supervisors on September 11, 2000, the FY 2001 Revised Budget Plan totals $4.45 billion, including General Fund disbursements of $2.18 billion. This increase includes a number of administrative adjustments approved by the Board of Supervisors, the carryover of certain items approved in FY 2000 but not yet expended, and the carryover of unexpended capital project and grant balances.

CAPITAL IMPROVEMENT PROGRAM

In connection with the County's adopted comprehensive land use plan, the Fairfax County Planning Commission annually prepares and submits to the Board of Supervisors, a capital improvement program (the "CIP") for the ensuing five-year period. The CIP is designed to balance the need for public facilities as expressed by the County land use plan with the fiscal capability of the County to provide for those needs.

The CIP is an integral element of the County's budgeting process. The five-year document serves as a general planning guide for the construction of general purpose, school and public utility projects in the County. The CIP is updated and approved by the Board of Supervisors each year. This annual review process prompts careful attention to the development of reliable capital expenditure and revenue estimates and the timely scheduling of bond referenda.

In connection with the CIP process, the Board of Supervisors has adopted certain policy guidelines for the development and financing of the CIP. These guidelines include self-imposed restrictions on the issuance of general obligation bonds designed to keep General Fund supported debt service expenditures less than 10% of total General Fund disbursements, and to maintain the ratio of net bonded indebtedness to the market value of taxable property in the County at a level less than 3.0%.

The Board of Supervisors continues to thoroughly review the County's debt program in light of current fiscal conditions. Total bond sales to support the program have averaged $144 million per year since 1996. Recent voter approval on two County Bond Referenda has added balance to the bond program. On November 3, 1998, referenda totaling $87 million for park facilities and $99.92 million for new public safety/courthouse facilities were approved by the County voters. In addition, on November 2, 1999, voters approved a $297.205 million school bond referendum. Additional referenda of approximately $250 million in each of 2001, 2003 and 2005 to finance school facilities are anticipated. The CIP for Fiscal Years 2001-2005 (With Future Fiscal Years to 2008) was approved by the Board of Supervisors on April 24, 2000.

RETIREMENT SYSTEMS

The County administers four separate public employee retirement systems that provide pension benefits for various classes of County employees (Educational Employees Supplemental Retirement System, Police Officers Retirement System, Supplemental Retirement System and Uniformed Retirement System). In addition, professional employees of the Fairfax County School Board participate in a plan sponsored and administered by the Virginia Retirement System. As of June 30, 2000 membership in the five plans consisted of 20,289 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them and 32,864 current employees.

The Fairfax County retirement systems investments are managed by independent professional investment managers. Investments in derivatives are not made for speculative purposes but may be used by investment managers to gain access to markets, to reduce risk, or to reduce transaction costs. Investment Managers are prohibited from using leverage and options.

For further information regarding the County's retirement systems, see "General Purpose Financial Statements -- Notes to Financial Statements – Note F" in Appendix IV.

CONTINGENT LIABILITIES AND CLAIMS

The County is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. See Note P in the County's Financial Statements Appendix IV to this Official Statement for details as of the end of fiscal year 2000.

Currently, the County is defendant in a number of lawsuits alleging erroneous tax assessment of certain real estate properties and personal property. In the aggregate, plaintiffs currently claim approximately $500,000 in tax refunds. Based on past experience with these types of cases, the County's management and the County Attorney are of the opinion that any losses will not be material.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Brown & Wood LLP, New York, New York, Bond Counsel, the proposed form of whose opinion is included herein as Appendix VI.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, based upon existing law and except as provided in the next sentence, interest on the Bonds will not be includable in the gross income of the owners of the Bonds for purposes of Federal income taxation. Interest on the Bonds will be includable in the gross income of the owners thereof for purposes of Federal income taxation retroactive to the date of issuance of the Bonds in the event of a failure by the County or the school board of the County to comply with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and covenants regarding the use, expenditure, investment of the proceeds of the Bonds and the timely payment of certain amounts to the U.S. Treasury, and no opinion is rendered by Bond Counsel as to the exclusion from gross income of the interest on the Bonds for Federal income tax purposes on or after the date on which any action affecting such covenants is taken upon the approval of counsel other than such firm.

Interest on the Bonds will not be an item of tax preference for purposes of the Federal individual or corporate alternative minimum tax. The Code contains provisions that could result in tax consequences, as to which no opinion will be rendered by Bond Counsel, as a result of ownership of the Bonds or the inclusion in certain computations (including, without limitation, those related to the corporate alternative minimum tax) of interest that is excluded from gross income.

Original Issue Discount

The excess, if any, of the amount payable at maturity of any maturity of the Bonds over the initial public offering price to the public (excluding bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such maturity is sold constitutes original issue discount. The amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. Original issue discount on the Bonds with original issue discount (the "Discount Bonds") accruing pursuant to the constant yield method described above is not includable in gross income to the same extent as interest on the Bonds for Federal income tax purposes. A portion of such original issue discount that accrues to the owner of such Discount Bonds in each year is, however, included in the calculation of a corporate taxpayer's Federal alternative

minimum tax and determination of the distribution requirements of certain investment companies and may result in some of the collateral Federal income tax consequences described below under "Collateral Tax Consequences" in the year of accrual. Consequently, owners of Discount Bonds should be aware that the accrual of original issue discount in each year may result in an alternative minimum tax liability, additional distribution requirements, or other collateral Federal income tax consequences although the owner may not have received cash in such year.

A purchaser in the initial offering who acquires a Discount Bond at an issue price equal to the initial offering price thereof as set forth on the cover page hereof will be treated as receiving an amount of interest not includable in gross income for Federal income tax purposes equal to the original issue discount accruing during the period he holds such Discount Bond and will increase his adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond for Federal income tax purposes. The accrual of original issue discount and its effect on redemption, sale or other disposition of Discount Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above.

Owners of Discount Bonds should consult their tax advisor with respect to the precise determination for Federal income tax purposes of interest accrued upon sale, redemption or other disposition of Discount Bonds and with respect to Commonwealth of Virginia and local tax consequences of owning and disposing of Discount Bonds.

Original Issue Premium

The excess, if any, of the tax basis of Bonds to a purchaser who purchases the Bonds in the initial offering (other than a purchaser who holds such Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is "bond premium." Bond premium is amortized over the term of such Bonds for Federal income tax purposes. Owners of such Bonds are required to decrease their adjusted basis in such Bonds by the amount of amortizable bond premium attributable to each taxable year such Bonds are held. The amortizable bond premium on such Bonds attributable to a taxable year is not deductible for Federal income tax purposes. Owners of such Bonds should consult their tax advisors with respect to the determination for Federal income tax purposes of the treatment of bond premiums upon sale or other disposition of such Bonds and with respect to Commonwealth of Virginia and local tax consequences of owning and disposing of such Bonds.

Collateral Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral Federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability and impact of these consequences.

Legislation affecting municipal securities is constantly being considered by the United States Congress. There can be no assurance that legislation enacted after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status of the Bonds. Legislative or regulatory actions and proposals may also affect the economic value of tax exemption or the market price of the Bonds.

FINANCIAL ADVISOR

BB&T Capital Markets, a division of Scott & Stringfellow, Inc., Richmond, Virginia, is serving as financial advisor to the County with respect to the sale of the Bonds. The financial advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Bonds and provided other advice. The financial advisor will not participate as an underwriter in any offer to purchase the Bonds from the County.

RATINGS

The Bonds have been rated "___" by Fitch, Inc. ("Fitch"), "___" by Moody's Investors Service, Inc. ("Moody's") and "___" by Standard & Poor's Ratings Services ("Standard & Poor's"). The County requested that the Bonds be rated and furnished certain information to Fitch, Moody's and Standard & Poor's, including certain information that is not included in this Official Statement.

Fitch describes its "___" municipal bond rating as follows:

Moody's describes its "___" municipal bond rating as follows:

Standard & Poor's describe its "___" municipal bond rating as follows:

These ratings are not a recommendation to buy, sell or hold the Bonds. Generally, rating agencies base their ratings on such materials and information, as well as investigations, studies and assumptions of the rating agencies. Such ratings may be changed at any time and no assurance can be given that they will not be revised downward or withdrawn entirely by any or all of such rating agencies, if, in the judgment of any or all, circumstances so warrant. Such circumstances may include, without limitation, change in or unavailability of information relating to the County. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of the Bonds.

CERTIFICATE CONCERNING OFFICIAL STATEMENT

Concurrently with the delivery of the Bonds, the Chairman of the Board of Supervisors and the County Executive of the County will certify that, to be best of their knowledge, the Official Statement did not as of its date, and does not as of the date of delivery of the Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading. Such certificate will also state, however, that the Chairman of the Board of Supervisors and the County Executive of the County did not independently verify the information indicated in this Official Statement as having been obtained or derived from sources other than the County and its officers but that they have no reason to believe that such information is not accurate.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of the estimates will be realized.

FUTURE FINANCIAL INFORMATION

SEC Rule 15c2-12. On November 10, 1994, the Securities and Exchange Commission adopted in final form certain amendments (the "Amendments") to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. In general, the Amendments prohibit an underwriter from purchasing or selling municipal securities sold on or after July 3, 1995, such as the Bonds, unless it has determined that the issuer of such securities and/or other persons deemed to be material "obligated persons" have committed to provide (i) on an annual basis, certain financial information and operating data ("Annual Reports"), and, if available, audited financial statements, to each Nationally Recognized Municipal Securities Information Repository (a "NRMSIR") and the relevant state information depository (if any) and (ii) notice of various events described in the Amendments, if material ("Event Notices"), to each NRMSIR or the Municipal Securities Rulemaking Board ("MSRB") and to any such state information depository.

The County will covenant in the Continuing Disclosure Agreement (the form of which appears in Appendix VII) to be dated the date of delivery of the Bonds for the benefit of the holders of the Bonds to provide to each NRMSIR and to any Virginia information depository that has been formed, annually, not later than March 31 of

each year commencing March 31, 2001, Annual Reports with respect to itself, as issuer. Similarly, the County will provide Event Notices with respect to the Bonds to each such NRMSIR, the MSRB and to any Virginia information depository. The County has not failed to comply as to its general obligation bonds with previous undertakings with regard to the Amendments. The County's most recent filing of its annual report and financial statements for its Integrated Sewer System's Enterprise Fund pursuant to an undertaking made in connection with its Sewer Revenue Bonds, Series 1996 was made approximately 30 days late, and timely notice of such late filing was given to each of the NRMSIRs.

PRELIMINARY OFFICIAL STATEMENT DEEMED FINAL

The distribution of this Preliminary Official Statement has been duly authorized by the Board of Supervisors of the County. The County deems this Preliminary Official Statement final as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission except for the omission of certain pricing and other information permitted to be omitted by Rule 15c2-12.

BOARD OF SUPERVISORS OF
FAIRFAX COUNTY, VIRGINIA

By: _____, Chairman

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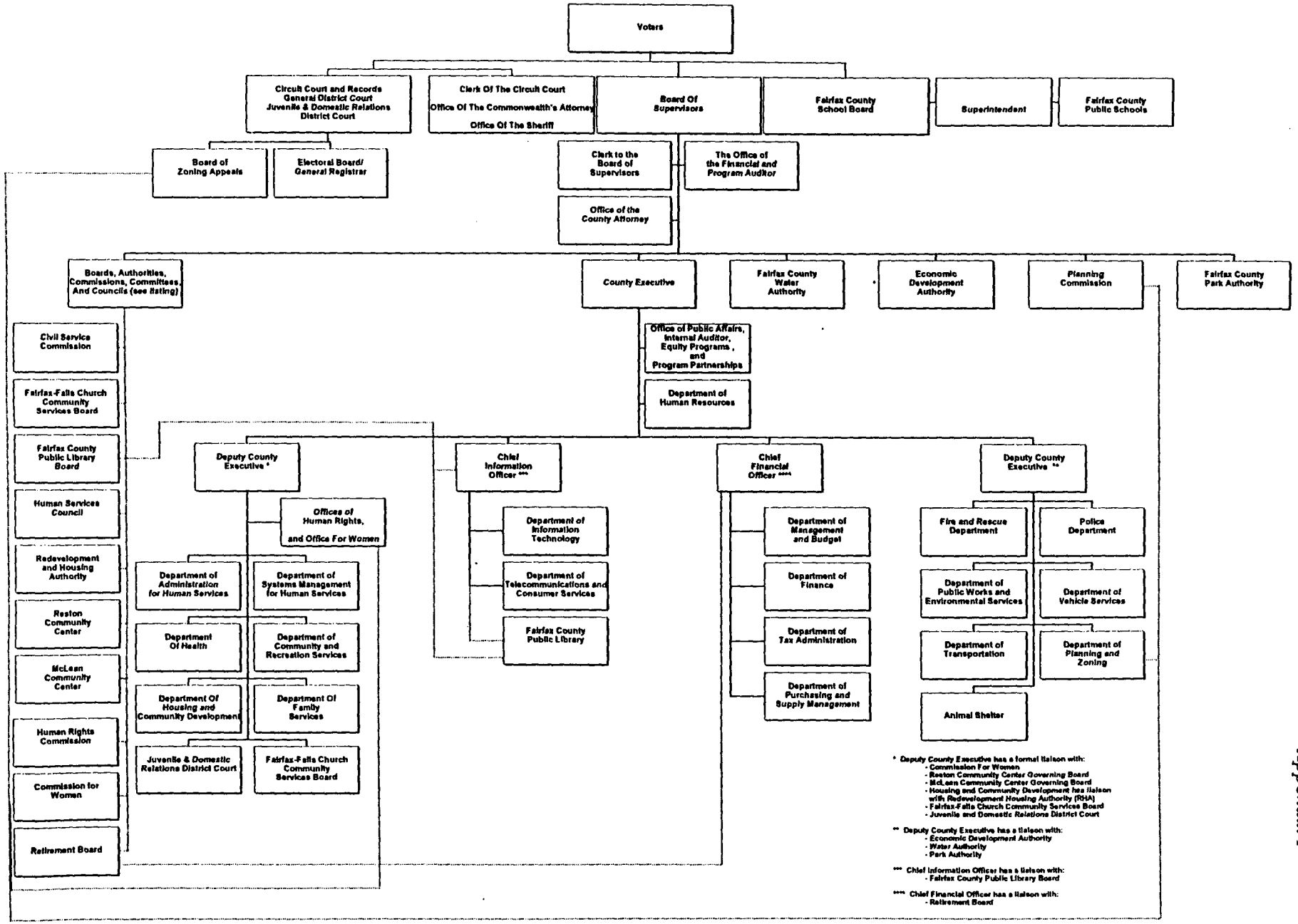
Organization of Fairfax County Government



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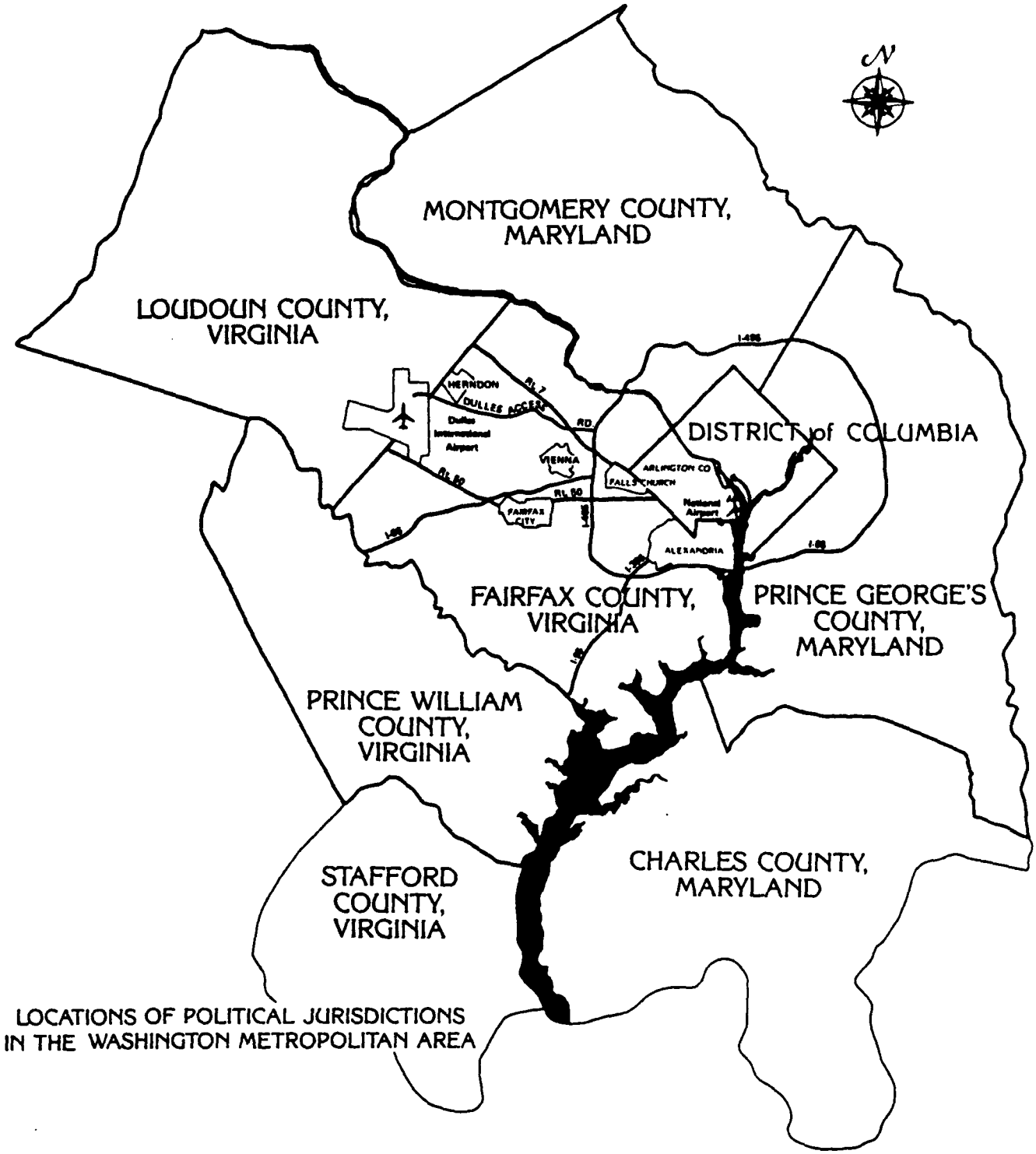

LOCATIONS OF POLITICAL JURISDICTIONS IN THE WASHINGTON METROPOLITAN AREA

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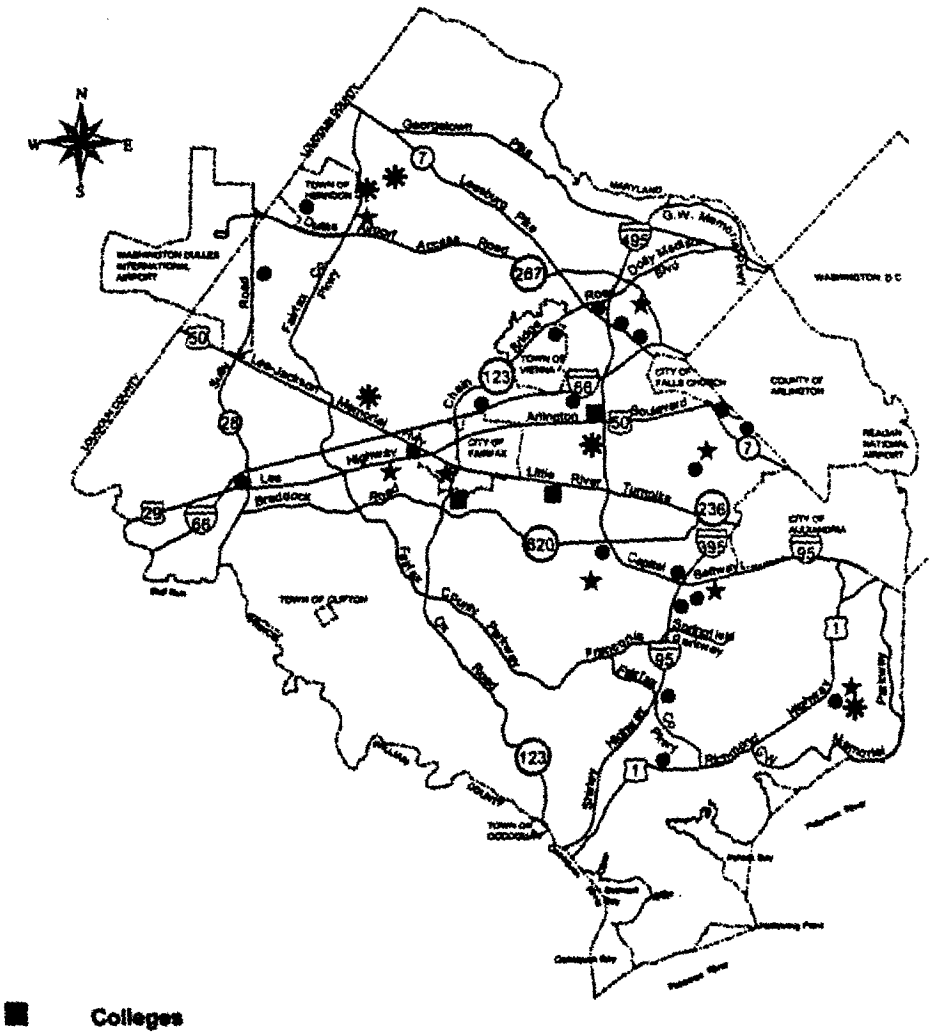

■ **Colleges**

George Mason University
Northern Virginia Community College
University of Virginia
Northern Virginia Graduate Center
Virginia Polytechnic Institute and State University
Northern Virginia Graduate Center

★ **Governmental Centers**

Fairfax County Governmental Center
Franconia Governmental Center
Mason Governmental Center
McLean Governmental Center
Mount Vernon Governmental Center
North County Governmental Center
Public Safety Center
West Springfield Governmental Center

✱ **Hospitals**

Access (Ambulatory-Emergency)
Fair Oaks Hospital
Fairfax Hospital
Mount Vernon Hospital
Reston Hospital

● **Commercial Areas**

Annandale
Bailey's Crossroads
Centreville
Dulles / Chantilly
Fairfax Center
Fort Belvior
Franconia
Herndon
McLean
Merrifield
Newington
Oakton
Ravensworth
Reston
Richmond Highway
Seven Corners
Shirley Highway
Springfield
Tysons Corner
Vienna

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Appendix IV

FAIRFAX COUNTY, VIRGINIA

GENERAL PURPOSE FINANCIAL STATEMENTS
(Fiscal Year Ended June 30, 2000)

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2001 M Street, N.W.
Washington, D.C. 20036

Independent Auditors' Report

The Board of Supervisors
County of Fairfax, Virginia:

We have audited the accompanying general purpose financial statements of the County of Fairfax, Virginia (County) as of and for the year ended June 30, 2000. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units of the Fairfax County Redevelopment and Housing Authority (FCRHA), a discretely presented component unit of the County. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the discretely presented component units of FCRHA, which statements reflect total assets of $40,366,288 as of June 30, 2000 and total operating revenues of $4,036,587 for the year then ended in the component units columns, is based solely on the reports of the other auditors.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement and schedule presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County at June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The unaudited information in note F to the financial statements is not a required part of the financial statements of the County but is supplementary information required by the Governmental Accounting Standards Board. The above described information in note has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

KPMG LLP

October 27, 2000

KPMG LLP KPMG LLP, a U.S. limited liability partnership, is a member of KPMG International, a Swiss association.

COUNTY OF FAIRFAX, VIRGINIA
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units
June 30, 2000

	Governmental Fund Types				Proprietary Fund Types
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
Assets and other debits					
Assets:					
Equity in pooled cash and temporary investments	$ 164,555,760	176,923,776	6,041,072	112,903,743	75,416,013
Cash in banks	-	-	-	-	-
Cash with fiscal agents	537,848	-	411,509	-	-
Investments	-	-	-	-	12,969,964
Receivables (net of allowances):					
Accrued interest	949,956	557,211	-	59,457	565,244
Property taxes - delinquent	18,113,388	-	-	-	-
Business license taxes - delinquent	3,216,218	-	-	-	-
Accounts	15,036,220	8,332,427	-	-	-
Due from intergovernmental units	28,903,237	10,136,151	-	397,307	17,765,553
Notes	-	5,066,749	-	-	-
Mortgages	-	-	-	-	-
Due from Primary Government	-	-	-	-	-
Due from Component Units	-	1,591,709	-	-	-
Interfund receivables	4,029,420	-	-	-	-
Inventories of supplies	1,161,210	-	-	-	602,867
Prepaid items and other assets	61,554	19,480	-	-	-
Restricted assets:					
Equity in pooled cash and temporary investments	-	-	-	-	193,870,716
Cash with fiscal agents	-	-	-	-	-
Certificates of deposit - performance bonds	646,055	-	-	-	-
Investments	-	-	-	-	23,948,019
Fixed assets:					
Land	-	-	-	-	17,383,765
Buildings and improvements	-	-	-	-	712,982,610
Equipment	-	-	-	-	8,416,708
Construction in progress	-	-	-	-	82,283,525
Accumulated depreciation	-	-	-	-	(263,066,861)
Purchased capacity (net of amortization)	-	-	-	-	122,056,628
Miscellaneous noncurrent assets (net of amortization)	-	-	-	-	1,282,139
Other debits:					
Amount available in debt service funds	-	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-
Amount to be provided from special assessments	-	-	-	-	-
Total assets and other debits	$ 237,210,866	202,627,503	6,452,581	113,360,507	1,006,476,890

Exhibit A

Internal Service	Fiduciary Fund Type: Trust and Agency	Account Groups: General Fixed Assets	Account Groups: General Long-Term Obligations	Totals Primary Government (memorandum only)	Component Units	Totals Reporting Entity (memorandum only)
64,300,651	11,916,202	-	-	612,057,217	228,504,127	840,561,344
-	-	-	-	-	4,948,176	4,948,176
-	13	-	-	949,370	12,030,632	12,980,002
-	3,395,811,331	-	-	3,408,781,295	1,758,944,371	5,167,725,666
77,929	12,256,576	-	-	14,466,373	7,371,287	21,837,660
-	-	-	-	18,113,388	-	18,113,388
-	-	-	-	3,216,218	-	3,216,218
12,022	54,313	-	-	23,434,982	20,698,486	44,133,468
-	-	-	-	57,202,248	32,492,634	89,694,882
-	-	-	-	5,066,749	4,389,099	9,455,848
-	-	-	-	-	72,148	72,148
-	-	-	-	-	11,575,533	11,575,533
-	-	-	-	1,591,709	-	1,591,709
1,102	-	-	-	4,030,522	1,966,427	5,996,949
2,303,716	-	-	-	4,067,793	4,284,554	8,352,347
187,745	-	-	-	268,779	1,728,460	1,997,239
-	-	-	-	193,870,716	-	193,870,716
-	-	-	-	-	10,645,500	10,645,500
-	-	-	-	646,055	-	646,055
-	-	-	-	23,948,019	2,269,300	26,217,319
1,776,483	-	150,892,846	-	170,053,094	221,130,658	391,183,752
15,602,150	-	686,643,300	-	1,415,228,060	1,415,124,983	2,830,353,043
49,073,038	1,546,000	123,544,008	-	182,579,754	122,472,987	305,052,741
-	-	98,746,487	-	181,030,012	388,464,396	569,494,408
(39,362,180)	-	-	-	(302,429,041)	(52,278,342)	(354,707,383)
-	-	-	-	122,056,628	-	122,056,628
-	-	-	-	1,282,139	-	1,282,139
-	-	-	5,820,964	5,820,964	-	5,820,964
-	-	-	1,618,791,891	1,618,791,891	65,465,590	1,684,257,481
-	-	-	675,000	675,000	-	675,000
93,972,656	3,421,584,435	1,059,826,641	1,625,287,855	7,766,799,934	4,262,301,006	12,029,100,940

continued

COUNTY OF FAIRFAX, VIRGINIA
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units
June 30, 2000

	Governmental Fund Types				Proprietary Fund Types
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
Liabilities, fund equity and other credits					
Liabilities:					
Accounts payable and accrued liabilities	$ 33,663,373	8,924,193	3,022	4,167,413	7,514,674
Compensated absences payable - long-term	-	-	-	-	-
Obligations for claims and judgments	-	-	-	-	-
Contracts payable	-	-	-	2,213,544	8,326,964
Contract retainages	-	101,257	-	1,436,158	-
Liabilities for collateral received under securities lending agreements	-	-	-	-	-
Liabilities under reimbursement agreements	-	-	-	-	-
Due to Primary Government	-	-	-	-	-
Due to Component Units	1,290,632	444,737	-	111,980	-
Interfund payables	-	3,293,347	-	92,692	71,061
Matured bonds payable	-	-	240,900	-	-
Matured interest payable	-	-	54,584	-	-
Deferred revenue	33,114,967	3,253,527	333,111	21,633,926	-
Deposits (primarily performance deposits)	56,665,321	-	-	4,257,563	-
Notes payable	-	-	-	-	-
Public Housing loans payable	-	-	-	-	-
Housing bonds payable	-	-	-	-	-
General obligation bonds payable	-	-	-	-	-
Special assessment debt with governmental commitment	-	-	-	-	-
Revenue bonds payable, net of unamortized discount	-	-	-	-	168,806,094
Obligations under capital leases and installment purchases	-	-	-	-	-
Sanitary landfill closure obligation	-	-	-	-	-
Total liabilities	124,734,293	16,017,061	631,617	33,913,276	184,718,793
Fund equity and other credits:					
Investments in general fixed assets	-	-	-	-	-
Contributed capital	-	-	-	-	174,403,463
Retained earnings:					
Reserved for sewer improvements, bond debt service and nitrification facilities	-	-	-	-	208,435,840
Unreserved	-	-	-	-	438,918,794
Fund balances:					
Reserved for:					
Encumbrances	-	-	-	29,514,035	-
Inventories of supplies	1,161,210	-	-	-	-
Long-term receivables	-	5,066,749	-	-	-
Prepaid items	61,554	19,480	-	-	-
Debt service	-	-	5,820,964	-	-
Employees' pension benefits	-	-	-	-	-
Repair and replacement	-	-	-	-	-
Unreserved	111,253,809	181,524,213	-	49,933,196	-
Total fund equity and other credits	112,476,573	186,610,442	5,820,964	79,447,231	821,758,097
Total liabilities, fund equity and other credits	$ 237,210,866	202,627,503	6,452,581	113,360,507	1,006,476,890

See accompanying notes to financial statements.

Exhibit A
continued

Internal Service	Fiduciary Fund Type: Trust and Agency	Account Groups: General Fixed Assets	Account Groups: General Long-Term Obligations	Totals Primary Government (memorandum only)	Component Units	Totals Reporting Entity (memorandum only)
24,816,905	6,200,707	-	-	85,290,287	289,760,970	375,051,257
-	-	-	54,297,817	54,297,817	22,389,122	76,686,939
-	-	-	1,287,000	1,287,000	-	1,287,000
-	-	-	-	10,540,508	-	10,540,508
-	-	-	-	1,537,415	7,184,884	8,722,299
-	236,511,408	-	-	236,511,408	77,396,129	313,907,537
-	62,642,150	-	-	62,642,150	11,280,433	73,922,583
-	-	-	-	-	1,591,709	1,591,709
-	-	-	9,728,184	11,575,533	-	11,575,533
534,183	39,239	-	-	4,030,522	1,966,427	5,996,949
-	-	-	-	240,900	-	240,900
-	-	-	-	54,584	-	54,584
-	-	-	-	58,335,531	18,252,719	76,588,250
-	-	-	-	60,922,884	1,038,613	61,961,497
-	-	-	-	-	68,914,904	68,914,904
-	-	-	-	-	2,037,227	2,037,227
-	-	-	-	-	9,465,000	9,465,000
-	-	-	1,380,266,450	1,380,266,450	-	1,380,266,450
-	-	-	675,000	675,000	-	675,000
-	-	-	114,125,000	282,931,094	13,030,000	295,961,094
673,007	1,403,000	-	23,737,816	25,813,823	18,269,618	44,083,441
-	-	-	41,170,588	41,170,588	-	41,170,588
26,024,095	306,796,504	-	1,625,287,855	2,318,123,494	542,577,755	2,860,701,249
-	-	1,059,826,641	-	1,059,826,641	1,971,313,969	3,031,140,610
20,396,695	-	-	-	194,800,158	29,153,028	223,953,186
-	-	-	-	208,435,840	-	208,435,840
47,551,866	-	-	-	486,470,660	77,180,266	563,650,926
-	-	-	-	29,514,035	67,345,265	96,859,300
-	-	-	-	1,161,210	1,122,285	2,283,495
-	-	-	-	5,066,749	-	5,066,749
-	-	-	-	81,034	-	81,034
-	-	-	-	5,820,964	2,194,550	8,015,514
-	3,114,787,931	-	-	3,114,787,931	1,534,986,934	4,649,774,865
-	-	-	-	-	1,000,000	1,000,000
-	-	-	-	342,711,218	35,426,954	378,138,172
67,948,561	3,114,787,931	1,059,826,641	-	5,448,676,440	3,719,723,251	9,168,399,691
93,972,656	3,421,584,435	1,059,826,641	1,625,287,855	7,766,799,934	4,262,301,006	12,029,100,940

COUNTY OF FAIRFAX, VIRGINIA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Discretely Presented Component Units

For the fiscal year ended June 30, 2000

		General	Special Revenue	Debt Service	Capital Projects
Revenues:					
Taxes	$	1,679,924,673	10,446,749	-	-
Permits, privilege fees and regulatory licenses		33,654,184	10,181,376	-	-
Intergovernmental		180,965,710	58,031,627	45,349	10,407,954
Charges for services		29,572,596	89,925,424	-	-
Fines and forfeitures		7,579,871	-	-	-
Developers' contributions		-	1,405,989	-	4,095,627
Revenue from the use of money and property		51,479,794	9,905,909	-	1,318,112
Recovered costs		4,720,451	1,488,460	-	1,634,072
Local matching grants		-	4,896,619	-	-
Gifts, donations and contributions		-	204,261	-	-
Donated food		10,260	-	-	-
Other		6,361,509	3,607,706	-	234,723
Total revenues		1,994,269,048	190,094,120	45,349	17,690,488
Expenditures:					
Current:					
General government administration		65,191,176	22,209,055	-	-
Judicial administration		20,890,529	517,997	-	-
Public safety		244,911,059	11,244,860	-	-
Public works		42,132,130	83,346,335	-	-
Health and welfare		189,652,809	110,675,281	-	-
Community development		27,058,608	46,218,769	-	18,234,248
Parks, recreation and cultural		40,676,988	7,264,915	-	1,500,000
Education		-	-	-	-
Donated food		10,260	-	-	-
Nondepartmental		106,035,082	-	-	-
Capital outlay		-	-	-	39,126,014
Capital leases and installment purchases		234,286	731,003	-	-
Debt service:					
Principal retirement		-	-	109,261,425	-
Interest and other		-	-	75,709,447	-
Total expenditures		736,792,927	282,208,215	184,970,872	58,860,262
Excess (deficiency) of revenues over (under) expenditures		1,257,476,121	(92,114,095)	(184,925,523)	(41,169,774)
Other financing sources (uses):					
Operating transfers in		1,520,280	103,372,084	184,198,452	30,406,668
Operating transfers in from Primary Government					
Proceeds from sale of bonds		-	-	-	-
Other		-	-	-	-
Operating transfers in from Component Units		-	-	3,710,000	-
Operating transfers out		(322,109,484)	(1,646,468)	-	(2,420,957)
Operating transfers out to Component Units:					
Proceeds from sale of bonds		-	-	-	(142,028,403)
Other		(923,919,263)	(1,801,008)	-	(1,479,402)
Proceeds from sale of County general obligation bonds		-	-	-	171,629,135
Capital leases and installment purchases		234,286	731,003	-	-
Proceeds from issuance of revenue note		-	-	-	-
Total other financing sources (uses)		(1,244,274,181)	100,655,611	187,908,452	56,107,041
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses		13,201,940	8,541,516	2,982,929	14,937,267
Fund balances, July 1, 1999, as restated		99,332,131	178,068,926	2,838,035	64,509,964
Increase (decrease) in reserve for inventories of supplies		(57,498)	-	-	-
Fund balances, June 30, 2000	$	112,476,573	186,610,442	5,820,964	79,447,231

See accompanying notes to financial statements.

Exhibit A-1

Totals Primary Government (memorandum only)	Component Units	Totals Reporting Entity (memorandum only)
1,690,371,422	-	1,690,371,422
43,835,560	-	43,835,560
249,450,640	345,432,595	594,883,235
119,498,020	63,855,377	183,353,397
7,579,871	-	7,579,871
5,501,616	-	5,501,616
62,703,815	5,067,690	67,771,505
7,842,983	22,765,592	30,608,575
4,896,619	-	4,896,619
204,261	247,920	452,181
10,260	76,286	86,546
10,203,938	4,672,030	14,875,968
2,202,099,005	442,117,490	2,644,216,495
87,400,231	-	87,400,231
21,408,526	-	21,408,526
256,155,919	-	256,155,919
125,478,465	-	125,478,465
300,328,090	-	300,328,090
91,511,625	6,533,677	98,045,302
49,441,903	38,773,674	88,215,577
-	1,335,403,311	1,335,403,311
10,260	76,286	86,546
106,035,082	-	106,035,082
39,126,014	152,508,110	191,634,124
965,289	16,160,666	17,125,955
109,261,425	295,000	109,556,425
75,709,447	863,499	76,572,946
1,262,832,276	1,550,614,223	2,813,446,499
939,266,729	(1,108,496,733)	(169,230,004)
319,497,484	18,443,893	337,941,377
-	142,028,403	142,028,403
-	930,111,332	930,111,332
3,710,000	-	3,710,000
(326,176,909)	(18,665,491)	(344,842,400)
(142,028,403)	-	(142,028,403)
(927,199,673)	(3,710,000)	(930,909,673)
171,629,135	-	171,629,135
965,289	16,160,666	17,125,955
-	12,750,000	12,750,000
(899,603,077)	1,097,118,803	197,515,726
39,663,652	(11,377,930)	28,285,722
344,749,056	118,346,741	463,095,797
(57,498)	120,243	62,745
384,355,210	107,089,054	491,444,264

COUNTY OF FAIRFAX, VIRGINIA

Combined Statement of Revenues and Expenditures - Budget and Actual (Budget Basis) - General, Special Revenue and Debt Service Funds (Primary Government Only)

For the fiscal year ended June 30, 2000

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Taxes	$ 1,672,612,162	1,679,924,673	7,312,511	10,447,055	10,446,749	(306)
Permits, privilege fees and regulatory licenses	33,468,051	33,654,184	186,133	10,420,796	10,181,376	(239,420)
Intergovernmental	182,312,028	180,965,710	(1,346,318)	91,336,146	54,044,319	(37,291,827)
Charges for services	30,569,539	29,572,596	(996,943)	87,612,103	90,176,067	2,563,964
Fines and forfeitures	7,647,456	7,579,871	(67,585)	-	-	-
Developers' contributions	-	-	-	800,000	1,405,989	605,989
Revenue from the use of money and property	50,915,813	49,853,397	(1,062,416)	5,650,793	9,078,159	3,427,366
Recovered costs	4,838,906	4,720,451	(118,455)	85,483	445,859	360,376
Local matching grants	-	-	-	7,888,717	4,896,619	(2,992,098)
Gifts, donations and contributions	-	-	-	231,748	204,261	(27,487)
Other	341,984	6,361,509	6,019,525	6,276,995	3,601,956	(2,675,039)
Total revenues	1,982,705,939	1,992,632,391	9,926,452	220,749,836	184,481,354	(36,268,482)
Expenditures:						
Current:						
General government administration	70,236,837	65,191,176	5,045,661	51,363,714	22,209,055	29,154,659
Judicial administration	21,797,003	20,890,529	906,474	656,518	517,997	138,521
Public safety	251,146,736	244,911,059	6,235,677	17,949,108	11,244,860	6,704,248
Public works	45,870,728	42,132,130	3,738,598	112,772,962	82,363,698	30,409,264
Health and welfare	193,586,993	189,652,809	3,934,184	119,793,409	108,343,676	11,449,733
Community development	35,335,657	33,592,285	1,743,372	83,534,262	44,843,800	38,690,462
Parks, recreation and cultural	60,635,950	59,317,844	1,318,106	8,006,819	7,264,915	741,904
Nondepartmental	107,485,294	106,035,082	1,450,212	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and other	-	-	-	-	-	-
Total expenditures	786,095,198	761,722,914	24,372,284	394,076,792	276,788,001	117,288,791
Excess (deficiency) of revenues over (under) expenditures	1,196,610,741	1,230,909,477	34,298,736	(173,326,956)	(92,306,647)	81,020,309
Other financing sources (uses):						
Operating transfers in	1,520,280	1,520,280	-	103,372,084	103,372,084	-
Operating transfers out	(322,109,484)	(322,109,484)	-	(1,646,468)	(1,646,468)	-
Operating transfers in from Component Units	-	-	-	-	-	-
Operating transfers out to Component Units	(898,744,730)	(898,744,730)	-	(1,693,834)	(1,693,834)	-
Total other financing sources (uses)	(1,219,333,934)	(1,219,333,934)	-	100,031,782	100,031,782	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	$ (22,723,193)	11,575,543	34,298,736	(73,295,174)	7,725,135	81,020,309

See accompanying notes to financial statements.

Exhibit A-2

Debt Service Funds			Totals (memorandum only)		
Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	1,683,059,217	1,690,371,422	7,312,205
-	-	-	43,888,847	43,835,560	(53,287)
22,000	45,349	23,349	273,670,174	235,055,378	(38,614,796)
-	-	-	118,181,642	119,748,663	1,567,021
-	-	-	7,647,456	7,579,871	(67,585)
-	-	-	800,000	1,405,989	605,989
-	-	-	56,566,606	58,931,556	2,364,950
-	-	-	4,924,389	5,166,310	241,921
-	-	-	7,888,717	4,896,619	(2,992,098)
-	-	-	231,748	204,261	(27,487)
-	-	-	6,618,979	9,963,465	3,344,486
22,000	45,349	23,349	2,203,477,775	2,177,159,094	(26,318,681)
-	-	-	121,600,551	87,400,231	34,200,320
-	-	-	22,453,521	21,408,526	1,044,995
-	-	-	269,095,844	256,155,919	12,939,925
-	-	-	158,643,690	124,495,828	34,147,862
-	-	-	313,380,402	297,996,485	15,383,917
-	-	-	118,869,919	78,436,085	40,433,834
-	-	-	68,642,769	66,582,759	2,060,010
-	-	-	107,485,294	106,035,082	1,450,212
109,335,819	109,261,425	74,394	109,335,819	109,261,425	74,394
76,662,027	75,709,447	952,580	76,662,027	75,709,447	952,580
185,997,846	184,970,872	1,026,974	1,366,169,836	1,223,481,787	142,688,049
(185,975,846)	(184,925,523)	1,050,323	837,307,939	953,677,307	116,369,368
184,198,452	184,198,452	-	289,090,816	289,090,816	-
-	-	-	(323,755,952)	(323,755,952)	-
3,710,000	3,710,000	-	3,710,000	3,710,000	-
-	-	-	(900,438,564)	(900,438,564)	-
187,908,452	187,908,452	-	(931,393,700)	(931,393,700)	-
1,932,606	2,982,929	1,050,323	(94,085,761)	22,283,607	116,369,368

COUNTY OF FAIRFAX, VIRGINIA

Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types and Discretely Presented Component Units

For the fiscal year ended June 30, 2000

	Enterprise	Internal Service	Totals Primary Government (memorandum only)
Operating revenues:			
Dwelling rental	$ -	-	-
Charges to other funds	-	96,729,512	96,729,512
Sales of services	69,683,036	-	69,683,036
Availability fees	35,048,919	-	35,048,919
Other	304,026	319,272	623,298
Total operating revenues	105,035,981	97,048,784	202,084,765
Operating expenses:			
Cost of goods sold	-	-	-
Personnel services	16,762,909	17,677,525	34,440,434
Materials and supplies	9,262,567	3,962,404	13,224,971
Equipment operation and maintenance	-	26,963,639	26,963,639
Dwelling operation, maintenance and utilities	-	-	-
Risk financing and benefit payments	-	36,255,426	36,255,426
Administration - housing programs	-	-	-
Housing assistance payments	-	-	-
Depreciation and amortization	21,235,468	5,905,215	27,140,683
Professional consultant and contractual services	45,138,022	3,432,319	48,570,341
Other	-	60,668	60,668
Total operating expenses	92,398,966	94,257,196	186,656,162
Operating income (loss)	12,637,015	2,791,588	15,428,603
Nonoperating revenues (expenses):			
Intergovernmental revenue	1,934,936	-	1,934,936
Interest revenue	17,144,698	1,777,814	18,922,512
Interest expense	(9,560,134)	(29,672)	(9,589,806)
Investor contributions	-	-	-
Gain (loss) on disposal of fixed assets	16,637	681,807	698,444
Total nonoperating revenues (expenses)	9,536,137	2,429,949	11,966,086
Income (loss) before operating transfers	22,173,152	5,221,537	27,394,689
Operating transfers in	-	6,679,425	6,679,425
Operating transfers in from Primary Government	-	-	-
Operating transfers out	-	-	-
Operating transfers out to Component Units	-	(4,350,958)	(4,350,958)
Net income (loss)	22,173,152	7,550,004	29,723,156
Add back of depreciation expense related to contributed assets	9,063,182	-	9,063,182
Net increase (decrease) in retained earnings	31,236,334	7,550,004	38,786,338
Retained earnings, July 1, 1999, as restated	616,118,300	40,001,862	656,120,162
Retained earnings, June 30, 2000	$ 647,354,634	47,551,866	694,906,500

See accompanying notes to financial statements.

Exhibit A-3

Component Units		Totals Reporting Entity (memorandum only)
Public Schools	Redevelopment and Housing Authority	
-	12,984,509	12,984,509
70,351,164	2,421,270	169,501,946
-	-	69,683,036
-	-	35,048,919
-	3,595,177	4,218,475
70,351,164	19,000,956	291,436,885
10,258,159	-	10,258,159
342,553	6,478,738	41,261,725
-	-	13,224,971
-	-	26,963,639
-	8,298,675	8,298,675
48,756,609	-	85,012,035
-	5,676,076	5,676,076
-	19,643,889	19,643,889
-	4,873,471	32,014,154
4,650,923	-	53,221,264
-	310,676	371,344
64,008,244	45,281,525	295,945,931
6,342,920	(26,280,569)	(4,509,046)
-	24,655,793	26,590,729
845,803	1,126,769	20,895,084
-	(3,941,722)	(13,531,528)
-	953,859	953,859
-	-	698,444
845,803	22,794,699	35,606,588
7,188,723	(3,485,870)	31,097,542
221,598	3,121,959	10,022,982
-	1,439,299	1,439,299
-	(3,121,959)	(3,121,959)
-	-	(4,350,958)
7,410,321	(2,046,571)	35,086,906
-	-	9,063,182
7,410,321	(2,046,571)	44,150,088
7,556,464	64,260,052	727,936,678
14,966,785	62,213,481	772,086,766

COUNTY OF FAIRFAX, VIRGINIA

Combined Statement of Cash Flows - All Proprietary Fund Types and Discretely Presented Component Units

For the fiscal year ended June 30, 2000

		Enterprise (1)	Internal Service (2,3)	Totals Primary Government (memorandum only)
Cash flows from operating activities:				
Operating income (loss)	$	12,637,015	2,791,588	15,428,603
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization		21,235,468	5,905,215	27,140,683
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable		-	65,691	65,691
(Increase) decrease in intergovernmental receivables		551,000	(80)	550,920
(Increase) decrease in due from Primary Government		-	-	-
(Increase) decrease in interfund receivables		-	276,512	276,512
(Increase) decrease in inventories of supplies		(38,483)	(49,962)	(88,445)
(Increase) decrease in prepaid items and other assets		-	1,300	1,300
Increase (decrease) in accounts payable and accrued liabilities, net of interest		(336,202)	(1,209,279)	(1,545,481)
Increase (decrease) in contracts payable		4,349,911	-	4,349,911
Increase (decrease) in interfund payables		-	24,883	24,883
Increase (decrease) in deferred revenue		-	-	-
Increase (decrease) in deposits held in trust		-	-	-
Total adjustments to operating income (loss)		25,761,694	5,014,280	30,775,974
Net cash provided (used) by operating activities		38,398,709	7,805,868	46,204,577
Cash flows from non-capital financing activities:				
Intergovernmental revenue received		-	-	-
Receipts from other funds		-	6,679,425	6,679,425
Transfers to other funds		-	-	-
Net cash provided by non-capital financing activities		-	6,679,425	6,679,425
Cash flows from capital and related financing activities:				
Intergovernmental revenue received		1,934,936	-	1,934,936
Principal payments on sewer revenue bonds		(3,610,000)	-	(3,610,000)
Principal payments on housing related bonds, notes and loans		-	-	-
Principal payments on capital leases and installment purchases		-	(1,084,662)	(1,084,662)
Interest payments on sewer revenue bonds		(9,609,885)	-	(9,609,885)
Interest payments on housing related bonds, notes and loans		-	-	-
Interest payments on capital leases and installment purchases		-	(69,678)	(69,678)
Proceeds from issuance of housing-related notes and loans		-	-	-
Other financing activities		-	-	-
Proceeds from sale of fixed assets		16,637	758,124	774,761
Purchase of fixed assets		(29,582,242)	(12,192,341)	(41,774,583)
Acquisition of purchased capacity		(37,899,169)	-	(37,899,169)
Contributions received		-	-	-
Net cash (used) by capital and related financing activities		(78,749,723)	(12,588,557)	(91,338,280)
Cash flows from investing activities:				
Withdrawals from restricted investments (net)		(523,188)	-	(523,188)
Investment in obligations of authorities of the Commonwealth of Virginia		(12,750,000)	-	(12,750,000)
Interest received		16,559,647	1,722,866	18,282,513
Net cash provided by investing activities		3,286,459	1,722,866	5,009,325
Net increase (decrease) in cash and cash equivalents		(37,064,555)	3,619,602	(33,444,953)
Cash and cash equivalents, July 1, 1999, as restated		306,351,284	60,681,049	367,032,333
Cash and cash equivalents, June 30, 2000	$	269,286,729	64,300,651	333,587,380

(1) Capital contributions and donations of property, plant and equipment amounted to $6,872,282 for the Enterprise Fund.

(2) Borrowing under capital leases and installment purchases amounted to $673,000 for the Internal Service Funds.

(3) Certain fixed asset transfers between an internal service fund of the Primary Government and Public Schools amounted to $4,350,958.

(4) Reconciliation of cash and cash equivalents as of June 30, 2000 for the Public Schools component unit:

Proprietary fund type, as shown above	$	44,631,927
Governmental fund types		140,233,614
Fiduciary fund type		13,803,295
Total for Public Schools, as per Exhibit A-7	$	198,668,836

See accompanying notes to financial statements.

Exhibit A-4

Component Units		Totals Reporting Entity (memorandum only)
Public Schools (4)	Redevelopment and Housing Authority	
6,342,920	(26,280,569)	(4,509,046)
-	4,873,471	32,014,154
(607,368)	4,263,976	3,722,299
-	-	550,920
-	383,557	383,557
(302,225)	-	(25,713)
(99,656)	-	(188,101)
-	74,610	75,910
55,846	167,146	(1,322,489)
-	-	4,349,911
732,233	-	757,116
1,239,912	117,988	1,357,900
-	(221,231)	(221,231)
1,018,742	9,659,517	41,454,233
7,361,662	(16,621,052)	36,945,187
-	22,713,939	22,713,939
221,598	3,121,959	10,022,982
-	(3,121,959)	(3,121,959)
221,598	22,713,939	29,614,962
-	3,381,153	5,316,089
-	-	(3,610,000)
-	(3,249,583)	(3,249,583)
-	-	(1,084,662)
-	-	(9,609,885)
-	(3,796,599)	(3,796,599)
-	-	(69,678)
-	6,826,426	6,826,426
-	(325,363)	(325,363)
-	-	774,761
-	(9,160,862)	(50,935,445)
-	-	(37,899,169)
-	1,456,332	1,456,332
-	(4,868,496)	(96,206,776)
-	(1,021,855)	(1,545,043)
-	-	(12,750,000)
724,627	1,122,916	20,130,056
724,627	101,061	5,835,013
8,307,887	1,325,452	(23,811,614)
36,324,040	22,303,392	425,659,765
44,631,927	23,628,844	401,848,151

COUNTY OF FAIRFAX, VIRGINIA

Exhibit A-5

Combined Statement of Plan Net Assets -
Pension Trust Funds and Discretely Presented Component Unit
June 30, 2000

		Primary Government Pension Trust	Component Unit Public Schools Pension Trust	Totals Reporting Entity (memorandum only)
Assets				
Equity in pooled cash and temporary investments	$	8,223,365	1,747,565	9,970,930
Cash with fiscal agents		-	601,964	601,964
Investments, at fair value		3,334,251,048	1,758,944,371	5,093,195,419
Accrued interest and dividends receivable		12,250,346	6,996,517	19,246,863
Accounts receivable		-	16,313,912	16,313,912
Total assets		3,354,724,759	1,784,604,329	5,139,329,088
Liabilities				
Accounts payable and accrued liabilities		3,386,181	172,221,266	175,607,447
Liabilities for collateral received under securities lending agreements		236,511,408	77,396,129	313,907,537
Interfund payable		39,239	-	39,239
Total liabilities		239,936,828	249,617,395	489,554,223
Fund balances reserved for employees' pension benefits	$	3,114,787,931	1,534,986,934	4,649,774,865

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA

Exhibit A-5a

Combining Statement of Plan Net Assets -
Pension Trust Funds (Primary Government Only)
June 30, 2000

	Uniformed Retirement	Supplemental Retirement	Police Officers Retirement	Total all funds
Assets				
Equity in pooled cash and temporary investments	$ 1,199,159	5,066,490	1,957,716	8,223,365
Investments, at fair value	707,239,770	1,939,805,035	687,206,243	3,334,251,048
Interest and dividends receivable	2,950,028	6,031,141	3,269,177	12,250,346
Total assets	711,388,957	1,950,902,666	692,433,136	3,354,724,759
Liabilities				
Accounts payable and accrued liabilities	675,794	1,719,525	990,862	3,386,181
Liabilities for collateral received under securities lending agreements	54,210,104	112,721,058	69,580,246	236,511,408
Interfund payable	-	39,239	-	39,239
Total liabilities	54,885,898	114,479,822	70,571,108	239,936,828
Fund balances reserved for employees' pension benefits	$ 656,503,059	1,836,422,844	621,862,028	3,114,787,931

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA

Exhibit A-6

Combined Statement of Changes in Plan Net Assets -
Pension Trust Funds and Discretely Presented Component Unit
For the fiscal year ended June 30, 2000

	Primary Government	Component Unit	Totals Reporting Entity
	Pension Trust	Public Schools Pension Trust	(memorandum only)
Additions:			
Contributions:			
Employer	$ 55,573,074	35,655,898	91,228,972
Plan members	34,085,149	16,936,454	51,021,603
Total contributions	89,658,223	52,592,352	142,250,575
Investment income:			
Net appreciation (depreciation) in fair value of investments	84,389,914	(741,572)	83,648,342
Interest	58,557,239	27,943,239	86,500,478
Dividends	44,351,942	18,899,164	63,251,106
Securities lending	13,102,616	2,803,663	15,906,279
Other	89,911	286,065	375,976
Total investment income	200,491,622	49,190,559	249,682,181
Less investment expense:			
Investment fees and other	9,762,773	5,480,192	15,242,965
Securities lending	12,367,471	2,523,986	14,891,457
Total investment expense	22,130,244	8,004,178	30,134,422
Net investment income	178,361,378	41,186,381	219,547,759
Total additions	268,019,601	93,778,733	361,798,334
Deductions:			
Benefits	88,873,267	74,803,741	163,677,008
Refund of contributions	6,324,511	1,777,493	8,102,004
Administrative expense	1,149,953	2,734,139	3,884,092
Total deductions	96,347,731	79,315,373	175,663,104
Net increase	171,671,870	14,463,360	186,135,230
Fund balances reserved for employees' pension benefits:			
July 1, 1999	2,943,116,061	1,520,523,574	4,463,639,635
June 30, 2000	$ 3,114,787,931	1,534,986,934	4,649,774,865

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA

Exhibit A-6a

Combining Statement of Changes in Plan Net Assets -
Pension Trust Funds (Primary Government Only)
For the fiscal year ended June 30, 2000

		Uniformed Retirement	Supplemental Retirement	Police Officers Retirement	Total all funds
Additions:					
Contributions:					
Employer	$	16,489,406	27,133,595	11,950,073	55,573,074
Plan members		6,002,735	20,561,280	7,521,134	34,085,149
Total contributions		22,492,141	47,694,875	19,471,207	89,658,223
Investment income:					
Net appreciation in fair value of investments		15,112,654	42,512,475	26,764,785	84,389,914
Interest		16,516,456	28,095,150	13,945,633	58,557,239
Dividends		2,275,039	35,451,132	6,625,771	44,351,942
Securities lending		3,115,002	6,680,241	3,307,373	13,102,616
Other		32,115	53,029	4,767	89,911
Total investment income		37,051,266	112,792,027	50,648,329	200,491,622
Less investment expenses:					
Investment fees and other		1,980,751	4,852,021	2,930,001	9,762,773
Securities lending		2,937,371	6,291,117	3,138,983	12,367,471
Total investment expenses		4,918,122	11,143,138	6,068,984	22,130,244
Net investment income		32,133,144	101,648,889	44,579,345	178,361,378
Total additions		54,625,285	149,343,764	64,050,552	268,019,601
Deductions:					
Benefits		15,696,421	55,452,115	17,724,731	88,873,267
Refund of contributions		670,016	5,123,873	530,622	6,324,511
Administrative expense		200,089	754,135	195,729	1,149,953
Total deductions		16,566,526	61,330,123	18,451,082	96,347,731
Net increase		38,058,759	88,013,641	45,599,470	171,671,870
Fund balances reserved for employees' pension benefits:					
July 1, 1999		618,444,300	1,748,409,203	576,262,558	2,943,116,061
June 30, 2000	$	656,503,059	1,836,422,844	621,862,028	3,114,787,931

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Combining Balance Sheet -
All Fund Types and Account Groups -
Discretely Presented Component Units
June 30, 2000

		Public Schools	Redevelopment and Housing Authority	Park Authority	Economic Development Authority	Total
Assets and other debits						
Assets:						
Equity in pooled cash and temporary investments	$	186,638,204	18,680,668	23,185,255	-	228,504,127
Cash in bank		-	4,948,176	-	-	4,948,176
Cash with fiscal agents		12,030,632	-	-	-	12,030,632
Investments		1,758,944,371	-	-	-	1,758,944,371
Receivables (net of allowances):						
Accrued interest		7,223,839	117,048	30,400	-	7,371,287
Accounts		18,633,781	2,003,685	61,020	-	20,698,486
Due from intergovernmental units		32,492,634	-	-	-	32,492,634
Notes		-	4,389,099	-	-	4,389,099
Mortgages		-	72,148	-	-	72,148
Due from Primary Government		10,108,252	151,375	1,208,170	107,736	11,575,533
Interfund receivables		1,934,458	31,969	-	-	1,966,427
Inventories of supplies		4,284,554	-	-	-	4,284,554
Prepaid items and other assets		-	1,728,460	-	-	1,728,460
Restricted assets:						
Cash with fiscal agents		-	9,105,325	1,540,175	-	10,645,500
Investments		-	2,269,300	-	-	2,269,300
Fixed assets:						
Land		41,421,804	25,987,577	153,721,277	-	221,130,658
Buildings and improvements		1,116,076,725	134,243,181	164,805,077	-	1,415,124,983
Equipment		110,846,121	1,932,468	9,681,257	13,141	122,472,987
Construction in progress		371,064,217	13,715,829	3,684,350	-	388,464,396
Accumulated depreciation		-	(52,278,342)	-	-	(52,278,342)
Other debits:						
Amount to be provided for retirement of general long-term obligations		36,822,415	-	28,510,296	132,879	65,465,590
Total assets and other debits	$	3,708,522,007	167,097,966	386,427,277	253,756	4,262,301,006

Exhibit A-7

		Public Schools	Redevelopment and Housing Authority	Park Authority	Economic Development Authority	Total
Liabilities, fund equity and other credits						
Liabilities:						
Accounts payable and accrued liabilities	$	281,356,937	6,058,542	2,250,709	94,782	289,760,970
Compensated absences payable		18,552,797	708,669	2,981,823	145,833	22,389,122
Contract retainages		7,091,473	-	93,411	-	7,184,884
Due to Primary Government		-	1,591,709	-	-	1,591,709
Liability for collateral received under securities lending transactions		77,396,129	-	-	-	77,396,129
Liabilities under reimbursement agreements		11,280,433	-	-	-	11,280,433
Interfund payables		1,934,458	31,969	-	-	1,966,427
Deferred revenue		14,271,317	3,098,367	883,035	-	18,252,719
Deposits		20,000	861,070	157,543	-	1,038,613
Notes payable		-	56,164,904	12,750,000	-	68,914,904
Public Housing loans payable		-	2,037,227	-	-	2,037,227
Housing bonds payable		-	9,465,000	-	-	9,465,000
Revenue bonds payable		-	-	13,030,000	-	13,030,000
Obligations under capital leases and installment purchases		18,269,618	-	-	-	18,269,618
Total liabilities		430,173,162	80,017,457	32,146,521	240,615	542,577,755
Fund equity and other credits:						
Investments in general fixed assets		1,639,408,867	-	331,891,961	13,141	1,971,313,969
Contributed capital		4,286,000	24,867,028	-	-	29,153,028
Retained earnings		14,966,785	62,213,481	-	-	77,180,266
Fund balances:						
Reserved for:						
Encumbrances		64,306,910	-	3,038,355	-	67,345,265
Inventories of supplies		1,122,285	-	-	-	1,122,285
Debt service		-	-	2,194,550	-	2,194,550
Employees' pension benefits		1,534,986,934	-	-	-	1,534,986,934
Repair and replacement		-	-	1,000,000	-	1,000,000
Unreserved		19,271,064	-	16,155,890	-	35,426,954
Total fund equity and other credits		3,278,348,845	87,080,509	354,280,756	13,141	3,719,723,251
Total liabilities, fund equity and other credits	$	3,708,522,007	167,097,966	386,427,277	253,756	4,262,301,006

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA

Exhibit A-8

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types - Discretely Presented Component Units

For the fiscal year ended June 30, 2000

		Public Schools	Park Authority	Economic Development Authority	Total
Revenues:					
Intergovernmental	$	345,432,595	-	-	345,432,595
Charges for services		42,781,264	21,074,113	-	63,855,377
Revenue from the use of money and property		2,420,414	2,647,276	-	5,067,690
Recovered costs		22,765,592	-	-	22,765,592
Gifts and donations		-	247,920	-	247,920
Donated food		76,286	-	-	76,286
Other		4,159,648	512,382	-	4,672,030
Total revenues		417,635,799	24,481,691	-	442,117,490
Expenditures:					
Current:					
Community development		-	-	6,533,677	6,533,677
Parks, recreation and cultural		-	38,773,674	-	38,773,674
Education		1,335,403,311	-	-	1,335,403,311
Donated food		76,286	-	-	76,286
Capital outlay		123,395,668	29,112,442	-	152,508,110
Capital leases and installment purchases		16,160,666	-	-	16,160,666
Debt service:					
Principal retirement		-	295,000	-	295,000
Interest and other		-	863,499	-	863,499
Total expenditures		1,475,035,931	69,044,615	6,533,677	1,550,614,223
Excess (deficiency) of revenues over (under) expenditures		(1,057,400,132)	(44,562,924)	(6,533,677)	(1,108,496,733)
Other financing sources (uses):					
Operating transfers in		17,467,893	976,000	-	18,443,893
Operating transfers in from Primary Government					
Proceeds from sale of bonds		130,027,880	12,000,523	-	142,028,403
Other		903,457,397	20,120,258	6,533,677	930,111,332
Operating transfers out		(17,689,491)	(976,000)	-	(18,665,491)
Operating transfers out to Primary Government		(3,710,000)	-	-	(3,710,000)
Capital leases and installment purchases		16,160,666	-	-	16,160,666
Proceeds from issuance of revenue note		-	12,750,000	-	12,750,000
Total other financing sources (uses)		1,045,714,345	44,870,781	6,533,677	1,097,118,803
Excess of revenues and other financing sources over expenditures and other financing uses		(11,685,787)	307,857	-	(11,377,930)
Fund balances, July 1, 1999, as restated		96,265,803	22,080,938	-	118,346,741
Increase (decrease) in reserve for inventories of supplies		120,243	-	-	120,243
Fund balances, June 30, 2000	$	84,700,259	22,388,795	-	107,089,054

See accompanying notes to financial statements

COUNTY OF FAIRFAX, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2000

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Fairfax, Virginia (the County) is organized under the Urban County Executive form of government (as defined under Virginia law). The governing body of the County is the Board of Supervisors which makes policies for the administration of the County. The Board of Supervisors comprises ten members: the Chairman, elected at large for a four-year term, and one member from each of nine supervisor districts, elected for a four-year term by the voters of the district in which the member resides. The Board of Supervisors appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. The County's significant accounting policies are described below.

1. Reporting Entity

As required by GAAP, the accompanying financial statements present the financial data of the County (the primary government) and its component units. The financial data of the component units are included in the County's general purpose financial statements because of the significance of their operational or financial relationships with the County. The County and its component units are together referred to herein as the reporting entity.

Blended Component Units

Blended component units are entities that are legally separate from the County but that are so closely related to the County that they are, in essence, extensions of the County. The blended component units that are reported as part of the primary government are:

Solid Waste Authority of Fairfax County (SWA) - The SWA is considered a blended component unit because the Board of Supervisors comprises the Board of Directors of the SWA and has the ability to impose its will on the SWA. This component unit is reported as an agency fund of the County, the Resource Recovery Fund.

The SWA is authorized under the Virginia Water and Waste Authorities Act and was created by the Board of Supervisors on June 29, 1987. The purpose of the SWA is to monitor the construction and operation of a solid waste facility by a commercial entity in accordance with agreements between the County, the SWA, and the commercial entity. The commercial entity completed construction and is operating the facility and making the required debt payments. The SWA will

operate the facility only in the event of default by the commercial entity under the agreements. The SWA has the right to set solid waste revenue rates charged by the facility. These charges, together with available funds, are designed to provide adequate coverage for the costs of operation and debt service. Separate financial statements of the SWA can be obtained by writing to the Accounting and Reporting Division, Department of Finance, Suite 214, 12000 Government Center Parkway, Fairfax, Virginia 22035.

Small District One - The Board of Supervisors created Small District One, which is located within the Dranesville Magisterial District, in 1970 to provide for the construction of a community center and the operation of its social, cultural, and educational and recreational facilities. This small district is reported as a separate special revenue fund of the County, the McLean Community Center Fund, because it is governed by the Board of Supervisors which has the ability to impose its will on the small district. Separate financial statements are not prepared for Small District One.

Small District Five - The Board of Supervisors created Small District Five, which is located within the Dranesville and Hunter Mill Magisterial Districts, in 1975 to provide for the construction of a community center and the operation of its social, cultural, educational and recreational facilities. This small district is reported as a separate special revenue fund of the County, the Reston Community Center Fund, because it is governed by the Board of Supervisors which has the ability to impose its will on the small district. Separate financial statements are not prepared for Small District Five.

Discretely Presented Component Units

The component units columns in the financial statements include the financial data of the County's other component units. They are presented in separate columns to emphasize that they are legally separate from the County. Separate financial statements of the component units can be obtained by writing to the Accounting and Reporting Division, Department of Finance, Suite 214, 12000 Government Center Parkway, Fairfax, Virginia 22035. All of the component units have a fiscal year end of June 30. The discretely presented component units are:

Fairfax County Public Schools (Public Schools) - Public Schools is responsible for elementary and secondary education within the County. The School Board is elected by County voters. Public Schools is fiscally dependent on the County; Public Schools operations are funded primarily by transfers from the County's general fund, and the County issues general obligation debt for Public Schools capital projects.

Fairfax County Redevelopment and Housing Authority (FCRHA) - FCRHA plans, coordinates and directs the low income housing programs within the County under the Virginia Housing Authorities Law. FCRHA was approved by a voter referendum in November 1965 and was activated by the Board of Supervisors in February 1966. FCRHA is a political subdivision of and reports to the Commonwealth of Virginia. The Board of Supervisors appoints FCRHA's Board of Commissioners, and the County provides certain managerial and

related assistance to FCRHA.

Fairfax County Park Authority (Park Authority) - The Park Authority maintains and operates the public parks and recreational facilities located in the County. The Board of Supervisors appoints the Park Authority's governing board, and the County provides funding for the Park Authority's general fund and one of its capital projects funds. A memorandum of understanding currently in effect between the County and the Park Authority defines the roles of the County and the Park Authority.

Fairfax County Economic Development Authority (EDA) - EDA is an independent authority legally authorized by an act of the Virginia General Assembly and was formally created on October 10, 1956, by resolutions of the Board of Supervisors. EDA's mission is to attract businesses to Fairfax County and to work with the existing businesses to retain them as they expand and create new jobs. EDA also operates the Fairfax County Convention and Visitors Bureau, established to attract business travelers and meetings and conventions to the County. The Board of Supervisors appoints the seven members of the Authority's commission which appoints the Authority's executive director. The Board of Supervisors appropriates funds annually to EDA for operating expenditures incurred in carrying out its mission.

Related Organizations

The Board of Supervisors is also responsible for appointing the members of the board of the Fairfax County Water Authority and the Industrial Development Authority of Fairfax County, but the County's accountability does not extend beyond making the appointments. These organizations do not have a significant operational or financial relationship with the County.

Joint Venture

The County is a participant in the Upper Occoquan Sewage Authority (UOSA). UOSA is a joint venture created under the provisions of the Virginia Water and Waste Authorities Act to construct, finance and operate the regional sewage treatment facility in the upper portion of the Occoquan Watershed. UOSA was formed on March 3, 1971, by a concurrent resolution of the governing bodies of Fairfax and Prince William Counties and the Cities of Manassas and Manassas Park. The governing body of UOSA is an eight-member board of directors consisting of two members from each participating jurisdiction appointed to four-year terms. The UOSA Board of Directors adopts an annual operating budget based on projected sewage flows. The County has no explicit and measurable interest in UOSA but does have an ongoing financial responsibility for its share of UOSA's operating costs, construction costs and annual debt service. Complete financial statements of UOSA can be obtained by writing to P.O. Box 918, Centreville, Virginia 20122.

2. Basis of Presentation - Fund Accounting

The accounts of the reporting entity are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of

each fund are accounted for in a separate set of self-balancing accounts comprised of assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate.

The account groups are concerned only with the measurement of financial position and do not measure results of operations. Following is a description of the funds and account groups included in the accompanying financial statements.

Governmental Funds

General Fund: A general fund is used to account for all revenue sources and expenditures which are not required to be accounted for in other funds. In the County's General Fund, revenues are derived primarily from general property taxes; local sales taxes; utility taxes; business, professional and occupational licenses; the use of money and property; license and permit fees, and state shared taxes. Expenditures and operating transfers out include the costs of general County government and transfers to other funds and component units, principally to fund the operations of the Public Schools and for debt service requirements.

Special Revenue Funds: The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds: The debt service funds are used to account for the accumulation of resources for, and the payment of, the general obligation debt service of the County and for the debt service of the lease revenue bonds and special assessment debt. Included in this fund type is the School Debt Service Fund as the County is responsible for servicing the general obligation debt it has issued on behalf of the School Board.

Capital Projects Funds: The capital projects funds are used to account for financial resources used for all general construction projects other than enterprise fund construction.

Proprietary Funds

Enterprise Funds: The enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent is that costs are recovered primarily through user charges, or (b) where it has been decided that the determination of net income is appropriate for capital maintenance, management control and accountability. The Fairfax County Integrated Sewer System (System) is an enterprise fund of the County. This fund is used to account for the financing, construction and operations of the countywide sewer system.

Internal Service Funds: The internal service funds are used to account for the financing of services provided by a department to another department on a cost reimbursement basis.

Fiduciary Funds

Trust and Agency Funds: The trust and agency funds are used to account for the assets held by the reporting entity in a trustee or agency capacity. Trust funds account for

assets held by the reporting entity under the terms of formal trust agreements and include the pension trust funds. Agency funds are custodial in nature and are maintained to account for funds received, held and disbursed by the reporting entity for various governmental agencies and other organizations.

Account Groups

General Fixed Assets Account Groups: The general fixed assets account groups are used to account for fixed assets that have been acquired for general governmental purposes and which are not accounted for in proprietary funds. The costs of such assets are recorded as expenditures in the general, special revenue, and capital projects funds. Assets valued over $5,000 with useful lives longer than one year are capitalized in the general fixed assets account group at historical cost, if available, or otherwise at estimated historical cost. Donated fixed assets are recorded at fair market value as of the date of donation. Depreciation is not recorded on general fixed assets. The reporting entity does not capitalize public domain or infrastructure fixed assets: roads, bridges, curbs, gutters, streets, sidewalks, trails, storm drains, and street lights.

General Long-Term Obligations Account Groups: The general long-term obligations account groups are used to account for the unmatured long-term debt that is not recorded as a specific fund liability of the proprietary funds and certain other liabilities that are not expected to be liquidated with expendable available financial resources. Included are general obligation bonds, lease revenue bonds, the special assessment debt, long-term payables to component units, accrued compensated absences, obligations under capital leases and installment purchase agreements, the sanitary landfill closure obligation and an estimated liability for claims and judgments.

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds use the flow of current financial resources measurement focus and use the modified accrual basis of accounting. Under this method, revenues are recorded when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the period. Revenue from the use of money and property is recorded as earned. Other revenues are generally considered available if they are collectible within the current period or within 45 days thereafter to be used to pay liabilities of the current period. The primary revenues susceptible to accrual include property, business license and other local taxes and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. Revenues from specific purpose federal, state and other grants that are provided to fund specific program expenditures are recognized at the time the specific expenditures are incurred. Revenues from general purpose grants are recognized in the period to which the grant applies. Expenditures are recorded when the related fund liability is incurred, except that principal and interest on general long-term debt are recorded as fund liabilities when due, and compensated absences are recorded as described in item 11 below. The agency funds also use the modified accrual basis of accounting to recognize assets and liabilities.

All proprietary funds and pension trust funds are accounted for on the economic resources measurement focus and use the accrual basis of accounting. Under this

method, in the proprietary funds, revenues are recognized when earned and expenses are recognized when incurred. Unbilled Integrated Sewer System Fund receivables net of an allowance for uncollectible accounts are recorded at year end to the extent they can be estimated. For the pension trust funds, member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

In preparing its proprietary fund type financial statements, the reporting entity has adopted Paragraph 7 of GASB Statement No. 20 titled "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting" under which the reporting entity has applied all Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Prior to fiscal year 2000, the County applied all FASB statements and interpretations, except for those that conflicted with or contradicted GASB pronouncements. The impact of this accounting change was insignificant.

4. Budgetary Data

The Board of Supervisors adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

a. By March 1, the County Executive submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. During April, public hearings are conducted to obtain taxpayer comments. By May 1, the budget is legally enacted through passage of an appropriation resolution.

b. The operating budget includes all County appropriated funds and certain non-appropriated funds. The non-appropriated funds are primarily certain funds of the Park Authority and FCRHA that are not financed by the County.

c. Budget reviews are held during the fiscal year. Public hearings are held if the recommended increase in the appropriated budget is greater than $500,000, or 1.0 percent of revenues. In compliance with the Board of Supervisors' policy, any adjustments made during the fiscal year are not to exceed two percent of the adopted General Fund appropriations.

d. The budget is controlled at certain legal and administrative levels. The Code of Virginia requires that the County annually adopt a balanced budget. The adopted Fiscal Planning Resolution places legal restrictions on expenditures at the agency or fund level and identifies administrative controls at the character or project level. The County's Department of Management and Budget is authorized to transfer budgeted amounts between characters or projects within any agency or fund as a management function. Any revisions that alter the total expenditures of any agency or fund must be approved by the Board of Supervisors.

e. 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 generally accepted accounting principles except that:

- revenue from investments is recognized in the governmental funds for budget purposes only if collected within 45 days of year end, instead of as earned (see schedule below),
- amortization of deferred rent is not budgeted (see schedule below),
- certain loans are reported as expenditures when made and as revenue when repaid for budget purposes in the Community Development Block Grant (CDBG) Fund (see schedule below),
- offsetting revenues and expenditures related to donated food are not budgeted, certain amounts which are budgeted as expenditures in the general fund,
- certain special revenue funds and a capital projects fund have been reported as transfers out to component units,
- certain reported revenues are budgeted as expenditure reductions in certain special revenue funds,
- capital lease transactions when initiated are not budgeted as offsetting expenditures and other financing sources,
- certain fixed asset transfers from the Vehicle Services Fund, an internal service fund of the County, to Public Schools are not budgeted, and
- the Elderly Housing Program Fund and the Homeowner and Business Loan Program Fund are budgeted as special revenue funds of the primary government but are reported as enterprise funds of the FCRHA.

The following schedule reconciles the amounts on the Combined Statement of Revenues and Expenditures - Budget and Actual (Budget Basis) (Exhibit A-2) to the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit A-1):

	Primary Government	
	General Fund	Special Revenue Funds
Excess of revenues and other financing sources over expenditures and other financing uses (Budget basis)	$ 11,575,543	7,725,135
Basis differences:		
Revenue from investments	1,626,397	814,994
Amortization of deferred rent - Fairfax-Falls Church Community Services Board Fund	-	14,028
Reporting of certan loans - CDBG Fund	-	92,102
Entity difference - Non-appropriated fund - Alcohol Safety Action Program Fund	-	(104,743)
Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	$ 13,201,940	8,541,516

f. Budgeted amounts are shown as originally adopted or as amended by the Board of Supervisors during the course of the fiscal year. The amendments were not significant in relation to the original budget.

g. Appropriations lapse at June 30 unless the Board of Supervisors approves carrying them forward to the next fiscal year.

h. For financial reporting purposes, Exhibit A-2 presents budget and actual information only for those annually appropriated governmental funds considered to be funds of the primary government. For the special revenue funds, the operating budget's appropriated funds include certain funds which, for financial reporting purposes, are considered to be funds of the Public Schools and FCRHA. The budget amounts for special revenue funds in Exhibit A-2 are reconciled to the amended operating budget's appropriated funds as follows:

	Primary Government Special Revenue (Exhibit A-2)	Component Units Public Schools and FCRHA	Total Amended Operating Budget
Budgeted revenues	$ 220,749,836	429,036,943	649,786,779
Budgeted transfers in	103,372,084	910,582,632	1,013,954,716
Total budgeted revenues and transfers in	324,121,920	1,339,619,575	1,663,741,495
Budgeted expenditures	394,076,792	1,410,175,975	1,804,252,767
Budgeted transfers out	3,340,302	21,399,491	24,739,793
Total budgeted expenditures and transfers out	397,417,094	1,431,575,466	1,828,992,560
Budgeted deficiency of revenues and other financing sources under expenditures and other financing uses	$ (73,295,174)	(91,955,891)	(165,251,065)

5. Pooled Cash and Temporary Investments

The County maintains cash and temporary investments for all funds in a single pooled account, except for certain cash and investments required to be maintained with fiscal agents or in separate pools or accounts in order to comply with the provisions of bond indentures. The component units also invest in the pooled cash account. As of June 30, 2000, the pooled cash and temporary investments have been allocated between the County and the respective component units based upon their respective ownership percentages. Temporary investments consist 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. Interest earned, less an administrative charge, is allocated generally to the respective funds and component units based on each fund's or unit's equity in the pooled account. In accordance with the County's legally adopted operating budget, interest earned by certain funds is assigned directly to the General Fund.

For the year ended June 30, 2000, interest earned by certain funds assigned directly to the General Fund is as follows:

Primary Government:	
Special Revenue Funds:	
County Transit Systems	$ 992,285
Aging Grants and Programs	55,321
Cable Communications	447,617
Fairfax-Falls Church Community Services Board	1,484,954
Community-Based Agency Funding Pool	106,499
Housing Trust	85,270
Debt Service Funds:	
County Debt Service	3,025,919
School Debt Service	3,082,622
Capital Projects Funds:	
Countywide Roadway Improvement	106,590
Library Construction	45,819
County Construction	819,862
Primary and Secondary Road Bond Construction	204,285
No. Va. Regional Park Authority	2,012
Sidewalk Construction	183,663
Public Works Construction	601,612
Metro Operations and Construction	465,222
Storm Drainage Bond Construction	22,327
County Bond Construction	553,084
Public Safety Construction	55,006
Trail Construction	19,695
Neighborhood Improvement	18,603
Commercial Revitalization Program	28,153
Pro Rata Drainage Construction	1,062,107
Housing Assistance Program	41,070
Housing General Obligation Bond Construction	23,677
Internal Service Funds:	
Retiree Health Benefits	48,230
Vehicle Services	1,021,730
Document Services	48,246
Technology Infrastructure Services	373,571
Agency Funds:	
State Taxes	822
Lake Barcroft Watershed	1,942
Total Primary Government	15,027,815
Component Units:	
Public Schools Funds:	
General Fund	11,593,302
Capital Projects Funds	209,849
Internal Service Fund - Central Procurement	6,413
Total Public Schools	11,809,564
FCRHA - Enterprise Fund:	
Homeowners' and Business Loan Program	99,879
Park Authority:	
Capital Projects Fund - Construction Bond	353,225
Total Component Units	12,262,668
Total Reporting Entity	$ 27,290,483

6. Cash and Cash Equivalents

For purposes of the statements of cash flows, the amounts reported as cash and cash equivalents for the proprietary fund types represent funds maintained in the reporting entity's investment pool, and they are considered to be demand deposits for the purpose of complying with GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting."

7. Investments

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. Other investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Asset-backed securities are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar investments. Investment purchases and sales are recorded as of the trade date. These transactions are not finalized until the settlement date, which occurs approximately three business days after the trade date. Cash received as collateral on securities lending transactions and investments made with such cash are reported as assets and as related liabilities for collateral received.

8. Inventories

Inventories are valued and carried on an average unit cost basis. Inventory in the general fund and special revenue funds consists of expendable operating supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. At year end, a portion of the fund balance is reserved for the ending inventory balance. This reserve is maintained to indicate that a portion of the fund balance is not available for future appropriations.

The consumption method of accounting for inventory is used in the proprietary fund types. Under this method, inventory items are generally expensed as they are consumed as operating supplies and spare parts.

9. Restricted Assets

The County holds certificates of deposit purchased by developers under the terms of performance agreements. The County may require a developer to enter into these agreements in order to ensure that certain structures and improvements are completed according to approved site plans. The certificates, issued by various financial institutions, are released to the developer when the terms of the agreement have been satisfied. The amount of the certificates held is reported as a restricted asset in the General Fund.

In accordance with the provisions of the 1986 Master Sewer Revenue Bond Resolution, certain assets of the System are restricted for specific future uses such as repayment of debt obligations, payments on construction projects, and extensions and improvements. Additionally, other assets of the System have been restricted for biological nitrogen removal projects.

In accordance with requirements of the Department of Housing and Urban Development and the Virginia Housing Development Authority, FCRHA is required to maintain certain restricted deposits and funded reserves for repairs and replacements.

In accordance with the provisions outlined in the Park Authority's First Supplemental Indenture of Trust, 1995, the Park Authority has restricted assets representing the amount of the debt service reserve requirement pertaining to its Park Facilities Revenue Bonds, Series 1995.

10. Fixed Assets - Proprietary Funds

Fixed assets valued over $5,000 with useful lives longer than one year are capitalized in the proprietary funds. Fixed assets purchased by these funds are stated at cost or estimated cost. Donated fixed assets are recorded at their estimated fair market value as of the date of donation and are reported as additions to fixed assets and contributed capital. Assets are depreciated over their estimated useful lives using the straight-line method. Depreciation on constructed assets begins when the assets are substantially ready for use. Depreciation on the County Integrated Sewer System Fund's contributed assets is initially charged to operations and then reclassified as a reduction of contributed capital. The estimated useful lives are as follows:

Fixed Assets - Proprietary Funds	Useful lives
Buildings	30 - 50 years
Improvements	10 - 30 years
Equipment	5 - 15 years
Sew er lines	50 years

For constructed assets, all associated costs necessary to bring such assets to the condition and location necessary for their intended use are initially capitalized as construction in progress and are transferred to buildings or improvements when the assets are substantially complete and ready for use.

11. Compensated Absences

All reporting entity employees earn annual leave based on a prescribed formula which allows employees with less than ten years of service to accumulate a maximum of 240 hours and employees with ten years or more of service to accumulate a maximum of 320 hours of annual leave as of the end of each calendar year. In addition all employees, except for Public Schools employees, may accrue compensatory leave for hours worked in excess of their scheduled hours. Compensatory leave in excess of 240 hours at the end of the calendar year is forfeited.

The current pay rate, or the best estimate thereof, including certain additional employer related fringe benefits, is used in all compensated absences accruals at June 30. In the governmental funds, leave expected to be taken within 45 days after year end is deemed a current liability and therefore is included in the expenditures and accrued liabilities of the governmental funds. The portion of the liability not currently due and payable is recorded in the general long-term obligations account groups and will be liquidated with future resources. The accrual for compensated absences is reflected in the proprietary funds where applicable.

12. Encumbrances

The reporting entity 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 at year end represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders in process are completed. Encumbrances for the capital projects funds and the Park Authority's Park Revenue Fund do not lapse until the completion of the projects. Funding for all other encumbrances lapses at year end and requires reappropriation by the Board of Supervisors.

13. Designations of Unreserved Fund Balances

Unreserved fund balance as of June 30, 2000, consists of significant designations. Approximately $18.2 million have been designated for revenue stabilization use for future periods of economic downturn. Approximately $41.2 million of the I-95 Refuse Disposal Fund, a special revenue fund, have been designated for landfill closure and postclosure costs. Approximately $10.8 million of the Resource Recovery Facility Fund, a special revenue fund, have been designated for solid waste disposal purposes. Approximately $1.4 million of the Park Authority's Park Capital Improvement Fund, a capital projects fund, have been designated for expenditures related to the E.C. Lawrence Park.

14. Recovered Costs

Reimbursements from another government, county, organization or private company for utilities, tuition fees, vehicle insurance and services rendered or provided to citizens are recorded as recovered costs.

15. Intermunicipal Agreements

The System has entered into several intermunicipal agreements for the purpose of sharing sewage flow and treatment facility costs. The payments made to reimburse operating costs and debt service requirements are recorded as expenses in the year due. Payments made to fund the System's portion of facility expansion and upgrade costs are capitalized as purchased capacity. The System amortizes these costs over the period in which benefits are expected to be derived, which is generally 30 years.

The City of Fairfax makes payments to the County for the City's share of governmental services and debt service costs. Payments for governmental services such as court, jail, custody, health, library, and County agent services are recorded as revenue in the general fund. Debt service payments represent the City's share of principal and interest and are recorded as revenue in the County Debt Service Fund. In addition, the City pays the County a share of the local portion of all public assistance payments and services including related administrative costs, which is recorded as revenue in the General Fund. The City of Falls Church receives its governmental services from Arlington County. However, Falls Church makes payments to Fairfax County for the full cost of the local portion of public assistance payments (including allocated administrative costs) and for

the use of special County health facilities by Falls Church residents; these payments are recorded as revenue in the General Fund.

The County and the cities of Fairfax and Falls Church comprise the Fairfax-Falls Church Community Services Board (CSB), established under State mandate in 1969, to provide mental health, mental retardation and drug and alcohol abuse treatment services to residents of the three jurisdictions. The CSB uses the County as its fiscal agent. The operations of the CSB, including payments received from these cities for services performed by the County, are recorded in a special revenue fund.

16. Recognition of Sewer Availability Fees

Availability fees are charged to new customers for initial access to the sewer system. Availability fees provide funds for the operations and maintenance of the sewer system and are recognized as an operating revenue.

17. Memorandum Only Columns on Combined Statements

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of these data.

B. DEPOSITS AND INVESTMENTS

1. Deposits

At June 30, 2000, all of the reporting entity's deposits were covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (Act). The Act provides for the pooling of collateral pledged 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. The State Treasury board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks savings and loan associations. A multiple financial institution collateral pool that provides for additional assessments is similar to depository insurance. 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 the loss, additional amounts would be assessed on a pro rata basis to the members of the pool. Funds deposited in accordance with the requirements of the Act are considered fully secured and thus are not categorized below.

A summary of the reporting entity's public deposits at June 30, 2000, is as follows:

		Book Balance	Bank Balance
Primary Government	$	87,999,081	133,080,022
Component units		52,122,270	56,324,110
Total reporting entity	$	140,121,351	189,404,132

The bank balance above includes the pooled cash account which, for reporting purposes, has been allocated between the primary government and the participating component units. The differences between book and bank balances are due to checks outstanding and deposits in transit at June 30, 2000.

2. Allowed Investments

Except for its pension funds, under the Virginia Investment of Public Funds Act, the reporting entity is authorized to purchase the following investments:

Commercial paper
Money market funds
Bankers acceptances
Repurchase agreements
Medium term corporate notes
Local government investment pool
U.S. Treasury and agency securities
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 Commonwealth of Virginia
Obligations of state and local government units located within other states
Savings accounts or time deposits in any bank or savings and loan association within the Commonwealth that complies with the Virginia Security for Public Deposits Act.

The reporting entity's investment policy requires that securities underlying repurchase agreements must have a market value of at least 102 percent of the cost of the repurchase agreement. The market value of the securities underlying repurchase agreements is monitored on a daily basis during the year by the reporting entity to ensure compliance with the policy.

3. Pension Fund Investments

The authority to establish pension funds is set forth in the Code of Virginia which authorizes the following investments for pension funds:

U.S. Treasury and agency securities
Obligations of the Commonwealth of Virginia and its instrumentalities
Obligations of counties, cities, towns, and other public bodies located within the Commonwealth of Virginia
Obligations of state and local governmental units located within other states
Obligations of the International Bank for Reconstruction and Development
Obligations of the Asian Development Bank

Obligations of the African Development Bank

In addition, the Code of Virginia provides that the reporting entity may purchase other investments for pension funds (including common and preferred stocks and corporate bonds) that meet the standard of judgment and care set forth in the Code.

Boards of Trustees policies permit the pension 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. The pension funds' custodians are the agents in lending the pension funds' domestic and international securities for collateral of 102 and 105 percent, respectively, of the market value of the related security. The custodians receive cash, securities and irrevocable bank letters as collateral. All securities loans can be terminated on demand by either the pension funds or the borrowers. Cash collateral is invested in the lending agents' collective collateral investment pools. The pension funds do not have the ability to pledge or sell securities received as collateral in the absence of borrower default. The relationship between the maturities of the investment pools and the pension funds' loans is affected by the maturities of securities loans made by other plan entities that invest cash collateral in the investment pools, which the pension funds cannot determine.

The pension funds did not impose any restrictions during the period on the amounts of loans the lending agents made on their behalf, and the agents would indemnify the pension funds by agreeing to purchase replacement securities, or return the cash collateral thereof, in the event a borrower fails to return loaned securities or pay distributions thereon. There were no such failures by any borrower during the fiscal year, nor were there any losses during the period resulting from the default of a borrower or lending agent. At year end, the pension funds had no credit risk exposure to borrowers because the amounts the pension funds owed the borrower exceeded the amounts the borrowers owed the pension funds.

4. Credit Risk Categories

The reporting entity's investments are categorized to give an indication of the level of credit risk assumed by the entity as of June 30, 2000. Category 1 includes investments that are insured or registered, or securities held by the reporting entity or its agent in the reporting entity's name. Category 2 includes investments that are uninsured or unregistered, with securities held by the counterparty's trust department or agent in the reporting entity's name. Category 3 includes investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the reporting entity's name. Securities lent for securities and irrevocable letters of credit collateral are classified according to the category of the collateral received. All of the reporting entity's investments are Category 1 investments, except for mutual funds, short-term investment funds, securities lending short-term collateral investment pools and investments held under securities loans with cash collateral, which are not categorized because such investments are not evidenced by specific securities.

The reporting entity's investments as of June 30, 2000, are summarized below at carrying value:

INVESTMENTS at June 30, 2000	
Description	
Primary Government	
Pooled Investments:	
Bankers Acceptances	$ 140,768,152
Commercial Paper	290,784,647
U.S. Treasury Securities	209,790,566
Repurchase Agreements	78,180,912
Total Pooled Investments	719,524,277
Integrated Sewer System Fund:	
Repurchase Agreements	7,513,527
U.S. Treasury Securities	11,659,166
Obligations of Authorities of the Commonwealth of Virginia	12,969,964
Total Integrated Sewer System Fund	32,142,657
Vienna/Huntington Metrorail Fund:	
Repurchase Agreements	2,178,614
U.S. Treasury Securities	23,941,341
Total Vienna/Huntington Metrorail Fund	26,119,955
Resource Recovery Fund:	
Repurchase Agreements	4,206,227
U.S. Treasury Securities	31,157,969
Total Resource Recovery Fund	35,364,196
Supplemental Retirement System Fund:	
Short-term Investments:	
Corporate Bonds	44,000,278
Asset-Backed Securities	35,131,136
Government Bonds	10,894,884
Common and Preferred Stock	
Not on Securities Loan	527,179,930
On Securities Loan for Letter of Credit Collateral	4,760,071
U.S. Securities	25,466,793
Asset-Backed Securities	200,710,434
Other Bonds and Notes	48,748,599
Total Supplemental Retirement System Fund	896,892,125
Police Officers Retirement System Fund:	
Common and Preferred Stock	
Not on Securities Loan	283,584,431
On Securities Loan for Securities Collateral	3,505,541
U.S. Securities	3,212,203
Asset-Backed Securities	107,276,672
Municipal Bonds	466,146
Other Bonds and Notes	65,837,047
Total Police Officers Retirement System Fund	463,882,040

INVESTMENTS at June 30, 2000	
Description	
FCRHA - Private Finance Fund:	$
Repurchase Agreements	2,269,300
Educational Employees' Supplementary Retirement System Fund:	
Short-term Investments	
Not on Securities Loan	105,984,584
U.S. Securities	8,708,213
Corporate Bonds	175,681,047
Common Stock	
Not on Securities Loan	510,033,826
On Securities Loan for Securities Collateral	8,920,800
Preferred Stock	8,990,601
Asset-Backed Securities	259,973,241
Other Bonds and Notes	57,056,311
Total Educational Employees' Supplementary Retirement System Fund	1,135,348,623
Mutual Funds:	
Educational Employees' Supplementary Retirement System Fund	474,561,520
Securities Lending Short-Term Collateral Investment Pool:	
Educational Employees' Supplementary Retirement System Fund	77,396,129
Investments held under Securities Loans with Cash Collateral:	
Educational Employees' Supplementary Retirement System Fund	
Short-term Investments	7,266,967
Common and Preferred Stock	24,959,156
U.S. Securities	21,205,402
Asset-Backed Securities	4,603,864
Other Bonds and Notes	13,602,710
Total Investments held under Securities Loans with Cash Collateral	71,638,099
Total Component Units	1,965,219,836
Total Reporting Entity	$ 6,117,473,427

Reconciliation of total deposits and investments to the Combined Balance Sheet (Exhibit A)	Primary Government	Component Units	Total Reporting Entity
Total Deposits, Including Performance Bonds	$ 87,999,081	52,122,270	140,121,351
Total Investments	4,152,253,591	1,965,219,836	6,117,473,427
Total Deposits and Investments	4,240,252,672	2,017,342,106	6,257,594,778
Equity in Pooled Cash and Temporary Investments	612,057,217	228,504,127	840,561,344
Cash in banks	-	4,948,176	4,948,176
Cash with fiscal agents	949,370	12,030,632	12,980,002
Investments	3,408,781,295	1,758,944,371	5,167,725,666
Restricted Assets:			
Equity in Pooled Cash and Temporary Investments	193,870,716	-	193,870,716
Cash with Fiscal Agents	-	10,645,500	10,645,500
Certificate of Deposit- Performance Bonds	646,055	-	646,055
Investments	23,948,019	2,269,300	26,217,319
Total Equity in Pooled Cash, Investments, and Cash with Fiscal Agents	$ 4,240,252,672	2,017,342,106	6,257,594,778

5. Derivatives

The County Retirement Systems (Systems), including the Supplemental, Police Officers, Uniformed and Educational Systems, invest in derivatives as permitted by the Code of Virginia and in accordance with policies set by their respective Board of Trustees. The Systems may invest in various derivative instruments on a limited basis, in order to increase potential earnings and to hedge against potential losses.

During fiscal year 2000, the Systems invested in derivative instruments and some traditional securities that have derivative-like characteristics. These investment instruments include futures, forwards and options or swap contracts, structured notes, in which the return may be linked to one or more indexes, and asset-backed securities, such as collateralized mortgage obligations which are sensitive to changes in interest rates and prepayments. Futures, forwards, options and swaps are generally not reported in the financial statements, whereas structured notes and asset-backed securities generally are reported.

The Systems entered into these types of investments to:

- gain market exposure to the S&P 500 and the US Treasury indexes in a more efficient way and at lower transaction costs,
- effect settlement of securities traded in currencies other than US dollars and to protect the base currency (US dollars) from fluctuations in the exchange rates of foreign currencies,
- increase earnings,
- provide exposure to portions of the mortgage market,
- and/or control duration within the portfolio.

These investments generally contain market risks due to:

- adverse changes in market prices
- changes in interest rates and the level of the underlying prepayments and/or
- adverse movements in currency exchange rates

The credit risks associated with these investments are inherent with the:

- creditworthiness of the counterparties to the contracts
- creditworthiness of the related consumers or mortgagees

The Systems are indirectly exposed to market and credit risks associated with ownership interest in certain mutual funds which hold futures contracts, options, collateralized mortgage obligations, interest-only strip securities and call warrants.

At June 30, 2000, the notional values of the derivative investments, including mutual funds, that are not reported in the financial statements are: Supplemental - $46.2 million, Uniformed - $1.7 million, and Educational - $26 million.

The table below shows the percentage of in-financial-statement investments in derivatives, including mutual funds, to the total portfolio (at fair value) for each system at June 30, 2000, and the range of holdings for the fiscal year, as derived from quarterly reports.

Percentage of Total Portfolio Invested in Derivatives			
Retirement System:	At 6/30/00	High During Year	Low During Year
Supplemental	0.8 %	1.0 %	0.7 %
Police Officers	4.0	5.5	3.9
Uniformed	0.2	0.6	0.2
Educational	1.2	1.3	1.2

C. RECEIVABLES

Receivables of the primary government at June 30, 2000, consist of the following:

	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Fiduciary	Total
Receivables:							
Accrued interest	$ 949,956	557,211	59,457	565,244	77,929	12,256,576	14,466,373
Property taxes-delinquent	42,543,722	-	-	-	-	-	42,543,722
Business license taxes-delinquent	6,825,621	-	-	-	-	-	6,825,621
Accounts	15,036,220	8,614,208	-	-	12,022	54,313	23,716,763
Total receivables	65,355,519	9,171,419	59,457	565,244	89,951	12,310,889	87,552,479
Allow ances for uncollectibles:							
Property taxes	24,430,334	-	-	-	-	-	24,430,334
Business license taxes	3,609,403	-	-	-	-	-	3,609,403
Accounts receivable	-	281,781	-	-	-	-	281,781
Total allow ance for uncollectibles	28,039,737	281,781	-	-	-	-	28,321,518
Total net receivables	$ 37,315,782	8,889,638	59,457	565,244	89,951	12,310,889	59,230,961

Delinquent property taxes receivable in the General Fund as of June 30, 2000, consist of the following:

Year of Levy	Real Estate	Personal Property	Total
1999	$ 4,812,686	9,239,841	14,052,527
1998	1,773,365	5,809,864	7,583,229
1997	715,727	4,163,337	4,879,064
Prior years	2,057,341	7,846,361	9,903,702
Total delinquent taxes	$ 9,359,119	27,059,403	36,418,522
Penalty and interest			6,125,200
Total delinquent taxes, penalty and interest			42,543,722
Allow ances for uncollectibles			24,430,334
Net delinquent tax receivables			$ 18,113,388

Additional information regarding property taxes is contained in Note M.

Receivables of the component units at June 30, 2000, consist of the following:

	Public Schools	FCRHA	Park Authority	Total
Accrued interest	$ 7,223,839	117,048	30,400	7,371,287
Accounts	18,633,781	2,003,685	61,020	20,698,486
Notes	-	7,096,610	-	7,096,610
Mortgages	-	72,148	-	72,148
Total receivables	25,857,620	9,289,491	91,420	35,238,531
Allowances for uncollectibles	-	2,707,511	-	2,707,511
Total net receivables	$ 25,857,620	6,581,980	91,420	32,531,020

D. DUE FROM INTERGOVERNMENTAL UNITS

Amounts due to the primary government and component units from other governmental units at June 30, 2000, include:

	Primary Government				Totals	Component Unit	Totals
	General	Special Revenue	Capital Projects	Enterprise	Primary Government	Public Schools	Reporting Entity
Federal government	$ 1,931,398	6,641,360	341,891	176,678	9,091,327	17,920,485	27,011,812
State government	25,889,790	3,323,548	55,416	45,000	29,313,754	14,502,686	43,816,440
Local governments	1,082,049	171,243	-	17,543,875	18,797,167	69,463	18,866,630
Total	$ 28,903,237	10,136,151	397,307	17,765,553	57,202,248	32,492,634	89,694,882

E. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances at June 30, 2000, is as follows:

	Interfund Receivables	Interfund Payables
Primary Government:		
General Fund	$ 4,029,420	-
Special Revenue Funds:		
Federal/State Grants	-	2,859,268
Aging Grants and Programs	-	5,644
Cable Communications	-	10,219
Fairfax-Falls Church Community Services Board	-	337,545
Reston Community Center	-	8,971
McLean Community Center	-	4,882
Burgundy Village Community Center	-	33
Gypsy Moth Suppression Program	-	881
Refuse Collection and Recycling Operations	-	22,256
Refuse Disposal	-	25,875
Energy Resource Recovery Facility	-	1,640
I-95 Refuse Disposal	-	6,566
Alcohol Safety Action Program	-	3,858
Community Development Block Grant	-	5,221
Home Investment Partnership Grant	-	488
Capital Projects Fund- Housing Assistance Program	-	92,692
Enterprise Fund - Integrated Sewer System	-	71,061
Internal Service Funds:		
Central Stores	-	459,736
Vehicle Services	-	50,470
Self Insurance	-	3,554
Document Services	-	3,337
Technology Infrastructure Services	-	16,825
Health Benefits	1,102	-
Retiree Health Benefits	-	261
Fiduciary Fund - Supplemental Retirement System	-	39,239
Total Primary Government	4,030,522	4,030,522
Component Units:		
Public Schools Funds:		
General Fund	1,632,233	-
Special Revenue Fund - Grants and Self Supporting Programs	-	502,225
Internal Service Fund - Central Procurement	302,225	1,432,233
Total Public Schools Funds	1,934,458	1,934,458
FCRHA Funds:		
Enterprise Funds:		
Public Housing	-	2,994
Revolving Development	31,969	-
Private Finance	-	10,000
Fairfax County Rental Program	-	18,975
Total FCRHA Funds	31,969	31,969
Total Component Units	1,966,427	1,966,427
Total Reporting Entity	$ 5,996,949	5,996,949

Due to/from primary government and component units are as follows:

Receivable Entity (Component Units)	Payable Entity (Primary Government)	Amount
EDA	General Fund	$ 107,736
Park Authority	General Fund	1,096,190
Public Schools	General Fund	86,706
Public Schools	Special Revenue Fund - Federal and State Grants Fund	293,362
FCRHA	Special Revenue Funds - Community Development Block Grant Fund	25,696
	HOME Investment Partnership Grant Fund	125,679
Park Authority	Capital Projects Fund - County Construction Fund	111,980
Public Schools	General Long-Term Obligations Account Group	9,728,184
	Total	$ 11,575,533

Receivable Entity (Primary Government)	Payable Entity (Component Unit)	Amount
Special Revenue Fund - Housing Trust Fund	FCRHA	$ 1,591,709

F. RETIREMENT PLANS

The reporting entity administers the following four separate public employee retirement systems that provide pension benefits for various classes of employees; in addition, professional employees of Public Schools participate in a plan sponsored and administered by the Virginia Retirement System (VRS).

1. Fairfax County Supplemental Retirement System

Plan Description

The Fairfax County Supplemental Retirement System (SRS) is a cost-sharing multiple-employer defined benefit pension plan which covers only employees of the reporting entity. The plan covers full-time and certain part-time employees of the reporting entity who are not covered by other plans of the reporting entity or the VRS. Information regarding membership in the SRS is disclosed in item 6 below.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. 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, or (b) attain the age of 50 with age plus years of creditable service being greater than or equal to 80. 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. Annual cost-of-living adjustments are provided to retirees and beneficiaries equal to the lesser of 4 percent or the percentage increase in the Consumer Price Index for the Washington Consumer Metropolitan Service Area. 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. The benefit for early retirement is

actuarially reduced and payable at early termination.

The SRS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Supplemental Retirement System, 10680 Main Street, Suite 280, Fairfax, VA 22030 or by calling (703) 279-8200.

Funding Policy

The contribution requirements of SRS members are established and may be amended by County ordinances. Members may elect to join Plan A or Plan B. Plan A requires member contributions of 4 percent of compensation up to the Social Security wage base and 5.33 percent of compensation in excess of the wage base. Plan B requires member contributions of 5.33 percent of compensation. The reporting entity is required to contribute at an actuarially determined rate; the fiscal year 2000 rate is 6.04 percent of annual covered payroll.

Annual Pension Cost

For the years ended June 30, 2000, 1999 and 1998, the County's and Public Schools' annual pension costs of $19,912,422 and $7,221,173, $17,839,990 and $6,303,842, and $22,907,248 and $8,047,892, respectively, were equal to their required and actual contributions. The required contributions for fiscal year 2000 were determined as part of the July 1, 1998, actuarial valuation using the entry age actuarial cost method.

Significant actuarial assumptions used in the valuation include:

a. a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually, including an inflation component of 4.0 percent;

b. projected annual salary increases of 4.3 to 5.4 percent, including an inflation component of 4.0 percent; and

c. post-retirement benefit increases of 3 percent compounded annually.

The actuarial value of SRS's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. SRS's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a rolling fifteen-year weighted-average basis. On a weighted-average basis, the remaining amortization period, which is closed, as of July 1, 1999, is 15.71 years.

Concentrations

The SRS does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5 percent or more of net assets held in trust for pension benefits.

2. Fairfax County Police Officers Retirement System

Plan Description

The Fairfax County Police Officers Retirement System (PORS) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia. The plan covers County police officers who are not covered by other plans of the reporting entity or the VRS and former Park Police officers who elected to transfer to the PORS from the Uniformed Retirement System effective January 22, 1983. Information regarding membership in the PORS is disclosed in item 6 below. Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. To be eligible for normal retirement, an individual must meet the following criteria: (a) if employed before July 1, 1981; attained the age of 55 or completed 20 years of creditable service, or (b) if employed on or after July 1, 1981; attained the age of 55 or completed 25 years of creditable service. The normal retirement benefit is calculated using average final compensation and years (or partial years) of creditable service at date of termination. Annual cost-of-living adjustments are provided to retirees and beneficiaries equal to the lesser of 4 percent or the percentage increase in the Consumer Price Index for the Washington Consumer Metropolitan Service Area. 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. To be eligible for early retirement, the employee must have 20 years of creditable service (does not apply if hired before July 1, 1981). Benefits are determined based on the normal retirement benefit calculated using average final compensation and creditable service at early retirement actuarially reduced.

The PORS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Police Officers Retirement System, 10680 Main Street, Suite 280, Fairfax, VA 22030 or by calling (703) 279-8200.

Funding Policy

The contribution requirements of PORS members are established and may be amended by County ordinances. Member contributions are based on 12 percent of compensation. The County is required to contribute at an actuarially determined rate; the FY 2000 rate is 18.4 percent of annual covered payroll.

Annual Pension Cost

For the year ended June 30, 2000, the County's annual pension cost of $11,950,073 was equal to its required and actual contributions. The required contribution was determined as part of the July 1, 1998, actuarial valuation using the entry age actuarial cost method.

Significant actuarial assumptions used in the valuation include:

a. a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually including an inflation component of 4.0 percent;

b. projected annual salary increases of 4.5 to 8.0 percent, including an inflation component of 4.0 percent; and

c. post-retirement benefit increases of 3.0 percent compounded annually.

The actuarial value of the PORS's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. PORS's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a thirty-year basis. On a weighted-average basis, the remaining amortization period, which is closed, at July 1, 1999, is 1.75 years.

Concentrations

The PORS does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5 percent or more of net assets held in trust for pension benefits.

3. Fairfax County Uniformed Retirement System

Plan Description

The Fairfax County Uniformed Retirement System (URS) is a single-employer defined benefit pension plan. The plan covers uniformed employees including non-clerical employees of the Fire and Rescue Department and Office of Sheriff, Park Police, Helicopter Pilots, Animal Wardens and Game Wardens who are not covered by other plans of the reporting entity or the VRS. Information regarding membership in the URS is disclosed in item 6 below.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. To be eligible for normal retirement an individual must meet the following criteria: (a) attain the age of 55 with six years of creditable service, or (b) complete 25 years of creditable service. The normal retirement benefit is calculated using average final compensation and years (or partial years) of creditable service at date of termination. Annual cost-of-living adjustments are provided to retirees and beneficiaries equal to the lesser of 4 percent or the percentage increase in the Consumer Price Index for the Washington Consumer Metropolitan Service Area. 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. To be eligible for early retirement employees must have 20 years of creditable service. The benefit for early retirement is actuarially reduced and payable at early termination.

The URS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Uniformed Retirement System, 10680 Main Street, Suite 280, Fairfax, VA 22030 or by calling (703) 279-8200.

Funding Policy

The contribution requirements of URS members are established and may be amended by County ordinances. Plan A members were given the opportunity to enroll in Plan B as of July 1, 1981 and to enroll in Plan C as of April 1, 1997. From July 1, 1981 through March 31, 1997, all new hires were enrolled in Plan B. Plan B members were given the opportunity to enroll in Plan D as of April 1, 1997. From April 1, 1997 forward all new hires are enrolled in Plan D. Plan A requires member contributions of 4 percent of compensation up to the Social Security wage base and 5.75 percent of compensation in excess of the wage base. Plan B requires member contributions of 7.08 percent of compensation up to the Social Security wage base and 8.83 percent of compensation in excess of the wage base. Plan C requires member contributions of 4 percent of compensation. Plan D requires contributions of 7.08 percent of compensation. The County is required to contribute at an actuarially determined rate; the FY 2000 rate is 18.75 percent of annual covered payroll.

Annual Pension Cost

For the year ended June 30, 2000, the County's annual pension cost of $16,489,406 was equal to its required and actual contributions. The required contribution was determined as part of the July 1, 1998, actuarial valuation using the entry age actuarial cost method.

Significant actuarial assumptions used in the valuation include:

a. a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually including an inflation component of 4.0 percent;

b. projected annual salary increases of 4.1 to 6.1 percent, including an inflation component of 4.0 percent; and

c. post-retirement benefit increases of 3.0 percent compounded annually.

The actuarial value of URS's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. URS's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a rolling fifteen-year basis. The weighted average remaining amortization period, which is closed, at July 1, 1999, is 12.7 years.

Concentrations

The URS does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5 percent or more of net assets held in trust for pension benefits.

4. Educational Employees' Supplementary Retirement System of Fairfax County

Plan Description

The Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia. The ERFC covers all full-time educational and civil service employees who are employed by the Public Schools and who are not covered by other plans of the reporting entity.

ERFC provides retirement, disability, and death benefits to plan members and their beneficiaries. Annual post-retirement increases of 3 percent are effective each March 31. This plan supplements the Virginia Retirement System plan.

Benefit provisions are established and may be amended by the Fairfax County Public School Board. All benefits vest after five years of creditable service. The benefit structure is designed to provide a level retirement benefit through a combined ERFC/VRS benefit structure. Member contributions are made through an arrangement which results in a deferral of taxes on the contributions. Further analysis of member contributions may be found in Article III of the ERFC Plan Document. The ERFC is divided into 12 types of benefit payments. Minimum eligibility conditions for receipt of full benefits range from members attaining the age of 55 with 25 years of creditable service to completing five years of creditable service prior to age 65. A description of each of the 12 types of benefits payments is contained in the actuarial valuation at June 30, 1999. Total plan membership for ERFC is disclosed in item 6 below.

The ERFC issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Educational Employees' Supplementary Retirement System, 6815 Edsall Road, Springfield, VA 22151.

Funding Policy

The contribution requirements of ERFC members are established and may be amended by the ERFC Board of Trustees. All members are required to contribute 2 percent of their covered salaries. The employer is required to contribute at an actuarially determined rate. Separate employer contribution rates are determined for educational and civil service employees. For fiscal year 2000, the Public Schools is required to contribute 5.03 percent of annual covered payroll for educational employees and 4.63 percent of annual covered payroll for civil service employees.

Annual Pension Cost

For the year ended June 30, 2000, the Public Schools' annual pension cost of $35,655,898 was equal to its required and actual contributions. The required contribution was determined as part of the June 30, 1999, actuarial valuation using the entry age actuarial cost method.

Significant actuarial assumptions used in the valuation include:

a. a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually, including an inflation component of 4.0 percent;

b. projected annual salary increases of 4.0 to 8.2 percent, including an inflation component of 4.0 percent; and

c. post-retirement benefit increases of 3.0 percent compounded annually.

The actuarial value of the ERFC's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. ERFC's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over a period of future years, which has never exceeded 30 years. The remaining amortization period, which is closed, at June 30, 1999, was 30 years.

Concentrations

The ERFC does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5 percent or more of net assets available for benefits.

5. Virginia Retirement System

Plan Description

The Public Schools contributes to the Virginia Retirement System (VRS) on behalf of covered professional Public Schools employees. VRS is a cost-sharing multiple-employer public employee defined benefit pension plan administered by the Commonwealth of Virginia for its political subdivisions. All full-time, salaried permanent employees of participating employers must participate in the VRS.

In accordance with the requirements established by State statute, the VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The VRS issues a publicly available annual report that includes financial statements and required supplementary information for the VRS; this report can be obtained by writing the Virginia Retirement System, P.O. Box 2500, Richmond, VA 23218-2500.

Funding Policy

Plan members are required by State statute to contribute 5 percent of their annual covered salary to the VRS. If a plan member leaves covered employment, the accumulated contributions plus interest earned may be refunded. In accordance with State statute, the Public Schools is required to contribute at an actuarially determined rate. The rate for fiscal year 2000 was 9.04 percent of annual covered payroll. State statute may be amended only by the Commonwealth of Virginia Legislature. The Public Schools' contributions to the VRS for the years ended June 30, 2000, 1999 and 1998 were $73,823,688, $56,215,333 and $45,349,158, respectively, equal to the required contributions for each year.

6. Current Plan Membership

At July 1, 1999, the date of the latest actuarial valuations, membership in the reporting entity's plans consisted of:

	Primary Government			Component Unit/ Public Schools
	Supplemental Retirement System	Police Officers Retirement System	Uniformed Retirement System	Educational Employees' Supplementary Retirement System
Retirees and beneficiaries receiving benefits	3,590	560	566	5,113
Terminated employees entitled to but not yet receiving benefits	499	3	24	1,003
Active employees	12,772	1,039	1,566	14,449
Total number of plan members	16,861	1,602	2,156	20,565

7. Required Supplementary Information

Six-year historical trend information about the retirement systems administered by the reporting entity is presented in the following table as required supplementary information. This information is intended to help users assess each system's funding status on a going concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employee retirement systems.

SCHEDULE OF FUNDING PROGRESS (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (Funding Excess) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (Funding Excess) as a Percentage of Covered Payroll ((b -a)/c)
Primary Government:						
Supplemental Retirement System						
7/01/94	$ 796,157,626	837,636,088	41,478,462	95.05 %	$ 325,682,644	12.74 %
7/01/95	889,160,271	930,819,185	41,658,914	95.52	348,403,016	11.96
7/01/96	1,116,662,361	1,142,455,206	25,792,845	97.74	363,290,025	7.10
7/01/97	1,231,382,638	1,241,813,772	10,431,134	99.16	365,583,822	2.85
7/01/98	1,324,132,857	1,334,468,657	10,335,800	99.23	381,220,936	2.71
7/01/99	1,523,310,967	1,467,043,776	(56,267,191)	103.84	399,732,318	(14.08)
Police Officers Retirement System						
7/01/94	253,506,303	311,661,932	58,155,629	81.34	43,064,972	135.04
7/01/95	284,506,069	346,712,876	62,206,807	82.06	45,743,970	135.99
7/01/96	343,288,369	388,917,113	45,628,744	88.27	49,065,647	93.00
7/01/97	399,772,825	414,534,604	14,761,779	96.44	50,307,487	29.34
7/01/98	434,259,212	442,727,265	8,468,053	98.09	51,955,916	16.30
7/01/99	503,649,251	487,951,047	(15,698,204)	103.22	55,081,103	(28.50)
Uniformed Retirement System						
7/01/94	272,433,306	295,478,343	23,045,037	92.20	59,224,826	38.91
7/01/95	307,481,896	335,741,130	28,259,234	91.58	64,457,370	43.84
7/01/96	374,013,792	396,666,197	22,652,405	94.29	69,133,414	32.77
7/01/97	432,367,343	446,505,759	14,138,416	96.83	71,957,919	19.65
7/01/98	487,989,565	491,142,845	3,153,280	99.36	74,685,099	4.22
7/01/99	560,044,161	531,788,754	(28,255,407)	105.31	78,622,337	(35.94)
Component Unit/Public Schools:						
Educational Employees' Supplementary Retirement System						
7/01/94	766,480,098	972,078,679	205,598,581	78.85	480,995,439	42.74
7/01/95	839,929,723	1,072,535,730	232,606,007	78.31	521,044,021	44.64
7/01/96	934,571,552	1,130,544,241	195,972,689	82.67	531,060,397	36.90
7/01/97	1,045,411,714	1,215,366,514	169,954,800	86.02	553,709,472	30.69
7/01/98	1,194,555,606	1,278,371,622	83,816,016	93.44	582,754,912	14.38
7/01/99	1,365,416,798	1,345,658,583	(19,758,215)	101.47	626,015,364	(3.16)

Analysis of the dollar amounts of plan net assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of each system's funding status on a going concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the system's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the system.

SCHEDULE OF EMPLOYER CONTRIBUTIONS (1995 -1996, Unaudited)												
	Primary Government								Component Unit/Public Schools			
	Supplemental Retirement			Police Officers Retirement			Uniformed Retirement			Educational Employees' Supplementary Retirement		
Fiscal Year Ended June 30	Annual Required Contribution*	Percentage Contributed		Annual Required Contribution*	Percentage Contributed		Annual Required Contribution*	Percentage Contributed		Annual Required Contribution*	Percentage Contributed	
1995	$ 26,896,714	100	%	$ 10,013,355	100	%	$ 13,381,350	100	%	$ 29,225,043	100	%
1996	28,663,583	100		10,912,200	100		14,580,237	100		30,087,963	100	
1997	29,941,315	100		11,892,690	100		16,111,378	100		35,159,514	100	
1998	30,955,140	100		11,321,194	100		16,565,155	100		36,932,114	100	
1999	24,143,832	100		10,685,734	100		15,645,845	100		38,422,667	100	
2000	27,133,595	100		11,950,073	100		16,489,406	100		35,655,898	100	

* The annual required contribution is equal to the annual pension cost for each fiscal year.

G. RISK MANAGEMENT

The reporting entity 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 natural disasters.

The County and the Public Schools maintain self-insurance internal service funds for workers' compensation claims and certain property and casualty risks and for health insurance benefits. The County and Public Schools believe that it is more cost effective to manage certain risks internally rather than purchase commercial insurance. The Park Authority, EDA and FCRHA participate in the County's self-insurance funds. Participating funds and agencies are charged "premiums" which are computed based on actual loss experience applied on a retrospective basis. Liabilities are reported in the self-insurance funds when it is probable that losses have occurred and the amounts of the losses can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported to date. Because actual claims liabilities depend on such complex factors as inflation, changes in governing laws and standards, and court awards, the process used in computing claims liabilities is reevaluated periodically to take into consideration the history, frequency and severity of recent claims and other economic and social factors. These liabilities are computed using a combination of actual claims experience and actuarially determined amounts and include any specific, incremental claim adjustment expenses and estimated recoveries.

The claims liabilities in the self-insurance funds are discounted at 5.5 percent at June 30, 2000 and 6.0 percent at June 30, 1999, to reflect anticipated investment income. Changes in the balances of claims liabilities during fiscal years 2000 and 1999 are as follows:

	Internal Service Funds			
	Primary Government		Component Unit/ Public Schools	
	Self-Insurance	Health Benefits	Insurance	Health Benefits Trust
Liability balances, July 1, 1998	$ 18,983,188	2,972,206	19,482,424	5,864,809
Claims and changes in estimates	4,915,420	24,594,781	8,030,126	34,485,972
Claims payments	(6,456,191)	(24,684,941)	(6,814,991)	(34,635,612)
Liability balances, July 1, 1999	17,442,417	2,882,046	20,697,559	5,715,169
Claims and changes in estimates	4,552,873	27,570,625	468,490	48,371,084
Claims payments	(5,888,013)	(26,995,079)	(2,311,050)	(46,445,559)
Liability balances, July 1, 2000	$ 16,107,277	3,457,592	18,854,999	7,640,694

In addition to the self-insurance program, commercial property insurance is carried for buildings and contents plus certain large and costly items such as fire apparatus and helicopters. Excess liability and workers' compensation insurance policies are maintained for exposures above a $750,000 self-insured retention. Settled claims have not exceeded any of these commercial coverages in any of the past three fiscal years.

H. LONG-TERM OBLIGATIONS

The following is a summary of changes in the long-term obligations of the reporting entity for the year ended June 30, 2000:

Summary of Long-Term Obligations (000)				
	Balance July 1, 1999	Additions	Reductions	Balance June 30, 2000
Primary Government:				
General Long-Term Obligations Account Group:				
Compensated absences payable	$ 49,919	4,379	-	54,298
Obligations for claims and judgments	1,386	-	99	1,287
Due to component units	11,350	-	1,622	9,728
General obligation bonds payable	1,314,378	182,335	116,446	1,380,267
Special assessment debt with governmental commitment	750	-	75	675
Lease revenue bonds payable	117,600	-	3,475	114,125
Obligations under capital leases and installment purchases	28,811	965	6,039	23,737
Sanitary landfill closure obligation	44,379	-	3,208	41,171
Obligations to the Supplemental Retirement System	2,091	-	2,091	-
Total General Long-Term Obligations Account Group	1,570,664	187,679	133,055	1,625,288
Enterprise Fund:				
Sewer revenue bonds, net of unamortized discounts	172,352	-	3,546	168,806
Internal Service Funds:				
Obligations under capital leases and installment purchases	1,758	-	1,085	673
Total Primary Government	1,744,774	187,679	137,686	1,794,767
Component Units:				
Public Schools:				
Compensated absences payable	14,370	4,183	-	18,553
Obligations under capital leases and installment purchases	9,099	16,161	6,990	18,270
Total Public Schools	23,469	20,344	6,990	36,823
FCRHA:				
Compensated absences payable	418	330	40	708
Notes payable	52,263	6,826	2,924	56,165
Public housing loans	2,153	-	115	2,038
Bonds payable	9,675	-	210	9,465
Total FCRHA	64,509	7,156	3,289	68,376
Park Authority:				
Compensated absences payable	2,380	350	-	2,730
Revenue note payable	-	12,750	-	12,750
Revenue bonds payable	13,325	-	295	13,030
Total Park Authority	15,705	13,100	295	28,510
Economic Development Authority:				
Compensated absences payable	130	3	-	133
Total Component Units	103,813	40,603	10,574	133,842
Total Reporting Entity	$ 1,848,587	228,282	148,260	1,928,609

1. General Obligation Bonds

General obligation bonds have been issued to provide funding for long-term capital improvements. In addition, they have been issued to refund outstanding general obligation bonds when market conditions enabled the County to achieve significant reductions in its debt service payments. Such bonds are direct obligations of the County, and the full faith and credit of the County are pledged as security. The County is required to submit to public referendum for authority to issue general obligation bonds. At June 30, 2000, the amount of such bonds authorized and unissued is summarized as follows:

Bond Purpose	Amount (000)
School improvements	$ 392,475
Transportation improvements and facilities	107,835
Parks and park facilities	66,000
Commercial and redevelopment area improvements	20,580
Neighborhood improvements	5,145
Human services facilities	1,185
Storm drainage improvements	4,660
Public library facilities	3,850
Adult detention facilities	8,520
Public safety facilities	113,920
Juvenile detention facilities	1,050
Total Authorized but Unissued Bonds	$ 725,220

The Commonwealth of Virginia does not impose a legal limit on the amount of general obligation indebtedness which the County can incur or have outstanding. The Board of Supervisors, however, has self-imposed bond limits which provide that the County's net debt will not exceed three percent of the total market value of taxable real and personal property in the County. In addition, the annual debt service will not exceed ten percent of the annual combined general fund disbursements. As a financial guideline, the Board of Supervisors also follows a self-imposed limitation in total general obligation bond sales of $750 million over a five-year period or an average of $150 million annually, with a maximum of $175 million in any given year. All self-imposed bond limits have been complied with at June 30, 2000.

Detailed information regarding the general obligation bonds outstanding as of June 30, 2000, is contained in Section 5 of this note.

2. Lease Revenue Bonds

In March 1994, EDA issued $116,965,000 of lease revenue bonds to finance the County's acquisition of certain land and office buildings adjacent to its main government center. As the County is responsible, under the related documents and subject to annual appropriation, to make payments to a trustee sufficient to pay principal and interest on the bonds, the related transactions, including the liability for the bonds, have been recorded in the County's financial statements and not in those of EDA. Neither the bonds nor the related payment responsibility of the County is a general obligation debt of the County, and the full faith and credit of the County is not pledged to the bonds for such payment responsibility.

In October 1996, the FCRHA issued $6,390,000 of lease revenue bonds to finance the construction/renovation of two community center buildings. In December 1998, the FCRHA issued $5,500,000 of lease revenue bonds to finance the renovation and expansion of a third community center building. Also, in May 1999, the FCRHA issued $1,000,000 of lease revenue bonds to finance the construction of an adult day health care center to serve County residents. As the County is responsible, under the related documents and subject to annual appropriation, to make payments to a trustee sufficient to pay principal and interest of these bonds, the related transactions, including the liability for these bonds, have been recorded in the County's financial statements and not in those of the FCRHA. Neither these bonds nor the related payment responsibility of the County is a general obligation debt of the County, and the full faith and credit of the County is not pledged to these bonds for such payment responsibility. Detailed information regarding the lease revenue bonds outstanding as of June 30, 2000, is contained in Section 5 of this note.

3. Special Assessment Bonds

In July 1988, Small District One of the Dranesville District issued $1.5 million of serial bonds to provide funds for the expansion and renovation of the McLean Community Center. These bonds are general obligations of the respective District, and the Board of Supervisors is obligated, in each year in which any of these bonds shall be outstanding, to levy and collect an ad valorem tax on all real property in each District subject to taxation to provide funds for the payment of debt service on the bonds. However, these bonds are not general obligations of the County, and the full faith and credit of the County are not pledged as security for any of these bonds. Detailed information regarding the special assessment bonds outstanding as of June 30, 2000, is contained in Section 5 of this note.

4. Sewer Revenue Bonds

In August 1986, the Integrated Sewer System (System) issued $75,000,000 of variable rate sewer revenue bonds. The proceeds of the bonds were used primarily to fund the expansion of the Noman Cole Pollution Control Plant and the System's share of the expansion of the District of Columbia's Blue Plains Wastewater Treatment Plant.

In May 1993, the System issued of $72,100,000 of Series 1993 Sewer Revenue Refunding Bonds, with an average interest rate of 5.39 percent, to advance refund $64,500,000 of Series 1986 Sewer Revenue Bonds. The Series 1993 Refunding Bonds consists of $41,220,000 of serial bonds bearing an average interest rate of 4.86 percent, $22,395,000 of 5.5 percent term bonds due November 15, 2013, and $8,485,000 of 5.65 percent term bonds due November 15, 2015. The term bonds are subject to mandatory sinking fund redemption in varying amounts over fiscal years 2011 through 2016.

In July 1996, the System issued $104,000,000 of variable rate sewer revenue bonds with an average interest rate of 5.8 percent to fund plant expansion of the wastewater treatment facilities at the County's Noman Cole Pollution Control Plant and other system improvements. These Series 1996 bonds consist of $29,860,000 of serial bonds bearing an interest rate of 5.625 percent, $13,725,000 of 5.7 percent term bonds due July 15,

2017, $22,555,000 of 5.8 percent term bonds due July 15, 2022 and $37,860,000 of 5.875 percent term bonds due July 15, 2028. The $74,140,000 of term bonds are subject to mandatory sinking redemption in varying amounts over fiscal years 2014 through 2028.

The aforementioned sewer revenue bonds were issued in accordance with the Master Bond Resolution adopted by the Board of Supervisors and are payable from and secured by the net revenue generated through the System's operations. Accordingly, the Master Bond Resolution includes a rate covenant under which the System agreed that it will charge reasonable rates for the use of and services rendered by the System. Furthermore, the System will adjust the rates from time to time to generate net revenues sufficient to provide an amount equal to 100 percent of its annual principal and interest requirements and the System's annual commitments to fund its proportionate share of other jurisdictions' debt service requirements. In addition, payment of the principal and the interest on all bonds is insured by municipal bond insurance policies.

Additional information regarding the $169,860,000 of sewer revenue bonds outstanding as of June 30, 2000, is contained in Section 5 of this note.

5. County Bonds Payable and Related Interest to Maturity

The County's outstanding general obligation, special assessment, lease revenue and sewer revenue bonds, loans payable and the related interest to maturities as of June 30, 2000, are comprised of the following issues:

Series	Interest Rate	Issue Date	Final Maturity Date	Annual Principal Payments (000)	Original Issue (000)	Principal Outstanding June 30 (000)	Interest Payable to Maturity June 30 (000)	Total Principal Outstanding & Interest Payable to Maturity (000)
General Obligation Bonds:								
General County:								
Series 1992B Refunding	5.40-6.00%	06-15-92	05-01-08	$ 1,449-3,509	56,820	15,769	3,507	19,276
Series 1992C Refunding	5.00-5.75	12-15-92	10-01-09	2,969-9,294	85,820	58,635	12,791	71,426
Series 1993A Refunding	4.70-5.38	04-01-93	06-01-10	3,475-12,337	113,053	78,558	19,249	97,807
Series 1993B Public Improvement	5.00-5.20	05-15-93	06-01-13	3,250	65,000	16,250	2,438	18,688
Series 1993C Refunding	4.50-5.40	07-15-93	05-01-12	7,725-9,345	128,635	92,580	29,824	122,404
Series 1994A Public Improvement	5.00-7.25	05-15-94	06-01-14	4,080	81,600	20,400	3,258	23,658
Series 1995A Public Improvement	4.88-7.00	05-15-95	06-01-15	1,847-1,849	36,960	27,710	11,896	39,606
Series 1996A Public Improvement	4.75-5.50	05-15-96	06-01-16	2,510-2,512	50,250	40,196	18,216	58,412
Series 1997A Public Improvement	5.00-6.00	05-15-97	06-01-17	3,450	69,000	58,650	27,380	86,030
Series 1998A Public Improvement	4.25-5.00	05-15-98	06-01-18	2,436	48,710	43,839	20,489	64,328
Series 1999A Public Improvement	4.00-5.00	04-01-99	06-01-19	2,710	54,200	51,490	23,882	75,372
Refunding	4.00-5.00	04-01-99	06-01-19	1,267-8,379	76,043	74,492	29,750	104,24[illegible]
Series 1999B Public Improvement	4.50-5.50	12-01-99	12-01-19	180	3,600	3,600	1,940	5,54[illegible]
Series 2000A Public Improvement	5.00-5.50	04-01-00	06-01-20	1,900	38,000	38,000	21,104	59,104
Total General Obligation Bonds--County					907,691	620,169	225,724	845,893
Schools:								
Series 1992B Refunding	5.40-6.00	06-15-92	05-01-08	1,506-3,645	59,140	16,376	3,642	20,018
Series 1992C Refunding	5.00-5.75	12-15-92	10-01-09	1,771-5,546	51,205	34,985	7,631	42,616
Series 1993A Refunding	4.70-5.38	04-01-93	06-01-10	2,765-9,818	89,987	62,517	15,122	77,639
Series 1993B Public Improvement	5.00-5.20	05-15-93	06-01-13	1,900	38,000	9,500	1,425	10,925
Series 1993C Refunding	4.50-5.40	07-15-93	05-01-12	7,470-9,040	124,410	89,540	28,841	118,381
Series 1994A Public Improvement	5.00-7.25	05-15-94	06-01-14	3,825	76,500	19,125	3,054	22,179
Series 1995A Public Improvement	4.88-7.00	05-15-95	06-01-15	3,149-3,152	63,000	47,250	20,290	67,540
Series 1996A Public Improvement	4.75-5.50	05-15-96	06-01-16	3,194-3,196	63,900	51,114	23,165	74,279
Series 1997A Public Improvement	5.00-6.00	05-15-97	06-01-17	3,750	75,000	63,750	29,761	93,511
Series 1997B Public Improvement	4.50-5.00	12-01-97	12-01-17	3,000	60,000	54,000	23,820	77,820
Series 1998A Public Improvement	4.25-5.00	05-15-98	06-01-18	1,365	27,290	24,561	11,479	36,040
Series 1999A Public Improvement	4.00-5.00	04-01-99	06-01-19	5,000	100,000	95,000	44,063	139,063
Refunding	4.00-5.00	04-01-99	06-01-14	1,053-6,961	63,172	61,883	24,714	86,597
Series 1999B Public Improvement	4.50-5.50	12-01-99	12-01-19	4,000	80,000	80,000	43,100	123,100
Series 2000A Public Improvement	5.00-5.50	04-01-00	06-01-20	2,500	50,000	50,000	27,768	77,768
Total General Obligation Bonds- Schools					1,021,604	759,601	307,875	1,067,476
State Literary Fund Loans - Schools:								
Terra Centre Elementary	3.00	01-01-83	01-01-03	18	350	53	3	56
Science Lab #1	3.24	04-01-86	04-01-06	64	1,274	382	43	425
Science Lab #2	5.00	10-01-87	10-01-08	8	148	62	14	76
Total State Literary Fund Loans - Schools					1,772	497	60	557
Total General Obligation Bonds and Loans - Schools					1,023,376	760,098	307,935	1,068,033
Total General Obligation Bonds and Loans				$	1,931,067	1,380,267	533,659	1,913,926

Series	Interest Rate	Issue Date	Final Maturity Date	Annual Principal Payments (000)	Original Issue (000)	Principal Outstanding June 30 (000)	Interest Payable to Maturity June 30 (000)	Principal Outstanding & Interest Payable to Maturity (000)
Revenue Bonds:								
EDA Lease Revenue Bonds - Series 1994	5.00-5.50%	03-01-94	11-15-18	$ 3,075-8,550	116,965	102,320	64,404	166,724
FCRHA Lease Revenue Bonds:								
Series 1996	4.60-5.55	09-15-96	06-01-17	220-505	6,390	5,790	3,247	9,037
Series 1998	3.50-4.85	12-01-98	06-01-18	195-325	5,500	5,015	2,416	7,431
Series 1999	4.30-5.38	05-27-99	05-01-29	15-65	1,000	1,000	990	1,990
Total Lease Revenue Bonds					129,855	114,125	71,057	185,182
Integrated Sewer System:								
Series 1993 Refunding	4.55-5.55	05-15-93	11-15-15	850-6,505	72,100	67,120	32,625	99,745
Series 1996	5.63-5.70	07-01-96	07-15-28	1,335-7,300	104,000	102,740	110,604	213,344
Total Sewer Revenue Bonds					176,100	169,860	143,229	313,089
Special Assessment Bonds - Small District One of the Dranesville District (McLean Community Center)	6.90-7.40	07-01-88	07-01-08	75	1,500	675	222	897
Total County Bond and Loan Indebtedness				$	2,238,522	1,664,927	748,167	2,413,094

Principal and interest to maturity (in thousands) for the County's general obligation bonds, lease revenue bonds, special assessment bonds, and sewer revenue bonds outstanding at June 30, 2000, are as follows:

	General Long-Term Obligations Account Group						Enterprise Fund			
	General Obligation Bonds and Loans		Lease Revenue Bonds		Special Assessment Bonds		Sewer Revenue Bonds		Total	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2001	$ 112,234	70,224	3,640	6,133	75	46	4,050	9,406	119,999	85,809
2002	111,284	63,810	3,835	5,954	75	40	4,140	9,203	119,334	79,007
2003	110,504	58,106	4,030	5,762	75	36	4,535	8,983	119,144	72,887
2004	104,531	52,565	4,240	5,556	75	30	4,935	8,739	113,781	66,890
2005	103,856	47,246	4,450	5,335	75	25	5,035	8,478	113,416	61,084
2006-2010	448,467	161,849	26,125	22,827	300	44	31,380	37,701	506,272	222,421
2011-2015	275,145	66,595	34,025	14,913	-	-	42,790	27,519	351,960	109,027
2016-2020	114,246	13,264	33,295	4,437	-	-	20,790	18,680	168,331	36,381
2021-2025	-	-	245	105	-	-	25,470	11,759	25,715	11,864
2026-2030	-	-	240	34	-	-	26,735	3,260	26,975	3,294
	$ 1,380,267	533,659	114,125	71,056	675	221	169,860	143,728	1,664,927	748,664

6. Park Authority Bonds and Note Payable

In February 1995, the Park 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. These bonds are solely the obligations of the Park Authority and are payable from the Park Revenue Fund's revenue from operations, interest from investments, and certain fund balance reserves.

Information about the revenue bonds payable as of June 30, 2000 is as follows:

Fiscal year	Interest Rate		Principal (000)	Interest (000)	Total (000)
2001	6.00	% $	310,000	852,296	1,162,296
2002	6.10		330,000	833,696	1,163,696
2003	6.13		350,000	813,896	1,163,896
2004	6.20		370,000	792,546	1,162,546
2005	6.25		395,000	769,884	1,164,884
2006-2010	6.63		2,385,000	3,437,133	5,822,133
2011-2015	6.63		3,280,000	2,538,370	5,818,370
2016-2020	6.63		4,520,000	1,298,170	5,818,170
2021	6.63		1,090,000	72,213	1,162,213
Totals		$	13,030,000	11,408,204	24,438,204

On March 30, 2000, the Park Authority issued a Subordinated Park Facilities Revenue Note in the amount of $12,750,000, bearing interest at the rate of 6.825 percent per annum and which matures on July 31, 2001, to finance the acquisition of certain real property for use as parkland. The County has agreed to provide the Park Authority with the funds needed to meet the principal and interest payment obligations of this note.

7. FCRHA Bonds, Notes, and Loans Payable

In June 1989, the FCRHA issued $6,120,000 of 8.95 percent Elderly Bonds, Series 1989A. On August 29, 1996, on behalf of the Little River Glen project, the Authority issued FHA insured mortgage revenue bonds with an original principal amount of $6,340,000 and interest rates which vary between 4.65 and 6.10 percent with final payment due September 1, 2026, to redeem, though advance refunding, the Elderly Bonds. The land, buildings, and equipment of the project are pledged as security for the new bonds. The proceeds from the new bonds along with other cash sources, totaling approximately $6,500,000, were placed in irrevocable escrow accounts to provide for all the future debt service payments and to provide the funds required to redeem the Series 1989A Bonds on June 1, 1999. At June 30, 2000, $6,070,000 was outstanding on the new bonds.

In November 1, 1992, the FCRHA issued $3,910,000 of special limited obligation bonds, carrying a coupon interest rate of 7.5 percent, payable semi-annually and maturing June 15, 2018. The proceeds of the bonds were used to finance the purchase of the FCRHA's Pender Drive office building. The bonds are secured by certain revenues of the FCRHA consisting primarily of payments to be made, subject to annual appropriation by the County pursuant to the terms of a lease agreement between the FCRHA and the County whereby the FCRHA leases the building to the County. These bonds are not obligations of the County. In June 1998, the FCRHA issued Series 1998 Lease Revenue bonds with an original principal amount of $3,630,000 and an interest rate of 4.71 percent with final payment due June 15, 2018 to advance refund the special limited obligation bonds. The new bonds are secured by the FCRHA's interest in payments under the lease agreements between FCRHA and the County whereby the FCRHA leases its Pender Drive Office building to the County and a first deed of trust on the office building. Proceeds from the new bonds along with other cash sources, totaling approximately $4,000,000, were

placed in irrevocable escrow accounts to provide for all future debt service payments on the old bonds which will be redeemed on June 15, 2018. At June 30, 2000, $3,395,000 were outstanding on the new bonds. These bonds are not obligations of the County.
To permanently finance certain public housing projects, the FCRHA issued notes to the Federal Financing Bank. These notes are payable in annual installments each November 1, until maturity in 2015 with interest at 6.6 percent; they are secured by the projects' land, buildings and equipment. Principal and interest is paid annually by HUD under the Annual Contributions Contract. As of June 30, 2000, $1,517,227 was outstanding on the notes.

To permanently finance the Rosedale Manor public housing project, the FCRHA issued bonds in the original principal amount of $1,260,000 with interest at 5 percent maturing April 1, 2009. Principal and interest is paid semi-annually by HUD under the Annual Contributions Contract. As of June 30, 2000, $520,000 was outstanding on the bonds.

The FCRHA has also issued various notes to finance its operations. These notes payable are detailed in the chart on the next page. The FCRHA's annual required principal payments on the bonds, loans and notes payable are as follows:

Year ending June 30	Bonds Payable	Public Housing Loans	Notes Payable	Total
FCRHA Primary Government				
2001	$ 220,000	114,914	2,993,682	3,328,596
2002	225,000	119,473	3,711,030	4,055,503
2003	250,000	124,057	1,993,601	2,367,658
2004	250,000	133,945	1,541,909	1,925,854
2005	265,000	143,933	1,687,043	2,095,976
2006 and thereafter	8,255,000	1,400,905	19,950,004	29,605,909
Total Primary Government	9,465,000	2,037,227	31,877,269	43,379,496
FCRHA Discretely	-	-		
Presented Component Units	-	-	24,287,635	24,287,635
Total FCRHA Reporting Entity	$ 9,465,000	2,037,227	56,164,904	67,667,131

FCRHA Public Housing bonds, notes, and loans payable as of June 30, 2000:

Series	Secured By	Interest Rate	Final Maturity Date	Principal Outstanding June 30 (000)
Housing Bonds Payable:				
Mortgage Revenue Bonds	Little River Glen rental property	4.65-6.10%	09-01-26$	$ 6,070
Lease Revenue Bonds	FCRHA revenues	4.71	06-15-18	3,395
Total Bonds Payable - FCRHA				$ 9,465
Mortgage Notes Payable:				
United Bank	One University Plaza office building	5.75%	01-31-04	$ 327
SunTrust Bank	Island Walk rental property	12.00	01-31-02	75
	United Community Ministries	4.71	04-01-13	365
	Creighton Square	7.10	07-01-12	526
	Leland Road Group Home Property	5.55	04-01-17	601
	General revenues of FCRHA	4.15	01-31-01	930
Bank of America	Cholster Town, McLean Hills and Springfield Green rental properties	8.50	04-01-05	920
U.S. Dept. of Housing and Urban Development	Hopkins Glen rental property	3.00	04-01-10	416
	various FCRHA rental properties	6.45-9.15	varies	3,410
	various FCRHA rental properties	5.36-7.66	varies	300
	Stonegate Village rental property	8.00-9.25	varies	970
	various FCRHA rental properties	3.73-7.90	varies	2,015
	various FCRHA rental properties	4.75-7.18	varies	2,800
	various FCRHA rental properties	5.36-7.66	varies	60
	various FCRHA rental properties	5.36-7.66	varies	400
	Cedar Ridge rental property	1.00	varies	1,318
Sue Wright/Norma Whitaker	Hopkins Glen rental property	6.50	07-12-01	462
Virginia Housing Development Authority	Minerva Fisher-Hall Group Home property	8.07	06-01-19	356
	Penderbrook rental property	10.25	10-01-18	683
	Rolling Road Group Home property	8.00	10-01-00	235
	Patrick Street Group Home property	8.00	06-01-02	248
	Mount Vernon Group Home property	8.00	04-01-02	224
	West Ox Group Home property	8.00	11-01-02	771
	First Stop Group Home property	8.00	03-01-05	429
Various note holders within the Home Improvement Loan Program	Various properties owned by note holders	9.00-12.50	varies	114
First Union Bank	Various properties-interim financing	90% of 30 day LIBOR	02-13-02	1,985
TRI Capital	Cedar Ridge rental property	7.05	07-01-35	9,858
WMF Huntoon	Cedar Ridge rental property	3.00	09-01-10	1,079
Total Mortgage Notes Payable - FCRHA				$ 31,877
Public Housing Loans Payable:				
Public Housing Notes-Federal Financing Bank	The projects' land, structures, and equipment	6.60%	11-01-15	$ 1,517
Public Housing Bonds	Declaration of Trust	5.00	04-01-09	520
Total Public Housing Loans Payable - FCRHA				$ 2,037

8. Conduit Debt Obligations

The FCRHA is empowered by the Commonwealth of Virginia to issue tax-exempt bonds on behalf of qualified businesses to develop or rehabilitate low income housing within the County. Principal and interest on the tax-exempt bonds are paid entirely by the owners of the properties, which have entered into binding contracts to develop or rehabilitate the subject properties. The terms of the tax-exempt bonds stipulate that neither the FCRHA nor the County guarantee the repayment of principal and interest to the bondholders. A bondholder's sole recourse in the event of default on the tax-exempt bonds is to the subject property and third-party beneficiaries. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2000, approximately $173,503,300 of such tax-exempt bonds is outstanding.

The EDA is empowered by the Commonwealth of Virginia to issue Industrial Revenue Bonds (IRBs) on behalf of businesses relocating and/or expanding their operations within the County. Principal and interest on the IRBs are paid entirely by the businesses. The terms of the IRBs stipulate that neither the EDA nor the County guarantees the repayment of principal and interest to the bondholders. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2000, the principal amounts outstanding on these IRBs total approximately $618,000,000.

9. Defeasance of Debt

In prior years, the County defeased certain general obligation bonds by placing the proceeds of newly issued general obligation refunding bonds in irrevocable escrow funds to provide for all future debt service payments on the old bonds. Accordingly, the escrow fund assets and the liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2000, $112,345,000 of outstanding general obligation bonds are considered defeased.

In prior years, the System defeased certain sewer revenue bonds by placing the proceeds of new bonds in irrevocable escrow funds to provide for all future debt service payments on the old bonds. Accordingly, the escrow fund assets and the liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2000, $63,000,000 of sewer revenue bonds outstanding are considered defeased.

In prior years, the FCRHA defeased certain general and limited obligation bonds by placing them in irrevocable escrow funds to provide for all future debt service payments on the old bonds. Accordingly, the escrow fund assets and the liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2000, $3,485,000 of outstanding general and limited obligation bonds are considered defeased.

10. Sanitary Landfill Closure Obligation

State and federal laws require the County to place a final cover on its I-95 Sanitary Landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The current landfill is divided into five phases of closure. The first four phases of closure pertain to the raw waste unit which has been filled to capacity; as of June 30, 2000, closure expenditures have been

incurred for approximately 55 percent of the area involved. The fifth phase of closure pertains to the ash unit, which is also filled to capacity. The County has permits which will enable it to utilize previously filled raw waste areas for future ash disposal capacity by "piggy backing" against them with new lined cells. The $41,170,588 reported as landfill closure and postclosure care costs obligations in the General Long-Term Obligations Account Group at June 30, 2000, represents the total estimated cost remaining to be incurred. The actual cost may vary due to inflation, changes in technology, or changes in regulations. Although it is expected that the landfill closure and postclosure care costs will be funded from landfill tipping fees, current federal law states that the responsibility for maintaining the environmental integrity at the landfill lies with the federal government, Washington D.C., Arlington County, the City of Alexandria and the County. The amounts which will be obtained from these entities to fund the landfill closure and postclosure care costs have not yet been determined.

11. Obligations Under Capital Lease and Installment Purchase Agreements

The reporting entity has certain fixed assets (primarily equipment) under capital leases and installment purchase agreements in the general fixed assets account groups and in certain internal service funds. In addition, the Northern Virginia Regional Identification System Fund, an agency fund of the County, has acquired certain automated fingerprint identification equipment which is financed by a capital lease. As of June 30, 2000, the minimum obligations under these agreements were as follows:

	Primary Government			Component Unit/ Public Schools
Fiscal Year	General Long-Term Obligations Account Group	Internal Service Funds	Agency Fund	General Long-Term Obligations Account Group
2001	$ 6,110,049	698,831	247,055	6,702,656
2002	5,959,398	-	247,055	5,838,898
2003	5,314,594	-	247,055	4,634,490
2004	4,074,751	-	247,055	2,896,483
2005	2,531,081	-	247,055	12,891
Thereafter	4,137,215	-	494,111	-
Total minimum obligations	28,127,088	698,831	1,729,386	20,085,418
Less portion representing interest	4,389,272	25,824	326,386	1,815,800
Present value of minimum obligations	$ 23,737,816	673,007	1,403,000	18,269,618

Also, the County has entered into a preliminary agreement with a local developer for the construction and acquisition of a 159,000 square foot office facility to facilitate the provision of services to residents in the southeastern area of the County. It is anticipated that the facility cost of approximately $29,000,000 will be financed by means of a capital lease over a period of thirty years. Construction is scheduled to commence during fiscal year 2001 with occupancy occurring during fiscal year 2002.

12. Due to Component Unit

The County has a liability of approximately $9.7 million to the Public Schools that originated in 1983 upon the recognition of teachers' compensation in the year services are rendered rather than over the twelve-month contract period ending in August. The County agreed to fund the original liability of approximately $46.4 million over a period

of years beginning in fiscal year 1984. Payments to Public Schools were deferred from fiscal years 1990 through 1996. In fiscal year 2000, the County paid the fourth of ten equal annual installments of $1.62 million which will satisfy the remaining liability.

I. LONG-TERM COMMITMENTS

1. Washington Metropolitan Area Transit Authority (WMATA)

The County's commitments to WMATA are comprised of agreements to make capital contributions for construction of the rail transit system, contributions for replacement and improvement of rail and bus equipment, and payments of operating subsidies and debt service for the rail, bus and paratransit systems. The County's commitments in each of these areas are summarized as follows:

Capital Contributions - Rail Construction

Since 1970, the County and other local jurisdictions have entered into five Interim Capital Contribution Agreements (ICCA) with WMATA to provide local funds to match federal government appropriations to fund the continuing construction of the 103-mile Metrorail Adopted Regional System. The final 13.5 miles of construction are expected to be funded through ICCA-V and Public Law 101-551. In approving ICCA-V, the jurisdictions agreed to provide local matching contributions totaling $780 million over the life of the authorization. The agreement requires the County to provide $113.2 million in matching funds between fiscal years 1993 and 2002. The County is providing this match through a combination of state aid, state bonds and locally generated funds.

For fiscal year 2000, the County's obligation of approximately $12.0 million was funded with $7.3 million of County general obligation bond proceeds and $4.7 million of transportation funds provided by the Commonwealth of Virginia through the Northern Virginia Transportation Commission (NVTC). The County's total obligations to date of approximately $226.6 million for Metrorail construction have been funded with $120.8 million of County general obligation bond proceeds, $102.7 million of state aid provided to the County through the Northern Virginia Transportation Commission (NVTC) and $3.1 million of credits available at WMATA.

As of June 30, 2000, the County is obligated to contribute an additional $11.6 million toward Metrorail construction; the payment schedule, which is subject to adjustment every two years to reflect current conditions, is as follows:

Fiscal Year	Amount (millions)
2001	$ 10.7
2002	0.9
Total	$ 11.6

It is anticipated that a significant portion of this obligation will be paid from state aid funded through the NVTC. In addition, as of June 30, 2000, general obligation bonds totaling $26.9 million from the 1992 Transportation Improvements referendum remain authorized for this purpose and unissued.

Capital Contributions - Bus and Rail Replacement

Each fiscal year, the County makes contributions for capital purchases for WMATA's bus system and to improve the reliability of rail capital equipment. The funding required for this program depends upon the availability of federal grants. The County's obligation of approximately $4.4 million for fiscal year 2000 was funded with $1.6 million of County general obligation bond proceeds and $2.8 million of state aid provided through the NVTC. It is anticipated that the County's obligations for fiscal year 2001 will be funded with state aid and County general obligation bond funds.

Operating Subsidies and Debt Service

The County and other local jurisdictions continue to contribute toward WMATA's deficits resulting from the operation of the Metrorail, Metrobus and MetroAccess (paratransit) systems and the debt service on federally guaranteed transit revenue bonds issued by WMATA. For fiscal year 2000, the County's obligation of approximately $47.6 million for operating subsidies and debt service was funded with $7.5 million from the County's Metro Operations and Construction Fund and $40.1 million from state aid for transportation and regional gasoline tax receipts. It is anticipated that the County's General Fund expenditure for fiscal year 2001 will be approximately $13.2 million.

2. Virginia Railway Express (VRE)

The County, as a member of the NVTC and in cooperation with the Potomac and Rappahannock Transportation Commission (PRTC), is a participating jurisdiction in the operation of the VRE commuter rail service. The service consists of rush hour trips originating from Manassas, Virginia and from Fredericksburg, Virginia to Union Station in Washington DC. Five County stations are currently operating.

In October 1989, the Board of Supervisors of Fairfax County approved the Commuter Rail Master Agreement and financial plans. The Master Agreement requires the County to contribute to capital, operating and debt service costs of the VRE on a pro rata basis according to its share of ridership and population. In February 1990, NVTC sold $79.4 million in bonds to finance passenger cars, locomotives, yard facilities and stations. Approximately $6 million of the bond proceeds was made available to the County to assist with financing its local stations. The County's fiscal year 2000 contribution to VRE's commuter rail operating, capital and debt service cost was $2.29 million. Also, the County has been authorized to apply $5.2 million of general obligation bond proceeds toward the cost of commuter rail facilities within the County; through June 30,

2000, approximately $3.9 million of this amount has been expended.

3. Operating Lease Commitments

The County leases real estate under various long-term lease agreements. Certain leases contain provisions which allow for increased rentals based upon increased real estate taxes and the Consumer Price Index. All lease obligations are contingent upon the Board of Supervisors appropriating funds for each year's payments. For fiscal year 2000 the County's total expenditures for these operating leases were $7,832,928.

At June 30, 2000, the minimum long-term real estate lease commitments accounted for as operating leases were as follows:

Fiscal Year	
2001	$ 7,444,436
2002	5,459,798
2003	4,953,339
2004	3,584,345
2005	1,590,605
Thereafter	3,032,295
Total	$ 26,064,818

4. Intermunicipal Agreements

Alexandria Sanitation Authority

At June 30, 2000, the Integrated Sewer System (System) was obligated under an agreement with the City of Alexandria, Virginia, Sanitation Authority (ASA) to share the construction and operating costs and debt service requirements for certain sewage treatment facilities. Under this agreement, the City of Alexandria is conducting the expansion and general improvement of the facilities. The System is allowed only one non-voting representative at the meetings of the ASA and has no significant influence in the management of the treatment facilities. In addition, the System has no direct ongoing equity interest in the assets or liabilities of the ASA.

The ASA agreement sets forth a method for allocating the construction costs associated with the ASA's treatment facilities. The System paid the ASA $33,598,143 in fiscal year 2000 to fund its share of construction costs, and it estimates its share of fiscal year 2001 expansion and improvements to be $37,800,000. The System made payments to the ASA in 2000 of $8,368,669 for its share of the ASA's operating costs.

Blue Plains Intermunicipal Agreement

In 1985, the users of the Blue Plains Waste-Water Treatment Plant - Fairfax County, the District of Columbia (District), Montgomery and Prince George's Counties in Maryland, and the Washington Suburban Sanitary Commission (WSSC) - entered into the Blue Plains Intermunicipal Agreement (IMA). The IMA sets forth the method for allocating the capital and operating costs associated with the facility. Currently, the County has a capacity entitlement of 24.69 million gallons per day (MGD) of the plant's interim

treatment capacity of 325 MGD. Under the terms of the IMA, the County's capacity entitlement will increase to 31 MGD when the Blue Plains Plant is fully upgraded and expanded to 370 MGD. The County purchased this capacity entitlement through contributions to the capital construction program at the plant.

The District established an independent Water and Sewer Authority, effective April 18, 1996, to operate it's water and sewer systems and the Blue Plains Plant. The Authority has a Board of Directors comprised of six members from the District, two each from Montgomery and Prince George's Counties, and one from Fairfax County. The Authority is honoring the capacity entitlements assigned to Blue Plains users under the IMA. The County has no significant control over plant operations and construction and no ownership interest in the assets of the plant under the IMA.
The System made payments of $7,515,104 to the District in fiscal year 2000 for its share of the plant's operating costs and $2,996,941 to fund its portion of current construction costs. For fiscal year 2001, the County estimates that its share of these costs will be $9,600,000 and $7,500,000, respectively.

Upper Occoquan Sewage Authority

As described in Note A, the Upper Occoquan Sewage Authority (UOSA) is a joint venture created under the provisions of the Virginia Water and Sewer Authorities Act to be the single regional entity to construct, finance, and operate the regional sewage treatment facility for the upper portion of the Occoquan Watershed.

The current capacity of UOSA's treatment facility is 32 MGD. In fiscal year 1995, UOSA issued bonds to finance an expansion, scheduled to be completed in 2001, of its facility to a capacity of 54 MGD. Each jurisdiction's allocated share of UOSA's capacity as of June 30, 2000, is as follows:

Member Jurisdiction	Current Capacity (MGD)	Future Capacity (MGD)
Fairfax County	13.1904	27.5999
Prince William County	9.9968	15.7971
City of Manassas	6.8672	7.6893
City of Manassas Park	1.9456	2.9137
Total	32.0000	54.0000

Summarized UOSA financial information as of and for the years ended June 30, 1999 and 1998 (the most recent audited financial information available) is as follows:

Member Jurisdiction		1999	1998
Total assets	$	462,085,259	457,700,165
Total liabilities		(400,235,858)	(401,173,988)
Total equity		61,849,401	56,526,177
Total revenue		34,023,772	30,133,086
Total expenses		(22,408,636)	(20,233,000)
Net income	$	11,615,136	9,900,086

UOSA's current operating expenses, construction costs, and annual debt service payments are funded by each of the participating jurisdictions based on their allocated capacity, with certain modifications. The System made payments to UOSA in fiscal year

2000 of $5,657,870 to pay its share of UOSA's operating costs and $13,545,764 to fund its share of UOSA's debt service. As of June 30, 2000, the System is committed to fund its share of UOSA's remaining debt service as follows:

Fiscal Year	Debt Service Commitment
2001	$ 15,228,254
2002	15,229,170
2003	15,227,577
2004	15,228,504
2005 and thereafter	402,341,912
Total	$ 463,255,417

Arlington Agreement

In January 1989, the County signed the Sewage Conveyance Treatment and Disposal Agreement (Arlington Agreement) with Arlington County, Virginia, which obligates the System to share the construction and operating costs for certain sewage treatment facilities owned and operated by Arlington County. The System has no direct on-going equity interest in the facilities' assets and liabilities. Furthermore, the System has no significant influence over the management of the treatment facilities.

The Arlington Agreement sets forth a method for allocating construction and operating costs associated with Arlington's treatment facilities. In fiscal year 2000, the System incurred costs of $805,288 associated with its share of Arlington's operating costs and $1,304,085 to fund its share of current facility expansion costs. The System estimates its share of future construction costs to be $1,200,000 in fiscal year 2001.

5. Fairfax County Solid Waste Authority (SWA) - Resource Recovery

In 1988, the EDA issued $237,180,000 of Series A tax-exempt and $14,900,000 of Series B taxable resource recovery revenue bonds, respectively, on behalf of the SWA to finance the construction of a 3,000-ton-per-day mass burn facility at the County's landfill site near Interstate 95. The operation of the facility by an independent contractor commenced in 1990. Solid waste is burned to produce electricity which is sold to a local utility company.

In fiscal year 1995, the SWA sold a call option on the 1988 Series A Bonds for $10,250,000, which entitled the purchaser to require the EDA to issue new bonds to the purchaser at agreed upon interest rates. During fiscal year 1999, this call option was exercised, and the EDA issued $195,505,000 of 1998 Series A Resource Recovery Revenue Refunding Bonds, the proceeds of which together with certain proceeds remaining from the 1988 Series A Bonds and certain other available funds were used to refund the remaining outstanding 1988 Series A Bonds in the principal amount of $220,345,000 and pay related issuance and refunding costs. The 1988 Series B Bonds were retired in fiscal year 1996.

The bonds are not an obligation of the County; however, the County is obligated to deliver a minimum annual tonnage of solid waste to the facility and to pay tipping fees for the disposal of such waste sufficient to cover the operating costs of the facility and

the debt service on the bonds. As of June 30, 2000, $185,570,000 of the 1998 Series A Refunding Bonds are outstanding. Unspent bond proceeds in the amount of $35,414,151, which include investment earnings, are reported in the Resource Recovery Fund, an agency fund; certain unspent proceeds are reserved for debt service and the remainder is available for solid waste disposal purposes.

6. Long-term Contracts

At June 30, 2000, the primary government had contractual commitments of $29,514,035 in the capital projects funds and approximately $94,600,000 in the System for construction of various sewer projects. At June 30, 2000, the component units had contractual commitments of $64,306,910 and $3,038,355 in the capital projects funds of Public Schools and Park Authority, respectively, for construction of various projects.

7. Post-employment Benefits

In 1987, the Board of Supervisors established a program to subsidize the health benefit coverage of certain retirees. In order to participate, retirees must have reached the age of 62 or be on disability retirement and must have health benefit coverage in a plan provided by the County. There is no minimum number of years of service required to participate in this program. The program allows for a $60 per month subsidy per participating retiree and is funded on a pay-as-you-go basis. There are 1,444 participants currently eligible in the program. For fiscal year 2000, the cost of this program to the County was $1,415,762.

J. PURCHASED CAPACITY

Purchased capacity consists of payments made by the Integrated Sewer System under intermunicipal agreements with the District of Columbia Water and Sewer Authority (Blue Plains), UOSA, ASA, and Arlington County for improvements to certain specified treatment facilities owned and operated by these jurisdictions. Purchased capacity is amortized over 30 years, the estimated useful life of the assets, using the straight-line method and commencing upon the completion of the improvements. Changes in purchased capacity, in relation to each jurisdiction, are as follows:

		Balance July 1, 1999	Current Additions	Less: Current Amortization	Balance June 30, 2000
Blue Plains	$	44,356,225	2,996,941	1,866,452	45,486,714
UOSA		9,580,665	-	401,977	9,178,688
ASA		25,565,657	33,598,143	432,124	58,731,676
Arlington		7,355,465	1,304,085	-	8,659,550
Total	$	86,858,012	37,899,169	2,700,553	122,056,628

K. RESTRICTED ASSETS AND RESERVED RETAINED EARNINGS OF THE ENTERPRISE FUND – INTEGRATED SEWER SYSTEM

As of June 30, 2000, the System had restricted cash and investments of $217,818,735 in order to manage its funds in accordance with the 1986 Sewer Revenue Bond Resolution and to comply with nitrogen discharge regulations from the State Water Control Board (SWCB). The resolution specifies several purposes for which the System should set aside or restrict funds, which include sewer bond construction, extensions and improvements, establishing a long-term debt service reserve, and funding current debt service requirements. SWCB regulations require the removal of ammonia-nitrogen from the County's Noman Cole Pollution Control Plant and the Alexandria and Arlington County Wastewater Treatment Plants. In anticipation of the major construction required to meet nitrogen discharge regulations, $63,573,000 has been restricted for nitrogen removal facilities. The System's restricted funds and corresponding reservations of retained earnings at June 30, 2000, are as follows:

Restricted Assets and Reserved Retained Earnings of the System	
Extensions and improvements	$ 127,126,967
Long-term debt service requirements	14,571,815
Current debt service requirements	3,164,058
Nitrogen removal facilities	63,573,000
Reserved retained earnings	208,435,840
Unspent bond receipts for ongoing construction	9,382,895
Restricted assets	$ 217,818,735

L. FUND DEFICITS

At June 30, 2000, the Central Stores Fund, an internal service fund, had an accumulated deficit of $324,693. The County will increase charges to other funds in the future to cover the deficit in this fund.

At June 30, 2000, the Housing Assistance Program Fund, a capital projects fund, had an accumulated deficit of $95,041. This deficit will be eliminated by future transfers from other housing funds in FY2001

At June 30, 2000, the Section 8 Fund, an enterprise fund of the FCRHA, had an accumulated deficit of $95,291. This deficit is attributable to the recording of certain non-cash expenses that the FCRHA is unable to bill to HUD until paid. This deficit will be eliminated through future reimbursements from HUD or the FCRHA Operating Fund.

M. PROPERTY TAXES

Real estate is assessed on January 1 each year at the estimated fair market value of all land and improvements. Real estate taxes are due in equal installments, on July 28 and December 5. Unpaid taxes automatically constitute liens on real property which must be satisfied prior to sale or transfer, and after three years, foreclosure proceedings can be initiated.

Personal property taxes on vehicles and business property are based on the estimated fair market value at January 1 each year. The tax on a vehicle may be prorated for the length of time the vehicle has situs in the County. A declaration form is required to be filed, and there is a ten percent penalty for late filing. Personal property taxes together with vehicle decal fees are due

on October 5, with certain exceptions. Delinquency notices are sent before statutory measures, such as the seizure of property and the placing of liens on bank accounts and/or wages, are initiated.

Real estate and personal property taxes not paid by the due dates are assessed a ten percent late payment penalty on the tax amount. Furthermore, interest accrues from the first day following the due date at an annual rate of ten percent for the first year and thereafter at the rate set by the Internal Revenue Service. The net delinquent taxes receivable, including interest and penalties, as of June 30, 2000, after allowances for uncollectible amounts, is $18,113,388, of which $2,413,546 has been included in tax revenue for fiscal year 2000 because it was collected within 45 days after June 30.

The 1998 Virginia General Assembly enacted legislation to provide property tax relief, to be phased in over five years, on the first $20,000 of value of motor vehicles not used for business purposes. For the 1998 tax, payable during fiscal year 1999, the Commonwealth rebated the 12.5 percent tax reduction directly to the taxpayers. For subsequent years, the tax reductions – 27.5 percent of the 1999 tax, 47.5 percent of the 2000 tax, 70 percent of the 2001 tax and 100 percent of the 2002 tax (each of which is payable during the subsequent fiscal year) – are reflected in the County's invoices to the taxpayers. Following receipt by the County of the reduced tax amounts, the Commonwealth reimburses the County for the tax reductions plus certain administrative costs. For fiscal year 2000, payments from the Commonwealth totaling $62,305,165 are reported as intergovernmental revenue in the General Fund.

N. CONTRIBUTED CAPITAL ACCOUNTS

Developers regularly donate sewer lines, manholes and pumping stations to the System; these assets are valued at their estimated fair market value as of the date of donation and recorded as additions to property, plant, and equipment and contributed capital. During fiscal year 2000, certain land, building and improvements having an original cost of $2,388,113 were transferred from the General Fixed Assets Account Group to the Vehicle Services Fund, an internal service fund, and recorded at a net book value of $2,379,423. Additionally, certain equipment having an original cost of $9,272 was transferred from the General Fixed Asset Account Group to the Technology Infrastructure Fund, also an internal service fund, and recorded at a net book value of $7,881. The following table discloses changes in contributed capital of the reporting entity's proprietary funds:

	Primary Government		Component Units	
			Public Schools	FCRHA
	Enterprise Fund	Internal Service Funds	Internal Service Fund	Enterprise Funds
Balance July 1, 1999	$ 176,593,363	18,009,391	4,286,000	24,364,555
Transfers from the General Fixed Assets Account Group	-	2,387,304	-	-
Contributions	6,873,282	-	-	502,473
Depreciation of contributed assets	(9,063,182)	-	-	-
Balance June 30, 2000	$ 174,403,463	20,396,695	4,286,000	24,867,028

O. FIXED ASSETS - A summary of changes in fixed assets is a follows:

	Balances July 1, 1999 as restated	Additions	Deductions	Balances June 30, 2000
PRIMARY GOVERNMENT:				
General Fixed Assets Account Group				
Land	$ 157,837,973	8,243,781	15,188,908	150,892,846
Buildings	525,224,035	86,310,026	4,114,873	607,419,188
Improvements	56,566,138	22,778,257	120,283	79,224,112
Equipment	112,605,204	19,666,000	8,727,196	123,544,008
Construction in Progress	176,114,156	29,235,782	106,603,451	98,746,487
Total	1,028,347,506	166,233,846	134,754,711	1,059,826,641
Enterprise Fund				
Land	17,457,310	-	73,545	17,383,765
Buildings	55,221,333	-	-	55,221,333
Improvements	649,993,570	7,767,707	-	657,761,277
Equipment	8,226,724	573,480	383,496	8,416,708
Construction in Progress	54,068,033	29,109,916	894,424	82,283,525
Total	784,966,970	37,451,103	1,351,465	821,066,608
Less: Accumulated Depreciation	245,031,108	18,396,702	360,949	263,066,861
Net	539,935,862	19,054,401	990,516	557,999,747
Internal Service Funds				
Land	295,853	1,480,630	-	1,776,483
Buildings	14,253,601	783,698	-	15,037,299
Improvements	449,757	115,094	-	564,851
Equipment	44,850,951	9,237,000	5,014,913	49,073,038
Total	59,850,162	11,616,422	5,014,913	66,451,671
Less: Accumulated Depreciation	37,007,829	6,087,842	3,733,491	39,362,180
Net	22,842,333	5,528,580	1,281,422	27,089,491
Agency Fund				
Equipment	-	3,132,483	1,586,483	1,546,000
Total Primary Government				
Total Fixed Assets	1,873,164,638	218,433,854	142,707,572	1,948,890,920
Less: Accumulated Depreciation	282,038,937	24,484,544	4,094,440	302,429,041
Net	1,591,125,701	193,949,310	138,613,132	1,646,461,879
COMPONENT UNITS:				
Public Schools				
Land	41,421,804	-	-	41,421,804
Buildings	744,441,770	61,845,308	-	806,287,078
Improvements	309,679,418	110,229	-	309,789,647
Equipment	96,022,839	19,521,405	4,698,123	110,846,121
Construction in Progress	334,286,587	98,518,744	61,741,114	371,064,217
Total	1,525,852,418	179,995,686	66,439,237	1,639,408,867
FCRHA				
Land	25,767,626	219,951	-	25,987,577
Buildings and Improvements	127,629,636	6,613,545	-	134,243,181
Equipment	1,812,353	120,115	-	1,932,468
Construction in Progress	12,186,504	1,529,325	-	13,715,829
Total	167,396,119	8,482,936	-	175,879,055
Less: Accumulated Depreciation	47,465,190	4,813,152	-	52,278,342
Net	119,930,929	3,669,784	-	123,600,713
Park Authority				
Land	114,025,834	39,811,943	116,500	153,721,277
Buildings	26,586,795	3,366,894	-	29,953,689
Improvements	132,780,514	2,070,874	-	134,851,388
Equipment	8,812,653	1,750,529	881,925	9,681,257
Construction in Progress	6,944,456	26,524,295	29,784,401	3,684,350
Total	289,150,252	73,524,535	30,782,826	331,891,961
EDA				
Equipment	11,194	7,002	5,055	13,141
Total Component Units				
Total Fixed Assets	1,982,409,983	262,010,159	97,227,118	2,147,193,024
Less: Accumulated Depreciation	47,465,190	4,813,152	-	52,278,342
Net	1,934,944,793	257,197,007	97,227,118	2,094,914,682
Total Reporting Entity				
Total Fixed Assets	3,855,574,621	480,444,013	239,934,690	4,096,083,944
Less: Accumulated Depreciation	329,504,127	29,297,696	4,094,440	354,707,383
Net	$ 3,526,070,494	451,146,317	235,840,250	3,741,376,561

P. CONTINGENT LIABILITIES

The reporting entity is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. The County has recorded a $1.3 million liability in the general long-term obligations account group which represents management's estimate of losses that may be incurred with respect to pending lawsuits and claims.

The reporting entity receives grant funds, principally from the federal government, for construction and various other programs. Certain expenditures of these funds are subject to audit by the grantor, and the reporting entity is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the management of the County, no material refunds will be required as a result of expenditures disallowed by the grantors.

Q. ACCOUNTING CHANGES

In prior years, with the exception of its internal service fund, the FCRHA's activities were reported in governmental funds and account groups. During 2000, the FCRHA determined that it would be more appropriate to report these funds as enterprise funds. As a result, the previously reported governmental funds and account groups have been eliminated and the enterprise fund type's fund equity has been recorded at $74,939,059 to reflect this conversion as of July 1,1999.

Also, during 2000, it was determined that certain entities should be included as discretely presented component units in the FCRHA's financial reporting entity. As a result, fund equity of $13,685,548 for these entities as of July 1, 1999, has been recorded.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co., (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Direct and Indirect Participants are on file with the Securities and Exchange Commission.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose account such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other name as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon

DTC's receipt of funds and corresponding detail information from the County on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered. The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the County takes no responsibility for the accuracy thereof.

BROWN & WOOD LLP

ONE WORLD TRADE CENTER
NEW YORK, N.Y. 10048-0557

TELEPHONE: 212-839-5300
FACSIMILE: 212-839-5599

Appendix VI

December __, 2000

Board of Supervisors
of Fairfax County, Virginia
Fairfax, Virginia

We have examined certified copies of the legal proceedings, including the election proceedings and other proofs submitted, relative to the issuance and sale of

$52,250,000
Fairfax County, Virginia
Public Improvement Bonds
Series 2000 B

The bonds are dated December 1, 2000, mature in annual installments on December 1 in each of the years 2001 to 2020, inclusive, bear interest payable semiannually on the 1st days of June and December in each year, commencing June 1, 2001, and are subject to redemption prior to their respective maturities in the manner and upon the terms and conditions set forth in the resolution authorizing the issuance of the bonds adopted by the Board of Supervisors of Fairfax County on November 20, 2000.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the bonds pursuant to the Constitution and laws of Virginia, and that the bonds constitute valid and binding general obligations of Fairfax County, Virginia, for the payment of which the full faith and credit of said County are pledged, and all taxable property in the County is subject to the levy of an ad valorem tax, without limitation as to rate or amount, for the payment of the bonds and the interest thereon, which tax shall be in addition to all other taxes authorized to be levied in said County to the extent other funds of said County are not lawfully available and appropriated for such purpose.

We are further of the opinion that, except as provided in the following sentence, interest on the bonds is not includable in the gross income of the owners of the bonds for purposes of Federal income taxation based on existing law. Interest on the bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the bonds in the event of a failure by the County or the school board of the County to comply with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and covenants regarding use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the United States Treasury; and we render no opinion as to the exclusion from gross income of the interest on the bonds for Federal income tax purposes on or after the date on which any action is taken affecting such covenants upon the approval of counsel other than ourselves. Interest on the bonds is not a specific preference item for purposes of the Federal individual or corporate alternative minimum tax. The Code contains other provisions that could result in tax consequences, as to which we render no opinion, as a result of ownership of bonds or the inclusion in certain computations (including, without limitation, those related to the corporate alternative minimum tax) of interest that is excluded from gross income.

Respectfully submitted,

LOS ANGELES • SAN FRANCISCO • WASHINGTON D.C. • BEIJING • TOKYO REPRESENTATIVE OFFICE
AFFILIATED WITH BROWN & WOOD, A MULTINATIONAL PARTNERSHIP WITH OFFICES IN LONDON AND HONG KONG

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by Fairfax County, Virginia (the "County") in connection with the issuance by the County of $52,250,000 aggregate principal amount of its Public Improvement Bonds, Series 2000 B (the "Bonds" or "2000 B Bonds") pursuant to the provisions of a resolution (the "Resolution") adopted on November 20, 2000, by the Board of Supervisors of the County. The proceeds of the 2000 B Bonds are being used by the County to finance various public improvements in the County. The County hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the County for the benefit of the holders of the 2000 B Bonds and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The County acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Agreement.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Dissemination Agent" shall mean the County, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

"Filing Date" shall have the meaning given to such term in Section 3(a) hereof.

"Fiscal Year" shall mean the twelve-month period at the end of which financial position and results of operations are determined. Currently, the County's Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

"Holder" or "holder" shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a 2000 B Bond.

"Listed Events" shall mean any of the events listed in subsection (b)(5)(i)(C) of the Rule, which are as follows:

principal and interest payment delinquencies

non-payment related defaults

unscheduled draws on debt service reserves reflecting financial difficulties

unscheduled draws on credit enhancements reflecting financial difficulties

substitution of credit or liquidity providers, or their failure to perform

adverse tax opinions or events affecting the tax-exempt status of the 2000 B Bonds

modifications to rights of holders

bond calls

defeasances

release, substitution, or sale of property securing repayment of the 2000 B Bonds

rating changes

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Participating Underwriter" shall mean any of the original underwriters of the County's 2000 B Bonds required to comply with the Rule in connection with the offering of such Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" shall mean any public or private depository or entity designated by the State as a state depository for the purpose of the Rule. As of the date of this Agreement, there is no State Repository.

SECTION 3. Provision of Annual Reports.

A. The County shall, or shall cause the Dissemination Agent to, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Such Annual Report shall be filed on a date (the "Filing Date") that is not later than March 31 after the end of any Fiscal Year (commencing with its Fiscal Year ended June 30, 2000). Not later than ten (10) days prior to the Filing Date, the County shall provide the Annual Report to the Dissemination Agent (if applicable). In such case, the Annual Report (i) may be submitted as a single document or as separate documents comprising a package, (ii) may cross-reference other information as provided in Section 4 of this Disclosure Agreement and (iii) shall include the County's audited financial statements or, if audited financial statements are not available, such unaudited financial statements as may be required by the Rule. In any event, audited financial statements of the County must be submitted, if and when available, together with or separately from the Annual Report.

B. The annual financial statements of the County shall be prepared on the basis of generally accepted accounting principles and will be audited. Copies of the audited annual financial statements, which may be filed separately from the Annual Report, will be filed with the Repositories when they become publicly available.

C. If the County fails to provide an Annual Report to the Repositories by the date required in subsection (a) hereto or to file its audited annual financial statements with the Repositories when they become

publicly available, the County shall send a notice to the Municipal Securities Rulemaking Board and any State Repository in substantially the form attached hereto as Exhibit B.

SECTION 4. Content of Annual Reports. Except as otherwise agreed, any Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, annual financial information relating to the County, including operating data, updating such information relating to the County as described in Exhibit A, all with a view toward assisting Participating Underwriters in complying with the Rule.

Any or all of such information may be incorporated by reference from other documents, including official statements of securities issues with respect to which the County is an "obligated person" (within the meaning of the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events. The County will provide in a timely manner to the Municipal Securities Rulemaking Board and to each State Repository, if any, notice of any of the Listed Events, if material.

SECTION 6. Termination of Reporting Obligation. The County's obligations under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or final retirement of all the 2000 B Bonds.

SECTION 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the County shall be the Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the County may amend this Disclosure Agreement, if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws, to the effect that such amendment is permitted or required by the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. Any person referred to in Section 11 (other than the County) may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to file its Annual Report or to give notice of a Listed Event. The holders of not less than a majority in aggregate principal amount of 2000 B Bonds outstanding may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to challenge the adequacy of any information provided pursuant to this Disclosure Agreement, or to enforce any other obligation of the County hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under the Resolution or the 2000 B Bonds of the County, and the sole remedy under this Disclosure Agreement in the event of any failure of the County to comply herewith shall be an action to compel performance. Nothing in this provision shall be

deemed to restrict the rights or remedies of any holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Participating Underwriters, and holders from time to time of the County's 2000 B Bonds, and shall create no rights in any other person or entity.

Date: December __, 2000

FAIRFAX COUNTY, VIRGINIA

By: _____
Edward L. Long, Jr.
Chief Financial Officer

EXHIBIT A

CONTENT OF ANNUAL REPORT

(a) **Financial Information**. Updated information concerning General Fund revenues, expenditures, categories of expenditures, fund balances, assessed value of taxable property, tax rates, major taxpayers, and tax levies and collections.

(b) **Debt Information**. Updated information concerning general obligation bonds indebtedness, including bonds authorized and unissued, bonds outstanding, the ratios of debt to the market value of taxable property, debt per capita, and debt service as a percentage of General Fund disbursements.

(c) **Demographic Information**. Updated demographic information respecting the County such as its population, public school enrollment and per pupil expenditure.

(d) **Economic Information**. Updated economic information respecting the County such as income, employment, unemployment, building permits and taxable sales data.

(e) **Retirement Plans**. Updated information respecting pension and retirement plans for County employees, including a summary of membership, revenues, expenses and actuarial valuation(s) of such plans.

(f) **Contingent Liabilities**. A summary of material litigation and other material contingent liabilities pending against the County.

In general, the foregoing will include information as of the end of the most recent fiscal year or as of the most recent practicable date. Where information for the fiscal year just ended is provided, it may be preliminary and unaudited. Where information has historically been provided for more than a single period, comparable information will in general be provided for the same number of periods where valid and available. Where comparative demographic or economic information for the County and the United States as a whole is contemporaneously available and, in the judgment of the County, informative, such information may be included. Where, in the judgment of the County, an accompanying narrative is required to make data presented not misleading, such narrative will be provided.

EXHIBIT B

NOTICE OF FAILURE TO FILE ANNUAL REPORT
[AUDITED ANNUAL FINANCIAL STATEMENTS]

Re: FAIRFAX COUNTY VIRGINIA
PUBLIC IMPROVEMENT BONDS,
SERIES 2000 B

CUSIP NOS. 303820 ___-___

Dated: December 1, 2000

NOTICE IS HEREBY GIVEN that Fairfax County, Virginia has not provided an Annual Report [Audited Annual Financial Statements] as required by Section 3 of the Continuing Disclosure Agreement, which was entered into in connection with the above-named bonds issued pursuant to that certain Resolution adopted on November 20, 2000 by the Board of Supervisors of the County, the proceeds of which were used to finance various public improvements in the County. [The County anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by _____.]

Dated: _____

FAIRFAX COUNTY, VIRGINIA

By _____

CERTIFICATE OF THE CHIEF FINANCIAL OFFICER AWARDING $52,250,000 PUBLIC IMPROVEMENT BONDS, SERIES 2000 B, OF FAIRFAX COUNTY, VIRGINIA

I, Edward L. Long, Jr., Chief Financial Officer of Fairfax County (the "County"), Virginia, pursuant to the authority delegated to me to (i) accept the lowest bid for the $52,250,000 Public Improvement Bonds, Series 2000 B (the "Bonds") and Sections 1(d) and 3(a)(2) of the resolution adopted by the Board of Supervisors (the "Board") of Fairfax County, Virginia, on November 20, 2000 (the "Authorizing Resolution"), delegating to the County Executive or the Chief Financial Officer authority to (ii) determine certain details of the Bonds being offered competitively **DO HEREBY CERTIFY**:

Section 1. Bids received. Advertisement was duly made calling for electronic bids to be received via the BiDCOMP/Parity Competitive Bidding System by the Board of Supervisors until 11:00 a.m., Fairfax, Virginia Time, December 6, 2000 for the purchase of $52,250,000 Public Improvement Bonds, Series 2000 B, of Fairfax County, Virginia, dated December 1, 2000, maturing, subject to the right of prior redemption, December 1, in annual installments in each of the years 2001 to 2020, inclusive, as heretofore provided, at which hour bidding was closed and the following bids for the aggregate principal amount of $52,250,000 were found to have been submitted and to accord in all respects with the terms of said advertisement, each bid offering to pay accrued interest and posting a Financial Surety Bond for $522,500 payable to the order of the Director of the Department of Finance of Fairfax County, Virginia:

A. PaineWebber Incorporated and associates offering to pay $52,273,304.05 for said bonds bearing interest at the rates set forth below in Column I resulting in a true interest cost rate of 4.8740816%.

B. Lehman Brothers Inc. and associates offering to pay $52,302,359.80 for said bonds bearing interest at the rates set forth below in Column II resulting in a true interest cost rate of 4.9154211%.

C. Merrill Lynch & Co. and associates offering to pay $52,250,000 for said bonds bearing interest at the rates set forth below in Column III resulting in a true interest cost rate of 4.9184884%.

D. ABN Amro Inc. and associates offering to pay $52,265,020.80 for said bonds bearing interest at the rates set forth below in Column IV resulting in a true interest cost rate of 4.9196383%.

E. First Union National Bank and associates offering to pay $52,315,462.90 for said bonds bearing interest at the rates set forth below in Column V resulting in a true interest cost rate of 4.9317393%.

Interest Rate Columns

Maturity Date	Principal Amount	I	II	III	IV	V
December 1, 2001	$2,615,000	5.750%	4.750%	5.000%	4.750%	5.000%
December 1, 2002	2,615,000	5.750	5.000	5.250	4.750	5.000
December 1, 2003	2,615,000	5.000	5.000	5.250	4.750	5.000
December 1, 2004	2,615,000	4.250	5.000	5.250	4.750	5.000
December 1, 2005	2,615,000	5.000	5.000	5.500	4.750	5.000
December 1, 2006	2,615,000	5.000	5.000	4.750	4.750	5.000
December 1, 2007	2,615,000	4.375	5.000	4.750	5.375	4.750
December 1, 2008	2,615,000	4.750	5.000	4.750	4.875	4.750
December 1, 2009	2,615,000	4.500	4.500	4.750	4.500	4.750
December 1, 2010	2,615,000	4.500	4.500	4.750	4.600	4.750
December 1, 2011	2,610,000	4.625	4.625	4.750	4.700	4.875
December 1, 2012	2,610,000	4.750	5.000	4.750	4.750	5.000
December 1, 2013	2,610,000	4.750	5.000	4.800	5.000	5.000
December 1, 2014	2,610,000	5.000	5.000	4.875	5.000	5.000
December 1, 2015	2,610,000	5.000	5.000	4.900	5.000	5.000
December 1, 2016	2,610,000	5.000	5.000	5.000	5.000	5.000
December 1, 2017	2,610,000	5.000	5.000	5.000	5.000	5.000
December 1, 2018	2,610,000	5.000	5.000	5.000	5.000	5.000
December 1, 2019	2,610,000	5.100	5.000	5.000	5.125	5.000
December 1, 2020	2,610,000	5.125	5.000	5.000	5.125	5.000

Section 2. Lowest Bid. The bid offering to purchase the Bonds at the lowest "True or Canadian" interest cost, such cost to be determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount to the price bid the payments of the principal of and the interest on the Bonds from their payment dates to December 1, 2000, excluding the accrued interest from the date of the Bonds to the date of their delivery, is the bid of PaineWebber Inc. and associates offering to pay $52,273,304.05 and accrued interest for the Bonds bearing interest at the rates set forth in Column I of the foregoing tabulation.

Section 3. Award and delivery of Bonds. The bid of PaineWebber Incorporated and associates is accepted, and the $52,250,000 Public Improvement Bonds, Series 2000 B, are awarded to PaineWebber Incorporated and associates at the price of $52,273,304.05 for the Bonds bearing interest at the rates set forth in Column I of the foregoing tabulation, plus accrued interest. Delivery of the Bonds is to be made on or about December 13, 2000 in New York City.

Section 4. Redemption Provisions, Dated Date. The dated date, maturity amounts and optional redemption provisions of the Bonds have not been adjusted pursuant to the delegation of authority contained in Sections 1(d) and 3(a)(2) of the Authorizing Resolution.

Section 5. Certificate within meaning of Resolution. This certificate is a Certificate within the meaning of the Authorizing Resolution, and is executed pursuant to and in accordance with the delegation of power authorized by and contained therein.

Witness my hand as of the 6th day of December, 2000.

By: Edward L. Long Jr.
Chief Financial Officer
Fairfax County, Virginia

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by Fairfax County, Virginia (the "County") in connection with the issuance by the County of $52,250,000 aggregate principal amount of its Public Improvement Bonds, Series 2000 B (the "Bonds" or "2000 B Bonds") pursuant to the provisions of a resolution (the "Resolution") adopted on November 20, 2000, by the Board of Supervisors of the County. The proceeds of the 2000 B Bonds are being used by the County to finance various public improvements in the County. The County hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the County for the benefit of the holders of the 2000 B Bonds and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The County acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Agreement.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Dissemination Agent" shall mean the County, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

"Filing Date" shall have the meaning given to such term in Section 3(a) hereof.

"Fiscal Year" shall mean the twelve-month period at the end of which financial position and results of operations are determined. Currently, the County's Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

"Holder" or "holder" shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a 2000 B Bond.

"Listed Events" shall mean any of the events listed in subsection (b)(5)(i)(C) of the Rule, which are as follows:

principal and interest payment delinquencies

non-payment related defaults

unscheduled draws on debt service reserves reflecting financial difficulties

unscheduled draws on credit enhancements reflecting financial difficulties

substitution of credit or liquidity providers, or their failure to perform

adverse tax opinions or events affecting the tax-exempt status of the 2000 B Bonds

modifications to rights of holders

bond calls

defeasances

release, substitution, or sale of property securing repayment of the 2000 B Bonds

rating changes

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Participating Underwriter" shall mean any of the original underwriters of the County's 2000 B Bonds required to comply with the Rule in connection with the offering of such Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" shall mean any public or private depository or entity designated by the State as a state depository for the purpose of the Rule. As of the date of this Agreement, there is no State Repository.

SECTION 3. Provision of Annual Reports.

A. The County shall, or shall cause the Dissemination Agent to, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Such Annual Report shall be filed on a date (the "Filing Date") that is not later than March 31 after the end of any Fiscal Year (commencing with its Fiscal Year ended June 30, 2000). Not later than ten (10) days prior to the Filing Date, the County shall provide the Annual Report to the Dissemination Agent (if applicable). In such case, the Annual Report (i) may be submitted as a single document or as separate documents comprising a package, (ii) may cross-reference other information as provided in Section 4 of this Disclosure Agreement and (iii) shall include the County's audited financial statements or, if audited financial statements are not available, such unaudited financial statements as may be required by the Rule. In any event, audited financial statements of the County must be submitted, if and when available, together with or separately from the Annual Report.

B. The annual financial statements of the County shall be prepared on the basis of generally accepted accounting principles and will be audited. Copies of the audited annual financial statements, which may be filed separately from the Annual Report, will be filed with the Repositories when they become publicly available.

C. If the County fails to provide an Annual Report to the Repositories by the date required in subsection (a) hereto or to file its audited annual financial statements with the Repositories when they become

publicly available, the County shall send a notice to the Municipal Securities Rulemaking Board and any State Repository in substantially the form attached hereto as Exhibit B.

SECTION 4. Content of Annual Reports. Except as otherwise agreed, any Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, annual financial information relating to the County, including operating data, updating such information relating to the County as described in Exhibit A, all with a view toward assisting Participating Underwriters in complying with the Rule.

Any or all of such information may be incorporated by reference from other documents, including official statements of securities issues with respect to which the County is an "obligated person" (within the meaning of the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events. The County will provide in a timely manner to the Municipal Securities Rulemaking Board and to each State Repository, if any, notice of any of the Listed Events, if material.

SECTION 6. Termination of Reporting Obligation. The County's obligations under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or final retirement of all the 2000 B Bonds.

SECTION 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the County shall be the Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the County may amend this Disclosure Agreement, if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws, to the effect that such amendment is permitted or required by the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. Any person referred to in Section 11 (other than the County) may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to file its Annual Report or to give notice of a Listed Event. The holders of not less than a majority in aggregate principal amount of 2000 B Bonds outstanding may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to challenge the adequacy of any information provided pursuant to this Disclosure Agreement, or to enforce any other obligation of the County hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under the Resolution or the 2000 B Bonds of the County, and the sole remedy under this Disclosure Agreement in the event of any failure of the County to comply herewith shall be an action to compel performance. Nothing in this provision shall be

deemed to restrict the rights or remedies of any holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Participating Underwriters, and holders from time to time of the County's 2000 B Bonds, and shall create no rights in any other person or entity.

Date: December 13, 2000

FAIRFAX COUNTY, VIRGINIA

By: Edward L. Long, Jr.
Chief Financial Officer

EXHIBIT A

CONTENT OF ANNUAL REPORT

(a) **Financial Information**. Updated information concerning General Fund revenues, expenditures, categories of expenditures, fund balances, assessed value of taxable property, tax rates, major taxpayers, and tax levies and collections.

(b) **Debt Information**. Updated information concerning general obligation bonds indebtedness, including bonds authorized and unissued, bonds outstanding, the ratios of debt to the market value of taxable property, debt per capita, and debt service as a percentage of General Fund disbursements.

(c) **Demographic Information**. Updated demographic information respecting the County such as its population, public school enrollment and per pupil expenditure.

(d) **Economic Information**. Updated economic information respecting the County such as income, employment, unemployment, building permits and taxable sales data.

(e) **Retirement Plans**. Updated information respecting pension and retirement plans for County employees, including a summary of membership, revenues, expenses and actuarial valuation(s) of such plans.

(f) **Contingent Liabilities**. A summary of material litigation and other material contingent liabilities pending against the County.

In general, the foregoing will include information as of the end of the most recent fiscal year or as of the most recent practicable date. Where information for the fiscal year just ended is provided, it may be preliminary and unaudited. Where information has historically been provided for more than a single period, comparable information will in general be provided for the same number of periods where valid and available. Where comparative demographic or economic information for the County and the United States as a whole is contemporaneously available and, in the judgment of the County, informative, such information may be included. Where, in the judgment of the County, an accompanying narrative is required to make data presented not misleading, such narrative will be provided.

EXHIBIT B

NOTICE OF FAILURE TO FILE ANNUAL REPORT
[AUDITED ANNUAL FINANCIAL STATEMENTS]

Re: FAIRFAX COUNTY VIRGINIA
PUBLIC IMPROVEMENT BONDS,
SERIES 2000 B

CUSIP NOS. 303820 YE8-YZ1

Dated: December 1, 2000

NOTICE IS HEREBY GIVEN that Fairfax County, Virginia has not provided an Annual Report [Audited Annual Financial Statements] as required by Section 3 of the Continuing Disclosure Agreement, which was entered into in connection with the above-named bonds issued pursuant to that certain Resolution adopted on November 20, 2000 by the Board of Supervisors of the County, the proceeds of which were used to finance various public improvements in the County. [The County anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by _____.]

Dated: _____

FAIRFAX COUNTY, VIRGINIA

By _____

Fairfax County (VA)

Issuer Summary

Rated Bonds

Issuer Bonds	Currency	CUSIP	ISIN	Long Term Rating	Short Term Rating
public improv bonds ser 2000B					
01 Dec 2001	USD	303820YE8		AAA	
01 Dec 2002	USD	303820YF5		AAA	
01 Dec 2003	USD	303820YG3		AAA	
01 Dec 2004	USD	303820YH1		AAA	
01 Dec 2005	USD	303820YJ7		AAA	
01 Dec 2006	USD	303820YK4		AAA	
01 Dec 2007	USD	303820YL2		AAA	
01 Dec 2008	USD	303820YM0		AAA	
01 Dec 2009	USD	303820YN8		AAA	
01 Dec 2010	USD	303820YP3		AAA	
01 Dec 2011	USD	303820YQ1		AAA	
01 Dec 2012	USD	303820YR9		AAA	
01 Dec 2013	USD	303820YS7		AAA	
01 Dec 2014	USD	303820YT5		AAA	
01 Dec 2015	USD	303820YU2		AAA	
01 Dec 2016	USD	303820YV0		AAA	
01 Dec 2017	USD	303820YW8		AAA	
01 Dec 2018	USD	303820YX6		AAA	
01 Dec 2019	USD	303820YY4		AAA	
01 Dec 2020	USD	303820YZ1		AAA	

▲ Rating Watch Positive.
▼ Rating Watch Negative.
◆ Rating Watch Evolving.

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STANDARD & POOR'S PUBLIC FINANCE

Publication date: 30-Nov-2000
Reprinted from RatingsDirect

News

Fairfax County, VA's Public Improvement Bonds Rated 'AAA'; Outlook Stable

Analyst: Kenneth A Gear, Washington D.C. (1) 202-383-3540; Parry Young, New York (1) 212-438-2120

WASHINGTON, D.C. (Standard & Poor's CreditWire) Nov. 30, 2000--Standard & Poor's today assigned its triple-'A' rating to Fairfax, Va.'s $52.25 million public improvement bonds series 2000B. The bonds are scheduled to sell Dec. 6, 2000.

In addition, Standard & Poor's affirmed its triple-'A' rating on the county's $1.43 billion in outstanding GO debt. The outlook is stable.

The rating reflects:

- A strong and diverse economic base fueled by expansions in the business, financial, and high-technology services and telecommunications sectors;
- Solid growth in assessed valuations with no tax base concentration;
- Very high wealth and income indicators at 190% of the nation's levels when measured on a median household basis; and
- Strong financial and debt management.

The full faith and credit of the county secures the bonds. Proceeds of this issuance will be used to finance various public improvements throughout the county. Fairfax County is in northeast Virginia and has an estimated population of 968,000. The county's local economy is one of the key anchors of the strong and diversified regional economy, which includes the rapidly growing Northern Virginia region and Washington, D.C. A diversified services sector (42.88% of employment), trade (19.40%), and government (12.71%) anchor the local economy. There are a myriad of government contractors and consultants based in the county, which is key to the rapid expansion of high-technology, business, and financial service ventures. The county's key technology-based and telecommunications businesses include the corporate headquarters of Northern Telecom and Oracle. County wealth and income levels are very high at 170% of the nation's levels and are indicative of the prevalence of high-end jobs. The county's unemployment rate was an extremely low 1.4 % through 2000 compared to the state's and nation's levels, reflecting an extremely tight labor market. Assessed valuation growth remains strong on a significant $92.6 billion base in 2000, increasing the extremely high per capita market value to $101,853 from $95,577 in fiscal 1999.

The county's financial performance has been strong consistently despite some financial challenges due to school-related growth pressures. As of June 30, 2000, a $13.2 million operating surplus increased the county's general fund balance to $112.4 million or 9% of expenditures. Overall debt remains manageable at $1,716 and a low 1.8% of market value.

OUTLOOK: STABLE

The stable outlook reflects Standard & Poor's expectation that the county will

continue to use cost-containment methods to maintain balanced fiscal operations without adversely impacting services that are provided to residents, Standard & Poor's said. -- CreditWire

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Fairfax (County of) VA

Research Links

24 records

	Report Type	Date	Title
- -	New Issue	30 NOV 2000	MOODY'S ASSIGNS Aaa RATING TO FAIRFAX COUNTY, VIRGINIA'S $52.25 MILLION ISSUE OF PUBLIC IMPROVEMENT BONDS, SERIES 2000 B
- -	New Issue	30 MAR 2000	Fairfax (County of) VA
- -	New Issue	30 NOV 1999	Fairfax (County of) VA
- -	Analysis	5 SEP 1999	Fairfax County, Virginia
- -	New Issue	19 MAR 1999	Fairfax (County of) VA
- -	Analysis	3 DEC 1998	Fairfax (County of) VA
- -	New Issue	19 OCT 1998	Fairfax (County of) VA
- -	New Issue	12 MAY 1998	Fairfax (County of) VA
- -	New Issue	21 NOV 1997	Fairfax (County of) VA
- -	Analysis	9 JUN 1997	Fairfax (County of) Va
- -	New Issue	22 MAY 1997	Fairfax (County of) VA
- -	New Issue	3 JUL 1996	Sewer Revenue Bonds, Series '96
- -	New Issue	16 MAY 1996	Public Improvement Bonds, Series '96A
- -	New Issue	18 MAY 1995	Public Improvement Bonds, '95A
- -	New Issue	17 MAY 1994	Public Improvement Bonds, '94
- -	Update	19 JUL 1993	Public Improvement, Series '86A, dated 8-1-86, due 8-1-97-01 (escrowed to 8-1-96)
- -	New Issue	19 JUL 1993	Fairfax (County of) VA
- -	New Issue	24 MAY 1993	Public Improvement Bonds, '93B
- -	New Issue	22 MAR 1993	Public Improvement Refunding Bonds, '93A
- -	Update	5 FEB 1993	Public Improvement Bonds, '86A, '88B and '89A
- -	New Issue	12 JAN 1993	Public Improvement Refunding Bonds, '92 C
- -	Update	14 OCT 1992	Public Improvement, Series '83A, dated 5-1-83, due 5-1-94-03 (escrowed to 5-1-93)
- -	New Issue	15 JUN 1992	Public Improvement Refunding Bonds, Series '92 B

CERTIFICATE CONCERNING OFFICIAL STATEMENT

I, Nancy Vehrs, Clerk to the Board of Supervisors of Fairfax County, Virginia, **DO HEREBY CERTIFY** that the attached Official Statement of Fairfax County, Virginia, dated December 6, 2000, relating to the issuance of **$52,250,000 Public Improvement Bonds, Series 2000 B**, is substantially in the form of the draft of the Preliminary Official Statement which was presented at the meeting of the Board of Supervisors of Fairfax County, Virginia, duly called and held on November 20, 2000 and which was approved by the Board of Supervisors by a resolution duly passed and adopted at said meeting.

WITNESS my hand and the official seal of the Board of Supervisors of Fairfax County, Virginia, this 13th day of December, 2000.

(SEAL)

Nancy Vehrs

Clerk to the
Board of Supervisors
Fairfax County, Virginia

In the opinion of Bond Counsel, under existing law and assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended, as described herein, interest on the Bonds will not be includable in the gross income of the owners thereof for Federal income tax purposes. See "TAX MATTERS" herein for certain provisions of the Code that may affect the tax treatment of interest on the Bonds for certain bondholders.

NEW ISSUE
Full Book-Entry

RATINGS: **Fitch ..... AAA**
Moody's ..... Aaa
Standard & Poor's ..... AAA

$52,250,000
Fairfax County, Virginia
Public Improvement Bonds, Series 2000 B

Dated: December 1, 2000 **Due: December 1, as shown below**

Interest on the Bonds will be payable semi-annually on each June 1 and December 1, commencing June 1, 2001 (six months' interest).

The Bonds maturing after December 1, 2008 will be subject to redemption prior to their respective maturities, either in whole or in part, at the option of the County, on or after December 1, 2008, at prices determined as set forth herein.

The Bonds are being issued for the purpose of financing various public improvements.

The Bonds will be general obligations of Fairfax County, Virginia, for the payment of which the Board of Supervisors of the County is unconditionally obligated to levy and collect an annual ad valorem tax, unlimited as to rate or amount, upon all property in the County subject to local taxation.

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES/YIELDS*

Maturity Date	Principal Amount	Interest Rate	Price or Yield	Maturity Date	Principal Amount	Interest Rate	Price or Yield
2001	$2,615,000	5.75%	4.25%	2011	$2,610,000	4.625%	4.67%
2002	2,615,000	5.75	4.34	2012	2,610,000	4.75	4.77
2003	2,615,000	5.00	4.27	2013	2,610,000	4.75	4.87
2004	2,615,000	4.25	4.32	2014	2,610,000	5.00	4.94[c]
2005	2,615,000	5.00	4.35	2015	2,610,000	5.00	100
2006	2,615,000	5.00	4.38	2016	2,610,000	5.00	5.05
2007	2,615,000	4.375	4.42	2017	2,610,000	5.00	5.10
2008	2,615,000	4.75	4.46	2018	2,610,000	5.00	5.15
2009	2,615,000	4.50	4.52	2019	2,610,000	5.10	5.20
2010	2,615,000	4.50	4.57	2020	2,610,000	5.125	5.22

(Accrued interest to be added)

The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Brown & Wood LLP, New York, New York, Bond Counsel. The Bonds will be available for delivery in New York, New York, through the facilities of DTC on or about December 13, 2000.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

December 6, 2000

---

* Initial reoffering yields were furnished by the successful bidder.

(c) Priced at first par call on December 1, 2010.

Fairfax County, Virginia

BOARD OF SUPERVISORS

Katherine K. Hanley, *Chairman*
Gerald W. Hyland, *Vice Chairman*
Sharon Bulova
Gerald E. Connolly
Catherine M. Hudgins
Michael R. Frey
Penelope A. Gross
T. Dana Kauffman
Elaine McConnell
Stuart Mendelsohn

COUNTY OFFICIALS

Anthony H. Griffin, *County Executive*
Robert A. Stalzer, *Deputy County Executive*
Verdia L. Haywood, *Deputy County Executive*
David P. Bobzien, *County Attorney*
Edward L. Long, Jr., *Chief Financial Officer*
Robert L. Mears, *Director, Department of Finance*

BOND COUNSEL
Brown & Wood LLP
One World Trade Center
New York, New York 10048-0557
(212) 839-5323

FINANCIAL ADVISOR
BB&T Capital Markets, a division of Scott & Stringfellow, Inc.
2 South Ninth Street
Richmond, Virginia 23219
(804) 649-3946

For information relating to this Official Statement please contact:
Edward L. Long, Jr., Chief Financial Officer
Fairfax County, Virginia
12000 Government Center Parkway, Suite 561
Fairfax, Virginia 22035-0074
(703) 324-2391

No person has been authorized by Fairfax County to give any information or to make any representations with respect to the County or the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations may not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or owners of any of the Bonds.

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OFFICIAL STATEMENT

FAIRFAX COUNTY, VIRGINIA

Regarding

$52,250,000

Public Improvement Bonds, Series 2000 B

INTRODUCTION

The purpose of this Official Statement, which includes the cover and inside cover pages and the appendices hereto, is to furnish information in connection with the sale by Fairfax County, Virginia (the "County"), of its $52,250,000 Public Improvement Bonds, Series 2000 B (the "Bonds").

THE BONDS

AUTHORIZATION AND PURPOSES

The Bonds will be issued under a resolution (the "Resolution") adopted by the Board of Supervisors of Fairfax County (the "Board of Supervisors") on November 20, 2000 pursuant to Article VII, Section 10(b) of the Constitution of Virginia and the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia, 1950, as amended (the "Act").

The Bonds will be issued to provide funds for the following purposes:

School Improvements	$50,000,000
Parks and Park Facilities	2,250,000
Total	$52,250,000

DESCRIPTION

General

The Bonds will be dated December 1, 2000, will bear interest from their date, payable semi-annually on each June 1 and December 1, commencing June 1, 2001 (six months' interest), at rates, and will mature, subject to prior redemption, in amounts on December 1 in each of the years 2001 through 2020, inclusive, as set forth on the cover page of this Official Statement. The Bonds will be issued in denominations of $5,000 and integral multiples thereof under the book-entry system of the Depository Trust Company ("DTC"), and principal and interest on the bonds will be payable in the manner described in Appendix V, "BOOK-ENTRY ONLY SYSTEM".

Optional Redemption

The Bonds which mature on or before December 1, 2008 are not subject to optional redemption before maturity. Bonds which mature after December 1, 2008 may be redeemed, at the option of the County, before their respective maturities, on any date not earlier than December 1, 2008, in whole or in part (in integral multiples of $5,000), upon payment of the following redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed) plus accrued interest to the redemption date:

Redemption Period (both dates inclusive)	Redemption Price
December 1, 2008 through November 30, 2009	102%
December 1, 2009 through November 30, 2010	101
December 1, 2010 and thereafter	100

Notice of Redemption

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any Bonds to be redeemed, whether such redemption be in whole or in part, the County shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each Bond to be redeemed in whole or in part at his address appearing upon the registration books of the County, but failure to mail such notice or any defect therein shall not affect the validity of the redemption. So long as the Bonds are in book-entry only form, any notice of redemption will be given only to DTC or its nominee as the sole registered owner of the Bonds. See Appendix V, "BOOK-ENTRY ONLY SYSTEM" with respect to provision of such notice to the beneficial owners of the Bonds.

SECURITY

The Bonds are general obligations of the County for which its full faith and credit are irrevocably pledged. The Act requires that the Board of Supervisors shall, in each year while any of the Bonds shall be outstanding, levy and collect an ad valorem tax upon all property in the County subject to local taxation sufficient to pay the principal of and the interest on the Bonds as the same shall become due, which tax shall be in addition to all other taxes authorized to be levied in the County.

STATE AID INTERCEPT

The provisions of Section 15.2-2659 of the Act, in substance, direct the Governor of Virginia, upon satisfactory proof of default by the County in the payment of principal of or interest on the Bonds, immediately to order the Comptroller of Virginia to withhold all further payment to the County of all funds, or any part thereof, appropriated and payable by the Commonwealth to the County for any and all purposes until such default is remedied. For as long as the default continues, the law directs the Governor to require the Comptroller to pay to the holders of such Bonds or the paying agent therefor all of the withheld funds or as much as are necessary to cure, or to cure insofar as possible, the default on such Bonds. The Governor shall, as soon as practicable, give notice of such default and of the availability of funds with the paying agent or with the Comptroller by publication one time in a daily newspaper of general circulation in the City of Richmond and by mail to the registered owners of such Bonds. Although the provisions of Section 15.2-2659 have never been tested in a Virginia court, the Attorney General of Virginia has opined that appropriated funds can be withheld pursuant to its provisions.

REMEDIES

The Bonds do not specifically provide any remedies that would be available to a bondholder if the County defaults in the payment of principal of or interest on the Bonds, nor do they contain a provision for the appointment of a trustee to protect and enforce the interests of the bondholders upon the occurrence of such default. If a bondholder does not receive payment of principal or interest when due, the holder could seek to obtain a writ of mandamus from a court of competent jurisdiction requiring the Board of Supervisors to levy and collect an ad valorem tax, unlimited as to rate or amount, upon all property in the County subject to local taxation sufficient to pay the principal of and the interest on the Bonds as the same shall become due. The mandamus remedy, however, may be impracticable and difficult to enforce. The enforceability of rights or remedies with respect to the Bonds (but not the validity of the Bonds) may be limited by bankruptcy, insolvency, or other State or Federal laws, heretofore or hereafter enacted, and equitable principles affecting the enforcement of creditors' rights.

The County has never defaulted in the payment of either principal or interest on any indebtedness.

NO LITIGATION RESPECTING THE BONDS

No litigation is pending or, to the best of the County's knowledge, threatened (a) to restrain or enjoin the issuance, sale or delivery of any of the Bonds, the application of the proceeds thereof or the pledge of tax revenues for payment of the Bonds, (b) in any way contesting or affecting any authority for the issuance or validity of the Bonds, (c) in any way contesting the existence or powers of the County or (d) that, if determined adversely against

the County, would have a material adverse affect on the County. See "FAIRFAX COUNTY -- CONTINGENT LIABILITIES AND CLAIMS" for a description of litigation affecting the County.

FAIRFAX COUNTY

GENERAL DESCRIPTION

Overview

The County is located in the northeastern corner of Virginia and encompasses a net land area of 399 square miles. The County is part of the Washington, D.C. metropolitan area, which includes jurisdictions in Maryland, the District of Columbia, and Northern Virginia.

The Fairfax County government is organized under the Urban County Executive form of government (as defined under Virginia law). The governing body of the County is the Board of Supervisors which makes policies for the administration of the County. The Board of Supervisors is comprised of ten members: the Chairman, elected at large for a four-year term, and one member from each of nine districts, elected for a four-year term by the voters of the district in which the member resides. The Board of Supervisors appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors. (See Appendix I).

In Virginia, cities and counties are discrete units of government and do not overlap. Fairfax County completely surrounds the City of Fairfax and is adjacent to the City of Falls Church and the City of Alexandria. (See Appendix II). Property within these cities is not subject to taxation by Fairfax County, and the County generally is not required to provide governmental services to their residents. The County does, however, provide certain services to the residents of certain of these cities pursuant to agreements with such cities.

In Fairfax County there are located three incorporated towns, Clifton, Herndon and Vienna, which are underlying units of government within the County, and the ordinances and regulations of the County are, with certain limitations prescribed by State law, generally effective in them. (See Appendix III). Property in these towns is subject to County taxation and the County provides certain services to their residents. These towns may incur general obligation bonded indebtedness without the prior approval of the County (more fully discussed in "FAIRFAX COUNTY--DEBT ADMINISTRATION").

Certain County Administrative and Financial Staff Members

Anthony H. Griffin, County Executive, joined Fairfax County Government in 1989 after serving as Falls Church, Virginia City Manager for six years. He was appointed County Executive effective January 17, 2000. He previously served as Deputy County Executive for the County. He had previously served as acting County Manager and Deputy County Manager of Arlington County, Virginia. He is a graduate of Hobart College in Geneva, New York, and holds Master's Degrees in Urban and Regional Planning and in Urban Affairs, with a concentration in Urban Management, from Virginia Polytechnic Institute and State University.

Verdia L. Haywood, Deputy County Executive, joined Fairfax County Government in 1978 as Executive Assistant to the County Executive. Prior to joining Fairfax County, Mr. Haywood served as Senior Budget Analyst for the City of Richmond, Virginia. Mr. Haywood holds a Bachelor's Degree with Honors from Alcorn State University, with a concentration in Political Science and Economics, and a Master's Degree in Public Administration from the University of Illinois. He also was the recipient of a Ford Foundation Grant and Illinois State Urban Fellowship.

Robert A. Stalzer, Deputy County Executive, joined Fairfax County Government on June 1, 2000. Mr. Stalzer served as Town Manager in the Town of Herndon, a position he held since 1988. He had previously served

as Director of Planning and Zoning, Zoning Administrator and Planning Commission Secretary for Roanoke County, Virginia. Mr. Stalzer holds a Bachelor of Arts from Clark University, a Master of Regional and City Planning from the University of Oklahoma and is currently a degree candidate at Syracuse University, New York for a Master of Business Administration.

David P. Bobzien was appointed County Attorney by the Board of Supervisors effective in January 1993, after serving as a member of the Fairfax County Planning Commission and as Chairman of the Fairfax County Goals Advisory Commission. He is the past Chair of the Local Government Law Section of the Virginia State Bar, the President-elect of the Local Government Attorneys of Virginia, and a member of the Virginia State Bar Council. Prior to assuming his present position he served as Assistant Counsel in the Office of Professional Responsibility of the United States Department of Justice. From 1975 to 1979 Mr. Bobzien was an associate in the Fairfax law firm of Fitzgerald and Smith. He also served as a Captain in the Judge Advocate General's Corps in the United States Army from 1971 to 1975. Mr. Bobzien is a graduate of Holy Cross College and holds a J.D. from the University of Virginia and an LL.M in Taxation from George Washington University.

Edward L. Long, Jr., Chief Financial Officer, joined the County in 1977 as a Budget Analyst. He served as a Senior Budget Analyst from 1980 to 1983 and as Assistant Director from 1983 to 1989. He was appointed Budget Director in October 1989. Mr. Long has a Bachelor's Degree in Political Science from Emory & Henry College and a Master's Degree in Urban Studies from the University of Maryland at College Park. He has served on the Fairfax-Falls Church Community Services Board and is active and has held offices in numerous professional organizations in the Northern Virginia region. In 1993 Mr. Long was recognized by the Washington Metropolitan Government Finance Officers Association with the Anna Lee Berman Award for Outstanding Leadership in Governmental Finance.

Robert L. Mears, Director of the Department of Finance, was appointed as Fairfax County Director of Finance effective September 7, 1999. He served as Finance Director of the Fairfax County Public Schools since 1989. He joined the Schools staff in 1986 as a coordinator of the logistics budget after service with the County government since 1981 as a Management Analyst. During his time with the County government, he served on the interdepartmental project team responsible for implementation of the government's new automated financial system. Mr. Mears received his Bachelor's Degree in Sociology from the College of William and Mary and his Master's Degree in Public Administration from the University of Northern Colorado. He is a Certified Governmental Financial Manager and is Treasurer and Chairman of the Investment Committee of the Board of Trustees of the Fairfax County Supplemental Retirement System, Treasurer of the Board of Trustees of the Police Officers Retirement System, and Treasurer of the Board of Trustees of the Uniformed Retirement System.

County Employees

As of July 2000, there were 31,067 full and part time positions authorized for the County. Of this total, 19,827 were authorized by the County School Board; 10,373 were authorized in other activities funded directly or supported by the General Fund of the County; and 867 were authorized in activities not supported by the General Fund, principally the Integrated Sewer System. No Fairfax County employees are represented by unions. Fairfax County public school employees have, however, organized the Fairfax Education Association and the Fairfax County Federation of Teachers to represent the interests of its members at public hearings and meetings before the County School Board and the Board of Supervisors. General County employees' interests are represented at these types of meetings by the Employees Advisory Council and other groups such as Police, Fire and Sheriff employee organizations. None of these organizations is empowered to serve as negotiating agent for its members for collective bargaining purposes. Collective bargaining by public employees in Virginia is prohibited by law, and such restriction has been upheld by the Supreme Court of Virginia.

GOVERNMENT SERVICES

Reflecting its urban character, Fairfax County provides a comprehensive range of public services characteristic of its form of government under Virginia law and its integral position within the Washington metropolitan area. The following subsections describe principal governmental services and services performed in conjunction with other governmental entities.

General Government Administration

Fairfax County has received national recognition for many administrative and managerial innovations which have been implemented in order to increase the efficiency of County services and reduce costs. For example, decentralization in the administration of County programs has been emphasized in order to augment the efficient delivery of County services. Six remote governmental centers, in addition to the central government center complex, have been established. The centers provide office space for members of the Board of Supervisors, personnel, police, and building inspectors, and provide meeting rooms for community activities.

In order to enhance service quality or improve cost-effectiveness, the performance of several County functions were recently redesigned. In the area of human services, a redesign was conducted which was oriented toward increasing efficiency by emphasizing a team-based case service delivery, consolidating administration, and increasing the use of information technology. The final stage of this redesign was completed on July 1, 1997 and includes the consolidation of four existing human services agencies (Department of Human Development, Office for Children, Department of Community Action and the Area Agency on Aging) into one Department of Family Services agency.

To support recent realignment of County functions, significant investments are being made in the County's information technology capabilities. In addition to the investments related to the projects outlined above, the County is also replacing and upgrading its Public Safety communications network; integrating existing databases into a single Corporate Land Development System; digitizing the integrated mapping system; implementing electronic imaging for the Circuit Court land records; and utilizing ongoing upgrades to provide online public access to the County's library collections.

In the area of revenue collection and financial management, the County has instituted many computer-assisted programs in order to increase County revenues and monitor costs. For its approximately 323,000 taxable land parcels, the County has an annual assessment program that utilizes a computer program similar to those used throughout the Commonwealth. In August 1996, the Board of Supervisors approved a multi-year contract to complete the modernization of the County's tax automation systems. The uniformity of the assessment program is indicated by the County's achievement in 2000 of a Russell Index of 5.7. The Russell Index indicates the amount of deviation from the mean assessed value and provides a measure of uniformity to the assessment process. The International Association of Assessing Officers considers an index of 15.0 or less to be good. In addition, the Department of Finance maintains a cash management program which generates long range cash flow projections for the County, permitting the efficient investment of funds. An internal audit staff monitors County activities and performs both financial and management audits.

The County government center complex is located in the Fairfax Center area and is accessible by U.S. Routes 50 and 29, near Interstate Highway 66. The 674,943 square foot government center houses core County services and agencies. Two adjacent County office buildings provide an additional 486,129 square feet of space and house primarily human services and community development agencies and departments of the County.

Public Works

Essential management, professional engineering, design, and construction services in support of the construction of roads, sidewalks, trails, storm drainage, street lights, public facilities (except schools, housing and parks) and sewers are provided through the Department of Public Works and Environmental Services. The Department is also responsible for the acquisition of land for, and timely construction of, public facilities projects contained in bond referenda questions approved by the voters of Fairfax County. Referenda questions approved by County voters have included $412.57 million (excluding roads and transportation improvements) since April 1988 for major public facilities, including libraries, the County courthouse, police stations, fire stations, juvenile and adult detention facilities, mental health facilities, commercial revitalization projects, public safety, neighborhood improvement projects and storm drainage projects. In addition, the Department is responsible for the operation and maintenance of sanitary sewer and storm drainage systems, refuse collection and disposal, and wastewater treatment.

Wastewater generated in the County is treated at one County-owned treatment facility, four interjurisdictional treatment facilities and one private treatment facility. The County-owned treatment facility is the

Noman M. Cole, Jr., Pollution Control Plant (formerly the Lower Potomac Pollution Control Plant). The four interjurisdictional treatment facilities are the District of Columbia's Blue Plains Facility, and plants operated by the Upper Occoquan Sewage Authority ("UOSA"), the Arlington County Department of Public Works and the Alexandria Sanitation Authority and the private treatment facility is the Harbor View Wastewater Treatment Plant. The County's treatment capacity in the six facilities totals 133.6 million gallons per day ("mgd"). In February 1991, UOSA issued $95,490,000 bonds of which approximately $79,300,000 were to finance the initial phase of an expansion of its capacity from 27 mgd capacity to 54 mgd and associated improvements. This expansion, which is projected to be completed in 2001, will result in an increase of approximately 17.7 mgd in Fairfax County's sewage treatment capacity. UOSA issued $330,860,000 of bonds in January 1996, of which $288,600,000 was for the completion of the expansion project. Fairfax County is responsible for approximately 62.8% of the debt service on UOSA's bonds. In July 1996, the County issued $104,000,000 Sewer Revenue Bonds to fund a portion of the cost of the expansion and upgrade of the Noman M. Cole, Jr., Pollution Control Plant from 54 mgd to 67 mgd.

The Department manages and operates the I-95 Sanitary Landfill located on approximately 400 acres in the southern portion of the County. This facility is operated on a "special fund" basis, which utilizes tipping fees to pay for the operation and capital expenditures of the landfill. Since December 31, 1995, the landfill has been dedicated to the disposal of ash which is generated by the incineration of municipal solid waste at the Arlington/Alexandria Energy/Resource Recovery Facility and the Fairfax County Energy/Resource Recovery Facility ("E/RRF"). The County has initiated closure activities which involve placing a synthetic cap over the closed section of the landfill along with landfill gas extraction wells and leachate collection systems. As of June 2000, capping activity was completed on approximately 150 acres of the site. The closure project is a multi-phase construction project which will be on-going throughout the remaining life of the facility. Dedicated reserves are established for this purpose, and the County has met the financial assurance requirements set forth by the Virginia Department of Environmental Quality regarding closure and post-closure care. Additional landfill requirements, either debris or sanitary waste, are met through separate contracts.

The E/RRF burns solid waste delivered to the facility from the County, the District of Columbia, Prince William County, and portions of Loudoun County and has a dependable capacity rating of 63 megawatts ("MW") for sale to Virginia Power. The Fairfax County Solid Waste Authority, which was created by the County, entered into a service contract in August 1987 with Ogden Martin Systems of Fairfax ("OMSF"), a wholly owned subsidiary of Ogden Martin Systems, Inc., under which OMSF was obligated to design, construct and operate a 3,000 ton per day resource recovery facility at the I-95 Landfill Site. Ogden Corporation, of which OMSF is an indirectly wholly-owned subsidiary, has guaranteed the obligations of OMSF under the service contract. In February and March 1988, the Fairfax County Economic Development Authority issued $252,080,000 in revenue bonds to finance the construction of the E/RRF. The bonds are not general obligations of Fairfax County, but they are secured solely by the revenues of the E/RRF. Full-scale operations at the E/RRF began in June of 1990. In 1995, the County sold an option to acquire refunding revenue bonds for the E/RRF. This option was sold to a financial institution for a one-time fee of approximately $10.25 million. On November 4, 1998, the option was exercised and the refunding revenue bonds were delivered. The refunding bonds, which total $195,505,000, have a lower interest rate, serving to decrease the net debt service for the facility. Net debt service is a crucial element in determining the annual waste disposal fee per ton which the County pays to OMSF. As a result of the option exercise, the savings per ton will be approximately four dollars ($4), a decrease of about 12% from Fall 1998 levels.

As a result of the provisions of the Clean Air Act Amendments of 1990, additional emissions control systems were required to be added to the E/RRF. The systems, which will serve to further reduce emissions of mercury, nitrogen oxides, and sulfur dioxide, among others, will be completed in December 2000. The cost of these improvements was funded through remaining bond proceeds from the original financing of the E/RRF.

Fairfax County is obligated under the service contract to deliver certain minimum annual tonnages of solid waste to the E/RRF and to pay OMSF tipping fees for the disposal of such waste to provide funds sufficient to pay the operating costs of the E/RRF and debt service on the bonds. The County's commitment to deliver minimum quantities of solid waste to the E/RRF was based on "flow control" powers granted to the County by the General Assembly of Virginia to direct private haulers of solid waste to the E/RRF. An adverse 1994 decision by the Supreme Court of the United States has created uncertainty with regard to the power of local governments to enforce flow control ordinances. The supply of municipal solid waste to the E/RRF may be subject to the competitive pricing of alternative disposal sites. In light of the competitive pressures, and in order to maintain its waste stream

to the E/RRF, in August of 1998 the County began to enter into contracts with waste haulers, providing them a discount on waste disposal fees if they commit to keep their waste within the County. On September 14, 1998, the County Board of Supervisors passed a resolution clarifying its intent to enforce only intra-state flow control, which is not impacted by the 1994 Supreme Court decision. On November 23, 1998, the Board of Supervisors approved changes to the County Code, at a public hearing, which provide for intra-state flow control.

During FY 1999, the E/RRF processed nearly 983,000 tons of material, and in FY 2000, nearly 1,059,000 tons, exceeding the guaranteed requirements by 52,000 tons and 128,000 tons, respectively.

To comply with local directives, the County has initiated a comprehensive waste reduction and recycling program. Recycling is mandatory for all residents and businesses. One goal of the recycling program, to reduce the municipal solid waste stream by 25 percent, was achieved by the close of FY 1992, 3 years ahead of State requirements. In FY 1999 the County recycled approximately 35 percent of the waste stream. The County's waste reduction/recycling efforts include: recycling of glass, aluminum, newspaper, office paper, ferrous metals, corrugated cardboard, used motor oil, automobile batteries, grass, leaves and brush (with the distribution of ground wood mulch to County citizens).

Public Schools

The Fairfax County Public Schools (FCPS) is the largest educational system in the Commonwealth of Virginia and is the twelfth largest school system nationwide when ranked by enrollment. The system is directed by a twelve-person School Board elected by the citizens of Fairfax County to serve four-year terms. A student representative with a one-year term participates in the discussions but does not vote. Because the School Board is not empowered to levy taxes or to incur indebtedness, the operating costs of the FCPS are provided by the Federal and State governments and by transfers from the General Fund of the County to the School Board (see the subsection herein entitled "Expenditures and Transfers" in the section entitled "FINANCIAL INFORMATION"). Capital construction funding for public school facilities is provided primarily by the sale of general obligation bonds of the County.

FCPS is a high quality system offering a variety of programs. There is a strong academic program for college-bound students. Approximately 93% of the June 1999 graduates enrolled in post-secondary educational programs. In addition to the traditional academic curriculum, the Thomas Jefferson High School for Science and Technology provides a four-year college preparatory program for students who have a strong interest and high aptitude in mathematics, science, computer science, engineering, or related professional fields. The school has been designated as one of the Governor's magnet schools for science and technology, and students from other Northern Virginia counties are admitted on a tuition paying basis.

An extensive program for students pursuing opportunities in technical careers has also been developed. Various courses are offered in business, health occupations, industrial technology, marketing, trade and industrial, and work and family studies program areas. In addition, there are special programs offered for gifted children and for handicapped children ages 2 through 21. A comprehensive summer school program for students in the general academic program as well as for special education students is offered. FCPS also provides an extensive adult education program offering basic education courses and general education, vocational and enrichment programs. During the 1999-2000 school year more than 83,000 persons were enrolled in the adult education program.

In FY 2001, the School Board operates 25 special education centers, 3 special service sites, and 179 schools including 131 elementary, 21 middle, 21 high and 3 secondary schools (grades 7-12) and 3 alternative high schools. Among the 207 schools and centers operated by FCPS are a variety of special programs designed to enhance student achievement. These include three elementary magnet schools with County-wide enrollment, four elementary focus schools with specific curricular approaches, one extended year elementary school, 24 foreign language partial-immersion schools, and seven International Baccalaureate programs at the high school level. Approximately 17,847 employees are assigned to work in schools and 1,581 positions are non-school based. These positions provide support in areas such as personnel, payroll, and maintenance of facilities. There are 399 grant funded positions.

In FY 2001, the average elementary class size is estimated to be 21.9 students per teacher. Kindergarten classes are staffed with a teacher and an instructional assistant at a maximum class size of 28 students. Elementary schools are staffed with pupil-teacher ratios of 24.5 to 1 in grades 1 through 3, with grade one classes capped at 25 students maximum. Grades 4 through 6 are staffed at a pupil-teacher ratio of 26.5 to 1. At the middle school level, the average number of students per classroom teacher is 17.8 students, with an average of 18.9 students per teacher at the high school level.

Certain schools are identified as having students with special needs; these schools have a high variability in test scores, a high mobility rate, a large percentage of free and reduced price lunch eligible students, and a high minority enrollment. Supplementary staffing is allotted to these schools.

The 32 elementary special needs schools have a reduced pupil-student ratio of 20.5 to 1 in grades 1 through 3 and 22.5 to 1 in grades 4 through 6; maximum kindergarten class size is set at 24 students. In addition, 46 elementary schools have a 15 to 1 pupil-teacher ratio in the first grade to provide additional support to students with special needs. These schools were selected based on their status as special needs schools, Chapter 1 schools, or schools with a high percentage of free and reduced price lunch eligible enrollment. Nine middle schools and eight high schools are classified as special needs schools. These schools have additional staff, including teachers, assigned to them. In addition, Project Excel provides students in 20 elementary schools with additional time for learning and enhanced academic programs.

FCPS provides a number of student intervention programs for the increasing population of non-traditional learners. These alternative high schools and programs and four English as a Second Language transition centers are operated throughout the County. The Intervention and Support Program is designed to help chronically disruptive students change their behaviors and attitudes. These programs are operated at 19 sites throughout the County.

As shown below, the number of students attending Fairfax County Public Schools increased between 1990 and 2000. Enrollment for FY 2000 was 154,523, an increase of 26,235 students over the FY 1990 enrollment. It is projected that enrollment will increase through 2006.

Fiscal Year	Number of Public School Students
1990	128,288
1991	130,619
1992	133,198
1993	135,102
1994	137,495
1995	140,097
1996	143,040
1997	145,805
1998	148,036
1999	151,418
2000	154,523
Enrollment Projections	
2001	160,966
2002	163,370

Source: Fairfax County Public Schools

Fairfax County has achieved its superior quality educational school system while maintaining one of the lower per-pupil costs in the Washington metropolitan area. The average per-pupil expenditures based on FY 2001 approved budget operating costs for several Washington metropolitan area jurisdictions are as follows:

Jurisdiction	Per-Pupil Expenditures
Arlington County	$11,254
City of Falls Church	10,962
City of Alexandria	10,609
Montgomery County (Md.)	9,063
Fairfax County	8,553
Loudoun County	7,829
City of Manassas	7,608
Prince William County	7,105
Prince George's County (Md.)	6,087

Source: FY 2001 Metropolitan Area Boards of Education Guide, November 2000.

FCPS compares favorably with other area school systems. In the 2000 National Merit Scholarship program, 178 FCPS students were named semifinalists and FCPS students accounted for 49 percent of Virginia's National Merit Scholarship semifinalists.

In addition, FCPS students' SAT scores compare favorably with state and national averages on Scholastic Aptitude Tests administered by the College Board.

2000 Average Scholastic Aptitude Test Scores

	Verbal	Math	Total
United States	505	514	1,019
Virginia	509	500	1,009
Fairfax County	542	556	1,098

Source: Educational Testing Service

FCPS was rated as a Gold Medal school district, the highest rating possible, by Expansion Management magazine in its 1999 rankings. In its ninth annual survey, the magazine's Educational Quotient ("EQ") ranked approximately 1,500 school districts. FCPS, one of only 152 school districts to receive the gold medal distinction, scored 144 points out of a possible 150 points. According to the magazine, the EQ assists in determining which school systems are likely to produce quality workers for today's complex global markets. The magazine emphasizes that school district desirability is a major factor for businesses in selecting the right community for expansions and locations.

Since April 1988, a total in excess of $1.22 billion in general obligation bonds has been authorized by County voters for school capital projects. In November 1999, Fairfax County voters authorized the Board of Supervisors to issue bonds in the aggregate amount of $297.205 million for planning and construction of new schools, additions and renewals at existing schools, and other school improvements countywide.

Transportation

General

Fairfax County is served by various highway, rail and air transportation facilities. The Capital Beltway (Interstate Highway 495), Interstate Highways 95, 395, and 66 and the Dulles Toll Road provide access to all parts of the Washington metropolitan area and major surface transportation corridors along the eastern seaboard. The Washington Metropolitan Area Transit Authority ("WMATA") rail system provides area residents with one of the largest and most modern regional transit systems in the world.

Two major airports serve the County with daily national and international service. Washington Dulles International Airport, located along the County's western boundary, is also the site of a designated Foreign Trade Zone. Ronald Reagan Washington National Airport, located a few miles east of the County, is accessible by Interstate Highways 66 and 395. Control of these facilities was transferred in 1987 by a 50-year lease from the Federal Government to the Metropolitan Washington Airports Authority ("MWAA"), a public authority created by interjurisdictional compact between the Commonwealth and the District of Columbia. MWAA issued revenue bonds to finance major improvements to its facilities to improve the level of service at both airports. These improvements should increase the number of passengers and flights at, as well as further stimulate economic development in the area of, Washington Dulles International Airport. A major expansion of the terminal facilities at Ronald Reagan Washington National Airport was opened in the summer of 1997 and a new concourse was opened at Washington Dulles International Airport in 1998. A new commuter concourse opened at Dulles Airport in 1999.

Ground transportation has received significant attention from the County in the past few years, primarily in an effort to relieve traffic congestion along the major arterials leading to Washington, D.C. and also to facilitate cross-County movement, connecting established and newly developing centers of commerce and industry. Efforts have included increased local funding for highway improvements, establishment of transportation improvement districts, creation of County transit systems, continued participation in WMATA, and other improvements which encourage increased use of Metrorail, bus services and carpooling. The County also participates in a regional commuter rail system to expand the family of transportation services available to County residents.

During the 1993 session of the Virginia General Assembly, a transportation bond authorization bill was approved for projects in Northern Virginia. This legislation authorized $181 million in bonds that would be serviced by recordation tax revenues that are collected by the Commonwealth on property transactions. Of this amount, $64 million was designated for the Fairfax County Parkway, $63 million for assisting Northern Virginia WMATA compact members to pay their share of Metrorail construction, and $54 million for the Route 234 Bypass which is located in Prince William County.

During the 1994 session of the Virginia General Assembly, a second transportation bond authorization bill was approved for Northern Virginia projects. This legislation authorized an additional $90 million in bonds to be serviced by recordation tax revenues. Of this amount $23.0 million was designated for the Fairfax County Parkway; $22.6 million will assist Northern Virginia's WMATA compact members in paying their share of Metrorail construction; $19.4 million will finance a portion of the Route 234 Bypass in Prince William County; $15 million will be used for Route 7 and 15 improvements in Loudoun County; and $10 million will fund the Route 50/Courthouse Road interchange in Arlington County.

During its 1995 session, the Virginia General Assembly authorized an additional $45.2 million of bonds for the construction of two additional lanes to the Dulles Toll Road between Interstate 495 in Fairfax County and Route 28 (Sully Road) in Loudoun County. This project is complete.

During its 1998 session, the Virginia General Assembly increased the total debt authorized from $271.0 million to $366.9 million. Additional bonds will be supported by public right-of-way user fees attributable to Fairfax, Loudoun and Prince William Counties and contributions from Arlington County and the Cities of Alexandria, Falls Church and Fairfax. These bonds include $50 million for the Fairfax County Parkway, $20.3 million for Route 234 in Prince William County and Fairfax, $17.7 million for Metrorail capital improvements, and $7.9 million for the Route 28 and Route 625 interchange in Loudoun County.

During its 1999 session, the Virginia General Assembly increased the total debt authorization from $366.9 million to $471.2 million. The additional bonds will be allocated to a variety of projects in Northern Virginia. These projects include: $16.0 million for Metro capital improvements; $10.4 million for Metrorail station improvements in Alexandria and Arlington County; $10.1 million for Route 15 in Loudoun County; $8.2 million for the Route 1/Route 123 interchange in Prince William County; $3.1 million for improvements to Lee Highway in Fairfax City; $27.0 million for Route 123 in Fairfax County; $6.0 million for transit enhancements in the Dulles Corridor; $13.0 million for Route 7 in Fairfax County; $5.0 million for the Telegraph Road in Fairfax County; $4.0 million for the Route 1/Route 234 interchange in Prince William County and $1.5 million for the Potomac and Rappahannock Transportation Commission. The General Assembly also directed the Governor to recommend a permanent funding source for payment of the debt service on these additional bonds.

During its 2000 session, the General Assembly approved the Virginia Transportation Act of 2000. The Act provides funding for $2.64 billion in transportation projects statewide over a six-year period. These projects are to be funded through a variety of sources, including Federal Highway Reimbursement Anticipation Notes, Commonwealth general funds, reestimates with revenues in the Transportation Trust Fund and the Highway Maintenance Operating Fund, additional revenue from changes in fuel tax collection and several other sources. The legislation contained numerous projects in Fairfax County, including improvements to U.S. Route 1, U.S. Route 29, I-66, I-95, I-495, the Fairfax County Parkway, and State Routes 7 and 123. The Act also provides funding for a number of regional projects including the extension of rail in the Dulles Corridor, the replacement of the Wilson Bridge, Metrorail parking expansion, Metrorail rolling stock replacement and VRE express service. In addition, the legislation included debt service for the NVTD transportation bonds authorized during the 1999 session of the General Assembly.

Highway Improvements

Since April 1988, a total of $360.0 million of general obligation bonds has been authorized by County voters for road and other transportation improvements. In April 1988, the voters approved $150 million in bonds to focus on facilitating intra-County travel, alleviating highway congestion in the vicinity of economic development centers and improving access to Metrorail stations located within the County. In particular, various segments of the Fairfax County Parkway and Franconia-Springfield Parkway were constructed utilizing general obligation bond

proceeds. These project segments, when linked with future segments of the Parkway, will eventually provide an intra-County connection from State Route 7 in the northwest corner of the County, south to the Dulles Toll Road and U.S. Route 50 and continuing southeast through the County to connect with Interstate Highway 95 in Springfield, and with Route 1 in southeastern Fairfax County. In November 1990, $80 million of County general obligation bonds were authorized to provide for local matching funds to supplement Federal Transportation Administration grants for access improvements and an express bus system along the Dulles Toll Road; to provide for a bus maintenance facility and to provide funds for the construction of the Franconia/Springfield Metro station. In November 1992, County voters approved $130 million of new bonds for the purpose of completing additional segments of the Fairfax County Parkway and providing funds to satisfy the County's obligations to WMATA for the capital construction program to finish the 103-mile rail system.

In Virginia, the State is normally responsible for highway construction and maintenance. However, highway improvement needs in Fairfax County far exceed the highway revenues available from the State. Approximately $353 million in road improvements, authorized by the 1985, 1988 and 1992 referenda, were identified as critical. County bond financing has enabled these improvements to be undertaken at a much earlier point as compared to State improvement schedules which are constrained by current State gasoline tax rates and State-wide allocation formulae. The County will have no liability for the operating costs for these roads as they are, or will become, part of the State primary and secondary road systems and will be maintained by the State.

Primary Highway Transportation Improvement Districts

Primary Highway Transportation Improvement Districts are another financing alternative for needed highway improvements. The County, in partnership with Loudoun County, a neighboring jurisdiction, formed the Route 28 Highway Transportation Improvement District on December 21, 1987. The District was formed to accelerate planned highway improvements proposed by the State to State Route 28 which connects State Route 7 in eastern Loudoun County to U.S. Route 50 and Interstate Highway 66 in western Fairfax County, running approximately parallel to the County's western border. These improvements are now complete. State Route 28 provides access to Washington Dulles International Airport, along with the Dulles Access Road and the Dulles Toll Road which connect the Capital Beltway to the Airport.

The District is administered by a Commission appointed by the Boards of Supervisors of the two counties. The Commission may subject the owners of property within the District to a maximum additional tax assessment of 20 cents per $100 of assessed value, in addition to funds received through the State Primary Road Fund allocation formula, in order to reimburse the State for its debt service payments on its bonds. The Commonwealth issued $138.5 million in revenue bonds for the Route 28 project in September 1988. The revenue bonds issued by the State are not an obligation of Fairfax County. In April 1992, the Commonwealth of Virginia refunded all of the outstanding bonds. The refunding bonds have an annual debt service requirement of $8.8 million. The District currently imposes a tax of $.20 per $100 assessed value. Taxes collected on property within the District located in Fairfax County for FY 2000 and applied to debt service on the outstanding bonds of the Commonwealth in respect of the Route 28 project were approximately $4.3 million.

County Transit Systems

In an effort to provide an alternative to escalating Metrobus costs, the FAIRFAX CONNECTOR feeder bus service to Metrorail Stations has operated since 1985 when 10 routes initially went into service. Since that time, service expansion and restructuring has occurred as demand has increased and additional Metrorail Stations have been opened. The FAIRFAX CONNECTOR currently operates 58 routes to 11 Metrorail Stations, including the Huntington, Pentagon, West Falls Church, Van Dorn, Vienna-Fairfax-GMU, Dunn Loring-Merrifield, Franconia-Springfield, Rosslyn, Pentagon City, Eisenhower Avenue and King Street Stations. Private contractors were hired to operate and maintain the service, and have the responsibility to employ and supervise all transit personnel, while the Board of Supervisors maintains control and approves all policies for bus service such as routes and service levels, fare structures, and funding assistance.

The FAIRFAX CONNECTOR System is supported from the General Fund and fare box revenues. Ridership has steadily increased since inception in 1985. The FAIRFAX CONNECTOR carried 5.6 million passengers in FY 2000. Actual General Fund support totaled $16,874,836 in FY 2000. The County runs a

permanent maintenance and garage facility for the FAIRFAX CONNECTOR in the southern portion of the County. The total cost of this facility was $4.0 million.

The County also sponsors FASTRAN, a paratransit system primarily transporting clients of four human service agencies: the Fairfax-Falls Church Community Services Board, the Department of Community and Recreation Services, the Department of Family Services and the Health Department. The clients of these agencies, including those with low incomes and people with physical and cognitive disabilities who cannot drive, find a ride, use Metro or Connector buses, or afford taxi fares can use FASTRAN to reach essential programs and services. FY 2000 funding of $9,458,268 was provided primarily by the client agencies from operating funds already designated for transportation service in their respective programs. This system, which began in FY 1986, was designed to provide a centralized, more effective service in lieu of programs individually administered by each agency. FASTRAN's private sector contractor provided 542,470 one-way rides in FY 2000 for clients needing trips to medical appointments, employment, therapy, senior centers, adult day health care, and other purposes as determined by client agencies. FASTRAN also transports those who are certified for MetroAccess paratransit service, in compliance with the Americans with Disabilities Act. MetroAccess riders are unable to use traditional fixed route bus or rail service due to physical or cognitive disability.

Metro Transit System

Since 1970, Fairfax County and the other major political subdivisions in the Washington, D.C. metropolitan area have contracted with the Washington Metropolitan Area Transit Authority ("WMATA") to finance, construct and operate a 103-mile subway and surface rail transit system known as "Metrorail." Funding for the construction of the Metrorail system has come from direct Congressional appropriations matched by direct local contributions. Five Interim Capital Contributions Agreements between WMATA and the participating political jurisdictions have been executed to date. Currently, the Fifth Interim Capital Contributions Agreement ("ICCA-V") governs the schedule and costs for the Federal and local shares of construction of the final 13.5 miles of the 103-mile Adopted Regional System ("ARS").

ICCA-V, executed on January 29, 1992, reflects the Federal authorization of $1.3 billion to complete construction of the ARS by 2001. This accelerated construction schedule, called the "Fast Track" program, requires stable Federal appropriations of $200 million per year. Of the four Metrorail segments, the Franconia-Springfield segment, which is the last segment in Fairfax County (and Virginia), opened in June 1997. In addition segments in Montgomery County Maryland and the District of Columbia have been completed. The remaining segment is currently under construction and will open on January 13, 2001.

Through June 30, 2000 Fairfax County had contributed approximately $226.6 million toward Metrorail construction, consisting of $120.8 million of County general obligation bond proceeds, $102.7 million of State aid for transportation and $3.1 million in credits. Fairfax County's obligations under ICCA-V to provide local matching funds currently total $113.2 million. ICCA-V local requirements are reallocated every two years to reflect current conditions. From FY 2001 through FY 2005 the County anticipates paying approximately $11.8 million towards the cost of completing the 103-mile ARS.

Funding sources for Fairfax County's Metrorail construction contributions are: general obligation bond proceeds, State bond proceeds and State aid. At its regular 1993 Session, the Virginia General Assembly enacted legislation authorizing the Commonwealth Transportation Board to issue bonds to finance transportation projects in northern Virginia, including $63 million Metro Capital Improvements including the Franconia-Springfield Metrorail Station and $64 million for the Fairfax County Parkway. In September 1993 the Commonwealth issued $45.6 million of Metro Capital Improvement Bonds of which Fairfax County was allocated $25.523 million to apply to Metrorail construction. An additional $90 million in transportation bonds were authorized by the Commonwealth in 1994. The Commonwealth conducted another transportation bond sale in February 1995 which generated $19.7 million in Metro Capital Improvements Bond proceeds, $10.8 million of which was allocated to Fairfax County. In addition, in November 1996, the Commonwealth sold an additional $20.3 million transportation bonds to support Metrorail construction. Of this amount, $11.2 million was allocated to Fairfax County.

The General Assembly authorized an additional $95.9 million in 1998 which included $13.3 million for Metrorail construction. Fairfax County's share of these bonds is approximately $7.0 million. These bonds were

sold in Fall 1999. In 1999, the General Assembly approved another $104.3 million in transportation bonds. This authorization included $16.0 million in Metro capital projects. Fairfax County's share of these funds is expected to be approximately $9.3 million. These bonds are expected to be sold during FY 2001.

In 2000, the General Assembly approved the Virginia Transportation Act of 2000 which includes another $45 million for Metrorail rolling stock replacement. These funds are expected to be available in five $9 million installments beginning in FY 2002. Fairfax County's share of each installment is expected to be approximately $5 million.

Funding sources for WMATA operating assistance are: the General Fund, gasoline tax receipts, State aid and Federal Operating Assistance. Fairfax County's share of the bus and rail operating subsidies for FY 1990-2000, and the estimate for FY 2001 are shown in the following table:

Fairfax County WMATA Operating Subsidies
(Millions of Dollars)

Fiscal Year	Bus Operations[1,6]	Rail Operations[1]	Rail Const. Manage-ment[1]	ADA Para-transit[1]	Less Federal Operating Subsidies	Less State Aid[2]	Less Gas Tax Receipts[3]	Prior Year Credit	Net General Fund
1990	31.112	7.376	.315		2.620	18.333	5.032		12.818
1991	33.090	8.246	.263		2.372	20.531	4.960		13.137
1992	34.696	7.911	.295		2.315	20.087	4.279		16.174
1993[4]	33.930	9.650	.283		2.315	20.044	4.920		16.588
1994[5]	33.606	12.642	.320	.435	2.325	20.164	3.589		20.925
1995	29.921	13.261	.237	.626	2.316	22.204	3.451	.119	15.956
1996	29.424	13.793	.194	.844	1.509	21.956	2.757	.868	17.166
1997	27.197	14.067	.208	1.389	1.122	28.086	4.723	.399	8.531
1998	25.108	15.714	.270	.966	1.125	27.682	5.104	1.309	6.838
1999	24.199	14.974	.305	1.512	0.000	27.850	4.108	0.000	9.032
2000	24.541	19.815	.000	2.029	0.000	28.654	6.840	1.409	7.492
2001(est.)	25.875	19.817	.000	2.833	0.000	25.776	8.016	3.034	11.639

Source: Fairfax County Department of Transportation and Department of Management and Budget.

1 The amounts shown for operating subsidies for FY 1990 through 2000 represent actual disbursements in those years. Adjustments based on final WMATA annual audited figures are incorporated in the fiscal year in which the credit for an overpayment was applied or a debited amount was paid rather than the fiscal year in which the credit or debit was earned, except as noted below.

2 In 1983, the Virginia General Assembly enacted legislation permitting the use of State aid for transportation to fund transit program operating costs in addition to transit program capital costs.

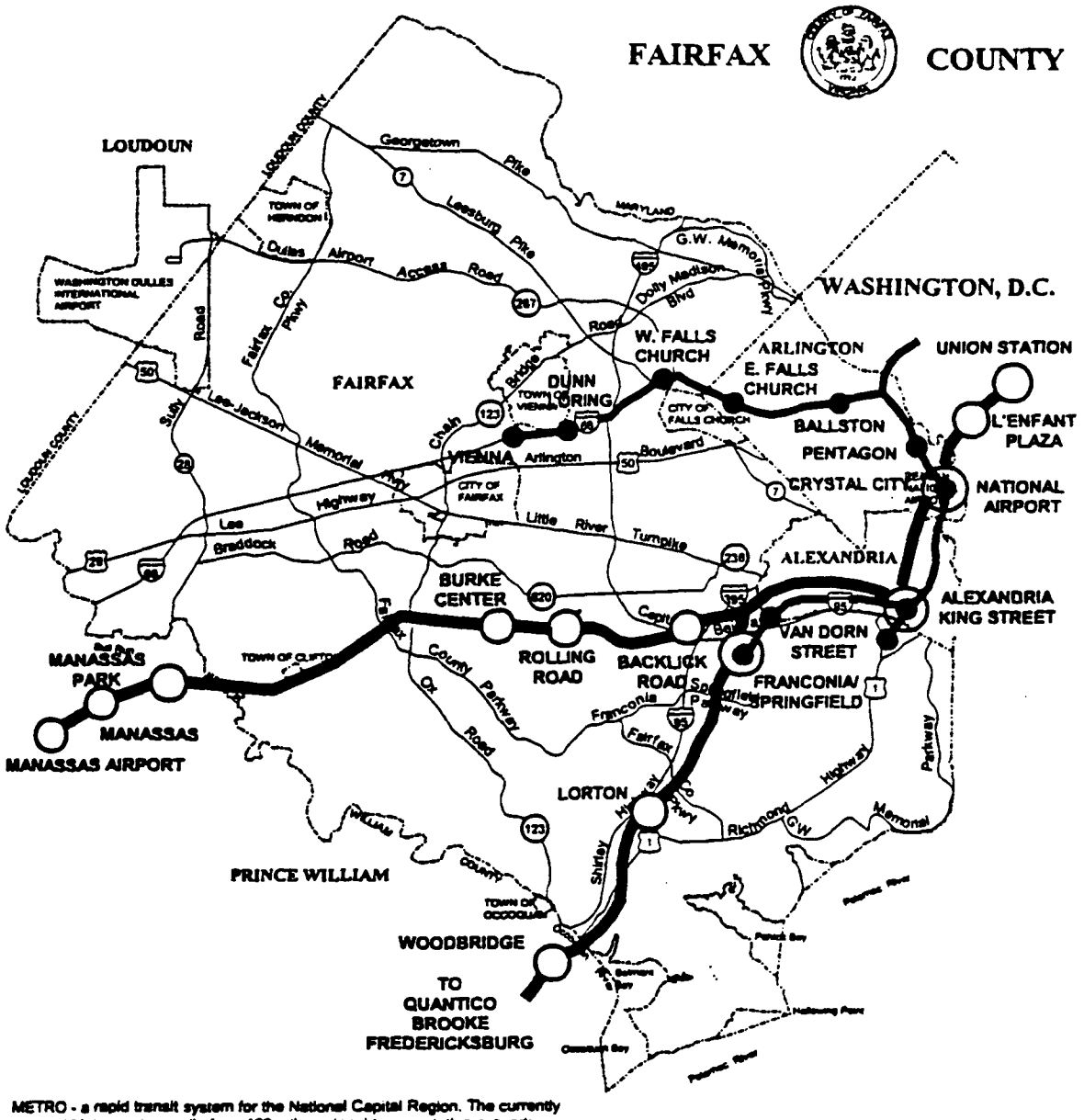
3 In January 1980, the Virginia General Assembly enacted legislation which established a 2 percent retail gasoline tax in those Northern Virginia jurisdictions covered by the Northern Virginia Transportation Commission ("NVTC") to be dedicated to mass transit costs. The receipts from this tax are paid to NVTC which then allocates these funds to participating jurisdictions for payment of transit operating, capital and debt service costs.

4 Figures do not include a prior year adjustment (cost) of $854,358 which was paid in FY 1993 with County General Funds.

5 Figures do not include a prior year adjustment (cost) of $219,772 which was paid in FY 1994 with County General Funds.

6 Includes Springfield Circulator and other services enhancements.

The Americans with Disabilities Act requires that transit systems provide paratransit service for passengers with disabilities. To comply with the Act, WMATA began operation of MetroAccess on June 1, 1994, with limited hours of service. The hours of operation was expanded in November 1995, and full service began in January 1997. The local jurisdictions, including Fairfax County, will be responsible for funding the operating deficit associated with this service. In FY 2000, Fairfax County's share of the operating deficit is expected to have been $2,832,675.



METRO - a rapid transit system for the National Capital Region. The currently adopted Metro system calls for a 103 mile regional transportation network connecting Washington with the Virginia and Maryland suburbs. It includes 40.1 miles rapid transit service in the District of Columbia, 33.3 miles in Maryland and 29.5 miles in Virginia.

The Virginia Railway Express is a transportation partnership that, beginning in June 1992, operates two commuter railroad lines on 90 miles of existing track. Approximately 35 miles of the system operates in Fairfax County serving five stations. One line originates near Manassas, Virginia and one near Fredericksburg, Virginia; both lines terminate at Union Station in the District of Columbia.

THE METRO - RAPID RAIL TRANSIT SYSTEM IN FAIRFAX COUNTY & VIRGINIA RAILWAY EXPRESS

- ADOPTED SYSTEM CURRENTLY IN OPERATION
- ADOPTED SYSTEM UNDER CONSTRUCTION OR DESIGN
- METRORAIL STATIONS
- VIRGINIA RAILWAY EXPRESS
- RAILWAY STATIONS

Other Transportation Improvements

In conjunction with direct highway improvements and participation in WMATA Metrobus and Metrorail operations, the County is examining other alternatives for commuting that will appeal to a wide variety of commuter tastes, needs and economies. Initiatives which have been, or are now being, implemented include expansion of parking facilities at Metrorail stations, establishment of commuter "Park and Ride" lots, implementation of a transportation systems management program in the Dulles corridor, and establishment of a regional, publicly operated commuter rail system.

Commuter Park-and-Ride Facilities

Fairfax County completed a comprehensive countywide analysis of its existing park-and-ride facilities and projected demand for future facilities in February 1988. From this study, two significant capital initiatives were undertaken.

Expansion of the parking capacity at Vienna and Huntington Metrorail Stations was the first initiative. In a cooperative venture with WMATA and the Fairfax County Economic Development Authority ("EDA"), the County constructed 1,300 additional structured parking spaces at the Vienna Station in 1990 and 750 additional structured parking spaces at the Huntington Station in 1991. The EDA issued $26.8 million of parking revenue bonds to fund construction of these two parking structures which have been repaid utilizing surcharge parking fee proceeds collected at Metrorail stations located in Virginia. A portion of these bonds was refunded in March 1998.

In January 1999, the Board of Supervisors approved WMATA's design of additional structured parking spaces at the Vienna Metrorail Station. In November 1999 the EDA issued $25.735 million of parking revenue bonds to fund the construction costs of these spaces. The bonds will be repaid from parking surcharge revenue.

The second primary park-and-ride initiative was the County's Suburban Mobility Grant Application to the Federal Transportation Administration ("FTA"). This grant application included three new park-and-ride facilities located in Fairfax County at two sites in Reston (South and East) and one in Centreville and the expansion of the existing Rolling Valley facility.

An additional 1,086 parking spaces were provided at a total cost of $5.7 million and funded with an FTA grant of $4.2 million (75%) and $1.5 million of County local match (25%) funds. The County's share was funded from $3.0 million of general obligation bonds for park-and-ride facilities approved by Fairfax County voters on April 12, 1988. The Centreville, Rolling Valley and Reston South facilities are currently operational. The Reston East facility at Wiehle Avenue was completed as part of the Dulles Corridor program discussed below.

Another critical commuter parking need identified by the County park-and-ride study was in the Springfield Area. As a result, Fairfax County coordinated with WMATA and the Virginia Railway Express the design and construction of a multimodal transportation center on the site of the Franconia-Springfield Metrorail Station. During 1991, Fairfax County advanced $6.1 million to WMATA to fund the design and engineering work for the transportation center and the Metrorail station. An additional $5.8 million was advanced for land acquisition. These funds were available from the approved November 6, 1990, Transportation Bond referendum that included $25 million for this project. Approximately 220 parking spaces for the commuter rail service opened in July 1996 and the Metrorail extension opened June 1997. The total parking capacity of the center is 3,800 spaces.

Dulles Corridor Transportation Systems Management ("TSM") Facilities

In 1989, Fairfax County Department of Transportation completed the Dulles Airport Access Road Corridor Transit Alternatives Study. The study recommended and the Board of Supervisors endorsed implementation of the Transportation System Management ("TSM") alternative in such a way as to preserve the option of future rail service in the Corridor. On November 6, 1990, County voters approved $36 million of general obligation bond funds for implementation of the Dulles TSM program. A grant application was forwarded to the FTA in December

1990 for $36.0 million. FTA has appropriated $32.2 million of Federal discretionary funds for this initiative thus far.

The project includes two Park and Ride facilities at Reston East and Herndon-Monroe as well as two transit centers. The transit centers located at Tysons-West*Park and Reston Town Center will serve primarily as passenger transfer points, as buses meet at these transit centers on a prescribed schedule to permit ease of transfer between buses serving various areas of the Dulles Corridor and Fairfax County. The park-and-ride facilities include 2,627 parking spaces in two facilities. These facilities will provide all day parking for persons wishing to travel on express buses to Tysons Corner or the West Falls Church Metrorail Station or an opportunity to form carpools and vanpools. The Reston East facility was completed in January 1997, the Tysons-West*Park Transit Center was completed in January 1999 and the Herndon-Monroe facility opened in July 1999. Design and construction of the Reston Town Center transit facility are pending subject to funding availability. During 2000, the County began a feasibility study to investigate the possibility of expanding the Reston East facility.

Commuter Rail

Fairfax County as a member of the Northern Virginia Transportation Commission ("NVTC") and in cooperation with the Potomac and Rappahanock Transportation Commission ("PRTC") is a participating jurisdiction in the operation of the Virginia Railway Express ("VRE") commuter rail service. As of June 30, 2000, the service consisted of six peak period trips on the CSX Transportation line from Fredericksburg to Union Station and six trips on the Norfolk Southern Railway line from Manassas to Union Station. In addition, midday service is provided on the Manassas line. Five Fairfax County stations are currently operating. The Burke Centre Station parking lot expansion was completed in August 1996. This expansion added 158 parking spaces to the Station. The Franconia-Springfield Station opened in July 1996 with 220 parking spaces.

A total of $2.75 million of general obligation bonds was approved on April 12, 1988 for engineering and construction of the parking facilities at planned commuter rail stations within Fairfax County. (These funds were supplemented with $2.4 million in transportation bonds authorized in a 1990 referendum.) The Board of Supervisors approved the Commuter Rail Master Agreement and financial plans on October 23, 1989. Subsequently, NVTC and PRTC executed the Master Agreement, Insurance Agreement, and AMTRAK Operating Agreement on October 27, 1989. Agreements with the other participating railroads were also executed.

The Master Agreement calls for the County to contribute to capital, operating and debt service costs of the VRE on a pro rata basis according to its share of ridership and population. NVTC sold $79.4 million worth of bonds in February 1990 to finance passenger cars, locomotives, yard facilities and stations. Afterward, NVTC and PRTC purchased 38 new rail cars and 10 refurbished locomotives. In addition, 31 used cars and four additional locomotives have been purchased since 1992. Subsequently, VRE has purchased additional used passenger cars. A portion of the bond proceeds was made available to the County and other participating jurisdictions to assist with financing their local stations. In December 1996, NVTC and PRTC approved the sale of $23 million in commuter rail revenue bonds to purchase 13 new bi-level coaches. These rail cars began entering service in early 2000. They will replace some of the 31 used passenger cars purchased in 1992, and give VRE flexibility to meet growth in ridership. The Fairfax County Board of Supervisors approved the sale of these bonds on November 18, 1996, which were issued in early 1997. The County expects that debt service on these bonds will be funded predominantly by State and Federal funds and VRE revenues. In April 1998, the NVTC and PRTC refunded the remaining portion of the bonds sold by NVTC in 1990.

The VRE FY 2000 Budget identified its principal sources of revenue as: state and federal aid (53.4 percent), passenger revenues (27.0 percent), jurisdictional subsidies (13.9 percent) and miscellaneous income (10.7 percent). The County's share of the FY 2000 commuter rail operating and capital budget was $2.41 million.

Parks, Recreation and Cultural

Fairfax County provides a variety of recreational, educational, and cultural activities and services, including an extensive park system. The County provides library services for its citizens at 20 locations, which include 8 regional and 12 community library branches. In addition, outreach services are provided to the homebound and those with disabilities. The collection consists of more than 2 million books and other materials.

During FY 2000, the library recorded almost 5 million visits and made more than 10 million loans to more than 756,000 library cardholders.

In addition, a variety of recreational, community, and human services are provided by the Department of Recreation and Community Services for County residents of all ages and incomes. These services include senior adult programs and centers, therapeutic recreation services for individuals with disabilities; a variety of youth programs including recreational activities at youth centers and short-term, interim counseling; community-based recreational opportunities structured to meet the needs of the communities in which they are located; support for Fairfax County's various volunteer sports councils and leagues; and a variety of volunteer opportunities utilizing DIRECT (Division of Independent Retired Executives Contributing Talent) to support activity in any of these services.

Fairfax County has also been particularly active in developing and operating an extensive park system which provides a variety of recreational activities. The Fairfax County Park Authority ("FCPA"), whose members are appointed by the Board of Supervisors, operates 386 parks encompassing 19,326 acres. The Northern Virginia Regional Park Authority ("NVRPA"), an independent entity in which the County participates, also operates 19 parks covering approximately 10,000 acres. NVRPA is continually in the process of completing, acquiring, developing or expanding its regional park facilities. On November 3, 1998, the County voters approved bond referenda that included $87 million of which $75 million is for Fairfax County Park Authority projects including land acquisition, renovation of older parks and construction of a new recreation center and $12 million is for capital contributions to the NVRPA.

Community Development

In order to enhance the quality of life and the community environment, Fairfax County provides many direct and indirect services. The County addresses the housing, revitalization, employment and transportation needs of County residents, and strives to provide and maintain a well-balanced environment, by adhering to a comprehensive land use plan.

To meet low and moderate income family housing needs, the Fairfax County Redevelopment and Housing Authority ("FCRHA") was established in February 1966, having been approved by a voter referendum in 1965. Further, the County established the Department of Housing and Community Development to serve as the professional staff for the FCRHA and to carry out the County's Housing Program. In FY 1985, the FCRHA and the Board of Supervisors entered into a Memorandum of Agreement which set forth the working relationship between the two entities. The Memorandum of Agreement and resolutions adopted by the FCRHA have reaffirmed the County Executive as the Executive Director of the FCRHA.

The FCRHA owns or administers housing projects in Fairfax County with staff and funding provided from County, Federal, State and private sources. At the beginning of FY 2000 the FCRHA was assisting 6,640 households in Fairfax County through Public Housing; the Fairfax County Rental Program; Section 8 Certificates, Vouchers and project based programs; and the First-Time Homebuyer's Program. The FCRHA has also provided financing for a number of privately owned, assisted housing developments with a total of 711 assisted units as well as for privately owned developments without subsidies which reserve a total of 821 units for lower income tenants. Since FY 1993, 639 Affordable Dwelling Units ("ADUs") have been developed and sold to moderate income homebuyers through the First-Time Homebuyer's Program, and more than 560 ADUs are in the development pipeline. Also, in FY 2000, an estimated $27.6 million in funding was available for the County's Community Development Program. These funds, derived from a variety of sources, provide a wide spectrum of activities designed to meet the needs of the County's low and moderate income population. Projects range from public services and home improvement programs to neighborhood drainage and road improvements.

Other services include efforts to increase local employment opportunities by encouraging and retaining business and industrial development through the County's Economic Development Authority. The Department of Transportation continually monitors the County's transportation system to maintain a public transportation network system that meets the needs of County citizens (more fully discussed in the subsection herein entitled "Transportation").

In addition to the provision of direct services, the County is responsible for all comprehensive land use functions including planning, zoning, economic development, environmental improvement, community conservation, and the preservation of historic landmarks. The Comprehensive Plan for the County provides for orderly development through its policies and recommendations that help to guide decisions regarding future development within the County. The Comprehensive Plan is reviewed periodically with extensive citizen involvement to assure that it reflects community goals as well as current conditions and future trends. Almost all zoning applications processed in the County are in accordance with the Plan. The County has received national recognition for the development of such a thorough and coordinated planning process.

Integrated with the County's land use plan are programs for historical and archaeological preservation which are designed to identify and protect pre-historic and historic County landmarks from inappropriate neighboring development. Staff in the Department of Planning and Zoning (DPZ) act as a liaison with the Architectural Review Board to monitor development within the thirteen historic overlay districts which have been established and are now recognized through the Commonwealth's Certified Local Government program. In addition, DPZ maintains the County Historic Site Inventory of over 300 sites, established through the Fairfax County History Commission.

The County Archaeological Services research program, managed through the Park Authority, identifies and registers pre-historic and historic sites, currently numbering over 2,500, with the Virginia Department of Historic Resources.

Health and Welfare

The County provides an extensive array of services which are designed to protect and promote the health and welfare of Fairfax County citizens through a decentralized human services program. The County operates human service centers in locations convenient to residents to provide financial, medical, vocational and social services. Based on individual needs, the centers attempt to define a comprehensive assistance plan that utilizes the services provided by all County departments.

The County provides medical, dental, maternal and child health services at three other locations in addition to the service centers and to the medically indigent at three primary health care centers. Preventive and health promotion services are provided by the County to school-aged children in all County public schools. Mental health, mental retardation, and alcohol and drug abuse services are provided to families and individuals by the Fairfax-Falls Church Community Services Board ("CSB"). Through the CSB, the County operates three community mental health centers which offer individual, group and community services focused on the mental health needs of the population, various group homes for clients, and several specialized treatment facilities. Other programs that the County provides include subsidized day care programs for senior citizens and children of low-income families, 124 school-age child centers (located in the public schools) that serve 8,000 children during the school year and 2,000 children during the summer, two special needs centers that serve emotionally disturbed or physically challenged children, and group homes for emotionally disturbed youth. Residential treatment services are also offered in the areas of substance abuse as well as substance abuse outpatient and specialized day treatment programs. In addition, vocational and residential programs are provided for citizens with mental retardation. In November 1988 and in November 1990, voters approved $16.8 million and $9.5 million, respectively, in general obligation bonds for human services facilities. Facilities built with the proceeds of these bond referenda include a 70-bed therapeutic residence for substance abusers, a 30-bed substance abuse treatment facility co-located with a 25-bed detoxification center, a specialized 16-bed treatment facility for clients who are both mentally ill and substance abusers, and an adult living facility for 36 adults with mental illness.

Financial assistance and social services are available to eligible citizens under programs established by the State and Federal governments, as well as the County, and will be administered by the Department of Family Services. The Department will continue to implement welfare reform program activities while emphasizing prevention and early intervention initiatives. Programs serving senior citizens within the County are jointly funded by the Federal Older Americans Act, State, County and public/private funds. In FY 1986, the County began to provide a comprehensive County transportation service, FASTRAN, for qualified elderly, disabled, and low-income persons. Transportation is provided by bus, van, or cab on a door-to-door basis to County programs, medical care,

and grocery and other personal shopping destinations (more fully discussed in the subsection herein entitled "Transportation").

Judicial Administration

Fairfax County's court system is one of the most sophisticated systems in Virginia in its use of advanced management techniques and rehabilitation programs. The County utilizes automated systems to support case docketing and record retrieval, juror selection, service of notices and subpoenas, and the processing of criminal and traffic warrants and delinquent tax retrieval.

The County has undertaken rehabilitation efforts through the Juvenile and Domestic Relations District Court and the Office of the Sheriff. These efforts include work training programs and counseling service for both adults and juvenile offenders. Additionally, residential treatment services are provided for juvenile offenders and a work release program is provided for offenders confined in the County's Adult Detention Center. In November 1988, voters approved $1.7 million in general obligation bonds to provide a new 12 bed, 8,000 square foot Less Secure Juvenile Shelter to provide live-in counseling and residential care for juveniles awaiting court action who do not require secure detention. This facility was completed in December 1990. On November 7, 1989, the County voters approved a bond referendum that included $12.57 million for Juvenile Detention facilities including expansion of the Juvenile Detention Center, renovation and expansion of the Boy's Probation Home, a Juvenile Halfway House and a Chronic Offenders Residence. Construction for the Juvenile Detention Center expansion from 55 to 121 beds was completed in June 1998. The Boy's Probation Home houses 22 juveniles and was completed in November 1995. The commencement of construction of the Juvenile Halfway House and the Chronic Offenders Residence is dependent upon funding availability. Construction for the expansion of the fourth floor of the Jennings Judicial Center was completed in March 1995. This expansion included the addition of four courtrooms, four jury rooms, two hearing rooms and associated judges chambers and administrative offices. This expansion provides a courtroom and associated other rooms for each of the 15 judges plus one additional courtroom to be used by visiting judges.

On November 7, 1989, the County voters approved a bond referendum that included $94.33 million for adult detention facilities including a 750-bed expansion to the Adult Detention Center. The expansion was completed in August 2000, with renovations to existing facilities completed by Spring 2001.

Public Safety

The responsibility for public safety in Fairfax County is shared by a number of agencies. The Police Department, which is responsible for law enforcement, had an authorized strength of 1,191 sworn police officers and 505 civilian personnel as of July 1, 2000. The agency is accredited by the Virginia Law Enforcement Professional Standards Commission ("VLEPSC"). VLEPSC accreditation signifies the department's compliance with certain standards which are specific to Virginia law enforcement operations and administration. The commanders of the seven police district stations located throughout the County have considerable latitude to tailor their operations to provide police services in ways most responsive to the needs of their respective communities, to include community policing endeavors. The department operates a variety of specialized units, including a helicopter division which operates two helicopters to provide support to general police operations, traffic monitoring and emergency medical evacuation and rescue support. For the past 10 years, the County has maintained one of the lowest rates of serious crimes among jurisdictions in the Washington Metropolitan area and among comparable suburban jurisdictions throughout the country. At the same time, the Police Department has continually attained a clearance rate for violent crimes such as murder, rape and robbery far above the national averages for such offenses. Citizen participation in crime prevention is emphasized, with over 900 Neighborhood Watch groups involving approximately 30,000 volunteers throughout the County. An Auxiliary Police Unit, comprised of up to 100 trained, unpaid citizen volunteers, supplements the Police Department's paid personnel by performing a variety of operational and administrative functions. The department utilizes many applications of the latest technology available, including serving as lead agency for the Northern Virginia Regional Identification System, a computerized fingerprint comparison system which greatly enhances and expedites the abilities of the 9 participating agencies to identify latent fingerprints recovered from crime scenes with those of known offenders in the database. The County's law enforcement training needs are met by its own Criminal Justice Academy which trains new officers and provides in-service training to members of the participating agencies. In November 1989 voters

approved a bond referendum which included funding for a police academy facility, a driver and firearms training facility, as well as classroom instruction and practical exercise facilities. The driver training component became operational in February 1994, and the academy facility, with classrooms and practical exercise areas, became operational in July 1996. The firearms training range opened in March 1998. For the past ten years, Fairfax County has maintained one of the lowest per capita cost for police services of all the local jurisdictions in the Washington metropolitan area.

Fire and rescue services are provided by 1,167 paid fire fighters, 96 paid civilian support personnel and approximately 400 operational volunteers. Thirty-four fire and rescue stations are currently operated by the County. Future station locations have been identified to achieve a five-minute response time for fire and basic life support and a six-minute response time for advanced life support. The department operates various specialty units, including paramedic engine companies, a hazardous materials response unit, a technical rescue operations team, an arson canine unit and a water rescue team whose members are certified in swift water rescue. In addition to emergency response, the department provides various non-emergency services. Fire Prevention Division personnel test fire protection systems in public buildings, inspect businesses for fire code violations and determine the cause and origin of all fires, false alarms and bombings. The department receives direct technical support in the areas of logistics, procurement, apparatus, telecommunications and automated systems and information processing from the Support Services Division. Recruiting and testing firefighter applicants is the responsibility of the Administrative Services. They also manage the department's payroll and budget, among other managerial functions. Personnel in the Occupational Health and Safety program provide health and safety services to all County uniform public safety personnel, fire and rescue volunteers and applicants, in order to maintain a safe and healthy work environment. The Hazardous Materials Services Section investigates hazardous materials releases, enforces local and state hazardous materials laws, provides oversight for long-term cleanup sites and supports other County agencies and committees. The Fire and Rescue Department provides more than 300,000 hours of firefighter and emergency medical training to career and volunteer firefighters throughout the year using indoor and outdoor facilities. Community fire safety and injury prevention programs are a major focus of the department. Education programs are delivered to audiences ranging from pre-school children to senior adults.

On November 7, 1989, the County voters approved a Public Safety Facilities bond referendum which included funding for seven new fire and rescue stations, expansion of one fire and rescue station, safety improvements to several existing fire and rescue stations, and improvements and expanded facilities at the Fire and Rescue Academy. On November 3, 1998, the County voters approved bond referenda that included $99.92 million for public safety projects including expansion of two existing Police Stations, reconstruction of a Fire Station, construction of a one new Police Station and one new Fire Station and expansion of the County Judicial Center.

The County also operates a Computer Aided Dispatch System, which provides a computer link between call takers and dispatchers within the County's Public Safety Communications Center. Through an additional computer link, information is transmitted from dispatchers to mobile data terminals within the County's police, fire and ambulance vehicles. The County also utilizes automated systems to process court ordered child support and restitution payments and to support juvenile case processing information functions. In addition, the County also has an automated dog licensing and inoculation monitoring system.

Water Supply Service

Water service is provided to the residents of Fairfax County either by the Fairfax County Water Authority ("FCWA"), the City of Fairfax, the City of Falls Church, the Town of Herndon, the Town of Vienna or individual wells. FCWA, which operates the largest water system in the Commonwealth of Virginia, was established by the Board of Supervisors in 1957, under the Virginia Water and Waste Authorities Act (Chapter 51, Title 15.2, Code of Virginia, 1950, as amended), for the purpose of developing a comprehensive, countywide water supply system through the acquisition of existing systems and the construction of new facilities. It is an independent body administered by a ten-member board appointed by the Fairfax County Board of Supervisors. FCWA finances its capital improvements through the issuance of revenue bonds which are not backed by the full faith and credit of the County but principally by revenues derived from charges for services rendered. FCWA had total debt outstanding of $380,920,000 as of September 30, 2000. FCWA's basic retail water charge is $1.30 per 1,000 gallons, plus a quarterly service charge ($5.25 for most single family homes and townhouses). To pay for treatment and pumping capacity which is used only during periods of high demand, FCWA also levies a peak use charge of an additional

$2.50 per 1,000 gallons on customers who exceed their winter quarter consumption by 6,000 gallons or 30 percent, whichever is greater. There also are fees for initial connection to the system and for opening, closing or transferring an account.

FCWA utilizes two sources of water supply (Occoquan River and Potomac River), operates associated treatment, transmission, storage and distribution facilities and currently provides service to approximately 215,000 metered accounts (representing about 275,000 residential, commercial, industrial, municipal and institutional units) in Fairfax County with an average daily consumption of about 70 million gallons per day ("mgd"). In addition, FCWA supplies about 47 mgd to other suppliers for resale principally in the City of Alexandria, Loudoun County and Prince William County. The average population served by FCWA in 2000 is estimated to have been 1,200,000 persons. The combined maximum daily capacity of the supply and treatment facilities is 262 mgd, which is sufficient to meet current demand.

Under an agreement with the Board of Supervisors, FCWA annually submits a five-year capital improvement program which is reviewed and approved by the Board as part of the County's total capital improvement program. FCWA's 2001 10-year Capital Improvement Program includes projects totaling $521,939,000.

ECONOMIC FACTORS

Economic Development

Economic development activities of the County are carried out through the Fairfax County Economic Development Authority (the "EDA") whose commissioners are appointed by the Board of Supervisors. The EDA promotes Fairfax County as a preferred location for business start-up, relocation and expansion, capital investment, and business travel and events. It works with new and existing businesses to help identify their facility and site needs and assist in resolving County-related issues. Pursuant to its enabling legislation, the EDA encourages investment in the County with tax-exempt industrial revenue bond financing.

Through its Convention and Visitors Bureau, the EDA attracts meetings, conferences and business travel to the County and encourages local private sector support for this effort, and draws visitors to the County's historic, cultural and recreational attractions.

The Center for Innovative Technology ("CIT"), chartered by the Commonwealth of Virginia in 1985, promotes economic development and competitiveness through many programs designed to promote Virginia as a leader in technology. It offers a wide variety of services to technology-based businesses through its relationships with state colleges and universities, regionally based manufacturing centers, business organizations and federal laboratories.

More than 7.9 million square feet of office space was absorbed in Fairfax County in the first half of 2000. The total inventory of office space in the County was estimated at 90.5 million square feet as of mid-year 2000. Industrial/hybrid space in the County was estimated at 36.5 million square feet. The vacancy rates for the office market and industrial/hybrid markets were 3.2 percent and 2.3 percent, respectively, as of mid-year 2000. Fairfax County is the tenth largest suburban office markets in the United States.

The base of technology-oriented companies, particularly in computer software development, computer systems integration, telecommunications, and Internet and Internet-related services, has served as a strong magnet for the expansion and attraction of business and professional services. Diversified business and financial services have added to the demand for prime office space in a number of key employment centers throughout the County. Major corporations such as American Management Systems, American Mobile Satellite Corporation, Arnold Communications, BTG, Booz-Allen & Hamilton, Cable & Wireless Communications, Federal Home Loan Mortgage Corporation, General Dynamics, Northern Telecom, Oracle and Orkand Corporation have located their corporate headquarters in Fairfax County.

As of midyear 2000, there were 93 hotels with 75 or more rooms completed or under construction in the County, totaling more than 16,300 hotel rooms. This development parallels commercial construction in terms of diversity of concept and design with new product and service mixes (all-suites, business meeting facilities and recreational facilities) brought into the marketplace. National chains such as Best Western, Comfort Inn, Doubletree, Embassy Suites, Hampton Inn, Hilton, Holiday Inn, Hyatt, Marriott, Motel 6, Ritz-Carlton and Sheraton currently have a wide range of hotel facilities in the County.

The 16-mile Dulles Toll Road provides access from Washington, D.C. through Tysons Corner and Reston-Herndon (the largest business centers in the County) to Washington Dulles International Airport, on the County's western edge. Pursuant to legislation enacted by the Virginia General Assembly in its 1995 session, the Commonwealth sold $45.2 million in bonds for the construction of two additional lanes (for a total of eight lanes) to the Dulles Toll Road between Interstate 495 in Fairfax County and Road 28 (Sully Road) in Loudoun County. Additionally, a 14-mile extension of the Dulles Toll Road, the privately-financed Dulles Greenway, connects the airport with Leesburg, west of Fairfax County in Loudoun County.

Washington Dulles International Airport has experienced a significant increase in service levels and demand in recent years, serving as a catalyst for corporate activities dependent on immediate access to air travel. The fastest-growing airport of the world's 50 largest airports, Dulles serves nearly 60,000 passengers daily with nonstop flights to 81 U.S. cities and 32 foreign markets. On the East Coast, the airport is the fifth largest international gateway. Twenty million passengers, including more than 3.5 million international travelers, flew in and out of Washington Dulles in 1999. The doubling of size of the signature Dulles (Main) Terminal, which added 1.1 million square feet to the original structure, was completed in 1996, as was a second Customs and Immigration facility. Six major improvement projects are currently planned at the airport, including terminal interior upgrades, an automated train system, parking garages and a new concourse.

In January 1990, the Smithsonian Board of Regents selected 176 acres of Washington Dulles International as the site for the Smithsonian National Air and Space Museum (NASM) Dulles Center. More than 280 rare and historic aircraft and spacecraft including the Space Shuttle Enterprise will be displayed at the Dulles Center, a $238 million expansion at the airport. The Smithsonian has retained the internationally renowned design firm Hellmuth, Obata & Kassabaum to design the facility. Groundbreaking for the museum was held in October 2000. Construction on the 760,000 square-foot museum is scheduled to begin in January 2001. The doors are slated to open in 2003 in time to celebrate the 100th anniversary of the Wright Brothers' first powered flight on December 17, 1903.

The Board of Supervisors and the County have supported the revitalization and redevelopment of the County's more mature business areas. The revitalization of seven designated commercial revitalization areas of the County is underway in Annandale, Bailey Crossroads/Seven Corners, the Lake Anne section of Reston, the Springfield and McLean central business districts, Merrifield and the Richmond Highway corridor in the southeastern portion of the County. A number of capital improvement projects in process or completed have enhanced these communities.

Employment

More than 27,100 payroll businesses, including corporate and regional headquarters, information technology firms, sales and marketing offices, and business services are located within Fairfax County. Local businesses create employment in such diversified areas as computer software development and systems integration, telecommunications, Internet and Internet related services, wholesale and retail trade, and financial services. The following table presents data on the number of payroll establishments and employment by major industry classification in Fairfax County as of fourth quarter 1999.

Businesses and Employment by Industry
Fairfax County, Virginia[1]

Industrial Classification	Number of Establishments	Payroll Employment
Agriculture	436	4,735
Manufacturing	491	15,189
Mining	4	93
Wholesale Trade	1,833	23,092
Construction	2,199	29,031
Transportation, Communications, Utilities	846	32,611
Retail Trade	4,012	80,898
Services[2]	14,618	236,112
Finance, Insurance, Real Estate	2,501	33,602
Local/State/Federal Government	201	64,080
Non-Classified	3	7
Total	27,144	519,450

Source: Virginia Employment Commission, fourth quarter 1999.

1 Excludes self-employed business owners.

2 The Services category includes computer-related services, health care, legal and personal services, engineering and architectural services, and other activities, as well as membership organizations and trade associations.

The following table presents data on 25 of the largest private sector employers in the County.

	Company Name	Type of Business	County Employment Range*
1.	Kaiser Permanente	Insurance Carriers	10,000-11,000
2.	Mobil Corporation	Petroleum Refining and Related Industries	6,000-7,000
3.	Computer Sciences Corporation (CSC)	Business Services	6,000-7,000
4.	Science Applications International Corporation (SAIC)	Engineering, Accounting & Research Services	5,000-6,000
5.	TRW, Inc. (includes BDM International)	Engineering, Accounting & Research Services/Transportation Equipment	5,000-6,000
6.	INOVA Health Care Services	Health Services	4,000-5,000
7.	Northrop Grumman Technical Services	Business Services	4,000-5,000
8.	Northern Telecom, Inc.	Electronic, Electrical Equipment & Components	3,000-4,000
9.	American Management Systems, Inc. (AMS)	Business Services	3,000-4,000
10.	Electronic Data Systems Corporation (EDS)	Business Services	3,000-4,000
11.	Lockheed Martin Corporation	Business Services/Transportation Equipment	3,000-4,000
12.	Washington Gas	Electric, Gas & Sanitary Services	3,000-4,000
13.	ICF Kaiser Engineers Group	Construction	3,000-4,000
14.	Mitre Corporation	Engineering, Accounting, & Research Services	2,000-3,000
15.	Raytheon Company	Services/Manufacturing	2,000-3,000
16.	Cable & Wireless, Inc.	Communications	2,000-3,000
17.	Booz-Allen & Hamilton, Inc.	Business Services	2,000-3,000
18.	AT&T	Communications	2,000-3,000
19.	Navy Federal Credit Union	Depository Institutions	2,000-3,000
20.	Global One (Subsidiary of Sprint)	Communications	2,000-3,000
21.	First Virginia Bank	Depository Institutions	2,000-3,000
22.	Federal Home Loan Mortgage Association (Freddie Mac)	Nondepository Credit Institutions	2,000-3,000
23.	Nextel Communications, Inc.	Communications	2,000-3,000
24.	GTE Corporation	Communications/ Services	2,000-3,000
25.	VBR Joint Venture	Building Maintenance Services	2,000-3,000

Source: Dun and Bradstreet, 1998.

*Note: Employment estimates for separate facilities of the same firm have been combined. Employment ranges are given to ensure confidentiality.

Unemployment in the County has historically been and continues to be well below national and statewide averages. The 1999 average unemployment rate was 1.6% in the County. State and national 1999 unemployment rates were 2.8% and 4.2%, respectively. The following table shows the average annual unemployment rate in Fairfax County as compared with the national average in the past decade:

Average Annual Unemployment Rates

Calendar Year	Fairfax County	United States	Calendar Year	Fairfax County	United States
1990	1.9%	5.5%	1995	2.8%	5.6%
1991	3.2	6.7	1996	2.7	5.4
1992	3.8	7.4	1997	2.3	4.9
1993	3.3	6.8	1998	1.6	4.5
1994	3.1	6.1	1999	1.6	4.2

Source: Virginia Employment Commission.

According to the Virginia Employment Commission, the number of jobs in the County was 487,113 as of March of 1999, up from 464,945 in March 1998. This figure does not include self-employed persons or agricultural employment. The following table presents total nonagricultural payroll employment in recent years:

Nonagricultural Employment

As of March	Nonagricultural Employment in Fairfax County	% Change	As of March	Nonagricultural Employment in Fairfax County	% Change
1990	371,716	3.1%	1995	410,146	4.6%
1991	367,555	(1.1)	1996	420,929	2.6
1992	364,372	(0.9)	1997	443,734	5.4
1993	373,998	2.6	1998	464,945	4.8
1994	392,048	4.8	1999	487,113	4.8

Source: Virginia Employment Commission.

Population

Fairfax County added an average of about 22,200 persons per year to its population between 1980 and 1990. In 1980, Fairfax County was the third most populous jurisdiction in the Washington, D.C. primary metropolitan statistical area, as defined by the U.S. Bureau of the Census. By 1990, Fairfax County with 818,584 residents had become the most populous jurisdiction in the Washington, D.C. primary metropolitan statistical area. Population growth during the current decade has slowed somewhat in Fairfax County. On average, about 14,200 persons per year were added to the population between 1990 and 1999.

Fairfax County Population

Calendar Year	Population
1940	40,929
1950	98,557
1960	248,897
1970	454,275
1980	596,901
1990	818,584
1991	827,119
1992	837,141
1993	851,858
1994	863,134
1995	879,401
1996	899,650
1997	912,126
1998	931,452
1999	946,371
2000 (est.)	968,225
2001 (est.)	983,013

Source: U.S. Bureau of the Census, 1940-1980 and 1990. 1991-2001 figures and estimates were provided by the Fairfax County Department of Systems Management for Human Services.

The following table reflects the population age distribution of County residents:

Population Age Distribution
Fairfax County

	1998	
Age Group	Number	Percent
Under 5	56,648	6.1%
5-9	66,741	7.2
10-14	63,768	6.8
15-19	63,197	6.8
20-24	48,478	5.2
25-34	140,985	15.1
35-44	169,097	18.2
45-54	159,104	17.1
55-64	86,869	9.3
65 and Over	76,565	8.2
Total	931,452	100.0%

Source: Demographic Reports 1999, Fairfax County Department of Systems Management for Human Services.

Based on early results of the 2000 Census, Fairfax County had the highest annual median household income ($90,937) of all the 3,141 counties in the United States. Median household income in Fairfax County was estimated at $87,569 in 1999. The following table illustrates the 1997 household income distribution in Fairfax County based on a survey completed in 1998. This survey is updated every 2 years.

Annual Household and Family Income Distribution (by Percentage)
Fairfax County, 1997

Income Level	Household	Family
Under $25,000	8.7%	6.5%
$25,000-49,999	19.7	15.1
$50,000-74,999	23.2	20.5
$75,000-99,999	16.6	18.4
$100,000-149,999	21.1	26.0
$150,000 or more	10.7	13.4
Median Income	$72,000	$84,000

Note: In 1997, there were 328,131 households in the County. "Families" are defined as those households containing two or more persons related by blood, marriage or adoption.
Source: Fairfax County Department of Systems Management for Human Services, 1998 Household Survey.

The following table shows that total taxable retail sales in the County rose in the period 1989-1999, except when they declined in 1991, reflecting increased income levels and the County's increasing importance as a regional commercial and retail center. Per capita retail sales in the County rose in the period 1991-1998 except when they declined very slightly in 1996.

Per Capita Taxable Sales

Calendar Year	Taxable Sales (in Billions)	Population	Per Capita Taxable Sales
1989	$ 6.36	782,600	$ 8,124
1990	6.50	818,584	7,939
1991	6.40	827,119	7,739
1992	6.58	837,141	7,862
1993	7.47	851,858	8,771
1994	7.96	863,134	9,221
1995	8.31	879,401	9,453
1996	8.50	899,650	9,448
1997	9.04	912,126	9,910
1998	9.65	931,452	10,357
1999	10.62	946,371	11,219

Sources: Commonwealth of Virginia Department of Taxation, Taxable Sales.
Fairfax County Department of Systems Management for Human Services, and U.S. Bureau of the Census for 1990.

Construction Activity

The following table illustrates trends in residential and commercial construction activity in the County:

Fiscal Year	Construction Activity Building Permits[1]				Estimated Housing Units Started[2]
	Residential Properties		Industrial and Commercial Properties		
	Number	Estimated Value (000's)	Number	Estimated Value (000's)	Number
1991	17,704	$399,300	3,771	$383,776	2,693
1992	19,498	523,408	3,326	219,462	4,040
1993	22,865	689,190	3,596	355,989	5,188
1994	23,254	781,283	3,803	288,274	6,528
1995	23,577	706,680	4,272	236,737	4,482
1996	23,086	737,971	3,961	230,300	4,361
1997	21,059	676,400	4,091	247,646	3,942
1998	21,700	702,179	4,172	699,012	2,263
1999	23,446	794,121	4,345	572,489	4,687
2000	30,178	995,247	4,735	719,885	4,067

Sources: [1] Fairfax County Department of Public Works and Environmental Services.
[2] Fairfax County Department of Systems Management for Human Services.

The following is a short list of major new or expanded office projects within the County in the second half of 1999 and the first half of 2000:

New or Expanded Commercial Projects

Name of Company	Nature of Operations	Square Footage Leased	Projected New Employment
AMS	Professional Services	249,000	1,000
Above Net Communications	Internet Data Center	367,500	214
Amazon.Com	Internet Data Center	110,000	25
Capital One/ Capital One Financial	Financial/Technical Services	630,000	1,100
Computer Associates International	Computer Services	235,000	500
Deloitte & Touche LLP	Professional Services & Management Consulting	100,000	500
DynCorp	Technical Services	54,300	200
E-Spire	Telecommunications Services	170,000	700
Gilat Satellite Networks	Satellite Communications	98,400	410
Global One	Telecommunications Services	113,400	500
Micro Strategy	Internet-Related Services	554,000	1,100
Intel	Internet Data Center	73,000	250
Nextel Communications	Telecommunications Services	132,000	700
SAIC	Technical Services	182,500	685
Teleglobe Communications	Telecommunications Services	126,000	360
KPMG/CISCO Partnership	Professional/Technical Services	50,000	500

Source: Fairfax County Economic Development Authority.

Housing

Single-family detached housing units continue to account for a majority of the housing units within Fairfax County, representing 50.3% of the total in 1999. Townhouses accounted for 21.2%; garden units, 20.3%; and high- and mid-rise units, multiplex units and mobile homes together made up the remaining 8.2%.

The percentage of owner occupied units in 1990 represented 70.7% of all units within Fairfax County. In 1990 the median market value of owner occupied housing (excluding condominiums) in Fairfax County was $213,800 compared to $166,100 in the Washington, D.C. metropolitan area, $91,000 in Virginia, and $79,100 in the United States. As of January 1999, the median market value of all owned housing units, including condominiums, in Fairfax County was estimated by the County Department of Systems Management for Human Services to be $192,110, an increase of 3.5% over 1998.

Housing Units by Type of Structure

	1970		1980		1990		1999	
	No.	%	No.	%	No.	%	No.	%
Single-Family: Detached	91,134	69.7	125,580	59.3	163,029	53.9	177,429	50.3
Attached	6,427	4.9	30,833	14.6	67,306	22.3	74,781	21.2
Multi-Family	33,207	25.4	55,333	26.1	72,129	23.8	100,531	28.5
Total	130,768	100.0	211,746	100.0	302,464	100.0	352,741	100.0

Source: 1970 U.S. Bureau of the Census, U.S. Census of Housing. Data for 1980, 1990 and 1999 were provided by the Fairfax County Department of Systems Management for Human Services. Single-family detached includes all single-family homes and mobile homes, single-family attached includes duplexes, townhouses and multiple units. Multi-family includes garden and elevator units.

Colleges and Universities

Four institutions of higher education are located in Fairfax County: George Mason University, Northern Virginia Community College (NVCC), the Virginia Polytechnic Institute and State University and the University of Virginia – the latter two located in the Northern Virginia Graduate Center – and the recently opened University of Virginia Darden School of Business. George Mason currently has an enrollment of more than 24,000 students in more than 100 disciplines, including doctoral programs. The Northern Virginia Community College has more than 60,000 students in 30 credit-earning programs and 300,000 students in non-credit courses and public service activities in five campuses in Northern Virginia. NVCC also has broken ground on a biomedical training campus in the County's Springfield community. American University, George Washington University, Catholic University and Virginia Commonwealth University also operate programs in the County's secondary schools and on military installations within the County.

Cultural Programs

Wolf Trap Farm Park for the Performing Arts, a cultural facility internationally renowned for the number and quality of its ballet, symphony, concert, and opera offerings, and the only national park for the performing arts in the U.S., is located in the northern part of Fairfax County. The County also assists in supporting the Fairfax Symphony, an internationally recognized 94-member orchestra that provides a variety of musical programs and outreach services to County residents. Other well-known attractions in the County include Mount Vernon, the home of George Washington; Woodlawn Plantation, George Washington's wedding gift to his nephew; and Gunston Hall, home of George Mason, author of the U.S. Bill of Rights and the first Constitution of Virginia.

DEBT ADMINISTRATION

Statement of Bonded Indebtedness

Pursuant to the Constitution of Virginia and the Act, a county in Virginia is authorized to issue general obligation bonds secured by a pledge of its full faith and credit. For the payment of such bonds the Board of Supervisors of the County is required to levy, if necessary, an annual ad valorem tax on all property in the County subject to local taxation.

The County had outstanding the following amounts of general obligation bonds as of June 30, 2000:

Purpose	Total General Obligation Bonds
School	$ 759,601,200
General Government	620,665,250
Total General Obligation Bonded Indebtedness	$1,380,266,450

The County does not rely upon short-term borrowings to fund operating or capital requirements.

Authorized but Unissued Bonds

The following chart presents by purpose Fairfax County's general obligation authorized but unissued bond indebtedness following the issuance of the Bonds:

Authorized Purpose	Amount Authorized but Unissued
School Improvements	$342,475,000
Transportation Improvements and Facilities	107,835,000
Parks and Park Facilities	63,750,000
Commercial and Redevelopment Area Improvements	20,580,000
Neighborhood Improvements	5,145,000
Human Services Facilities	1,185,000
Storm Drainage Improvements	4,660,000
Public Library Facilities	3,850,000
Adult Detention Facilities	8,520,000
Public Safety Facilities	113,920,000
Juvenile Detention Facilities	1,050,000
Total Authorized but Unissued Bonds	$672,970,000

Limits on Indebtedness

There is no legal limit on the amount of general obligation bonded indebtedness which Fairfax County can at any time incur or have outstanding. However, all such indebtedness must be approved by voter referendum prior to issuance. Since 1975, the Board of Supervisors has established as a financial guideline a self-imposed limit on the average annual amount of bond sales. In 1988, the Board of Supervisors increased the bond sale target to $750 million over a 5-year period or an average of $150 million annually, with the flexibility to expand to a maximum of $175 million based on market conditions and/or priority needs in any given year. The actual amount of bond sales will be determined by construction funding requirements and municipal bond market conditions.

The Board of Supervisors also has imposed limits which provide that the County's long term debt should not exceed 3% of the total market value of taxable real and personal property in the County. The limits also provide that annual debt service should not exceed 10% of annual General Fund disbursements. These limits may be changed by the Board of Supervisors, and they are not binding on future Boards of Supervisors of the County.

There are several authorities in existence which have been created at various times by the Board of Supervisors to provide specialized governmental services within the County. Certain of these authorities are empowered to issue revenue bonds that are not general obligations of the County, and the full faith and credit of the County is not pledged to secure such bonds.

Other Tax Supported Debt Obligations

The Board of Supervisors of the County directly or indirectly appoints all or a portion of the governing body of several legally independent local and regional authorities that provide services to the County and its constituents. Such authorities include those that issue debt supported directly or contingently by appropriations of tax revenues by the County.

In 1989 and 1990, the Fairfax County Economic Development Authority (the "EDA") issued $26,765,000 of parking revenue bonds to finance construction of parking structures near the Vienna Metrorail Station and the Huntington Metrorail Station in Fairfax County. The parking revenue bonds are payable under leases with the Washington Metropolitan Area Transit Authority ("WMATA") from revenues to be derived by WMATA from parking surcharges at these and other parking facilities. In the event such revenues are not sufficient to pay debt service on the parking revenue bonds and under certain other conditions, the County is, in effect, obligated, subject to annual appropriation by its Board of Supervisors, to make payments to the EDA sufficient to pay such debt service. The EDA refunded $21.46 million of these bonds in March 1998 with the proceeds of $12.93 million parking revenue refunding bonds and other available funds. The EDA issued $25.735 million in bonds on November 10, 1999 to finance a second parking structure at the Vienna Metrorail Station. The structure of this bond issue is similar to the prior EDA parking revenue bond issues.

In March 1994, the EDA issued $116,965,000 of lease revenue bonds to finance the acquisition for the County of two office buildings occupied by County agencies and departments. The County is absolutely and unconditionally obligated by the terms of a lease agreement with the EDA to pay amounts equal to debt service on the EDA's bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of funds for such purpose. The coincidental terms of the bonds and the lease agreement extend to November 15, 2018.

In October 1996, the Fairfax County Redevelopment and Housing Authority ("FCRHA") issued $6,390,000 of lease revenue bonds to finance the construction/renovation of two Community Center buildings. The County is absolutely and unconditionally obligated by the terms of lease agreements with the FCRHA to pay amounts equal to debt service on the FCRHA's bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of funds for such purpose. The coincidental terms of the bonds and the lease agreements extend to June 1, 2017. In December 1998, the FCRHA issued $5,500,000 of lease revenue bonds to finance the renovation and expansion of Bailey's Community Center. The County is absolutely and unconditionally obligated by the terms of lease agreements with the FCRHA to pay amounts equal to debt service on the FCRHA's bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of funds for such purpose. The coincidental terms of the bonds and the lease agreements extend to June 1, 2018. In May 1999, the FCRHA issued $1,000,000 of lease revenue bonds to finance the renovation and expansion of the Herndon Harbor House II adult day health care center. The County is absolutely and unconditionally obligated by the terms of lease agreements with the FCRHA to pay amounts equal to debt service on the FCRHA's bonds. The County's obligation to make such payments is subject to the annual appropriation by the Board of Supervisors of funds for such purpose. The coincidental terms of the bonds and the lease agreements extend to May 1, 2029.

In July, 2000, the Fairfax County Board of Supervisors entered into a Master Development Agreement with a private developer to finance and construct a 135,000 square foot government center in the southeastern region of the County. In November, 2000, $29,000,000 of Certificates of Participation ("Certificates" or "COPs") were issued, secured by a triple net lease on the property between the County and the developer. The County is absolutely and unconditionally obligated by the terms of the lease agreement to pay an amount equal to the debt service on the Certificates. The County's obligation to make such payments is first subject to the County's acceptance of the government center upon completion and is then subject to the annual appropriations by the Board

of Supervisors of funds for such purpose. The coincident terms of the lease and the Certificates extend to April 2032.

In March, 2000, the Fairfax County Park Authority issued a Note in the amount of $12,750,000, stated to mature on July 31, 2001, to raise funds sufficient to purchase approximately 800 acres of open space in the western region of the County for use as parks or park facilities. The County is obligated by the terms of a payment agreement with the FCPA to pay the FCPA amounts equal to the debt service on the Note at its maturity. The County's obligation to make such payments is subject to the appropriation by the Board of Supervisors of funds for such purpose. The County intends to pay the FCPA through the sale of other available parcels. By its terms, the Note may be exchanged once or twice for a renewal Note that would mature no later than July 31, 2003.

Lease Commitments and Contractual Obligations

The County leases certain real estate, equipment and sewer facilities under various long-term lease agreements. In addition, pursuant to contracts with Arlington County, the Alexandria Sanitation Authority, the District of Columbia and the Upper Occoquan Sewage Authority, the County is obligated to share the capital costs and associated debt service of certain facilities. Further information concerning these obligations is included in Notes H, I and J to the General Purpose Financial Statements shown in Appendix IV.

In February and March 1988, the Fairfax County Economic Development Authority issued $237,180,000 of Series A revenue bonds and $14,900,000 of Series B revenue bonds, respectively, to finance, on behalf of the Fairfax County Solid Waste Authority ("SWA"), the construction of a 3,000 ton per day Energy/Resource Recovery Facility to dispose of solid waste originating from Fairfax County and the District of Columbia. The bonds are secured solely by the revenues of the E/RRF, neither the County, the EDA nor the SWA is obligated to pay principal and interest thereon. Fairfax County is obligated under a service contract to deliver certain minimum annual tonnages of solid waste to the E/RRF and to pay fees for the disposal of such waste to provide funds sufficient to pay the E/RRF operation and maintenance costs and debt service on the bonds. In March 1995, the County sold an option to purchase refunding bonds which would refund and redeem the Series A bonds. The option was sold to a financial institution for $10.25 million. On November 4, 1998, the option was exercised and the refunding bonds were delivered to the institution at certain agreed-upon interest rates. The proceeds of the bonds have been used to refund the Series A bonds.

In February 1990, the Northern Virginia Transportation Commission issued $79.4 million of bonds to finance certain costs associated with the establishment of commuter rail services (the Virginia Railway Express) in the northern area of Virginia surrounding Washington, D.C. Fairfax County has joined with other jurisdictions through a Master Agreement to bear certain costs associated with operating and insuring the rail service as well as servicing the debt issued by NVTC. The Master Agreement requires that the County's governmental officers charged with preparing its annual budget include an amount equal to its share of the costs of the Virginia Railway Express. Each jurisdiction's share is determined by a formula set out in the Master Agreement. Fairfax County's share of this cost was $2.4 million in FY 1999. The Board of Supervisors approved the sale of $23 million in NVTC commuter rail revenue bonds to purchase 13 new bi-level rail coaches. These bonds were issued in early 1997. The County expects that debt service on these bonds will be funded predominantly by State and Federal funds and VRE revenues.

Debt Service on General Obligation Bonds, COPs and Lease Revenue Bonds

Total principal and interest payments on the County's outstanding general obligation bonds, including debt service on the Bonds, on the South County Government Center Certificates of Participation and on the EDA and FCRHA lease revenue bonds, are presented in the following table:

Debt Service Schedule - General Obligation Bonds, COPs and Lease Revenue Bonds

Fiscal Year Ending June 30	General Obligation Bonds[1]		COPs and Lease Revenue Bonds[2]		
	Principal	Interest	Principal	Interest	Total[3]
2001	$112,233,925	$71,506,561	$3,640,000	$6,132,824	$193,513,310
2002	113,898,925	66,301,101	3,835,000	5,954,079	189,989,105
2003	113,118,925	60,446,194	4,405,000	7,457,030	185,427,149
2004	107,146,425	54,764,693	4,635,000	7,229,190	173,775,308
2005	106,471,425	49,324,760	4,875,000	6,985,210	167,656,395
2006	102,651,425	44,008,611	5,135,000	6,724,087	158,519,123
2007	98,512,700	38,725,683	5,415,000	6,448,368	149,101,751
2008	93,362,700	33,739,491	5,710,000	6,152,918	138,965,109
2009	88,435,000	29,096,778	6,025,000	5,840,789	129,397,567
2010	78,580,000	24,818,619	6,350,000	5,511,423	115,260,042
2011	72,115,000	20,884,375	6,690,000	5,163,841	104,853,216
2012	64,370,000	17,269,523	7,065,000	4,797,324	93,501,847
2013	56,695,000	14,059,360	7,455,000	4,409,961	82,619,321
2014	51,420,000	11,242,760	7,855,000	4,000,622	74,518,382
2015	43,600,000	8,654,773	8,295,000	3,565,821	64,115,594
2016	38,605,000	6,392,848	8,750,000	3,106,771	56,854,619
2017	32,900,000	4,403,448	9,240,000	2,622,385	49,165,833
2018	25,700,000	2,727,823	9,210,000	2,112,636	39,750,459
2019	18,900,000	1,505,198	9,530,000	1,385,400	31,320,598
2020	11,190,000	546,268	1,030,000	1,108,379	13,874,647
2021	2,610,000	66,881	1,090,000	1,053,097	4,819,978
Future	0	0	16,890,000	6,451,483	23,341,483
Total[3]	$1,432,516,450	560,485,744	$143,125,000	$104,213,634	$2,240,340,828

1 As of June 30, 2000, as adjusted to reflect the issuance of the Bonds.
2 See "Other Tax Supported Debt Obligations".
3 Numbers may not add to totals due to rounding.

Sewer Revenue Bonds

In 1986, the County issued $75 million of an authorized $179 million sewer revenue bonds. The proceeds were expended to finance the expansion of the wastewater treatment facilities at the Noman M. Cole, Jr., Pollution Control Plant (formerly the Lower Potomac Pollution Control Plant) from 36 million gallons per day (mgd) to 54 mgd and the County's share of the cost of expanding facilities at the District of Columbia's Blue Plains Wastewater Treatment Plant. The treatment capacity of the Blue Plains Plant expanded from 309 mgd to 370 mgd and the County's share increased from 16.02 mgd to 31.0 mgd. In 1993, the County issued $72.1 million sewer revenue refunding bonds to advance refund a portion of its outstanding sewer revenue bonds. In July 1996, the County issued the remaining authorized but unissued $104 million sewer revenue bonds to finance additional expansion and improvements to its Noman M. Cole, Jr., Pollution Control Plant.

Wastewater treatment capacity and services are also provided to the Integrated Sewer System pursuant to contracts with Arlington County, the Alexandria Sanitation Authority (the "ASA"), the District of Columbia and the Upper Occoquan Sewage Authority ("UOSA"), whereby the County is obligated to share the capital costs and associated debt service of certain facilities. The County's obligations to such entities are payable solely from the revenues of the Integrated Sewer System and are not general obligations of the County. Further information concerning these obligations is included in Notes H, I and J to the General Purpose Financial Statements shown in Appendix IV.

In January 1996, UOSA issued $330.86 million bonds: $288.60 million bonds to finance the cost of expanding its advanced wastewater treatment plant from 32 mgd to 54 mgd and $42.26 million to refinance certain of its outstanding bonds.

The debt service on the County's outstanding sewer revenue bonds and the parity and subordinate obligations payable for capacity under its contracts with UOSA as of June 30, 2000 are reflected in the following table.

	Sewer Revenue Bonds		Other Sewer Debt Service Obligations	
Fiscal Year Ending June 30	Principal	Interest	Subordinate Obligations[1]	Total
2001	$ 4,050,000	$ 9,406,134	$ 15,228,254	$ 28,684,388
2002	4,140,000	9,202,964	15,229,170	28,572,134
2003	4,535,000	8,983,282	15,227,577	28,745,859
2004	4,935,000	8,739,066	15,228,504	28,902,570
2005	5,035,000	8,477,807	15,230,086	28,742,893
2006	5,440,000	8,199,653	15,230,224	28,869,877
2007	5,855,000	7,896,081	15,669,314	29,420,395
2008	6,270,000	7,566,205	15,669,695	29,505,900
2009	6,690,000	7,210,413	15,671,327	29,571,740
2010	7,125,000	6,828,830	15,669,762	29,623,592
2011	7,555,000	6,422,155	16,247,107	30,224,262
2012	7,995,000	5,991,371	16,245,794	30,232,165
2013	8,435,000	5,536,186	16,244,520	30,215,706
2014	9,175,000	5,048,343	16,245,595	30,468,938
2015	9,630,000	4,521,364	16,245,004	30,396,368
2016	5,300,000	4,097,980	16,244,995	25,642,975
2017	3,530,000	3,846,820	16,245,410	23,622,230
2018	3,750,000	3,639,340	16,246,106	23,635,446
2019	3,980,000	3,417,045	16,244,721	23,641,766
2020	4,230,000	3,178,958	16,245,033	23,653,991
Future	52,205,000	15,019,169	146,747,220	213,971,389
Total	$169,860,000	$143,229,166	$463,255,418	$776,344,584

[1] Based on the County's share of scheduled UOSA debt service.

The County has entered into a new service agreement with ASA that will obligate the County initially for 60% of the cost of capacity of the ASA wastewater treatment plant and a joint use system, including debt service on ASA bonds issued for ASA system improvements where the County does not otherwise provide for its share of the capital cost of such improvements. The County anticipates that ASA will undertake a $200 million (approximate capital cost) improvement project that will, by the terms of the new contract, obligate the County for approximately $120 million (60%) in capital costs of ASA system improvements. The County will either be obligated for its share of the debt service on ASA's bonds or the County will issue additional sewer revenue bonds to provide its share of such capital costs.

Debt Ratios

The following data are presented to show trends in the relationship of the general obligation bond indebtedness of the County as a percentage of the estimated market value of taxable property in the County and to its estimated population and the trend of general obligation debt service requirements as a percentage of General Fund disbursements.

Trend of Net Debt as a Percentage of Estimated Market Value of Taxable Property

Fiscal Year Ended June 30	Net Bonded Indebtedness[1]	Estimated Market Value[2]	Percentage
1991	$ 857,788,925	$ 79,189,200,000	1.08
1992	940,358,345	78,537,800,000	1.20
1993	1,010,513,523	74,646,700,000	1.35
1994	1,110,177,500	74,395,400,000	1.49
1995	1,136,368,575	75,702,700,000	1.50
1996	1,167,504,650	78,155,100,000	1.49
1997	1,219,735,725	80,853,900,000	1.51
1998	1,258,171,800	83,471,400,000	1.51
1999	1,314,377,875	87,086,700,000	1.51
2000	1,380,266,450	92,692,600,000	1.49
2001(est.)	1,474,797,025	100,122,500,000	1.47

Source: Fairfax County Department of Tax Administration and Department of Management and Budget.

[1] Excludes bonds for the Integrated Sewer System, special district bonds, capital lease and installment purchase obligations, the EDA and FCRHA lease revenue bonds and defeased general obligation bonds.

[2] Estimated market value is based on recorded values as of January 1 of the prior fiscal year.

Debt Per Capita

Fiscal Year Ended June 30	Net Bonded Indebtedness[1,2]	Estimated Population[3]	Net Bonded Indebtedness Per Capita	Fairfax County Per Capita Income[4]	Debt Per Capita as Percentage of Per Capita Income[5]
1991	$857,788,925	827,119	$1,037	$32,397	3.20%
1992	940,358,345	837,141	1,123	33,611	3.34
1993	1,010,513,523	851,858	1,186	35,250	3.37
1994	1,110,177,500	863,134	1,286	36,689	3.51
1995	1,136,368,575	879,401	1,292	38,055	3.40
1996	1,167,504,650	899,650	1,298	39,531	3.28
1997	1,219,735,725	912,126	1,337	41,910	3.19
1998	1,258,171,800	931,452	1,351	44,303	3.05
1999	1,314,377,875	946,371	1,389	46,829	2.97
2000	1,380,266,450	968,225	1,426	49,729	2.87
2001 (est.)	1,474,797,025	983,013	1,500	52,799	2.84

1 Excludes bonds for the Integrated Sewer System, special district bonds, capital lease and installment purchase obligations, the EDA and FCRHA lease revenue bonds and defeased general obligation bonds.

2 *Source*: Fairfax County Department of Management and Budget.

3 *Source*: Fairfax County Department of Systems Management for Human Services; U.S. Bureau of the Census; 1990 Decennial Census Summary Tape File IA.

4 *Source*: Bureau of Economic Analysis, U.S. Department of Commerce, 1991-1998; Fairfax County Department of Management and Budget 1999-2001. Includes Fairfax City and City of Falls Church.

5 The Bureau of Economic Analysis rebenched data back to 1991. Debt Per Capita as Percentage of Per Capita Income for fiscal years 1991 through 1999 was 3.31, 3.45, 3.47, 3.65, 3.52, 3.39, 3.35, 3.23 and 3.16 respectively.

Debt Service Requirements as a Percentage of General Fund Disbursements

Fiscal Year Ended June 30	Debt Service Requirements	General Fund Disbursements	Percentage
1991	$112,355,158	$1,367,284,518	8.2%
1992	124,197,591	1,366,325,337	9.1
1993	124,683,326	1,357,105,721	9.2
1994	129,675,197	1,394,808,186	9.3
1995	132,902,278	1,487,080,719	8.9
1996	142,754,018	1,602,457,378	8.9
1997	152,813,435	1,682,606,121	9.1
1998	163,501,001	1,756,990,140	9.3
1999	163,541,092	1,849,587,184	8.8
2000	176,998,991	2,000,540,810	8.8
2001(est.)	186,668,468	2,177,809,703	8.6

Source: Fairfax County Department of Management and Budget. Debt Service Requirements exclude special district bonds, capital lease and installment purchase obligations, EDA lease revenue bonds and defeased general obligation bonds. Beginning in FY 2000, the General Fund Disbursement includes transfers to the Revenue Stabilization Fund.

Underlying Bonded Indebtedness

As of June 30, 2000, there was outstanding the following underlying bonded indebtedness of towns or districts within the boundaries of Fairfax County:

Town of Vienna	Storm Drainage/Street Improvement/Water and Sewer/Public Buildings	$17,962,000
Town of Herndon	Recreational Complex/Water and Sewer/Recreational Facilities	13,190,000
Small District #1 of Dranesville District	McLean Community Center	675,000
Total Underlying Indebtedness		$31,827,000

These underlying general obligation bonds are obligations of the respective town or district only and are not obligations of Fairfax County and the full faith and credit of the County are not pledged to the payment of such bonds or notes.

The bonds and notes of the Fairfax County Water Authority, the Fairfax County Park Authority, the Fairfax County Industrial Development Authority, the Fairfax County Economic Development Authority, the Fairfax County Redevelopment and Housing Authority, the Route 28 Highway Transportation Improvement District, the Northern Virginia Health Center Commission, and the Northern Virginia Transportation Commission are not obligations of the County.

TAX BASE DATA

Fairfax County reassesses more than 323,000 parcels of real property annually employing a computer assisted mass reassessment program for both residential and non-residential properties. The performance of the annual assessment program as measured by assessment to sale ratios and coefficient of equity, referred to as the Russell Index, is excellent. For the reassessment effective January 1, 2000, the countywide assessment to sale price ratio was .90 and the Russell Index was 5.7.

The assessed value of the real estate tax base, as reported for FY 2001 in the main tax book for Fairfax County, increased 8.94% in value from the prior year.

The data in the following five tables are presented to illustrate trends and characteristics of the assessed value of real and personal property which are major sources of County-derived revenue:

Assessed Value of All Taxable Property
(000's)

Fiscal Year	Real Property	Personal Property	Public Service Corporation	Total Assessed Value[1]
1991	$72,095,800	$ 5,511,500	$1,581,900	$ 79,189,200
1992	71,355,900	5,552,900	1,629,000	78,537,800
1993	67,192,500	5,641,200	1,813,000	74,646,700
1994	66,381,500	6,070,300	1,943,600	74,395,400
1995	66,912,100	6,775,400	2,015,200	75,702,700
1996	68,647,300	7,539,300	1,968,500	78,155,100
1997	70,510,800	8,257,400	2,085,700	80,853,900
1998	72,507,700	8,620,700	2,343,000	83,471,400
1999	75,500,700	9,070,800	2,515,200	87,086,700
2000	80,225,000	9,885,000	2,582,600	92,692,600
2001 (est.)	87,022,800	10,334,600	2,765,100	100,122,500

Source: Actual values are from the Fairfax County Department of Tax Administration as reported in the FY 2000 CAFR. FY 2001 estimated values are from the Department of Management and Budget; figures are net of exonerated assessments and tax relief for the elderly and disabled.

[1] Pursuant to State statute all real property assessments are required to be made at 100% of estimated market value.

Tax Rates per $100 Assessed Value

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Real Estate-Regular and Public Service	$1.11	$1.16	$1.16	$1.16	$1.16	$1.23	$1.23	$1.23	$1.23	$1.23
Personal Property-Regular	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property-Public Service	1.11	1.16	1.16	1.16	1.16	1.23	1.23	1.23	1.23	1.23
Personal Property-Mining and Manufacturing, Machinery and Tools	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property-Research and Development	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Personal Property-Mobile Homes	1.11	1.16	1.16	1.16	1.16	1.23	1.23	1.23	1.23	1.23
Personal Property-Antique Cars	.01	.01	.01	.01	.01	.01	.01	.01	.01	.01
Personal Property-Special[1]	.01	.01	.01	.01	.01	.01	.01	.01	.01	.01

Source: Approved Fiscal Plans, FY 1992-2001.

[1] Includes vehicles specially equipped for the handicapped; privately owned vans used for van pools; vehicles belonging to volunteer fire and rescue squad members; vehicles owned by auxiliary police; certain property of homeowners associations; aircraft to include flight simulators; and motor vehicles owned by qualified elderly or disabled individuals and, effective in FY 2000, boats.

Commercial-Industrial Percentage of the Total Assessed Value of Real Property

Fiscal Year[1]	Percent[2]
1992	25.66
1993	22.82
1994	20.94
1995	19.58
1996	19.04
1997	19.56
1998	20.47
1999	21.84
2000	24.32
2001	25.37

Source: Fairfax County Department of Tax Administration. Assessed values are reported by State of Virginia Land Use Codes. Vacant land is defined according to zoning classification.

[1] Fiscal year property taxes are levied on prior year assessments.

[2] Includes the Towns of Vienna, Herndon and Clifton.

The following data shows the assessed value of real property of the 25 largest holders of real property in the County (as of January 1, 2000).

Rank	Property Owner	Property Type	Total Assessment
1	West Group Properties, LLC	Various Offices, Retail, Ind. & Land	$ 468,551,880
2	Lehndorff Tysons Property	Tysons Corner Regional Shop Center	432,284,700
3	Virginia Electric	Public Utility	316,142,056
4	Smith Property Holdings	Various Commercial	249,778,110
5	Franconia Two LP	Springfield Mall	237,956,045
6	Fairfax Company	Fair Oaks Mall	223,507,820
7	Mobil Oil Corp.	Headquarter Office & Various Commercial	204,299,225
8	EOP Reston Town Center	Office, Shopping Center & Land	190,992,995
9	Washington Gas Light Co.	Public Utility	189,008,310
10	Prentiss Properties	Office & Land	186,427,555
11	WRIT LP	Office, Apts., Ind. & Shopping Centers	158,709,735
12	West Mac Associates	Various Offices & Land	157,529,755
13	Equitable Life Assurance	Various Commercial	141,863,915
14	Boston Properties LP	Office, Industrial & Land	133,470,115
15	Avalon Properties Inc.	Apartments	125,310,690
16	Navy Federal Credit Union	Various Offices & Land	123,313,580
17	Summit Properties	Apartments	113,271,570
18	Fairfax Square Partners	Office, Retail	111,324,855
19	Plaza America Office	Offices &Land	108,501,705
20	Commonwealth Atlantic	Office, Land & Railroad Land	105,945,345
21	OTR	Office, Shopping Center	98,802,450
22	Brandywine Grande B LP	Offices & Land	97,560,745
23	Massachusetts Mutual Life	Office, Apts., Ind. & Shopping Centers	97,018,250
24	E D S Realty Corp.	Office & Land	96,029,645
25	Saul B. Francis II TR	Offices, Apts. & Hotels	92,783,270
			$4,460,384,321

Source: Fairfax County Department of Tax Administration. Derived from January 1, 2000 tax rolls.

As of January 1, 2000 the assessed value of the real property of the 25 largest holders of real property in the County represented 5.08% of the total assessed value of all real property in Fairfax County, excluding tax exempt properties. January 1, 2000 assessments represent tax revenue generated in FY 2001.

Real and Personal Property
Tax Levies and Tax Collection
(000's)

Fiscal Year	Total Levy[1]	Current Collections[2]	% of Levy[3]	Collection of Back Taxes	Total Collection of Current & Back Taxes	% of Current & Back Taxes Collected to Tax Levy
1991	$1,033,122	$1,020,368	98.77	$ 8,189	$1,028,557	99.56
1992	1,028,443	1,012,210	98.42	11,492	1,023,702	99.54
1993	1,019,270	1,007,987	98.89	13,726	1,021,712	100.24
1994	1,025,807	1,013,350	98.79	18,224	1,031,574	100.56
1995	1,058,500	1,048,276	99.03	13,000	1,061,276	100.26
1996	1,103,903	1,095,762	99.26	11,490	1,107,252	100.30
1997	1,203,645	1,195,312	99.31	6,479	1,201,791	99.85
1998	1,250,521	1,241,128	99.25	1,267	1,242,395	99.35
1999	1,308,122	1,299,201	99.32	12,088	1,311,289	100.24
2000	1,394,627	1,385,239	99.33	13,795	1,399,033	100.32

Section 58.1-3916 of the Code of Virginia authorizes Fairfax County, pursuant to Section 4-10-1 of the County Code, to impose a penalty of 10% for failure to pay taxes when due, with interest to be due on such taxes and penalty following the day such taxes are due at the rate of 10% per annum the first year and at the rate established pursuant to paragraph 6621 of the Internal Revenue Code for the second and subsequent years of delinquency.

Source: Comprehensive Annual Financial Reports for the Fiscal Years Ending June 30, 1991-2000.

1 The total levy is the levy for General Fund real and personal property taxes and does not include the property tax levy for Special Revenue Funds, e.g. for Refuse Collection and Community Centers.

2 Current collections do not include tax collections for the Special Revenue Funds or payments in lieu of taxes. As a result of revised accounting procedures, the collection of penalty and interest payments for late payments of current taxes is included in the collection of current taxes rather than under the collection of back taxes.

3 The percentage of levy is not the collection rate since current collections also include penalty and interest payments for late payments of current taxes.

FINANCIAL INFORMATION

Five-Year Summary of Revenues, Expenditures and Fund Balances for General, Special Revenue and Debt Service Funds

The financial data shown in the following table represents a summary for the five fiscal years ended June 30, 2000 of the revenues, expenditures and fund balances accounted for in the primary government's General Fund, Special Revenue Funds and Debt Service Funds, and in the comparable, primary government-appropriated funds of the discreetly reported component units. In prior years these government-appropriated funds were included in the primary government's General Fund and Special Revenue Funds, but as of fiscal year 1994 have been reflected within the discretely reported component units for financial reporting purposes in accordance with Statement No. 14 of the Governmental Accounting Standards Board. The summaries for the five fiscal years ended June 30, 2000 have been compiled from the financial statements of the County for the respective years and should be read in conjunction with the related financial statements and notes thereto.

	Fiscal Years Ended June 30,				
	1996	1997	1998	1999	2000
Revenues:					
Taxes[1]	$1,381,702,595	$1,491,735,145	$1,548,908,361	$1,640,594,459	$1,690,371,422
Permits, privilege fees and Regulatory licenses	30,544,252	34,075,400	37,128,657	43,044,787	43,835,560
Fines and forfeitures	6,751,974	7,213,398	7,413,004	7,140,533	7,579,871
Revenue from the use of Money and property	48,174,029	51,273,563	57,948,818	60,432,180	92,433,812
Charges for services and Recovered Costs	180,214,874	185,775,499	178,215,159	182,229,862	161,367,134
Intergovernmental	349,385,548	403,106,423	412,512,882	467,462,273	1,475,111,562
Miscellaneous	9,511,292	11,017,670	12,262,095	23,696,684	21,098,809
Net Refunded Bonds	0	0	0	0	0
Total revenues	$2,006,284,564	$2,184,197,098	$2,254,388,976	$2,424,600,778	$3,491,798,170
Expenditures and transfers:					
General governmental administration	$ 72,338,728	$ 73,355,323	$ 77,592,551	$ 80,031,244	$ 87,400,231
Judicial administration	17,498,901	18,170,437	18,652,509	19,502,814	21,408,526
Public safety	189,685,237	195,088,737	211,191,952	231,108,675	256,155,919
Public works	140,348,137	131,821,568	122,113,299	113,140,139	124,495,828
Health and welfare	246,697,313	249,423,752	253,136,820	268,726,844	299,299,517
Parks, recreation & cultural	53,203,730	53,945,365	56,856,867	62,777,866	66,582,759
Community development	53,847,111	52,994,739	59,776,412	79,776,026	79,981,590
Education[2,3]	976,708,934	1,059,549,080	1,143,993,182	1,192,010,103	1,335,202,169
Debt service	151,296,823	161,406,538	171,580,513	176,262,542	184,970,872
Nondepartmental[2]	97,494,046	97,491,772	97,667,906	96,500,551	106,035,082
Net transfers to other funds	33,163,102	34,490,198	34,355,831	40,172,221	937,394,339
Total expenditures and transfers	$2,032,282,062	$2,127,737,509	$2,246,907,842	$2,360,009,025	$3,498,926,832
Excess (deficiency) of revenues over expenditures and transfers	$ (25,997,498)[4]	$ 56,459,589	$ 7,481,134	$ 4,591,753	$ (6,725,670)
Fund balance, beginning of year	275,711,280	249,709,518	306,254,760	321,061,166	381,782,211[6]
Adjustment of fund balance, Beginning of year	0	0	6,890,257[5]	0	0
Increase (Decrease) in Fund Balance Reserves	(4,264)	85,653	142,795	(2,536,962)	2,285,327
Residual Equity Transfer	0	0	292,220	0	0
Fund balance, end of year	$ 249,709,518	$ 306,254,760	$ 321,061,166	$ 383,115,957	$ 377,341,868

Source: Comprehensive Annual Financial Reports for the Fiscal Years Ended June 30, 1999-2000.

[1] Taxes include real estate, personal property, sales, recordation, business, professional and other licenses and miscellaneous other taxes. Fund balance includes amounts reserved for inventories of supplies and unreserved-undesignated. The interfund transfers among the funds presented have been eliminated.

[2] Pension contributions to employee retirement funds, which are included in the Education and Nondepartmental expenditures shown above, for each of the five fiscal years ended June 30, 1996 through 2000, were as follows: 1996, $84,243,983; 1997, $93,104,897; 1998, $95,773,603; 1999, $88,898,079; and 2000, $91,228,972.

[3] Teachers' salaries accounted for in the School Operating Fund are paid by contract over a twelve-month period ending in August. Consequently, in order to reflect the total teachers' salaries in the year the services are rendered, an accrual is made at the end of each fiscal year for the payroll liability arising from those teachers' salaries to be paid in the first two months of the succeeding fiscal year. In FY 1984 the County began a program to fund this liability to the Fairfax County Public Schools over a 10-year period. In FY 1991, the payment to offset the unfunded liability was deferred. Beginning in FY 1997 payments were resumed over a ten year period at a rate of $1.62 million per year. As of June 30, 2000, the unfunded liability was approximately $9.7 million.

[4] The FY 1996 deficiency of revenues over expenditures in the amount of $26.0 million is primarily the result of a deficiency of $45.6 million in the County's General Fund offset by an excess of $22.0 million in the Fairfax County Public School Operating Fund. During FY 1996, the

County transferred $725.0 million from its General Fund to the Public School Operating Fund; this was an increase of $71.5 million over the FY 1995 transfer.

[5] The July 1, 1997 fund balances were restated to comply with the provisions of Governmental Accounting Standards Board Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools".

[6] For FY 2000 Housing Funds are now reported as Enterprise Funds, the beginning Fund Balance reflects the restated amounts.

Certain Financial Procedures

Description of Funds

The County's annual audited financial statements include the funds administered by the Board of Supervisors and the School Board. The accounts of the County are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The transactions in each fund or account group are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures.

Annual Financial Statements

The County's financial statements have been examined and reported on by independent certified public accountants since FY 1969. The FY 2000 audit was performed by KPMG Peat Marwick LLP, Certified Public Accountants, Washington, D.C. For further information regarding the County's audit see the Independent Auditor's Report-Appendix IV.

The County maintains its accounting system in accordance with the specifications of the Auditor of Public Accounts of the Commonwealth of Virginia. Certain adjustments have been made to present the accompanying financial statements in accordance with generally accepted accounting principles applicable to governmental units. The County has been awarded a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its annual financial statements each year since the fiscal year ended June 30, 1977.

The County's annual financial statements are available for inspection at the Office of the Director of Finance, 12000 Government Center Parkway, Suite 214, Fairfax, Virginia, 22035. See "FUTURE FINANCIAL INFORMATION" and "Appendix VII—CONTINUING DISCLOSURE AGREEMENT."

Budgetary Procedure

The County has no legal authority to borrow in anticipation of future years' revenues, except by the issuance of bonds or bond anticipation notes.

Prior to the beginning of each fiscal year, the Board of Supervisors adopts a budget plan consisting of contemplated expenditures and estimated revenues for such fiscal year. On the basis of the adopted budget plan, the Board of Supervisors appropriates funds for the expenditures and establishes tax rates sufficient to produce the revenues contemplated in the budget plan.

The annual budgeting process for a fiscal year begins in the first quarter of the previous fiscal year with the submission by agency directors of budget requests to the County Department of Management and Budget. During the second quarter, budget requests are reviewed and meetings between the County Executive, Deputy County Executives and agency directors are held to discuss agency requests. Upon receipt of the preliminary budget of the County School Board in the third quarter, the County Executive prepares an initial budget for submission to the Board of Supervisors and proposes tax rates sufficient to produce revenues needed to meet expenditures contemplated in the initial budget. After work sessions with the Board of Supervisors and public hearings on the proposed budget, changes are made and the final budget is adopted. Tax rates are established prior to the beginning of the fiscal year for which the budget is prepared.

During the fiscal year, quarterly reviews of revenue and expenditures are undertaken by the County Department of Management and Budget. On the basis of these reviews, the Board of Supervisors revises appropriations as needed or desired.

On January 25, 1982, the Board of Supervisors adopted a financial policy requiring maintenance of a "managed reserve" in the General Fund beginning on July 1, 1982 at a level not less than two percent of General Fund disbursements. This reserve has been incorporated in the budget each fiscal year. This reserve was implemented to provide for temporary financing of unforeseen needs of an emergency nature and to permit orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies. In 1985, the Board also adopted a policy on appropriations during quarterly budget reviews which provides that nonrecurring revenues should be used for either capital expenditures or other nonrecurring expenditures and that quarterly review adjustments are not to exceed two percent of the General Fund disbursements. In addition, on September 13, 1999, the Board of Supervisors established a Revenue Stabilization Fund with a goal of reaching three percent of General Fund disbursements. This reserve is designed to address ongoing requirements in years of significant economic downturn.

The Government Finance Officers Association of the United States and Canada ("GFOA") has presented the Award for Distinguished Budget Presentation to Fairfax County for its annual budget for each year since the fiscal year beginning July 1, 1985. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications medium.

Investment Management Policy

The County's Investment and Cash Management Program operates under the direction of the Investment Committee comprised of the Director of the Department of Finance, the Chief Financial Officer, the Director of the Department of Tax Administration and the Deputy Director of the Department of Finance. Guided by a formal investment policy, the Committee continually reviews the County's investment policies and strategies bi-weekly, and monitors daily investment activity.

During FY 2000, the County's average portfolio size (which includes investments in the General Fund, Special Revenue Funds and Enterprise Funds) was approximately $1.4 billion. The funds are invested in U.S. Treasury obligations, obligations of the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank and Federal National Mortgage Association, bankers acceptances, commercial paper (rated A1/P1 or higher), certificates of deposit and repurchase agreements collateralized by U.S. Treasury securities.

The County's investment policies which govern the pooled cash and general obligation bond proceeds portfolio prohibit investment in instruments generally referred to as derivatives, and the County does not employ leverage in its investments.

General Fund Revenues, Expenditures, Transfers and Beginning Fund Balance

The General Fund is maintained by the County to account for revenue derived from County-wide ad valorem taxes, other local taxes, licenses, fees, permits, charges for services, certain revenue from Federal and State governments, and interest earned on invested cash balances of the General Fund and Capital Project Funds. General Funds expenditures and transfers include the costs of general County government, transfers to the School Operating Fund to pay the local share of operating Fairfax County public schools, and transfers to the Debt Service and Capital Project Funds to pay debt service on County general obligation bonds and for certain capital improvement projects.

General Fund Summary

Shown below are the County's revenues, expenditures, transfers and beginning fund balance of the General Fund for FY 1996 through FY 2000.

General Fund Revenues, Transfers and Beginning Fund Balance
(in thousands)

	Fiscal Year Ended June 30[1]				
	1996	1997	1998	1999	2000
General Property Taxes	$1,107,252	$1,201,791	$1,242,395	$1,311,289	$1,336,728
Other Local Taxes	265,725	284,407	295,705	317,893	343,197
Permits, Privilege Fees and Regulatory Licenses	24,088	27,250	30,091	32,874	33,654
Fines and Forfeitures	6,751	7,212	7,412	7,140	7,580
Revenue from the Use of Money and Property	37,308	39,085	46,202	48,008	49,853
Charges for Services & Recovered Costs	28,865	30,388	32,573	35,445	34,293
Intergovernmental	85,534	99,838	96,279	103,449	180,966
Miscellaneous	206	733	722	17	6,361
Transfers In and Beginning Fund Balance[2]	126,403	80,744	90,012	94,738	--
Adjustment to Beginning Fund Balance	--	--	5,932[3]	--	--
Residual Equity Transfer	--	--	232	--	--
Total	$1,682,132	$1,771,448	$1,847,555	$1,950,853	$1,992,632

1 *Source*: Comprehensive Annual Financial Reports for FY 1996-FY 2000.
2 Beginning fund balance adjusted to reflect reserve for inventory.
3 The July 1, 1997 fund balance was restated to comply with the provisions of Governmental Accounting Standards Board Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools".

General Fund Expenditures and Transfers
(in thousands)

	Fiscal Year Ended June 30[1]				
	1996	1997	1998	1999	2000
Transfer to School Operating Fund	$ 724,951	$ 788,143	$ 819,669	$ 852,128	$ 897,413
Costs of General County Government	671,882	678,255	707,473	746,337	820,403
Transfer to Debt Service Funds	146,210	161,533	171,504	177,649	184,072
Transfer to Capital Project Funds	11,836	9,270	12,841	14,607	23,360
Transfer to Metro Construction and Operations Fund	12,511	15,102	1,959	11,151	7,046
Other Transfers	35,122	30,327	43,577	47,715	50,283
Total	$1,602,512	$1,682,630	$1,757,023	$1,849,587	$1,932,577

1 Source: Comprehensive Annual Financial Reports for FY 1996-FY 2000.

Revenues

The following is a discussion of the General Fund revenue structure.

General Property Taxes -- An annual ad valorem tax is levied by the County on the assessed value of real and tangible personal property located within the County as of January 1 preceding the fiscal year in which the said tax is due. The personal property tax on motor vehicles which acquire situs within the County or have title transferred on or after January 2 is prorated on a monthly basis. Real property is assessed at 100% of its fair market value. Personal property is also assessed at 100% of its fair market value. Real property taxes are due July 28 and December 5 of the fiscal year in which they are levied. The payment date for personal property taxes is October 5. The penalty for late payment is 10% of the amount due, and interest on delinquent taxes and penalties accrues at a rate of 10% per annum the first year at the rate established pursuant to State law for the second and subsequent years of delinquency. In cases of property on which delinquent taxes are not paid within three years, the County may sell the property at public auction to pay the amounts due. There is no legal limit at the present time on the property tax rates which may be established by the County. Property taxes (including delinquent payments, penalties, and interest) accounted for 67.1% of total General Fund revenues in FY 2000. However, this percentage does not include the reimbursement from the Commonwealth of Virginia for a portion of the personal property tax. Including the reimbursement which is reflected in Intergovernmental revenue, the percentage of revenue from property taxes is 70.2%. A discussion concerning the Commmonwealth's plan to reduce personal property taxes paid by citizens follows.

During its 1998 Special Session, the General Assembly of Virginia enacted legislation that will reduce personal property taxes applicable to individually owned motor vehicles. The reduction, which will apply to the first $20,000 in assessed value, is scheduled to be phased in over a five year period. The legislation states that the Commonwealth will reimburse local governments for the revenue lost from the reduction in personal property tax collections. In FY 1999, the first year of implementation, taxpayers were billed for the entire amount of tax levy and received a refund of 12.5 percent of the tax on the first $20,000 of the value of their personal vehicle from the Commonwealth of Virginia. Vehicles valued less than $1,000 were refunded 100 percent. In FY 2000, the Commonwealth's plan reduced Personal Property Taxes paid by citizens by 27.5 percent with an offsetting reimbursement paid to the County by the Commonwealth of Virginia. Reimbursement to local governments for subsequent fiscal years will be dependent upon future appropriations by the Virginia General Assembly. If funds are appropriated, the plan will reduce taxes paid by citizens by 47.5 percent in FY 2001, 70 percent in FY 2002 and 100 percent in FY 2003 with an offsetting reimbursement paid to localities by the Commonwealth. The County's total current personal property tax collections for FY 2000 were $387.1 million comprised of $324.8 million paid by individuals and $62.3 million reimbursed by the Commonwealth of Virginia.

Other Local Taxes -- The County levies various other local taxes, including a 1% local sales tax (collected by the State and remitted to the County), a tax on consumer utility bills (8% for gas and electric and 22.2% for telephone on bills up to $50 per month for residential classes; for commercial customers the rate is 10% for bills up to $3,000 monthly for gas, 10% for bills up to $10,000 monthly for electric, and 22.2% for bills up to $1,600 monthly for telephone. Beginning January 1, 2001, consumer utility taxes on gas and electric will be calculated based on consumption. Also included in this category is a cigarette tax of 5¢ per pack, property recordation taxes, an automobile license tax, and various business, professional and occupational licenses taxes. These taxes accounted for 17.2% of total General Fund revenues in FY 2000.

Permits, Privilege Fees and Regulatory Licenses -- The County requires that licenses or permits be obtained in order to perform certain activities in the County and that fees be paid for services provided by certain County departments. These revenues represented 1.7% of total General Fund revenues for FY 2000.

Fines and Forfeitures -- The sources of revenue in this category include court fines and penalties from the Circuit Court and the General District Court and court fines and costs from the Juvenile and Domestic Relations District Court. The fines are for traffic violations, misdemeanors and felonies. In addition, the County receives revenues from parking violations as authorized under the County Code. Revenues in this category represented 0.4% of General Fund revenues in FY 2000.

Revenue from the Use of Money and Property -- The principal sources of revenue from the use of money and property to the General Fund are interest on General Fund and Capital Project Fund investments and minor amounts of revenue from the sale and lease of County equipment and property. These revenues represented 2.5% of General Fund revenues in FY 2000.

Charges for Services and Recovered Costs -- The principal sources of revenue to the General Fund from charges for services are County Clerk fees, school age child care fees, recreation fees, publication sales and various other services for which the County charges a fee. Revenues in this category represented 1.7% of General Fund revenues in FY 2000.

Intergovernmental Revenue -- Intergovernmental revenue is comprised of revenue from the State and revenue from the Federal government. Revenues in this category represented 9.1% of General Fund revenues in FY 2000. This percentage includes the revenue that the County receives from the Commonwealth as reimbursement for the County's personal property tax. Each revenue source within intergovernmental revenue is discussed below:

- Revenue from the State -- The County is reimbursed by the Commonwealth of Virginia for a portion of shared expenses including certain expenditures for social services, the sheriff's office, courts, the Office of the Commonwealth Attorney and other constitutional offices. Additionally, the County receives a share of the net profits from the State Alcoholic Beverage Control Board's liquor sales and State contributions to assist in meeting law enforcement expenditures. As mentioned in the section concerning General Property Taxes, the Commonwealth also reimburses the County for a portion of its personal property tax on vehicles. Including the reimbursement for the County's personal property tax, revenues from this category represent 7.4% of total General Fund revenues in the fiscal year ended June 30, 2000. Excluding this reimbursement, revenue from this category represents 4.2% of General Fund revenue in FY 2000. The County receives a significant amount of additional State aid in support of public school operations. These revenues are credited directly to the School Operating and School Lunch Funds, however, and are not reflected in the General Fund.

- Revenue from the Federal Government -- The principal sources of categorical Federal aid to the General Fund are Federal grant moneys for air pollution control and Federal Title XX funds primarily used to purchase foster care, day care and protective services for clients of the Department of Family Services. This revenue category represents 1.7% of General Fund revenues in FY 2000.

Miscellaneous Revenues -- The sources of revenue in this category include the sale of land and buildings, parking meter fees, and other miscellaneous sources. These revenue sources accounted for 0.3% of General Fund revenue in FY 2000.

Expenditures and Transfers

The following is a discussion of the major classifications of General Fund expenditures and transfers.

Transfer to School Operating Fund -- The County transfers monies from the General Fund to the School Operating Fund to pay the County's share of the costs of operating public schools in Fairfax County. This transfer represented approximately 44.9% of total disbursements from the General Fund in the fiscal year ended June 30, 2000. The transfer to the School Operating Fund was approximately 72.4% of total receipts of the School Operating Fund. Other revenues credited directly to the School Operating and School Lunch Funds include revenue from the Federal government, the Commonwealth of Virginia, the City of Fairfax (representing tuition of students residing in the City of Fairfax who attend Fairfax County schools), and other revenue derived locally from sale of textbooks, school lunches, etc.

Costs of General County Government -- The County pays from the General Fund the costs of general County government. These costs include expenditures for general government administration, judicial administration, public safety, public works, health and welfare, parks, recreation and cultural, and community development. This classification was approximately 41.0% of total General Fund disbursements in FY 2000.

Transfer to Debt Service Funds -- The County transfers from the General Fund to the Debt Service Fund amounts sufficient to pay principal and interest on County general obligation bonds and the EDA and RHA lease revenue bonds. Transfers to the Debt Service Fund represented 9.2% of total General Fund disbursements in FY 2000.

Transfer to Capital Project Funds -- The County transfers monies from the General Fund to the Capital Project Funds to pay the cost of certain capital improvements. The General Fund transfer to the Capital Project Funds (except for the General Fund transfer for Fairfax County's obligations to the Washington Metropolitan Area Transit Authority ("WMATA"), which is discussed below) represented 1.2% of total General Fund disbursements in FY 2000. Other revenues of the Capital Project Funds consist primarily of bond proceeds.

Transfer to Metro Construction and Operations Fund -- The County is a member jurisdiction of WMATA and as such has agreed to make certain capital contributions in support of the construction by WMATA of a rail transit system to serve the Washington metropolitan area (which includes the County) and to pay a portion of the deficit incurred by WMATA in the operation of its bus system and rail system. The County generally has used bond proceeds to fund its capital contributions to WMATA and has transferred monies from the General Fund to pay its share of the bus and rail operating subsidies. The General Fund transfer to the Metro Construction and Operations Fund to pay the County's share of the system's operating subsidies represented 0.3% of total General Fund disbursements in FY 2000. See the subsection herein entitled "Transportation" for a more complete discussion of the County's obligations with respect to WMATA.

Transfer to Revenue Stabilization Fund -- Beginning in FY 2000 the County began transferring monies from the General Fund to a Revenue Stabilization Fund to address significant revenue reductions during severe, prolonged economic downturns. Transfers to this fund were 0.9% of total General Fund disbursements in FY 2000.

Transfers to Other Funds -- The County transfers monies from the General Fund to other funds for a variety of purposes. The General Fund transfer to other funds includes transfers to the County Transit Systems, Information Technology, Aging Grants and Programs, Community-Based Funding Pool, Housing Programs for the Elderly, Health Benefits Trust and Equipment Management and Transportation Agency. Transfers to other funds were 2.5% of total General Fund disbursements in FY 2000.

FY 2001 Budget

On April 19, 1999, the Board of Supervisors reaffirmed and approved Budget Guidelines for FY 2001. The Board directed the County Executive to develop a budget for FY 2001 that limits growth in expenditures and the School Transfer to projected increases in revenue. Balances identified throughout the fiscal year, and not required to support expenditures of a critical nature, should be held in reserve. In order to eliminate structural imbalances between County resources and requirements, the Board directed that both County and School resources should be allocated with consideration for the continued availability of funds. All non-recurring funds should be directed toward non-recurring uses and recurring resources should be targeted toward recurring expenses. In addition, the Board endorsed the efforts to explore County/School consolidation efforts. At the FY 1999 Carryover Review on September 13, 1999, the Board of Supervisors established a Revenue Stabilization Fund, initially funded with $7.83 million. The Board also modified their Budget Guidelines to include the establishment of a Revenue Stabilization Fund with a goal of reaching an amount equal to 3% of General Fund disbursements. The balance would be accomplished over a multi-year period with a policy whereby a minimum of 40% of non-recurring balances identified at quarterly reviews would be allocated to the Revenue Stabilization Fund. Withdrawal from the Revenue Stabilization Fund will not be made unless the projected revenues reflect a decrease greater than 1.5 percent of the current year estimate. In addition, any withdrawal from the Revenue Stabilization Fund should not exceed one half of the fund balance in any fiscal year.

Growth in County revenues is driven by growth in the real estate and personal property tax base that produces 71.1 percent of projected total revenue in the FY 2001 budget. While growth in County revenues is projected to be moderate, the local economy is strong. Unemployment continues to be low at 1.5 percent; consumer confidence remains positive; and job growth remains strong.

The FY 2001 Adopted Budget totals $3.58 billion including General Fund disbursements of $2.15 billion. General Fund revenues and disbursements reflect increases of 7.70 percent and 6.24 percent, respectively over the FY 2000 Revised Budget Plan. Included in the General Fund disbursement amount is a transfer of $985.23 million to the School Operating Fund, reflecting an increase of 9.79 percent. General Fund direct expenditures reflect an increase of $34.67 million or 4.42 percent over the FY 2000 Revised Budget Plan.

The FY 2001 budget also includes additional steps in the County's multi-year strategy to restructure County Government to increase effectiveness, responsiveness and accountability. The FY 2001 Adopted Budget Plan includes funding for employee compensation adjustments based on a market pay analysis and the implementation of a Pay-for-Performance System.

The FY 2001 budget also continues the County's focus on Performance Measurement indicators. In order to promote greater accountability and continuous performance improvements, a more outcome based, comprehensive method of performance measurement was initiated in FY 1999. The FY 2000 and FY 2001 budgets include refinements to the initial performance measurement system that will ultimately provide the public and decision makers better information with which to evaluate programs and County Services as well as be used in the Department Head Evaluation System.

As the result of actions taken by the Board of Supervisors on September 11, 2000, the FY 2001 Revised Budget Plan totals $4.45 billion, including General Fund disbursements of $2.18 billion. This increase includes a number of administrative adjustments approved by the Board of Supervisors, the carryover of certain items approved in FY 2000 but not yet expended, and the carryover of unexpended capital project and grant balances.

CAPITAL IMPROVEMENT PROGRAM

In connection with the County's adopted comprehensive land use plan, the Fairfax County Planning Commission annually prepares and submits to the Board of Supervisors, a capital improvement program (the "CIP") for the ensuing five-year period. The CIP is designed to balance the need for public facilities as expressed by the County land use plan with the fiscal capability of the County to provide for those needs.

The CIP is an integral element of the County's budgeting process. The five-year document serves as a general planning guide for the construction of general purpose, school and public utility projects in the County. The CIP is updated and approved by the Board of Supervisors each year. This annual review process prompts careful attention to the development of reliable capital expenditure and revenue estimates and the timely scheduling of bond referenda.

In connection with the CIP process, the Board of Supervisors has adopted certain policy guidelines for the development and financing of the CIP. These guidelines include self-imposed restrictions on the issuance of general obligation bonds designed to keep General Fund supported debt service expenditures less than 10% of total General Fund disbursements, and to maintain the ratio of net bonded indebtedness to the market value of taxable property in the County at a level less than 3.0%.

The Board of Supervisors continues to thoroughly review the County's debt program in light of current fiscal conditions. Total bond sales to support the program have averaged $144 million per year since 1996. Recent voter approval on two County Bond Referenda has added balance to the bond program. On November 3, 1998, referenda totaling $87 million for park facilities and $99.92 million for new public safety/courthouse facilities were approved by the County voters. In addition, on November 2, 1999, voters approved a $297.205 million school bond referendum. Additional referenda of approximately $250 million in each of 2001, 2003 and 2005 to finance school facilities are anticipated. The CIP for Fiscal Years 2001-2005 (With Future Fiscal Years to 2008) was approved by the Board of Supervisors on April 24, 2000.

RETIREMENT SYSTEMS

The County administers four separate public employee retirement systems that provide pension benefits for various classes of County employees (Educational Employees Supplemental Retirement System, Police Officers Retirement System, Supplemental Retirement System and Uniformed Retirement System). In addition, professional employees of the Fairfax County School Board participate in a plan sponsored and administered by the Virginia Retirement System. As of June 30, 2000 membership in the five plans consisted of 20,289 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them and 32,864 current employees.

The Fairfax County retirement systems investments are managed by independent professional investment managers. Investments in derivatives are not made for speculative purposes but may be used by investment managers to gain access to markets, to reduce risk, or to reduce transaction costs. Investment Managers are prohibited from using leverage and options.

For further information regarding the County's retirement systems, see "General Purpose Financial Statements -- Notes to Financial Statements – Note F" in Appendix IV.

CONTINGENT LIABILITIES AND CLAIMS

The County is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. See Note P in the County's Financial Statements Appendix IV to this Official Statement for details as of the end of fiscal year 2000.

Currently, the County is defendant in a number of lawsuits alleging erroneous tax assessment of certain real estate properties and personal property. In the aggregate, plaintiffs currently claim approximately $500,000 in tax refunds. Based on past experience with these types of cases, the County's management and the County Attorney are of the opinion that any losses will not be material.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Brown & Wood LLP, New York, New York, Bond Counsel, the proposed form of whose opinion is included herein as Appendix VI.

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, based upon existing law and except as provided in the next sentence, interest on the Bonds will not be includable in the gross income of the owners of the Bonds for purposes of Federal income taxation. Interest on the Bonds will be includable in the gross income of the owners thereof for purposes of Federal income taxation retroactive to the date of issuance of the Bonds in the event of a failure by the County or the school board of the County to comply with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and covenants regarding the use, expenditure, investment of the proceeds of the Bonds and the timely payment of certain amounts to the U.S. Treasury, and no opinion is rendered by Bond Counsel as to the exclusion from gross income of the interest on the Bonds for Federal income tax purposes on or after the date on which any action affecting such covenants is taken upon the approval of counsel other than such firm.

Interest on the Bonds will not be an item of tax preference for purposes of the Federal individual or corporate alternative minimum tax. The Code contains provisions that could result in tax consequences, as to which no opinion will be rendered by Bond Counsel, as a result of ownership of the Bonds or the inclusion in certain computations (including, without limitation, those related to the corporate alternative minimum tax) of interest that is excluded from gross income.

Original Issue Discount

The excess, if any, of the amount payable at maturity of any maturity of the Bonds over the initial public offering price to the public (excluding bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such maturity is sold constitutes original issue discount. The amount of original issue discount accrues in accordance with a constant yield method based on the compounding of interest. Original issue discount on the Bonds with original issue discount (the "Discount Bonds") accruing pursuant to the constant yield method described above is not includable in gross income to the same extent as interest on the Bonds for Federal income tax purposes. A portion of such original issue discount that accrues to the owner of such Discount Bonds in each year is, however, included in the calculation of a corporate taxpayer's Federal alternative

minimum tax and determination of the distribution requirements of certain investment companies and may result in some of the collateral Federal income tax consequences described below under "Collateral Tax Consequences" in the year of accrual. Consequently, owners of Discount Bonds should be aware that the accrual of original issue discount in each year may result in an alternative minimum tax liability, additional distribution requirements, or other collateral Federal income tax consequences although the owner may not have received cash in such year.

A purchaser in the initial offering who acquires a Discount Bond at an issue price equal to the initial offering price thereof as set forth on the cover page hereof will be treated as receiving an amount of interest not includable in gross income for Federal income tax purposes equal to the original issue discount accruing during the period he holds such Discount Bond and will increase his adjusted basis in such Discount Bond by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bond for Federal income tax purposes. The accrual of original issue discount and its effect on redemption, sale or other disposition of Discount Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above.

Owners of Discount Bonds should consult their tax advisor with respect to the precise determination for Federal income tax purposes of interest accrued upon sale, redemption or other disposition of Discount Bonds and with respect to Commonwealth of Virginia and local tax consequences of owning and disposing of Discount Bonds.

Original Issue Premium

The excess, if any, of the tax basis of Bonds to a purchaser who purchases the Bonds in the initial offering (other than a purchaser who holds such Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is "bond premium." Bond premium is amortized over the term of such Bonds for Federal income tax purposes. Owners of such Bonds are required to decrease their adjusted basis in such Bonds by the amount of amortizable bond premium attributable to each taxable year such Bonds are held. The amortizable bond premium on such Bonds attributable to a taxable year is not deductible for Federal income tax purposes. Owners of such Bonds should consult their tax advisors with respect to the determination for Federal income tax purposes of the treatment of bond premiums upon sale or other disposition of such Bonds and with respect to Commonwealth of Virginia and local tax consequences of owning and disposing of such Bonds.

Collateral Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral Federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability and impact of these consequences.

Legislation affecting municipal securities is constantly being considered by the United States Congress. There can be no assurance that legislation enacted after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status of the Bonds. Legislative or regulatory actions and proposals may also affect the economic value of tax exemption or the market price of the Bonds.

FINANCIAL ADVISOR

BB&T Capital Markets, a division of Scott & Stringfellow, Inc., Richmond, Virginia, is serving as financial advisor to the County with respect to the sale of the Bonds. The financial advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Bonds and provided other advice. The financial advisor did not participate as an underwriter in any offer to purchase the Bonds from the County.

RATINGS

The Bonds have been rated "AAA" by Fitch, Inc. ("Fitch"), "Aaa" by Moody's Investors Service, Inc. ("Moody's") and "AAA" by Standard & Poor's Ratings Services ("Standard & Poor's"). The County requested that the Bonds be rated and furnished certain information to Fitch, Moody's and Standard & Poor's, including certain information that is not included in this Official Statement.

Fitch describes its "AAA" municipal bond rating as follows:

"Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events."

Moody's describes its "Aaa" municipal bond rating as follows:

"Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edged". Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues."

Standard & Poor's describe its "AAA" municipal bond rating as follows:

"An obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong."

These ratings are not a recommendation to buy, sell or hold the Bonds. Generally, rating agencies base their ratings on such materials and information, as well as investigations, studies and assumptions of the rating agencies. Such ratings may be changed at any time and no assurance can be given that they will not be revised downward or withdrawn entirely by any or all of such rating agencies, if, in the judgment of any or all, circumstances so warrant. Such circumstances may include, without limitation, change in or unavailability of information relating to the County. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of the Bonds.

CERTIFICATE CONCERNING OFFICIAL STATEMENT

Concurrently with the delivery of the Bonds, the Chairman of the Board of Supervisors and the County Executive of the County will certify that, to the best of their knowledge, the Official Statement did not as of its date, and does not as of the date of delivery of the Bonds, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading. Such certificate will also state, however, that the Chairman of the Board of Supervisors and the County Executive of the County did not independently verify the information indicated in this Official Statement as having been obtained or derived from sources other than the County and its officers but that they have no reason to believe that such information is not accurate.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of the estimates will be realized.

FUTURE FINANCIAL INFORMATION

SEC Rule 15c2-12. On November 10, 1994, the Securities and Exchange Commission adopted in final form certain amendments (the "Amendments") to Rule 15c2-12 under the Securities Exchange Act of 1934, as

amended. In general, the Amendments prohibit an underwriter from purchasing or selling municipal securities sold on or after July 3, 1995, such as the Bonds, unless it has determined that the issuer of such securities and/or other persons deemed to be material "obligated persons" have committed to provide (i) on an annual basis, certain financial information and operating data ("Annual Reports"), and, if available, audited financial statements, to each Nationally Recognized Municipal Securities Information Repository (a "NRMSIR") and the relevant state information depository (if any) and (ii) notice of various events described in the Amendments, if material ("Event Notices"), to each NRMSIR or the Municipal Securities Rulemaking Board ("MSRB") and to any such state information depository.

The County will covenant in the Continuing Disclosure Agreement (the form of which appears in Appendix VII) to be dated the date of delivery of the Bonds for the benefit of the holders of the Bonds to provide to each NRMSIR and to any Virginia information depository that has been formed, annually, not later than March 31 of each year commencing March 31, 2001, Annual Reports with respect to itself, as issuer. Similarly, the County will provide Event Notices with respect to the Bonds to each such NRMSIR, the MSRB and to any Virginia information depository. The County has not failed to comply as to its general obligation bonds with previous undertakings with regard to the Amendments. The County's most recent filing of its annual report and financial statements for its Integrated Sewer System's Enterprise Fund pursuant to an undertaking made in connection with its Sewer Revenue Bonds, Series 1996 was made approximately 30 days late, and timely notice of such late filing was given to each of the NRMSIRs.

APPROVAL OF OFFICIAL STATEMENT

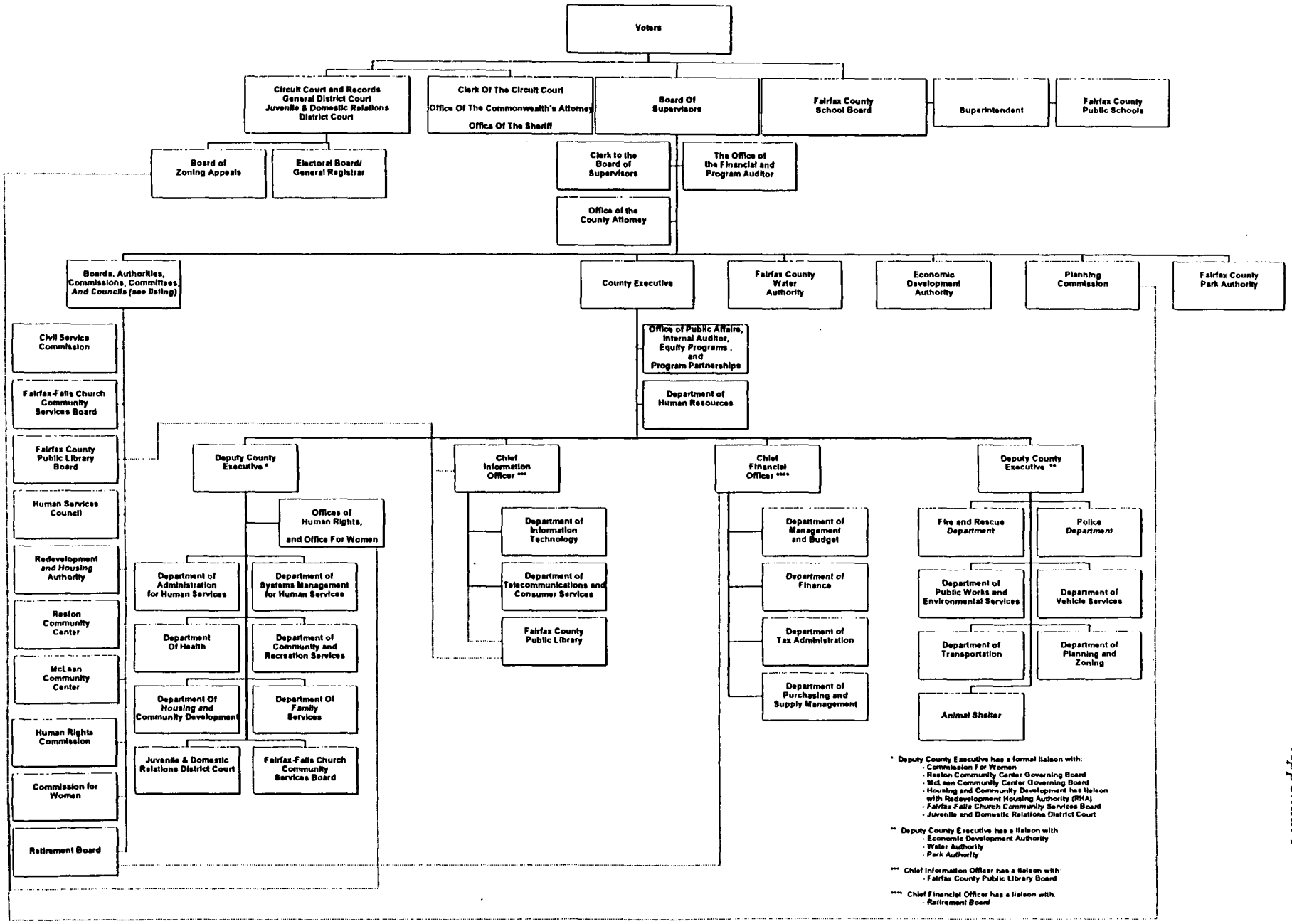
The execution and delivery of this Official Statement have been duly authorized by the Board of Supervisors of the County.

BOARD OF SUPERVISORS OF
FAIRFAX COUNTY, VIRGINIA

Katherine K. Hanley

By /s/ Katherine K. Hanley, *Chairman*

Organization of Fairfax County Government



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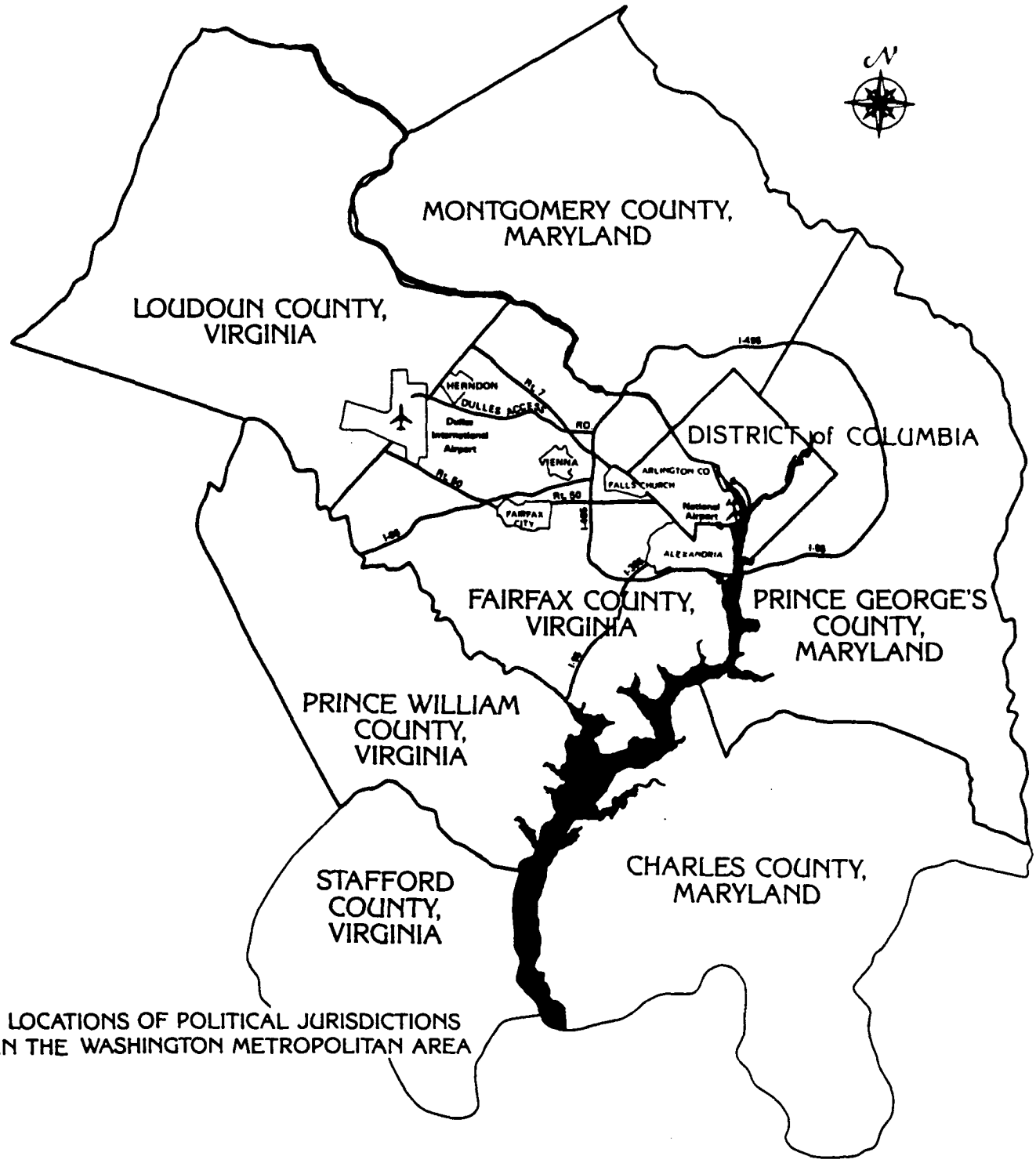

LOCATIONS OF POLITICAL JURISDICTIONS IN THE WASHINGTON METROPOLITAN AREA

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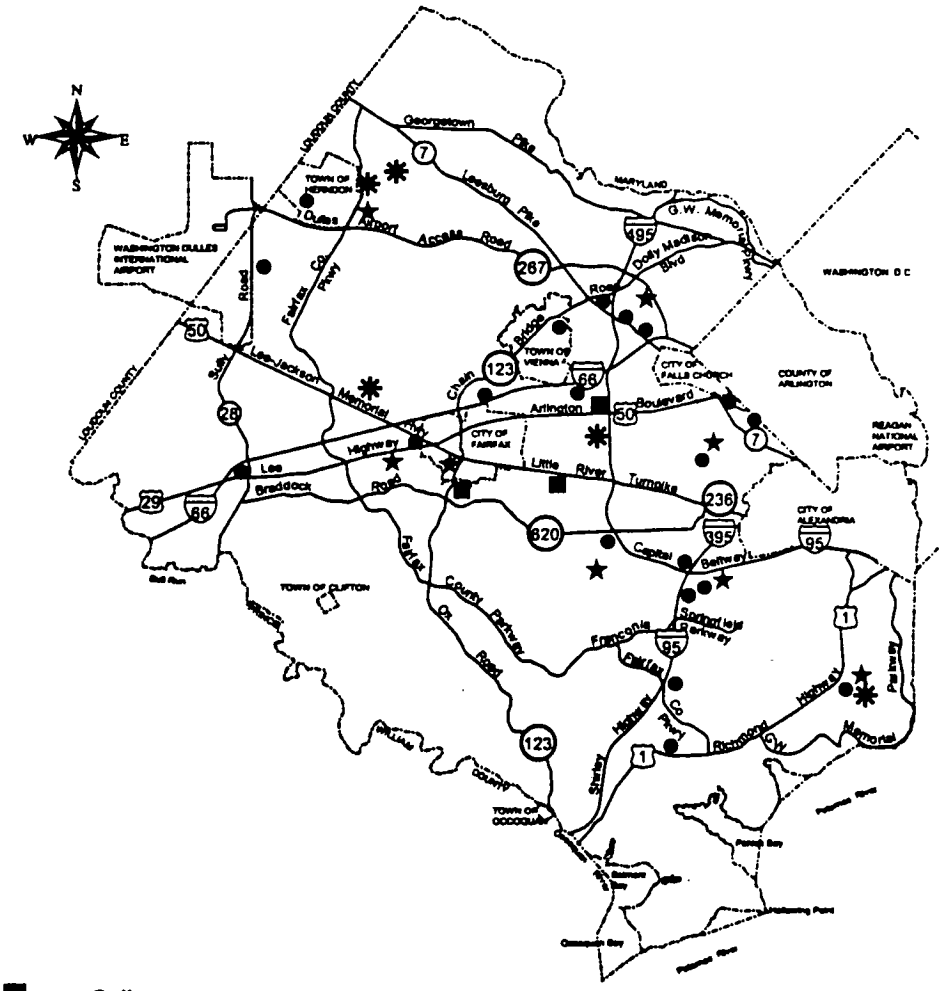

Colleges

George Mason University
Northern Virginia Community College
University of Virginia
  Northern Virginia Graduate Center
Virginia Polytechnic Institute and State University
  Northern Virginia Graduate Center

Governmental Centers

Fairfax County Governmental Center
Franconia Governmental Center
Mason Governmental Center
McLean Governmental Center
Mount Vernon Governmental Center
North County Governmental Center
Public Safety Center
West Springfield Governmental Center

Hospitals

Access (Ambulatory-Emergency)
Fair Oaks Hospital
Fairfax Hospital
Mount Vernon Hospital
Reston Hospital

Commercial Areas

Annandale
Bailey's Crossroads
Centreville
Dulles / Chantilly
Fairfax Center
Fort Belvior
Franconia
Herndon
McLean
Merrifield
Newington
Oakton
Ravensworth
Reston
Richmond Highway
Seven Corners
Shirley Highway
Springfield
Tysons Corner
Vienna

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FAIRFAX COUNTY, VIRGINIA

GENERAL PURPOSE FINANCIAL STATEMENTS
(Fiscal Year Ended June 30, 2000)

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2001 M Street, N.W.
Washington, D.C. 20036

Independent Auditors' Report

The Board of Supervisors
County of Fairfax, Virginia:

We have audited the accompanying general purpose financial statements of the County of Fairfax, Virginia (County) as of and for the year ended June 30, 2000. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units of the Fairfax County Redevelopment and Housing Authority (FCRHA), a discretely presented component unit of the County. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the discretely presented component units of FCRHA, which statements reflect total assets of $40,366,288 as of June 30, 2000 and total operating revenues of $4,036,587 for the year then ended in the component units columns, is based solely on the reports of the other auditors.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement and schedule presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County at June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The unaudited information in note F to the financial statements is not a required part of the financial statements of the County but is supplementary information required by the Governmental Accounting Standards Board. The above described information in note has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

KPMG LLP

October 27, 2000

KPMG LLP KPMG LLP, a U.S. limited liability partnership, is a member of KPMG International, a Swiss association.

COUNTY OF FAIRFAX, VIRGINIA
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units
June 30, 2000

	Governmental Fund Types				Proprietary Fund Types
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
Assets and other debits					
Assets:					
Equity in pooled cash and temporary investments	$ 164,555,760	176,923,776	6,041,072	112,903,743	75,416,013
Cash in banks	-	-	-	-	-
Cash with fiscal agents	537,848	-	411,509	-	-
Investments	-	-	-	-	12,969,964
Receivables (net of allowances):					
Accrued interest	949,956	557,211	-	59,457	565,244
Property taxes - delinquent	18,113,388	-	-	-	-
Business license taxes - delinquent	3,216,218	-	-	-	-
Accounts	15,036,220	8,332,427	-	-	-
Due from intergovernmental units	28,903,237	10,136,151	-	397,307	17,765,553
Notes	-	5,066,749	-	-	-
Mortgages	-	-	-	-	-
Due from Primary Government	-	-	-	-	-
Due from Component Units	-	1,591,709	-	-	-
Interfund receivables	4,029,420	-	-	-	-
Inventories of supplies	1,161,210	-	-	-	602,867
Prepaid items and other assets	61,554	19,480	-	-	-
Restricted assets:					
Equity in pooled cash and temporary investments	-	-	-	-	193,870,716
Cash with fiscal agents	-	-	-	-	-
Certificates of deposit - performance bonds	646,055	-	-	-	-
Investments	-	-	-	-	23,948,019
Fixed assets:					
Land	-	-	-	-	17,383,765
Buildings and improvements	-	-	-	-	712,982,610
Equipment	-	-	-	-	8,416,708
Construction in progress	-	-	-	-	82,283,525
Accumulated depreciation	-	-	-	-	(263,066,861)
Purchased capacity (net of amortization)	-	-	-	-	122,056,628
Miscellaneous noncurrent assets (net of amortization)	-	-	-	-	1,282,139
Other debits:					
Amount available in debt service funds	-	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-
Amount to be provided from special assessments	-	-	-	-	-
Total assets and other debits	$ 237,210,866	202,627,503	6,452,581	113,360,507	1,006,476,890

Exhibit A

Internal Service	Fiduciary Fund Type: Trust and Agency	Account Groups: General Fixed Assets	Account Groups: General Long-Term Obligations	Totals Primary Government (memorandum only)	Component Units	Totals Reporting Entity (memorandum only)
64,300,651	11,916,202	-	-	612,057,217	228,504,127	840,561,344
-	-	-	-	-	4,948,176	4,948,176
-	13	-	-	949,370	12,030,632	12,980,002
-	3,395,811,331	-	-	3,408,781,295	1,758,944,371	5,167,725,666
77,929	12,256,576	-	-	14,466,373	7,371,287	21,837,660
-	-	-	-	18,113,388	-	18,113,388
-	-	-	-	3,216,218	-	3,216,218
12,022	54,313	-	-	23,434,982	20,698,486	44,133,468
-	-	-	-	57,202,248	32,492,634	89,694,882
-	-	-	-	5,066,749	4,389,099	9,455,848
-	-	-	-	-	72,148	72,148
-	-	-	-	-	11,575,533	11,575,533
-	-	-	-	1,591,709	-	1,591,709
1,102	-	-	-	4,030,522	1,966,427	5,996,949
2,303,716	-	-	-	4,067,793	4,284,554	8,352,347
187,745	-	-	-	268,779	1,728,460	1,997,239
-	-	-	-	193,870,716	-	193,870,716
-	-	-	-	-	10,645,500	10,645,500
-	-	-	-	646,055	-	646,055
-	-	-	-	23,948,019	2,269,300	26,217,319
1,776,483	-	150,892,846	-	170,053,094	221,130,658	391,183,752
15,602,150	-	686,643,300	-	1,415,228,060	1,415,124,983	2,830,353,043
49,073,038	1,546,000	123,544,008	-	182,579,754	122,472,987	305,052,741
-	-	98,746,487	-	181,030,012	388,464,396	569,494,408
(39,362,180)	-	-	-	(302,429,041)	(52,278,342)	(354,707,383)
-	-	-	-	122,056,628	-	122,056,628
-	-	-	-	1,282,139	-	1,282,139
-	-	-	5,820,964	5,820,964	-	5,820,964
-	-	-	1,618,791,891	1,618,791,891	65,465,590	1,684,257,481
-	-	-	675,000	675,000	-	675,000
93,972,656	3,421,584,435	1,059,826,641	1,625,287,855	7,766,799,934	4,262,301,006	12,029,100,940

continued

COUNTY OF FAIRFAX, VIRGINIA
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units
June 30, 2000

	Governmental Fund Types				Proprietary Fund Types
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
Liabilities, fund equity and other credits					
Liabilities:					
Accounts payable and accrued liabilities	$ 33,663,373	8,924,193	3,022	4,167,413	7,514,674
Compensated absences payable - long-term	-	-	-	-	-
Obligations for claims and judgments	-	-	-	-	-
Contracts payable	-	-	-	2,213,544	8,326,964
Contract retainages	-	101,257	-	1,436,158	-
Liabilities for collateral received under securities lending agreements	-	-	-	-	-
Liabilities under reimbursement agreements	-	-	-	-	-
Due to Primary Government	-	-	-	-	-
Due to Component Units	1,290,632	444,737	-	111,980	-
Interfund payables	-	3,293,347	-	92,692	71,061
Matured bonds payable	-	-	240,900	-	-
Matured interest payable	-	-	54,584	-	-
Deferred revenue	33,114,967	3,253,527	333,111	21,633,926	-
Deposits (primarily performance deposits)	56,665,321	-	-	4,257,563	-
Notes payable	-	-	-	-	-
Public Housing loans payable	-	-	-	-	-
Housing bonds payable	-	-	-	-	-
General obligation bonds payable	-	-	-	-	-
Special assessment debt with governmental commitment	-	-	-	-	-
Revenue bonds payable, net of unamortized discount	-	-	-	-	168,806,094
Obligations under capital leases and installment purchases	-	-	-	-	-
Sanitary landfill closure obligation	-	-	-	-	-
Total liabilities	124,734,293	16,017,061	631,617	33,913,276	184,718,793
Fund equity and other credits:					
Investments in general fixed assets	-	-	-	-	-
Contributed capital	-	-	-	-	174,403,463
Retained earnings:					
Reserved for sewer improvements, bond debt service and nitrification facilities	-	-	-	-	208,435,840
Unreserved	-	-	-	-	438,918,794
Fund balances:					
Reserved for:					
Encumbrances	-	-	-	29,514,035	-
Inventories of supplies	1,161,210	-	-	-	-
Long-term receivables	-	5,066,749	-	-	-
Prepaid items	61,554	19,480	-	-	-
Debt service	-	-	5,820,964	-	-
Employees' pension benefits	-	-	-	-	-
Repair and replacement	-	-	-	-	-
Unreserved	111,253,809	181,524,213	-	49,933,196	-
Total fund equity and other credits	112,476,573	186,610,442	5,820,964	79,447,231	821,758,097
Total liabilities, fund equity and other credits	$ 237,210,866	202,627,503	6,452,581	113,360,507	1,006,476,890

See accompanying notes to financial statements.

Exhibit A
continued

Internal Service	Fiduciary Fund Type: Trust and Agency	Account Groups: General Fixed Assets	Account Groups: General Long-Term Obligations	Totals Primary Government (memorandum only)	Component Units	Totals Reporting Entity (memorandum only)
24,816,905	6,200,707	-	-	85,290,287	289,760,970	375,051,257
-	-	-	54,297,817	54,297,817	22,389,122	76,686,939
-	-	-	1,287,000	1,287,000	-	1,287,000
-	-	-	-	10,540,508	-	10,540,508
-	-	-	-	1,537,415	7,184,884	8,722,299
-	236,511,408	-	-	236,511,408	77,396,129	313,907,537
-	62,642,150	-	-	62,642,150	11,280,433	73,922,583
-	-	-	-	-	1,591,709	1,591,709
-	-	-	9,728,184	11,575,533	-	11,575,533
534,183	39,239	-	-	4,030,522	1,966,427	5,996,949
-	-	-	-	240,900	-	240,900
-	-	-	-	54,584	-	54,584
-	-	-	-	58,335,531	18,252,719	76,588,250
-	-	-	-	60,922,884	1,038,613	61,961,497
-	-	-	-	-	68,914,904	68,914,904
-	-	-	-	-	2,037,227	2,037,227
-	-	-	-	-	9,465,000	9,465,000
-	-	-	1,380,266,450	1,380,266,450	-	1,380,266,450
-	-	-	675,000	675,000	-	675,000
-	-	-	114,125,000	282,931,094	13,030,000	295,961,094
673,007	1,403,000	-	23,737,816	25,813,823	18,269,618	44,083,441
-	-	-	41,170,588	41,170,588	-	41,170,588
26,024,095	306,796,504	-	1,625,287,855	2,318,123,494	542,577,755	2,860,701,249
-	-	1,059,826,641	-	1,059,826,641	1,971,313,969	3,031,140,610
20,396,695	-	-	-	194,800,158	29,153,028	223,953,186
-	-	-	-	208,435,840	-	208,435,840
47,551,866	-	-	-	486,470,660	77,180,266	563,650,926
-	-	-	-	29,514,035	67,345,265	96,859,300
-	-	-	-	1,161,210	1,122,285	2,283,495
-	-	-	-	5,066,749	-	5,066,749
-	-	-	-	81,034	-	81,034
-	-	-	-	5,820,964	2,194,550	8,015,514
-	3,114,787,931	-	-	3,114,787,931	1,534,986,934	4,649,774,865
-	-	-	-	-	1,000,000	1,000,000
-	-	-	-	342,711,218	35,426,954	378,138,172
67,948,561	3,114,787,931	1,059,826,641	-	5,448,676,440	3,719,723,251	9,168,399,691
93,972,656	3,421,584,435	1,059,826,641	1,625,287,855	7,766,799,934	4,262,301,006	12,029,100,940

COUNTY OF FAIRFAX, VIRGINIA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Discretely Presented Component Units

For the fiscal year ended June 30, 2000

		General	Special Revenue	Debt Service	Capital Projects
Revenues:					
Taxes	$	1,679,924,673	10,446,749	-	-
Permits, privilege fees and regulatory licenses		33,654,184	10,181,376	-	-
Intergovernmental		180,965,710	58,031,627	45,349	10,407,954
Charges for services		29,572,596	89,925,424	-	-
Fines and forfeitures		7,579,871	-	-	-
Developers' contributions		-	1,405,989	-	4,095,627
Revenue from the use of money and property		51,479,794	9,905,909	-	1,318,112
Recovered costs		4,720,451	1,488,460	-	1,634,072
Local matching grants		-	4,896,619	-	-
Gifts, donations and contributions		-	204,261	-	-
Donated food		10,260	-	-	-
Other		6,361,509	3,607,706	-	234,723
Total revenues		1,994,269,048	190,094,120	45,349	17,690,488
Expenditures:					
Current:					
General government administration		65,191,176	22,209,055	-	-
Judicial administration		20,890,529	517,997	-	-
Public safety		244,911,059	11,244,860	-	-
Public works		42,132,130	83,346,335	-	-
Health and welfare		189,652,809	110,675,281	-	-
Community development		27,058,608	46,218,769	-	18,234,248
Parks, recreation and cultural		40,676,988	7,264,915	-	1,500,000
Education		-	-	-	-
Donated food		10,260	-	-	-
Nondepartmental		106,035,082	-	-	-
Capital outlay		-	-	-	39,126,014
Capital leases and installment purchases		234,286	731,003	-	-
Debt service:					
Principal retirement		-	-	109,261,425	-
Interest and other		-	-	75,709,447	-
Total expenditures		736,792,927	282,208,215	184,970,872	58,860,262
Excess (deficiency) of revenues over (under) expenditures		1,257,476,121	(92,114,095)	(184,925,523)	(41,169,774)
Other financing sources (uses):					
Operating transfers in		1,520,280	103,372,084	184,198,452	30,406,668
Operating transfers in from Primary Government					
Proceeds from sale of bonds		-	-	-	-
Other		-	-	-	-
Operating transfers in from Component Units		-	-	3,710,000	-
Operating transfers out		(322,109,484)	(1,646,468)	-	(2,420,957)
Operating transfers out to Component Units:					
Proceeds from sale of bonds		-	-	-	(142,028,403)
Other		(923,919,263)	(1,801,008)	-	(1,479,402)
Proceeds from sale of County general obligation bonds		-	-	-	171,629,135
Capital leases and installment purchases		234,286	731,003	-	-
Proceeds from issuance of revenue note		-	-	-	-
Total other financing sources (uses)		(1,244,274,181)	100,655,611	187,908,452	56,107,041
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses		13,201,940	8,541,516	2,982,929	14,937,267
Fund balances, July 1, 1999, as restated		99,332,131	178,068,926	2,838,035	64,509,964
Increase (decrease) in reserve for inventories of supplies		(57,498)	-	-	-
Fund balances, June 30, 2000	$	112,476,573	186,610,442	5,820,964	79,447,231

See accompanying notes to financial statements.

Exhibit A-1

Totals Primary Government (memorandum only)	Component Units	Totals Reporting Entity (memorandum only)
1,690,371,422	-	1,690,371,422
43,835,560	-	43,835,560
249,450,640	345,432,595	594,883,235
119,498,020	63,855,377	183,353,397
7,579,871	-	7,579,871
5,501,616	-	5,501,616
62,703,815	5,067,690	67,771,505
7,842,983	22,765,592	30,608,575
4,896,619	-	4,896,619
204,261	247,920	452,181
10,260	76,286	86,546
10,203,938	4,672,030	14,875,968
2,202,099,005	442,117,490	2,644,216,495
87,400,231	-	87,400,231
21,408,526	-	21,408,526
256,155,919	-	256,155,919
125,478,465	-	125,478,465
300,328,090	-	300,328,090
91,511,625	6,533,677	98,045,302
49,441,903	38,773,674	88,215,577
-	1,335,403,311	1,335,403,311
10,260	76,286	86,546
106,035,082	-	106,035,082
39,126,014	152,508,110	191,634,124
965,289	16,160,666	17,125,955
109,261,425	295,000	109,556,425
75,709,447	863,499	76,572,946
1,262,832,276	1,550,614,223	2,813,446,499
939,266,729	(1,108,496,733)	(169,230,004)
319,497,484	18,443,893	337,941,377
-	142,028,403	142,028,403
-	930,111,332	930,111,332
3,710,000	-	3,710,000
(326,176,909)	(18,665,491)	(344,842,400)
(142,028,403)	-	(142,028,403)
(927,199,673)	(3,710,000)	(930,909,673)
171,629,135	-	171,629,135
965,289	16,160,666	17,125,955
-	12,750,000	12,750,000
(899,603,077)	1,097,118,803	197,515,726
39,663,652	(11,377,930)	28,285,722
344,749,056	118,346,741	463,095,797
(57,498)	120,243	62,745
384,355,210	107,089,054	491,444,264

COUNTY OF FAIRFAX, VIRGINIA

Combined Statement of Revenues and Expenditures - Budget and Actual (Budget Basis) - General, Special Revenue and Debt Service Funds (Primary Government Only)

For the fiscal year ended June 30, 2000

		General Fund			Special Revenue Funds		
		Budget	Actual	Variance	Budget	Actual	Variance
Revenues:							
Taxes	$	1,672,612,162	1,679,924,673	7,312,511	10,447,055	10,446,749	(306)
Permits, privilege fees and regulatory licenses		33,468,051	33,654,184	186,133	10,420,796	10,181,376	(239,420)
Intergovernmental		182,312,028	180,965,710	(1,346,318)	91,336,146	54,044,319	(37,291,827)
Charges for services		30,569,539	29,572,596	(996,943)	87,612,103	90,176,067	2,563,964
Fines and forfeitures		7,647,456	7,579,871	(67,585)	-	-	-
Developers' contributions		-	-	-	800,000	1,405,989	605,989
Revenue from the use of money and property		50,915,813	49,853,397	(1,062,416)	5,650,793	9,078,159	3,427,366
Recovered costs		4,838,906	4,720,451	(118,455)	85,483	445,859	360,376
Local matching grants		-	-	-	7,888,717	4,896,619	(2,992,098)
Gifts, donations and contributions		-	-	-	231,748	204,261	(27,487)
Other		341,984	6,361,509	6,019,525	6,276,995	3,601,956	(2,675,039)
Total revenues		1,982,705,939	1,992,632,391	9,926,452	220,749,836	184,481,354	(36,268,482)
Expenditures:							
Current:							
General government administration		70,236,837	65,191,176	5,045,661	51,363,714	22,209,055	29,154,659
Judicial administration		21,797,003	20,890,529	906,474	656,518	517,997	138,521
Public safety		251,146,736	244,911,059	6,235,677	17,949,108	11,244,860	6,704,248
Public works		45,870,728	42,132,130	3,738,598	112,772,962	82,363,698	30,409,264
Health and welfare		193,586,993	189,652,809	3,934,184	119,793,409	108,343,676	11,449,733
Community development		35,335,657	33,592,285	1,743,372	83,534,262	44,843,800	38,690,462
Parks, recreation and cultural		60,635,950	59,317,844	1,318,106	8,006,819	7,264,915	741,904
Nondepartmental		107,485,294	106,035,082	1,450,212	-	-	-
Debt service:							
Principal retirement		-	-	-	-	-	-
Interest and other		-	-	-	-	-	-
Total expenditures		786,095,198	761,722,914	24,372,284	394,076,792	276,788,001	117,288,791
Excess (deficiency) of revenues over (under) expenditures		1,196,610,741	1,230,909,477	34,298,736	(173,326,956)	(92,306,647)	81,020,309
Other financing sources (uses):							
Operating transfers in		1,520,280	1,520,280	-	103,372,084	103,372,084	-
Operating transfers out		(322,109,484)	(322,109,484)	-	(1,646,468)	(1,646,468)	-
Operating transfers in from Component Units		-	-	-	-	-	-
Operating transfers out to Component Units		(898,744,730)	(898,744,730)	-	(1,693,834)	(1,693,834)	-
Total other financing sources (uses)		(1,219,333,934)	(1,219,333,934)	-	100,031,782	100,031,782	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	$	(22,723,193)	11,575,543	34,298,736	(73,295,174)	7,725,135	81,020,309

See accompanying notes to financial statements.

Exhibit A-2

Debt Service Funds			Totals (memorandum only)		
Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	1,683,059,217	1,690,371,422	7,312,205
-	-	-	43,888,847	43,835,560	(53,287)
22,000	45,349	23,349	273,670,174	235,055,378	(38,614,796)
-	-	-	118,181,642	119,748,663	1,567,021
-	-	-	7,647,456	7,579,871	(67,585)
-	-	-	800,000	1,405,989	605,989
-	-	-	56,566,606	58,931,556	2,364,950
-	-	-	4,924,389	5,166,310	241,921
-	-	-	7,888,717	4,896,619	(2,992,098)
-	-	-	231,748	204,261	(27,487)
-	-	-	6,618,979	9,963,465	3,344,486
22,000	45,349	23,349	2,203,477,775	2,177,159,094	(26,318,681)
-	-	-	121,600,551	87,400,231	34,200,320
-	-	-	22,453,521	21,408,526	1,044,995
-	-	-	269,095,844	256,155,919	12,939,925
-	-	-	158,643,690	124,495,828	34,147,862
-	-	-	313,380,402	297,996,485	15,383,917
-	-	-	118,869,919	78,436,085	40,433,834
-	-	-	68,642,769	66,582,759	2,060,010
-	-	-	107,485,294	106,035,082	1,450,212
109,335,819	109,261,425	74,394	109,335,819	109,261,425	74,394
76,662,027	75,709,447	952,580	76,662,027	75,709,447	952,580
185,997,846	184,970,872	1,026,974	1,366,169,836	1,223,481,787	142,688,049
(185,975,846)	(184,925,523)	1,050,323	837,307,939	953,677,307	116,369,368
184,198,452	184,198,452	-	289,090,816	289,090,816	-
-	-	-	(323,755,952)	(323,755,952)	-
3,710,000	3,710,000	-	3,710,000	3,710,000	-
-	-	-	(900,438,564)	(900,438,564)	-
187,908,452	187,908,452	-	(931,393,700)	(931,393,700)	-
1,932,606	2,982,929	1,050,323	(94,085,761)	22,283,607	116,369,368

COUNTY OF FAIRFAX, VIRGINIA

Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types and Discretely Presented Component Units

For the fiscal year ended June 30, 2000

	Enterprise	Internal Service	Totals Primary Government (memorandum only)
Operating revenues:			
Dwelling rental	$ -	-	-
Charges to other funds	-	96,729,512	96,729,512
Sales of services	69,683,036	-	69,683,036
Availability fees	35,048,919	-	35,048,919
Other	304,026	319,272	623,298
Total operating revenues	105,035,981	97,048,784	202,084,765
Operating expenses:			
Cost of goods sold	-	-	-
Personnel services	16,762,909	17,677,525	34,440,434
Materials and supplies	9,262,567	3,962,404	13,224,971
Equipment operation and maintenance	-	26,963,639	26,963,639
Dwelling operation, maintenance and utilities	-	-	-
Risk financing and benefit payments	-	36,255,426	36,255,426
Administration - housing programs	-	-	-
Housing assistance payments	-	-	-
Depreciation and amortization	21,235,468	5,905,215	27,140,683
Professional consultant and contractual services	45,138,022	3,432,319	48,570,341
Other	-	60,668	60,668
Total operating expenses	92,398,966	94,257,196	186,656,162
Operating income (loss)	12,637,015	2,791,588	15,428,603
Nonoperating revenues (expenses):			
Intergovernmental revenue	1,934,936	-	1,934,936
Interest revenue	17,144,698	1,777,814	18,922,512
Interest expense	(9,560,134)	(29,672)	(9,589,806)
Investor contributions	-	-	-
Gain (loss) on disposal of fixed assets	16,637	681,807	698,444
Total nonoperating revenues (expenses)	9,536,137	2,429,949	11,966,086
Income (loss) before operating transfers	22,173,152	5,221,537	27,394,689
Operating transfers in	-	6,679,425	6,679,425
Operating transfers in from Primary Government	-	-	-
Operating transfers out	-	-	-
Operating transfers out to Component Units	-	(4,350,958)	(4,350,958)
Net income (loss)	22,173,152	7,550,004	29,723,156
Add back of depreciation expense related to contributed assets	9,063,182	-	9,063,182
Net increase (decrease) in retained earnings	31,236,334	7,550,004	38,786,338
Retained earnings, July 1, 1999, as restated	616,118,300	40,001,862	656,120,162
Retained earnings, June 30, 2000	$ 647,354,634	47,551,866	694,906,500

See accompanying notes to financial statements.

Exhibit A-3

Component Units		Totals Reporting Entity (memorandum only)
Public Schools	Redevelopment and Housing Authority	
-	12,984,509	12,984,509
70,351,164	2,421,270	169,501,946
-	-	69,683,036
-	-	35,048,919
-	3,595,177	4,218,475
70,351,164	19,000,956	291,436,885
10,258,159	-	10,258,159
342,553	6,478,738	41,261,725
-	-	13,224,971
-	-	26,963,639
-	8,298,675	8,298,675
48,756,609	-	85,012,035
-	5,676,076	5,676,076
-	19,643,889	19,643,889
-	4,873,471	32,014,154
4,650,923	-	53,221,264
-	310,676	371,344
64,008,244	45,281,525	295,945,931
6,342,920	(26,280,569)	(4,509,046)
-	24,655,793	26,590,729
845,803	1,126,769	20,895,084
-	(3,941,722)	(13,531,528)
-	953,859	953,859
-	-	698,444
845,803	22,794,699	35,606,588
7,188,723	(3,485,870)	31,097,542
221,598	3,121,959	10,022,982
-	1,439,299	1,439,299
-	(3,121,959)	(3,121,959)
-	-	(4,350,958)
7,410,321	(2,046,571)	35,086,906
-	-	9,063,182
7,410,321	(2,046,571)	44,150,088
7,556,464	64,260,052	727,936,678
14,966,785	62,213,481	772,086,766

COUNTY OF FAIRFAX, VIRGINIA

Combined Statement of Cash Flows - All Proprietary Fund Types and Discretely Presented Component Units

For the fiscal year ended June 30, 2000

	Enterprise (1)	Internal Service (2,3)	Totals Primary Government (memorandum only)
Cash flows from operating activities:			
Operating income (loss)	$ 12,637,015	2,791,588	15,428,603
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	21,235,468	5,905,215	27,140,683
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	-	65,691	65,691
(Increase) decrease in intergovernmental receivables	551,000	(80)	550,920
(Increase) decrease in due from Primary Government	-	-	-
(Increase) decrease in interfund receivables	-	276,512	276,512
(Increase) decrease in inventories of supplies	(38,483)	(49,962)	(88,445)
(Increase) decrease in prepaid items and other assets	-	1,300	1,300
Increase (decrease) in accounts payable and accrued liabilities, net of interest	(336,202)	(1,209,279)	(1,545,481)
Increase (decrease) in contracts payable	4,349,911	-	4,349,911
Increase (decrease) in interfund payables	-	24,883	24,883
Increase (decrease) in deferred revenue	-	-	-
Increase (decrease) in deposits held in trust	-	-	-
Total adjustments to operating income (loss)	25,761,694	5,014,280	30,775,974
Net cash provided (used) by operating activities	38,398,709	7,805,868	46,204,577
Cash flows from non-capital financing activities:			
Intergovernmental revenue received	-	-	-
Receipts from other funds	-	6,679,425	6,679,425
Transfers to other funds	-	-	-
Net cash provided by non-capital financing activities	-	6,679,425	6,679,425
Cash flows from capital and related financing activities:			
Intergovernmental revenue received	1,934,936	-	1,934,936
Principal payments on sewer revenue bonds	(3,610,000)	-	(3,610,000)
Principal payments on housing related bonds, notes and loans	-	-	-
Principal payments on capital leases and installment purchases	-	(1,084,662)	(1,084,662)
Interest payments on sewer revenue bonds	(9,609,885)	-	(9,609,885)
Interest payments on housing related bonds, notes and loans	-	-	-
Interest payments on capital leases and installment purchases	-	(69,678)	(69,678)
Proceeds from issuance of housing-related notes and loans	-	-	-
Other financing activities	-	-	-
Proceeds from sale of fixed assets	16,637	758,124	774,761
Purchase of fixed assets	(29,582,242)	(12,192,341)	(41,774,583)
Acquisition of purchased capacity	(37,899,169)	-	(37,899,169)
Contributions received	-	-	-
Net cash (used) by capital and related financing activities	(78,749,723)	(12,588,557)	(91,338,280)
Cash flows from investing activities:			
Withdrawals from restricted investments (net)	(523,188)	-	(523,188)
Investment in obligations of authorities of the Commonwealth of Virginia	(12,750,000)	-	(12,750,000)
Interest received	16,559,647	1,722,866	18,282,513
Net cash provided by investing activities	3,286,459	1,722,866	5,009,325
Net increase (decrease) in cash and cash equivalents	(37,064,555)	3,619,602	(33,444,953)
Cash and cash equivalents, July 1, 1999, as restated	306,351,284	60,681,049	367,032,333
Cash and cash equivalents, June 30, 2000	$ 269,286,729	64,300,651	333,587,380

(1) Capital contributions and donations of property, plant and equipment amounted to $6,872,282 for the Enterprise Fund.

(2) Borrowing under capital leases and installment purchases amounted to $673,000 for the Internal Service Funds.

(3) Certain fixed asset transfers between an internal service fund of the Primary Government and Public Schools amounted to $4,350,958.

(4) Reconciliation of cash and cash equivalents as of June 30, 2000 for the Public Schools component unit:

Proprietary fund type, as shown above	$ 44,631,927
Governmental fund types	140,233,614
Fiduciary fund type	13,803,295
Total for Public Schools, as per Exhibit A-7	$ 198,668,836

See accompanying notes to financial statements.

Exhibit A-4

Component Units		Totals Reporting Entity (memorandum only)
Public Schools (4)	Redevelopment and Housing Authority	
6,342,920	(26,280,569)	(4,509,046)
-	4,873,471	32,014,154
(607,368)	4,263,976	3,722,299
-	-	550,920
-	383,557	383,557
(302,225)	-	(25,713)
(99,656)	-	(188,101)
-	74,610	75,910
55,846	167,146	(1,322,489)
-	-	4,349,911
732,233	-	757,116
1,239,912	117,988	1,357,900
-	(221,231)	(221,231)
1,018,742	9,659,517	41,454,233
7,361,662	(16,621,052)	36,945,187
-	22,713,939	22,713,939
221,598	3,121,959	10,022,982
-	(3,121,959)	(3,121,959)
221,598	22,713,939	29,614,962
-	3,381,153	5,316,089
-	-	(3,610,000)
-	(3,249,583)	(3,249,583)
-	-	(1,084,662)
-	-	(9,609,885)
-	(3,796,599)	(3,796,599)
-	-	(69,678)
-	6,826,426	6,826,426
-	(325,363)	(325,363)
-	-	774,761
-	(9,160,862)	(50,935,445)
-	-	(37,899,169)
-	1,456,332	1,456,332
-	(4,868,496)	(96,206,776)
-	(1,021,855)	(1,545,043)
-	-	(12,750,000)
724,627	1,122,916	20,130,056
724,627	101,061	5,835,013
8,307,887	1,325,452	(23,811,614)
36,324,040	22,303,392	425,659,765
44,631,927	23,628,844	401,848,151

COUNTY OF FAIRFAX, VIRGINIA

Exhibit A-5

Combined Statement of Plan Net Assets -
Pension Trust Funds and Discretely Presented Component Unit
June 30, 2000

		Primary Government Pension Trust	Component Unit Public Schools Pension Trust	Totals Reporting Entity (memorandum only)
Assets				
Equity in pooled cash and temporary investments	$	8,223,365	1,747,565	9,970,930
Cash with fiscal agents		-	601,964	601,964
Investments, at fair value		3,334,251,048	1,758,944,371	5,093,195,419
Accrued interest and dividends receivable		12,250,346	6,996,517	19,246,863
Accounts receivable		-	16,313,912	16,313,912
Total assets		3,354,724,759	1,784,604,329	5,139,329,088
Liabilities				
Accounts payable and accrued liabilities		3,386,181	172,221,266	175,607,447
Liabilities for collateral received under securities lending agreements		236,511,408	77,396,129	313,907,537
Interfund payable		39,239	-	39,239
Total liabilities		239,936,828	249,617,395	489,554,223
Fund balances reserved for employees' pension benefits	$	3,114,787,931	1,534,986,934	4,649,774,865

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA

Exhibit A-5a

Combining Statement of Plan Net Assets -

Pension Trust Funds (Primary Government Only)

June 30, 2000

		Uniformed Retirement	Supplemental Retirement	Police Officers Retirement	Total all funds
Assets					
Equity in pooled cash and temporary investments	$	1,199,159	5,066,490	1,957,716	8,223,365
Investments, at fair value		707,239,770	1,939,805,035	687,206,243	3,334,251,048
Interest and dividends receivable		2,950,028	6,031,141	3,269,177	12,250,346
Total assets		711,388,957	1,950,902,666	692,433,136	3,354,724,759
Liabilities					
Accounts payable and accrued liabilities		675,794	1,719,525	990,862	3,386,181
Liabilities for collateral received under securities lending agreements		54,210,104	112,721,058	69,580,246	236,511,408
Interfund payable		-	39,239	-	39,239
Total liabilities		54,885,898	114,479,822	70,571,108	239,936,828
Fund balances reserved for employees' pension benefits	$	656,503,059	1,836,422,844	621,862,028	3,114,787,931

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA

Exhibit A-6

Combined Statement of Changes in Plan Net Assets -
Pension Trust Funds and Discretely Presented Component Unit
For the fiscal year ended June 30, 2000

	Primary Government	Component Unit	Totals Reporting Entity
	Pension Trust	Public Schools Pension Trust	(memorandum only)
Additions:			
Contributions:			
Employer	$ 55,573,074	35,655,898	91,228,972
Plan members	34,085,149	16,936,454	51,021,603
Total contributions	89,658,223	52,592,352	142,250,575
Investment income:			
Net appreciation (depreciation) in fair value of investments	84,389,914	(741,572)	83,648,342
Interest	58,557,239	27,943,239	86,500,478
Dividends	44,351,942	18,899,164	63,251,106
Securities lending	13,102,616	2,803,663	15,906,279
Other	89,911	286,065	375,976
Total investment income	200,491,622	49,190,559	249,682,181
Less investment expense:			
Investment fees and other	9,762,773	5,480,192	15,242,965
Securities lending	12,367,471	2,523,986	14,891,457
Total investment expense	22,130,244	8,004,178	30,134,422
Net investment income	178,361,378	41,186,381	219,547,759
Total additions	268,019,601	93,778,733	361,798,334
Deductions:			
Benefits	88,873,267	74,803,741	163,677,008
Refund of contributions	6,324,511	1,777,493	8,102,004
Administrative expense	1,149,953	2,734,139	3,884,092
Total deductions	96,347,731	79,315,373	175,663,104
Net increase	171,671,870	14,463,360	186,135,230
Fund balances reserved for employees' pension benefits:			
July 1, 1999	2,943,116,061	1,520,523,574	4,463,639,635
June 30, 2000	$ 3,114,787,931	1,534,986,934	4,649,774,865

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA

Exhibit A-6a

Combining Statement of Changes in Plan Net Assets - Pension Trust Funds (Primary Government Only)

for the fiscal year ended June 30, 2000

		Uniformed Retirement	Supplemental Retirement	Police Officers Retirement	Total all funds
Additions:					
Contributions:					
Employer	$	16,489,406	27,133,595	11,950,073	55,573,074
Plan members		6,002,735	20,561,280	7,521,134	34,085,149
Total contributions		22,492,141	47,694,875	19,471,207	89,658,223
Investment income:					
Net appreciation in fair value of investments		15,112,654	42,512,475	26,764,785	84,389,914
Interest		16,516,456	28,095,150	13,945,633	58,557,239
Dividends		2,275,039	35,451,132	6,625,771	44,351,942
Securities lending		3,115,002	6,680,241	3,307,373	13,102,616
Other		32,115	53,029	4,767	89,911
Total investment income		37,051,266	112,792,027	50,648,329	200,491,622
Less investment expenses:					
Investment fees and other		1,980,751	4,852,021	2,930,001	9,762,773
Securities lending		2,937,371	6,291,117	3,138,983	12,367,471
Total investment expenses		4,918,122	11,143,138	6,068,984	22,130,244
Net investment income		32,133,144	101,648,889	44,579,345	178,361,378
Total additions		54,625,285	149,343,764	64,050,552	268,019,601
Deductions:					
Benefits		15,696,421	55,452,115	17,724,731	88,873,267
Refund of contributions		670,016	5,123,873	530,622	6,324,511
Administrative expense		200,089	754,135	195,729	1,149,953
Total deductions		16,566,526	61,330,123	18,451,082	96,347,731
Net increase		38,058,759	88,013,641	45,599,470	171,671,870
Fund balances reserved for employees' pension benefits:					
July 1, 1999		618,444,300	1,748,409,203	576,262,558	2,943,116,061
June 30, 2000	$	656,503,059	1,836,422,844	621,862,028	3,114,787,931

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Combining Balance Sheet -
All Fund Types and Account Groups -
Discretely Presented Component Units
June 30, 2000

		Public Schools	Redevelopment and Housing Authority	Park Authority	Economic Development Authority	Total
Assets and other debits						
Assets:						
Equity in pooled cash and temporary investments	$	186,638,204	18,680,668	23,185,255	-	228,504,127
Cash in bank		-	4,948,176	-	-	4,948,176
Cash with fiscal agents		12,030,632	-	-	-	12,030,632
Investments		1,758,944,371	-	-	-	1,758,944,371
Receivables (net of allowances):						
Accrued interest		7,223,839	117,048	30,400	-	7,371,287
Accounts		18,633,781	2,003,685	61,020	-	20,698,486
Due from intergovernmental units		32,492,634	-	-	-	32,492,634
Notes		-	4,389,099	-	-	4,389,099
Mortgages		-	72,148	-	-	72,148
Due from Primary Government		10,108,252	151,375	1,208,170	107,736	11,575,533
Interfund receivables		1,934,458	31,969	-	-	1,966,427
Inventories of supplies		4,284,554	-	-	-	4,284,554
Prepaid items and other assets		-	1,728,460	-	-	1,728,460
Restricted assets:						
Cash with fiscal agents		-	9,105,325	1,540,175	-	10,645,500
Investments		-	2,269,300	-	-	2,269,300
Fixed assets:						
Land		41,421,804	25,987,577	153,721,277	-	221,130,658
Buildings and improvements		1,116,076,725	134,243,181	164,805,077	-	1,415,124,983
Equipment		110,846,121	1,932,468	9,681,257	13,141	122,472,987
Construction in progress		371,064,217	13,715,829	3,684,350	-	388,464,396
Accumulated depreciation		-	(52,278,342)	-	-	(52,278,342)
Other debits:						
Amount to be provided for retirement of general long-term obligations		36,822,415	-	28,510,296	132,879	65,465,590
Total assets and other debits	$	3,708,522,007	167,097,966	386,427,277	253,756	4,262,301,006

		Public Schools	Redevelopment and Housing Authority	Park Authority	Economic Development Authority	Total
Liabilities, fund equity and other credits						
Liabilities:						
Accounts payable and accrued liabilities	$	281,356,937	6,058,542	2,250,709	94,782	289,760,970
Compensated absences payable		18,552,797	708,669	2,981,823	145,833	22,389,122
Contract retainages		7,091,473	-	93,411	-	7,184,884
Due to Primary Government		-	1,591,709	-	-	1,591,709
Liability for collateral received under securities lending transactions		77,396,129	-	-	-	77,396,129
Liabilities under reimbursement agreements		11,280,433	-	-	-	11,280,433
Interfund payables		1,934,458	31,969	-	-	1,966,427
Deferred revenue		14,271,317	3,098,367	883,035	-	18,252,719
Deposits		20,000	861,070	157,543	-	1,038,613
Notes payable		-	56,164,904	12,750,000	-	68,914,904
Public Housing loans payable		-	2,037,227	-	-	2,037,227
Housing bonds payable		-	9,465,000	-	-	9,465,000
Revenue bonds payable		-	-	13,030,000	-	13,030,000
Obligations under capital leases and installment purchases		18,269,618	-	-	-	18,269,618
Total liabilities		430,173,162	80,017,457	32,146,521	240,615	542,577,755
Fund equity and other credits:						
Investments in general fixed assets		1,639,408,867	-	331,891,961	13,141	1,971,313,969
Contributed capital		4,286,000	24,867,028	-	-	29,153,028
Retained earnings		14,966,785	62,213,481	-	-	77,180,266
Fund balances:						
Reserved for:						
Encumbrances		64,306,910	-	3,038,355	-	67,345,265
Inventories of supplies		1,122,285	-	-	-	1,122,285
Debt service		-	-	2,194,550	-	2,194,550
Employees' pension benefits		1,534,986,934	-	-	-	1,534,986,934
Repair and replacement		-	-	1,000,000	-	1,000,000
Unreserved		19,271,064	-	16,155,890	-	35,426,954
Total fund equity and other credits		3,278,348,845	87,080,509	354,280,756	13,141	3,719,723,251
Total liabilities, fund equity and other credits	$	3,708,522,007	167,097,966	386,427,277	253,756	4,262,301,006

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA

Exhibit A-8

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types - Discretely Presented Component Units

For the fiscal year ended June 30, 2000

		Public Schools	Park Authority	Economic Development Authority	Total
Revenues:					
Intergovernmental	$	345,432,595	-	-	345,432,595
Charges for services		42,781,264	21,074,113	-	63,855,377
Revenue from the use of money and property		2,420,414	2,647,276	-	5,067,690
Recovered costs		22,765,592	-	-	22,765,592
Gifts and donations		-	247,920	-	247,920
Donated food		76,286	-	-	76,286
Other		4,159,648	512,382	-	4,672,030
Total revenues		417,635,799	24,481,691	-	442,117,490
Expenditures:					
Current:					
Community development		-	-	6,533,677	6,533,677
Parks, recreation and cultural		-	38,773,674	-	38,773,674
Education		1,335,403,311	-	-	1,335,403,311
Donated food		76,286	-	-	76,286
Capital outlay		123,395,668	29,112,442	-	152,508,110
Capital leases and installment purchases		16,160,666	-	-	16,160,666
Debt service:					
Principal retirement		-	295,000	-	295,000
Interest and other		-	863,499	-	863,499
Total expenditures		1,475,035,931	69,044,615	6,533,677	1,550,614,223
Excess (deficiency) of revenues over (under) expenditures		(1,057,400,132)	(44,562,924)	(6,533,677)	(1,108,496,733)
Other financing sources (uses):					
Operating transfers in		17,467,893	976,000	-	18,443,893
Operating transfers in from Primary Government					
Proceeds from sale of bonds		130,027,880	12,000,523	-	142,028,403
Other		903,457,397	20,120,258	6,533,677	930,111,332
Operating transfers out		(17,689,491)	(976,000)	-	(18,665,491)
Operating transfers out to Primary Government		(3,710,000)	-	-	(3,710,000)
Capital leases and installment purchases		16,160,666	-	-	16,160,666
Proceeds from issuance of revenue note		-	12,750,000	-	12,750,000
Total other financing sources (uses)		1,045,714,345	44,870,781	6,533,677	1,097,118,803
Excess of revenues and other financing sources over expenditures and other financing uses		(11,685,787)	307,857	-	(11,377,930)
Fund balances, July 1, 1999, as restated		96,265,803	22,080,938	-	118,346,741
Increase (decrease) in reserve for inventories of supplies		120,243	-	-	120,243
Fund balances, June 30, 2000	$	84,700,259	22,388,795	-	107,089,054

See accompanying notes to financial statements

COUNTY OF FAIRFAX, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2000

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Fairfax, Virginia (the County) is organized under the Urban County Executive form of government (as defined under Virginia law). The governing body of the County is the Board of Supervisors which makes policies for the administration of the County. The Board of Supervisors comprises ten members: the Chairman, elected at large for a four-year term, and one member from each of nine supervisor districts, elected for a four-year term by the voters of the district in which the member resides. The Board of Supervisors appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. The County's significant accounting policies are described below.

1. Reporting Entity

As required by GAAP, the accompanying financial statements present the financial data of the County (the primary government) and its component units. The financial data of the component units are included in the County's general purpose financial statements because of the significance of their operational or financial relationships with the County. The County and its component units are together referred to herein as the reporting entity.

Blended Component Units

Blended component units are entities that are legally separate from the County but that are so closely related to the County that they are, in essence, extensions of the County. The blended component units that are reported as part of the primary government are:

Solid Waste Authority of Fairfax County (SWA) - The SWA is considered a blended component unit because the Board of Supervisors comprises the Board of Directors of the SWA and has the ability to impose its will on the SWA. This component unit is reported as an agency fund of the County, the Resource Recovery Fund.

The SWA is authorized under the Virginia Water and Waste Authorities Act and was created by the Board of Supervisors on June 29, 1987. The purpose of the SWA is to monitor the construction and operation of a solid waste facility by a commercial entity in accordance with agreements between the County, the SWA, and the commercial entity. The commercial entity completed construction and is operating the facility and making the required debt payments. The SWA will

operate the facility only in the event of default by the commercial entity under the agreements. The SWA has the right to set solid waste revenue rates charged by the facility. These charges, together with available funds, are designed to provide adequate coverage for the costs of operation and debt service. Separate financial statements of the SWA can be obtained by writing to the Accounting and Reporting Division, Department of Finance, Suite 214, 12000 Government Center Parkway, Fairfax, Virginia 22035.

Small District One - The Board of Supervisors created Small District One, which is located within the Dranesville Magisterial District, in 1970 to provide for the construction of a community center and the operation of its social, cultural, and educational and recreational facilities. This small district is reported as a separate special revenue fund of the County, the McLean Community Center Fund, because it is governed by the Board of Supervisors which has the ability to impose its will on the small district. Separate financial statements are not prepared for Small District One.

Small District Five - The Board of Supervisors created Small District Five, which is located within the Dranesville and Hunter Mill Magisterial Districts, in 1975 to provide for the construction of a community center and the operation of its social, cultural, educational and recreational facilities. This small district is reported as a separate special revenue fund of the County, the Reston Community Center Fund, because it is governed by the Board of Supervisors which has the ability to impose its will on the small district. Separate financial statements are not prepared for Small District Five.

Discretely Presented Component Units

The component units columns in the financial statements include the financial data of the County's other component units. They are presented in separate columns to emphasize that they are legally separate from the County. Separate financial statements of the component units can be obtained by writing to the Accounting and Reporting Division, Department of Finance, Suite 214, 12000 Government Center Parkway, Fairfax, Virginia 22035. All of the component units have a fiscal year end of June 30. The discretely presented component units are:

Fairfax County Public Schools (Public Schools) - Public Schools is responsible for elementary and secondary education within the County. The School Board is elected by County voters. Public Schools is fiscally dependent on the County; Public Schools operations are funded primarily by transfers from the County's general fund, and the County issues general obligation debt for Public Schools capital projects.

Fairfax County Redevelopment and Housing Authority (FCRHA) - FCRHA plans, coordinates and directs the low income housing programs within the County under the Virginia Housing Authorities Law. FCRHA was approved by a voter referendum in November 1965 and was activated by the Board of Supervisors in February 1966. FCRHA is a political subdivision of and reports to the Commonwealth of Virginia. The Board of Supervisors appoints FCRHA's Board of Commissioners, and the County provides certain managerial and

related assistance to FCRHA.

Fairfax County Park Authority (Park Authority) - The Park Authority maintains and operates the public parks and recreational facilities located in the County. The Board of Supervisors appoints the Park Authority's governing board, and the County provides funding for the Park Authority's general fund and one of its capital projects funds. A memorandum of understanding currently in effect between the County and the Park Authority defines the roles of the County and the Park Authority.

Fairfax County Economic Development Authority (EDA) - EDA is an independent authority legally authorized by an act of the Virginia General Assembly and was formally created on October 10, 1956, by resolutions of the Board of Supervisors. EDA's mission is to attract businesses to Fairfax County and to work with the existing businesses to retain them as they expand and create new jobs. EDA also operates the Fairfax County Convention and Visitors Bureau, established to attract business travelers and meetings and conventions to the County. The Board of Supervisors appoints the seven members of the Authority's commission which appoints the Authority's executive director. The Board of Supervisors appropriates funds annually to EDA for operating expenditures incurred in carrying out its mission.

Related Organizations

The Board of Supervisors is also responsible for appointing the members of the board of the Fairfax County Water Authority and the Industrial Development Authority of Fairfax County, but the County's accountability does not extend beyond making the appointments. These organizations do not have a significant operational or financial relationship with the County.

Joint Venture

The County is a participant in the Upper Occoquan Sewage Authority (UOSA). UOSA is a joint venture created under the provisions of the Virginia Water and Waste Authorities Act to construct, finance and operate the regional sewage treatment facility in the upper portion of the Occoquan Watershed. UOSA was formed on March 3, 1971, by a concurrent resolution of the governing bodies of Fairfax and Prince William Counties and the Cities of Manassas and Manassas Park. The governing body of UOSA is an eight-member board of directors consisting of two members from each participating jurisdiction appointed to four-year terms. The UOSA Board of Directors adopts an annual operating budget based on projected sewage flows. The County has no explicit and measurable interest in UOSA but does have an ongoing financial responsibility for its share of UOSA's operating costs, construction costs and annual debt service. Complete financial statements of UOSA can be obtained by writing to P.O. Box 918, Centreville, Virginia 20122.

2. Basis of Presentation - Fund Accounting

The accounts of the reporting entity are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of

each fund are accounted for in a separate set of self-balancing accounts comprised of assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate.

The account groups are concerned only with the measurement of financial position and do not measure results of operations. Following is a description of the funds and account groups included in the accompanying financial statements.

Governmental Funds

General Fund: A general fund is used to account for all revenue sources and expenditures which are not required to be accounted for in other funds. In the County's General Fund, revenues are derived primarily from general property taxes; local sales taxes; utility taxes; business, professional and occupational licenses; the use of money and property; license and permit fees, and state shared taxes. Expenditures and operating transfers out include the costs of general County government and transfers to other funds and component units, principally to fund the operations of the Public Schools and for debt service requirements.

Special Revenue Funds: The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds: The debt service funds are used to account for the accumulation of resources for, and the payment of, the general obligation debt service of the County and for the debt service of the lease revenue bonds and special assessment debt. Included in this fund type is the School Debt Service Fund as the County is responsible for servicing the general obligation debt it has issued on behalf of the School Board.

Capital Projects Funds: The capital projects funds are used to account for financial resources used for all general construction projects other than enterprise fund construction.

Proprietary Funds

Enterprise Funds: The enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent is that costs are recovered primarily through user charges, or (b) where it has been decided that the determination of net income is appropriate for capital maintenance, management control and accountability. The Fairfax County Integrated Sewer System (System) is an enterprise fund of the County. This fund is used to account for the financing, construction and operations of the countywide sewer system.

Internal Service Funds: The internal service funds are used to account for the financing of services provided by a department to another department on a cost reimbursement basis.

Fiduciary Funds

Trust and Agency Funds: The trust and agency funds are used to account for the assets held by the reporting entity in a trustee or agency capacity. Trust funds account for

assets held by the reporting entity under the terms of formal trust agreements and include the pension trust funds. Agency funds are custodial in nature and are maintained to account for funds received, held and disbursed by the reporting entity for various governmental agencies and other organizations.

Account Groups

General Fixed Assets Account Groups: The general fixed assets account groups are used to account for fixed assets that have been acquired for general governmental purposes and which are not accounted for in proprietary funds. The costs of such assets are recorded as expenditures in the general, special revenue, and capital projects funds. Assets valued over $5,000 with useful lives longer than one year are capitalized in the general fixed assets account group at historical cost, if available, or otherwise at estimated historical cost. Donated fixed assets are recorded at fair market value as of the date of donation. Depreciation is not recorded on general fixed assets. The reporting entity does not capitalize public domain or infrastructure fixed assets: roads, bridges, curbs, gutters, streets, sidewalks, trails, storm drains, and street lights.

General Long-Term Obligations Account Groups: The general long-term obligations account groups are used to account for the unmatured long-term debt that is not recorded as a specific fund liability of the proprietary funds and certain other liabilities that are not expected to be liquidated with expendable available financial resources. Included are general obligation bonds, lease revenue bonds, the special assessment debt, long-term payables to component units, accrued compensated absences, obligations under capital leases and installment purchase agreements, the sanitary landfill closure obligation and an estimated liability for claims and judgments.

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds use the flow of current financial resources measurement focus and use the modified accrual basis of accounting. Under this method, revenues are recorded when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the period. Revenue from the use of money and property is recorded as earned. Other revenues are generally considered available if they are collectible within the current period or within 45 days thereafter to be used to pay liabilities of the current period. The primary revenues susceptible to accrual include property, business license and other local taxes and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. Revenues from specific purpose federal, state and other grants that are provided to fund specific program expenditures are recognized at the time the specific expenditures are incurred. Revenues from general purpose grants are recognized in the period to which the grant applies. Expenditures are recorded when the related fund liability is incurred, except that principal and interest on general long-term debt are recorded as fund liabilities when due, and compensated absences are recorded as described in item 11 below. The agency funds also use the modified accrual basis of accounting to recognize assets and liabilities.

All proprietary funds and pension trust funds are accounted for on the economic resources measurement focus and use the accrual basis of accounting. Under this

method, in the proprietary funds, revenues are recognized when earned and expenses are recognized when incurred. Unbilled Integrated Sewer System Fund receivables net of an allowance for uncollectible accounts are recorded at year end to the extent they can be estimated. For the pension trust funds, member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

In preparing its proprietary fund type financial statements, the reporting entity has adopted Paragraph 7 of GASB Statement No. 20 titled "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting" under which the reporting entity has applied all Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Prior to fiscal year 2000, the County applied all FASB statements and interpretations, except for those that conflicted with or contradicted GASB pronouncements. The impact of this accounting change was insignificant.

4. Budgetary Data

The Board of Supervisors adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

a. By March 1, the County Executive submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. During April, public hearings are conducted to obtain taxpayer comments. By May 1, the budget is legally enacted through passage of an appropriation resolution.

b. The operating budget includes all County appropriated funds and certain non-appropriated funds. The non-appropriated funds are primarily certain funds of the Park Authority and FCRHA that are not financed by the County.

c. Budget reviews are held during the fiscal year. Public hearings are held if the recommended increase in the appropriated budget is greater than $500,000, or 1.0 percent of revenues. In compliance with the Board of Supervisors' policy, any adjustments made during the fiscal year are not to exceed two percent of the adopted General Fund appropriations.

d. The budget is controlled at certain legal and administrative levels. The Code of Virginia requires that the County annually adopt a balanced budget. The adopted Fiscal Planning Resolution places legal restrictions on expenditures at the agency or fund level and identifies administrative controls at the character or project level. The County's Department of Management and Budget is authorized to transfer budgeted amounts between characters or projects within any agency or fund as a management function. Any revisions that alter the total expenditures of any agency or fund must be approved by the Board of Supervisors.

e. 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 generally accepted accounting principles except that:

- revenue from investments is recognized in the governmental funds for budget purposes only if collected within 45 days of year end, instead of as earned (see schedule below),
- amortization of deferred rent is not budgeted (see schedule below),
- certain loans are reported as expenditures when made and as revenue when repaid for budget purposes in the Community Development Block Grant (CDBG) Fund (see schedule below),
- offsetting revenues and expenditures related to donated food are not budgeted, certain amounts which are budgeted as expenditures in the general fund,
- certain special revenue funds and a capital projects fund have been reported as transfers out to component units,
- certain reported revenues are budgeted as expenditure reductions in certain special revenue funds,
- capital lease transactions when initiated are not budgeted as offsetting expenditures and other financing sources,
- certain fixed asset transfers from the Vehicle Services Fund, an internal service fund of the County, to Public Schools are not budgeted, and
- the Elderly Housing Program Fund and the Homeowner and Business Loan Program Fund are budgeted as special revenue funds of the primary government but are reported as enterprise funds of the FCRHA.

The following schedule reconciles the amounts on the Combined Statement of Revenues and Expenditures - Budget and Actual (Budget Basis) (Exhibit A-2) to the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit A-1):

	Primary Government	
	General Fund	Special Revenue Funds
Excess of revenues and other financing sources over expenditures and other financing uses (Budget basis)	$ 11,575,543	7,725,135
Basis differences:		
Revenue from investments	1,626,397	814,994
Amortization of deferred rent - Fairfax-Falls Church Community Services Board Fund	-	14,028
Reporting of certan loans - CDBG Fund	-	92,102
Entity difference - Non-appropriated fund - Alcohol Safety Action Program Fund	-	(104,743)
Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	$ 13,201,940	8,541,516

f. Budgeted amounts are shown as originally adopted or as amended by the Board of Supervisors during the course of the fiscal year. The amendments were not significant in relation to the original budget.

g. Appropriations lapse at June 30 unless the Board of Supervisors approves carrying them forward to the next fiscal year.

h. For financial reporting purposes, Exhibit A-2 presents budget and actual information only for those annually appropriated governmental funds considered to be funds of the primary government. For the special revenue funds, the operating budget's appropriated funds include certain funds which, for financial reporting purposes, are considered to be funds of the Public Schools and FCRHA. The budget amounts for special revenue funds in Exhibit A-2 are reconciled to the amended operating budget's appropriated funds as follows:

	Primary Government Special Revenue (Exhibit A-2)	Component Units Public Schools and FCRHA	Total Amended Operating Budget
Budgeted revenues	$ 220,749,836	429,036,943	649,786,779
Budgeted transfers in	103,372,084	910,582,632	1,013,954,716
Total budgeted revenues and transfers in	324,121,920	1,339,619,575	1,663,741,495
Budgeted expenditures	394,076,792	1,410,175,975	1,804,252,767
Budgeted transfers out	3,340,302	21,399,491	24,739,793
Total budgeted expenditures and transfers out	397,417,094	1,431,575,466	1,828,992,560
Budgeted deficiency of revenues and other financing sources under expenditures and other financing uses	$ (73,295,174)	(91,955,891)	(165,251,065)

5. Pooled Cash and Temporary Investments

The County maintains cash and temporary investments for all funds in a single pooled account, except for certain cash and investments required to be maintained with fiscal agents or in separate pools or accounts in order to comply with the provisions of bond indentures. The component units also invest in the pooled cash account. As of June 30, 2000, the pooled cash and temporary investments have been allocated between the County and the respective component units based upon their respective ownership percentages. Temporary investments consist 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. Interest earned, less an administrative charge, is allocated generally to the respective funds and component units based on each fund's or unit's equity in the pooled account. In accordance with the County's legally adopted operating budget, interest earned by certain funds is assigned directly to the General Fund.

For the year ended June 30, 2000, interest earned by certain funds assigned directly to the General Fund is as follows:

Primary Government:	
Special Revenue Funds:	
County Transit Systems	$ 992,285
Aging Grants and Programs	55,321
Cable Communications	447,617
Fairfax-Falls Church Community Services Board	1,484,954
Community-Based Agency Funding Pool	106,499
Housing Trust	85,270
Debt Service Funds:	
County Debt Service	3,025,919
School Debt Service	3,082,622
Capital Projects Funds:	
Countywide Roadway Improvement	106,590
Library Construction	45,819
County Construction	819,862
Primary and Secondary Road Bond Construction	204,285
No. Va. Regional Park Authority	2,012
Sidewalk Construction	183,663
Public Works Construction	601,612
Metro Operations and Construction	465,222
Storm Drainage Bond Construction	22,327
County Bond Construction	553,084
Public Safety Construction	55,006
Trail Construction	19,695
Neighborhood Improvement	18,603
Commercial Revitalization Program	28,153
Pro Rata Drainage Construction	1,062,107
Housing Assistance Program	41,070
Housing General Obligation Bond Construction	23,677
Internal Service Funds:	
Retiree Health Benefits	48,230
Vehicle Services	1,021,730
Document Services	48,246
Technology Infrastructure Services	373,571
Agency Funds:	
State Taxes	822
Lake Barcroft Watershed	1,942
Total Primary Government	15,027,815
Component Units:	
Public Schools Funds:	
General Fund	11,593,302
Capital Projects Funds	209,849
Internal Service Fund - Central Procurement	6,413
Total Public Schools	11,809,564
FCRHA - Enterprise Fund:	
Homeowners' and Business Loan Program	99,879
Park Authority:	
Capital Projects Fund - Construction Bond	353,225
Total Component Units	12,262,668
Total Reporting Entity	$ 27,290,483

6. Cash and Cash Equivalents

For purposes of the statements of cash flows, the amounts reported as cash and cash equivalents for the proprietary fund types represent funds maintained in the reporting entity's investment pool, and they are considered to be demand deposits for the purpose of complying with GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting."

7. Investments

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. Other investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Asset-backed securities are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar investments. Investment purchases and sales are recorded as of the trade date. These transactions are not finalized until the settlement date, which occurs approximately three business days after the trade date. Cash received as collateral on securities lending transactions and investments made with such cash are reported as assets and as related liabilities for collateral received.

8. Inventories

Inventories are valued and carried on an average unit cost basis. Inventory in the general fund and special revenue funds consists of expendable operating supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. At year end, a portion of the fund balance is reserved for the ending inventory balance. This reserve is maintained to indicate that a portion of the fund balance is not available for future appropriations.

The consumption method of accounting for inventory is used in the proprietary fund types. Under this method, inventory items are generally expensed as they are consumed as operating supplies and spare parts.

9. Restricted Assets

The County holds certificates of deposit purchased by developers under the terms of performance agreements. The County may require a developer to enter into these agreements in order to ensure that certain structures and improvements are completed according to approved site plans. The certificates, issued by various financial institutions, are released to the developer when the terms of the agreement have been satisfied. The amount of the certificates held is reported as a restricted asset in the General Fund.

In accordance with the provisions of the 1986 Master Sewer Revenue Bond Resolution, certain assets of the System are restricted for specific future uses such as repayment of debt obligations, payments on construction projects, and extensions and improvements. Additionally, other assets of the System have been restricted for biological nitrogen removal projects.

In accordance with requirements of the Department of Housing and Urban Development and the Virginia Housing Development Authority, FCRHA is required to maintain certain restricted deposits and funded reserves for repairs and replacements.

In accordance with the provisions outlined in the Park Authority's First Supplemental Indenture of Trust, 1995, the Park Authority has restricted assets representing the amount of the debt service reserve requirement pertaining to its Park Facilities Revenue Bonds, Series 1995.

10. Fixed Assets - Proprietary Funds

Fixed assets valued over $5,000 with useful lives longer than one year are capitalized in the proprietary funds. Fixed assets purchased by these funds are stated at cost or estimated cost. Donated fixed assets are recorded at their estimated fair market value as of the date of donation and are reported as additions to fixed assets and contributed capital. Assets are depreciated over their estimated useful lives using the straight-line method. Depreciation on constructed assets begins when the assets are substantially ready for use. Depreciation on the County Integrated Sewer System Fund's contributed assets is initially charged to operations and then reclassified as a reduction of contributed capital. The estimated useful lives are as follows:

Fixed Assets - Proprietary Funds	Useful lives
Buildings	30 - 50 years
Improvements	10 - 30 years
Equipment	5 - 15 years
Sew er lines	50 years

For constructed assets, all associated costs necessary to bring such assets to the condition and location necessary for their intended use are initially capitalized as construction in progress and are transferred to buildings or improvements when the assets are substantially complete and ready for use.

11. Compensated Absences

All reporting entity employees earn annual leave based on a prescribed formula which allows employees with less than ten years of service to accumulate a maximum of 240 hours and employees with ten years or more of service to accumulate a maximum of 320 hours of annual leave as of the end of each calendar year. In addition all employees, except for Public Schools employees, may accrue compensatory leave for hours worked in excess of their scheduled hours. Compensatory leave in excess of 240 hours at the end of the calendar year is forfeited.

The current pay rate, or the best estimate thereof, including certain additional employer related fringe benefits, is used in all compensated absences accruals at June 30. In the governmental funds, leave expected to be taken within 45 days after year end is deemed a current liability and therefore is included in the expenditures and accrued liabilities of the governmental funds. The portion of the liability not currently due and payable is recorded in the general long-term obligations account groups and will be liquidated with future resources. The accrual for compensated absences is reflected in the proprietary funds where applicable.

12. Encumbrances

The reporting entity 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 at year end represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders in process are completed. Encumbrances for the capital projects funds and the Park Authority's Park Revenue Fund do not lapse until the completion of the projects. Funding for all other encumbrances lapses at year end and requires reappropriation by the Board of Supervisors.

13. Designations of Unreserved Fund Balances

Unreserved fund balance as of June 30, 2000, consists of significant designations. Approximately $18.2 million have been designated for revenue stabilization use for future periods of economic downturn. Approximately $41.2 million of the I-95 Refuse Disposal Fund, a special revenue fund, have been designated for landfill closure and postclosure costs. Approximately $10.8 million of the Resource Recovery Facility Fund, a special revenue fund, have been designated for solid waste disposal purposes. Approximately $1.5 million of the Park Authority's Park Capital Improvement Fund, a capital projects fund, have been designated for expenditures related to the E.C. Lawrence Park.

14. Recovered Costs

Reimbursements from another government, county, organization or private company for utilities, tuition fees, vehicle insurance and services rendered or provided to citizens are recorded as recovered costs.

15. Intermunicipal Agreements

The System has entered into several intermunicipal agreements for the purpose of sharing sewage flow and treatment facility costs. The payments made to reimburse operating costs and debt service requirements are recorded as expenses in the year due. Payments made to fund the System's portion of facility expansion and upgrade costs are capitalized as purchased capacity. The System amortizes these costs over the period in which benefits are expected to be derived, which is generally 30 years.

The City of Fairfax makes payments to the County for the City's share of governmental services and debt service costs. Payments for governmental services such as court, jail, custody, health, library, and County agent services are recorded as revenue in the general fund. Debt service payments represent the City's share of principal and interest and are recorded as revenue in the County Debt Service Fund. In addition, the City pays the County a share of the local portion of all public assistance payments and services including related administrative costs, which is recorded as revenue in the General Fund. The City of Falls Church receives its governmental services from Arlington County. However, Falls Church makes payments to Fairfax County for the full cost of the local portion of public assistance payments (including allocated administrative costs) and for

the use of special County health facilities by Falls Church residents; these payments are recorded as revenue in the General Fund.

The County and the cities of Fairfax and Falls Church comprise the Fairfax-Falls Church Community Services Board (CSB), established under State mandate in 1969, to provide mental health, mental retardation and drug and alcohol abuse treatment services to residents of the three jurisdictions. The CSB uses the County as its fiscal agent. The operations of the CSB, including payments received from these cities for services performed by the County, are recorded in a special revenue fund.

16. Recognition of Sewer Availability Fees

Availability fees are charged to new customers for initial access to the sewer system. Availability fees provide funds for the operations and maintenance of the sewer system and are recognized as an operating revenue.

17. Memorandum Only Columns on Combined Statements

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of these data.

B. DEPOSITS AND INVESTMENTS

1. Deposits

At June 30, 2000, all of the reporting entity's deposits were covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (Act). The Act provides for the pooling of collateral pledged 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. The State Treasury board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks savings and loan associations. A multiple financial institution collateral pool that provides for additional assessments is similar to depository insurance. 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 the loss, additional amounts would be assessed on a pro rata basis to the members of the pool. Funds deposited in accordance with the requirements of the Act are considered fully secured and thus are not categorized below.

A summary of the reporting entity's public deposits at June 30, 2000, is as follows:

		Book Balance	Bank Balance
Primary Government	$	87,999,081	133,080,022
Component units		52,122,270	56,324,110
Total reporting entity	$	140,121,351	189,404,132

The bank balance above includes the pooled cash account which, for reporting purposes, has been allocated between the primary government and the participating component units. The differences between book and bank balances are due to checks outstanding and deposits in transit at June 30, 2000.

2. Allowed Investments

Except for its pension funds, under the Virginia Investment of Public Funds Act, the reporting entity is authorized to purchase the following investments:

Commercial paper
Money market funds
Bankers acceptances
Repurchase agreements
Medium term corporate notes
Local government investment pool
U.S. Treasury and agency securities
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 Commonwealth of Virginia
Obligations of state and local government units located within other states
Savings accounts or time deposits in any bank or savings and loan association within the Commonwealth that complies with the Virginia Security for Public Deposits Act.

The reporting entity's investment policy requires that securities underlying repurchase agreements must have a market value of at least 102 percent of the cost of the repurchase agreement. The market value of the securities underlying repurchase agreements is monitored on a daily basis during the year by the reporting entity to ensure compliance with the policy.

3. Pension Fund Investments

The authority to establish pension funds is set forth in the Code of Virginia which authorizes the following investments for pension funds:

U.S. Treasury and agency securities
Obligations of the Commonwealth of Virginia and its instrumentalities
Obligations of counties, cities, towns, and other public bodies located within the Commonwealth of Virginia
Obligations of state and local governmental units located within other states
Obligations of the International Bank for Reconstruction and Development
Obligations of the Asian Development Bank

Obligations of the African Development Bank

In addition, the Code of Virginia provides that the reporting entity may purchase other investments for pension funds (including common and preferred stocks and corporate bonds) that meet the standard of judgment and care set forth in the Code.

Boards of Trustees policies permit the pension 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. The pension funds' custodians are the agents in lending the pension funds' domestic and international securities for collateral of 102 and 105 percent, respectively, of the market value of the related security. The custodians receive cash, securities and irrevocable bank letters as collateral. All securities loans can be terminated on demand by either the pension funds or the borrowers. Cash collateral is invested in the lending agents' collective collateral investment pools. The pension funds do not have the ability to pledge or sell securities received as collateral in the absence of borrower default. The relationship between the maturities of the investment pools and the pension funds' loans is affected by the maturities of securities loans made by other plan entities that invest cash collateral in the investment pools, which the pension funds cannot determine.

The pension funds did not impose any restrictions during the period on the amounts of loans the lending agents made on their behalf, and the agents would indemnify the pension funds by agreeing to purchase replacement securities, or return the cash collateral thereof, in the event a borrower fails to return loaned securities or pay distributions thereon. There were no such failures by any borrower during the fiscal year, nor were there any losses during the period resulting from the default of a borrower or lending agent. At year end, the pension funds had no credit risk exposure to borrowers because the amounts the pension funds owed the borrower exceeded the amounts the borrowers owed the pension funds.

4. Credit Risk Categories

The reporting entity's investments are categorized to give an indication of the level of credit risk assumed by the entity as of June 30, 2000. Category 1 includes investments that are insured or registered, or securities held by the reporting entity or its agent in the reporting entity's name. Category 2 includes investments that are uninsured or unregistered, with securities held by the counterparty's trust department or agent in the reporting entity's name. Category 3 includes investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the reporting entity's name. Securities lent for securities and irrevocable letters of credit collateral are classified according to the category of the collateral received. All of the reporting entity's investments are Category 1 investments, except for mutual funds, short-term investment funds, securities lending short-term collateral investment pools and investments held under securities loans with cash collateral, which are not categorized because such investments are not evidenced by specific securities.

The reporting entity's investments as of June 30, 2000, are summarized below at carrying value:

INVESTMENTS at June 30, 2000	
Description	
Primary Government	
Pooled Investments:	
Bankers Acceptances	$ 140,768,152
Commercial Paper	290,784,647
U.S. Treasury Securities	209,790,566
Repurchase Agreements	78,180,912
Total Pooled Investments	719,524,277
Integrated Sewer System Fund:	
Repurchase Agreements	7,513,527
U.S. Treasury Securities	11,659,166
Obligations of Authorities of the Commonwealth of Virginia	12,969,964
Total Integrated Sewer System Fund	32,142,657
Vienna/Huntington Metrorail Fund:	
Repurchase Agreements	2,178,614
U.S. Treasury Securities	23,941,341
Total Vienna/Huntington Metrorail Fund	26,119,955
Resource Recovery Fund:	
Repurchase Agreements	4,206,227
U.S. Treasury Securities	31,157,969
Total Resource Recovery Fund	35,364,196
Supplemental Retirement System Fund:	
Short-term Investments:	
Corporate Bonds	44,000,278
Asset-Backed Securities	35,131,136
Government Bonds	10,894,884
Common and Preferred Stock	
Not on Securities Loan	527,179,930
On Securities Loan for Letter of Credit Collateral	4,760,071
U.S. Securities	25,466,793
Asset-Backed Securities	200,710,434
Other Bonds and Notes	48,748,599
Total Supplemental Retirement System Fund	896,892,125
Police Officers Retirement System Fund:	
Common and Preferred Stock	
Not on Securities Loan	283,584,431
On Securities Loan for Securities Collateral	3,505,541
U.S. Securities	3,212,203
Asset-Backed Securities	107,276,672
Municipal Bonds	466,146
Other Bonds and Notes	65,837,047
Total Police Officers Retirement System Fund	463,882,040

INVESTMENTS at June 30, 2000	
Description	
FCRHA - Private Finance Fund:	$
Repurchase Agreements	2,269,300
Educational Employees' Supplementary Retirement System Fund:	
Short-term Investments	
Not on Securities Loan	105,984,584
U.S. Securities	8,708,213
Corporate Bonds	175,681,047
Common Stock	
Not on Securities Loan	510,033,826
On Securities Loan for Securities Collateral	8,920,800
Preferred Stock	8,990,601
Asset-Backed Securities	259,973,241
Other Bonds and Notes	57,056,311
Total Educational Employees' Supplementary Retirement System Fund	1,135,348,623
Mutual Funds:	
Educational Employees' Supplementary Retirement System Fund	474,561,520
Securities Lending Short-Term Collateral Investment Pool:	
Educational Employees' Supplementary Retirement System Fund	77,396,129
Investments held under Securities Loans with Cash Collateral:	
Educational Employees' Supplementary Retirement System Fund	
Short-term Investments	7,266,967
Common and Preferred Stock	24,959,156
U.S. Securities	21,205,402
Asset-Backed Securities	4,603,864
Other Bonds and Notes	13,602,710
Total Investments held under Securities Loans with Cash Collateral	71,638,099
Total Component Units	1,965,219,836
Total Reporting Entity	$ 6,117,473,427

Reconciliation of total deposits and investments to the Combined Balance Sheet (Exhibit A)	Primary Government	Component Units	Total Reporting Entity
Total Deposits, Including Performance Bonds	$ 87,999,081	52,122,270	140,121,351
Total Investments	4,152,253,591	1,965,219,836	6,117,473,427
Total Deposits and Investments	4,240,252,672	2,017,342,106	6,257,594,778
Equity in Pooled Cash and Temporary Investments	612,057,217	228,504,127	840,561,344
Cash in banks	-	4,948,176	4,948,176
Cash with fiscal agents	949,370	12,030,632	12,980,002
Investments	3,408,781,295	1,758,944,371	5,167,725,666
Restricted Assets:			
Equity in Pooled Cash and Temporary Investments	193,870,716	-	193,870,716
Cash with Fiscal Agents	-	10,645,500	10,645,500
Certificate of Deposit- Performance Bonds	646,055	-	646,055
Investments	23,948,019	2,269,300	26,217,319
Total Equity in Pooled Cash, Investments, and Cash with Fiscal Agents	$ 4,240,252,672	2,017,342,106	6,257,594,778

5. Derivatives

The County Retirement Systems (Systems), including the Supplemental, Police Officers, Uniformed and Educational Systems, invest in derivatives as permitted by the Code of Virginia and in accordance with policies set by their respective Board of Trustees. The Systems may invest in various derivative instruments on a limited basis, in order to increase potential earnings and to hedge against potential losses.

During fiscal year 2000, the Systems invested in derivative instruments and some traditional securities that have derivative-like characteristics. These investment instruments include futures, forwards and options or swap contracts, structured notes, in which the return may be linked to one or more indexes, and asset-backed securities, such as collateralized mortgage obligations which are sensitive to changes in interest rates and prepayments. Futures, forwards, options and swaps are generally not reported in the financial statements, whereas structured notes and asset-backed securities generally are reported.

The Systems entered into these types of investments to:

- gain market exposure to the S&P 500 and the US Treasury indexes in a more efficient way and at lower transaction costs,
- effect settlement of securities traded in currencies other than US dollars and to protect the base currency (US dollars) from fluctuations in the exchange rates of foreign currencies,
- increase earnings,
- provide exposure to portions of the mortgage market,
- and/or control duration within the portfolio.

These investments generally contain market risks due to:

- adverse changes in market prices
- changes in interest rates and the level of the underlying prepayments and/or
- adverse movements in currency exchange rates

The credit risks associated with these investments are inherent with the:

- creditworthiness of the counterparties to the contracts
- creditworthiness of the related consumers or mortgagees

The Systems are indirectly exposed to market and credit risks associated with ownership interest in certain mutual funds which hold futures contracts, options, collateralized mortgage obligations, interest-only strip securities and call warrants.

At June 30, 2000, the notional values of the derivative investments, including mutual funds, that are not reported in the financial statements are: Supplemental - $46.2 million, Uniformed - $1.7 million, and Educational - $26 million.

The table below shows the percentage of in-financial-statement investments in derivatives, including mutual funds, to the total portfolio (at fair value) for each system at June 30, 2000, and the range of holdings for the fiscal year, as derived from quarterly reports.

Percentage of Total Portfolio Invested in Derivatives			
Retirement System:	At 6/30/00	High During Year	Low During Year
Supplemental	0.8 %	1.0 %	0.7 %
Police Officers	4.0	5.5	3.9
Uniformed	0.2	0.6	0.2
Educational	1.2	1.3	1.2

C. RECEIVABLES

Receivables of the primary government at June 30, 2000, consist of the following:

	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Fiduciary	Total
Receivables:							
Accrued interest	$ 949,956	557,211	59,457	565,244	77,929	12,256,576	14,466,373
Property taxes-delinquent	42,543,722	-	-	-	-	-	42,543,722
Business license taxes-delinquent	6,825,621	-	-	-	-	-	6,825,621
Accounts	15,036,220	8,614,208	-	-	12,022	54,313	23,716,763
Total receivables	65,355,519	9,171,419	59,457	565,244	89,951	12,310,889	87,552,479
Allowances for uncollectibles:							
Property taxes	24,430,334	-	-	-	-	-	24,430,334
Business license taxes	3,609,403	-	-	-	-	-	3,609,403
Accounts receivable	-	281,781	-	-	-	-	281,781
Total allowance for uncollectibles	28,039,737	281,781	-	-	-	-	28,321,518
Total net receivables	$ 37,315,782	8,889,638	59,457	565,244	89,951	12,310,889	59,230,961

Delinquent property taxes receivable in the General Fund as of June 30, 2000, consist of the following:

Year of Levy	Real Estate	Personal Property	Total
1999	$ 4,812,686	9,239,841	14,052,527
1998	1,773,365	5,809,864	7,583,229
1997	715,727	4,163,337	4,879,064
Prior years	2,057,341	7,846,361	9,903,702
Total delinquent taxes	$ 9,359,119	27,059,403	36,418,522
Penalty and interest			6,125,200
Total delinquent taxes, penalty and interest			42,543,722
Allowances for uncollectibles			24,430,334
Net delinquent tax receivables			$ 18,113,388

Additional information regarding property taxes is contained in Note M.

Receivables of the component units at June 30, 2000, consist of the following:

	Public Schools	FCRHA	Park Authority	Total
Accrued interest	$ 7,223,839	117,048	30,400	7,371,287
Accounts	18,633,781	2,003,685	61,020	20,698,486
Notes	-	7,096,610	-	7,096,610
Mortgages	-	72,148	-	72,148
Total receivables	25,857,620	9,289,491	91,420	35,238,531
Allowances for uncollectibles	-	2,707,511	-	2,707,511
Total net receivables	$ 25,857,620	6,581,980	91,420	32,531,020

D. DUE FROM INTERGOVERNMENTAL UNITS

Amounts due to the primary government and component units from other governmental units at June 30, 2000, include:

	Primary Government				Totals	Component Unit	Totals
	General	Special Revenue	Capital Projects	Enterprise	Primary Government	Public Schools	Reporting Entity
Federal government	$ 1,931,398	6,641,360	341,891	176,678	9,091,327	17,920,485	27,011,812
State government	25,889,790	3,323,548	55,416	45,000	29,313,754	14,502,686	43,816,440
Local governments	1,082,049	171,243	-	17,543,875	18,797,167	69,463	18,866,630
Total	$ 28,903,237	10,136,151	397,307	17,765,553	57,202,248	32,492,634	89,694,882

E. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances at June 30, 2000, is as follows:

	Interfund Receivables	Interfund Payables
Primary Government:		
General Fund	$ 4,029,420	-
Special Revenue Funds:		
Federal/State Grants	-	2,859,268
Aging Grants and Programs	-	5,644
Cable Communications	-	10,219
Fairfax-Falls Church Community Services Board	-	337,545
Reston Community Center	-	8,971
McLean Community Center	-	4,882
Burgundy Village Community Center	-	33
Gypsy Moth Suppression Program	-	881
Refuse Collection and Recycling Operations	-	22,256
Refuse Disposal	-	25,875
Energy Resource Recovery Facility	-	1,640
I-95 Refuse Disposal	-	6,566
Alcohol Safety Action Program	-	3,858
Community Development Block Grant	-	5,221
Home Investment Partnership Grant	-	488
Capital Projects Fund- Housing Assistance Program	-	92,692
Enterprise Fund - Integrated Sewer System	-	71,061
Internal Service Funds:		
Central Stores	-	459,736
Vehicle Services	-	50,470
Self Insurance	-	3,554
Document Services	-	3,337
Technology Infrastructure Services	-	16,825
Health Benefits	1,102	-
Retiree Health Benefits	-	261
Fiduciary Fund - Supplemental Retirement System	-	39,239
Total Primary Government	4,030,522	4,030,522
Component Units:		
Public Schools Funds:		
General Fund	1,632,233	-
Special Revenue Fund - Grants and Self Supporting Programs	-	502,225
Internal Service Fund - Central Procurement	302,225	1,432,233
Total Public Schools Funds	1,934,458	1,934,458
FCRHA Funds:		
Enterprise Funds:		
Public Housing	-	2,994
Revolving Development	31,969	-
Private Finance	-	10,000
Fairfax County Rental Program	-	18,975
Total FCRHA Funds	31,969	31,969
Total Component Units	1,966,427	1,966,427
Total Reporting Entity	$ 5,996,949	5,996,949

Due to/from primary government and component units are as follows:

Receivable Entity (Component Units)	Payable Entity (Primary Government)	Amount
EDA	General Fund	$ 107,736
Park Authority	General Fund	1,096,190
Public Schools	General Fund	86,706
Public Schools	Special Revenue Fund - Federal and State Grants Fund	293,362
FCRHA	Special Revenue Funds - Community Development Block Grant Fund	25,696
	HOME Investment Partnership Grant Fund	125,679
Park Authority	Capital Projects Fund - County Construction Fund	111,980
Public Schools	General Long-Term Obligations Account Group	9,728,184
	Total	$ 11,575,533

Receivable Entity (Primary Government)	Payable Entity (Component Unit)	Amount
Special Revenue Fund - Housing Trust Fund	FCRHA	$ 1,591,709

F. RETIREMENT PLANS

The reporting entity administers the following four separate public employee retirement systems that provide pension benefits for various classes of employees; in addition, professional employees of Public Schools participate in a plan sponsored and administered by the Virginia Retirement System (VRS).

1. Fairfax County Supplemental Retirement System

Plan Description

The Fairfax County Supplemental Retirement System (SRS) is a cost-sharing multiple-employer defined benefit pension plan which covers only employees of the reporting entity. The plan covers full-time and certain part-time employees of the reporting entity who are not covered by other plans of the reporting entity or the VRS. Information regarding membership in the SRS is disclosed in item 6 below.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. 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, or (b) attain the age of 50 with age plus years of creditable service being greater than or equal to 80. 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. Annual cost-of-living adjustments are provided to retirees and beneficiaries equal to the lesser of 4 percent or the percentage increase in the Consumer Price Index for the Washington Consumer Metropolitan Service Area. 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. The benefit for early retirement is

actuarially reduced and payable at early termination.

The SRS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Supplemental Retirement System, 10680 Main Street, Suite 280, Fairfax, VA 22030 or by calling (703) 279-8200.

Funding Policy

The contribution requirements of SRS members are established and may be amended by County ordinances. Members may elect to join Plan A or Plan B. Plan A requires member contributions of 4 percent of compensation up to the Social Security wage base and 5.33 percent of compensation in excess of the wage base. Plan B requires member contributions of 5.33 percent of compensation. The reporting entity is required to contribute at an actuarially determined rate; the fiscal year 2000 rate is 6.04 percent of annual covered payroll.

Annual Pension Cost

For the years ended June 30, 2000, 1999 and 1998, the County's and Public Schools' annual pension costs of $19,912,422 and $7,221,173, $17,839,990 and $6,303,842, and $22,907,248 and $8,047,892, respectively, were equal to their required and actual contributions. The required contributions for fiscal year 2000 were determined as part of the July 1, 1998, actuarial valuation using the entry age actuarial cost method.

Significant actuarial assumptions used in the valuation include:

a. a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually, including an inflation component of 4.0 percent;

b. projected annual salary increases of 4.3 to 5.4 percent, including an inflation component of 4.0 percent; and

c. post-retirement benefit increases of 3 percent compounded annually.

The actuarial value of SRS's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. SRS's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a rolling fifteen-year weighted-average basis. On a weighted-average basis, the remaining amortization period, which is closed, as of July 1, 1999, is 15.71 years.

Concentrations

The SRS does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5 percent or more of net assets held in trust for pension benefits.

2. Fairfax County Police Officers Retirement System

Plan Description

The Fairfax County Police Officers Retirement System (PORS) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia. The plan covers County police officers who are not covered by other plans of the reporting entity or the VRS and former Park Police officers who elected to transfer to the PORS from the Uniformed Retirement System effective January 22, 1983. Information regarding membership in the PORS is disclosed in item 6 below. Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. To be eligible for normal retirement, an individual must meet the following criteria: (a) if employed before July 1, 1981; attained the age of 55 or completed 20 years of creditable service, or (b) if employed on or after July 1, 1981; attained the age of 55 or completed 25 years of creditable service. The normal retirement benefit is calculated using average final compensation and years (or partial years) of creditable service at date of termination. Annual cost-of-living adjustments are provided to retirees and beneficiaries equal to the lesser of 4 percent or the percentage increase in the Consumer Price Index for the Washington Consumer Metropolitan Service Area. 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. To be eligible for early retirement, the employee must have 20 years of creditable service (does not apply if hired before July 1, 1981). Benefits are determined based on the normal retirement benefit calculated using average final compensation and creditable service at early retirement actuarially reduced.

The PORS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Police Officers Retirement System, 10680 Main Street, Suite 280, Fairfax, VA 22030 or by calling (703) 279-8200.

Funding Policy

The contribution requirements of PORS members are established and may be amended by County ordinances. Member contributions are based on 12 percent of compensation. The County is required to contribute at an actuarially determined rate; the FY 2000 rate is 18.4 percent of annual covered payroll.

Annual Pension Cost

For the year ended June 30, 2000, the County's annual pension cost of $11,950,073 was equal to its required and actual contributions. The required contribution was determined as part of the July 1, 1998, actuarial valuation using the entry age actuarial cost method.

Significant actuarial assumptions used in the valuation include:

a. a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually including an inflation component of 4.0 percent;

b. projected annual salary increases of 4.5 to 8.0 percent, including an inflation component of 4.0 percent; and

c. post-retirement benefit increases of 3.0 percent compounded annually.

The actuarial value of the PORS's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. PORS's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a thirty-year basis. On a weighted-average basis, the remaining amortization period, which is closed, at July 1, 1999, is 1.75 years.

Concentrations

The PORS does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5 percent or more of net assets held in trust for pension benefits.

3. Fairfax County Uniformed Retirement System

Plan Description

The Fairfax County Uniformed Retirement System (URS) is a single-employer defined benefit pension plan. The plan covers uniformed employees including non-clerical employees of the Fire and Rescue Department and Office of Sheriff, Park Police, Helicopter Pilots, Animal Wardens and Game Wardens who are not covered by other plans of the reporting entity or the VRS. Information regarding membership in the URS is disclosed in item 6 below.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. To be eligible for normal retirement an individual must meet the following criteria: (a) attain the age of 55 with six years of creditable service, or (b) complete 25 years of creditable service. The normal retirement benefit is calculated using average final compensation and years (or partial years) of creditable service at date of termination. Annual cost-of-living adjustments are provided to retirees and beneficiaries equal to the lesser of 4 percent or the percentage increase in the Consumer Price Index for the Washington Consumer Metropolitan Service Area. 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. To be eligible for early retirement employees must have 20 years of creditable service. The benefit for early retirement is actuarially reduced and payable at early termination.

The URS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Uniformed Retirement System, 10680 Main Street, Suite 280, Fairfax, VA 22030 or by calling (703) 279-8200.

Funding Policy

The contribution requirements of URS members are established and may be amended by County ordinances. Plan A members were given the opportunity to enroll in Plan B as of July 1, 1981 and to enroll in Plan C as of April 1, 1997. From July 1, 1981 through March 31, 1997, all new hires were enrolled in Plan B. Plan B members were given the opportunity to enroll in Plan D as of April 1, 1997. From April 1, 1997 forward all new hires are enrolled in Plan D. Plan A requires member contributions of 4 percent of compensation up to the Social Security wage base and 5.75 percent of compensation in excess of the wage base. Plan B requires member contributions of 7.08 percent of compensation up to the Social Security wage base and 8.83 percent of compensation in excess of the wage base. Plan C requires member contributions of 4 percent of compensation. Plan D requires contributions of 7.08 percent of compensation. The County is required to contribute at an actuarially determined rate; the FY 2000 rate is 18.75 percent of annual covered payroll.

Annual Pension Cost

For the year ended June 30, 2000, the County's annual pension cost of $16,489,406 was equal to its required and actual contributions. The required contribution was determined as part of the July 1, 1998, actuarial valuation using the entry age actuarial cost method.

Significant actuarial assumptions used in the valuation include:

a. a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually including an inflation component of 4.0 percent;

b. projected annual salary increases of 4.1 to 6.1 percent, including an inflation component of 4.0 percent; and

c. post-retirement benefit increases of 3.0 percent compounded annually.

The actuarial value of URS's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. URS's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a rolling fifteen-year basis. The weighted average remaining amortization period, which is closed, at July 1, 1999, is 12.7 years.

Concentrations

The URS does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5 percent or more of net assets held in trust for pension benefits.

4. Educational Employees' Supplementary Retirement System of Fairfax County

Plan Description

The Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia. The ERFC covers all full-time educational and civil service employees who are employed by the Public Schools and who are not covered by other plans of the reporting entity.

ERFC provides retirement, disability, and death benefits to plan members and their beneficiaries. Annual post-retirement increases of 3 percent are effective each March 31. This plan supplements the Virginia Retirement System plan.

Benefit provisions are established and may be amended by the Fairfax County Public School Board. All benefits vest after five years of creditable service. The benefit structure is designed to provide a level retirement benefit through a combined ERFC/VRS benefit structure. Member contributions are made through an arrangement which results in a deferral of taxes on the contributions. Further analysis of member contributions may be found in Article III of the ERFC Plan Document. The ERFC is divided into 12 types of benefit payments. Minimum eligibility conditions for receipt of full benefits range from members attaining the age of 55 with 25 years of creditable service to completing five years of creditable service prior to age 65. A description of each of the 12 types of benefits payments is contained in the actuarial valuation at June 30, 1999. Total plan membership for ERFC is disclosed in item 6 below.

The ERFC issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Educational Employees' Supplementary Retirement System, 6815 Edsall Road, Springfield, VA 22151.

Funding Policy

The contribution requirements of ERFC members are established and may be amended by the ERFC Board of Trustees. All members are required to contribute 2 percent of their covered salaries. The employer is required to contribute at an actuarially determined rate. Separate employer contribution rates are determined for educational and civil service employees. For fiscal year 2000, the Public Schools is required to contribute 5.03 percent of annual covered payroll for educational employees and 4.63 percent of annual covered payroll for civil service employees.

Annual Pension Cost

For the year ended June 30, 2000, the Public Schools' annual pension cost of $35,655,898 was equal to its required and actual contributions. The required contribution was determined as part of the June 30, 1999, actuarial valuation using the entry age actuarial cost method.

Significant actuarial assumptions used in the valuation include:

a. a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually, including an inflation component of 4.0 percent;

b. projected annual salary increases of 4.0 to 8.2 percent, including an inflation component of 4.0 percent; and

c. post-retirement benefit increases of 3.0 percent compounded annually.

The actuarial value of the ERFC's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. ERFC's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over a period of future years, which has never exceeded 30 years. The remaining amortization period, which is closed, at June 30, 1999, was 30 years.

Concentrations

The ERFC does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5 percent or more of net assets available for benefits.

5. Virginia Retirement System

Plan Description

The Public Schools contributes to the Virginia Retirement System (VRS) on behalf of covered professional Public Schools employees. VRS is a cost-sharing multiple-employer public employee defined benefit pension plan administered by the Commonwealth of Virginia for its political subdivisions. All full-time, salaried permanent employees of participating employers must participate in the VRS.

In accordance with the requirements established by State statute, the VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The VRS issues a publicly available annual report that includes financial statements and required supplementary information for the VRS; this report can be obtained by writing the Virginia Retirement System, P.O. Box 2500, Richmond, VA 23218-2500.

Funding Policy

Plan members are required by State statute to contribute 5 percent of their annual covered salary to the VRS. If a plan member leaves covered employment, the accumulated contributions plus interest earned may be refunded. In accordance with State statute, the Public Schools is required to contribute at an actuarially determined rate. The rate for fiscal year 2000 was 9.04 percent of annual covered payroll. State statute may be amended only by the Commonwealth of Virginia Legislature. The Public Schools' contributions to the VRS for the years ended June 30, 2000, 1999 and 1998 were $73,823,688, $56,215,333 and $45,349,158, respectively, equal to the required contributions for each year.

6. Current Plan Membership

At July 1, 1999, the date of the latest actuarial valuations, membership in the reporting entity's plans consisted of:

	Primary Government			Component Unit/ Public Schools
	Supplemental Retirement System	Police Officers Retirement System	Uniformed Retirement System	Educational Employees' Supplementary Retirement System
Retirees and beneficiaries receiving benefits	3,590	560	566	5,113
Terminated employees entitled to but not yet receiving benefits	499	3	24	1,003
Active employees	12,772	1,039	1,566	14,449
Total number of plan members	16,861	1,602	2,156	20,565

7. Required Supplementary Information

Six-year historical trend information about the retirement systems administered by the reporting entity is presented in the following table as required supplementary information. This information is intended to help users assess each system's funding status on a going concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employee retirement systems.

SCHEDULE OF FUNDING PROGRESS (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (Funding Excess) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (Funding Excess) as a Percentage of Covered Payroll ((b -a)/c)
Primary Government:						
Supplemental Retirement System						
7/01/94	$ 796,157,626	837,636,088	41,478,462	95.05 %	$ 325,682,644	12.74 %
7/01/95	889,160,271	930,819,185	41,658,914	95.52	348,403,016	11.96
7/01/96	1,116,662,361	1,142,455,206	25,792,845	97.74	363,290,025	7.10
7/01/97	1,231,382,638	1,241,813,772	10,431,134	99.16	365,583,822	2.85
7/01/98	1,324,132,857	1,334,468,657	10,335,800	99.23	381,220,936	2.71
7/01/99	1,523,310,967	1,467,043,776	(56,267,191)	103.84	399,732,318	(14.08)
Police Officers Retirement System						
7/01/94	253,506,303	311,661,932	58,155,629	81.34	43,064,972	135.04
7/01/95	284,506,069	346,712,876	62,206,807	82.06	45,743,970	135.99
7/01/96	343,288,369	388,917,113	45,628,744	88.27	49,065,647	93.00
7/01/97	399,772,825	414,534,604	14,761,779	96.44	50,307,487	29.34
7/01/98	434,259,212	442,727,265	8,468,053	98.09	51,955,916	16.30
7/01/99	503,649,251	487,951,047	(15,698,204)	103.22	55,081,103	(28.50)
Uniformed Retirement System						
7/01/94	272,433,306	295,478,343	23,045,037	92.20	59,224,826	38.91
7/01/95	307,481,896	335,741,130	28,259,234	91.58	64,457,370	43.84
7/01/96	374,013,792	396,666,197	22,652,405	94.29	69,133,414	32.77
7/01/97	432,367,343	446,505,759	14,138,416	96.83	71,957,919	19.65
7/01/98	487,989,565	491,142,845	3,153,280	99.36	74,685,099	4.22
7/01/99	560,044,161	531,788,754	(28,255,407)	105.31	78,622,337	(35.94)
Component Unit/Public Schools:						
Educational Employees' Supplementary Retirement System						
7/01/94	766,480,098	972,078,679	205,598,581	78.85	480,995,439	42.74
7/01/95	839,929,723	1,072,535,730	232,606,007	78.31	521,044,021	44.64
7/01/96	934,571,552	1,130,544,241	195,972,689	82.67	531,060,397	36.90
7/01/97	1,045,411,714	1,215,366,514	169,954,800	86.02	553,709,472	30.69
7/01/98	1,194,555,606	1,278,371,622	83,816,016	93.44	582,754,912	14.38
7/01/99	1,365,416,798	1,345,658,583	(19,758,215)	101.47	626,015,364	(3.16)

Analysis of the dollar amounts of plan net assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of each system's funding status on a going concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the system's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the system.

SCHEDULE OF EMPLOYER CONTRIBUTIONS (1995 -1996, Unaudited)

Fiscal Year Ended June 30	Primary Government: Supplemental Retirement Annual Required Contribution*	Supplemental Retirement Percentage Contributed	Police Officers Retirement Annual Required Contribution*	Police Officers Retirement Percentage Contributed	Uniformed Retirement Annual Required Contribution*	Uniformed Retirement Percentage Contributed	Component Unit/Public Schools: Educational Employees' Supplementary Retirement Annual Required Contribution*	Educational Employees' Supplementary Retirement Percentage Contributed
1995	$ 26,896,714	100 %	$ 10,013,355	100 %	$ 13,381,350	100 %	$ 29,225,043	100 %
1996	28,663,583	100	10,912,200	100	14,580,237	100	30,087,963	100
1997	29,941,315	100	11,892,690	100	16,111,378	100	35,159,514	100
1998	30,955,140	100	11,321,194	100	16,565,155	100	36,932,114	100
1999	24,143,832	100	10,685,734	100	15,645,845	100	38,422,667	100
2000	27,133,595	100	11,950,073	100	16,489,406	100	35,655,898	100

* The annual required contribution is equal to the annual pension cost for each fiscal year.

G. RISK MANAGEMENT

The reporting entity 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 natural disasters.

The County and the Public Schools maintain self-insurance internal service funds for workers' compensation claims and certain property and casualty risks and for health insurance benefits. The County and Public Schools believe that it is more cost effective to manage certain risks internally rather than purchase commercial insurance. The Park Authority, EDA and FCRHA participate in the County's self-insurance funds. Participating funds and agencies are charged "premiums" which are computed based on actual loss experience applied on a retrospective basis. Liabilities are reported in the self-insurance funds when it is probable that losses have occurred and the amounts of the losses can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported to date. Because actual claims liabilities depend on such complex factors as inflation, changes in governing laws and standards, and court awards, the process used in computing claims liabilities is reevaluated periodically to take into consideration the history, frequency and severity of recent claims and other economic and social factors. These liabilities are computed using a combination of actual claims experience and actuarially determined amounts and include any specific, incremental claim adjustment expenses and estimated recoveries.

The claims liabilities in the self-insurance funds are discounted at 5.5 percent at June 30, 2000 and 6.0 percent at June 30, 1999, to reflect anticipated investment income. Changes in the balances of claims liabilities during fiscal years 2000 and 1999 are as follows:

	Internal Service Funds: Primary Government: Self-Insurance	Primary Government: Health Benefits	Component Unit/ Public Schools: Insurance	Component Unit/ Public Schools: Health Benefits Trust
Liability balances, July 1, 1998	$ 18,983,188	2,972,206	19,482,424	5,864,809
Claims and changes in estimates	4,915,420	24,594,781	8,030,126	34,485,972
Claims payments	(6,456,191)	(24,684,941)	(6,814,991)	(34,635,612)
Liability balances, July 1, 1999	17,442,417	2,882,046	20,697,559	5,715,169
Claims and changes in estimates	4,552,873	27,570,625	468,490	48,371,084
Claims payments	(5,888,013)	(26,995,079)	(2,311,050)	(46,445,559)
Liability balances, July 1, 2000	$ 16,107,277	3,457,592	18,854,999	7,640,694

In addition to the self-insurance program, commercial property insurance is carried for buildings and contents plus certain large and costly items such as fire apparatus and helicopters. Excess liability and workers' compensation insurance policies are maintained for exposures above a $750,000 self-insured retention. Settled claims have not exceeded any of these commercial coverages in any of the past three fiscal years.

H. LONG-TERM OBLIGATIONS

The following is a summary of changes in the long-term obligations of the reporting entity for the year ended June 30, 2000:

Summary of Long-Term Obligations (000)				
	Balance July 1, 1999	Additions	Reductions	Balance June 30, 2000
Primary Government:				
General Long-Term Obligations Account Group:				
Compensated absences payable	$ 49,919	4,379	-	54,298
Obligations for claims and judgments	1,386	-	99	1,287
Due to component units	11,350	-	1,622	9,728
General obligation bonds payable	1,314,378	182,335	116,446	1,380,267
Special assessment debt with governmental commitment	750	-	75	675
Lease revenue bonds payable	117,600	-	3,475	114,125
Obligations under capital leases and installment purchases	28,811	965	6,039	23,737
Sanitary landfill closure obligation	44,379	-	3,208	41,171
Obligations to the Supplemental Retirement System	2,091	-	2,091	-
Total General Long-Term Obligations Account Group	1,570,664	187,679	133,055	1,625,288
Enterprise Fund:				
Sewer revenue bonds, net of unamortized discounts	172,352	-	3,546	168,806
Internal Service Funds:				
Obligations under capital leases and installment purchases	1,758	-	1,085	673
Total Primary Government	1,744,774	187,679	137,686	1,794,767
Component Units:				
Public Schools:				
Compensated absences payable	14,370	4,183	-	18,553
Obligations under capital leases and installment purchases	9,099	16,161	6,990	18,270
Total Public Schools	23,469	20,344	6,990	36,823
FCRHA:				
Compensated absences payable	418	330	40	708
Notes payable	52,263	6,826	2,924	56,165
Public housing loans	2,153	-	115	2,038
Bonds payable	9,675	-	210	9,465
Total FCRHA	64,509	7,156	3,289	68,376
Park Authority:				
Compensated absences payable	2,380	350	-	2,730
Revenue note payable	-	12,750	-	12,750
Revenue bonds payable	13,325	-	295	13,030
Total Park Authority	15,705	13,100	295	28,510
Economic Development Authority:				
Compensated absences payable	130	3	-	133
Total Component Units	103,813	40,603	10,574	133,842
Total Reporting Entity	$ 1,848,587	228,282	148,260	1,928,609

1. General Obligation Bonds

General obligation bonds have been issued to provide funding for long-term capital improvements. In addition, they have been issued to refund outstanding general obligation bonds when market conditions enabled the County to achieve significant reductions in its debt service payments. Such bonds are direct obligations of the County, and the full faith and credit of the County are pledged as security. The County is required to submit to public referendum for authority to issue general obligation bonds. At June 30, 2000, the amount of such bonds authorized and unissued is summarized as follows:

Bond Purpose	Amount (000)
School improvements	$ 392,475
Transportation improvements and facilities	107,835
Parks and park facilities	66,000
Commercial and redevelopment area improvements	20,580
Neighborhood improvements	5,145
Human services facilities	1,185
Storm drainage improvements	4,660
Public library facilities	3,850
Adult detention facilities	8,520
Public safety facilities	113,920
Juvenile detention facilities	1,050
Total Authorized but Unissued Bonds	$ 725,220

The Commonwealth of Virginia does not impose a legal limit on the amount of general obligation indebtedness which the County can incur or have outstanding. The Board of Supervisors, however, has self-imposed bond limits which provide that the County's net debt will not exceed three percent of the total market value of taxable real and personal property in the County. In addition, the annual debt service will not exceed ten percent of the annual combined general fund disbursements. As a financial guideline, the Board of Supervisors also follows a self-imposed limitation in total general obligation bond sales of $750 million over a five-year period or an average of $150 million annually, with a maximum of $175 million in any given year. All self-imposed bond limits have been complied with at June 30, 2000.

Detailed information regarding the general obligation bonds outstanding as of June 30, 2000, is contained in Section 5 of this note.

2. Lease Revenue Bonds

In March 1994, EDA issued $116,965,000 of lease revenue bonds to finance the County's acquisition of certain land and office buildings adjacent to its main government center. As the County is responsible, under the related documents and subject to annual appropriation, to make payments to a trustee sufficient to pay principal and interest on the bonds, the related transactions, including the liability for the bonds, have been recorded in the County's financial statements and not in those of EDA. Neither the bonds nor the related payment responsibility of the County is a general obligation debt of the County, and the full faith and credit of the County is not pledged to the bonds for such payment responsibility.

In October 1996, the FCRHA issued $6,390,000 of lease revenue bonds to finance the construction/renovation of two community center buildings. In December 1998, the FCRHA issued $5,500,000 of lease revenue bonds to finance the renovation and expansion of a third community center building. Also, in May 1999, the FCRHA issued $1,000,000 of lease revenue bonds to finance the construction of an adult day health care center to serve County residents. As the County is responsible, under the related documents and subject to annual appropriation, to make payments to a trustee sufficient to pay principal and interest of these bonds, the related transactions, including the liability for these bonds, have been recorded in the County's financial statements and not in those of the FCRHA. Neither these bonds nor the related payment responsibility of the County is a general obligation debt of the County, and the full faith and credit of the County is not pledged to these bonds for such payment responsibility. Detailed information regarding the lease revenue bonds outstanding as of June 30, 2000, is contained in Section 5 of this note.

3. Special Assessment Bonds

In July 1988, Small District One of the Dranesville District issued $1.5 million of serial bonds to provide funds for the expansion and renovation of the McLean Community Center. These bonds are general obligations of the respective District, and the Board of Supervisors is obligated, in each year in which any of these bonds shall be outstanding, to levy and collect an ad valorem tax on all real property in each District subject to taxation to provide funds for the payment of debt service on the bonds. However, these bonds are not general obligations of the County, and the full faith and credit of the County are not pledged as security for any of these bonds. Detailed information regarding the special assessment bonds outstanding as of June 30, 2000, is contained in Section 5 of this note.

4. Sewer Revenue Bonds

In August 1986, the Integrated Sewer System (System) issued $75,000,000 of variable rate sewer revenue bonds. The proceeds of the bonds were used primarily to fund the expansion of the Noman Cole Pollution Control Plant and the System's share of the expansion of the District of Columbia's Blue Plains Wastewater Treatment Plant.

In May 1993, the System issued of $72,100,000 of Series 1993 Sewer Revenue Refunding Bonds, with an average interest rate of 5.39 percent, to advance refund $64,500,000 of Series 1986 Sewer Revenue Bonds. The Series 1993 Refunding Bonds consists of $41,220,000 of serial bonds bearing an average interest rate of 4.86 percent, $22,395,000 of 5.5 percent term bonds due November 15, 2013, and $8,485,000 of 5.65 percent term bonds due November 15, 2015. The term bonds are subject to mandatory sinking fund redemption in varying amounts over fiscal years 2011 through 2016.

In July 1996, the System issued $104,000,000 of variable rate sewer revenue bonds with an average interest rate of 5.8 percent to fund plant expansion of the wastewater treatment facilities at the County's Noman Cole Pollution Control Plant and other system improvements. These Series 1996 bonds consist of $29,860,000 of serial bonds bearing an interest rate of 5.625 percent, $13,725,000 of 5.7 percent term bonds due July 15,

2017, $22,555,000 of 5.8 percent term bonds due July 15, 2022 and $37,860,000 of 5.875 percent term bonds due July 15, 2028. The $74,140,000 of term bonds are subject to mandatory sinking redemption in varying amounts over fiscal years 2014 through 2028.

The aforementioned sewer revenue bonds were issued in accordance with the Master Bond Resolution adopted by the Board of Supervisors and are payable from and secured by the net revenue generated through the System's operations. Accordingly, the Master Bond Resolution includes a rate covenant under which the System agreed that it will charge reasonable rates for the use of and services rendered by the System. Furthermore, the System will adjust the rates from time to time to generate net revenues sufficient to provide an amount equal to 100 percent of its annual principal and interest requirements and the System's annual commitments to fund its proportionate share of other jurisdictions' debt service requirements. In addition, payment of the principal and the interest on all bonds is insured by municipal bond insurance policies.

Additional information regarding the $169,860,000 of sewer revenue bonds outstanding as of June 30, 2000, is contained in Section 5 of this note.

5. County Bonds Payable and Related Interest to Maturity

The County's outstanding general obligation, special assessment, lease revenue and sewer revenue bonds, loans payable and the related interest to maturities as of June 30, 2000, are comprised of the following issues:

Series	Interest Rate	Issue Date	Final Maturity Date	Annual Principal Payments (000)	Original Issue (000)	Principal Outstanding June 30 (000)	Interest Payable to Maturity June 30 (000)	Total Principal Outstanding & Interest Payable to Maturity (000)
General Obligation Bonds:								
General County:								
Series 1992B Refunding	5.40-6.00%	06-15-92	05-01-08	$ 1,449-3,509	56,820	15,769	3,507	19,276
Series 1992C Refunding	5.00-5.75	12-15-92	10-01-09	2,969-9,294	85,820	58,635	12,791	71,426
Series 1993A Refunding	4.70-5.38	04-01-93	06-01-10	3,475-12,337	113,053	78,558	19,249	97,807
Series 1993B Public Improvement	5.00-5.20	05-15-93	06-01-13	3,250	65,000	16,250	2,438	18,688
Series 1993C Refunding	4.50-5.40	07-15-93	05-01-12	7,725-9,345	128,635	92,580	29,824	122,404
Series 1994A Public Improvement	5.00-7.25	05-15-94	06-01-14	4,080	81,600	20,400	3,258	23,658
Series 1995A Public Improvement	4.88-7.00	05-15-95	06-01-15	1,847-1,849	36,960	27,710	11,896	39,606
Series 1996A Public Improvement	4.75-5.50	05-15-96	06-01-16	2,510-2,512	50,250	40,196	18,216	58,412
Series 1997A Public Improvement	5.00-6.00	05-15-97	06-01-17	3,450	69,000	58,650	27,380	86,030
Series 1998A Public Improvement	4.25-5.00	05-15-98	06-01-18	2,436	48,710	43,839	20,489	64,328
Series 1999A Public Improvement	4.00-5.00	04-01-99	06-01-19	2,710	54,200	51,490	23,882	75,372
Refunding	4.00-5.00	04-01-99	06-01-19	1,267-8,379	76,043	74,492	29,750	104,242
Series 1999B Public Improvement	4.50-5.50	12-01-99	12-01-19	180	3,600	3,600	1,940	5,540
Series 2000A Public Improvement	5.00-5.50	04-01-00	06-01-20	1,900	38,000	38,000	21,104	59,104
Total General Obligation Bonds--County					907,691	620,169	225,724	845,893
Schools:								
Series 1992B Refunding	5.40-6.00	06-15-92	05-01-08	1,506-3,645	59,140	16,376	3,642	20,018
Series 1992C Refunding	5.00-5.75	12-15-92	10-01-09	1,771-5,546	51,205	34,985	7,631	42,616
Series 1993A Refunding	4.70-5.38	04-01-93	06-01-10	2,765-9,818	89,987	62,517	15,122	77,639
Series 1993B Public Improvement	5.00-5.20	05-15-93	06-01-13	1,900	38,000	9,500	1,425	10,925
Series 1993C Refunding	4.50-5.40	07-15-93	05-01-12	7,470-9,040	124,410	89,540	28,841	118,381
Series 1994A Public Improvement	5.00-7.25	05-15-94	06-01-14	3,825	76,500	19,125	3,054	22,179
Series 1995A Public Improvement	4.88-7.00	05-15-95	06-01-15	3,149-3,152	63,000	47,250	20,290	67,540
Series 1996A Public Improvement	4.75-5.50	05-15-96	06-01-16	3,194-3,196	63,900	51,114	23,165	74,279
Series 1997A Public Improvement	5.00-6.00	05-15-97	06-01-17	3,750	75,000	63,750	29,761	93,511
Series 1997B Public Improvement	4.50-5.00	12-01-97	12-01-17	3,000	60,000	54,000	23,820	77,820
Series 1998A Public Improvement	4.25-5.00	05-15-98	06-01-18	1,365	27,290	24,561	11,479	36,040
Series 1999A Public Improvement	4.00-5.00	04-01-99	06-01-19	5,000	100,000	95,000	44,063	139,063
Refunding	4.00-5.00	04-01-99	06-01-14	1,053-6,961	63,172	61,883	24,714	86,597
Series 1999B Public Improvement	4.50-5.50	12-01-99	12-01-19	4,000	80,000	80,000	43,100	123,100
Series 2000A Public Improvement	5.00-5.50	04-01-00	06-01-20	2,500	50,000	50,000	27,768	77,768
Total General Obligation Bonds- Schools					1,021,604	759,601	307,875	1,067,476
State Literary Fund Loans - Schools:								
Terra Centre Elementary	3.00	01-01-83	01-01-03	18	350	53	3	56
Science Lab #1	3.24	04-01-86	04-01-06	64	1,274	382	43	425
Science Lab #2	5.00	10-01-87	10-01-08	8	148	62	14	76
Total State Literary Fund Loans - Schools					1,772	497	60	557
Total General Obligation Bonds and Loans - Schools					1,023,376	760,098	307,935	1,068,033
Total General Obligation Bonds and Loans				$	1,931,067	1,380,267	533,659	1,913,926

Series	Interest Rate	Issue Date	Final Maturity Date	Annual Principal Payments (000)	Original Issue (000)	Principal Outstanding June 30 (000)	Interest Payable to Maturity June 30 (000)	Principal Outstanding & Interest Payable to Maturity (000)
Revenue Bonds:								
EDA Lease Revenue Bonds - Series 1994	5.00-5.50%	03-01-94	11-15-18	$ 3,075-8,550	116,965	102,320	64,404	166,724
FCRHA Lease Revenue Bonds:								
Series 1996	4.60-5.55	09-15-96	06-01-17	220-505	6,390	5,790	3,247	9,037
Series 1998	3.50-4.85	12-01-98	06-01-18	195-325	5,500	5,015	2,416	7,431
Series 1999	4.30-5.38	05-27-99	05-01-29	15-65	1,000	1,000	990	1,990
Total Lease Revenue Bonds					129,855	114,125	71,057	185,182
Integrated Sewer System:								
Series 1993 Refunding	4.55-5.55	05-15-93	11-15-15	850-6,505	72,100	67,120	32,625	99,745
Series 1996	5.63-5.70	07-01-96	07-15-28	1,335-7,300	104,000	102,740	110,604	213,344
Total Sewer Revenue Bonds					176,100	169,860	143,229	313,089
Special Assessment Bonds - Small District								
One of the Dranesville District (McLean Community Center)	6.90-7.40	07-01-88	07-01-08	75	1,500	675	222	897
Total County Bond and Loan Indebtedness				$	2,238,522	1,664,927	748,167	2,413,094

Principal and interest to maturity (in thousands) for the County's general obligation bonds, lease revenue bonds, special assessment bonds, and sewer revenue bonds outstanding at June 30, 2000, are as follows:

	General Long-Term Obligations Account Group						Enterprise Fund			
	General Obligation Bonds and Loans		Lease Revenue Bonds		Special Assessment Bonds		Sewer Revenue Bonds		Total	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2001	$ 112,234	70,224	3,640	6,133	75	46	4,050	9,406	119,999	85,809
2002	111,284	63,810	3,835	5,954	75	40	4,140	9,203	119,334	79,007
2003	110,504	58,106	4,030	5,762	75	36	4,535	8,983	119,144	72,887
2004	104,531	52,565	4,240	5,556	75	30	4,935	8,739	113,781	66,890
2005	103,856	47,246	4,450	5,335	75	25	5,035	8,478	113,416	61,084
2006-2010	448,467	161,849	26,125	22,827	300	44	31,380	37,701	506,272	222,421
2011-2015	275,145	66,595	34,025	14,913	-	-	42,790	27,519	351,960	109,027
2016-2020	114,246	13,264	33,295	4,437	-	-	20,790	18,680	168,331	36,381
2021-2025	-	-	245	105	-	-	25,470	11,759	25,715	11,864
2026-2030	-	-	240	34	-	-	26,735	3,260	26,975	3,294
	$ 1,380,267	533,659	114,125	71,056	675	221	169,860	143,728	1,664,927	748,664

6. Park Authority Bonds and Note Payable

In February 1995, the Park 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. These bonds are solely the obligations of the Park Authority and are payable from the Park Revenue Fund's revenue from operations, interest from investments, and certain fund balance reserves.

Information about the revenue bonds payable as of June 30, 2000 is as follows:

Fiscal year	Interest Rate		Principal (000)	Interest (000)	Total (000)
2001	6.00 %	$	310,000	852,296	1,162,296
2002	6.10		330,000	833,696	1,163,696
2003	6.13		350,000	813,896	1,163,896
2004	6.20		370,000	792,546	1,162,546
2005	6.25		395,000	769,884	1,164,884
2006-2010	6.63		2,385,000	3,437,133	5,822,133
2011-2015	6.63		3,280,000	2,538,370	5,818,370
2016-2020	6.63		4,520,000	1,298,170	5,818,170
2021	6.63		1,090,000	72,213	1,162,213
Totals		$	13,030,000	11,408,204	24,438,204

On March 30, 2000, the Park Authority issued a Subordinated Park Facilities Revenue Note in the amount of $12,750,000, bearing interest at the rate of 6.825 percent per annum and which matures on July 31, 2001, to finance the acquisition of certain real property for use as parkland. The County has agreed to provide the Park Authority with the funds needed to meet the principal and interest payment obligations of this note.

7. FCRHA Bonds, Notes, and Loans Payable

In June 1989, the FCRHA issued $6,120,000 of 8.95 percent Elderly Bonds, Series 1989A. On August 29, 1996, on behalf of the Little River Glen project, the Authority issued FHA insured mortgage revenue bonds with an original principal amount of $6,340,000 and interest rates which vary between 4.65 and 6.10 percent with final payment due September 1, 2026, to redeem, though advance refunding, the Elderly Bonds. The land, buildings, and equipment of the project are pledged as security for the new bonds. The proceeds from the new bonds along with other cash sources, totaling approximately $6,500,000, were placed in irrevocable escrow accounts to provide for all the future debt service payments and to provide the funds required to redeem the Series 1989A Bonds on June 1, 1999. At June 30, 2000, $6,070,000 was outstanding on the new bonds.

In November 1, 1992, the FCRHA issued $3,910,000 of special limited obligation bonds, carrying a coupon interest rate of 7.5 percent, payable semi-annually and maturing June 15, 2018. The proceeds of the bonds were used to finance the purchase of the FCRHA's Pender Drive office building. The bonds are secured by certain revenues of the FCRHA consisting primarily of payments to be made, subject to annual appropriation by the County pursuant to the terms of a lease agreement between the FCRHA and the County whereby the FCRHA leases the building to the County. These bonds are not obligations of the County. In June 1998, the FCRHA issued Series 1998 Lease Revenue bonds with an original principal amount of $3,630,000 and an interest rate of 4.71 percent with final payment due June 15, 2018 to advance refund the special limited obligation bonds. The new bonds are secured by the FCRHA's interest in payments under the lease agreements between FCRHA and the County whereby the FCRHA leases its Pender Drive Office building to the County and a first deed of trust on the office building. Proceeds from the new bonds along with other cash sources, totaling approximately $4,000,000, were

placed in irrevocable escrow accounts to provide for all future debt service payments on the old bonds which will be redeemed on June 15, 2018. At June 30, 2000, $3,395,000 were outstanding on the new bonds. These bonds are not obligations of the County.
To permanently finance certain public housing projects, the FCRHA issued notes to the Federal Financing Bank. These notes are payable in annual installments each November 1, until maturity in 2015 with interest at 6.6 percent; they are secured by the projects' land, buildings and equipment. Principal and interest is paid annually by HUD under the Annual Contributions Contract. As of June 30, 2000, $1,517,227 was outstanding on the notes.

To permanently finance the Rosedale Manor public housing project, the FCRHA issued bonds in the original principal amount of $1,260,000 with interest at 5 percent maturing April 1, 2009. Principal and interest is paid semi-annually by HUD under the Annual Contributions Contract. As of June 30, 2000, $520,000 was outstanding on the bonds.

The FCRHA has also issued various notes to finance its operations. These notes payable are detailed in the chart on the next page. The FCRHA's annual required principal payments on the bonds, loans and notes payable are as follows:

Year ending June 30		Bonds Payable	Public Housing Loans	Notes Payable	Total
FCRHA Primary Government					
2001	$	220,000	114,914	2,993,682	3,328,596
2002		225,000	119,473	3,711,030	4,055,503
2003		250,000	124,057	1,993,601	2,367,658
2004		250,000	133,945	1,541,909	1,925,854
2005		265,000	143,933	1,687,043	2,095,976
2006 and thereafter		8,255,000	1,400,905	19,950,004	29,605,909
Total Primary Government		9,465,000	2,037,227	31,877,269	43,379,496
FCRHA Discretely		-	-		
Presented Component Units		-	-	24,287,635	24,287,635
Total FCRHA Reporting Entity	$	9,465,000	2,037,227	56,164,904	67,667,131

FCRHA Public Housing bonds, notes, and loans payable as of June 30, 2000:

Series	Secured By	Interest Rate	Final Maturity Date	Principal Outstanding June 30 (000)
Housing Bonds Payable:				
Mortgage Revenue Bonds	Little River Glen rental property	4.65-6.10%	09-01-26$	$ 6,070
Lease Revenue Bonds	FCRHA revenues	4.71	06-15-18	3,395
Total Bonds Payable - FCRHA				$ 9,465
Mortgage Notes Payable:				
United Bank	One University Plaza office building	5.75%	01-31-04	$ 327
SunTrust Bank	Island Walk rental property	12.00	01-31-02	75
	United Community Ministries	4.71	04-01-13	365
	Creighton Square	7.10	07-01-12	526
	Leland Road Group Home Property	5.55	04-01-17	601
	General revenues of FCRHA	4.15	01-31-01	930
Bank of America	Cholster Town, McLean Hills and Springfield Green rental properties	8.50	04-01-05	920
U.S. Dept. of Housing and Urban Development	Hopkins Glen rental property	3.00	04-01-10	416
	various FCRHA rental properties	6.45-9.15	varies	3,410
	various FCRHA rental properties	5.36-7.66	varies	300
	Stonegate Village rental property	8.00-9.25	varies	970
	various FCRHA rental properties	3.73-7.90	varies	2,015
	various FCRHA rental properties	4.75-7.18	varies	2,800
	various FCRHA rental properties	5.36-7.66	varies	60
	various FCRHA rental properties	5.36-7.66	varies	400
	Cedar Ridge rental property	1.00	varies	1,318
Sue Wright/Norma Whitaker	Hopkins Glen rental property	6.50	07-12-01	462
Virginia Housing Development Authority	Minerva Fisher-Hall Group Home property	8.07	06-01-19	356
	Penderbrook rental property	10.25	10-01-18	683
	Rolling Road Group Home property	8.00	10-01-00	235
	Patrick Street Group Home property	8.00	06-01-02	248
	Mount Vernon Group Home property	8.00	04-01-02	224
	West Ox Group Home property	8.00	11-01-02	771
	First Stop Group Home property	8.00	03-01-05	429
Various note holders within the Home Improvement Loan Program	Various properties owned by note holders	9.00-12.50	varies	114
First Union Bank	Various properties-interim financing	90% of 30 day LIBOR	02-13-02	1,985
TRI Capital	Cedar Ridge rental property	7.05	07-01-35	9,858
WMF Huntoon	Cedar Ridge rental property	3.00	09-01-10	1,079
Total Mortgage Notes Payable - FCRHA				$ 31,877
Public Housing Loans Payable:				
Public Housing Notes-Federal Financing Bank	The projects' land, structures, and equipment	6.60%	11-01-15	$ 1,517
Public Housing Bonds	Declaration of Trust	5.00	04-01-09	520
Total Public Housing Loans Payable - FCRHA				$ 2,037

8. Conduit Debt Obligations

The FCRHA is empowered by the Commonwealth of Virginia to issue tax-exempt bonds on behalf of qualified businesses to develop or rehabilitate low income housing within the County. Principal and interest on the tax-exempt bonds are paid entirely by the owners of the properties, which have entered into binding contracts to develop or rehabilitate the subject properties. The terms of the tax-exempt bonds stipulate that neither the FCRHA nor the County guarantee the repayment of principal and interest to the bondholders. A bondholder's sole recourse in the event of default on the tax-exempt bonds is to the subject property and third-party beneficiaries. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2000, approximately $173,503,300 of such tax-exempt bonds is outstanding.

The EDA is empowered by the Commonwealth of Virginia to issue Industrial Revenue Bonds (IRBs) on behalf of businesses relocating and/or expanding their operations within the County. Principal and interest on the IRBs are paid entirely by the businesses. The terms of the IRBs stipulate that neither the EDA nor the County guarantees the repayment of principal and interest to the bondholders. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2000, the principal amounts outstanding on these IRBs total approximately $618,000,000.

9. Defeasance of Debt

In prior years, the County defeased certain general obligation bonds by placing the proceeds of newly issued general obligation refunding bonds in irrevocable escrow funds to provide for all future debt service payments on the old bonds. Accordingly, the escrow fund assets and the liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2000, $112,345,000 of outstanding general obligation bonds are considered defeased.

In prior years, the System defeased certain sewer revenue bonds by placing the proceeds of new bonds in irrevocable escrow funds to provide for all future debt service payments on the old bonds. Accordingly, the escrow fund assets and the liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2000, $63,000,000 of sewer revenue bonds outstanding are considered defeased.

In prior years, the FCRHA defeased certain general and limited obligation bonds by placing them in irrevocable escrow funds to provide for all future debt service payments on the old bonds. Accordingly, the escrow fund assets and the liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2000, $3,485,000 of outstanding general and limited obligation bonds are considered defeased.

10. Sanitary Landfill Closure Obligation

State and federal laws require the County to place a final cover on its I-95 Sanitary Landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The current landfill is divided into five phases of closure. The first four phases of closure pertain to the raw waste unit which has been filled to capacity; as of June 30, 2000, closure expenditures have been

incurred for approximately 55 percent of the area involved. The fifth phase of closure pertains to the ash unit, which is also filled to capacity. The County has permits which will enable it to utilize previously filled raw waste areas for future ash disposal capacity by "piggy backing" against them with new lined cells. The $41,170,588 reported as landfill closure and postclosure care costs obligations in the General Long-Term Obligations Account Group at June 30, 2000, represents the total estimated cost remaining to be incurred. The actual cost may vary due to inflation, changes in technology, or changes in regulations. Although it is expected that the landfill closure and postclosure care costs will be funded from landfill tipping fees, current federal law states that the responsibility for maintaining the environmental integrity at the landfill lies with the federal government, Washington D.C., Arlington County, the City of Alexandria and the County. The amounts which will be obtained from these entities to fund the landfill closure and postclosure care costs have not yet been determined.

11. Obligations Under Capital Lease and Installment Purchase Agreements

The reporting entity has certain fixed assets (primarily equipment) under capital leases and installment purchase agreements in the general fixed assets account groups and in certain internal service funds. In addition, the Northern Virginia Regional Identification System Fund, an agency fund of the County, has acquired certain automated fingerprint identification equipment which is financed by a capital lease. As of June 30, 2000, the minimum obligations under these agreements were as follows:

	Primary Government			Component Unit/ Public Schools
Fiscal Year	General Long-Term Obligations Account Group	Internal Service Funds	Agency Fund	General Long-Term Obligations Account Group
2001	$ 6,110,049	698,831	247,055	6,702,656
2002	5,959,398	-	247,055	5,838,898
2003	5,314,594	-	247,055	4,634,490
2004	4,074,751	-	247,055	2,896,483
2005	2,531,081	-	247,055	12,891
Thereafter	4,137,215	-	494,111	-
Total minimum obligations	28,127,088	698,831	1,729,386	20,085,418
Less portion representing interest	4,389,272	25,824	326,386	1,815,800
Present value of minimum obligations	$ 23,737,816	673,007	1,403,000	18,269,618

Also, the County has entered into a preliminary agreement with a local developer for the construction and acquisition of a 159,000 square foot office facility to facilitate the provision of services to residents in the southeastern area of the County. It is anticipated that the facility cost of approximately $29,000,000 will be financed by means of a capital lease over a period of thirty years. Construction is scheduled to commence during fiscal year 2001 with occupancy occurring during fiscal year 2002.

12. Due to Component Unit

The County has a liability of approximately $9.7 million to the Public Schools that originated in 1983 upon the recognition of teachers' compensation in the year services are rendered rather than over the twelve-month contract period ending in August. The County agreed to fund the original liability of approximately $46.4 million over a period

of years beginning in fiscal year 1984. Payments to Public Schools were deferred from fiscal years 1990 through 1996. In fiscal year 2000, the County paid the fourth of ten equal annual installments of $1.62 million which will satisfy the remaining liability.

I. LONG-TERM COMMITMENTS

1. Washington Metropolitan Area Transit Authority (WMATA)

The County's commitments to WMATA are comprised of agreements to make capital contributions for construction of the rail transit system, contributions for replacement and improvement of rail and bus equipment, and payments of operating subsidies and debt service for the rail, bus and paratransit systems. The County's commitments in each of these areas are summarized as follows:

Capital Contributions - Rail Construction

Since 1970, the County and other local jurisdictions have entered into five Interim Capital Contribution Agreements (ICCA) with WMATA to provide local funds to match federal government appropriations to fund the continuing construction of the 103-mile Metrorail Adopted Regional System. The final 13.5 miles of construction are expected to be funded through ICCA-V and Public Law 101-551. In approving ICCA-V, the jurisdictions agreed to provide local matching contributions totaling $780 million over the life of the authorization. The agreement requires the County to provide $113.2 million in matching funds between fiscal years 1993 and 2002. The County is providing this match through a combination of state aid, state bonds and locally generated funds.

For fiscal year 2000, the County's obligation of approximately $12.0 million was funded with $7.3 million of County general obligation bond proceeds and $4.7 million of transportation funds provided by the Commonwealth of Virginia through the Northern Virginia Transportation Commission (NVTC). The County's total obligations to date of approximately $226.6 million for Metrorail construction have been funded with $120.8 million of County general obligation bond proceeds, $102.7 million of state aid provided to the County through the Northern Virginia Transportation Commission (NVTC) and $3.1 million of credits available at WMATA.

As of June 30, 2000, the County is obligated to contribute an additional $11.6 million toward Metrorail construction; the payment schedule, which is subject to adjustment every two years to reflect current conditions, is as follows:

Fiscal Year	Amount (millions)
2001	$ 10.7
2002	0.9
Total	$ 11.6

It is anticipated that a significant portion of this obligation will be paid from state aid funded through the NVTC. In addition, as of June 30, 2000, general obligation bonds totaling $26.9 million from the 1992 Transportation Improvements referendum remain authorized for this purpose and unissued.

Capital Contributions - Bus and Rail Replacement

Each fiscal year, the County makes contributions for capital purchases for WMATA's bus system and to improve the reliability of rail capital equipment. The funding required for this program depends upon the availability of federal grants. The County's obligation of approximately $4.4 million for fiscal year 2000 was funded with $1.6 million of County general obligation bond proceeds and $2.8 million of state aid provided through the NVTC. It is anticipated that the County's obligations for fiscal year 2001 will be funded with state aid and County general obligation bond funds.

Operating Subsidies and Debt Service

The County and other local jurisdictions continue to contribute toward WMATA's deficits resulting from the operation of the Metrorail, Metrobus and MetroAccess (paratransit) systems and the debt service on federally guaranteed transit revenue bonds issued by WMATA. For fiscal year 2000, the County's obligation of approximately $47.6 million for operating subsidies and debt service was funded with $7.5 million from the County's Metro Operations and Construction Fund and $40.1 million from state aid for transportation and regional gasoline tax receipts. It is anticipated that the County's General Fund expenditure for fiscal year 2001 will be approximately $13.2 million.

2. Virginia Railway Express (VRE)

The County, as a member of the NVTC and in cooperation with the Potomac and Rappahannock Transportation Commission (PRTC), is a participating jurisdiction in the operation of the VRE commuter rail service. The service consists of rush hour trips originating from Manassas, Virginia and from Fredericksburg, Virginia to Union Station in Washington DC. Five County stations are currently operating.

In October 1989, the Board of Supervisors of Fairfax County approved the Commuter Rail Master Agreement and financial plans. The Master Agreement requires the County to contribute to capital, operating and debt service costs of the VRE on a pro rata basis according to its share of ridership and population. In February 1990, NVTC sold $79.4 million in bonds to finance passenger cars, locomotives, yard facilities and stations. Approximately $6 million of the bond proceeds was made available to the County to assist with financing its local stations. The County's fiscal year 2000 contribution to VRE's commuter rail operating, capital and debt service cost was $2.29 million. Also, the County has been authorized to apply $5.2 million of general obligation bond proceeds toward the cost of commuter rail facilities within the County; through June 30,

2000, approximately $3.9 million of this amount has been expended.

3. Operating Lease Commitments

The County leases real estate under various long-term lease agreements. Certain leases contain provisions which allow for increased rentals based upon increased real estate taxes and the Consumer Price Index. All lease obligations are contingent upon the Board of Supervisors appropriating funds for each year's payments. For fiscal year 2000 the County's total expenditures for these operating leases were $7,832,928.

At June 30, 2000, the minimum long-term real estate lease commitments accounted for as operating leases were as follows:

Fiscal Year	
2001	$ 7,444,436
2002	5,459,798
2003	4,953,339
2004	3,584,345
2005	1,590,605
Thereafter	3,032,295
Total	$ 26,064,818

4. Intermunicipal Agreements

Alexandria Sanitation Authority

At June 30, 2000, the Integrated Sewer System (System) was obligated under an agreement with the City of Alexandria, Virginia, Sanitation Authority (ASA) to share the construction and operating costs and debt service requirements for certain sewage treatment facilities. Under this agreement, the City of Alexandria is conducting the expansion and general improvement of the facilities. The System is allowed only one non-voting representative at the meetings of the ASA and has no significant influence in the management of the treatment facilities. In addition, the System has no direct ongoing equity interest in the assets or liabilities of the ASA.

The ASA agreement sets forth a method for allocating the construction costs associated with the ASA's treatment facilities. The System paid the ASA $33,598,143 in fiscal year 2000 to fund its share of construction costs, and it estimates its share of fiscal year 2001 expansion and improvements to be $37,800,000. The System made payments to the ASA in 2000 of $8,368,669 for its share of the ASA's operating costs.

Blue Plains Intermunicipal Agreement

In 1985, the users of the Blue Plains Waste-Water Treatment Plant - Fairfax County, the District of Columbia (District), Montgomery and Prince George's Counties in Maryland, and the Washington Suburban Sanitary Commission (WSSC) - entered into the Blue Plains Intermunicipal Agreement (IMA). The IMA sets forth the method for allocating the capital and operating costs associated with the facility. Currently, the County has a capacity entitlement of 24.69 million gallons per day (MGD) of the plant's interim

treatment capacity of 325 MGD. Under the terms of the IMA, the County's capacity entitlement will increase to 31 MGD when the Blue Plains Plant is fully upgraded and expanded to 370 MGD. The County purchased this capacity entitlement through contributions to the capital construction program at the plant.

The District established an independent Water and Sewer Authority, effective April 18, 1996, to operate it's water and sewer systems and the Blue Plains Plant. The Authority has a Board of Directors comprised of six members from the District, two each from Montgomery and Prince George's Counties, and one from Fairfax County. The Authority is honoring the capacity entitlements assigned to Blue Plains users under the IMA. The County has no significant control over plant operations and construction and no ownership interest in the assets of the plant under the IMA.
The System made payments of $7,515,104 to the District in fiscal year 2000 for its share of the plant's operating costs and $2,996,941 to fund its portion of current construction costs. For fiscal year 2001, the County estimates that its share of these costs will be $9,600,000 and $7,500,000, respectively.

Upper Occoquan Sewage Authority

As described in Note A, the Upper Occoquan Sewage Authority (UOSA) is a joint venture created under the provisions of the Virginia Water and Sewer Authorities Act to be the single regional entity to construct, finance, and operate the regional sewage treatment facility for the upper portion of the Occoquan Watershed.

The current capacity of UOSA's treatment facility is 32 MGD. In fiscal year 1995, UOSA issued bonds to finance an expansion, scheduled to be completed in 2001, of its facility to a capacity of 54 MGD. Each jurisdiction's allocated share of UOSA's capacity as of June 30, 2000, is as follows:

Member Jurisdiction	Current Capacity (MGD)	Future Capacity (MGD)
Fairfax County	13.1904	27.5999
Prince William County	9.9968	15.7971
City of Manassas	6.8672	7.6893
City of Manassas Park	1.9456	2.9137
Total	32.0000	54.0000

Summarized UOSA financial information as of and for the years ended June 30, 1999 and 1998 (the most recent audited financial information available) is as follows:

Member Jurisdiction		1999	1998
Total assets	$	462,085,259	457,700,165
Total liabilities		(400,235,858)	(401,173,988)
Total equity		61,849,401	56,526,177
Total revenue		34,023,772	30,133,086
Total expenses		(22,408,636)	(20,233,000)
Net income	$	11,615,136	9,900,086

UOSA's current operating expenses, construction costs, and annual debt service payments are funded by each of the participating jurisdictions based on their allocated capacity, with certain modifications. The System made payments to UOSA in fiscal year

2000 of $5,657,870 to pay its share of UOSA's operating costs and $13,545,764 to fund its share of UOSA's debt service. As of June 30, 2000, the System is committed to fund its share of UOSA's remaining debt service as follows:

Fiscal Year	Debt Service Commitment
2001	$ 15,228,254
2002	15,229,170
2003	15,227,577
2004	15,228,504
2005 and thereafter	402,341,912
Total	$ 463,255,417

Arlington Agreement

In January 1989, the County signed the Sewage Conveyance Treatment and Disposal Agreement (Arlington Agreement) with Arlington County, Virginia, which obligates the System to share the construction and operating costs for certain sewage treatment facilities owned and operated by Arlington County. The System has no direct on-going equity interest in the facilities' assets and liabilities. Furthermore, the System has no significant influence over the management of the treatment facilities.

The Arlington Agreement sets forth a method for allocating construction and operating costs associated with Arlington's treatment facilities. In fiscal year 2000, the System incurred costs of $805,288 associated with its share of Arlington's operating costs and $1,304,085 to fund its share of current facility expansion costs. The System estimates its share of future construction costs to be $1,200,000 in fiscal year 2001.

5. Fairfax County Solid Waste Authority (SWA) - Resource Recovery

In 1988, the EDA issued $237,180,000 of Series A tax-exempt and $14,900,000 of Series B taxable resource recovery revenue bonds, respectively, on behalf of the SWA to finance the construction of a 3,000-ton-per-day mass burn facility at the County's landfill site near Interstate 95. The operation of the facility by an independent contractor commenced in 1990. Solid waste is burned to produce electricity which is sold to a local utility company.

In fiscal year 1995, the SWA sold a call option on the 1988 Series A Bonds for $10,250,000, which entitled the purchaser to require the EDA to issue new bonds to the purchaser at agreed upon interest rates. During fiscal year 1999, this call option was exercised, and the EDA issued $195,505,000 of 1998 Series A Resource Recovery Revenue Refunding Bonds, the proceeds of which together with certain proceeds remaining from the 1988 Series A Bonds and certain other available funds were used to refund the remaining outstanding 1988 Series A Bonds in the principal amount of $220,345,000 and pay related issuance and refunding costs. The 1988 Series B Bonds were retired in fiscal year 1996.

The bonds are not an obligation of the County; however, the County is obligated to deliver a minimum annual tonnage of solid waste to the facility and to pay tipping fees for the disposal of such waste sufficient to cover the operating costs of the facility and

the debt service on the bonds. As of June 30, 2000, $185,570,000 of the 1998 Series A Refunding Bonds are outstanding. Unspent bond proceeds in the amount of $35,414,151, which include investment earnings, are reported in the Resource Recovery Fund, an agency fund; certain unspent proceeds are reserved for debt service and the remainder is available for solid waste disposal purposes.

6. Long-term Contracts

At June 30, 2000, the primary government had contractual commitments of $29,514,035 in the capital projects funds and approximately $94,600,000 in the System for construction of various sewer projects. At June 30, 2000, the component units had contractual commitments of $64,306,910 and $3,038,355 in the capital projects funds of Public Schools and Park Authority, respectively, for construction of various projects.

7. Post-employment Benefits

In 1987, the Board of Supervisors established a program to subsidize the health benefit coverage of certain retirees. In order to participate, retirees must have reached the age of 62 or be on disability retirement and must have health benefit coverage in a plan provided by the County. There is no minimum number of years of service required to participate in this program. The program allows for a $60 per month subsidy per participating retiree and is funded on a pay-as-you-go basis. There are 1,444 participants currently eligible in the program. For fiscal year 2000, the cost of this program to the County was $1,415,762.

J. PURCHASED CAPACITY

Purchased capacity consists of payments made by the Integrated Sewer System under intermunicipal agreements with the District of Columbia Water and Sewer Authority (Blue Plains), UOSA, ASA, and Arlington County for improvements to certain specified treatment facilities owned and operated by these jurisdictions. Purchased capacity is amortized over 30 years, the estimated useful life of the assets, using the straight-line method and commencing upon the completion of the improvements. Changes in purchased capacity, in relation to each jurisdiction, are as follows:

	Balance July 1, 1999	Current Additions	Less: Current Amortization	Balance June 30, 2000
Blue Plains	$ 44,356,225	2,996,941	1,866,452	45,486,714
UOSA	9,580,665	-	401,977	9,178,688
ASA	25,565,657	33,598,143	432,124	58,731,676
Arlington	7,355,465	1,304,085	-	8,659,550
Total	$ 86,858,012	37,899,169	2,700,553	122,056,628

K. RESTRICTED ASSETS AND RESERVED RETAINED EARNINGS OF THE ENTERPRISE FUND – INTEGRATED SEWER SYSTEM

As of June 30, 2000, the System had restricted cash and investments of $217,818,735 in order to manage its funds in accordance with the 1986 Sewer Revenue Bond Resolution and to comply with nitrogen discharge regulations from the State Water Control Board (SWCB). The resolution specifies several purposes for which the System should set aside or restrict funds, which include sewer bond construction, extensions and improvements, establishing a long-term debt service reserve, and funding current debt service requirements. SWCB regulations require the removal of ammonia-nitrogen from the County's Noman Cole Pollution Control Plant and the Alexandria and Arlington County Wastewater Treatment Plants. In anticipation of the major construction required to meet nitrogen discharge regulations, $63,573,000 has been restricted for nitrogen removal facilities. The System's restricted funds and corresponding reservations of retained earnings at June 30, 2000, are as follows:

Restricted Assets and Reserved Retained Earnings of the System	
Extensions and improvements	$ 127,126,967
Long-term debt service requirements	14,571,815
Current debt service requirements	3,164,058
Nitrogen removal facilities	63,573,000
Reserved retained earnings	208,435,840
Unspent bond receipts for ongoing construction	9,382,895
Restricted assets	$ 217,818,735

L. FUND DEFICITS

At June 30, 2000, the Central Stores Fund, an internal service fund, had an accumulated deficit of $324,693. The County will increase charges to other funds in the future to cover the deficit in this fund.

At June 30, 2000, the Housing Assistance Program Fund, a capital projects fund, had an accumulated deficit of $95,041. This deficit will be eliminated by future transfers from other housing funds in FY2001

At June 30, 2000, the Section 8 Fund, an enterprise fund of the FCRHA, had an accumulated deficit of $95,291. This deficit is attributable to the recording of certain non-cash expenses that the FCRHA is unable to bill to HUD until paid. This deficit will be eliminated through future reimbursements from HUD or the FCRHA Operating Fund.

M. PROPERTY TAXES

Real estate is assessed on January 1 each year at the estimated fair market value of all land and improvements. Real estate taxes are due in equal installments, on July 28 and December 5. Unpaid taxes automatically constitute liens on real property which must be satisfied prior to sale or transfer, and after three years, foreclosure proceedings can be initiated.

Personal property taxes on vehicles and business property are based on the estimated fair market value at January 1 each year. The tax on a vehicle may be prorated for the length of time the vehicle has situs in the County. A declaration form is required to be filed, and there is a ten percent penalty for late filing. Personal property taxes together with vehicle decal fees are due

on October 5, with certain exceptions. Delinquency notices are sent before statutory measures, such as the seizure of property and the placing of liens on bank accounts and/or wages, are initiated.

Real estate and personal property taxes not paid by the due dates are assessed a ten percent late payment penalty on the tax amount. Furthermore, interest accrues from the first day following the due date at an annual rate of ten percent for the first year and thereafter at the rate set by the Internal Revenue Service. The net delinquent taxes receivable, including interest and penalties, as of June 30, 2000, after allowances for uncollectible amounts, is $18,113,388, of which $2,413,546 has been included in tax revenue for fiscal year 2000 because it was collected within 45 days after June 30.

The 1998 Virginia General Assembly enacted legislation to provide property tax relief, to be phased in over five years, on the first $20,000 of value of motor vehicles not used for business purposes. For the 1998 tax, payable during fiscal year 1999, the Commonwealth rebated the 12.5 percent tax reduction directly to the taxpayers. For subsequent years, the tax reductions – 27.5 percent of the 1999 tax, 47.5 percent of the 2000 tax, 70 percent of the 2001 tax and 100 percent of the 2002 tax (each of which is payable during the subsequent fiscal year) – are reflected in the County's invoices to the taxpayers. Following receipt by the County of the reduced tax amounts, the Commonwealth reimburses the County for the tax reductions plus certain administrative costs. For fiscal year 2000, payments from the Commonwealth totaling $62,305,165 are reported as intergovernmental revenue in the General Fund.

N. CONTRIBUTED CAPITAL ACCOUNTS

Developers regularly donate sewer lines, manholes and pumping stations to the System; these assets are valued at their estimated fair market value as of the date of donation and recorded as additions to property, plant, and equipment and contributed capital. During fiscal year 2000, certain land, building and improvements having an original cost of $2,388,113 were transferred from the General Fixed Assets Account Group to the Vehicle Services Fund, an internal service fund, and recorded at a net book value of $2,379,423. Additionally, certain equipment having an original cost of $9,272 was transferred from the General Fixed Asset Account Group to the Technology Infrastructure Fund, also an internal service fund, and recorded at a net book value of $7,881. The following table discloses changes in contributed capital of the reporting entity's proprietary funds:

	Primary Government		Component Units	
			Public Schools	FCRHA
	Enterprise Fund	Internal Service Funds	Internal Service Fund	Enterprise Funds
Balance July 1, 1999	$ 176,593,363	18,009,391	4,286,000	24,364,555
Transfers from the General Fixed Assets Account Group	-	2,387,304	-	-
Contributions	6,873,282	-	-	502,473
Depreciation of contributed assets	(9,063,182)	-	-	-
Balance June 30, 2000	$ 174,403,463	20,396,695	4,286,000	24,867,028

O. FIXED ASSETS - A summary of changes in fixed assets is a follows:

	Balances July 1, 1999 as restated	Additions	Deductions	Balances June 30, 2000
PRIMARY GOVERNMENT:				
General Fixed Assets Account Group				
Land	$ 157,837,973	8,243,781	15,188,908	150,892,846
Buildings	525,224,035	86,310,026	4,114,873	607,419,188
Improvements	56,566,138	22,778,257	120,283	79,224,112
Equipment	112,605,204	19,666,000	8,727,196	123,544,008
Construction in Progress	176,114,156	29,235,782	106,603,451	98,746,487
Total	1,028,347,506	166,233,846	134,754,711	1,059,826,641
Enterprise Fund				
Land	17,457,310	-	73,545	17,383,765
Buildings	55,221,333	-	-	55,221,333
Improvements	649,993,570	7,767,707	-	657,761,277
Equipment	8,226,724	573,480	383,496	8,416,708
Construction in Progress	54,068,033	29,109,916	894,424	82,283,525
Total	784,966,970	37,451,103	1,351,465	821,066,608
Less: Accumulated Depreciation	245,031,108	18,396,702	360,949	263,066,861
Net	539,935,862	19,054,401	990,516	557,999,747
Internal Service Funds				
Land	295,853	1,480,630	-	1,776,483
Buildings	14,253,601	783,698	-	15,037,299
Improvements	449,757	115,094	-	564,851
Equipment	44,850,951	9,237,000	5,014,913	49,073,038
Total	59,850,162	11,616,422	5,014,913	66,451,671
Less: Accumulated Depreciation	37,007,829	6,087,842	3,733,491	39,362,180
Net	22,842,333	5,528,580	1,281,422	27,089,491
Agency Fund				
Equipment	-	3,132,483	1,586,483	1,546,000
Total Primary Government				
Total Fixed Assets	1,873,164,638	218,433,854	142,707,572	1,948,890,920
Less: Accumulated Depreciation	282,038,937	24,484,544	4,094,440	302,429,041
Net	1,591,125,701	193,949,310	138,613,132	1,646,461,879
COMPONENT UNITS:				
Public Schools				
Land	41,421,804	-	-	41,421,804
Buildings	744,441,770	61,845,308	-	806,287,078
Improvements	309,679,418	110,229	-	309,789,647
Equipment	96,022,839	19,521,405	4,698,123	110,846,121
Construction in Progress	334,286,587	98,518,744	61,741,114	371,064,217
Total	1,525,852,418	179,995,686	66,439,237	1,639,408,867
FCRHA				
Land	25,767,626	219,951	-	25,987,577
Buildings and Improvements	127,629,636	6,613,545	-	134,243,181
Equipment	1,812,353	120,115	-	1,932,468
Construction in Progress	12,186,504	1,529,325	-	13,715,829
Total	167,396,119	8,482,936	-	175,879,055
Less: Accumulated Depreciation	47,465,190	4,813,152	-	52,278,342
Net	119,930,929	3,669,784	-	123,600,713
Park Authority				
Land	114,025,834	39,811,943	116,500	153,721,277
Buildings	26,586,795	3,366,894	-	29,953,689
Improvements	132,780,514	2,070,874	-	134,851,388
Equipment	8,812,653	1,750,529	881,925	9,681,257
Construction in Progress	6,944,456	26,524,295	29,784,401	3,684,350
Total	289,150,252	73,524,535	30,782,826	331,891,961
EDA				
Equipment	11,194	7,002	5,055	13,141
Total Component Units				
Total Fixed Assets	1,982,409,983	262,010,159	97,227,118	2,147,193,024
Less: Accumulated Depreciation	47,465,190	4,813,152	-	52,278,342
Net	1,934,944,793	257,197,007	97,227,118	2,094,914,682
Total Reporting Entity				
Total Fixed Assets	3,855,574,621	480,444,013	239,934,690	4,096,083,944
Less: Accumulated Depreciation	329,504,127	29,297,696	4,094,440	354,707,383
Net	$ 3,526,070,494	451,146,317	235,840,250	3,741,376,561

P. CONTINGENT LIABILITIES

The reporting entity is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. The County has recorded a $1.3 million liability in the general long-term obligations account group which represents management's estimate of losses that may be incurred with respect to pending lawsuits and claims.

The reporting entity receives grant funds, principally from the federal government, for construction and various other programs. Certain expenditures of these funds are subject to audit by the grantor, and the reporting entity is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the management of the County, no material refunds will be required as a result of expenditures disallowed by the grantors.

Q. ACCOUNTING CHANGES

In prior years, with the exception of its internal service fund, the FCRHA's activities were reported in governmental funds and account groups. During 2000, the FCRHA determined that it would be more appropriate to report these funds as enterprise funds. As a result, the previously reported governmental funds and account groups have been eliminated and the enterprise fund type's fund equity has been recorded at $74,939,059 to reflect this conversion as of July 1,1999.

Also, during 2000, it was determined that certain entities should be included as discretely presented component units in the FCRHA's financial reporting entity. As a result, fund equity of $13,685,548 for these entities as of July 1, 1999, has been recorded.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co., (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Direct and Indirect Participants are on file with the Securities and Exchange Commission.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose account such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other name as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon

DTC's receipt of funds and corresponding detail information from the County on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered. The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the County takes no responsibility for the accuracy thereof.

BROWN & WOOD LLP

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NEW YORK, NY 10048-0557
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Appendix VI

December 13, 2000

Board of Supervisors
of Fairfax County, Virginia
Fairfax, Virginia

We have examined certified copies of the legal proceedings, including the election proceedings and other proofs submitted, relative to the issuance and sale of

$52,250,000
Fairfax County, Virginia
Public Improvement Bonds
Series 2000 B

The bonds are dated December 1, 2000, mature in annual installments on December 1 in each of the years 2001 to 2020, inclusive, bear interest payable semiannually on the 1st days of June and December in each year, commencing June 1, 2001, and are subject to redemption prior to their respective maturities in the manner and upon the terms and conditions set forth in the resolution authorizing the issuance of the bonds adopted by the Board of Supervisors of Fairfax County on November 20, 2000.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the bonds pursuant to the Constitution and laws of Virginia, and that the bonds constitute valid and binding general obligations of Fairfax County, Virginia, for the payment of which the full faith and credit of said County are pledged, and all taxable property in the County is subject to the levy of an ad valorem tax, without limitation as to rate or amount, for the payment of the bonds and the interest thereon, which tax shall be in addition to all other taxes authorized to be levied in said County to the extent other funds of said County are not lawfully available and appropriated for such purpose.

We are further of the opinion that, except as provided in the following sentence, interest on the bonds is not includable in the gross income of the owners of the bonds for purposes of Federal income taxation based on existing law. Interest on the bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the bonds in the event of a failure by the County or the school board of the County to comply with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and covenants regarding use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the United States Treasury; and we render no opinion as to the exclusion from gross income of the interest on the bonds for Federal income tax purposes on or after the date on which any action is taken affecting such covenants upon the approval of counsel other than ourselves. Interest on the bonds is not a specific preference item for purposes of the Federal individual or corporate alternative minimum tax. The Code contains other provisions that could result in tax consequences, as to which we render no opinion, as a result of ownership of bonds or the inclusion in certain computations (including, without limitation, those related to the corporate alternative minimum tax) of interest that is excluded from gross income.

Respectfully submitted,

LOS ANGELES • SAN FRANCISCO • WASHINGTON DC • BEIJING • TOKYO REPRESENTATIVE OFFICE
AFFILIATED WITH BROWN & WOOD, A MULTINATIONAL PARTNERSHIP WITH OFFICES IN LONDON AND HONG KONG

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by Fairfax County, Virginia (the "County") in connection with the issuance by the County of $52,250,000 aggregate principal amount of its Public Improvement Bonds, Series 2000 B (the "Bonds" or "2000 B Bonds") pursuant to the provisions of a resolution (the "Resolution") adopted on November 20, 2000, by the Board of Supervisors of the County. The proceeds of the 2000 B Bonds are being used by the County to finance various public improvements in the County. The County hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the County for the benefit of the holders of the 2000 B Bonds and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The County acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Agreement.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Dissemination Agent" shall mean the County, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

"Filing Date" shall have the meaning given to such term in Section 3(a) hereof.

"Fiscal Year" shall mean the twelve-month period at the end of which financial position and results of operations are determined. Currently, the County's Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

"Holder" or "holder" shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a 2000 B Bond.

"Listed Events" shall mean any of the events listed in subsection (b)(5)(i)(C) of the Rule, which are as follows:

principal and interest payment delinquencies

non-payment related defaults

unscheduled draws on debt service reserves reflecting financial difficulties

unscheduled draws on credit enhancements reflecting financial difficulties

substitution of credit or liquidity providers, or their failure to perform

adverse tax opinions or events affecting the tax-exempt status of the 2000 B Bonds

modifications to rights of holders

bond calls

defeasances

release, substitution, or sale of property securing repayment of the 2000 B Bonds

rating changes

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Participating Underwriter" shall mean any of the original underwriters of the County's 2000 B Bonds required to comply with the Rule in connection with the offering of such Bonds.

"Repository" shall mean each National Repository and each State Repository.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" shall mean any public or private depository or entity designated by the State as a state depository for the purpose of the Rule. As of the date of this Agreement, there is no State Repository.

SECTION 3. Provision of Annual Reports.

A. The County shall, or shall cause the Dissemination Agent to, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Such Annual Report shall be filed on a date (the "Filing Date") that is not later than March 31 after the end of any Fiscal Year (commencing with its Fiscal Year ended June 30, 2000). Not later than ten (10) days prior to the Filing Date, the County shall provide the Annual Report to the Dissemination Agent (if applicable). In such case, the Annual Report (i) may be submitted as a single document or as separate documents comprising a package, (ii) may cross-reference other information as provided in Section 4 of this Disclosure Agreement and (iii) shall include the County's audited financial statements or, if audited financial statements are not available, such unaudited financial statements as may be required by the Rule. In any event, audited financial statements of the County must be submitted, if and when available, together with or separately from the Annual Report.

B. The annual financial statements of the County shall be prepared on the basis of generally accepted accounting principles and will be audited. Copies of the audited annual financial statements, which may be filed separately from the Annual Report, will be filed with the Repositories when they become publicly available.

C. If the County fails to provide an Annual Report to the Repositories by the date required in subsection (a) hereto or to file its audited annual financial statements with the Repositories when they become

publicly available, the County shall send a notice to the Municipal Securities Rulemaking Board and any State Repository in substantially the form attached hereto as Exhibit B.

SECTION 4. Content of Annual Reports. Except as otherwise agreed, any Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, annual financial information relating to the County, including operating data, updating such information relating to the County as described in Exhibit A, all with a view toward assisting Participating Underwriters in complying with the Rule.

Any or all of such information may be incorporated by reference from other documents, including official statements of securities issues with respect to which the County is an "obligated person" (within the meaning of the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The County shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events. The County will provide in a timely manner to the Municipal Securities Rulemaking Board and to each State Repository, if any, notice of any of the Listed Events, if material.

SECTION 6. Termination of Reporting Obligation. The County's obligations under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or final retirement of all the 2000 B Bonds.

SECTION 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the County shall be the Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the County may amend this Disclosure Agreement, if such amendment is supported by an opinion of independent counsel with expertise in federal securities laws, to the effect that such amendment is permitted or required by the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. Any person referred to in Section 11 (other than the County) may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to file its Annual Report or to give notice of a Listed Event. The holders of not less than a majority in aggregate principal amount of 2000 B Bonds outstanding may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to challenge the adequacy of any information provided pursuant to this Disclosure Agreement, or to enforce any other obligation of the County hereunder. A default under this Disclosure Agreement shall not be deemed an event of default under the Resolution or the 2000 B Bonds of the County, and the sole remedy under this Disclosure Agreement in the event of any failure of the County to comply herewith shall be an action to compel performance. Nothing in this provision shall be

deemed to restrict the rights or remedies of any holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Participating Underwriters, and holders from time to time of the County's 2000 B Bonds, and shall create no rights in any other person or entity.

Date: December 13, 2000

FAIRFAX COUNTY, VIRGINIA

By: _____
Edward L. Long, Jr.
Chief Financial Officer

EXHIBIT A

CONTENT OF ANNUAL REPORT

(a) **Financial Information**. Updated information concerning General Fund revenues, expenditures, categories of expenditures, fund balances, assessed value of taxable property, tax rates, major taxpayers, and tax levies and collections.

(b) **Debt Information**. Updated information concerning general obligation bonds indebtedness, including bonds authorized and unissued, bonds outstanding, the ratios of debt to the market value of taxable property, debt per capita, and debt service as a percentage of General Fund disbursements.

(c) **Demographic Information**. Updated demographic information respecting the County such as its population, public school enrollment and per pupil expenditure.

(d) **Economic Information**. Updated economic information respecting the County such as income, employment, unemployment, building permits and taxable sales data.

(e) **Retirement Plans**. Updated information respecting pension and retirement plans for County employees, including a summary of membership, revenues, expenses and actuarial valuation(s) of such plans.

(f) **Contingent Liabilities**. A summary of material litigation and other material contingent liabilities pending against the County.

In general, the foregoing will include information as of the end of the most recent fiscal year or as of the most recent practicable date. Where information for the fiscal year just ended is provided, it may be preliminary and unaudited. Where information has historically been provided for more than a single period, comparable information will in general be provided for the same number of periods where valid and available. Where comparative demographic or economic information for the County and the United States as a whole is contemporaneously available and, in the judgment of the County, informative, such information may be included. Where, in the judgment of the County, an accompanying narrative is required to make data presented not misleading, such narrative will be provided.

EXHIBIT B

NOTICE OF FAILURE TO FILE ANNUAL REPORT
[AUDITED ANNUAL FINANCIAL STATEMENTS]

Re: FAIRFAX COUNTY VIRGINIA
PUBLIC IMPROVEMENT BONDS,
SERIES 2000 B

CUSIP NOS. 303820 YE8-YZ1

Dated: December 1, 2000

NOTICE IS HEREBY GIVEN that Fairfax County, Virginia has not provided an Annual Report [Audited Annual Financial Statements] as required by Section 3 of the Continuing Disclosure Agreement, which was entered into in connection with the above-named bonds issued pursuant to that certain Resolution adopted on November 20, 2000 by the Board of Supervisors of the County, the proceeds of which were used to finance various public improvements in the County. [The County anticipates that the Annual Report [Audited Annual Financial Statements] will be filed by _____.]

Dated: _____

FAIRFAX COUNTY, VIRGINIA

By _____

CERTIFICATE CONCERNING OFFICIAL STATEMENT

We, Katherine K. Hanley, Chairman of the Board of Supervisors of Fairfax County, Virginia, and Anthony H. Griffin, County Executive, Fairfax County, Virginia, **DO HEREBY CERTIFY** that, to the best of our knowledge, the Official Statement of Fairfax County, Virginia, dated December 6, 2000 and describing the issue of **$52,250,000 Public Improvement Bonds, Series 2000 B**, did not as of its date, and does not as of the date of this certificate, contain any untrue statement of a material fact or omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading and that we did not independently verify the information indicated in the Official Statement as having been obtained or derived from sources other than Fairfax County and its officers but we have no reason to believe that such information is not accurate.

WITNESS our hands this 13th day of December, 2000.

Katherine K. Hanley

Chairman of the
Board of Supervisors
Fairfax County, Virginia

A H Griffin

County Executive
Fairfax County, Virginia

OFFICERS AND SEAL CERTIFICATE

I, Pamela Goddard, Clerk of the County School Board of Fairfax County, Virginia, **DO HEREBY CERTIFY**:

1. That the following is a correct list of the names of the members and certain officers of the County School Board of Fairfax County, Virginia, on November 2, 2000, and the dates of commencement and expiration of their current terms of office:

OFFICER and OFFICE	COMMENCEMENT OF TERM	EXPIRATION OF TERM
Robert E. Frye, Chairman County School Board	January 1, 2000	December 31, 2003
Jane K. Strauss, Vice Chairman County School Board	January 1, 2000	December 31, 2003
Catherine A. Belter, Member County School Board	January 1, 2000	December 31, 2003
Christian N. Braunlich, Member County School Board	January 1, 2000	December 31, 2003
Mychele B. Brickner, Member County School Board	January 1, 2000	December 31, 2003
Isis M. Castro, Member County School Board	January 1, 2000	December 31, 2003
Stuart D. Gibson, Member County School Board	January 1, 2000	December 31, 2003
Ernestine C. Heastie, Member County School Board	January 1, 2000	December 31, 2003
Kaye Kory, Member County School Board	January 1, 2000	December 31, 2003
Gary A. Reese, Member County School Board	January 1, 2000	December 31, 2003

OFFICER and OFFICE	COMMENCEMENT OF TERM	EXPIRATION OF TERM
Rita S. Thompson, Member County School Board	January 1, 2000	December 31, 2003
Judith T. Wilson, Member County School Board	January 1, 2000	December 31, 2003
Christopher Giovarelli* Student Representative County School Board	July 1, 2000	June 30, 2001
Pamela Goddard, Clerk	Appointed: September 15, 2000	To serve at the Pleasure of the Board

2. That each of the members of the County School Board did, before entering on the performance of his or her public duties, take and subscribe the oath required by Article II, Section 7, of the Constitution of Virginia.

3. That the official seal of said County School Board, being the only seal used by said County School Board in the execution of bonds and contracts, is the seal an impression of which is affixed opposite my signature of this certificate.

4. That the meeting of said County School Board held on November 2, 2000 at 7:30 p.m. was a regular meeting of said County School Board specified by said County School Board.

WITNESS my hand and said official seal this 13th day of December, 2000.

Clerk, County School Board
of Fairfax County, Virginia

(Seal)

THE COUNTY SCHOOL BOARD OF FAIRFAX CO. VA. SEAL

* Non-voting member.

NYLIB1/768074/4

OFFICERS AND SEAL CERTIFICATE

I, Nancy Vehrs, Clerk to the Board of Supervisors of Fairfax County, Virginia, **DO HEREBY CERTIFY:**

1. The following is a correct list of the names of the members and certain officers of the Board of Supervisors of Fairfax County, Virginia, and the names of certain officers of Fairfax County, Virginia, and the dates of commencement and expiration of their respective terms of office:

OFFICE	OFFICER	COMMENCEMENT OF TERM	EXPIRATION OF TERM
Chair, Board of Supervisors	Katherine K. Hanley	Jan. 1, 2000	Dec. 31, 2003
Vice-Chair, Board of Supervisors	Gerald W. Hyland	Jan. 1, 2000	Dec. 31, 2003
Member, Board of Supervisors	Sharon Bulova	Jan. 1, 2000	Dec. 31, 2003
Member, Board of Supervisors	Gerald E. Connolly	Jan. 1, 2000	Dec. 31, 2003
Member, Board of Supervisors	Catherine M. Hudgins	Jan. 1, 2000	Dec. 31, 2003
Member, Board of Supervisors	Michael R. Frey	Jan. 1, 2000	Dec. 31, 2003
Member, Board of Supervisors	Penelope A. Gross	Jan. 1, 2000	Dec. 31, 2003
Member, Board of Supervisors	T. Dana Kauffman	Jan. 1, 2000	Dec. 31, 2003
Member, Board of Supervisors	Elaine McConnell	Jan. 1, 2000	Dec. 31, 2003
Member, Board of Supervisors	Stuart Mendelsohn	Jan. 1, 2000	Dec. 31, 2003

OFFICE	OFFICER	COMMENCEMENT OF TERM	EXPIRATION OF TERM
Clerk to the Board of Supervisors	Nancy Vehrs	Appointed May 14, 1990	To serve at the pleasure of the Board
County Executive	Anthony H. Griffin	Appointed January 17, 2000	To serve at the pleasure of the Board
Director, Department of Finance	Robert L. Mears	Appointed September 7, 1999	To serve at the pleasure of the Board
Chief Financial Officer	Edward L. Long, Jr.	Appointed October 30, 1989	To serve at the pleasure of the Board
Assistant Director, Department of Management and Budget	Leonard Wales	Appointed December 1, 1990	Serves in civil service merit position
Deputy Director, Department of Finance	John D. Higgins	Appointed November 20, 1995	Serves in civil service merit position
County Attorney	David P. Bobzien	Appointed December 18, 1992	To serve at the pleasure of the Board

2. The Chairman and each of the members of the Board of Supervisors did, before entering on the performance of his or her public duties, take and subscribe the oath required by Article II, Section 7, of the Constitution of Virginia.

3. The official seal of said Board of Supervisors, being the only seal used by said Board of Supervisors in the execution of bonds and contracts, is the seal an impression of which is affixed opposite my signature on this certificate.

4. The regular meetings of said Board of Supervisors are held on Mondays at least once per month at 9:30 A.M.

WITNESS my hand and said official seal this 13th day of December, 2000.

Nancy Vehrs

Clerk to the
Board of Supervisors
Fairfax County, Virginia

SIGNATURE AND NO-LITIGATION CERTIFICATE

We, Katherine K. Hanley and Nancy Vehrs, Chairman and Clerk, respectively, of the Board of Supervisors of Fairfax County, Virginia, **DO HEREBY CERTIFY:**

1. We have, by our respective facsimile signatures, officially executed, for and on behalf of Fairfax County, Virginia, **$52,250,000 Public Improvement Bonds, Series 2000 B**, of Fairfax County, Virginia, dated December 1, 2000 and maturing annually on December 1, subject to the right of prior redemption, in the following years and in the following amounts and bearing interest as follows:

Year	Principal Amount	Interest Rate
2001	$2,615,000	5.750%
2002	2,615,000	5.750
2003	2,615,000	5.000
2004	2,615,000	4.250
2005	2,615,000	5.000
2006	2,615,000	5.000
2007	2,615,000	4.375
2008	2,615,000	4.750
2009	2,615,000	4.500
2010	2,615,000	4.500
2011	2,610,000	4.625
2012	2,610,000	4.750
2013	2,610,000	4.750
2014	2,610,000	5.000
2015	2,610,000	5.000
2016	2,610,000	5.000
2017	2,610,000	5.000
2018	2,610,000	5.000
2019	2,610,000	5.100
2020	2,610,000	5.125

such interest being payable semiannually on the 1st days of June and December in each year to and including December 1, 2020, the first interest payment date being June 1, 2001.

2. Said bonds are in fully registered form, and a facsimile of the official seal of said Board of Supervisors is imprinted on all of said bonds.

3. No litigation of any kind is pending (either in state or federal courts) or, to our knowledge, threatened to restrain or enjoin the issuance or delivery of said bonds or the levy or (except as referred to in the Official Statement relating to the bonds) collection of taxes to pay the principal of or the interest on said bonds, or in any manner questioning the proceedings or authority under which said bonds are issued, or affecting the validity of said bonds; neither the existence nor the boundaries of Fairfax County nor the title to his office of any officer whose facsimile signature appears on said bonds is being contested; and no authority or proceedings for the issuance of said bonds or for the security thereof have been repealed, revoked or rescinded.

WITNESS our hands this 13th day of December, 2000.

Katherine K. Hanley

Chairman
Board of Supervisors
Fairfax County, Virginia

Nancy Vehrs

Clerk to the
Board of Supervisors
Fairfax County, Virginia

CERTIFICATION AS TO SIGNATURES

I HEREBY CERTIFY that the signatures of Katherine K. Hanley and Nancy Vehrs, Chairman and Clerk, respectively, of the Board of Supervisors of Fairfax County, Virginia, above subscribed are genuine.

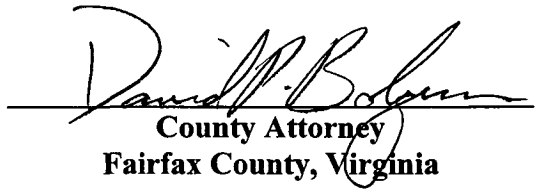
Patti M Hicks

Patti M. Hicks,
Deputy Clerk to the
Board of Supervisors
Fairfax County, Virginia

NO LITIGATION OPINION

I, David P. Bobzien, County Attorney of Fairfax County, Virginia, am of the opinion that, to the best of my knowledge, no litigation of any kind is now pending (either in state or federal courts) or, to my knowledge, threatened to restrain or enjoin the issuance or delivery of **$52,250,000 Public Improvement Bonds, Series 2000 B**, of Fairfax County, Virginia, dated December 1, 2000, or the levy or (except as referred to in the Official Statement relating to said bonds) the collection of taxes to pay the principal of or the interest on said bonds, or in any manner questioning the proceedings or authority under which said bonds are issued, or affecting the validity of said bonds; that neither the existence nor the boundaries of Fairfax County nor the title to his office of any officer whose facsimile signature appears on said bonds is being contested; and that no authority or proceedings for the issuance of said bonds or the security thereof have been repealed, revoked or rescinded.

WITNESS my hand this 13th day of December, 2000.



County Attorney
Fairfax County, Virginia

CERTIFICATE OF AUTHENTICATION

I, Robert L. Mears, Director, Department of Finance, Fairfax County, Virginia, Bond Registrar for the **$52,250,000 Public Improvement Bonds, Series 2000 B**, of Fairfax County, Virginia, dated December 1, 2000, **DO HEREBY CERTIFY** that each of said bonds delivered this day was duly authenticated by an authorized individual of said Department of Finance, Fairfax County, Virginia by signing the Certificate of Authentication endorsed thereon.

WITNESS my hand this 13th day of December, 2000.

Director, Department of Finance
Fairfax County, Virginia

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), **ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL** inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-1 **$2,615,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2001	5.75%	December 1, 2000	303820 YE8

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED FIFTEEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), **ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL** inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-2 **$2,615,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2002	5.75%	December 1, 2000	303820 YF5

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED FIFTEEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), **ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL** inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-3 **$2,615,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2003	5.00%	December 1, 2000	303820 YG3

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED FIFTEEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), **ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL** inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-4 **$2,615,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2004	4.25%	December 1, 2000	303820 YH1

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED FIFTEEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), **ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL** inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-5 **$2,615,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2005	5.00%	December 1, 2000	303820 YJ7

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED FIFTEEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), **ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL** inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-6 **$2,615,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2006	5.00%	December 1, 2000	303820 YK4

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED FIFTEEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

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No. R-7 **$2,615,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2007	4.375%	December 1, 2000	303820 YL2

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED FIFTEEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

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No. R-8 **$2,615,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2008	4.75%	December 1, 2000	303820 YM0

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED FIFTEEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

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No. R-9 **$2,615,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2009	4.50%	December 1, 2000	303820 YN8

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED FIFTEEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

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No. R-10 **$2,615,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2010	4.50%	December 1, 2000	303820 YP3

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED FIFTEEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

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No. R-11 **$2,610,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2011	4.625%	December 1, 2000	303820 YQ1

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED TEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

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No. R-12 **$2,610,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2012	4.75%	December 1, 2000	303820 YR9

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED TEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

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No. R-13 **$2,610,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2013	4.75%	December 1, 2000	303820 YS7

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED TEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

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No. R-14 **$2,610,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2014	5.00%	December 1, 2000	303820 YT5

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED TEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

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No. R-15 **$2,610,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2015	5.00%	December 1, 2000	303820 YU2

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED TEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

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No. R-16 **$2,610,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2016	5.00%	December 1, 2000	303820 YV0

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED TEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

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No. R-17 **$2,610,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2017	5.00%	December 1, 2000	303820 YW8

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED TEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

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No. R-18 **$2,610,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2018	5.00%	December 1, 2000	303820 YX6

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED TEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), **ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL** inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-19 **$2,610,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2019	5.10%	December 1, 2000	303820 YY4

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED TEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), **ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL** inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-20 **$2,610,000**

United States of America
Commonwealth of Virginia
FAIRFAX COUNTY
Public Improvement Bond, Series 2000 B

Maturity Date	Interest Rate	Dated Date	CUSIP
December 1, 2020	5.125%	December 1, 2000	303820 YZ1

Fairfax County, Virginia, is justly indebted and for value received hereby promises to pay to

CEDE & CO.

or registered assigns or legal representative on the date specified above (or earlier as hereinafter referred to), upon the presentation and surrender hereof, at the office of the Director of the Department of Finance of Fairfax County, Virginia (the "Bond Registrar"), in Fairfax County, Virginia, the principal sum of

TWO MILLION SIX HUNDRED TEN THOUSAND DOLLARS

and to pay interest on said principal sum from the date hereof or from the June 1 or December 1 next preceding the date of authentication to which interest shall have been paid, unless such date of authentication is a June 1 or a December 1 to which interest shall have been paid, in which case from such date, such interest to the maturity hereof being payable semiannually on the 1st days of June and December in each year, the first interest payment date being June 1, 2001, at the rate per annum specified above, until payment of said principal sum. The interest so payable on any such interest payment date will be paid to the person in whose name this bond (or the previous bond or bonds evidencing the same debt as that evidenced by this bond) is registered at the close of business on the record date for such interest, which shall be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date, by wire transfer, at the discretion of the County, or check mailed to such person at his address as it appears on the bond registration books of said County. Both the principal of and the interest on this bond shall be payable in any coin or currency of the United States of America which is legal tender for the payment of public and private debts on the respective dates of payment thereof.

For the prompt payment hereof, both principal and interest as the same shall become due, the full faith and credit of said County are hereby irrevocably pledged.

This bond and the bonds of the series of which it is one are issued under and pursuant to a resolution duly adopted by the Board of Supervisors of Fairfax County, Virginia (the "Resolution"), for the purpose of providing funds, with other available funds, for school improvements and parks and park facilities.

The bonds of this series which mature on or before December 1, 2008 are not subject to redemption before maturity. Bonds which mature after December 1, 2008 may be redeemed, at the option of Fairfax County, Virginia, before their respective maturities on any date not earlier than December 1, 2008, in whole or in part (in integral multiples of $5,000), upon payment of the following redemption prices (expressed as a percentage of the principal amount of bonds to be redeemed) plus accrued interest to the redemption date:

Redemption Period (both dates inclusive)	Redemption Price
December 1, 2008 through November 30, 2009	102%
December 1, 2009 through November 30, 2010	101
December 1, 2010 and thereafter	100

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by said County in such manner as said County in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of $5,000 or some multiple thereof and that, in selecting bonds for redemption, said County shall treat each bond as representing that number of bonds which is obtained by dividing the principal amount of such bond by $5,000.

Not more than sixty (60) nor less than thirty (30) days before the redemption date of any bonds to be redeemed, whether such redemption be in whole or in part, said County shall cause a notice of such redemption to be filed with the Bond Registrar and to be mailed, postage prepaid, to the registered owner of each bond to be redeemed in whole or in part at his address appearing upon the registration books of said County, but failure to mail such notice or any defect therein shall not affect the validity of the redemption. On the date fixed for redemption, notice having been given as aforesaid, the bonds or portions thereof so called for redemption shall be due and payable at the redemption price provided for the redemption of such bonds or portion thereof on such date and, if moneys for payment of such redemption price and the accrued interest are held by the Bond Registrar as provided in the Resolution, interest on the bonds or the portions thereof so called for redemption shall cease to accrue. If a portion of this bond shall be called for redemption, a new bond or bonds in principal amount equal to the unredeemed portion hereof will be issued to the registered owner hereof or his legal representative upon the surrender hereof.

The bonds are issuable in fully registered form in the denomination of $5,000 or any multiple thereof. At the office of the Bond Registrar, in the manner and subject to the conditions provided in the Resolution, bonds may be exchanged for an equal aggregate principal amount of bonds of the same series and maturity, of authorized denominations and bearing interest at the same rate.

The Bond Registrar shall keep at its principal office the books of said County for the registration of transfer of bonds. The transfer of this bond may be registered only upon such books and as otherwise provided in the Resolution upon the surrender hereof to the Bond Registrar together with an assignment duly executed by the registered owner hereof or his attorney or legal representative in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer, the Bond Registrar shall deliver in exchange for this bond a new bond or bonds, registered in the name of the transferee, of authorized denominations, in an aggregate principal amount equal to the unredeemed principal amount of this bond, of the same series and maturity and bearing interest at the same rate.

The Bond Registrar shall not be required to exchange or register the transfer of any bond during a period beginning at the opening of business fifteen (15) days before the day of mailing of a notice of redemption of any bonds and ending at the close of business on the day of such mailing or of any bond called for redemption in whole or in part pursuant to the Resolution.

This bond is one of a series issued under the authority of and in full compliance with the Constitution and laws of Virginia, particularly the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia, 1950, as amended, and pursuant to votes of a majority of the qualified voters of Fairfax County, Virginia, voting at elections duly called and held under the provisions of said Code of Virginia, 1950, as amended, and under orders of the Circuit Court of Fairfax County, Virginia, authorizing the Board of Supervisors of said County to proceed to carry out the wishes of the voters as expressed at said elections, and pursuant to resolutions duly adopted by the Board of Supervisors and the County School Board of said County.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and laws of Virginia to happen, exist and be performed precedent to and in the issuance of this bond have happened, exist and have been performed in due time, form and manner as so required, that the total indebtedness of Fairfax County, Virginia, including this bond, does not exceed any constitutional or statutory limitation thereon, and that provision has been made for the levy and collection of an annual ad valorem tax upon all taxable property in said County subject to local taxation sufficient in amount to provide for the payment of the principal of and the interest on this bond as the same shall become due which tax shall be without limitation as to rate or amount and shall be in addition to all other taxes authorized to be levied in said County to the extent other funds of said County are not lawfully available and appropriated for such purpose.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the resolution mentioned herein until this bond shall have been authenticated by the execution by the Bond Registrar of the certificate of authentication endorsed hereon.

UNSIGNED

IN WITNESS WHEREOF, the Board of Supervisors of Fairfax County, Virginia, has caused this bond to be issued in the name of Fairfax County, Virginia, and said Board has caused this bond to bear the facsimile signatures of its Chairman and Clerk and a facsimile of the official seal of said Board to be imprinted hereon, all as of the 1st day of December, 2000.

FAIRFAX COUNTY, VIRGINIA

By Nancy Vehrs
Clerk of the Board
of Supervisors of
Fairfax County, Virginia

By Katherine K. Hanley
Chairman of the Board
of Supervisors of
Fairfax County, Virginia

SPECIMEN

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds of the series designated herein and described in the within mentioned Resolution.

Director of the Department of Finance of Fairfax County, Virginia, as Bond Registrar

By: _____
Authorized Signature

Date of authentication: December 13, 2000

SPECIMEN

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Please insert social security or
other identifying number of assignee

_____

_____

(Please Print or Typewrite Name and Address of Transferee)

the within bond, and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:_____

Signature: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed* by:_____

* Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Bond Registrar which requirements will include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

CERTIFICATE OF DELIVERY AND PAYMENT

I, Robert L. Mears, Director, Department of Finance, Fairfax County, Virginia, **DO HEREBY CERTIFY:**

1. **$52,250,000 Public Improvement Bonds, Series 2000 B**, of Fairfax County, Virginia, dated December 1, 2000 and maturing December 1, subject to the right of prior redemption, in the following years and in the following amounts and bearing interest as follows:

Year	Principal Amount	Interest Rate
2001	$2,615,000	5.750%
2002	2,615,000	5.750
2003	2,615,000	5.000
2004	2,615,000	4.250
2005	2,615,000	5.000
2006	2,615,000	5.000
2007	2,615,000	4.375
2008	2,615,000	4.750
2009	2,615,000	4.500
2010	2,615,000	4.500
2011	2,610,000	4.625
2012	2,610,000	4.750
2013	2,610,000	4.750
2014	2,610,000	5.000
2015	2,610,000	5.000
2016	2,610,000	5.000
2017	2,610,000	5.000
2018	2,610,000	5.000
2019	2,610,000	5.100
2020	2,610,000	5.125

such interest being payable semiannually on the 1st days of June and December in each year to and including December 1, 2020, the first interest payment date being June 1, 2001, have this day been delivered by me to the purchasers thereof upon the payment of the purchase price of said bonds plus accrued interest aggregating $52,358,841.26 computed as follows:

Purchase price	$52,273,304.05
Accrued interest from December 1, 2000 to date of payment for the bonds	85,537.21
Total	$52,358,841.26

2. The proceeds of said bonds (including the $522,500.00 amount of the good faith deposit), will be deposited by me to be held, paid out and disbursed as provided by law.

WITNESS my hand this 13th day of December, 2000.

Director, Department of Finance
Fairfax County, Virginia

$52,250,000
Fairfax County, Virginia
Public Improvement Bonds, Series 2000B

TAX CERTIFICATE

THIS TAX CERTIFICATE, inclusive of exhibits (this "**Tax Certificate**"), is being executed by the undersigned on behalf of the County of Fairfax, Virginia (the "**Issuer**") in connection with the issuance of its $52,250,000 Public Improvement Bonds, Series 2000B (the "**Bonds**"), dated December 1, 2000.

RECITALS

The Issuer has determined to provide through the issuance of its Bonds funds for school improvements and parks and park facilities (the "**Projects**").

The Internal Revenue Code of 1986, as amended (the "**Code**"), the Treasury Regulations (including final, temporary and proposed regulations) promulgated thereunder (the "**Treasury Regulations**") and the rulings with respect thereto impose certain limitations on the use and investment of proceeds of the Bonds and certain other moneys relating to the Bonds.

Such provisions of the Code, the Treasury Regulations and the rulings with respect thereto set forth certain conditions under which the interest paid and to be paid with respect to the Bonds will be not included in gross income for federal income tax purposes.

The Issuer has executed this Tax Certificate to set forth certain terms and conditions relating to the use and investment of proceeds of the Bonds and of certain other moneys relating to the Bonds in order to ensure that interest with respect to the Bonds will not be included in gross income for federal income tax purposes.

THEREFORE, pursuant to Section 1.148-2(b)(2) of the Treasury Regulations, the Issuer hereby certifies, covenants and represents as follows:

PART A. IN GENERAL

Section 1. Purpose of Tax Certificate. The undersigned is executing this Tax Certificate with the understanding and acknowledgement that Brown & Wood LLP (referred to herein as "**Bond Counsel**") will rely on the certifications, covenants and representations made in this Tax Certificate in rendering its opinion that interest with respect to the Bonds is not included in gross income for federal income tax purposes.

Section 2. Delivery of Bonds. The Bonds are being delivered on the date hereof to PaineWebber Incorporated, as the representative (the "**Representative**") of the underwriters of the Bonds (the "**Underwriters**").

Section 3. Purpose of Financing. The Bonds are being issued pursuant to Article VII, Section 10(b) of the Constitution of Virginia and the Public Finance Act of 1991, Chapter 26,

Title 15.2, Code of Virginia, 1950, as amended (the "**Act**") and the resolution adopted by the Board of Supervisors of Fairfax County, Virginia, on November 20, 2000 (the "**Resolution**").

The proceeds derived from the sale of the Bonds are expected to be used:

(a) to finance the costs of the Projects,

(b) to pay all interest accruing on the Bonds from December 1, 2000 to the date hereof (the "**Accrued Interest**"),

(c) to pay certain legal, accounting and financing costs incurred in connection with the issuance of the Bonds, including Underwriters' discount (the "**Costs of Issuance**"), and

(d) to reimburse the Issuer for certain capital expenditures made by the Issuer with respect to the Projects prior to the date hereof, as more fully discussed below.

The Issuer expects that the proceeds of the Bonds will be used solely for the purposes described in (a)-(d) above unless an opinion of Bond Counsel is obtained approving another proposed use.

Section 4. Issuer Reliance on Other Parties. The expectations of the Issuer concerning certain uses of proceeds derived from the sale of the Bonds and certain matters set forth herein are based in whole or in part upon representations of the Representative as set forth in this Tax Certificate and contained in Exhibit B attached hereto, representations and computations performed by Scott & Stringfellow, Inc. d/b/a BB&T Capital Markets, as financial advisor to the Issuer (the **"Financial Advisor"**) as set forth in this Tax Certificate and in Exhibit C attached hereto and the representations of the School Board of the County of Fairfax (the **"School Board"**) contained in its Certificate attached hereto as Exhibit D. The Issuer is relying in good faith upon (i) such representations and computations (as applicable) on the bases of the reputable business practices of such parties, and (ii) its prior business dealings entered into with such parties. The Issuer is not aware of any facts or circumstances that would cause it to question the accuracy or reasonableness of such representations.

Section 5. Definitions; Capitalized Terms. All capitalized terms used in this Tax Certificate and not specifically defined herein shall have the meanings given such terms in the Act or the Resolution.

PART B. USE OF BOND PROCEEDS AND PROJECTS

Section 1. Governmental Use of Proceeds. The Issuer represents the following with respect to the use of proceeds of the Bonds and the facilities financed therewith:

(a) In General.

(i) Private Business Use. No more than ten percent (10%) of the proceeds of the Bonds or the Projects (based on the greatest of: A) the cost allocated on the basis of space occupied, B) the fair market value, and C) the actual cost of construction), as long as the Bonds are outstanding, will be used in the aggregate for any activities that

constitute a **"Private Use"** (as such term is defined below in subsection 1(d) of this Part B).

(ii) Private Security or Payment Test. No more than ten percent (10%) of the principal of or interest on the Bonds, under the terms thereof or any underlying arrangement, so long as the Bonds are outstanding, will be, directly or indirectly, (A) secured by any interest in (i) property used or to be used for a Private Use or (ii) payments in respect of such property or (B) derived from payments in respect of property used or to be used for a Private Use, whether or not such property is a part of the Projects.

(b) No Disproportionate or Unrelated Use. No more than five percent (5%) of the proceeds of the Bonds or the Projects will be used for any Private Use of the Projects that is unrelated to any Governmental Use of the Projects or any Private Use of the Projects that is disproportionate to a related Governmental Use. For this purpose, the amount of disproportionate related Private Use is equal to the excess of the proceeds that are to be used for Private Use over the proceeds that are to be used for the Governmental Use to which such Private Use relates. For purposes of this paragraph, the term **"Governmental Use"** means any use other than Private Use.

(c) No Private Loan Financing. No proceeds of the Bonds will be used to make or finance loans to any person other than to a state or local governmental unit (other than loans to finance any governmental tax or assessment of general application for a specific essential governmental function or loans that are used to acquire or carry Nonpurpose Investments (as such term is defined below in Part D).

(d) Definition of Private Use. For purposes of this Tax Certificate, the term **"Private Use"** means any activity that constitutes a trade or business that is carried on by persons or entities, other than state or local governmental entities. Any activity carried on by a person other than a natural person shall be treated as a trade or business.

The leasing of property financed with proceeds of the Bonds to a person or entity other than a state or local governmental unit or the access of a person or entity other than a state or local governmental unit to property or services on a basis other than as a member of the general public (**"General Public Use"**) shall constitute a Private Use unless the Issuer obtains an opinion of Bond Counsel to the contrary. Use of property financed with proceeds of the Bonds by any person, other than a state or local governmental unit, in its trade or business constitutes General Public Use only if the property is intended to be available and is in fact reasonably available for use on the same basis by natural persons not engaged in a trade or business.

In most cases Private Use will occur only if a nongovernmental person has a special legal entitlement to use the financed property under an arrangement with the Issuer. Such a special legal entitlement would include ownership or actual or beneficial use of the Projects pursuant to a lease, management or incentive payment contract, output contract, research agreement or similar arrangement. In the case of property that is not available for General Public Use, Private Use may be established solely on the basis of a special economic benefit to one or more nongovernmental persons. In determining whether special economic benefit gives rise to Private Use, it is necessary to consider all of the facts and circumstances, including one or more of the

following factors:

(i) whether the financed property is functionally related or physically proximate to property used in the trade or business of a nongovernmental person;

(ii) whether only a small number of nongovernmental persons receive the economic benefit; and

(iii) whether the cost of the financed property is treated as depreciable by the nongovernmental person.

(e) Management and Service Contracts. The determination of whether a particular use pursuant to a management and service contract constitutes Private Use under this Tax Certificate shall be made on the basis of applying Revenue Procedure 97-13, 1997-1 C.B. 632 ("**Revenue Procedure 97-13**"). As of the date hereof, no portion of the proceeds derived from the sale of the Bonds is being used to finance property subject to contracts or other arrangements with persons or entities engaged in a trade or business (other than state or local governmental units) that involve the management of property or the provision of services with respect to property financed with proceeds of the Bonds that do not comply with the standards of Revenue Procedure 97-13.

For purposes of determining the nature of a Private Use, any arrangement that is properly characterized as a lease for federal income tax purposes is treated as a lease. Consequently, an arrangement that is referred to as a management or service contract may nevertheless be treated as a lease. In determining whether a management contract is properly characterized as a lease, it is necessary to consider all of the facts and circumstances, including the following factors:

(i) the degree of control over the property that is exercised by a nongovernmental person; and

(ii) whether a nongovernmental person bears risk of loss of the financed property.

Section 2. Economic Life of the Projects. In accordance with Section 1.148-1(c) of the Treasury Regulations regarding the safe harbor against the creation of "replacement proceeds", as of the date hereof, and for purposes of the Large Multipurpose Issue Exception described below, the weighted average maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the Projects. For purposes of this calculation, less than twenty-five percent (25%) of the proceeds of the Bonds were or will be used to acquire land and, therefore, land was not taken into account in determining the average economic life of such facilities.

Section 3. Large Multipurpose Issue Exception. The determination of whether bonds are private activity bonds may be based solely on the Issuer's reasonable expectations as of the date of issue of the bonds if certain requirements set forth in Treasury Regulation Section 1.141-2(d)(5) are met (the "**Large Multipurpose Issue Exception**"). The Issuer makes the following representations in support of its qualification for the Large Multipurpose Issue Exception.

(a) The Issuer has adopted a fund method of accounting for its general governmental

purposes that makes tracing the proceeds of the Bonds to specific expenditures unreasonably burdensome.

(b) The Issuer reasonably expects on the date hereof to allocate all of the net proceeds of the Bonds to the Projects within six (6) months of the date hereof and has adopted reasonable procedures to verify that net proceeds are in fact so expended. For purposes of this section, net proceeds of the Bonds means the proceeds derived from the sale of the Bonds and the investment earnings thereon.

(c) The Issuer reasonably expects on the date hereof to spend all of the net proceeds of the Bonds before spending proceeds of a subsequent issue of similar general obligation bonds.

(d) The Issuer reasonably expects on the date hereof that it will not make any loans to nongovernmental persons with the proceeds of the Bonds.

(e) The Issuer reasonably expects on the date hereof that the capital expenditures that it could make during the six-month period beginning on the date hereof with the net proceeds of the Bonds that would not meet the private business tests are not less than 125% of the capital expenditures to be financed with the net proceeds of the Bonds.

PART C. ARBITRAGE

Section 1. Use of Proceeds. On the basis of the facts, estimates and circumstances in existence on the date hereof, the Issuer reasonably expects that the total amounts derived by the Issuer from the sale of the Bonds in the amount of $52,487,376.26 representing $52,250,000 principal amount of Bonds, plus net offering premium of $151,839.05, plus Accrued Interest of $85,537.21, are expected to be needed and fully expended, as follows:

(a) $85,537.21 of said amounts, representing the Accrued Interest, will be expended on June 1, 2001 to pay a portion of the interest due on the Bonds on that date;

(b) $128,535.00 of said amount will be retained by the Underwriters as their compensation; and

(c) $52,273,304.05, representing the balance of the proceeds of the Bonds, will be deposited in special accounts that have been established in the capital project funds established for each of the Projects (the "**Proceeds Accounts of the Capital Project Funds**") and used within six (6) months of the date hereof (i) to reimburse the General Fund of the Issuer for amounts temporarily advanced prior to the date hereof to finance the Projects, as set forth more fully in the Certificate as to Reimbursement of the Issuer attached hereto as Exhibit A (the "**Reimbursement Certificate**") and (ii) to pay the costs of the Projects and Costs of Issuance.

Section 2. Investment Earnings. Any amounts derived from the investment of proceeds derived from the sale of the Bonds will be expended to pay costs of the Projects, including interest on the Bonds accruing during construction of the Projects (the "**Capitalized Interest**").

Section 3. No Overissuance. The total proceeds derived by the Issuer from the sale of the Bonds and anticipated investment earnings thereon, together with any other available funds

described above and anticipated investment earnings thereon, do not exceed the total of the amounts necessary for the governmental purposes described above.

Section 4. No Sale or Disposition of the Project. The Issuer reasonably expects that it will not sell or otherwise dispose of the Projects prior to the final maturity date of the Bonds of December 1, 2020.

Section 5. Expenditure, Time and Due Diligence Tests. The Issuer reasonably expects that at least eighty-five percent (85%) of the net sale proceeds of the Bonds will be allocated to expenditures for the Projects within six (6) months of the date hereof. The Issuer has incurred or will incur within six (6) months of the date hereof substantial binding obligations, *i.e.*, that are not subject to contingencies within the control of the Issuer or a related party, to a third party to expend at least five percent (5%) of the net sale proceeds of the Bonds on the costs of the Projects. The allocation of net sale proceeds of the Bonds to expenditures for the Projects will proceed with due diligence to completion thereof.

Section 6. Funds and Accounts

(a) Debt Service Funds. It is anticipated that the Issuer will set aside moneys to pay debt service on the Bonds in designated accounts prior to each date debt service is due on the Bonds (each a **"Debt Service Fund"**, and, collectively and in the aggregate, the **"Debt Service Funds"**). The Debt Service Funds will be used primarily to achieve a proper matching of revenues of the Issuer with payment of debt service on the Bonds within each year. Any amounts deposited to the Debt Service Funds will be depleted at least once each year except for a reasonable carryover amount, if any, that will not exceed the greater of (i) the earnings on the Debt Service Funds for the immediately preceding year, or (ii) one-twelfth (1/12) of the debt service payable on the Bonds for the immediately preceding year.

(b) No Other Funds as Security. Other than the Debt Service Funds (and proceeds of the Bonds to be applied to pay Accrued Interest and interest accruing on the Bonds until the respective dates the Projects, or allocable portion thereof, are placed in service) there are no funds or accounts established by the Issuer pursuant to the Act or the Resolution or otherwise that are reasonably expected to be used directly or indirectly to pay debt service on the Bonds or that are pledged (including negative pledges) as collateral for the Bonds and for which there is reasonable assurance that amounts on deposit therein will be available to pay debt service on the Bonds if the Issuer encounters financial difficulties.

Section 7. Investment of Proceeds. The proceeds derived from the sale of the Bonds and other amounts described in this Tax Certificate will be invested as follows:

(a) Project Costs and Costs of Issuance. Proceeds derived from the sale of the Bonds to be applied to finance the costs of the Projects and the Costs of Issuance may be invested at an unrestricted yield for a period not to exceed three years from the date hereof and, thereafter, shall be invested at a yield not in excess of the yield on the Bonds plus one-eighth of one percentage point (0.125%). Investment earnings on obligations acquired with such proceeds may be invested at an unrestricted yield for a period not exceeding three years from the date hereof or one year from the receipt thereof, whichever period ends later and, thereafter, shall be invested at

a yield not in excess of the yield on the Bonds plus one-eighth of one percentage point (0.125%).

(b) Payment of Accrued Interest. Amounts derived from the sale of the Bonds representing Accrued Interest may be invested at an unrestricted yield until expended on June 1, 2001 to pay a portion of the interest on the Bonds due on such date, which period is within one (1) year from the date hereof. Investment earnings on the Accrued Interest may be invested at an unrestricted yield for a period not to exceed one (1) year from the date of receipt of the amount earned and, thereafter, shall be invested at a yield not in excess of the yield on the Bonds plus one-one thousandth of one percentage point (0.001%).

(c) Payment of Debt Service. Amounts on deposit in the Debt Service Funds may be invested at an unrestricted yield for a period not to exceed thirteen (13) months from the date of deposit of such amounts to such fund, and thereafter shall be invested at a yield not in excess of the yield on the Bonds by any amount. Investment earnings on obligations acquired with amounts on deposit in the Debt Service Funds may be invested at an unrestricted yield for a period not to exceed one (1) year from the date of receipt of the amount earned and, thereafter, shall be invested at a yield not in excess of the yield on the Bonds plus one-one thousandth of one percentage point (0.001%).

(d) Replacement Proceeds. Replacement proceeds (as such term is defined in Section 1.148-1(c) of the Treasury Regulations) may be invested at an unrestricted yield for a period of thirty (30) days beginning on the date that the amounts are first treated as replacement proceeds and, thereafter, shall be invested at a yield not in excess of the yield on the Bonds plus one-one thousandth of one percentage point (0.001%).

(e) Applicable Definition of Materially Higher Yield For All. In the event that replacement proceeds arise during the term of the Bonds, then, after the lapse of the applicable periods during which amounts described in this Section 7 may be invested at an unrestricted yield, all amounts described in this Section 7 shall be invested at a composite yield not in excess of the yield on the Bonds plus one-one thousandth of one percentage point (0.001%).

(f) Yield Restricted Moneys. Amounts described in this Section 7 that may not be invested at an unrestricted yield pursuant to this Section 7 will either (i) be invested in accordance with the yield restrictions set forth in such respective paragraphs, or (ii) be invested in Tax-Exempt Obligations (as such term is defined in Part D of this Tax Certificate).

Section 8. Yield. For purposes of this Tax Certificate, the term **"yield"** with respect to the Bonds means the discount rate that, when used in computing the present value as of the date hereof of all unconditionally payable payments of principal and interest, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of the Bonds as of the date hereof. The term **"yield"** with respect to a Nonpurpose Investment (as defined below) means the discount rate that, when used in computing the present value as of the date such investment is first allocated to the Bonds of all unconditionally payable receipts from the investment, produces an amount equal to the present value of all unconditionally payable payments for such investment. For purposes of calculating the yield on a Nonpurpose Investment, the purchase price will be the amount paid for such investment or, if different, the fair market value of such investment on the date it becomes Gross Proceeds. See Section 148(b) of the Code

and Section 1.148-4 and 1.148.5 of the Treasury Regulations. The yield on obligations acquired with amounts described in this Part C, Section 1, above, and the yield on the Bonds will be calculated by the use of the same frequency interval of compounding interest.

(a) Issue Price. For purposes of calculating yield, the issue price of the Bonds (as defined in Section 1273 of the Code) is equal to (i) the initial offering price to the public (excluding bond houses, brokers and similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount (*i.e.*, at least ten percent (10%)) of each maturity of the Bonds was sold, as shown in the Representative's certificate attached hereto as Exhibit B plus (ii) Accrued Interest. Thus, the aggregate issue price of the Bonds is $52,487,376.26 (representing the aggregate principal amount of the Bonds of $52,250,000, plus aggregate original issue premium of $379,910.10 minus aggregate original issue discount of $228,071.05 plus Accrued Interest of $85,537.21).

(b) Original Issue Premium Bonds Subject to Optional Redemption. The Financial Advisor has represented in its certificate attached hereto as Exhibit C that no portion of the obligations comprising the Bonds that are subject to optional redemption has an issue price that exceeds the stated redemption price at maturity thereof by more than one-fourth of one percentage point (0.25%) multiplied by the product of the stated redemption price at maturity of such Bonds and the number of complete years to the first optional redemption date for such Bonds. Accordingly, for purposes of computing the yield on the Bonds, each maturity of the Bonds will be treated as paid at its stated redemption price on its stated redemption date.

(c) Calculation of Yield, Representations and Computations by Representative, Underwriters and Financial Advisor. Based on the foregoing definition of **"yield"** with respect to the Bonds, the Financial Advisor has computed the yield on the Bonds to be not less than 4.84162% (the **"Bond Yield"**). The above determination as to the Bond Yield has been made on the basis of representations of the Representative and Underwriters, including representations made as to the issue price of the Bonds as shown in Exhibit B hereto, and the representations of and the computations performed by the Financial Advisor, as shown in Exhibit C attached hereto.

(d) Investments to be Acquired at Market Price. Any investments acquired with amounts described in Section 7 of this Part C shall be purchased at prevailing market prices and shall be limited to securities or obligations for which there is an established market in accordance with the rules set forth in Section 5 of Part D or shall be Tax-Exempt Obligations, as defined in Part D of this Tax Certificate.

Section 9. Yield Reduction Payments. Notwithstanding any of the provisions of Section 7 above that requires the Issuer to invest proceeds derived from the sale of the Bonds and investment earnings thereon at a yield not in excess of the yield on the Bonds, the yield on certain investments acquired with proceeds of the Bonds will not be considered to be higher than the applicable yield limitation described in Section 7 above if the Issuer makes or causes to be made "yield reduction payments" to the United States Treasury at the time and in the amounts described in Section 1.148-5(c) of the Treasury Regulations. The Issuer covenants to consult with Bond Counsel prior to making any "yield reduction payment" under Section 1.148-5(c) of the Treasury Regulations.

Section 10. Universal Cap. Notwithstanding any restrictions on the investment of proceeds of the Bonds and other amounts set forth in Section 7 of this Part C, proceeds of the Bonds and other amounts treated as proceeds of the Bonds are allocated and remain allocated to the Bonds, and are thereby subject to the restrictions contained in this Tax Certificate, only to the extent that the value of such proceeds does not exceed the value of the outstanding obligations of the Bonds. This Section does not apply to amounts on deposit in the Debt Service Funds.

Section 11. No Replacement. No portion of the proceeds of the Bonds will be used as a substitute for other funds that were otherwise to be used to finance the costs of the Projects and that have been or will be used to acquire directly or indirectly securities or obligations or other investment property producing a yield in excess of the yield on the Bonds.

Section 12. No Artifice or Device. The Issuer has not engaged and will not engage in a transaction or series of transactions enabling it to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage and which increases the burden on the market for tax-exempt obligations, including selling obligations that would not otherwise be necessary or issuing obligations sooner or allowing them to remain outstanding longer than would otherwise be necessary.

Section 13. Single Issue for Arbitrage Purposes. All of the Bonds have been sold and are being issued at substantially the same time, have been sold or issued pursuant to the same plan of financing and will be paid out of substantially the same source of funds (or will have substantially the same claim to be paid out of substantially the same source of funds). No other obligations of the Issuer have been or will be sold or issued within fifteen (15) days of the sale date of Bonds, December 6, 2000, have been or will be sold or issued pursuant to the same plan of financing and will be paid out of substantially the same source of funds (or will have substantially the same claim to be paid out of substantially the same source of funds) as the Bonds.

PART D. REBATE REQUIREMENTS

Section 1. In General. The rules contained in this Part D relate to the requirement to comply with the provisions of Section 148(f) of the Code and the Treasury Regulations promulgated thereunder. The Issuer recognizes that Section 148(f) of the Code requires that an amount equal to the sum of (a) the excess of the aggregate amount earned on all Nonpurpose Investments (defined below) over the amount that would have been earned if such Nonpurpose Investments had a yield equal to the yield with respect to the Bonds, plus (b) any income attributable to the excess described in (a), be paid to the United States Treasury (the **"Rebate Requirement"**). Accordingly, the Issuer covenants herein to comply with the applicable yield restrictions and limitations and guidelines set forth in this Tax Certificate to effectuate compliance with the Rebate Requirement, as set forth in Section 148(f) of the Code and the Treasury Regulations.

For purposes of this Tax Certificate (including determining the Rebate Requirement), the term **"Bond Year"** shall mean each one-year (or shorter) period ending each December 13 until there are no outstanding Bonds. The first Bond Year shall begin on the date hereof.

Section 2. Nonpurpose Investments. The rules contained in this Part D shall apply to the investment of Gross Proceeds, as defined below, in any security, obligation, annuity contract or any other investment-type property (as such term is defined in Section 1.148-1(b) of the Treasury Regulations) that is not acquired to carry out the governmental purpose of the Bonds (**"Nonpurpose Investments"**). Nonpurpose Investments shall not include Tax-Exempt Obligations.

For purposes of this Tax Certificate, the term **"Tax-Exempt Obligations"** shall include (a) obligations the interest on which is excludable from gross income for federal income tax purposes, and not treated as an item of tax preference under Section 57(a)(5)(C) of the Code, (b) stock in a regulated investment company to the extent that at least ninety-five percent (95%) of the income to the holder of the interest is excludable from gross income under Section 103 of the Code, and (c) securities issued by the United States Treasury pursuant to the State and Local Government Series program described in 31 CFR part 344 (**"SLGS"**).

Section 3. Gross Proceeds. For purposes of this Tax Certificate, the term "**Gross Proceeds**" means:

(a) amounts derived from the sale of the Bonds other than the Accrued Interest;

(b) amounts that are reasonably expected to be or are in fact used to pay debt service with respect to the Bonds, including the Debt Service Funds;

(c) amounts pledged as security for the payment of debt service with respect to the Bonds, if any;

(d) amounts treated as "transferred proceeds" of the Bonds, within the meaning of Section 1.148-1(b) of the Treasury Regulations, if any;

(e) amounts treated as "replacement proceeds" of the Bonds, within the meaning of Section 1.148-1(c) of the Treasury Regulations, if any; and

(f) investment earnings on amounts described in (a)-(e) above.

Section 4. Yield. Yield, for purposes of complying with the Rebate Requirement, is to be calculated pursuant to Section 8 of Part C of this Tax Certificate.

Section 5. Fair Market Price. For purposes of this Tax Certificate, the purchase price and disposition price of a Nonpurpose Investment will be the fair market value of the investment (the "**Fair Market Price**"). An investment that is not of a type traded on an established market, within the meaning of Section 1273 of the Code, is rebuttably presumed to be acquired or disposed of at a price that is not equal to its Fair Market Price. Accordingly, a premium may not be paid to adjust the yield on an investment, a lower interest rate than is usually paid may not adjust the yield on an investment and no transaction may result in a smaller profit or larger loss than would have resulted if the transaction had been at arm's-length and had the yield with respect to the Bonds not been relevant to either party.

In determining payments and receipts on Nonpurpose Investments, qualified administrative costs are taken into account. Qualified administrative costs are reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody, and similar costs. General overhead costs and similar indirect costs of the Issuer such as employee salaries and office expenses and costs associated with computing the Rebate Requirement are not qualified administrative costs. In general, administrative costs are not reasonable unless they are comparable to administrative costs that would be charged for the same investment or a reasonably comparable investment if acquired with a source of funds other than gross proceeds of tax-exempt bonds.

(a) Certificate of Deposit. A certificate of deposit with a fixed interest rate, fixed principal payment schedule and a substantial penalty for early withdrawal will be deemed purchased at a Fair Market Price if the yield on the certificate of deposit is not less than (i) the yield on reasonably comparable direct obligations of the United States and (ii) the highest yield published or posted by the provider on comparable certificates offered to the public. See Section 1.148-5(d)(6)(ii) of the Treasury Regulations.

(b) Guaranteed Investment Contracts. Investments pursuant to a guaranteed investment contract will be regarded as being made at fair market value if:

(i) The Issuer makes a bona fide solicitation for a guaranteed investment contract that satisfies all of the following requirements:

(A) the bid specifications are in writing and are timely forwarded to potential providers;

(B) the bid specifications include all material terms that may directly or indirectly affect the yield or the cost of the guaranteed investment contract;

(C) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person (whether or not in connection with the issuance of the Bonds), and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes of satisfying the requirements contained in Section 1.148-5(d)(6)(iii)(B)(1) or (2) of the Treasury Regulations;

(D) the terms of the bid specifications are commercially reasonable in that there is a legitimate business purpose for each term other than to increase the purchase price or reduce the yield of the guaranteed investment contracts;

(E) the terms of the solicitation take into account the Issuer's reasonably expected deposit and drawdown schedule for the amounts to be invested;

(F) all potential providers have an equal opportunity to bid and no potential provider is given the opportunity to review other bids (*i.e.*, a "last look") before providing a bid; and

(G) at least three reasonably competitive providers are solicited for bids. A "**reasonably competitive provider**" is a provider that has an established industry reputation as a competitive provider of the guaranteed investment contracts.

(ii) The Issuer receives at least three bona fide bids on the guaranteed investment contract from providers that have no material financial interest in the issuance of the Bonds. The following are deemed to have a material financial interest in the execution and delivery of the Bonds:

(A) the lead purchaser in a negotiated underwriting transaction until 15 days after the issue date of the issue;

(B) any entity acting as a financial advisor with respect to the purchase of the guaranteed investment contract at the time the bid specifications are forwarded to potential providers; and

(C) a provider that is a related party to a provider that has a material financial interest in the execution and delivery of the Bonds.

(iii) At least one of the three bids received by the Issuer is from a reasonably competitive provider;

(iv) The winning bidder provides a certificate that lists all administrative costs that it is paying (or expects to pay) to third parties in connection with supplying the guaranteed investment contract,

(v) The Issuer purchases the highest yielding guaranteed investment contract for which a bona fide bid was made (determined net of broker's fees, if any);

(vi) The Issuer retains the following records with the bond documents until three years after the last outstanding Bond is redeemed:

(A) a copy of the guaranteed investment contract;

(B) the receipt or other record amount actually paid by the Issuer for the guaranteed investment contract, including a record of any administrative costs paid by the Issuer, and the certification under subsection (iv) hereof;

(C) a copy of each bid submitted (including the name of the person and entity submitting the bid), the time and date of the bid, and the bid results; and

(D) the bid solicitation form and, if the terms of the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is

modified, a brief statement explaining the deviation and stating the purpose for the deviation.

(c) Investments Traded on Established Market. For other investments traded on an established market, the fair market value of the investment will be the actual price at which the investments are sold by a willing seller to a willing buyer. When an actual transaction does not occur, the fair market price shall be the mean between the bid and asked prices for such obligations on the date the investment is deemed to become, or ceases to be, proceeds of the issue.

(d) Yield Restricted Amounts. When amounts must be restricted to a certain yield and investments cannot be purchased on an established market or a bona fide Fair Market Price cannot be established at a yield that does not exceed the maximum permissible yield, the Issuer may acquire or hold currency or Tax-Exempt Obligations such as SLGS that yield no more than the maximum permissible yield. The Issuer recognizes that SLGS are available at the Division of Special Investments of the Bureau of Public Debt of the United States Treasury Department (the "**Division of Special Investments**"), and that, under current Treasury Regulations governing SLGS, SLGS may not be purchased until seven (7) calendar days (five (5) calendar days in the case of subscriptions of $10 million or less) after a subscription for them is tendered and received by the Division of Special Investments. Accordingly, the Issuer will act promptly in subscribing for SLGS in the event it is determined that such restricted investments are necessary.

Section 6. Record Keeping and Commingled Funds.

(a) Record Keeping. With respect to all Nonpurpose Investments acquired in any fund or account the Issuer shall record or cause to be recorded the following information: (i) purchase date, (ii) purchase price, (iii) information establishing that the purchase price is the Fair Market Price as of such date (*e.g.*, the published quoted bid by a dealer in such an investment on the date of purchase), (iv) any accrued interest paid, (v) face amount, (vi) coupon rate, (vii) periodicity of interest payments, (viii) disposition price, (ix) any accrued interest received, and (x) disposition date. To the extent any investment becomes a Nonpurpose Investment by becoming Gross Proceeds after it was originally purchased or ceased to be a Nonpurpose Investment by ceasing to be Gross Proceeds before it is sold or matures, it shall be treated as if it were acquired or disposed of, respectively, at its Fair Market Price at the time it becomes a Nonpurpose Investment or ceases to be a Nonpurpose Investment, as the case may be.

(b) Commingled Funds. If the Gross Proceeds of the Bonds are deposited in any fund or account and commingled with amounts in excess of $25,000 that are not Gross Proceeds of the Bonds and the amounts in the fund or account are invested and accounted for collectively, without regard to the source of funds deposited in the fund or account, such fund or account will be referred to as a **"Commingled Fund"**. The following rules shall apply to any investment of Gross Proceeds in a Commingled Fund other than Gross Proceeds on deposit in the Debt Service Funds.

(i) Allocation Requirement. All payments and receipts (including deemed payments and receipts) on investments held by the Commingled Fund must be allocated (but not necessarily distributed) among the different "Investors" in the Commingled Fund

(*i.e.*, the different sources of funds invested in the Commingled Fund) not less frequently than as of the close of each fiscal period. Such allocations must be based on a consistently applied, reasonable ratable allocation method. Reasonable ratable allocation methods include methods that allocate these items in proportion to either the average daily balances of the amounts in the Commingled Fund from different Investors during a fiscal period or the average of the beginning and ending balances of the amounts in the Commingled Fund from different Investors for a fiscal period that does not exceed one month. The Issuer shall record the following information: (A) date of deposit of the Gross Proceeds in the Commingled Fund, (B) amount of Gross Proceeds deposited, (C) date and amount of all periodic allocations of payments and receipts on investments held by the Commingled Fund, (D) the dates of withdrawals from the Commingled Fund, and (E) amounts of Gross Proceeds withdrawn.

(ii) Mark to Market Requirement. If the Issuer and any related party own more than 25% of the beneficial interest in the Commingled Fund (an **"Internal Commingled Fund"**), all of the investments in the Internal Commingled Fund must be treated as if they were sold at fair market value either on the last day of the fiscal year or the last day of each fiscal period and the net gains or losses from these deemed sales must be allocated to all Investors of the Internal Commingled Fund during the period since the last allocation. If the investments held by the Internal Commingled Fund during a particular fiscal year consist exclusively of valid evidences of indebtedness under general federal income tax principles, and the remaining weighted average maturity of all investments held by the Internal Commingled Fund during that fiscal year does not exceed 18 months, the mark to market requirement described in the previous sentence does not apply to the Internal Commingled Fund for such fiscal year.

For purposes of the preceding two requirements, fiscal period means any consistent fiscal period that does not exceed three months.

(iii) Qualified Administrative Costs. With respect to Internal Commingled Funds, only qualified administrative costs, as described in Section 5 above, may be taken into account in determining the amount of payments and receipts on the investments in the Internal Commingled Fund. Thus, only separately stated brokerage or selling commissions may be taken into account. With respect to a Commingled Fund in which the Issuer and any related parties do not own more than 10% of the beneficial interest in the fund (an **"External Commingled Fund"**), qualified administrative costs include all reasonable administrative costs, without regard to the limitation on indirect costs as described in Section 5 above.

(iv) Fair Market Price. The purchase and sale of all investments in the Commingled Fund must comply with the fair market price rules as set forth in Section 5 above and the Issuer shall maintain records of such investments and the information establishing that the purchase price and disposition price is the Fair Market Price as of the date of purchase and disposition, respectively.

Section 7. Bona Fide Debt Service Fund Exception. With respect to issues that are not private activity bonds and that have an average maturity of greater than five (5) years and a fixed

rate of interest, amounts earned on moneys in a bona fide debt service fund shall not be taken into account for a Bond Year for purposes of complying with the Rebate Requirement. For purposes of complying with the Rebate Requirement with respect to issues other than as described in the preceding sentence, amounts earned on moneys in a bona fide debt service fund shall not be taken into account for a Bond Year if the gross earnings thereon are less than $100,000; an issue with an average annual debt service not in excess of $2,500,000 may be treated as satisfying this $100,000 limitation.

Section 8. Expenditure Exceptions. The Rebate Requirement will be considered satisfied if the Six-Month Exception (set forth in subsection (a) below), the Eighteen-Month Exception (set forth in subsection (b) below) or the Two-Year Exception (set forth in subsection (c) below) is satisfied.

(a) Six-Month Exception. The Rebate Requirement will be considered satisfied if the following conditions are met.

(i) In General. The Six-Month Exception will be treated as having been satisfied if (A) all Gross Proceeds of the Bonds are allocated to expenditures for the governmental purposes of the Bonds no later than the date that is six (6) months after the date of issuance of the Bonds, and (B) the Rebate Requirement is satisfied with respect to (I) other Gross Proceeds that arise after six (6) months from the date hereof but that are not reasonably anticipated to arise as of the date hereof, (II) repayment of any grants made with proceeds of the Bonds, and (III) sale or investment proceeds on payments under a purpose investment.

(ii) Gross Proceeds. For purposes of meeting clause (i) above, the term Gross Proceeds shall have the same meaning as set forth in Section 3 of this Part D above except that it shall exclude (A) any amounts on deposit in the Debt Service Funds, (B) other Gross Proceeds that arise after six (6) months from the date hereof but that are not reasonably anticipated to arise as of the date hereof, (C) repayment of any grants made with proceeds of the Bonds, and (D) sale or investment proceeds on payments under any purpose investment.

(iii) Additional Six Months for Non-Private Activity Bonds. The Six-Month Exception will be treated as satisfied if, in addition to satisfying subparagraph (i) of this subsection (a), all Gross Proceeds of the Bonds are expended as provided in paragraph (i) of this subsection (a) except for an amount of Gross Proceeds that does not exceed the lesser of five percent (5%) of the proceeds of the Bonds or $100,000 and such unexpended amount of Gross Proceeds is expended within one (1) year from the date of issuance of the Bonds.

(b) Eighteen-Month Exception. The Rebate Requirement will be considered satisfied if the following conditions are met.

(i) In General. The Eighteen-Month Exception will be treated as having been satisfied if (A) all Gross Proceeds of the Bonds (as defined in paragraph (ii) of subsection 8(a) above as modified to refer to eighteen (18) months in lieu of six (6) months) meet the

Eighteen-Month Test described in subsection 8(b)(ii) below, (B) the Rebate Requirement is satisfied with respect to (I) other Gross Proceeds that arise after eighteen (18) months from the date hereof but that are not reasonably anticipated to arise as of the date hereof, (II) repayment of any grants made with proceeds of the Bonds, and (III) sale or investment proceeds on payments under a purpose investment, and (C) all Gross Proceeds qualify for the three (3)-year temporary period set forth in Section 1.148-2(e)(2) of the Treasury Regulations.

(ii) Eighteen-Month Test. To meet the Eighteen-Month Test, at least fifteen percent (15%) of the Gross Proceeds of the Bonds must be allocated to expenditures for the governmental purposes of the Bonds within the six (6)-month period beginning on the date of issuance of the Bonds, at least sixty percent (60%) of the Gross Proceeds must be allocated to expenditures for the governmental purposes of the Bonds within the one-year period beginning on the date of issuance of the Bonds and all of the Gross Proceeds must be allocated to expenditures for the governmental purposes of the Bonds within the eighteen (18)-month period beginning on the date of issuance of the Bonds. For purposes of determining compliance with the first two spending periods described above, the amount of investment proceeds that the Issuer reasonably expects as of the date hereof to earn on the investment of the Gross Proceeds of the Bonds is $27,038.

(iii) Reasonable Retainage. For purposes of paragraph (ii) of subsection (b), the Bonds will not be treated as failing to satisfy the spending requirement for the third spending period as a result of a reasonable retainage if the reasonable retainage is expended for the governmental purposes of the Bonds within thirty (30) months from the date of issuance of the Bonds. Reasonable retainage has the same meaning as set forth in subsection 8(c)(iii) below, except that on the date 18 months after the date of issuance of the Bonds, it shall not exceed five percent (5%) of the net sale proceeds of the Bonds.

(c) Two-Year Exception. With respect to the "available construction proceeds," as defined in Subsection 8(d) below, of the Bonds, the Two-Year Exception will be treated as having been satisfied if the requirements of paragraphs (i) and (ii) are satisfied.

(i) 75-Percent Test. The Issuer reasonably expects as of the issue date of the Bonds that at least seventy-five percent (75%) of the "available construction proceeds," as defined in subsection 8(d) below, of the Bonds (or the Construction Issue if the Bifurcation Election is made) will be allocated to construction expenditures (including reconstruction and rehabilitation) with respect to property that is owned by a governmental unit or an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code.

(ii) Two-Year Test. To meet the Two-Year Test, at least ten percent (10%) of the available construction proceeds of the Bonds must be allocated to expenditures for the governmental purposes of the Bonds within the six (6)-month period beginning on the date of issuance of the Bonds, at least forty-five percent (45%) of the available construction proceeds must be allocated to expenditures for the governmental purposes of the Bonds within the one (1)-year period beginning on the date of issuance of the Bonds, at least seventy-five percent (75%) of the available construction proceeds of the Bonds

must be allocated to expenditures for the governmental purposes of the Bonds within the eighteen (18)-month period beginning on the date of issuance of the Bonds, and all of the available construction proceeds of the Bonds must be allocated to expenditures for the governmental purposes of the Bonds within the two (2)-year period beginning on the date of issuance of the Bonds.

(iii) Reasonable Retainage. For purposes of subsection 8(c)(ii), the Bonds will not be treated as failing to satisfy the spending requirement for the fourth spending period as a result of a reasonable retainage if the reasonable retainage is expended for the governmental purposes of the Bonds within three (3) years from the date of issuance of the Bonds. Reasonable retainage means an amount, as of the end of the fourth (4th) spending period referred to in subsection (ii) of Section 8(c) of this Part D, not to exceed five percent (5%) of the available construction proceeds of the Bonds that is retained for reasonable business purposes relating to property financed with the proceeds of the Bonds. Reasonable retainage may include, for example, an amount retained to ensure compliance with the terms of a construction contract in circumstances in which the amount retained is not yet payable, or in which the Issuer reasonably determines that a dispute exists regarding either completion of construction or payment.

(d) Available Construction Proceeds.

(i) In General. For purposes of subsection 8(c), the term "**available construction proceeds**" means an amount equal to the issue price of the Bonds (the "**Issue Price**"), (A) increased by (I) earnings on the Issue Price, (II) earnings on any reasonably required reserve or replacement fund not funded with proceeds derived from the sale of the bonds, and (III) investment earnings on the foregoing and (B) reduced by the amounts of the Issue Price (I) deposited in any reasonably required reserve or replacement fund, (II) applied to pay costs of issuance on the bonds and (III) any pre-issuance accrued interest. The term "available construction proceeds," however, shall not include payments on any obligation acquired to carry out the governmental purpose of the issue or the investment earnings thereon, and shall not include investment earnings on amounts on deposit in a debt service reserve fund after the earlier of two years from the date hereof or the date on which construction of the Project is substantially completed.

(ii) Investment Earnings. For purposes of determining compliance with the first three spending periods described in subsection 8(c)(ii) above, the amount of investment proceeds that the Issuer reasonably expects as of the date hereof to earn on the investment of the Gross Proceeds of the Bonds that constitute Available Construction Proceeds is $27,038.

(e) No Penalty Election. The Issuer is not electing to have Section 148(f)(4)(C)(vii) of the Code apply to the Bonds. Accordingly, in the event the available construction proceeds of the Bonds have not been expended within the time periods described in subsection 8(c)(ii) above, the Issuer shall comply with the Rebate Requirement, as described above.

(f) No Bifurcation Election. As of the date hereof, the Issuer does not elect to bifurcate the Bonds pursuant to Section 1.148-7 of the Treasury Regulation.

(g) De Minimis Exception. Any failure to satisfy the final spending requirement of either the Eighteen-Month Exception or the Two-Year Exception is disregarded if the Issuer exercises due diligence to complete the Projects financed and the amount of the failure does not exceed the lesser of three percent (3%) of the issue price or $250,000.

Section 9. Engagement of Experts. The Issuer will, at least one (1) month prior to the end of each fifth (5th) Bond Year, engage a firm competent to perform the calculations necessary to comply with the Rebate Requirement, as set forth in Section 148(f) of the Code and the Treasury Regulations, unless the Issuer satisfies one of the expenditure exceptions to the Rebate Requirement as set forth in Section 8.

Section 10. Payment of Rebate and Retention of Records. The Issuer will pay the amount determined to be required to be paid to the United States in compliance with the Rebate Requirement. Each payment shall be made not later than 60 days after each computation date. Each payment, when added to all previous rebate payments with respect to the Bonds, must be in an amount not less than 90 percent of the Rebate Requirement as of each computation date. All of the Rebate Requirement must be paid to the United States within 60 days after the final maturity date of the Bonds. Payment shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 and be accompanied by Form 8038-T. Records of the determinations made hereunder shall be retained until six years after the retirement of the final maturity of the Bonds.

Section 11. Survival of Defeasance. Notwithstanding anything in this Tax Certificate to the contrary, the Rebate Requirement shall survive the defeasance or payment in full of the Bonds.

PART E. OTHER MATTERS

Section 1. No Pooled Financing Bonds. No portion of the proceeds derived from the sale of the Bonds will be used, directly or indirectly, to make or finance loans to two (2) or more ultimate borrowers.

Section 2. No Federal Guarantee. The Issuer will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Issuer, or take or omit to take any action, that would cause the Bonds to be considered "federally guaranteed" within the meaning of Section 149(b) of the Code. The Issuer has not entered into, nor will the Issuer enter into, any (i) long-term service contracts with any federal governmental agency, (ii) service contracts with any federal governmental agency under terms that are materially different from the terms of any contracts with any persons other than federal government agencies, and (iii) leases of property to any federal government agency, that would cause the Bonds to be considered "federally guaranteed" within the meaning of Section 149(b) of the Code.

Section 3. Change in Use. The facilities financed with the proceeds of the Bonds will be used for governmental purposes of the Issuer during the term of the Bonds, unless an opinion of Bond Counsel is received approving any proposed change in use of the Projects.

Section 4. Information Reporting. The Issuer certifies that the information required by

Section 149(e) of the Code and set forth on Internal Revenue Service Form 8038-G relating to the Bonds (a copy of which is attached hereto as Exhibit E) reflects its reasonable expectations with respect to the Bonds and the proceeds thereof as of the date of this Tax Certificate. Said Form 8038-G shall be filed at the Internal Revenue Service Center, Ogden, Utah 84201 no later than the fifteenth (15th) day of the second (2nd) calendar month following the close of the calendar year quarter in which the Bonds are issued.

Section 5. Qualified Hedging Transaction. The Issuer has not engaged, and will not engage, in any qualified hedging transaction (as such term is defined in Section 1.148-4(h)(2) of the Treasury Regulations) with respect to the Bonds.

Section 6. No Hedge Bonds. The Issuer reasonably expects that at least 85% of the net sale proceeds of the Bonds will be allocated to expenditures for the Projects within three years of the date hereof. Not more than 50% of the proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed yield for four years or more.

Section 7. No Early Issuance. The date of issuance of the Bonds has been determined solely on the basis of bona fide financial reasons, in accordance with ordinary financial practice in financing facilities similar to the Projects, and has not been determined with a view to prolonging the period between the issuance of the Bonds and expenditure of the proceeds thereof.

Section 8. Tax Covenants. The Issuer hereby covenants that money on deposit in any fund or account maintained in connection with the Bonds, whether or not such money was derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations thereunder. The Issuer hereby covenants that it shall not take any action which will, or fail to take any action which failure will, cause the interest on the Bonds to become includable in the gross income of the owners of the Bonds for federal income tax purposes pursuant to the provisions of the Code and the regulations promulgated thereunder in effect on the date of original issuance of the Bonds.

Section 9. Authority to Execute Tax Certificate. The undersigned is an authorized representative of the Issuer and is acting for and on behalf of the Issuer in executing this Tax Certificate. To the best of the knowledge and belief of the undersigned, there are no facts, estimates or circumstances that would materially change the expectations as set forth herein, and said expectations are reasonable.

Section 10. Amendment. Notwithstanding any provision of this Tax Certificate, the Issuer may amend this Tax Certificate and thereby alter any actions allowed or required by this Tax Certificate if such amendment is based on a written opinion of Bond Counsel approving such amendment.

WITNESS my hand as of the 13th day of December 2000.

By: Edward L. Long

Edward L. Long, Jr.
Chief Financial Officer

List of Exhibits

Exhibit A	Certificate with Respect to the Reimbursement of Expenditures Paid Before December 13, 2000
Exhibit B	Issue Price Certificate
Exhibit C	Certificate of Financial Advisor
Exhibit D	Certificate of the School Board
Exhibit E	Form 8038-G

EXHIBIT A

Certificate with Respect to the Reimbursement of Expenditures Paid before December 13, 2000

This certificate is being furnished by Edward L. Long, Jr., Chief Financial Officer, Fairfax County, Virginia (the "**Issuer**" or the "**County**"), in connection with the issuance on the date hereof of the Bonds (as defined in the Tax Certificate to which this certificate is attached (the "**Tax Certificate**")) to Brown & Wood LLP in its capacity as Bond Counsel, for purposes of rendering its opinion as to the exclusion from gross income of interest on the Bonds for federal income tax purposes. Unless otherwise defined, all capitalized terms used herein shall have the same meaning as in the Tax Certificate.

A portion of the proceeds derived from the sale of the Bonds will be applied to reimburse the General Fund of the Issuer (the "**General Fund**") for architectural, engineering, soil testing and similar costs paid from the General Fund in connection with the Projects prior to the date hereof (the "**Preliminary Expenditures**"). A portion of the proceeds derived from the sale of the Bonds will be applied to reimburse the General Fund for other costs paid in connection with the Projects no earlier than the dates (the "**Approval Dates**") on which the various elections described in the Resolution (the "**Elections**") were held and the issuance of bonds to finance the various purposes described therein was approved by the voters of the County (the "**Reimbursement Expenditures**"). I, or individuals under my direction, have made such examination and investigation as is necessary to make the certifications herein and to certify to the accuracy of the information set forth below.

Based on the foregoing investigation and examination, **I HEREBY CERTIFY AS FOLLOWS**:

1. Preliminary Expenditures. No more than 20% of the proceeds of the Bonds will be applied to reimburse the Issuer for the Preliminary Expenditures.

2. Official Intent.

(a) Declaration of Intent. The Elections were held after the Board of Supervisors of the County passed resolutions requesting the Circuit Court of Fairfax County, Virginia to order elections on the question of issuing bonds of the County to finance the Projects (the "**Resolutions**"). When the Issuer passed these Resolutions, the Issuer declared its intent to reimburse itself, subject to voter approval, with the proceeds of a bond issue for the costs paid in connection with the Projects from other funds of the Issuer. The Reimbursement Expenditures were paid no earlier than sixty (60) days prior to the Approval Dates. The Resolutions set forth a general description of the projects for which the Reimbursement Expenditures were paid and states the maximum principal amount of obligations to be issued to finance such projects. The Issuer has not taken any action at any time after the expression of such intent that would contradict its expectation that it would reimburse the Reimbursement Expenditures with the proceeds of a borrowing.

(b) Reasonableness of Intent. At the time the Resolutions were adopted, the Issuer reasonably expected to reimburse the Reimbursement Expenditures with the proceeds of a borrowing. The Issuer does not have a pattern of failing to reimburse expenditures for which an intention to reimburse such expenditures was declared and which were actually paid by the Issuer other than in circumstances that were unexpected or beyond the control of the Issuer. At the time that the Resolutions were adopted, no funds of the Issuer or any entity that is part of the controlled group of entities of which the Issuer is a part (the **"Controlled Group"** as further defined below) existed that were, or were reasonably expected to be, allocated on a long term basis, reserved, or otherwise set aside by the Issuer or any other member of the Controlled Group pursuant to their budget or financial policies with respect to the Reimbursement Expenditures.

3. Reimbursement Period Requirement. The Issuer shall apply proceeds of the Bonds to reimburse itself for the Reimbursement Expenditures not later than eighteen (18) months after the later of (a) the date that each such Reimbursement Expenditure was paid, and (b) the date on which the project financed with such Reimbursement Expenditure was placed in service, provided that in no event will any of the proceeds derived from the sale of the Bonds be applied to reimburse a Reimbursement Expenditure more than three (3) years after the date such Reimbursement Expenditure was paid.

4. Reimbursable Expenditures. The Preliminary Expenditures and the Reimbursement Expenditures were each a cost of a type that was properly chargeable to a capital account (or would be so chargeable with a proper election) under general federal income tax principles applicable at the time the Preliminary Expenditure or Reimbursement Expenditure was paid.

5. Anti-Abuse Rules. None of the proceeds of the Bonds that will be used to reimburse the Issuer for the Preliminary Expenditures or the Reimbursement Expenditures will be used directly or indirectly within one year of the date of reimbursement in a manner that results in the creation of "replacement proceeds" within the meaning of Treasury Regulation Section 1.148-1(c) for the Bonds or another issue of obligations, other than amounts deposited into a bona fide debt service fund, as defined in Treasury Regulation Section 1.148-1(b).

For purposes of this certificate, a "**Controlled Group**" means a group of entities that are controlled directly or indirectly by the same entity or group of entities. The determination of whether an entity is controlled by another entity is based on all of the relevant facts and circumstances. One entity generally controls another entity or group of entities if the controlling entity possesses either of the following rights or powers and the rights or powers are discretionary and non-ministerial: (a) the right or power both to approve and to remove without cause a controlling portion of the governing body of another entity; or (ii) the right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity. The controlling entity is also deemed to control all entities that are directly or indirectly controlled by a controlled entity.

I understand that in rendering your opinion, you intend to rely on the contents of this certificate.

I hereby certify that to the best of my knowledge and belief that the statements and representations contained herein are true and correct; and that they fairly present the matters covered thereby.

By: Edward L. Long, Jr.
Edward L. Long, Jr.
Chief Financial Officer

Dated: December 13, 2000.

NYLIB1/771346/1

EXHIBIT B

$52,250,000
Fairfax County, Virginia
Public Improvement Bonds
Series 2000B

ISSUE PRICE CERTIFICATE

This Certificate is furnished by PaineWebber Incorporated, as representative (the **"Representative"**) of the underwriters of the above-referenced Bonds (the **"Underwriters"**), to establish the initial offering price of the Bonds for purposes of determining the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the **"Code"**) and with respect to certain other matters.

The undersigned DOES HEREBY CERTIFY as follows:

A. Issue Price

1. It reasonably expected on December 6, 2000, which is the date on which the bid of the Underwriters to purchase the Bonds was accepted (the **"Sale Date"**) by the County of Fairfax, Virginia (the **"Issuer"**), that the Bonds would be sold to the general public at the initial offering prices set forth on Schedule A attached hereto (each an **"Initial Public Offering Price"**).

2. The Underwriters have made a bona fide offering of all of the Bonds to the General Public at prices not in excess of their Initial Public Offering Prices, plus accrued interest.

3. The Underwriters first sold for cash at least 10% of the aggregate principal amount of each maturity of the Bonds to the General Public at prices not in excess of their Initial Public Offering Prices, plus accrued interest.

4. The Initial Public Offering Price for each maturity of the Bonds is not more than the fair market value of such maturity as of the Sale Date.

5. For purposes of this certificate, the term "**General Public**" means the general public of investors who are purchasing for their own account as ultimate purchasers and does not include bond houses, brokers and similar persons acting in the capacity of underwriters or wholesalers.

The undersigned understands that the foregoing information will be relied upon by the Issuer for the purposes of making certain of the representations contained in the Tax Certificate dated as of the date hereof, executed by the Issuer in connection with the issuance of the Bonds and will be relied upon by Brown & Wood LLP in rendering its opinion that interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes.

Dated: December 13, 2000.

PAINEWEBBER INCORPORATED

By: _____ CVP

Name: MICHAEL PELLINARO

Title: CORPORATE VICE PRESIDENT

NYLIB1/771346/1

Schedule A to Issue Price Certificate

Maturity Date	Principal Amount	Interest Rate(%)	Price (% of Par)
12/01/01	$ 2,615,000	5.750	101.404
12/01/02	$ 2,615,000	5.750	102.628
12/01/03	$ 2,615,000	5.000	102.012
12/01/04	$ 2,615,000	4.250	99.745
12/01/05	$ 2,615,000	5.000	102.873
12/01/06	$ 2,615,000	5.000	103.222
12/01/07	$ 2,615,000	4.375	99.731
12/01/08	$ 2,615,000	4.750	101.925
12/01/09	$ 2,615,000	4.500	99.852
12/01/10	$ 2,615,000	4.500	99.443
12/01/11	$ 2,610,000	4.625	99.615
12/01/12	$ 2,610,000	4.750	99.817
12/01/13	$ 2,610,000	4.750	98.854
12/01/14	$ 2,610,000	5.000	100.465
12/01/15	$ 2,610,000	5.000	100.000
12/01/16	$ 2,610,000	5.000	99.454
12/01/17	$ 2,610,000	5.000	98.871
12/01/18	$ 2,610,000	5.000	98.253
12/01/19	$ 2,610,000	5.100	98.801
12/01/20	$ 2,610,000	5.125	98.828
	$ 52,250,000		

EXHIBIT C

CERTIFICATE OF SCOTT & STRINGFELLOW, INC. d/b/a BB&T CAPITAL MARKETS

This certificate is furnished by Scott & Stringfellow, Inc. d/b/a BB&T Capital Markets, as the financial advisor (the **"Financial Advisor"**) to the County of Fairfax, Virginia (the **"Issuer"**), with respect to the issuance of the Issuer's $52,250,000 aggregate principal amount of Public Improvement, Series 2000B (the **"Bonds"**) for purposes of determining the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the **"Code"**), the yield on the Bonds, and with respect to certain other matters. Capitalized terms used and not defied herein are as defined in the Tax Certificate to which this certification attached as Exhibit C (the **"Tax Certificate"**).

The undersigned DOES HEREBY CERTIFY as follows:

1. No portion of the obligations comprising the Bonds that are subject to optional redemption has an issue price that exceeds the stated redemption price at maturity thereof by more than one-fourth of one percentage point (0.25%) multiplied by the product of the state redemption price at maturity of such Bonds and the number of complete years to the first optional redemption date for such Bonds (or 102%).

2. Based on the definition of yield set forth in Section 8 of Part C of the Tax Certificate, the semi-annually compounded yield on the Bonds is not less than 4.8416204%. For purposes of this computation, it is assumed that the Bonds were delivered on December 13, 2000 at an issue price of $52,401,839.05 plus Accrued Interest of $85,537.21.

The undersigned recognizes that the representations set forth above will be relied upon by the Issuer in making certain of the representations set forth in the Tax Certificate and by Brown & Wood LLP, Bond Counsel, in rendering its opinion that the interest on the Bonds is not includable in the gross income of the owners thereof for federal income tax purposes.

Dated: December 13, 2000.

SCOTT & STRINGFELLOW, INC. d/b/a/ BB&T CAPITAL MARKETS

By:_____

Name: John J. Conrad
Title: Vice President

NYLIB1/771346/1

EXHIBIT D

CERTIFICATE OF THE SCHOOL BOARD OF THE COUNTY OF FAIRFAX, VIRGINA

This certificate is provided to the County of Fairfax, Virginia (the **"County"**) by the School Board of the County of Fairfax, Virginia (the **"School Board"**) in connection with the issuance by the County of its $52,250,000 Public Improvement Bonds, Series 2000B (the **"Bonds"**) the proceeds of which will be used to provide funds to finance the cost of constructing, furnishing, acquiring and equipping school improvements (the **"School Projects"**) and parks and park facilities (collectively with the School Projects, the **"Projects"**).

The School Board recognizes that some of the representations made by the County in its Tax Certificate dated December 13, 2000 and executed in connection with the issuance of the Bonds (the **"Tax Certificate"**) must be based on the representations and certifications of the School Board and that the exclusion from gross income of the interest on the Bonds for federal income tax purposes depends, in part, on the use of proceeds of the Bonds.

Accordingly, the School Board certifies that it has reviewed the representations set forth in Section 1 of Part B of the Tax Certificate to which this certificate is attached regarding the use of proceeds of the Bonds and the Projects and that such representations, to the extent they relate to the School Projects, are true and correct, except as follows: (i) with respect to paragraph (d) **("Definition of Private Use")**, in the second paragraph, fourth line, after **("General Public Use")**, there shall be deemed to be inserted "or other than as is excepted as private use by U.S. Treasury Regulations," and (ii) with respect to paragraph (e) **("Management and Service Contracts")**, the references to Revenue Procedure 97-13 shall be deemed to include "or other applicable law." Furthermore, such provisions are hereby incorporated by reference in this certificate and shall be treated as representations made by the School Board with respect to the School Projects as if set forth herein. The School Board shall not take any action that is inconsistent with such representations.

The School Board further covenants that:

(a) it shall not sell or otherwise dispose of the School Projects prior to the final maturity date of the Bonds of December 1, 2020, except as shall be permitted in the opinion of an attorney or firm of attorneys, acceptable to the County, nationally recognized as experienced with respect to matters pertaining to the exclusion of interest on obligations of States and political subdivisions from gross income for federal income tax purposes; and

(b) it shall not knowingly take any action which will, or fail to take any action which failure will, cause the interest on the Bonds to become includable in the gross income of the owners of the Bonds for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended (the **"Code"**), and the regulations promulgated thereunder in effect on the date of original issuance of the Bonds and for purposes of assuring compliance with Section 141 of the Code.

SCHOOL BOARD OF THE COUNTY OF FAIRFAX, VIRGINIA

Name: Robert E. Fyre
Title: Chairman

Date: December 13, 2000.

NYLIB1/771346/1/18610/00054/salval

EXHIBIT E

FORM 8038-G

(Please see item number 19 of this transcript)

Form **8038-G**
(Rev. May 1999)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

➢ Under Internal Revenue Code section 149(e)
➢ See separate instructions.
Caution: *Use Form 8038-GC if the issue price is under $100,000*

OMB No. 1545-0720

Part I Reporting Authority

If **Amended Return,** check here ▶ ☐

1 Issuer's name Fairfax County, Virginia		2 Issuer's employer identification number 54-0787833	
3 Number and street (or P.O. box if mail is not delivered to street address) 12000 Government Center Parkway	Room/suite N/A	4 Report number G2000 - 14	
5 City, town, or post office, state, and ZIP code Fairfax, Virginia 22035		6 Date of issue 12/13/2000	
7 Name of issue $52,250,000 Public Improvement Bonds, Series 2000B		8 CUSIP number 303820YZ1	
9 Name and title of officer or legal representative whom the IRS may call for more information Robert L. Mears, Director of the Department of Finance		10 Telephone number of officer or legal representative (703) 324-3120	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11	☐ Education	11	
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☐ Public Safety	14	
15	☐ Environment (including sewage bonds)	15	
16	☐ Housing	16	
17	☐ Utilities	17	
18	☒ Other. Describe ➢ Various Municipal and School Improvements, Equipment Acquisition	18	$52,401,839.05
19	If obligations are TANs or RANs, check box ➢ ☐ If obligations are BANs, check box ➢ ☐		
20	If obligations are in the form of a lease or installment sale, check box ➢ ☐		

Part III Description of Obligations. (Complete for the entire issue for which this form is being filed.)

	(a) Final Maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average Maturity	(e) Yield
21	12/01/2020	$52,401,839.05	$52,250,000.00	10.404 years	4.8416%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	$85,537.21
23	Issue price of entire issue (enter amount from line 21, column (b))			23	$52,401,839.05
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	$128,535.00		
25	Proceeds used for credit enhancement	25	$0.00		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	$0.00		
27	Proceeds used to currently refund prior issue	27	$0.00		
28	Proceeds used to advance refund prior issue	28	$0.00		
29	Total (add lines 24 through 28)			29	$128,535.00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	$52,273,304.05

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.) N/A

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ➢	N/A
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ➢	N/A
33	Enter the last date on which the refunded bonds will be called ➢	N/A
34	Enter the date(s) the refunded bonds were issued ➢ N/A	

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	N/A
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	N/A
b	Enter the final maturity date of the guaranteed investment contract ➢ N/A		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	N/A
b	If this issue is a loan made from the proceeds of another tax-exempt issue, check box ➢ ☐ and enter the name of the issuer ➢ N/A and the date of the issue ➢ N/A		
38	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ➢ ☐		
39	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ➢ ☐		
40	If the issuer has identified a hedge, check box ➢ ☐		

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Please Sign Here

➢ [signature] December 13, 2000 ➢ Robert L. Mears, Director of the Department of Finance

Signature of issuer's authorized representative — Date — Type or print name and title

For Paperwork Reduction Act Notice, see page 2 of the instructions.

PIA

Cat. No. 63773S Form **8038-G** (Rev. 5-99)

BROWN & WOOD LLP

ONE WORLD TRADE CENTER
NEW YORK, NY 10048-0557
TELEPHONE: 212-839-5300
FACSIMILE: 212-839-5599

ACKNOWLEDGEMENT COPY

December 18, 2000

CERTIFIED MAIL: Return Receipt Requested
Attn: 8038 Registration Department
Internal Revenue Service Center
Ogden, UT 84201

Ladies & Gentlemen:

Enclosed please find the Form 8038-G for the following issue:

$52,250,000
Fairfax County, Virginia
Public Improvement Bonds, Series 2000B

Please acknowledge receipt of the enclosed items by stamping the acknowledgement copy of this letter and returning it to me in the enclosed, stamped, self-addressed envelope.

If you have any questions, please do not hesitate to call me at (212) 839-5670.

Very truly yours,

Allison V. Bernard

Allison V. Bernard
Legal Assistant

RECEIVED
DEC 21 2000
OGDEN, UT

Enclosure:
US Postal Service
Receipt for Certified Mail: 7099 3220 0003 8387 6298

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AFFILIATED WITH BROWN & WOOD, A MULTINATIONAL PARTNERSHIP WITH OFFICES IN LONDON AND HONG KONG

BROWN & WOOD LLP

ONE WORLD TRADE CENTER
NEW YORK, NY 10048-0557
TELEPHONE: 212-839-5300
FACSIMILE: 212-839-5599

December 13, 2000

Board of Supervisors
of Fairfax County, Virginia
Fairfax, Virginia

We have examined certified copies of the legal proceedings, including the election proceedings and other proofs submitted, relative to the issuance and sale of

$52,250,000
Fairfax County, Virginia
Public Improvement Bonds
Series 2000 B

The bonds are dated December 1, 2000, mature in annual installments on December 1 in each of the years 2001 to 2020, inclusive, bear interest payable semiannually on the 1st days of June and December in each year, commencing June 1, 2001, and are subject to redemption prior to their respective maturities in the manner and upon the terms and conditions set forth in the resolution authorizing the issuance of the bonds adopted by the Board of Supervisors of Fairfax County on November 20, 2000.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the bonds pursuant to the Constitution and laws of Virginia, and that the bonds constitute valid and binding general obligations of Fairfax County, Virginia, for the payment of which the full faith and credit of said County are pledged, and all taxable property in the County is subject to the levy of an ad valorem tax, without limitation as to rate or amount, for the payment of the bonds and the interest thereon, which tax shall be in addition to all other taxes authorized to be levied in said County to the extent other funds of said County are not lawfully available and appropriated for such purpose.

We are further of the opinion that, except as provided in the following sentence, interest on the bonds is not includable in the gross income of the owners of the bonds for purposes of Federal income taxation based on existing law. Interest on the bonds will be includable in the gross income of the owners thereof retroactive to the date of issue of the bonds in the event of a failure by the County or the school board of the County to comply with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and covenants regarding use, expenditure and investment of bond proceeds and the timely payment of certain investment earnings to the United States Treasury; and we render no opinion as to the exclusion from gross income of the interest on the bonds for Federal income tax purposes on or after the date on which any action is taken affecting such covenants upon the approval of counsel other than ourselves. Interest on the bonds is not a specific preference item for purposes of the Federal individual or corporate alternative minimum tax.

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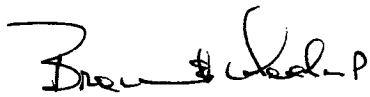
The Code contains other provisions that could result in tax consequences, as to which we render no opinion, as a result of ownership of bonds or the inclusion in certain computations (including, without limitation, those related to the corporate alternative minimum tax) of interest that is excluded from gross income.

Respectfully submitted,



BROWN & WOOD LLP

ONE WORLD TRADE CENTER
NEW YORK, NY 10048-0557
TELEPHONE: 212-839-5300
FACSIMILE: 212-839-5599

December 13, 2000

Board of Supervisors of
Fairfax County, Virginia
Fairfax, Virginia

PaineWebber Incorporated
New York, New York

Re: $52,250,000 Fairfax County, Virginia
Public Improvement Bonds, Series 2000 B

In connection with the issuance by Fairfax County, Virginia (the "County") on the date hereof of its $52,250,000 Public Improvement Bonds, Series 2000 B, dated December 1, 2000 (the "Bonds"), we have examined the Federal income tax treatment of the amount of the original issue discount reflected in the initial public offering price of the Bonds.

We have examined such proofs as we deemed necessary as a basis for the following opinion.

From such examination, we are of the opinion that the excess, if any, of the amount payable at maturity of a maturity of the Bonds over the initial offering price of such Bonds to the public (excluding bond houses and brokers or similar persons acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such maturity is sold constitutes original issue discount. Original issue discount accruing pursuant to the constant yield method based on the compounding of interest will be excludable from gross income for Federal income tax purposes to the same extent as interest on the Bonds, as stated in our opinion dated the date hereof with respect to the Bonds. The Internal Revenue Code further provides that a holder's adjusted basis in such Bonds will be increased by the amount of such accruing original issue discount for purposes of determining such holder's gain or loss on disposition of such Bonds.

Respectfully submitted,

Brown & Wood LLP

NYLIB1/773932

Date: June 21, 1995

The Depository Trust Company
Mr. Vincent A. Mauro
Vice President
55 Water Street-19th Floor
New York, NY 10041

Dear Mr. Mauro:

Re: *Operational Arrangements Letter of Representations*

From time to time, this organization may be appointed as a trustee, paying agent, transfer agent, or an agent in some other capacity for securities issues that DTC will be requested to make eligible for its services. The undersigned confirms that when this organization acts in one of these capacities for any such issues, it hereby represents that, to the extent within its control, it will comply with the requirements stated in the DTC *Operational Arrangements* memorandum dated December 12, 1994, as they may be amended from time to time.

Office of Finance, Fairfax County, Virginia
(Name of Organization)

Susan S. Planchon
(Authorized Officer's Signature)

Susan S. Planchon
(Please Print Name)

Director of Finance
(Title)

Blanket Issuer Letter of Representations

[To be Completed by Issuer]

Fairfax County, Virginia
[Name of Issuer]

June 21, 1995
[Date]

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street; 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

Fairfax County, Virginia
(Issuer)

By: Edward L. Long
(Authorized Officer's Signature)

Edward L. Long
Director, Office of Management and Budget
Fairfax County, Virginia
12000 Government Center Parkway
Suite 561
Fairfax, Virginia 22035-0074

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: James McFreeney

The Depository Trust Company
55 Water Street
New York, New York 10041

Attention : Underwriting Packaging Department
Phone : (212) 855-8820 or 8821
Telecopy : (212) 855-8703 or 8707

SUBJECT TO COUNT AND EXAMINATION

SAFEKEEPING AGREEMENT

Ref: (Description of issue, number of certificates, number of CUSIP's assigned to issue and $ value of securities)

COMMONWEALTH of VIRGINIA FAIRFAX CTY, PUBLIC IMPROVEMENT Bd. SERIES 2000R-R-1-R2C

CUSIP # 303 820 YE8-YZ1 **$ VALUE** 52,250,000

The Depository Trust Company (DTC) acknowledges receipt from BROWN & COOD (the trustee , transfer agent , underwriter or other agent of the issuer , hereafter referred to as the "Agent") of possession, custody and control of the above securities for safekeeping. DTC is authorized to hold these securities in safekeeping until DTC is instructed by telephone or in writing by one of the below designated representatives of the Agent either to : (1) deliver the securities by book-entry to the DTC account of the lead underwriter (or to the DTC account of its clearing agent) or (2) return the said securities to the Agent.

In the event DTC is instructed to return said securities, DTC shall return the securities to the Agent as soon as practicable, but , in any event , no later than the DTC business day following the day such instruction is received.

DTC shall hold the Agent, its officers and employees, harmless from any liability , loss , damage , and reasonable expense of any kind in connection with any loss , damage , theft or destruction of any kind of said securities while they are in the possession , custody or control of DTC , its officers or employees or in the event securities are released from the control of DTC without the specific approval of the Agent pursuant to this Safekeeping Agreement.

2000 DEC 11 11:57

THE AGENT	The Depository Trust Company
By:	By: D Kerman
Title :	Title : ~~Ass~~ Sup
Date :	Date : 12-11-00

Authorized Representative of Trustee/Agent

PRINT NAME	ORGANIZATION	TELEPHONE NO.
		( )
		( )
		( )

DTC accepts authorization of closings on the phone numbers listed below:

(212) 855-3752 (212) 855-3753
(212) 855-3755 (212) 855-3754

10656 (1/2000)

Distribution: White – Presenter Canary – Interface Pink – Packaging

CERTIFICATE OF SUCCESSFUL BIDDER

PaineWebber Incorporated, as representative and on behalf of itself and the others of the successful bidders ("underwriters") for **$52,250,000 Fairfax County, Virginia, Public Improvement Bonds, Series 2000 B** (the "Bonds"), **HEREBY CERTIFIES**, in accordance with the terms of the Notice of Sale relating to such Bonds:

1. The Official Statement, dated December 6, 2000 relating to the Bonds (the "Official Statement") includes the initial offering prices or yields for the Bonds that we furnished to the County for inclusion in the Official Statement.

2. We acknowledge receipt of the Official Statement in the quantities we requested.

3. We have delivered a copy of the Official Statement to each nationally recognized municipal securities information repository registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

4. We acknowledge that the County expects us and the other underwriters to deliver copies of the Official Statement to those persons to whom we initially sell the Bonds. The Bonds will only be offered pursuant to the Official Statement and only in states where the offer is legal.

5. We acknowledge receipt through the facilities of The Depository Trust Company of the Bonds in the aggregate principal amount of $52,250,000, bearing interest and maturing as described in the Official Statement.

December 13, 2000

PAINEWEBBER INCORPORATED

By: Michael Brown AVP

Name: Michael Brown

Title: Corporate Vice President