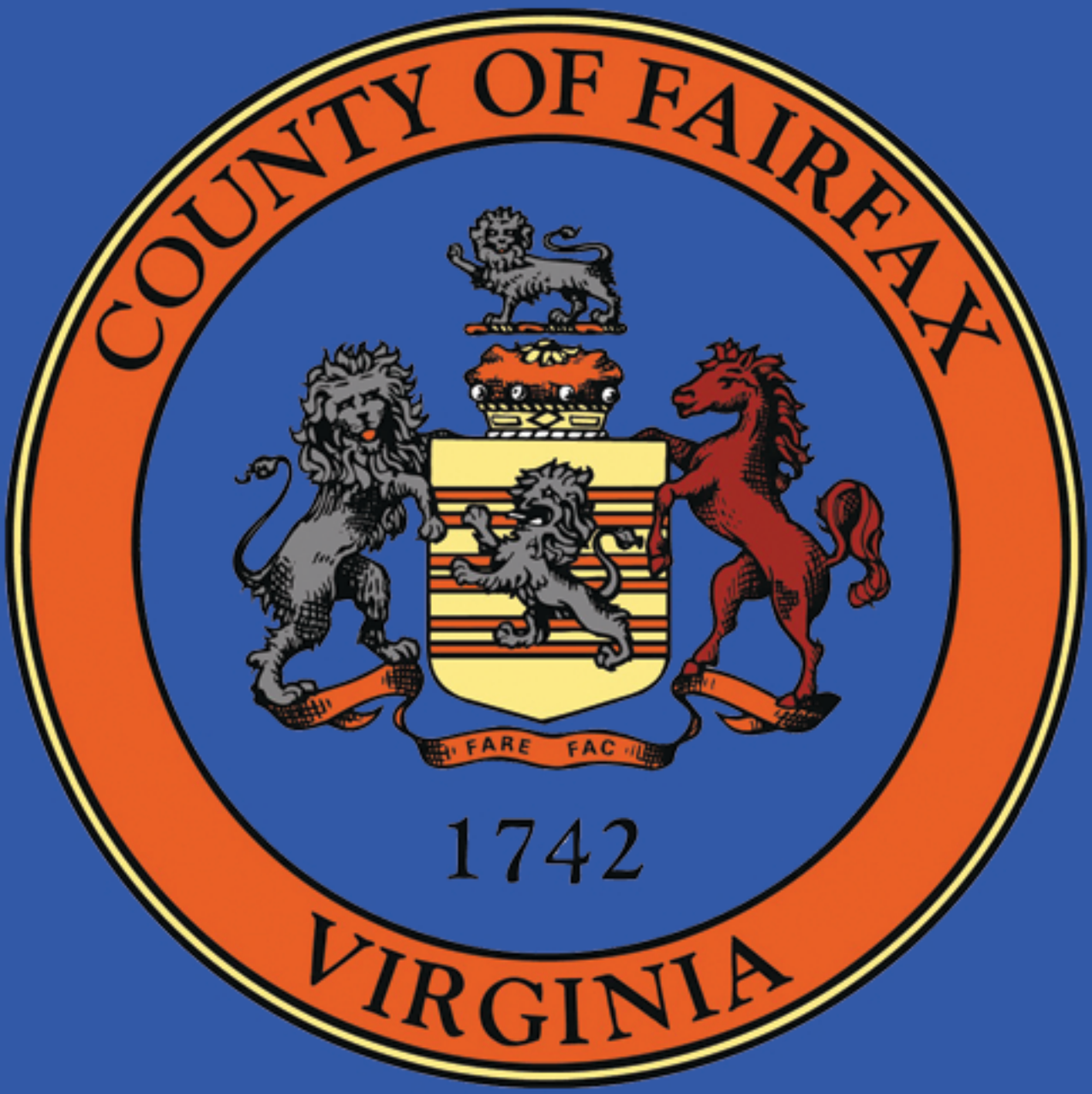
County of Fairfax, Virginia

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011



Stability Driving Change

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

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COUNTY OF FAIRFAX
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County of Fairfax, Virginia
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011

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Introductory Section

The Introductory Section contains the letter of transmittal, which provides an overview of the County of Fairfax's finances, economic prospects, and achievements. Also, included in this section is the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association. It is the highest form of recognition in governmental financial reporting.

County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

November 15, 2011

Honorable Chairman, Members of the Board, and Residents of the County of Fairfax:

We are pleased to submit to you the Comprehensive Annual Financial Report of the County of Fairfax, Virginia (the County) for the fiscal year ended June 30, 2011, in accordance with the *Code of Virginia.* The financial statements included in this report conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the County. Extensive disclosures have been included to enable the reader to gain the maximum understanding of the County's financial affairs.

All the financial activities of the reporting entity are included within this report. As used here, the reporting entity comprises the primary government (County of Fairfax, as legally defined) and its component units. Under GASB pronouncements, component units are legally separate entities for which the primary government is financially accountable. The component units of the County include both blended component units and discretely presented component units. Blended component units, although legally separate entities, are in substance part of the primary government's operations and are included as part of the primary government. Accordingly, the Solid Waste Authority of Fairfax County, the Small District One, the Small District Five and the Mosaic Community Development Authority are reported as part of the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, changes in financial position, and cash flows from those of the primary government. The Fairfax County Public Schools, the Fairfax County Redevelopment and Housing Authority, the Fairfax County Park Authority, and the Fairfax County Economic Development Authority are reported as discretely presented component units. For additional information regarding the basic financial statements and the County's financial position, please refer to Management's Discussion and Analysis.

Governmental Structure

The County is located in the northeastern corner of Virginia and encompasses an area of 407 square miles, including land and water. The County is part of the Washington, D.C. metropolitan area, which includes jurisdictions in Maryland, Northern Virginia, and the District of Columbia.

The 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 sets policy for the administration of the County. The Board of Supervisors comprises ten members: a 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 each 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.

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Cities and counties in Virginia are discrete units of government that under Virginia law may not be overlapping districts. Fairfax County surrounds the City of Fairfax and is adjacent to the City of Falls Church and the City of Alexandria. Properties within these cities are 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 these cities' residents pursuant to intermunicipal agreements.

The incorporated towns of Clifton, Herndon, and Vienna are underlying units of government within the County. The ordinances and regulations of the County, with certain limitations prescribed by state law, are in effect. Properties in these towns are subject to County taxation, and the County provides certain services to their residents. These towns may incur general obligation bonded indebtedness without the approval of the County.

Economic Condition and Outlook

Local Economy

The Washington area economy is experiencing a stronger pattern of recovery than seen at the national level. This performance pattern is evident in the latest Case-Shiller home price index for the nation, which in August 2011 posted a 3.8 percent drop from a year earlier. In the same period, the Washington Metropolitan Area was one of only two markets in the nation to show a year-over-year gain.

The Northern Virginia area's labor market indicators remain among the strongest in the nation. While the nation's unemployment rate remains significantly elevated at 9.1 percent in August 2011 and the economy has struggled to add new jobs, the Northern Virginia area has experienced continuing job growth since March 2010. The Northern Virginia unemployment rate in August 2011 was 4.7 percent, down from a peak of 5.7 percent in January 2010.

Other economic indicators also show a stronger recovery in Fairfax. Consumer spending and the housing market are key to the economy's re-acceleration. In fiscal year 2011, sales tax receipts from retail sales in Fairfax County increased 3.5 percent, following two consecutive years of declines, and this positive trend is expected to continue in fiscal year 2012. The stabilization in the region's resale housing market has continued into 2011. Based on real estate data from the Metropolitan Regional Information System for September 2011, the average home sales price in Fairfax County is up by 9 percent over the same period last year. The average days on the market during 2011 are in-line with the time it took to sell a home in 2006 prior to the housing downturn.

Economic Development

Economic development promotes a vibrant and diversified economy and business community, which also increases the commercial tax base. Economic development activities of the County are carried out through the Fairfax County Economic Development Authority (EDA), whose commissioners are appointed by the Board of Supervisors. The EDA mission is, "To foster and promote the governmental, social, educational and environmental infrastructure that will make Fairfax County a world-class twenty-first century business center and the global capital of the knowledge industry." 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 to assist in resolving County-related issues. In fical year 2011, the EDA worked with 145 companies that will add approximately 5,000 jobs to Fairfax County's primary economy. Well-known companies, such as Northrop Grumman, Volkswagen Group of America, and KPMG relocated or expanded in Fairfax County, along with dozens of other U.S., foreign-owned, and small and minority-owned businesses.

The total inventory of office space in the County was more than 113 million square feet at the end of calendar year 2010, making Fairfax County the largest suburban office market in the nation. It is also the largest office market in the Commonwealth of Virginia. Industrial/flex inventory in the County is estimated at 38.9 million

square feet. In 2010, the vacancy rates (including sublet space) for the office market and industrial/flex markets were 15.3% and 14.0%, respectively.

To promote Fairfax County as the place to locate for a United States presence, the EDA has offices in Bangalore, India; Tel Aviv, Israel; London, England; Frankfurt, Germany; and Seoul, South Korea. A strong foreign-owned business sector helps diversify the County's economy and enhance opportunities for trade. In 2010, the EDA assisted 43 foreign-owned businesses with their decision to locate or expand in Fairfax County. More than 360 foreign-owned firms are doing business in the County.

Employment

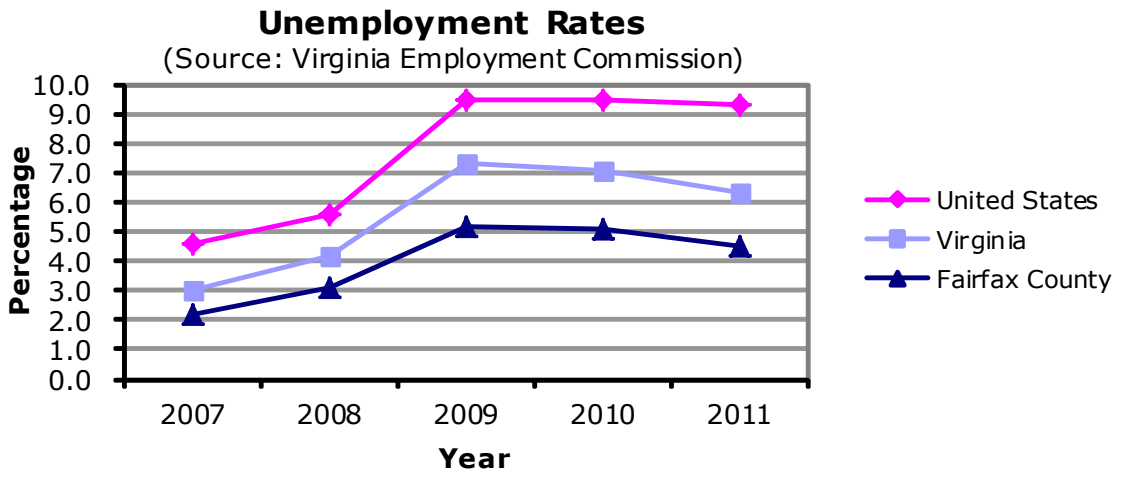
Approximately 34,000 payroll businesses, including corporate and regional headquarters, information technology firms, sales and marketing offices, and business services are located in Fairfax County. Local businesses create employment in such diverse areas as computer software development and systems integration; telecommunications; Internet-related services; wholesale and retail trade; defense and homeland security; and financial services. A very high proportion of local jobs are in high-wage, highly skilled technical, professional, scientific, and managerial service occupations.

Fairfax County companies annually appear on a number of prestigious regional and national "best of business" lists in an array of categories, reflecting the diversity and strength of Fairfax County's vibrant business community. The *Washington Business Journal* included twenty-four Fairfax County companies on its list of the 50 largest technology employers in the Washington area, and thirteen of the twenty-five largest telecommunication firms in the region are headquartered in Fairfax County. Twenty Fairfax County firms made the Deloitte & Touché Technology Fast 500 list. *Inc.* magazine's list of the 500 fastest growing companies in the United States includes twenty-six Fairfax companies. That is the most for any county, when compared to cities, is only behind New York. Only five states can claim a higher number.

The County hosts a large and lively mix of technology-driven enterprises that deliver a wide spectrum of high-end services and solutions to government, industry, and consumer markets worldwide. Over 6,700 technology establishments directly employ more than 144,000 people – one in four jobs countywide. Technology firms specialize in aerospace, biotech/biomedical, energy environment, engineering/R&D, enterprise software, systems integration, technology consulting, and telecommunications. More than twenty of these firms have corporate headquarters in Fairfax County.

The County has become a job magnet since 1990 as outsourced federal government work fuels the growth of private-sector companies, especially those that do work for the departments of Defense and Homeland Security. The County's proximity to Washington Dulles International Airport also has boosted economic development. While the County job market includes a number of large and well-known employers, it also has appeal for the entrepreneur. Ninety-seven percent of the companies are small businesses with fewer than 100 employees.

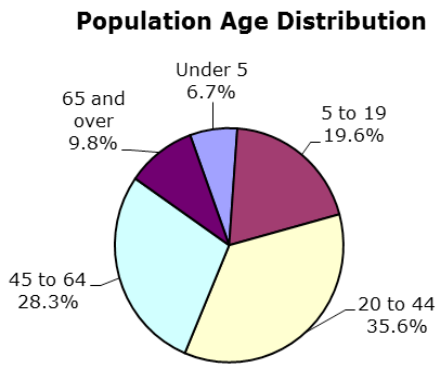
The graph on the following page shows unemployment rate information for the past five years with Fairfax County being consistently below the national and state averages for unemployment rates, primarily due to job growth in the areas of information technology, biotechnology and homeland security.

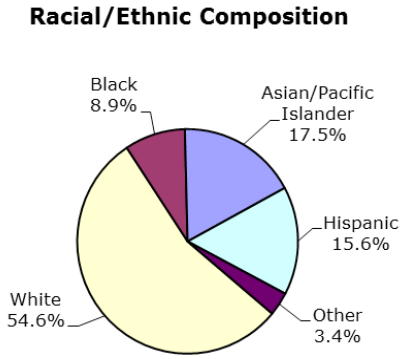


Demographic Information

Based upon U.S. Census Bureau data for 2010, the County's population was 1,081,726. In 1980, Fairfax County was the third most populous jurisdiction in the Washington, D.C. metropolitan area, as defined by the U.S. Census Bureau, with a population of 596,900. Since 1990, Fairfax County, has been the most populous jurisdiction in the metropolitan region. The population of Fairfax is anticipated to grow to 1.2 million people by the year 2025.

As illustrated below, the composition of the County's population is quite diverse. In 2010, approximately 38.1 percent of the population was 45 years of age or older, while about 26.3 percent of the population was under 19 years old. Over 45 percent of the County's population consisted of ethnic minorities, and more than 38 percent of all County residents speak a language other than English at home.





Source: U.S. Census Bureau, 2010 American Community Survey

As reported in the American Community Survey, Fairfax County had an annual median household income of $103,010 in 2010, compared to $60,674 in the Commonwealth of Virginia and $50,046 in the United States.

Public Schools

Fairfax County Public Schools (FCPS), with a student population of 175,296 in June 2010, is the largest educational system in the Commonwealth of Virginia. The School Board is composed of nine magisterial (election) district representatives plus three at-large members; each member serves a four-year term. A student representative, selected for a one-year term, participates in discussions but does not vote. The operating costs of FCPS are funded primarily by payments from the General Fund of the County to FCPS; additional funds are provided by the federal government and the Commonwealth of Virginia. Capital funding for public school facilities is provided primarily by the sale of general obligation bonds by the County.

The mission of FCPS is to be a world-class school system, inspiring, enabling, and empowering students to meet high academic standards, lead ethical lives, and demonstrate responsible leadership. To those ends, FCPS focuses on excellence in the classroom, in the school, and in the management of its 196 schools and centers.

In the 2011 *U.S. News and World Report* ranking of America's Best High Schools, Thomas Jefferson High School for Science and Technology is ranked as the number one gold medal school in the nation. Langley High School was also named in the top 100 high schools while five additional FCPS schools achieved either silver or honorable mention status. Based on the 2011 Washington Post rankings, FCPS schools are in the top six percent of all American high schools as measured by their student participation in Advanced Placement or International Baccalauteate exams. Every eligible FCPS high school made the list.

Colleges and Universities

George Mason University (GMU) and Northern Virginia Community College (NVCC) are the two largest higher education institutions located in Fairfax County. For the 2010-2011 school year, GMU had an enrollment of over 32,500 students in 199 programs of study, including doctoral programs; NVCC enrollment exceeded 78,000 students offering over 160 associate degree or certificate programs of study on the six campuses in Northern Virginia.

Some of the other institutions of higher education located in Fairfax County include Averett University, DeVry University-the Keller Graduate School of Management, ITT Technical Institute, Marymount University, Strayer University, National-Louis University, and the University of Phoenix. The University of Virginia, and the Virginia Polytechnic Institute and State University, (the latter two located in the Northern Virginia Graduate Center) and the University of Virginia - Darden School of Business. American University, Catholic University, George Washington University, and Virginia Commonwealth University also operate programs in the County's secondary schools and on military installations within the County. These institutions aid business growth by providing workers and professionals with educations in a wide range of fields.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Stability Driving Change

The downturn in the global economy beginning in 2007 presents challenges throughout the nation, and Fairfax County is no exception. Though economists determined the recession ended prior to July 2009, the effects continue to be felt. The local economy shows signs of recovery and stability, a strong foundation for the County government to continue to provide residents with the services and quality neighborhoods they demand and deserve.

Often, the response to economic challenges or a stagnant economy is to make efforts to maintain the status quo or to cut services until the economic situation changes. The initiatives and accomplishments that follow are a sample of efforts that have succeeded, or continue to progress despite challenging economic circumstances. They are representative of the creative efforts being made to advance the strategic goals which will put the County in a better position tomorrow.

Development Initiatives

A long-term plan is to redevelop Tysons Corner into a residential and commercial center. The plan was designed to take advantage of the four new Metro stations coming to Tysons in 2013. By 2050, Tysons will be transformed into a walkable, green urban center, home to up to 100,000 residents and 200,000 jobs. Currently the area employs over 100,000 people with only 17,000 residents creating significant amounts of traffic as people commute to and from work. Tysons is envisioned as Fairfax County's "downtown," or a 24-hour urban center where people live, work and play. Three-quarters of future growth will be within a half mile of the Metro stations. Many offices and homes will be a three-to six-minute walk from the stations, allowing people to get around on foot, bicycle, bus or subway. The Tysons Plan received the 2011 Daniel Burnham Award from the American Planning Association. This prestigious award for advancing the science and art of planning is granted to only one urban plan in the nation each year.

The County created the Mosaic Community Development Authority (CDA), to facilitate the economic development of a thirty-one acre area in the Merrifield District. The facilities to be constructed by the CDA include public roads, parks, a parking facility and other infrastructure improvements. These improvements will facilitate the creation of an urban downtown area for the surrounding area. The plans include approximately 500,000 square feet of retail space, 114 townhomes, a theatre, and a 150 room hotel, as well as two acres of park and open space.

Transportation Improvements

The County recognizes the importance of transportation for residents who work in and around the County, especially given the trend of rapid population growth and urbanization of the County. The 2010 American Community Survey estimated the average travel time to work as 32.5 minutes for residents of the County. Approximately seventy-two percent of the County's household population drives alone to work, while ten percent use carpools, nearly nine percent use public transportation and nearly four percent walk, ride a bicycle, or use other means, while five percent work at home.

Several major state-supported initiatives have been advancing to improve transportation in the County. Collectively referred to as "Mega-Projects," they include:

The Dulles Rail Project is a 23-plus mile extension of the Metrorail system in the Dulles corridor, passing through the Tysons Corner area to Washington Dulles International Airport and beyond, to neighboring Loudoun County. A two-phase approach has been proposed due to federal funding constraints. The $64 billion estimated cost of Phase 1, which consists of rail through Tysons Corner to Wiehle Avenue in Reston, is to be partially funded -by the federal government (34 percent), with the remainder financed with Dulles Toll Road revenues (50 percent) and Fairfax County funds (16 percent). In February 2004, in response to a petition from landowners representing a majority of the commercial and industrial property along the Phase 1 rail lines, the Board approved the creation of a special tax district for commercial and industrial properties which will fund up to $400 million of the County's share of Phase 1 costs. Phase 1 construction began in 2009, the target date for completion of Phase 1 is December 2013, and the entire project is scheduled to be completed in the 2016 to 2017 timeframe.

The Woodrow Wilson Bridge (WWB) Project includes improvements to a 7.5-mile corridor beginning in Maryland and connecting to Virginia by a bridge over the Potomac River. This $2.4 billion multi-jurisdictional project consists of the replacement of the existing WWB and the upgrading of four interchanges to ease traffic congestion within the project area. Construction of the new bridge and the Route 1 interchange is complete, construction continues on the Telegraph Road interchange. The entire project is scheduled for completion in 2013.

The Capital Beltway High-Occupancy Toll (HOT) Lanes Project provides four additional HOT lanes. HOT lanes are tolled lanes that operate alongside existing highway lanes to provide users with a faster and more

reliable travel option. Buses, carpools (HOV-3), motorcycles and emergency vehicles will have free access to HOT lanes. Drivers of vehicles with fewer than three occupants can choose to pay to access the lanes. This project adds lanes to I-495 from Springfield to just north of the Dulles Toll Road. Construction along this 14-mile corridor includes widening, noise walls, stormwater management, and reconstruction of more than 50 bridges. The $1.65 billion project is approximately 70% complete. The project is on schedule for completion in December 2012.

The Fairfax County Parkway Extension Project is a two-mile roadway to meet projected increases in future traffic demands including over 19,000 new employees coming to Fort Belvoir by September 2011 as a result of the Base Realignment and Closure action. This fully funded project has been divided into four phases, two were completed in September 2010 and a third phase was completed during 2011. The parkway is scheduled for completion in July 2012, at which time the Fairfax County Parkway will extend from Leesburg Pike (Route 7) to Interstate I-95.

Technology Initiatives

The County's technology strategy is agile, enabling response to new challenges and economic conditions, continuing to build upon investments that provide government efficiencies and meeting growth and associated service demands. The strategy includes workforce mobility, which enhances productivity, system interoperability, business intelligence, and green computing. All these support the County's overall goals and vision elements of maintaining safe and caring communities, building livable spaces, connecting people and places, maintaining healthy economies, practicing environmental stewardship, creating a culture of engagement, and exercising corporate stewardship.

In fiscal year 2010, Fairfax County government and school system embarked on a multi-year joint initiative to modernize the portfolio of enterprise systems that support financial management, human resources, budget, procurement and related administrative applications under a single, integrated platform. A major investment, the project known as the Fairfax County Unified System Project, provides an opportunity to transform and streamline administrative functions and related technology operations. The first milestone was reached in November 2011, with the completion of Phase Ia, the implementation of SAP finance and logistics modules.

The County's e-Government program is the centerpiece of its nationally recognized technology services portfolio promoting round-the-clock online information and services for residents. The e-Government program is a multichannel solution that includes the County's award winning website, interactive voice response system, mobile access solutions, emergency alerts via text messaging, customer relationship management initiatives, and broadcast cable television. The County has also embraced social media in its e-Government program, utilizing podcasts, RSS newsfeeds, moderated discussion sessions, Newswire, YouTube, Facebook and MySpace as e-Government tools to reach extended audiences.

Fairfax County boasts a successful technology infrastructure, utilizing a centralized architecture and is a leader in innovative use of technology. In 2011, for the sixth year over the past ten years, the Center for Digital Government ranked the County's performance among the top five counties with populations over 500,000. The Center ranked the County's website number one, recognizing its advances in digital solutions; communication with residents, government communities and business; e-services; and incorporation of social media capabilities. More information about County IT initiatives can be found in the annual IT Plan, www.fairfaxcounty/gov/DIT/ITplan.

Environmental Stewardship

The County recognizes the importance of sound environmental stewardship. This commitment to the environment is evidenced by the awards the County has received and its initiatives. In June 2004, the County adopted a 20-year environmental vision plan as a blueprint for environmental protections. Specifically, the plan addresses six core areas for protecting and enhancing the environment, including growth and land use; air quality and transportation; water quality; solid waste; parks, trails, and open space; and environmental stewardship.

In October 2009, Fairfax County was awarded an Energy Efficiency and Conservation Block Grant (EECBG) of $9.6 million. The goals of the EECBG program, funded by the American Recovery and Reinvestment Act, include improving building and transportation energy efficiency and reducing both total energy use and fossil fuel emissions. To achieve the EECBG program goals, the County allocated these funds to projects in areas including information technology, capital improvements, transportation, and education and outreach.

One of the County's largest EECBG projects, completed in 2011, involved the consolidation and virtualization of County computer server equipment. The rapid growth in highly data-intensive service by Fairfax County government has led to dramatically expanded computing facilities and demand for electricity to power them. By using enterprise server hardware, virtualization, and new data center infrastructure management technology, the project will deliver improved computing performance while significantly reducing both power consumption and greenhouse gas emissions. These benefits are supplemented by avoided hardware and software costs, which are expected to save the County millions of dollars.

Several EECBG projects involve the installation of control software to automatically or remotely control lighting when a building or facility is not in use. Electronic lighting controls markedly reduce energy consumption, thereby producing corresponding energy savings and reductions in greenhouse gas emissions. Lighting control systems have been installed at more than 20 athletic fields and will be installed in three large government buildings and at numerous parks.

Several other EECBG projects involve the retrofitting of heating, ventilating, and air conditioning (HVAC) systems and/or energy management control systems in County community centers and schools. These projects afford significant energy savings potential because a commercial building's HVAC system is responsible for up to 40 percent of the building's total energy consumption. Each project will reduce the building's energy consumption for the duration of the equipment life, while improving system reliability and enhancing occupant comfort.

The EECBG award also funded transportation-related projects, including the expansion of the County's telework program and the purchase of electric and hybrid vehicles, and will fund an energy education and outreach program to assist County residents in identifying and implementing energy-saving home improvements.

Affordable Housing

In 2010, the Board of Supervisors endorsed a new affordable housing policy, known as the Housing Blueprint. The Blueprint represents a shift in emphasis for the County's affordable housing policies in response to the ongoing recession. Per the Board's direction, the Blueprint focuses on providing housing for those with the greatest need, including homeless families and individuals, persons with disabilities, and people with extremely low incomes. The Blueprint also emphasizes partnering with the County's nonprofit community to provide creative affordable housing solutions, the refocusing of existing resources, and fostering the development of workforce housing through land use policies and public/private partnerships. The Blueprint has four goals: to end homelessness in ten years, to provide affordable housing options to those with special needs, to reduce the waiting lists for affordable housing by one half in ten years, and to produce workforce housing sufficient to accommodate projected job growth.

Among the current Fairfax County initiatives critical to the success of the Housing Blueprint are the following:

Bridging Affordability Program: As part of the County's fiscal year 2011and fiscal year 2012 budgets, the Board of Supervisors included revenues to fund the Bridging Affordability program. The Bridging Affordability program is designed to address the Housing Blueprint's homelessness and waiting list goals by funding non-profits for short- and long-term rental subsidies and capital for affordable housing acquisition. The first round of funding was awarded June 2011, to a collaborative of nine local non-profits, led by Northern Virginia Family Service (NVFS). The Bridging Affordability program will provide rental subsidies

to 72 homeless individuals and families and 303 households on the County's affordable housing waiting lists over the three-year contract with NVFS.

Workforce Housing Policy: Created by the Board of Supervisors in 2007, Fairfax County's Workforce Housing Policy is a proffer-based incentive system designed to encourage the voluntary development of new housing, affordable to a range of moderate-income workers in Fairfax County's high-rise/high density areas. The Comprehensive Plan provides for a density bonus of up to one unit for every workforce unit provided by a developer, with the expectation that at least 12 percent of units in new developments be affordable or workforce housing. As of June 2011, a total of 1,180 Workforce Dwelling Units had been committed by private developers in rezoning actions approved by the Board of Supervisors.

Affordable Housing Preservation: Preservation of affordable rental housing has long been a concern of the Board of Supervisors and the Fairfax County Redevelopment and Housing Authority (FCRHA). The stock of privately-owned subsidized units and non-subsidized rental housing with modest rents in the County has been declining as owners reposition their properties in the market. The centerpiece of the Board's Preservation initiative was the creation of the Penny for Affordable Housing Fund, which is the dedication of one penny of the real estate tax rate for affordable housing initiatives. From 2006 through 2011, the fund has provided $104.9 million for the preservation and production of affordable housing in Fairfax County and the preservation of 2,436 units of affordable housing as of June 2011.

Affordable Dwelling Unit Program: In 1990, the Board of Supervisors adopted an Affordable Dwelling Unit (ADU) Ordinance as part of the Zoning Ordinance, which requires developers of certain housing developments to set aside up to 12.5 percent of new units as affordable housing (6.25 percent for multifamily rentals) in return for the grant of additional density. The FCRHA has the right to acquire one-third of the ADUs for sale and to lease up to one-third of the rental units. The remaining units are sold or rented to moderate income households. As of June 2011, a total of 2,379 units (1,057 rentals and 1,322 for-sale units) have been produced under the ADU program; the FCRHA has acquired 147 of the for-sale units, which are maintained as permanent affordable rental housing.

Quality Communities

The County's offerings of cultural programs and attractions contribute greatly to the quality of the community. The Steven F. Udvar-Hazy Center, a component of the Smithsonian National Air and Space Museum boasts 270 rare and historic aircraft and spacecraft on display indoors, including the Space Shuttle Enterprise, an SR 71 Blackbird, the Enola Gay, and a Concorde. In addition to the aircraft, the museum has a 164-foot tall observation tower from which visitors can observe airplanes on their final approach to Washington Dulles International Airport, a 479-seat IMAX theater, discovery stations, and flight simulation rides. Other wings are devoted to the care and preservation of the Museum's unparalleled collection of historic aircraft, spacecraft, artifacts, and archival materials.

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 Bill of Rights and Virginia's first constitution.

The County also prides itself on its parks and recreation facilities. The Fairfax County Park Authority manages 22,894 acres of park land, including 273 athletic fields, 9 golf courses, several lakes and historic sites, thus offering diverse recreational options. The County operates 8 regional libraries, 14 community libraries, and an access services center that provides unique services for residents with visual and physical disabilities. In fiscal year 2011, almost 13 million items were borrowed from the library's collection of nearly 3 million books, CDs, DVDs, magazines, and other items. Also in fiscal year 2011, over 5.4 million

visits were made to the branches and 4.5 million visits were made to the Library's Web site. The Library has computers for access to the Internet, the catalog, e-books, downloadable audio books and databases. The Library sponsors various programs: national and local author readings and book signings, music concerts, and a wide variety of other events for the diverse population of the County.

Shopping opportunities abound and continue to grow throughout the County. With more than 200 shopping centers and thousands of restaurants offering a variety of world cuisine, Fairfax County offers one of the best shopping and dining experiences on the East Coast. Tysons Corner, the "downtown" of Fairfax County, is home to several malls that feature such retailers as Macy's, Neiman Marcus, Nordstrom, Saks Fifth Avenue, and Bloomingdale's. Reston, an internationally-known planned community - the first post-war planned community in America - sparked a revival of the planned community concept. The Reston Town Center, now celebrating its twentieth anniversary, offers more than fifty retail shops and thirty restaurants. The recently opened Fairfax Corner is a mixed-use development that offers main street style shopping at both national chains and local boutiques. It features a state of the art movie theater and one of the best mixes of restaurants in the area.

Financial Information

Ten Principles of Sound Financial Management

The keystone of the County's maintenance of fiscal integrity and sound financial management is the continuing commitment of the County's Board of Supervisors. This commitment is evidenced by the Board's rigorous adherence to County-developed policies, collectively known as the Ten Principles of Sound Financial Management. These principles, the policy context in which financial decisions are considered and taken, relate primarily to the integration of capital planning, debt planning, cash management, and productivity as a means of ensuring prudent and responsible allocation of the County's resources.

The County maintains a self-managed investment program under the direction and oversight of an Investment Committee. The committee is composed of the Chief Financial Officer, the Director of the Department of Finance, the Director of the Department of Tax Administration, and certain employees within the Department of Finance. Guided by a formal investment policy, the committee monitors daily investment activity and evaluates investment strategies biweekly. The County's investment policies are thoroughly reviewed on a quarterly basis and subjected to annual peer review by the Association of Public Treasurers of the United States and Canada.

Budgetary and Accounting Controls

The Code of Virginia requires that the County adopt a balanced budget. The County maintains extensive budgetary controls at certain legal, managerial and administrative levels. The adopted Fiscal Planning Resolution places legal restrictions on expenditures at the agency or fund level. Managerial budgetary control is maintained and controlled at the fund, department, and character or project level. Any revisions that alter the total expenditures of any agency or fund must be approved by the Board of Supervisors.

The County's budget is adopted by May 1 for the coming fiscal year, which commences on July 1. The two budget reviews, the Carryover Review and the Third Quarter Review, serve as the primary mechanisms for revising appropriations. State law requires that a public hearing be held prior to the adoption of amendments to the current year budget when adjustments exceed $500,000. In addition, any amendment of $500,000 or more requires that the Board advertise a synopsis of the proposed changes.

Since 1999, the County has maintained a Revenue Stabilization Fund, included in the General Fund for reporting purposes, to provide a mechanism for maintaining a balanced budget without resorting to tax increases and expenditure reductions that aggravate the stresses imposed by the cyclical nature of the economy. The Board established the fund with the condition that it will not be used as a method of addressing the demand for new or expanded services but will be used solely as a financial tool in the event of an

economic downturn, and then only under strict parameters. The Revenue Stabilization Fund has a targeted balance of 3.0 percent of General Fund disbursements and is separate and distinct from the County's 2.0 percent Managed Reserve, which was established initially in fiscal year 1983. The aggregate of both reserves will not exceed 5.0 percent. As of June 30, 2011, the Revenue Stabilization Fund and Managed Reserve balances were $104,741,751 and $68,041,222, respectively.

The County's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the U.S. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the County also is responsible for maintaining an adequate internal control structure to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management, the internal audit staff of the County, and independent auditors.

As part of the County's single audit, tests are made of the County's internal control structure and of its compliance with applicable laws and regulations, including those related to major federal award programs. The testing of major federal award programs for the year ended June 30, 2011, disclosed no material internal control weaknesses or material violations of laws and regulations. The Single Audit Report is published under separate cover.

Debt Administration

Fairfax County borrows money by issuing general obligation bonds to finance major capital projects. Bond financing spreads the cost of land acquisition and building construction over a period of many years, rather than charging the full cost to current taxpayers. By law, general obligation bonds must be approved in advance by County voters in a referendum. The County continues to maintain its status as a top rated issuer of tax-exempt securities. The County has the highest credit ratings possible for a local government for its general obligation bonds: Aaa from Moody's Investors Service, Inc., AAA from Standard and Poor's Corporation, and AAA from Fitch Investor Service. The County has had an Aaa rating since October 1975, when it first received a rating from Moody's. Standard and Poor's Corporation first gave Fairfax County an AAA rating in October 1978, and Fairfax County has maintained that rating. The Fitch Investor Service rating was first received in the spring of 1997 and has been maintained since then.

Factors contributing to Fairfax County's high credit rating include recognized excellence in financial management, superior tax collection rates, low debt ratios, and high income levels. As of April 2011, only 8 of 50 states, 36 of 3,143 counties, and 36 of 19,429 cities in the U.S. had such high bond ratings from all three rating agencies. These high credit ratings enable Fairfax County to sell bonds at interest rates significantly lower than those of most municipalities, resulting in substantial savings for County taxpayers throughout the life of the bonds.

The details of bonds outstanding and bonds authorized-but-not-issued are shown in Note K to the financial statements. Tables 3.1 through 3.5 of the Statistical Section provide detailed historical information regarding the debt position and debt service requirements of the County.

Other Information

Independent Audit

The County's financial statements have been audited as required by the *Code of Virginia* and received an unqualified opinion by the accounting firm of KPMG LLP. In addition to meeting the requirements of the state statutes, the audit was designed to meet the requirements of the Federal Single Audit Act of 1984; the Single Audit Act Amendments of 1996; the U.S. Office of Management and Budget Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations; and the Uniform Financial Reporting requirements for Virginia counties and municipalities as established by the Auditor of Public Accounts of the Commonwealth of Virginia. The report of the independent auditors on the basic financial statements can be found in the financial section of this annual report. The Single Audit Report, issued separately, contains the independent auditors' reports related specifically to the single audit.

Awards

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report (CAFR) for fiscal year 2010. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The County has received a Certificate of Achievement since 1977. We believe that the current CAFR meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Distinguished Budget Presentation Award

The GFOA has presented the Award for Distinguished Budget Presentation to Fairfax County for its annual budget for each year since fiscal year 1987. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications device.

Investment Policy Award

The Association of Public Treasurers of the United States and Canada has awarded the County certification for its investment policy, confirming that the County meets the high public investment standards set forth by the Association. This award has been recieved since 1999.

National Association of Clean Water Agencies Award

In fiscal year 2011, the County's Noman M. Cole, Jr. Pollution Control Plant received the Platinum Peak Performance Award from the National Association of Clean Water Agencies. The award recognizes plants that met 100 percent of federal standards for preventing pollution. The Norman M. Cole Jr. Plant has met this standard for more than 13 consecutive years. The plant's achievement helps protect the water quality of the County's streams and watersheds, and the Chesapeake Bay.

Annual National Association of Counties (NACo) Awards

The NACo Achievement Awards are national recognition of significant innovative programs and activities that improve the organization, management, or service of county governments. NACo recognized seven County programs and projects with 2011 Achievement Awards.

Pathways to Preschool: This program was developed to offer introduction to a preschool routine for 2-year-old developmentally delayed children using small group sessions conducted by recreational therapists and early intervention experts.

An American Future: Service Opportunities for Immigrant Youth: The Library sought young immigrants as interns to introduce a possible career path and a resource in their ethnic community. After a pilot, the Library used a grant to provide stipends to immigrant interns chosen from the school's English as a Second Language classes.

Creative Corner: Creative Corner is a therapeutic outlet for court-involved juveniles wherein they share their belief structure and feelings in constructive, academic-grounded writing exercises. Stories, poems and essays are submitted by alternative school students and published in a booklet sponsored by the Juvenile and Domestic Relations District Court. An annual celebration brings the teens together to celebrate their writings.

AEDcheck: AEDcheck was developed to provide a cost-reduction online system to capture detailed data related to the Automated External Defibrillator program (AED), to stay in compliance with the Americans with Disabilities Act, including access to photographic records, as required by the United States Department of Justice. Previously the County paid a vendor an annual subscriber fee for a program that provided only partial recordkeeping services.

Deer Management Program: In 2010 the Deer Management Program was infused with new energy and resources to further mitigate the environmental, public safety and public health impact of an overabundant white-tailed deer population. The results were a 678 percent increase over 2009 in harvest yield in public parks with about one-third of the budget allocated in previous years.

***Housing Blueprint*:** To ensure that limited resources were properly aligned with the wide continuum of housing needs, a blueprint was developed that set down goals (end homelessness in 10 years; provide affordable housing options to those with special needs; reduce waiting lists for affordable housing by half in 10 years; produce workforce housing sufficient for projected job growth) with specific methods and resources to implement planning towards their realization.

Burke-West Springfield Senior Center Without Walls: By using a structured approach that emphasizes community assets to support the promotion and provision of programming and resources for older adults in the West Springfield and Burke communities, the Center Without Walls program partners private facilities, worship centers, community centers already in place with Neighborhood and Community Services programs and classes without having to build and maintain a brick-and-mortar structure, providing older adult recreation and therapeutic services.

ACKNOWLEDGMENTS

We express our sincere appreciation to all staff who contributed to this report, especially the members of the CAFR Project Team in the Financial Reporting and Financial Operations Divisions of the Department of Finance, who prepared and compiled this report. We commend them for their professionalism, hard work, and continued efforts to improve this report. In addition, we acknowledge the cooperation and assistance of each County department throughout the year in the efficient administration of the County's financial operations.

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

Respectfully,

Anthony H. Griffin	Susan W. Datta	Victor L. Garcia
County Executive	Chief Financial Officer	Director of Finance

County of Fairfax, Virginia

Urban County Executive Form of Government
As of June 30, 2011

Board of Supervisors

Sharon S. Bulova, Chairman	At large
Penelope A. Gross, Vice Chairman	Mason District
Gerald W. Hyland	Mount Vernon District
Lynda Q. Smyth	Providence District
Catherine M. Hudgins	Hunter Mill District
Michael R. Frey	Sully District
John C. Cook	Braddock District
Jeffrey C. McKay	Lee District
Patrick S. Herrity	Springfield District
John W. Foust	Dranesville District

Clerk to the Board
Nancy J. Vehrs

County Executive
Anthony H. Griffin

Deputy County Executives
Patricia D. Harrison
David J. Molchany
Robert A. Stalzer

Department of Management and Budget
Susan W. Datta, Chief Financial Officer

Department of Finance
Victor L. Garcia, Director

Department of Tax Administration
Kevin C. Greenlief, Director

Department of Purchasing and Supply Management
Cathy A. Muse, Director

Office of the County Attorney
David P. Bobzien, County Attorney

Office of Public Affairs
Merni C. Fitzgerald, Director

Office of the Internal Auditor
Christopher J. Pietsch, Director

Independent Auditors
KPMG LLP

COUNTY OF FAIRFAX
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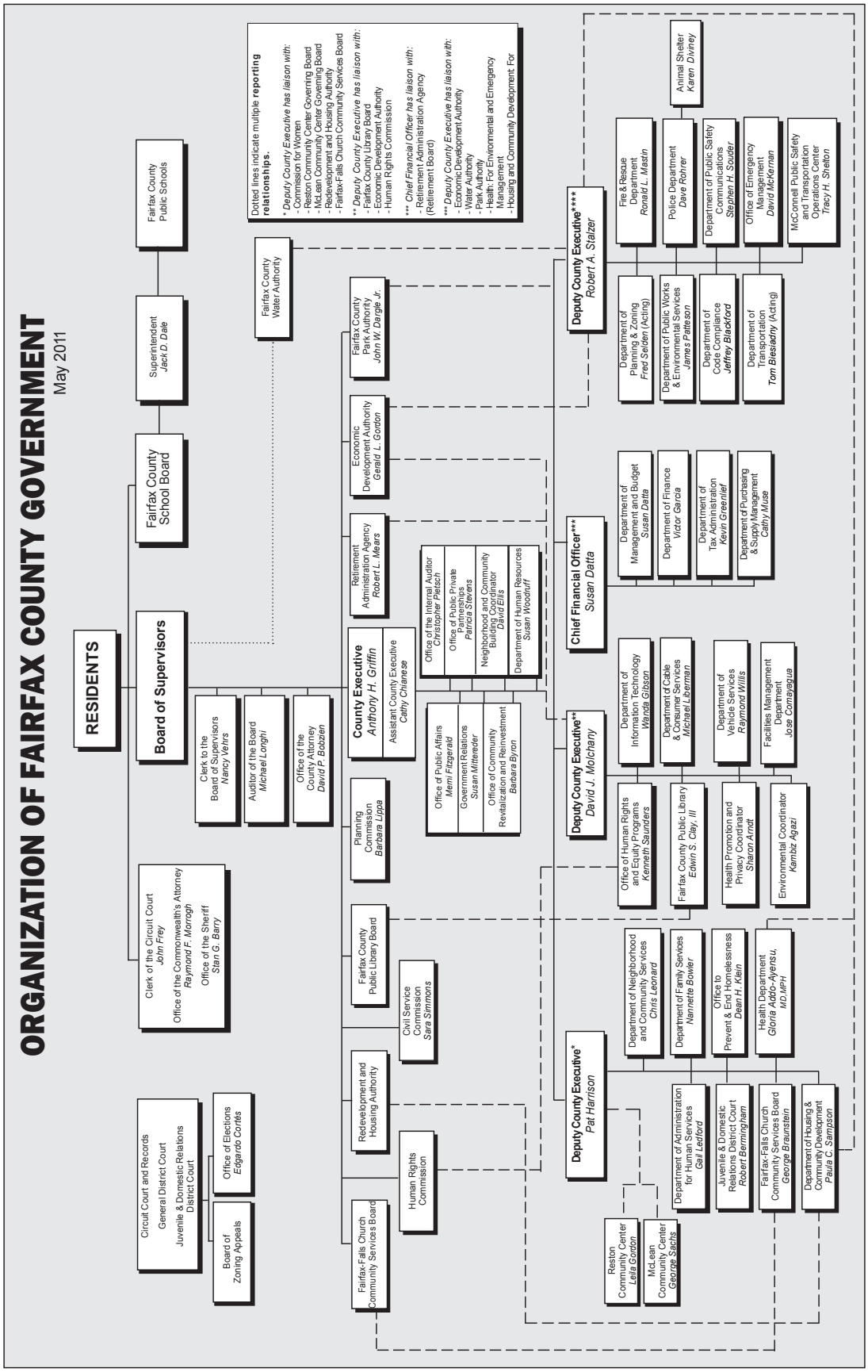
ORGANIZATION OF FAIRFAX COUNTY GOVERNMENT
May 2011
RESIDENTS
Board of Supervisors
Fairfax County School Board
Superintendent Jack D. Dale
Fairfax County Public Schools
Fairfax County Water Authority
Clerk to the Board of Supervisors Nancy Vehrs
Auditor of the Board Michael Longhi
Office of the County Attorney David P. Bobzien
Clerk of the Circuit Court John Frey
Office of the Commonwealth's Attorney Raymond F. Morrogh
Office of the Sheriff Stan G. Barry
Circuit Court and Records
General District Court
Juvenile & Domestic Relations District Court
Office of Elections Edgardo Cortés
Board of Zoning Appeals
Dotted lines indicate multiple reporting relationships.
* Deputy County Executive has liaison with:
- Commission for Women
- Reston Community Center Governing Board
- McLean Community Center Governing Board
- Redevelopment and Housing Authority
- Fairfax-Falls Church Community Services Board
** Deputy County Executive has liaison with:
- Fairfax County Library Board
- Economic Development Authority
- Human Rights Commission
*** Chief Financial Officer has liaison with:
- Retirement Administration Agency (Retirement Board)
**** Deputy County Executive has liaison with:
- Economic Development Authority
- Water Authority
- Park Authority
- Health: For Environmental and Emergency Management
- Housing and Community Development: For
County Executive Anthony H. Griffin
Assistant County Executive Cathy Chianese
Fairfax County Park Authority John W. Dargle Jr.
Economic Development Authority Gerald L. Gordon
Retirement Administration Agency Robert L. Mears
Planning Commission Barbara Lippa
Fairfax County Public Library Board
Civil Service Commission Sara Simmons
Redevelopment and Housing Authority
Human Rights Commission
Fairfax-Falls Church Community Services Board
Office of Public Affairs Merni Fitzgerald
Government Relations Susan Mittereder
Office of Community Revitalization and Reinvestment Barbara Byron
Office of the Internal Auditor Christopher Pietsch
Office of Public Private Partnerships Patricia Stevens
Neighborhood and Community Building Coordinator David Ellis
Department of Human Resources Susan Woodruff
Deputy County Executive* Pat Harrison
Department of Neighborhood and Community Services Chris Leonard
Department of Family Services Nannette Bowler
Office to Prevent & End Homelessness Dean H. Klein
Health Department Gloria Addo-Ayensu, MD,MPH
Department of Administration for Human Services Gail Lesford
Juvenile & Domestic Relations District Court Robert Bermingham
Fairfax-Falls Church Community Services Board George Braunstein
Department of Housing & Community Development Paula C. Sampson
Reston Community Center Leila Gordon
McLean Community Center George Sachs
Deputy County Executive** David J. Molchany
Department of Information Technology Wanda Gibson
Department of Cable & Consumer Services Michael Liberman
Department of Vehicle Services Raymond Willis
Facilities Management Department Jose Comayagua
Office of Human Rights and Equity Programs Kenneth Saunders
Fairfax County Public Library Edwin S. Clay, III
Health Promotion and Privacy Coordinator Sharon Arndt
Environmental Coordinator Kambiz Agazi
Chief Financial Officer*** Susan Datta
Department of Management and Budget Susan Datta
Department of Finance Victor Garcia
Department of Tax Administration Kevin Greenlief
Department of Purchasing & Supply Management Cathy Muse
Deputy County Executive**** Robert A. Stalzer
Department of Planning & Zoning Fred Selden (Acting)
Department of Public Works & Environmental Services James Patteson
Department of Code Compliance Jeffrey Blackford
Department of Transportation Tom Biesiadny (Acting)
Fire & Rescue Department Ronald L. Mastin
Police Department Dave Rohrer
Department of Public Safety Communications Stephen H. Souder
Office of Emergency Management David McKernan
McConnell Public Safety and Transportation Operations Center Tracy H. Shelton
Animal Shelter Karen Divney

This report was prepared by:

County of Fairfax, Virginia
Department of Finance

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Victor L. Garcia, CPA

Deputy Director
John D. Higgins

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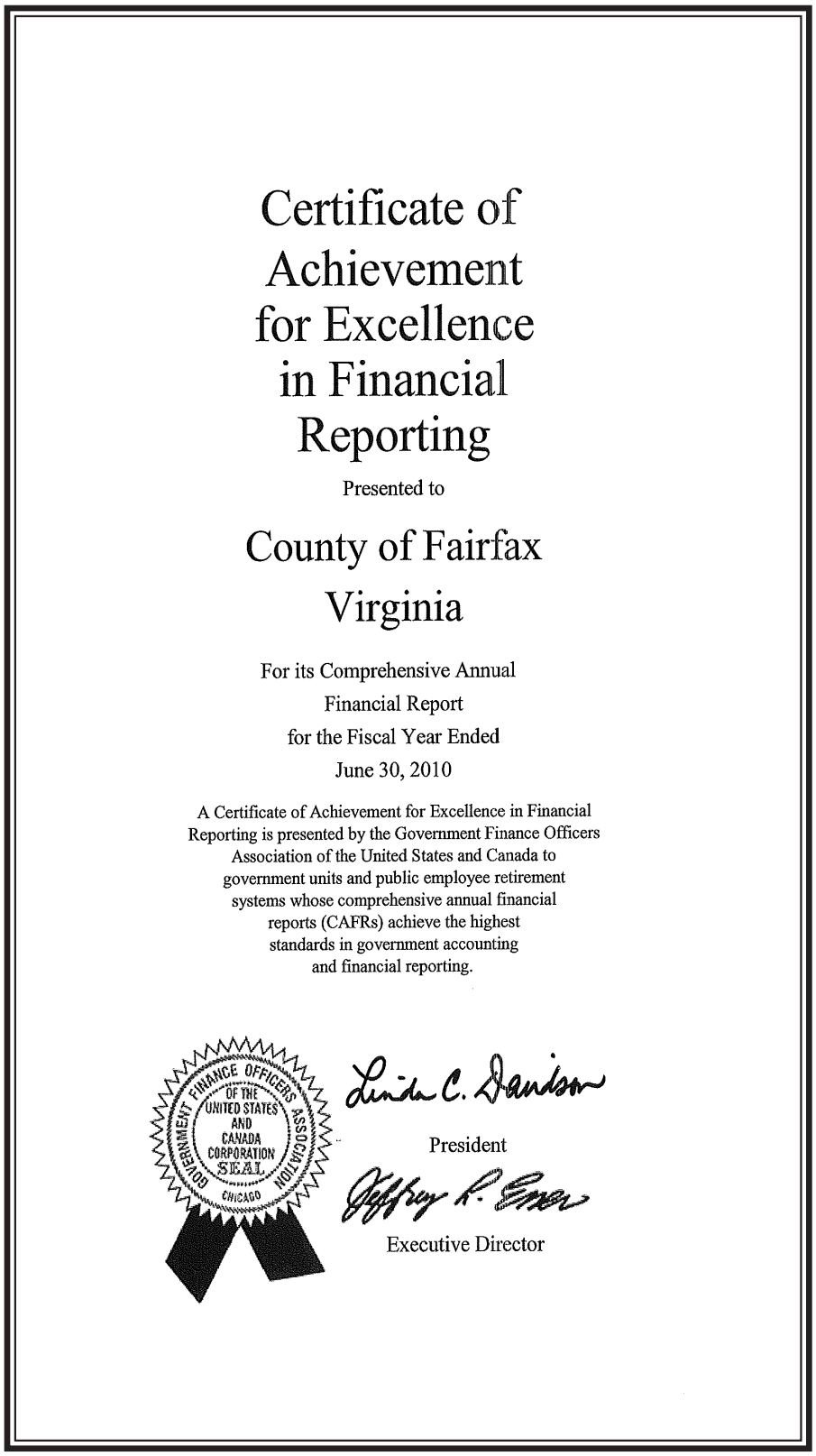
With the support and assistance of many others.

Special Thanks to:
Janet Burns
Lillian Cheng, CPA
Lorraine Yake

GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The County has received a Certificate of Achievement for every year since 1977.



Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Fairfax Virginia

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

COUNTY OF FAIRFAX
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Financial Section

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

KPMG LLP
2001 M Street, NW
Washington, DC 20036-3389

Independent Auditors' Report

The Board of Supervisors
County of Fairfax, Virginia:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Fairfax, Virginia (the County), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Fairfax County Redevelopment and Housing Authority (FCRHA), a discretely presented component unit of the County, which represents 7.61%, 4.65%, and 15.60%, respectively, of total assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion on the County's aggregate discretely presented component units financial statements, insofar as it relates to the amounts included for the FCRHA, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia (Specifications). Those standards and Specifications 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Fairfax, Virginia, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in Note O to the basic financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective July 1, 2010.

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis on pages 3 through 16 and the required supplementary information and the notes to the required supplemental information on pages 103 through 109 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, other supplementary information, and the statistical section, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

November 15, 2011

Management's Discussion and Analysis

The Management's Discussion and Analysis subsection provides a narrative introduction to and overview and analysis of the basic financial statements. It includes a description of the government-wide and fund financial statements, as well as an analysis of the County of Fairfax's overall financial position and results of operations.

Management's Discussion and Analysis

This section of the County of Fairfax, Virginia's (the County) Comprehensive Annual Financial Report (CAFR) presents our discussion and analysis of the County's financial performance during the fiscal year that ended on June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which is also contained in this CAFR.

Financial Highlights

Highlights for Government-wide Financial Statements

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

- The County's assets exceeded liabilities by $1,376.3 million on a government-wide basis at June 30, 2011.
- For the fiscal year, taxes and other revenues of the County's governmental activities amounted to $3,790.7 million. Expenses amounted to $3,875.8 million.
- For the fiscal year, revenues of the County's business-type activities were $167.5 million, and expenses were $157.1 million.

Highlights for Fund Financial Statements

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

- The County's governmental funds reported an increase in fund balance of $148.1 million for fiscal year 2011, as compared to an increase of $220.2 million for fiscal year 2010.
- The County's General Fund reported a fund balance of $376.4 million, a decrease of $10.3 million, or 2.7 percent, from June 30, 2010.

General Financial Highlights

- In February 2011, the County issued $190.1 million of Series 2011A General Obligation Public Improvement and Refunding Bonds. Of this total, $171.4 million are being used to finance school, park, road, and other general County improvements, and $18.7 million were used to current refund certain outstanding Series 2002A refunding bonds in order to save $1.4 million of future debt service payments.
- In May 2011, the Economic Development Authority issued $205.7 million of transportation district improvement revenue bonds (Silver Line Phase 1 Project) Series 2011 to finance a portion of the costs of the construction of the first phase of an extension of the Washington Metropolitan Area Transit Authority's mass transit system in Fairfax County.
- In May 2011, the Fairfax County Redevelopment and Housing Authority issued $28.9 million of bond anticipation notes to current refund $30.2 million of outstanding Series 2008A bond anticipation notes in order to save $1.6 million in future debt service payments. The original note was issued to partially finance the purchase of a multi-family rental housing complex as part of the County's affordable housing initiative. The County is responsible, under the related documents and subject to appropriation, to pay the principal and interest on the note at maturity.

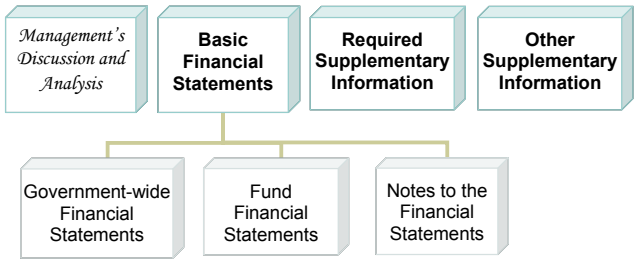
OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of four parts: (1) management's discussion and analysis (presented here), (2) basic financial statements, (3) required supplementary information, and (4) other supplementary information.

The County's basic financial statements consist of two kinds of statements, each with a different view of the County's finances. The government-wide financial statements provide both long- and short-term information about the County's overall financial status. The fund financial statements focus on major aspects of the County's operations, reporting those operations in more detail than the government-wide statements. The basic financial statements also include notes to explain information in the financial statements and provide more detailed data.

The statements and notes are followed by required supplementary information that contains the budgetary comparison schedule for the General Fund and trend data pertaining to the retirement systems. In addition to these required elements, the County includes other supplementary information with combining and individual fund statements to provide details about the governmental, internal service, and fiduciary funds; capital assets; and component units.

Components of the Financial Section



Government-wide Financial Statements

The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector businesses. In addition, they report the County's net assets and how they have changed during the fiscal year.

The first government-wide statement—the statement of net assets—presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial health of the County is improving or deteriorating. Additionally, non-financial factors, such as a change in the County's property tax base or the condition of County facilities, should be considered to assess the overall health of the County.

The second statement—the statement of activities—presents information showing how the County's net assets changed during the fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

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

> Governmental Activities – Most of the County's basic services are reported here, including public safety; public works; judicial administration; health and welfare services; community development; parks, recreation, and cultural programs; education; and general administration. These activities are financed primarily by property taxes, other local taxes, and federal and state grants. Included in the governmental activities are the governmental funds and internal service funds.
>
> Business-type Activities – The County's only business-type activity, the Integrated Sewer System (Sewer System), is reported here.

Discretely Presented Component Units – The County includes four other entities in its annual financial report: Fairfax County Public Schools (Public Schools), Fairfax County Redevelopment and Housing Authority (FCRHA), Fairfax County Park Authority (Park Authority), and Fairfax County Economic Development Authority (EDA). Although legally separate, these component units are included because the County is financially accountable for them.

The County's governmental and business-type activities are collectively referred to as the primary government. Together, the primary government and its discretely presented component units are referred to as the reporting entity.

Fund Financial Statements

The fund financial statements provide detailed information about the County's most significant funds. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The County has the following three types of funds:

Governmental Funds – Most of the County's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year-end that are available for spending. The governmental funds financial statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the governmental activities in the government-wide financial statements, additional information is provided to explain the relationship (or differences). The General Fund accounts for the main operating activities of the County and consequently, is the largest of the governmental funds. All other governmental funds, which include special revenue funds, debt service funds, and capital projects funds, are collectively referred to as nonmajor governmental funds.

Proprietary Funds – Proprietary funds, which consist of enterprise funds and internal service funds, are used to account for operations that are financed and operated in a manner similar to private business enterprises in which costs are recovered primarily through user charges. Proprietary fund financial statements, like the government-wide financial statements, provide both long- and short-term financial information. The County's only enterprise fund, the Sewer System, is reported as the County's business-type activity in the government-wide statements. The fund financial statements provide additional information, such as cash flows, for the Sewer System. The internal service funds are used to account for the provision of general liability, malpractice, and workers' compensation insurance, health benefits for employees and retirees, vehicle services, document services, and technology infrastructure support to County departments on a cost reimbursement basis.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The County's fiduciary funds consist of pension trust funds, an OPEB trust fund and agency funds. The pension trust funds are used to account for the assets held in trust by the County for the employees and beneficiaries of its defined benefit pension plans—the Employees' Retirement System, the Police Officers Retirement System, and the Uniformed Retirement System. The OPEB trust fund is used to account for the assets held in trust by the county for other post employment benefits. The agency funds are used to account for monies received, held, and disbursed on behalf of developers, welfare recipients, the Commonwealth of Virginia, the recipients of certain bond proceeds, and certain other local governments.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Statement of Net Assets

The following tables present a summary of the Statements of Net Assets for the reporting entity as of June 30, 2011 and 2010:

Summary of Net Assets
As of June 30
($ in millions)

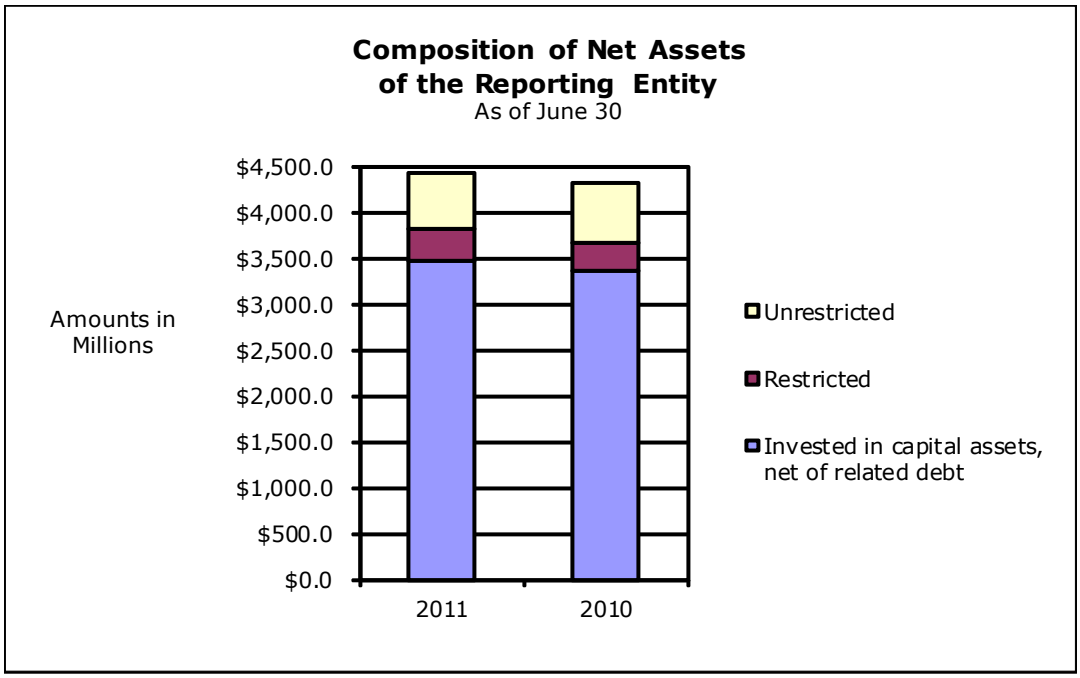
	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Assets:						
Current and other assets	$ 4,201.4	4,072.1	$ 222.6	229.3	$ 4,424.0	4,301.4
Capital assets (net)	2,139.3	2,064.0	1,263.3	1,209.5	3,402.6	3,273.5
Total assets	6,340.7	6,136.1	1,485.9	1,438.8	7,826.6	7,574.9
Liabilities:						
Current liabilities	2,828.5	2,829.1	15.9	14.0	2,844.4	2,843.1
Long-term liabilities	3,033.2	2,750.2	572.7	554.7	3,605.9	3,304.9
Total liabilities	5,861.7	5,579.3	588.6	568.7	6,450.3	6,148.0
Net assets:						
Invested in capital assets, net of related debt	1,541.0	1,458.4	722.7	748.7	2,263.7	2,207.1
Restricted	308.3	210.8	93.4	44.5	401.7	255.3
Unrestricted (deficit)	(1,370.3)	(1,112.4)	81.2	76.9	(1,289.1)	(1,035.5)
Total net assets	$ 479.0	556.8	$ 897.3	870.1	$ 1,376.3	1,426.9

Summary of Net Assets - continued
As of June 30
($ in millions)

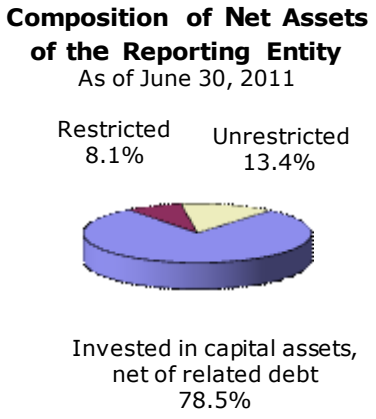
	Total Primary Government		Component Units		Reclassifications		Total Reporting Entity	
	2011	2010	2011	2010	2011	2010	2011	2010
Assets:								
Current and other assets	$ 4,424.0	4,301.4	$ 831.7	787.5	$ -	-	$ 5,255.7	$ 5,088.9
Capital assets (net)	3,402.6	3,273.5	2,733.7	2,654.1	-	-	6,136.3	5,927.6
Total assets	7,826.6	7,574.9	3,565.4	3,441.6	-	-	11,392.0	11,016.5
Liabilities:								
Current liabilities	2,844.4	2,843.1	216.8	222.5	-	-	3,061.2	3,065.6
Long-term liabilities	3,605.9	3,304.9	305.5	323.9	-	-	3,911.4	3,628.8
Total liabilities	6,450.3	6,148.0	522.3	546.4	-	-	6,972.6	6,694.4
Net assets:								
Invested in capital assets, net of related debt	2,263.7	2,207.1	2,549.8	2,451.5	(1,344.0)	(1,304.9)	3,469.5	3,353.7
Restricted	401.7	255.3	41.7	117.7	(87.2)	(67.0)	356.2	306.0
Unrestricted (deficit)	(1,289.1)	(1,035.5)	451.6	326.0	1,431.2	1,371.9	593.7	662.4
Total net assets	$ 1,376.3	1,426.9	$ 3,043.1	2,895.2	$ -	-	$ 4,419.4	4,322.1

The Commonwealth of Virginia requires that counties, as well as their financially dependent component units, be financed under a single taxing structure. This results in counties issuing general obligation debt to finance capital assets, such as public schools, for their component units. The component units are then responsible to account for and maintain the assets purchased or constructed with the debt proceeds. While Governmental Accounting Standards Board (GASB) No. 14, *The Financial Reporting Entity*, requires that the primary government and its component units, which make up the total financial reporting entity, be accounted for separately on the face of the basic financial statements, the net assets of the total financial reporting entity best represent the entity's financial position. The reclassification column represents the matching of the primary government's outstanding debt to the component units' related capital assets from a financial reporting entity perspective.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the reporting entity, assets exceeded liabilities by $4,419.4 million at fiscal year end 2011, representing an increase of $97.3 million from the net assets at June 30, 2010, as shown below.



As shown to the right, the largest portion of net assets is the investment in capital assets (e.g., land, buildings, infrastructure, and equipment, net of depreciation and amortization), less the outstanding debt that was used to acquire those assets. The restricted net assets portion represents resources that are subject to external restrictions on how they may be used. Net assets of the reporting entity are restricted for various uses, some of which include grant programs ($51.8 million), community centers ($19.9 million), sewer improvements ($82.5 million), and housing ($26.8 million). Unrestricted net assets represent the remaining amount of net assets that are neither related to capital assets nor restricted for specific uses.



Statement of Activities

The following table summarizes the changes in net assets for the primary government for the fiscal years ended June 30, 2011 and 2010:

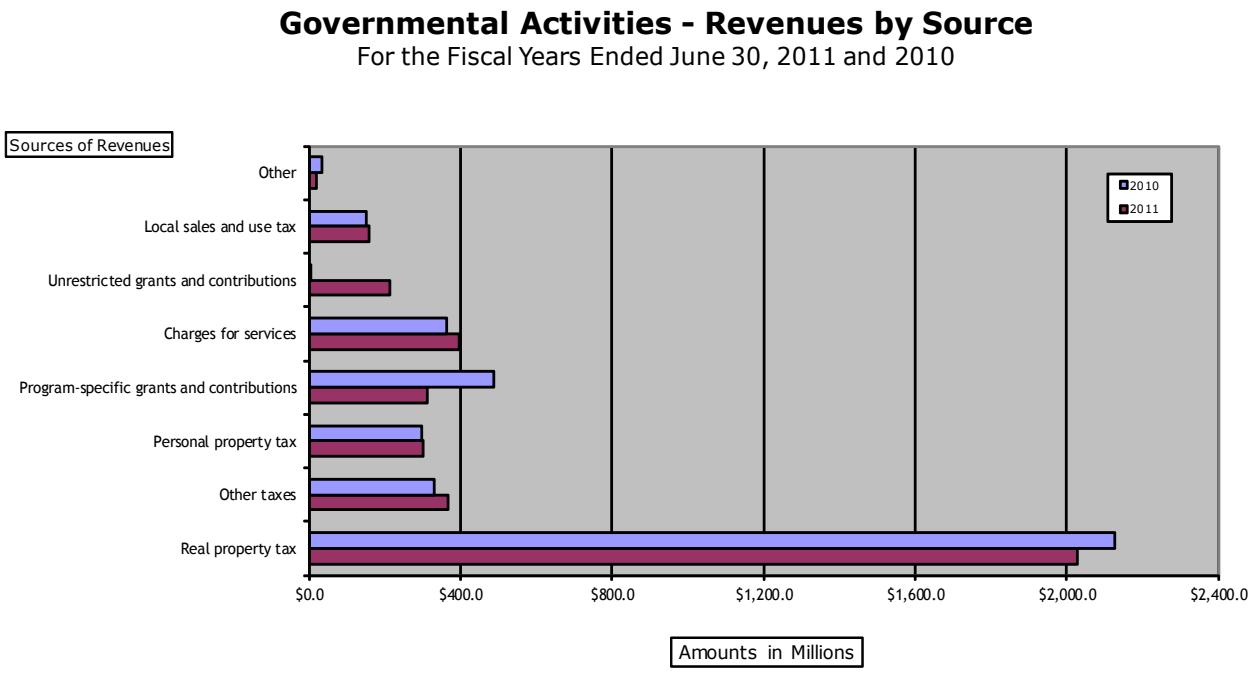
Summary of Changes in Net Assets
For the Fiscal Years Ended June 30
($ in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	$ 395.7	363.2	$ 154.0	137.5	$ 549.7	500.7
Operating grants and contributions	292.9	441.0	-	-	292.9	441.0
Capital grants and contributions	17.0	45.3	12.4	8.7	29.4	54.0
General revenues:						-
Real property tax	2,028.4	2,126.4	-	-	2,028.4	2,126.4
Personal property tax	301.3	296.6	-	-	301.3	296.6
Business licenses tax	150.7	138.7	-	-	150.7	138.7
Local sales and use tax	158.8	151.4	-	-	158.8	151.4
Consumers utility tax	113.7	117.9	-	-	113.7	117.9
Other taxes	101.8	72.7	-	-	101.8	72.7
Unrestricted grants and contributions	211.8	0.4	-	-	211.8	0.4
Revenue from the use of money	18.6	34.4	1.1	1.3	19.7	35.7
Total revenues	3,790.7	3,788.0	167.5	147.5	3,958.2	3,935.5
Expenses:						
General government administration	139.0	148.8	-	-	139.0	148.8
Judicial administration	52.3	40.8	-	-	52.3	40.8
Public safety	618.8	604.2	-	-	618.8	604.2
Public works	192.1	198.5	157.1	155.4	349.2	353.9
Health and welfare	546.9	495.7	-	-	546.9	495.7
Community development	378.6	232.2	-	-	378.6	232.2
Parks, recreation, and cultural	105.3	124.1	-	-	105.3	124.1
Education	1,744.2	1,784.2	-	-	1,744.2	1,784.2
Interest on long-term debt *	98.6	97.6	-	-	98.6	97.6
Total expenses	3,875.8	3,726.1	157.1	155.4	4,032.9	3,881.5
Increase (decrease) in net assets before special item	(85.1)	61.9	10.4	(7.9)	(74.7)	54.0
Special items:						
Proceeds from the sale of land	7.3	-	-	-	7.3	-
Gain from sale of purchased capacity	-	-	16.8	-	16.8	-
Increase (decrease) in net assets	(77.8)	61.9	27.2	(7.9)	(50.6)	54.0
Beginning net assets	556.8	494.9	870.1	878.0	1,426.9	1,372.9
Ending net assets	$ 479.0	556.8	$ 897.3	870.1	$ 1,376.3	1,426.9

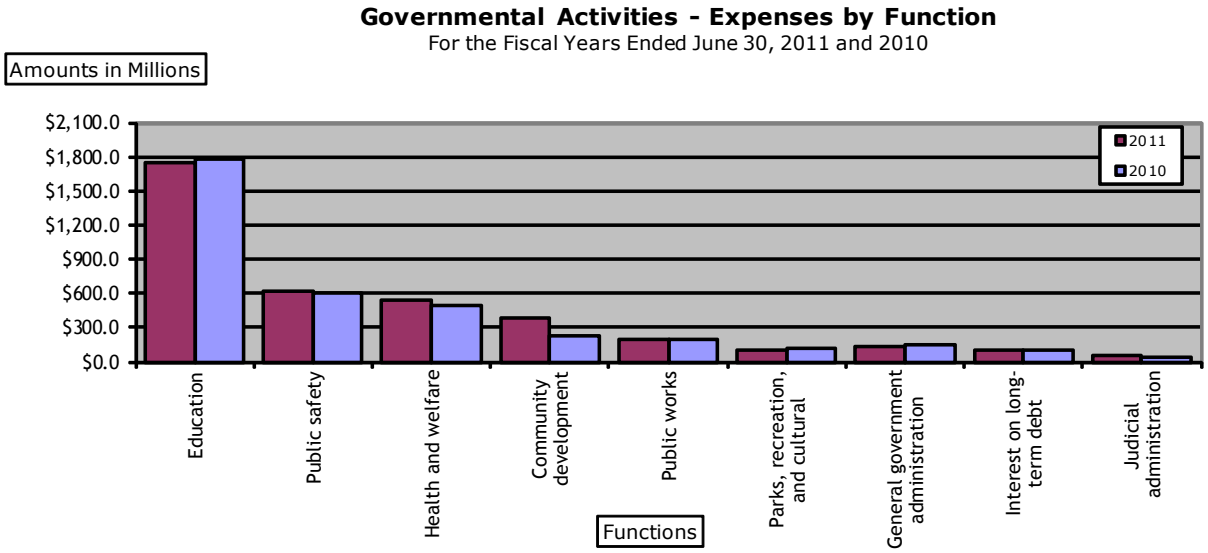
* For business-type activities, interest on long-term debt is included in the functional expense category.

Governmental Activities

Revenues for the County's governmental activities were $3,790.7 million for fiscal year 2011, representing an increase of $2.7 million over fiscal year 2010. Sources of revenues for fiscal years 2011 and 2010 are comprised of the following items:



Taxes constitute the largest source of County revenues, amounting to $2,854.7 million for fiscal year 2011, an decrease of $49.1 million over fiscal year 2010, primarily due to real property taxes. Real property taxes ($2,028.4 million) represent 71.1 percent of total taxes and over half of all revenues combined. Unrestricted grants and contributions include $211.3 million in revenues from the Commonwealth of Virginia to reimburse Fairfax County as part of the Personal Property Tax Relief Act (see Note C to the financial statements).



Total cost of all of the County's governmental activities for fiscal year 2011 was $3,875.8 million, representing an increase of $149.7 million over fiscal year 2010. As the chart below indicates, education continues to be the County's largest program. Education expenses totaled about $1.74 billion in fiscal year 2011, to support school operations and service debt for bond-funded projects to build new schools and renew older facilities. Public safety expenses represent the second largest expense, totaling $618.8 million in fiscal year 2011. Public safety expenses increased $14.6 million over fiscal year 2010 primarily due to personnel costs in the Police, Sheriff, Public Safety Communications, Circuit Court and Juvenile and Domestic Relations Court departments.

The table on the right depicts the total cost of each of the County's six largest programs—education, public safety, health and welfare, community development, public works, and general government administration—as well as the net cost of each program (total cost less fees generated by the programs and program-specific intergovernmental aid).

Net Cost of County's Governmental Activities
For the Fiscal Years Ended June 30
($ in millions)

	Total Cost of Services		Net Cost of Services	
Functions/Programs	**2011**	**2010**	**2011**	**2010**
Education	$ 1,744.2	1,784.2	$ 1,744.2	1,783.6
Public safety	618.8	604.2	493.8	493.0
Health and welfare	546.9	495.7	317.7	288.0
Community development	378.6	232.2	231.1	92.7
Public works	192.1	198.5	68.1	84.6
General government administration	139.0	148.8	107.9	(76.7)
Other	256.2	262.5	207.3	211.2
Total	$ 3,875.8	3,726.1	$ 3,170.1	2,876.4

Some of the cost of governmental activities was paid by those who directly benefited from the programs ($395.7 million) and other governments and organizations that subsidized certain programs with grants and contributions ($309.9 million). Of the $3,170.1 million net cost of services, the amount that taxpayers paid for these programs through County taxes was $2,854.7 million.

Business-type Activities

The Sewer System recovers its costs primarily through user service charges and availability fees. For fiscal year 2011, the Sewer System reported an increase in net assets of $27.2 million. Total revenues of the Sewer System increased $20.0 million over fiscal year 2010. This increase was primarily the result of increases in service charges, availability charges, and contributions from Developers.

Total expenses of the Sewer System for fiscal year 2011 were $157.1 million, increasing by $1.7 million over fiscal year 2010. This increase resulted primarily from increases in the cost for contractual services and personnel services.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. During 2011, the County implemented GASB Statement 54, which changed fund balance classifications. Previously classified as restricted and unrestricted, the fund balances are now reported by purpose within the classifications; nonspendable, restricted, committed, assigned, and unasigned.

As of June 30, 2011, the County's governmental funds had a combined fund balance of $1,153.5 million, as compared to $1,005.4 million at June 30, 2010. Of the fiscal year 2011 fund balance, $34.4 million is assigned in the General Fund, indicating that it is not available for new spending because it has already been committed for items such as existing purchase orders, construction contracts and loan repayments. Approximately 35.9 percent ($135.1million) of the total 2011 General fund balance is unassigned, representing resources not associated with a specified purpose. Of the total fund balance, by nature of the individual funds, 62.9 percent ($725.4 million) has been restricted or committed to meet the program needs in

the special revenue, capital projects, and debt service funds. Nonspendable prepaid expenditures and long-term loans is comprised of 4.5 percent ($52.0 million) of the total fund balance. The balance available in the managed reserve and revenue stabilization fund at June 30, 2011 is 172.6 million, $172.3 million of the General Fund's committed fund balance of $206.6 million is designated for these purposes based on Fiscal Year 2012 projections.

For the fiscal year ended June 30, 2011, fund balances for all governmental funds increased by $148.1 million, compared to the $218.7 million increase for fiscal year ended June 30, 2010. Total revenues and other financing sources were $4,812.0 million, and total expenditures and other financing uses were $4,671.2 million, resulting in the increase to the fund balances.

The General Fund is the main operating fund of the County. At the end of the current fiscal year, the unassigned fund balance was $135.1 million, which represents approximately 4.7 percent of the General Fund's total expenditures. Revenues of $3,324.8 million less expenditures of $2,890.5 million and other financing uses (net) of $444.6 million resulted in a net decrease in fund balance of $10.3 million. Key factors for the decrease of the fund balance include the following:

- Personal Property and Business License tax revenues exceeded expectations as a result of improvement in the regional economy, reducing the amount of decrease projected by the budget.

The County's enterprise fund provides the same type of information found in the government-wide financial statements, as the basis of accounting is the same. Factors relating to the financial results of the Sewer System have been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

The final amended budget appropriations, which include expenditures and transfers out, were more than the original budget amounts by $93.9 million or 2.8 percent. This increase is due primarily to the carryover of prior year commitments. The final amended budget revenues and transfers exceeded the original budget by $33.7 million or 1.0 percent, primarily due to concerns of a greater than anticipated decline in the over-all economy.

Actual revenues exceeded final budget amounts by $51.9 million, while actual expenditures were $69.0 million less than final budget amounts. Highlights of the comparison of final budget to actual figures for the fiscal year ended June 30, 2011, include the following:

- Actual tax revenues exceeded budgeted amounts by $38.9 million primarily impacted by Personal Property and Bank Franchise taxes. The increase is primarily due to fewer exonerations and higher omitted assessments for personal property and bank mergers at a high level of bank reserves for the Bank Franchise tax.

- Intergovernmental revenues were $5.6 million more than budgeted amounts primarily due to revenue associated with additional funding provided by the Commonwealth of Virginia for certain public assistance programs, predominantly the Child Care Assistance and Referral program, administrative funding for social services positions and a Federal funding for holding illegal immigrants in County jails.

- Revenues from the use of money and property were $1.9 million less than budgeted amounts due to a decrease in Interest on Investments.

- Actual general government administration expenditures were $6.6 million, or 6.6 percent, less than budgeted amounts as a result of managing position vacancies.

- Actual public safety expenditures were $10.6 million, or 2.6 percent, less than budgeted amounts mainly due to savings associated with managing position vacancies, matching staffing levels to

workload requirements in a downturned economy, efforts to achieve savings in supplies, apparel, repairs and maintenance, telecommunications, and DVS charges.

- Actual health and welfare expenditures were $12.6 million, or 4.3 percent, less than budgeted amounts due to the management of position vacancies, continued cost savings in Comprehensive Service Act (CSA) spending, and the maximization of Medicaid reimbursement.

- Nondepartmental expenditures were $26.5 million, or 10.1 percent, less than budgeted amounts primarily due to an amount of funding set aside by the Board of Supervisors as part of the FY 2010 Carryover Review for anticipated fiscal year 2012 retirement cost increases and savings in group health insurance, Social Security (FICA), contributions to the Virginia Retirement System, and increased reimbursements from capital projects.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The County's investment in capital assets as of June 30, 2011, amounted to $3.4 billion (net of accumulated depreciation and amortization), which represents an increase of $129.1 million, or 3.9 percent, over last year. Capital assets as of June 30, 2011 and 2010, are summarized below:

Capital Assets As of June 30 ($ in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Land	$ 415.6	414.9	$ 17.4	17.4	$ 433.0	432.3
Easements	8.3	7.0	0.4	0.3	8.7	7.3
Buildings, improvements, and infrastructure	1,958.8	1,913.8	1,073.7	1,003.5	3,032.5	2,917.3
Software	0.4	-	-	-	0.4	-
Equipment and library collections	453.5	443.1	11.3	11.3	464.8	454.4
Construction in progress	87.3	65.5	68.2	83.0	155.5	148.5
Equipment under construction	30.6	14.0	-	-	30.6	14.0
Software in development	43.6	20.3	-	-	43.6	20.3
Purchased capacity	-	-	785.0	750.5	785.0	750.5
Total capital assets	2,998.1	2,878.6	1,956.0	1,866.0	4,954.1	4,744.6
Less: Accumulated depreciation and amortization	(858.8)	(814.5)	(692.7)	(656.5)	(1,551.5)	(1,471.0)
Total capital assets, net	$ 2,139.3	2,064.1	$ 1,263.3	1,209.5	$ 3,402.6	3,273.6

The major capital asset events for fiscal year 2011 included the following:

- The ongoing costs associated with the replacement of County and Schools legacy mainframe systems, also known as the FOCUS project. This project will replace core operating systems in support of the human resources, budgeting, purchasing, and accounting functions. This is a multi-year project with phased implementations, with the first phase scheduled for the financial and some of the logistical functions to go live in November 2011. Additional phases will continue to be deployed over the next several fiscal years. Project expenditures capitalized to date through the end of fiscal year 2011 were $43.6 million including software and infrastructure purchases, county and schools staff time, and consultant implementation costs.

- The Fairfax County Board of Supervisors in 2007 authorized a local funding agreement with the Metropolitan Washington Airports Authority (MWAA) and Loudoun County and also authorized expenditure of funds from the Dulles Corridor Phase I Special Improvement Tax District for the construction of the Dulles Corridor Metrorail Project. This agreement committed Fairfax County to funding a percentage of the total cost of construction. MWAA, Loudoun and Fairfax Counties will pay 4.1, 4.8, and 16.1 percent respectively of the total project cost; the remaining 75 percent comes from the Dulles Toll Road and state and federal funding. Fairfax County expended $13 million in fiscal year 2011, bringing the project to date total to $16.2 million. The current fiscal year County costs were toward the construction of the Wiehle Avenue Metrorail Facility.

- Ongoing dam safety and stormwater projects totaled $7.4 million including the Lake Barton and Woodglen Lake Federal Stimulus funded projects as well as inspection and monitoring at various other county sites funded through county capital improvement allocations from the general fund and stormwater tax district special revenues.

- Developers' contributions of sewer lines and manholes totaled $4.4 million.
- The ongoing expansion and renovation costs for the Dolley Madison Community Library totaled $4.2 million, funded with a public library bond referendum and general revenues, bringing the total project to date costs to $6 million.

- The purchase of library books and audio/video materials totaled $3.5 million, funded through general operating revenues.

- The ongoing construction costs associated with various sidewalks, trails, walkways, and other pedestrian improvements, totaled $3.4 million, funded through general and special revenue funds as well as transportation construction bonds.

- The Sewer System's share of the ongoing expansion costs of the Arlington County's, City of Alexandria's, and the District of Columbia's wastewater treatment facilities, which provide services to certain County residents, was $3.5 million, $0.5 million, and $9.4 million, respectively, funded through Sewer Revenue bonds.

Additional information pertaining to the County's capital assets can be found in Note F to the financial statements on page 68.

Long-term Debt

There is no legal limit on the amount of long-term indebtedness that the County can at any time incur or have outstanding. However, all general obligation bonded indebtedness must be approved by voter referendum prior to issuance. The Board of Supervisors has established the following self-imposed limits with respect to long-term debt:

- A limit of $1.375 billion of general obligation bond sales over a five-year period, for an average of $275 million annually, with a maximum of $300 million in any given year, excluding refunding bonds

- A limitation that total long-term debt (excluding capital leases for equipment and sewer revenue bonds) not exceed 3 percent of the total market value of taxable real and personal property in the County and that annual debt service payments not exceed 10 percent of annual General Fund expenditures and transfers out. For fiscal year 2011, these percentages were 1.23 percent and 8.54 percent, respectively.

In February 2011, the County issued $190.1 million of Series 2011A General Obligation Public Improvement and Refunding Bonds with a true interest cost of 3.709 percent and a premium of $13.3 million. Proceeds of $171.4 million are being used to fund new facilities and improvements, as follows (in millions):

County facilities:	
Transportation facilities	$ 34.7
Park facilities	13.2
Public Schools facilities	123.5
Total bonds issued for new projects	$171.4

The remaining Series 2011A Bonds were issued to current refund certain outstanding Series 2002A General Obligations Bonds, thereby taking advantage of lower interest rates to reduce the County's debt service payments by $1.4 million over the next four years and obtaining an economic gain of $1.2 million.

The following is a summary of the County's gross outstanding long-term debt as of June 30, 2011 and 2010:

Outstanding Long-term Debt
As of June 30
($ in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
General obligation bonds issued for:						
County facilities	$ 375.6	407.3	$ -	-	$ 375.6	407.3
Public Schools facilities	1,260.5	1,236.3	-	-	1,260.5	1,236.3
Park Authority facilities	170.7	168.3	-	-	170.7	168.3
Washington Metropolitan Area Transit Authority	82.0	77.0	-	-	82.0	77.0
Northern Virginia Regional Park Authority	15.2	16.0	-	-	15.2	16.0
Commonwealth of Virginia (roads)	92.2	92.1	-	-	92.2	92.1
Revenue bonds	557.8	321.7	-	-	557.8	321.7
Sewer revenue bonds	-	-	565.1	546.8	565.1	546.8
Capital leases and other	48.4	36.0	-	-	48.4	36.0
Total County outstanding debt	$ 2,602.4	2,354.7	$ 565.1	546.8	$ 3,167.5	2,901.5

Additional information related to the County's long-term debt can be found in Note J to the financial statements on page 86.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following economic factors are reflected in the General Fund budget for fiscal year 2012

- The assessed value of all real property increased by $6.1 billion, or 3.27 percent, over the fiscal year 2011 value. This is a result from new construction and rising occupancy rates for nonresidential real estate.

- Equalized residential property assessments rose up to 2.34 percent in fiscal year 2012. After falling four consecutive years, existing residential properties increased in fiscal year 2012, reflecting a stabilization of the residential housing market that began in calendar year 2010.

- Non-residential equalization increased 3.73 percent in fiscal year 2012. Much of this increase was the result of multi-family apartment properties, which make up nearly 20 percent of the nonresidential base. Apartment values rose 14.54 percent, reflecting strong rental income and high occupancy rates.

- Personal property tax revenue is anticipated to experience a moderate rise of 4.1 percent in fiscal year 2012. The total vehicle volume is forecast to increase .3 percent in fiscal year 2012. The slight increase is due to an increase in new vehicle purchases.

- Revenue from investments is expected to decrease due to a decline in the anticipated yield earned on the County's investment portfolio.

The Fiscal Year 2012 Adopted Budget includes revenues of $3.31 billion, or a 1.13 percent increase over the fiscal year 2011 Revised Budget Plan. Real and personal property taxes represent the majority of budgeted revenues, comprising approximately 77.3 percent of the fiscal year 2012 General Fund revenues. Revenue from real property taxes alone makes up 61.6 percent of total revenues, as compared to approximately 62.1 percent in the Fiscal Year 2011 Adopted Budget.

Budgeted disbursements, which include expenditures and transfers out, are $3.38 billion, a .72 percent decrease from the fiscal year 2011 level. County funding for Public Schools is $1.77 billion – which approximates 52.5 percent of the County's total General Fund budget. This funding supports operating costs, school construction, and debt service. Total direct expenditures funding decreased by $20.9 million, or 1.66 percent, from fiscal year 2011. These reductions are being accomplished through various innovative approaches such as service cuts, program reorganizations, and staff reductions to reduce cost while maintaining core County services.

In fiscal year 2012, the following tax rate and fee adjustments were approved:

- Real estate tax rate was decreased from $1.09 to $1.07 per $100 of assessed value

- Commercial real estate tax rate for County transportation remains at $0.11 per $100 of assessed value on commercial and industrial properties.

- Special real estate tax rate collected on all properties within Small District 1, Dranesville for the McLean Community Center decreased to $0.023 per $100 of assessed value. The rate collected on all properties within Small District 5, Hunter Mill for the Reston Community Center remains to $0.047 per $100 of assessed value.

- The sewer availability charge for new single-family homes remains at $7,750 per unit.

- Sewer service rate increases from $5.27 to $6.01 per 1,000 gallons of water consumption.

- Refuse collection rate for County collection sanitation districts remains at $345 per household, and the refuse disposal rate remains at $60 per ton.

- The Stormwater Management rate remains at $0.015 per $100 of assessed value.

The County has added no new major initiatives for fiscal year 2011. The Board has maintained the dedication of one-half penny of the real estate tax rate for the preservation of Affordable Housing. Funding adjustments and strategies have been incorporated in the Fiscal Year 2012 Adopted Budget Plan to continue to address the County's commitment to achieving the strategic priorities of a strong investment in education; public safety and gang prevention; affordable housing; environmental protection; transportation improvements; and revenue diversification to reduce the burden on the homeowner.

Other potentially significant matters

During fiscal year 2010, the Commonwealth of Virginia initiated certain responsive actions to the economic downturn that will continue to affect Fairfax County Public Schools (FCPS), a discretely presented component unit of Fairfax County. Through changes in certain actuarial assumptions for VRS sponsored retirement plans, which were affected by legislation passed by the General Assembly, the Commonwealth was able to defer rate increases requested by the VRS Trustees, and an increase in the local employer share of these pension contributions was similarly deferred. The impact of these deferrals reduced costs pension related costs of FCPS in fiscal year 2011. The legislation requires that this deferral of costs begin to be replenished starting in fiscal year 2012 and will continue until fully replenished in fiscal year 2021. Ultimately, it is likely that there will be significant increases in the local employer costs to be funded in order to meet the VRS's ability to meet is future payment obligations. Additional information regarding this or other matters that may impact FCPS may be found in the FCPS Comprehensive Annual Financial Report. Information regarding the relationship of FCPS to the County and how to request component unit reports may be found on page 42. Information regarding participation in VRS may be found beginning on page 78.

Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County of Fairfax, Virginia, Department of Finance, 12000 Government Center Parkway, Fairfax, Virginia, 22035. This report can also be found on the County's web site at www.fairfaxcounty.gov.

Basic Financial Statements

The Basic Financial Statements subsection includes the government-wide statements, which incorporate governmental and business-type activities of the County of Fairfax and activities of component units in order to provide an overview of the financial position and results of operations for the reporting entity. This subsection also includes the fund financial statements of the County and the accompanying notes to the financial statements.

COUNTY OF FAIRFAX
FARE FAC
1742
VIRGINIA

COUNTY OF FAIRFAX, VIRGINIA
Statement of Net Assets
June 30, 2011

	Primary Government		Total
	Governmental Activities	Business-type Activities	Primary Government
ASSETS			
Equity in pooled cash and temporary investments	$ 1,159,763,633	59,845,918	1,219,609,551
Cash in banks	-	-	-
Investments	-	-	-
Receivables (net of allowances):			
Accounts	16,881,967	171,941	17,053,908
Accrued interest	2,999,783	12,238	3,012,021
Property taxes:			
Delinquent	19,199,990	-	19,199,990
Not yet due	2,332,906,975	-	2,332,906,975
Business license taxes - delinquent	3,684,596	-	3,684,596
Loans	56,210,689	-	56,210,689
Notes	-	-	-
Other	20,489	-	20,489
Due from intergovernmental units (net of allowances):			
Property tax relief:			
Property tax relief - not yet due	211,313,944	-	211,313,944
Other	86,359,748	37,822,035	124,181,783
Due from primary government	-	-	-
Due from component units	313,369	-	313,369
Loan to component unit	15,000,000	-	15,000,000
Lease to component unit	54,145,000	-	54,145,000
Interfund receivables	231,194	(231,194)	-
Inventories of supplies	1,889,575	443,608	2,333,183
Prepaid and other assets	2,249,366	-	2,249,366
Restricted assets:			
Equity in pooled cash and temporary investments	25,925,885	95,961,405	121,887,290
Cash with fiscal agents	195,906,879	-	195,906,879
Certificates of deposit - performance bonds	53,477	-	53,477
Investments	-	27,464,746	27,464,746
Deferred bond issuance costs (net of amortization)	16,379,391	1,083,243	17,462,634
Land held for sale	-	-	-
Capital assets:			
Non-depreciable/non-amortizable:			
Land	415,635,442	17,370,540	433,005,982
Easements	8,293,364	365,709	8,659,073
Construction in progress	87,319,500	68,190,535	155,510,035
Equipment under construction	30,614,866	-	30,614,866
Software in development	43,593,686	-	43,593,686
Depreciable/amortizable:			
Equipment	372,473,142	11,340,432	383,813,574
Software	356,043	-	356,043
Library collections	80,977,972	-	80,977,972
Purchased capacity	-	785,035,761	785,035,761
Buildings and improvements	1,372,181,951	1,073,726,165	2,445,908,116
Infrastructure	586,676,841	-	586,676,841
Accumulated depreciation	(858,800,271)	(490,163,460)	(1,348,963,731)
Accumulated amortization	-	(202,513,990)	(202,513,990)
Total assets	$ 6,340,758,486	1,485,925,632	7,826,684,118

See accompanying notes to the financial statements.

EXHIBIT A

Total Component Units	Reclassifications (See Note A-12)	Total Reporting Entity	
			ASSETS
653,474,511	-	1,873,084,062	Equity in pooled cash and temporary investments
14,633,935	-	14,633,935	Cash in banks
4,760,000	-	4,760,000	Investments
			Receivables (net of allowances):
3,212,145	-	20,266,053	Accounts
518,700	-	3,530,721	Accrued interest
			Property taxes:
-	-	19,199,990	Delinquent
-	-	2,332,906,975	Not yet due
-	-	3,684,596	Business license taxes - delinquent
-	-	56,210,689	Loans
32,791,743	-	32,791,743	Notes
-	-	20,489	Other
			Due from intergovernmental units (net of allowances):
			Property tax relief:
-	-	211,313,944	Property tax relief - not yet due
54,038,752	-	178,220,535	Other
2,377,674	-	2,377,674	Due from primary government
-	-	313,369	Due from component units
-	-	15,000,000	Loan to component unit
-	-	54,145,000	Lease to component unit
-	-	-	Interfund receivables
3,234,773	-	5,567,956	Inventories of supplies
27,991,612	-	30,240,978	Prepaid and other assets
			Restricted assets:
4,007,876	-	125,895,166	Equity in pooled cash and temporary investments
20,268,237	-	216,175,116	Cash with fiscal agents
3,143,880	-	3,197,357	Certificates of deposit - performance bonds
3,909,916	-	31,374,662	Investments
1,576,293	-	19,038,927	Deferred bond issuance costs (net of amortization)
1,727,600	-	1,727,600	Land held for sale
			Capital assets:
			Non-depreciable/non-amortizable:
428,398,069	-	861,404,051	Land
16,844,494	-	25,503,567	Easements
202,971,789	-	358,481,824	Construction in progress
462,929	-	31,077,795	Equipment under construction
1,761,436	-	45,355,122	Software in development
			Depreciable/amortizable:
248,592,191	-	632,405,765	Equipment
3,876,221	-	4,232,264	Software
32,090,354	-	113,068,326	Library collections
-	-	785,035,761	Purchased capacity
3,325,573,489	-	5,771,481,605	Buildings and improvements
-	-	586,676,841	Infrastructure
(1,525,828,985)	-	(2,874,792,716)	Accumulated depreciation
(994,962)	-	(203,508,952)	Accumulated amortization
3,565,414,672	-	11,392,098,790	Total assets

continued

COUNTY OF FAIRFAX, VIRGINIA
Statement of Net Assets
June 30, 2011

	Primary Government		Total
	Governmental Activities	Business-type Activities	Primary Government
LIABILITIES			
Accounts payable and accrued liabilities	$ 83,190,637	1,621,272	84,811,909
Accrued salaries and benefits	27,242,524	594,533	27,837,057
Contract retainages	2,531,785	7,636,969	10,168,754
Accrued interest payable	28,430,844	6,024,569	34,455,413
Due to primary government	-	-	-
Due to component units	2,377,674	-	2,377,674
Deferred revenue:			
Property taxes not yet due	2,557,683,588	-	2,557,683,588
Other	48,528,083	-	48,528,083
Performance and other deposits	78,470,260	-	78,470,260
Long-term liabilities:			
Portion due or payable within one year:			
General obligation bonds payable, net	181,917,145	-	181,917,145
Revenue bonds payable, net	24,286,396	16,673,909	40,960,305
Notes payable	3,587,459	-	3,587,459
Compensated absences payable	62,704,236	1,252,296	63,956,532
Landfill closure and postclosure obligation	500,000	-	500,000
Obligations under capital leases and installment purchases	3,791,156	-	3,791,156
Insurance and benefit claims payable	28,598,965	-	28,598,965
Loan from primary government	-	-	-
Deferred Rent	-	-	-
Other	1,943,033	-	1,943,033
Portion due or payable after one year:			
General obligation bonds payable, net	1,879,176,392	-	1,879,176,392
Revenue bonds payable, net	546,924,080	553,972,720	1,100,896,800
Notes payable	36,349,738	-	36,349,738
Compensated absences payable	39,506,834	837,972	40,344,806
Landfill closure and postclosure obligation	63,300,734	-	63,300,734
Obligations under capital leases and installment purchases	11,233,779	-	11,233,779
Insurance and benefit claims payable	23,515,193	-	23,515,193
Net pension obligation	89,006,963	-	89,006,963
Net OPEB obligation	4,679,390	-	4,679,390
Loan from primary government	-	-	-
Deferred Rent	-	-	-
Other	32,209,483	-	32,209,483
Total liabilities	5,861,686,371	588,614,240	6,450,300,611
NET ASSETS			
Invested in capital assets, net of related debt	1,540,962,447	722,703,848	2,263,666,295
Restricted for:			
Grant programs	42,821,980	-	42,821,980
Sewer improvements	-	82,510,520	82,510,520
Repair and replacement	-	-	-
Community centers	19,889,007	-	19,889,007
Housing	-	-	-
Transportation	245,683,981	-	245,683,981
Capital projects	-	-	-
Debt service	-	10,916,846	10,916,846
Unrestricted (deficit)	(1,370,285,300)	81,180,178	(1,289,105,122)
Total net assets	$ 479,072,115	897,311,392	1,376,383,507

See accompanying notes to the financial statements.

EXHIBIT A
concluded

Total Component Units	Reclassifications (See Note A-12)	Total Reporting Entity	
			LIABILITIES
51,795,201	-	136,607,110	Accounts payable and accrued liabilities
107,644,509	-	135,481,566	Accrued salaries and benefits
7,637,612	-	17,806,366	Contract retainages
4,753,199	-	39,208,612	Accrued interest payable
313,369	-	313,369	Due to primary government
-	-	2,377,674	Due to component units
			Deferred revenue:
-	-	2,557,683,588	Property taxes not yet due
41,509,150	-	90,037,233	Other
3,125,949	-	81,596,209	Performance and other deposits
			Long-term liabilities:
			Portion due or payable within one year:
-	-	181,917,145	General obligation bonds payable, net
8,555,569	-	49,515,874	Revenue bonds payable, net
12,787,726	-	16,375,185	Notes payable
24,240,996	-	88,197,528	Compensated absences payable
-	-	500,000	Landfill closure and postclosure obligation
11,394,354	-	15,185,510	Obligations under capital leases and installment purchases
26,019,285	-	54,618,250	Insurance and benefit claims payable
180,000	-	180,000	Loan from primary government
63,548	-	63,548	Deferred Rent
-	-	1,943,033	Other
			Portion due or payable after one year:
-	-	1,879,176,392	General obligation bonds payable, net
33,972,956	-	1,134,869,756	Revenue bonds payable, net
65,366,468	-	101,716,206	Notes payable
11,608,026	-	51,952,832	Compensated absences payable
-	-	63,300,734	Landfill closure and postclosure obligation
69,932,164	-	81,165,943	Obligations under capital leases and installment purchases
22,253,455	-	45,768,648	Insurance and benefit claims payable
1,708,994	-	90,715,957	Net pension obligation
		4,679,390	Net OPEB obligation
14,820,000	-	14,820,000	Loan from primary government
2,653,169	-	2,653,169	Deferred Rent
-	-	32,209,483	Other
522,335,699	-	6,972,636,310	Total liabilities
			NET ASSETS
2,549,784,457	(1,344,048,165)	3,469,402,587	Invested in capital assets, net of related debt
			Restricted for:
8,939,609	-	51,761,589	Grant programs
-	-	82,510,520	Sewer improvements
700,000	-	700,000	Repair and replacement
-	-	19,889,007	Community centers
26,770,971	-	26,770,971	Housing
-	-	245,683,981	Transportation
3,307,876	(87,150,256)	(83,842,380)	Capital projects
1,944,916	-	12,861,762	Debt service
451,631,144	1,431,198,421	593,724,443	Unrestricted (deficit)
3,043,078,973	-	4,419,462,480	Total net assets

COUNTY OF FAIRFAX, VIRGINIA
Statement of Activities
For the fiscal year ended June 30, 2011

		Program Revenues		
Functions/Programs	**Expenses**	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government administration	$ 138,976,659	11,627,348	11,619,955	7,864,038
Judicial administration	52,295,620	14,230,155	16,774,819	-
Public safety	618,789,976	74,126,570	50,820,459	-
Public works	192,081,461	113,296,977	4,450,115	6,276,902
Health and welfare	546,852,765	70,834,601	157,935,071	397,500
Community development	378,565,455	95,311,178	49,654,462	2,457,814
Parks, recreation, and cultural	105,293,977	16,225,076	1,666,779	37,194
Education - for Public Schools	1,744,248,387	-	-	-
Interest on long-term debt	98,596,584	-	-	-
Total governmental activities	3,875,700,884	395,651,905	292,921,660	17,033,448
Business-type activities:				
Public works - Sewer	156,989,198	154,118,716	-	12,385,470
Total business-type activities	156,989,198	154,118,716	-	12,385,470
Total primary government	4,032,690,082	549,770,621	292,921,660	29,418,918
Component units:				
Public Schools	2,313,587,932	101,752,579	229,644,308	141,170,546
Redevelopment and Housing Authority	100,851,101	38,848,352	57,127,644	1,405,267
Park Authority	88,428,883	40,993,655	-	13,182,612
Economic Development Authority	12,287,622	-	-	-
Total component units	$ 2,515,155,538	181,594,586	286,771,952	155,758,425

General revenues:
- Taxes:
  - Real property
  - Personal property
  - Business licenses
  - Local sales and use
  - Consumers utility
  - Motor vehicle decals
  - Recordation
  - Occupancy, tobacco, and other
- Grants and contributions not restricted to specific programs
- Revenue from the use of money
- Share of Commonwealth's lottery proceeds
- Revenue from primary government
- Other

Special items:
- Proceeds from the sale of land
- Gain from sale of purchased capacity

Total general revenues
- Change in net assets

Net assets, July 1, 2010
Net assets, June 30, 2011

See accompanying notes to the financial statements.

EXHIBIT A-1

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Total	
Governmental Activities	Business-type Activities	Total Primary Government	Component Units	**Functions/Programs**
				Primary government:
				Governmental activities:
(107,865,318)	-	(107,865,318)	-	General government administration
(21,290,646)	-	(21,290,646)	-	Judicial administration
(493,842,947)	-	(493,842,947)	-	Public safety
(68,057,467)	-	(68,057,467)	-	Public works
(317,685,593)	-	(317,685,593)	-	Health and welfare
(231,142,001)	-	(231,142,001)	-	Community development
(87,364,928)	-	(87,364,928)	-	Parks, recreation, and cultural
(1,744,248,387)	-	(1,744,248,387)	-	Education - for Public Schools
(98,596,584)	-	(98,596,584)	-	Interest on long-term debt
(3,170,093,871)	-	(3,170,093,871)	-	Total governmental activities
				Business-type activities:
-	9,514,988	9,514,988	-	Public works - Sewer
-	9,514,988	9,514,988	-	Total business-type activities
(3,170,093,871)	9,514,988	(3,160,578,883)	-	Total primary government
				Component units:
-	-	-	(1,841,020,499)	Public Schools
-	-	-	(3,469,838)	Redevelopment and Housing Authority
-	-	-	(34,252,616)	Park Authority
-	-	-	(12,287,622)	Economic Development Authority
-	-	-	(1,891,030,575)	Total component units
				General revenues:
				Taxes:
2,028,435,622	-	2,028,435,622	-	Real property
301,272,265	-	301,272,265	-	Personal property
150,669,671	-	150,669,671	-	Business licenses
158,772,098	-	158,772,098	-	Local sales and use
113,731,677	-	113,731,677	-	Consumers utility
27,408,623	-	27,408,623	-	Motor vehicle decals
26,407,596	-	26,407,596	-	Recordation
47,946,003	-	47,946,003	-	Occupancy, tobacco, and other
211,818,969	-	211,818,969	376,499,242	Grants and contributions not restricted to specific programs
18,634,630	1,084,587	19,719,217	2,049,599	Revenue from the use of money
	-	-	-	Share of Commonwealth's lottery proceeds
-	-	-	1,660,258,896	Revenue from primary government
-	-	-	136,361	Other
				Special items:
7,299,696	-	7,299,696	-	Proceeds from the sale of land
-	16,787,885	16,787,885	-	Gain from sale of purchased capacity
3,092,396,850	17,872,472	3,110,269,322	2,038,944,098	Total general revenues
(77,697,021)	27,387,460	(50,309,561)	147,913,523	Change in net assets
556,769,136	869,923,932	1,426,693,068	2,895,165,450	Net assets, July 1, 2010
$ 479,072,115	897,311,392	1,376,383,507	3,043,078,973	Net assets, June 30, 2011

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT A-2

Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Equity in pooled cash and temporary investments	$ 497,231,982	523,085,617	1,020,317,599
Receivables (net of allowances):			
Accounts	5,958,505	10,923,206	16,881,711
Accrued interest	284,191	2,708,443	2,992,634
Property taxes:			
Delinquent	19,199,990	-	19,199,990
Not yet due	2,332,906,975	-	2,332,906,975
Business license taxes - delinquent	3,684,596	-	3,684,596
Loans	-	56,210,689	56,210,689
Due from intergovernmental units (net of allowances):			
Property tax relief - not yet due	211,313,944	-	211,313,944
Other	52,105,332	33,458,843	85,564,175
Due from component units	313,369	-	313,369
Loan to component unit	-	15,000,000	15,000,000
Lease to component unit	-	54,145,000	54,145,000
Interfund receivables	1,808,129	1,851,585	3,659,714
Prepaid and other assets	308,818	1,641,476	1,950,294
Restricted assets:			
Equity in pooled cash and temporary investments	-	25,925,885	25,925,885
Cash with fiscal agents	633,226	195,086,653	195,719,879
Certificates of deposit - performance bonds	53,477	-	53,477
Total assets	$ 3,125,802,534	920,037,397	4,045,839,931
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	$ 55,243,801	22,967,555	78,211,356
Accrued salaries and benefits	21,725,725	4,825,122	26,550,847
Contract retainages	-	2,531,785	2,531,785
Accrued interest payable	-	1,026,351	1,026,351
Due to component units	1,673,050	704,624	2,377,674
Interfund payables	-	3,855,713	3,855,713
Deferred revenue:			
Property taxes not yet due	2,557,683,588	-	2,557,683,588
Other	41,580,955	100,087,925	141,668,880
Performance and other deposits	71,496,451	6,973,809	78,470,260
Total liabilities	$ 2,749,403,570	142,972,884	2,892,376,454

EXHIBIT A-2

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances:			
Nonspendable:			
Prepaid amounts	$ 308,818	1,641,299	1,950,117
Long-term loan	-	50,061,144	50,061,144
Total Nonspendable	308,818	51,702,443	52,011,261
Restricted for:			
Public safety, courts, and judicial	-	23,793,794	23,793,794
General public works	-	103,134,429	103,134,429
Stormwater management	-	19,621,816	19,621,816
Transportation	-	246,537,294	246,537,294
Social services, health and welfare	-	7,452,261	7,452,261
Housing and community development	-	73,649,423	73,649,423
Parks, recreation, and cultural	-	20,391,724	20,391,724
Capital projects	-	71,820,530	71,820,530
Other purposes	-	539,835	539,835
Total Restricted	-	566,941,106	566,941,106
Committed to:			
Revenue stabilization	104,741,751	-	104,741,751
Managed reserves	67,549,588	-	67,549,588
Public safety, courts, and judicial	1,017,851	14,661,114	15,678,965
Transportation	-	29,752,107	29,752,107
Social services, health and welfare	1,590,310	3,609,064	5,199,374
Housing and community development	25,337	24,288,132	24,313,469
Parks, recreation, and cultural	1,638,023	-	1,638,023
Debt service	-	15,445,525	15,445,525
Capital projects	-	70,665,022	70,665,022
Other purposes	30,064,153	-	30,064,153
Total Committed	206,627,013	158,420,964	365,047,977
Assigned to:			
Public safety, courts, and judicial	9,513,863	-	9,513,863
General public works	3,721,239	-	3,721,239
Social services, health and welfare	10,387,200	-	10,387,200
Housing and community development	3,635,528	-	3,635,528
Parks, recreation, and cultural	961,466	-	961,466
Other purposes	6,192,250	-	6,192,250
Total Assigned	34,411,546	-	34,411,546
Unassigned:	135,051,587	-	135,051,587
Total fund balances	376,398,964	777,064,513	1,153,463,477
Total liabilities and fund balances	$ 3,125,802,534	920,037,397	4,045,839,931

See accompanying notes to the financial statements.

continued

COUNTY OF FAIRFAX, VIRGINIA
Reconciliation of the Balance Sheet to the Statement of Net Assets
Governmental Funds
June 30, 2011

EXHIBIT A-2
concluded

Fund balances - Total governmental funds		$ 1,153,463,477
Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:		
Capital assets used in governmental fund activities are not financial resources and, therefore, are not reported in the funds:		
Non-depreciable/non-amortizable assets:		
Land	$ 413,696,754	
Easements	8,293,364	
Construction in progress	87,319,500	
Equipment under construction	30,343,403	
Software in development	42,825,942	
Depreciable/amortizable assets:		
Equipment	251,170,236	
Software	356,043	
Library collections	80,977,972	
Buildings and improvements	1,351,916,218	
Infrastructure	586,676,841	
Total capital assets	2,853,576,273	
Less accumulated depreciation/amortization	(774,721,748)	2,078,854,525
Some of the County's receivables will not be collected soon enough to pay for the current period's expenditures and, therefore, are reported as deferred revenue in the funds:		
Delinquent taxes (net of allowances):		
Property	$ 16,641,806	
Business license	3,684,596	
Sales and use and other taxes	17,569,840	
EMS transport and other charges for services	2,321,441	
Lease to component unit	54,145,000	94,362,683
Certain other receivables are accrued only in the government-wide statements		795,573
Costs incurred from the issuance of long-term debt are recognized as expenditures in the fund statements, but are deferred in the government-wide statements.		16,379,391
OPEB costs are recognized as expenditures in the fund statements, but are deferred in the government-wide statements.		(4,679,390)
Internal service funds are used by management to provide certain goods and services to governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
Assets:		
Current assets	$ 142,544,853	
Capital assets	144,546,534	
Less accumulated depreciation/amortization	(84,078,523)	
Liabilities	(65,581,767)	137,431,097
Long-term liabilities related to governmental fund activities are not due and payable in the current period and, therefore, are not reported in the funds:		
General obligation bonds payable, net	$ (2,061,093,537)	
Revenue bonds payable, net	(571,210,476)	
Notes payable	(39,937,197)	
Compensated absences payable	(99,245,762)	
Landfill closure and postclosure obligation	(63,800,734)	
Obligations under capital leases and installment purchases	(11,683,563)	
Net pension obligation	(89,006,963)	
Other long-term liabilities	(34,152,516)	
Accrued interest on long-term debt	(27,404,493)	(2,997,535,241)
Net assets of governmental activities		$ 479,072,115

COUNTY OF FAIRFAX
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COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT A-3

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2011

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	$ 2,827,326,585	30,593,840	2,857,920,425
Permits, privilege fees, and regulatory licenses	34,267,179	21,135,284	55,402,463
Intergovernmental	348,640,195	167,619,984	516,260,179
Charges for services	64,102,781	249,976,325	314,079,106
Fines and forfeitures	16,563,245	81,870	16,645,115
Developers' contributions	-	527,482	527,482
Revenue from the use of money and property	19,988,418	15,226,372	35,214,790
Recovered costs	12,613,615	8,420,576	21,034,191
Gifts, donations, and contributions	1,317,536	882,258	2,199,794
Total revenues	3,324,819,554	494,463,991	3,819,283,545
EXPENDITURES			
Current:			
General government administration	123,805,513	8,028,163	131,833,676
Judicial administration	48,904,332	1,598,065	50,502,397
Public safety	519,345,496	54,214,271	573,559,767
Public works	78,263,533	125,677,907	203,941,440
Health and welfare	339,071,477	200,399,553	539,471,030
Community development	53,629,631	112,958,374	166,588,005
Parks, recreation, and cultural	32,597,281	12,703,443	45,300,724
Intergovernmental:			
Community development	9,437,885	186,893,690	196,331,575
Parks, recreation, and cultural	30,572,280	21,391,464	51,963,744
Education - for Public Schools	1,611,730,658	132,517,729	1,744,248,387
Capital outlay:			
General government administration	36,641,724	4,831,118	41,472,842
Judicial administration	25,297	2,864,875	2,890,172
Public safety	505,804	16,751,079	17,256,883
Public works	161,991	14,804,164	14,966,155
Health and welfare	609,502	3,454,660	4,064,162
Community development	37,634	34,968,370	35,006,004
Parks, recreation, and cultural	3,566,145	7,351,456	10,917,601
Debt service:			
Principal retirement	1,435,411	191,117,953	192,553,364
Interest and other charges	128,572	111,706,564	111,835,136
Total expenditures	2,890,470,166	1,244,232,898	4,134,703,064
Excess (deficiency) of revenues over (under) expenditures	434,349,388	(749,768,907)	(315,419,519)
OTHER FINANCING SOURCES (USES)			
Transfers in	9,801,238	475,694,306	485,495,544
Transfers out	(454,432,831)	(31,275,049)	(485,707,880)
General obligation bonds issued	-	171,395,000	171,395,000
Premium on general obligation bonds issued	-	11,568,833	11,568,833
Revenue bonds issued	-	266,704,702	266,704,702
General obligation refunding bonds issued	-	18,695,000	18,695,000
Premium on general obligation refunding bonds issued	-	1,688,671	1,688,671
Lease revenue refunding bonds issued, including premium	-	30,584,697	30,584,697
Payments to refunded bonds escrow agent	-	(50,785,617)	(50,785,617)
Long Term Loans		6,535,000	6,535,000
Total other financing sources (uses)	(444,631,593)	900,805,543	456,173,950
SPECIAL ITEM			
Proceeds from the sale of land	-	7,299,696	7,299,696
Net change in fund balances	(10,282,205)	158,336,332	148,054,127
Fund balances, July 1, 2010	386,681,169	618,728,181	1,005,409,350
Fund balances, June 30, 2011	$ 376,398,964	777,064,513	1,153,463,477

See accompanying notes to the financial statements.

continued

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT A-3
concluded

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the fiscal year ended June 30, 2011

Net change in fund balances - Total governmental funds		$ 148,054,127
Amounts reported for governmental activities in the statement of activities (Exhibit A-1) are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.		
Capital outlays	$ 126,573,819	
Less depreciation/amortization expense	(71,188,651)	55,385,168
In the statement of activities, the gain or loss on the disposition of capital assets is reported. However, in the governmental funds, only the proceeds from sales are reported, which increase fund balance. Thus, the difference is the net book value (i.e., depreciated cost) of the capital asset dispositions.		(6,365,702)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		12,523,150
Some revenues will not be collected for several months after the fiscal year ends, hence, they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues increased (decreased) by this amount this year:		
Delinquent property taxes	$ (1,441,474)	
Delinquent business license taxes	132,661	
Sales and use and other taxes	(1,886,012)	
EMS transport and other charges for services	(215,998)	(3,410,823)
The receipt of principal payments for the lease to the component unit does not result in a revenue in the statement of activities.		(1,255,000)
The issuance of long-term debt, including premiums, is reported as other financing sources in the governmental funds and thus, increases fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities. The following were issued:		
Series 2011A General Obligation Public Improvement and Refund	$ (203,347,504)	
EDA Series 2011 Revenue Bonds	(266,704,702)	
FCRHA Series 2011A Bond Anticipation Notes	(30,584,697)	
HUD Section 108 Loans Payable	(6,535,000)	(507,171,903)
The costs incurred from the issuance of long-term debt are recognized as expenditures in the fund statements, but are deferred and amortized in the government-wide statements, resulting in a net difference.		3,792,929
OPEB costs are recognized as expenditures in the fund statements, but are deferred and amortized in the government-wide statements, resulting in a net difference.		(14,185,000)
Certain other long-term liabilities are recognized only in the government-wide statements, resulting in a net difference.		828,814
The repayment of the principal amounts of long-term debt is reported as an expenditure or as an other financing use when debt is refunded in governmental funds and thus, reduces fund balance. However, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.		
Principal repayments of matured bonds, notes, and loans	$ 191,092,652	
Payment to escrow agent to refund bonds	50,785,617	
Principal payments of capital leases and installment purchases	1,460,712	243,338,981
Interest on long-term debt is reported as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is affected as this interest accrues and as bond-related items are amortized. This difference in interest reporting is as follows:		
Accrued interest on bonds, loans, and capital leases	$ (3,094,597)	
Amortization of bond premiums and discounts	19,256,189	
Amortization of deferred losses on bond refundings	(6,540,638)	9,620,954
Under the modified accrual basis of accounting used in the governmental funds, expenditures for the following are not recognized until they mature. In the statement of activities, however, they are reported as expenses and liabilities as they accrue. The timing differences are as follows:		
Landfill closure and postclosure costs	$ (3,156,137)	
Compensated absences	2,247,563	
Net pension obligation	(14,383,213)	
Other	(286,616)	(15,578,403)
Internal service funds are used by management to provide certain goods and services to governmental funds. The change in net assets is reported with governmental activities.		(3,274,313)
Change in net assets of governmental activities		$ (77,697,021)

COUNTY OF FAIRFAX, VIRGINIA
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities - Enterprise Fund Integrated Sewer System	Governmental Activities - Internal Service Funds
ASSETS		
Current assets:		
Equity in pooled cash and temporary investments	$ 59,845,918	139,446,034
Restricted investments	10,916,846	-
Accounts receivable	171,941	256
Accrued interest receivable	12,238	7,149
Due from intergovernmental units (net of allowance)	37,822,035	-
Interfund receivables	-	715,767
Inventories of supplies	443,608	1,889,575
Prepaid and other assets	-	299,072
Total current assets	109,212,586	142,357,853
Long-term assets:		
Restricted assets:		
Equity in pooled cash and temporary investments	95,961,405	-
Cash with fiscal agents	-	187,000
Investments	16,547,900	-
Total restricted assets	112,509,305	187,000
Capital assets:		
Non-depreciable/non-amortizable:		
Land	17,370,540	1,938,688
Easements	365,709	-
Construction in progress	68,190,535	-
Equipment under construction	-	271,463
Software in development	-	767,744
Depreciable/amortizable:		
Equipment	11,340,432	121,302,906
Purchased capacity	785,035,761	-
Buildings and improvements	1,073,726,165	20,265,733
Accumulated depreciation	(490,163,460)	(84,078,523)
Accumulated amortization	(202,513,990)	-
Total capital assets, net	1,263,351,692	60,468,011
Other long-term asset		
Deferred Bond issuance Costs (net of amortization)	1,083,243	-
Total other long-term assets	1,083,243	-
Total long-term assets	1,376,944,240	60,655,011
Total assets	$ 1,486,156,826	203,012,864

See accompanying notes to the financial statements.

EXHIBIT A-4

	Business-type Activities - Enterprise Fund Integrated Sewer System	Governmental Activities - Internal Service Funds
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,621,272	4,979,281
Accrued salaries and benefits	594,533	691,677
Contract retainages	7,636,969	-
Interfund payables	231,194	268,085
Accrued interest payable	6,024,569	-
Deferred revenue	-	1,221,886
Revenue bonds payable, net	16,673,909	-
Compensated absences payable	1,252,296	1,700,695
Obligations under capital leases	-	1,064,155
Insurance and benefit claims payable	-	28,598,965
Total current liabilities	34,034,742	38,524,744
Long-term liabilities:		
Revenue bonds payable, net	553,972,720	-
Compensated absences payable	837,972	1,264,613
Obligations under capital leases	-	2,277,217
Insurance and benefit claims payable	-	23,515,193
Total long-term liabilities	554,810,692	27,057,023
Total liabilities	588,845,434	65,581,767
NET ASSETS		
Invested in capital assets, net of related debt	722,703,848	57,126,639
Restricted for:		
Sewer improvements	82,510,520	-
Debt service	10,916,846	-
Unrestricted	81,180,178	80,304,458
Total net assets	$ 897,311,392	137,431,097

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT A-5

Statement of Revenues, Expenses, and Changes in Net Assets
Proprietary Funds
For the fiscal year ended June 30, 2011

	Business-type Activities - Enterprise Fund Integrated Sewer System	Governmental Activities - Internal Service Funds
OPERATING REVENUES:		
Charges for services	$ 142,929,404	249,013,746
Intergovernmental	-	2,005,086
Other	-	211,302
Total operating revenues	142,929,404	251,230,134
OPERATING EXPENSES:		
Personnel services	24,162,541	26,813,626
Materials and supplies	11,429,228	1,581,678
Equipment operation and maintenance	-	58,616,402
Risk financing and benefit payments	-	143,408,761
Depreciation and amortization	47,130,698	10,975,976
Professional consultant and contractual services	49,165,134	6,304,859
Other	-	7,358,435
Total operating expenses	131,887,601	255,059,737
Operating (loss)	11,041,803	(3,829,603)
NONOPERATING REVENUES (EXPENSES):		
Availability fees	11,189,312	-
Interest revenue	1,084,587	376,250
Interest expense	(25,300,800)	(175,331)
Amortization expense for bond issuance costs	(45,476)	-
Amortization of deferred gain on bond refunding	229,931	-
Gain (loss) on disposal of capital assets	14,748	(120,678)
Total nonoperating revenues (expenses)	(12,827,698)	80,241
Loss before contributions, special item, and transfers	(1,785,895)	(3,749,362)
Capital contributions	12,385,470	262,713
Special item -Gain from sale of purchased capacity	16,787,885	-
Transfers in	-	4,212,336
Transfers out	-	(4,000,000)
Change in net assets	27,387,460	(3,274,313)
Total net assets, July 1, 2010	869,923,932	140,705,410
Total net assets, June 30, 2011	$ 897,311,392	137,431,097

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT A-6

Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2011

	Business-type Activities - Enterprise Fund Integrated Sewer System	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 138,207,991	-
Receipts from interfund services provided	-	249,911,999
Payments to suppliers and contractors	(58,106,439)	(68,480,989)
Payments to employees	(24,937,603)	(27,899,918)
Claims and benefits paid	-	(139,963,292)
Payments for interfund services used	-	(6,363,299)
Intergovernmental revenue received	-	2,005,086
Net cash provided by operating activities	55,163,949	9,209,587
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to other funds	-	(4,000,000)
Transfers from other funds	-	4,212,336
Net cash provided by noncapital financing activities	-	212,336
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Availability fees received	11,189,312	-
Capital grants received	8,225,425	-
Principal payments on sewer revenue bonds	(15,796,593)	-
Interest payments on sewer revenue bonds	(25,436,678)	-
Proceeds from sale of capital assets	14,748	533,747
Purchase of capital assets, other than purchased capacity	(51,880,108)	(15,833,782)
Acquisition of purchased capacity	(33,981,718)	-
Proceeds from sale of purchased capacity	39,807,586	-
Principal payments on obligations under capital leases	-	(1,017,415)
Interest payments on obligations under capital leases	-	(175,331)
Net cash provided (used) by capital and related financing activities	(67,858,026)	(16,492,781)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of restricted investments	16,349,129	-
Purchases of investments	(16,442,579)	-
Interest received	1,156,135	410,882
Net cash provided by investing activities	1,062,685	410,882
Net decrease in cash and cash equivalents	(11,631,392)	(6,659,976)
Cash and cash equivalents, July 1, 2010	167,438,715	146,293,010
Cash and cash equivalents, June 30, 2011	$ 155,807,323	139,633,034
Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating income(loss)	$ 11,041,803	(3,829,603)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation and amortization	47,130,698	10,975,976
Change in assets and liabilities:		
Decrease in accounts receivable	-	99,218
(Increase) decrease in intergovernmental receivables	(4,721,413)	-
(Increase) in interfund receivables	-	587,733
(Increase) decrease in inventories of supplies	(12,597)	(101,443)
(Increase) decrease in other assets	(54,627)	(43,812)
Increase (decrease) in accounts payable and accrued liabilities	2,622,542	2,627,097
Increase in accrued salaries and benefits	(687,143)	(918,233)
Increase (decrease) in contract retainage	-	(21,716)
Increase (decrease) in interfund payables	(155,314)	(165,630)
Total adjustments to operating (loss)	44,122,146	13,039,190
Net cash provided by operating activities	$ 55,163,949	9,209,587
Noncash investing, capital, and financing activities:		
Capital contributions - sewer lines, manholes, and equipment	$ 4,160,045	262,713
Net increase in long-term debt resulting from the issuance of revenue bonds by UOSA	34,113,615	-
Increase in fair value of investments not classified as cash and cash equivalents	22,074	-

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Statement of Fiduciary Net Assets
June 30, 2011

EXHIBIT A-7

	Pension Trust Funds	OPEB Trust Fund	Agency Funds
ASSETS			
Equity in pooled cash and temporary investments	$ 5,891,061	6,960,088	2,450,830
Cash collateral for securities lending	342,233,054	-	-
Accounts receivable	-	-	110,407
Contributions receivable	13,873,803	-	-
Accrued interest and dividends receivable	15,401,906	8,423	152
Receivable from sale of investments	198,254,537	-	-
Investments, at fair value:			
U.S. Government and agency securities	153,430,978	-	-
Asset-backed securities	377,787,515	-	-
Corporate and other bonds	537,580,265	-	-
Common and preferred stock	1,572,609,700	-	-
Short-term investments	430,480,094	-	-
Investment in pooled funds	2,229,838,308	80,086,536	-
Total assets	5,877,381,221	87,055,047	$ 2,561,389
LIABILITIES			
Accounts payable and accrued liabilities	8,634,275	876	-
Accrued salaries and benefits	57,753	3,087	-
Interfund payable	19,574	915	-
Payable for purchase of pension investments	286,014,987	-	-
Liabilities for collateral received under securities lending agreements	342,233,054	-	-
Liabilities under reimbursement agreements	-	-	2,561,389
Total liabilities	636,959,643	4,878	$ 2,561,389
NET ASSETS			
Held in trust for pension/OPEB benefits	$ 5,240,421,578	87,050,169	

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT A-8

Statement of Changes in Plan Net Assets
Trust Funds
For the fiscal year ended June 30, 2011

	Pension Trust Funds	OPEB Trust Fund
ADDITIONS		
Contributions:		
Employer	$ 171,599,161	23,886,140
Plan members	51,705,060	-
Other	-	1,322,067
Total contributions	223,304,221	25,208,207
Investment income:		
From investment activities:		
Net appreciation in fair value of investments	917,684,102	13,082,075
Interest	93,634,011	29,546
Dividends	34,893,699	-
Total income from investment activities	1,046,211,812	13,111,621
Less investment activities expenses:		
Management fees	19,780,890	68,534
Other	1,778,396	500
Total investment activities expenses	21,559,286	69,034
Net income from investment activities	1,024,652,526	13,042,587
From securities lending activities:		
Securities lending income	1,145,354	-
Less securities lending expenses:		
Borrower rebates	(89,492)	-
Management fees	334,750	-
Total securities lending activities expenses	245,258	-
Net income from securities lending activities	900,096	-
Net investment income	1,025,552,622	13,042,587
Total additions	1,248,856,843	38,250,794
DEDUCTIONS		
Benefits	297,052,041	13,715,036
Refunds of contributions	5,204,351	-
Administrative expenses	2,364,559	139,081
Total deductions	304,620,951	13,854,117
Net increase	944,235,892	24,396,677
Net assets, July 1, 2010	4,296,185,686	62,653,492
Net assets, June 30, 2011	$ 5,240,421,578	87,050,169

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Net Assets
Component Units
June 30, 2011

	Public Schools	Redevelopment and Housing Authority
ASSETS		
Equity in pooled cash and temporary investments	$ 585,683,428	31,460,960
Cash in banks	-	14,633,935
Investments	-	4,760,000
Receivables (net of allowances):		
Accounts	2,203,581	989,208
Accrued interest	165,322	306,765
Notes	-	32,791,743
Due from intergovernmental units	53,938,752	-
Due from primary government	274,976	-
Inventories of supplies	3,234,773	-
Prepaid and other assets	23,977,757	4,013,855
Restricted assets:		
Equity in pooled cash and temporary investments	-	-
Cash with fiscal agents	-	20,268,237
Certificates of deposit - performance bonds	-	3,143,880
Investments	-	1,965,000
Deferred bond issuance costs (net of amortization)	-	1,323,076
Land held for sale	-	1,727,600
Capital assets:		
Non-depreciable/non-amortizable:		
Land	44,869,395	42,050,011
Easements	-	-
Construction in progress	193,161,346	951,690
Software in development	1,761,436	-
Equipment under construction	462,929	-
Depreciable/amortizable:		
Equipment	233,078,061	1,908,883
Software	3,876,221	-
Library collections	32,090,354	-
Buildings and improvements	2,769,229,157	216,409,040
Accumulated depreciation	(1,255,660,223)	(107,348,060)
Accumulated amortization	(846,324)	-
Total assets	$ 2,691,500,941	271,355,823

See accompanying notes to the financial statements.

EXHIBIT A-9

Park Authority	Economic Development Authority	Total Component Units	
			ASSETS
36,330,123	-	653,474,511	Equity in pooled cash and temporary investments
-	-	14,633,935	Cash in banks
-	-	4,760,000	Investments
			Receivables (net of allowances):
19,356	-	3,212,145	Accounts
46,613	-	518,700	Accrued interest
-	-	32,791,743	Notes
100,000	-	54,038,752	Due from intergovernmental units
1,889,959	212,739	2,377,674	Due from primary government
-	-	3,234,773	Inventories of supplies
-	-	27,991,612	Prepaid and other assets
			Restricted assets:
4,007,876	-	4,007,876	Equity in pooled cash and temporary investments
-	-	20,268,237	Cash with fiscal agents
-	-	3,143,880	Certificates of deposit - performance bonds
1,944,916	-	3,909,916	Investments
253,217	-	1,576,293	Deferred bond issuance costs (net of amortization)
-	-	1,727,600	Land held for sale
			Capital assets:
			Non-depreciable/non-amortizable:
341,478,663	-	428,398,069	Land
16,844,494	-	16,844,494	Easements
8,858,753	-	202,971,789	Construction in progress
-	-	1,761,436	Software in development
-	-	462,929	Equipment under construction
			Depreciable/amortizable:
13,549,013	56,234	248,592,191	Equipment
-	-	3,876,221	Software
-	-	32,090,354	Library collections
339,167,331	767,961	3,325,573,489	Buildings and improvements
(162,771,175)	(49,527)	(1,525,828,985)	Accumulated depreciation
-	(148,638)	(994,962)	Accumulated amortization
601,719,139	838,769	3,565,414,672	Total assets

continued

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Net Assets
Component Units
June 30, 2011

	Public Schools	Redevelopment and Housing Authority
LIABILITIES		
Accounts payable and accrued liabilities	$ 41,427,746	7,627,554
Accrued salaries and benefits	105,248,620	351,240
Contract retainages	7,282,192	-
Accrued interest payable	797,910	3,776,054
Due to primary government	-	132,397
Deferred revenue	34,415,280	1,930,408
Performance and other deposits	302,163	2,172,934
Long-term liabilities:		
Portion due or payable within one year:		
Revenue bonds payable, net	-	7,915,529
Notes payable	-	12,787,726
Compensated absences payable	21,011,026	505,423
Obligations under capital leases and installment purchases	11,394,354	-
Insurance and benefit claims payable	26,019,285	-
Loan from primary government	-	-
Deferred rent	-	-
Portion due or payable after one year:		
Revenue bonds payable, net	-	26,667,641
Notes payable	-	65,366,468
Compensated absences payable	9,004,727	580,462
Obligations under capital leases and installment purchases	69,932,164	-
Insurance and benefit claims payable	22,253,455	-
Net OPEB obligation	1,708,994	-
Loan from primary government	-	-
Deferred rent	1,581,756	-
Total liabilities	352,379,672	129,813,836
NET ASSETS		
Invested in capital assets, net of related debt	1,941,946,812	71,084,975
Restricted for:		
Grant and education programs	8,939,609	-
Repair and replacement	-	-
Housing	-	26,770,971
Capital projects		-
Debt service	-	-
Unrestricted (deficit)	388,234,848	43,686,041
Total net assets	$ 2,339,121,269	141,541,987

See accompanying notes to the financial statements.

EXHIBIT A-9
concluded

Park Authority	Economic Development Authority	Total Component Units	
			LIABILITIES
2,651,360	88,541	51,795,201	Accounts payable and accrued liabilities
1,920,451	124,198	107,644,509	Accrued salaries and benefits
355,420	-	7,637,612	Contract retainages
179,235	-	4,753,199	Accrued interest payable
180,972	-	313,369	Due to primary government
5,163,462	-	41,509,150	Deferred revenue
650,852	-	3,125,949	Performance and other deposits
			Long-term liabilities:
			Portion due or payable within one year:
640,040	-	8,555,569	Revenue bonds payable, net
-	-	12,787,726	Notes payable
2,553,948	170,599	24,240,996	Compensated absences payable
-	-	11,394,354	Obligations under capital leases and installment purchases
-	-	26,019,285	Insurance and benefit claims payable
180,000	-	180,000	Loan from primary government
-	63,548	63,548	Deferred rent
			Portion due or payable after one year:
7,305,315	-	33,972,956	Revenue bonds payable, net
-	-	65,366,468	Notes payable
1,958,866	63,971	11,608,026	Compensated absences payable
-	-	69,932,164	Obligations under capital leases and installment purchases
-	-	22,253,455	Insurance and benefit claims payable
-	-	1,708,994	Net OPEB obligation
14,820,000	-	14,820,000	Loan from primary government
-	1,071,413	2,653,169	Deferred rent
38,559,921	1,582,270	522,335,699	Total liabilities
			NET ASSETS
536,126,640	626,030	2,549,784,457	Invested in capital assets, net of related debt
			Restricted for:
-	-	8,939,609	Grant and education programs
700,000	-	700,000	Repair and replacement
-	-	26,770,971	Housing
3,307,876	-	3,307,876	Capital projects
1,944,916	-	1,944,916	Debt service
21,079,786	(1,369,531)	451,631,144	Unrestricted (deficit)
563,159,218	(743,501)	3,043,078,973	Total net assets

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Activities
Component Units
For the fiscal year ended June 30, 2011

		Program Revenues		
Functions/Programs	**Expenses**	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Public Schools:				
Education	$2,313,587,932	101,752,579	229,644,308	141,170,546
Redevelopment and Housing Authority:				
Community development	100,851,101	38,848,352	57,127,644	1,405,267
Park Authority:				
Parks, recreation, and cultural	88,428,883	40,993,655	-	13,182,612
Economic Development Authority:				
Community development	12,287,622	-	-	-
Total component units	$2,515,155,538	181,594,586	286,771,952	155,758,425

General revenues:
Grants and contributions not restricted to specific programs
Revenue from the use of money
Revenue from primary government
Other
Total general revenues
Change in net assets
Net assets, July 1, 2010
Net assets, June 30, 2011

See accompanying notes to the financial statements.

EXHIBIT A-10

Net (Expense) Revenue and Changes in Net Assets				
Public Schools	Redevelopment and Housing Authority	Park Authority	Economic Development Authority	Total Component Units
(1,841,020,499)	-	-	-	(1,841,020,499)
-	(3,469,838)	-	-	(3,469,838)
-	-	(34,252,616)	-	(34,252,616)
-	-	-	(12,287,622)	(12,287,622)
(1,841,020,499)	(3,469,838)	(34,252,616)	(12,287,622)	(1,891,030,575)
373,486,526	-	3,012,716	-	376,499,242
692,239	1,186,775	170,585	-	2,049,599
1,611,590,477	-	36,385,759	12,282,660	1,660,258,896
136,361	-	-	-	136,361
1,985,905,603	1,186,775	39,569,060	12,282,660	2,038,944,098
144,885,104	(2,283,063)	5,316,444	(4,962)	147,913,523
2,194,236,165	143,825,050	557,842,774	(738,539)	2,895,165,450
$ 2,339,121,269	141,541,987	563,159,218	(743,501)	3,043,078,973

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 (the Board), which makes policies for the administration of the County. The Board is comprised of 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 appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board, carries out the policies established by the Board, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board.

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 basic 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. The SWA is authorized under the Virginia Water and Waste Authorities Act and was created by the Board on June 29, 1987. The SWA has financed the construction of a solid waste to energy facility, which is contractually owned and operated by a commercial entity in accordance with agreements between the County, the SWA, and the commercial entity. Certain assets of the commercial entity are reported by the SWA in an agency fund, the Resource Recovery Fund.

The County has assumed the responsibility for the management oversight of the arrangement between the SWA and the commercial entity and for providing sufficient solid waste to result in a financially viable operation; this activity is reported in a special revenue fund of the County, the Energy Resource Recovery Facility Fund. Separate financial statements are not prepared for the SWA.

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, 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, 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, which has the ability to impose its will on the small district. Separate financial statements are not prepared for Small District Five.

Dulles Rail Phase I Transportation Improvement District - The Board of Supervisors created the Dulles Rail Phase I Transportation Improvement District in 2004 to provide funds for the construction of certain transportation improvements in the district. This district is reported as a separate special revenue fund of the County because it is governed by certain members of the Board, which has the ability to impose its will on the district. Separate financial statements are not prepared for the Dulles Rail Phase I Transportation Improvement District.

Dulles Rail Phase II Transportation Improvement District - The Board of Supervisors created the Dulles Rail Phase II Transportation Improvement District in 2009 to provide funds for the construction of certain transportation improvements in the district. This district is reported as a separate special revenue fund of the County because it is governed by certain members of the Board, which has the ability to impose its will on the district. Separate financial statements are not prepared for the Dulles Rail Phase II Transportation Improvement District.

Mosaic District Community Development Authority (CDA) - The CDA is an independent authority legally authorized by an act of the Virginia General Assembly and was formally created by the Board of Supervisors in April 2009. The CDA's purpose is to assist in the development of infrastructure improvements within the district. Separate financial statements are not prepared for the CDA.

Discretely Presented Component Units

The columns for the component units 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 Financial Reporting Division, Department of Finance, 12000 Government Center Parkway, Suite 214, 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 School systems do not have taxing authority under Virginia Code; Public Schools is fiscally dependent on the County. Public Schools operations are funded primarily by 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 appoints FCRHA's Board of Commissioners, and the County provides certain managerial and related financial assistance to FCRHA.

Fairfax County Park Authority (Park Authority) - The Park Authority was created by the Board of Supervisors of the County on December 6, 1950, to maintain and operate the public parks and recreational facilities located in the County. The Board 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) - The EDA is an independent authority legally authorized by an act of the Virginia General Assembly and was formally created by resolutions of the Board of Supervisors. The 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. The Board appoints the seven members of the EDA's commission which appoints the EDA's executive director. The Board appropriates funds annually to the 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 boards of Fairfax Water, and the Industrial Development Authority of Fairfax County (IDAFC). The IDAFC does not have a significant operational or financial relationship with the County. Fairfax Water bills and collects for the sales of sewer services on behalf of the County's sewer system. During fiscal year 2011, Fairfax Water collected approximately $113.3 million on behalf of the County, and as of June 30, 2011, the County has receivables of approximately $27.0 million due from Fairfax Water.

Joint Ventures

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 financial 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 UOSA, 14631 Compton Road, Centreville, Virginia 20121.

The County is a participant in the Northern Virginia Regional Park Authority (NVRPA). NVRPA is a joint venture created under the Virginia Park Authorities Act of 1959 to protect and preserve Northern Virginia's rich heritage of woods, meadows, lakes, and streams. The governing body of NVRPA is comprised of two members from each of the 6 member jurisdictions: Fairfax, Arlington, and Loudoun Counties, and the Cities of Alexandria, Falls Church, and Fairfax. Each member jurisdiction provides contributions in direct proportion to its share of the region's population. The County's contributions are accounted for in the County Construction capital projects fund. The County has no explicit and measurable financial interest in NVRPA. Complete financial statements of NVRPA can be obtained by writing to NVRPA, 5400 Ox Road, Fairfax Station, Virginia 22039.

Jointly Governed Organization

The State Route 28 Highway Transportation Improvement District (District) was created in 1987 under the provisions of the Transportation Improvements District Act by the County and Loudoun County, Virginia, in conjunction with the Commonwealth of Virginia Transportation Board (CVTB), for the purpose of undertaking various improvements to State Route 28. The District is governed by a nine-member Commission comprised of four members from each of the Boards of Supervisors of the County and Loudoun County and the Chairman of the CVTB or his designee. The County has no financial interest in the District. See Note J-8 for additional information related to the District.

2. Basis of Presentation

Government-wide Statements

The statement of net assets and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to avoid the double-counting of interfund activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed primarily by fees charged to external parties. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities presents a comparison between direct expenses and program revenues for each activity of the County. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular activity. Program revenues include: (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and, (b) grants and contributions that are restricted to meet the operations or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the reporting entity are organized on the basis of funds, 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 fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major fund types:

General Fund - The General Fund is the County's primary operating fund, and it is used to account for all revenue sources and expenditures which are not accounted for in other funds.

Enterprise Fund - The Fairfax County Integrated Sewer System (Sewer System) is the only enterprise fund of the County. This fund is used to account for the financing, construction, and operations of the countywide sewer system.

The County reports the following nonmajor governmental fund types:

Special Revenue Funds - The special revenue funds are used to account for the proceeds of specific revenue sources (other than debt service and major capital projects) that are legally restricted or committed to expenditure for specified purposes.

Debt Service Fund - The debt service fund is 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. This includes the general obligation debt the County has issued to fund Public Schools capital projects.

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.

The County reports the following additional fund types:

Internal Service Funds - These funds are proprietary funds used to account for the provision of general liability, malpractice, and workers' compensation insurance, health benefits for employees and retirees, vehicle services, document services, and technology infrastructure support that are provided to County departments on a cost reimbursement basis.

Pension and Other Post-Employment Benefits (OPEB) Trust funds – These are fiduciary funds used to account for the assets held in trust by the County for the employees and beneficiaries of its defined benefit pension and OPEB plans – the Employees' Retirement System, the Police Officers Retirement System, the Uniformed Retirement System, and the Other Post-Employment Benefits (OPEB) Trust Fund.

Agency Funds - These are fiduciary funds used to account for monies received, held, and disbursed on behalf of developers, welfare recipients, the Commonwealth of Virginia, the recipients of certain bond proceeds, and certain other local governments.

3. Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Statements

The government-wide, proprietary, and trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds also use the accrual basis of accounting to recognize assets and liabilities. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and entitlements. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. For the trust funds, member and employer contributions as applicable are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. For the Sewer System, principal operating revenues include sales to existing customers for continuing sewer service. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues

and expenses. Also, unbilled Sewer System receivables, net of an allowance for uncollectable accounts, are recorded at year end to the extent they can be estimated.

In preparing the financial statements of the enterprise fund, the County has not elected to apply the option provided in Paragraph 7 of GASB Statement No. 20 titled "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting." Therefore, the reporting entity has applied only those 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's Sewer System and various other functions of the government; elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenue from the use of money and property and from intergovernmental reimbursement grants is recorded as earned. Other revenues are considered available to be used to pay liabilities of the current period if they are collectible within the current period or within 45 days thereafter. 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. Expenditures are recorded when the related fund liability is incurred, except that principal and interest on general long-term debt and certain other general long-term obligations, such as compensated absences and landfill closure and postclosure care costs, are recognized only to the extent they have matured. General capital asset acquisitions are reported as capital outlays in governmental funds. The issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources. The effect of interfund activity has not been eliminated from the governmental fund financial statements.

4. Pooled Cash and Temporary Investments

The County maintains cash and temporary investments for all funds and component units 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. As of June 30, 2011, 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, 2011, interest earned by these funds and assigned directly to the County's General Fund is as shown on the right.

Primary Government	
Nonmajor Governmental Funds	$ 2,011,303
Internal Service Funds	271,006
Total primary government	2,282,309
Component Units	
Public Schools	2,135,924
FCRHA	34,194
Park Authority	19,236
Total component units	2,189,354
Total reporting entity	$ 4,471,663

5. 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 amounts maintained in the reporting entity's investment pool, as 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."

6. 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 finalized on the settlement date, which is usually the trade date, but could be as many as 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.

7. Investments in Derivatives

The County Retirement Systems (the Systems), which include the Employees' (ERS), Police Officers (PORS), and Uniformed (URS) Retirement Systems, as well as the Educational Retirement System (ERFC) of the Public Schools component unit, 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 2011, the Systems invested directly in various derivatives including asset-backed securities, collateralized mortgage obligations, exchange-traded futures contracts, forward currency contracts, options, swaps, and floating rate securities.

Investment managers are prohibited from purchasing securities on margin or using leverage unless specifically permitted within the investment manager's guidelines. These investments generally contain market risk resulting from fluctuations in interest and currency rates. The credit risk of these investments is associated with the creditworthiness of the related parties to the contracts. The Systems could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. The Board's investment policies seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. In addition, the Systems have indirect exposure to market and credit risk through its ownership interests in certain mutual and commingled funds which may use, hold or write derivative financial instruments.

As permitted by the Board's policies, the Systems hold off-financial statement derivatives. As of June 30, 2011, the ERS held futures with net exposure of $540,322,742. URS held no derivative financial instruments with off-balance-sheet risk. PORS held S&P futures with a net exposure of $81.4 million. Gains and losses on derivative securities are determined based upon fair values and recorded in the Statements of Changes in Plan Net Assets.

During the fiscal year, ERFC invested in stock index futures derivatives that were not reported on the financial statements as of June 30, 2011. These index futures are used to equalize temporary and transactional cash balances. The risk associated with these securities is equivalent to equity risk. At June 30, 2011, the market value of these stock index futures was $0.2 million. However, throughout the fiscal year, exposure from these derivatives ranged from 0.01 percent to 0.05 percent of the total portfolio.

In addition, ERFC had indirect investments in derivatives through its ownership interest in the Better Beta, and Global Asset Allocation portfolios, plus with one of the private real estate managers. These portfolios are commingled funds in which ERFC has a percentage ownership. Derivatives in these portfolios consisted of interest rate swaps, which reduce the effect of interest rate fluctuations of certain real estate investments. Other derivative instruments included futures and forward currency contracts and margin cash balances. These derivatives are used to hedge away foreign currency risks and to equalize risk in other areas. They are also a cost effective means of managing the portfolios since they tend to be liquid and have lower transaction costs. At June 30, 2011, the exposure to interest rate swaps and futures and options was $737,144 while the exposure to forward currency contracts and reverse purchase agreements was ($656,939).

8. Inventories

The purchases method of accounting for inventories is used in the governmental funds. Under this method, the cost is recorded as an expenditure at the time individual items are purchased. At year end, a portion of the fund balance is reserved for the ending balances. This reserve is maintained to indicate that a portion of the fund balance is not available for future appropriations. Inventories are valued and carried on an average unit cost basis.

The consumption method of accounting for inventories is used in the proprietary funds. Under this method, inventories are expensed as they are consumed as operating supplies and spare parts in the period to which they apply.

9. Restricted Assets

Restricted assets are liquid assets which have third-party limitations on their use. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Unspent amounts from the issuance of general obligation bonds are reported as restricted assets in the County's capital projects funds. The County also holds certificates of deposit purchased by developers and cash deposits 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, and cash deposits are released to the developer when the terms of the agreement have been satisfied. If the terms of the agreement are not satisfied, the County uses the cash deposits and proceeds from the certificates to correct or complete the project as necessary. The amount of the certificates and cash deposits held is reported as restricted assets in the General Fund.

In accordance with the provisions of the 1985 General Bond Resolution as modified through July 2009, certain assets of the Sewer System are restricted for specific future uses, such as repayment of debt obligations, payments on construction projects, and extensions and improvements. Certain assets are restricted to fund the construction of nitrogen removal facilities. As of June 30, 2011, the Sewer System has cash and investments that are restricted for the following uses:

Restricted Assets of the Sewer System	
Extensions and improvements	$ 89,324,333
Nitrogen removal facilities	
Long-term debt service requirements	23,184,972
Current debt service requirements	10,916,846
Total restricted assets	$ 123,426,151

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

The Park Authority has restricted assets representing the amount of the debt service reserve requirement pertaining to its outstanding revenue bonds and unspent amounts from general obligation bonds issued by the County.

10. Capital Assets

Capital assets, including land, permanent easements, buildings, improvements, equipment, library collections, purchased capacity, and infrastructure, that individually cost $5,000 or more and software with a cost of $100,000 or more, with useful lives greater than one year, are reported in the proprietary funds and applicable governmental or business-type activities columns in the government-wide financial statements. The County has capitalized general infrastructure assets, including solid waste disposal facilities, storm water management facilities, public drainage systems, mass transportation facilities, commercial revitalization improvements, and public trails and walkways that were acquired or substantially improved subsequent to July 1, 1980. The County does not capitalize roads and bridges as these belong to the Commonwealth of Virginia.

Purchased capacity consists of payments made by the Sewer System under intermunicipal agreements with the District of Columbia Water and Sewer Authority (Blue Plains), UOSA, Alexandria Sanitation Authority (ASA), Arlington County, Loudoun Water, and Prince William County Service Authority (PWSA) for the Sewer System's allocated share of improvements to certain specified treatment facilities owned and operated by these jurisdictions.

Purchased capital assets are stated at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value as of the date of donation. Capital assets are depreciated/amortized over their estimated useful lives using the straight-line method. The estimated useful lives are shown in the table on the right.

Capital Assets	Useful Lives
Infrastructure	10 - 100 years
Sewer lines	50 years
Buildings	30 - 50 years
Purchased capacity	30 years
Improvements	10 - 30 years
Equipment	3 - 15 years
Library collections	5 years
Software	3 - 5 years

No depreciation is taken in the year of acquisition for infrastructure and library collections; depreciation/amortization on other capital assets commences when the assets are purchased or are substantially complete and ready for use. For constructed assets, all associated costs necessary to bring such assets to the condition and location necessary for their intended use, including interest on related debt with respect to the Sewer System, are initially capitalized as construction in progress and are transferred to buildings, improvements, and equipment 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 year. In addition, 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, including certain additional employer-related fringe benefits, is used to calculate compensated absences accruals at June 30. The entire liability for compensated absences is reported

in the government-wide and proprietary fund statements; whereas, only the matured portion resulting from employee resignations and retirements is reported in the governmental fund statements.

12. Net Assets

Net assets are comprised of three categories: Net assets invested in capital assets, net of related debt; Restricted net assets; and Unrestricted net assets. The first category reflects the portion of net assets which is associated with non-liquid, capital assets, less the outstanding debt (net) related to these capital assets. The related debt (net) is the debt less the outstanding liquid assets and any associated unamortized costs. Restricted net assets are restricted assets, net of related debt. As of June 30, 2011, the primary government had $401.8 million in restricted net assets, of which $265.6 million was restricted by enabling legislation. Net assets which are neither restricted nor related to capital assets, are reported as unrestricted net assets.

The County issues debt to finance the construction of school facilities for the Public Schools and park facilities for the Park Authority component units because Public Schools does not have borrowing or taxing authority and the Park Authority does not have taxing authority. The County reports this debt, whereas the Public Schools and Park Authority report the related capital assets and unspent bond proceeds. As a result, in the Statement of Net Assets (Exhibit A), the debt reduces *unrestricted net assets* for the primary government, while the capital assets are reported in *net assets invested in capital assets, net of related debt* and the unspent bond proceeds are reported in *restricted net assets* for Public Schools and the Park Authority.

Because this debt is related to capital assets and restricted assets of the reporting entity as a whole, the debt amount of $1,431.2 million is reclassified as shown below to present the total reporting entity column of Exhibit A.

			Reclassification of Debt Issued for:		
Net Assets (summarized)	Primary Government	Component Units	Public Schools Facilities	Park Authority Facilities	Total Reporting Entity
Invested in capital assets, net of related debt	$ 2,263,666,295	2,549,784,457	(1,176,610,020)	(167,438,145)	3,469,402,587
Restricted	401,822,334	41,663,372	(83,842,380)	(3,307,876)	356,335,450
Unrestricted	(1,289,105,122)	451,631,144	1,260,452,400	170,746,021	593,724,443
Total net assets	$ 1,376,383,507	3,043,078,973	-	-	4,419,462,480

13. Fund Balance Classification

The Board of Supervisors, as the highest level of authority within the County, establishes the commitment of fund balance to purposes through the approval of the annual budget plan by resolution, in conjunction with the resolutions associated with the establishment of fee and tax rates, and acceptance or appropriation of funds. All subsequent changes to the budget plan to add, reduce, or redirect resources to other purposes are also accomplished by board resolution. As a result, all unrestricted amounts directed toward a purpose are shown as committed. Balances shown as assigned in the general fund represent encumbrances which would otherwise be unassigned.

The County considers restricted balances to be expended first in cases where both restricted and unrestricted amounts are available. When utilizing unrestricted balances, committed balances are applied first, followed by assigned then unassigned balances.

14. Encumbrances

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

	Encumbrance Balances
Primary Government	
General Fund	
Public safety, courts, and judicial	$ 9,516,763
General public works	3,721,239
Social services, health and welfare	10,670,629
Housing and community development	3,635,528
Parks, recreation, and cultural	1,053,874
Other purposes	12,498,252
Total General Fund	41,096,285
Capital Projects Funds	
Capital Projects	60,996,754

15. Stabilization and Managed Reserve

In 1983, through resolution the Board of Supervisors established a policy to maintain a managed reserve in the general fund at a level sufficient for temporary financing of unforeseen emergency needs or to permit orderly adjustment to changes resulting from the termination of revenue sources through actions of other governmental bodies. The reserve is maintained at a level of not less than 2.0 percent of total general fund disbursements. The balance is adjusted as a part of the quarterly budget review process.

In 1999, the Board of Supervisors passed a resolution establishing the revenue stabilization fund. The revenue stabilization fund is included in the general fund for reporting purposes. The purpose of the revenue stabilization fund is to provide a mechanism for maintaining a balanced budget without resorting to tax increases and expenditure reductions that aggravate the stresses imposed by the cyclical nature of the economy. Three specific criteria must be met to draw from this fund. Projected revenues must reflect a decrease greater than 1.5% from the current year estimate, withdrawals must not exceed one-half of the fund balance in any fiscal year and withdrawals must be used in conjunction with spending cuts or other measures.

16. Recovered Costs

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

17. Intermunicipal Agreements

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

The City of Fairfax (the City) makes payments to the County for the City's share of certain 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 makes payments to the 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, intellectual disability 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 reported in a special revenue fund.

18. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. DEPOSITS AND INVESTMENTS

1. Deposit and Investment Policies

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

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

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

The component unit's pension trust fund's investment decisions are made by its Board of Trustees or the investment advisors selected by the Board of Trustees. The Board of Trustees manages the fund's investments under the umbrella of an approved set of investment objectives, guidelines, and performance standards. The objectives are formulated in response to the fund's anticipated financial needs, risk tolerance, and the need to document and communicate objectives, guidelines, and standards to the fund's investment managers. The Board of Trustees may grant exceptions to the investment guidelines based on written requests and appropriate justification. All exceptions that are approved are included in an appendix to the written guidelines.

The primary government's OPEB trust fund and its component unit's OPEB trust fund are participants in the Virginia Pooled OPEB Trust. Funds of participating jurisdictions are pooled and are invested in the name of the Virginia Pooled OPEB Trust. The primary government's and component unit's respective shares in this pool are reported on the face the corresponding OPEB trust fund statements as found in the other supplementary information section of the CAFR. The Board of Trustees of the Virginia Pooled OPEB Trust has adopted an investment policy to achieve a compound annualized total rate of return over a market cycle, including current income and capital appreciation, in excess of 5.0 percent after inflation, in a manner consistent with prudent risk-taking. Investment decisions for the funds' assets are made by the Board of Trustees. The Board of Trustees establishes investment objectives, risk tolerance and asset allocation policies in light of the investment policy, market and economic conditions, and generally prevailing prudent investment practices. The Board of Trustees also monitors the investments to ensure adherence to the adopted policies and guidelines. In addition, the Trustees review, monitor, and evaluate the performance of the investments and its investment advisors in light of available investment opportunities, market conditions, and publicly available indices for the generally accepted evaluation and measurement of such performance. Specific investment information for the Virginia Pooled OPEB Trust can be obtained by writing to VML/VACo Finance Program, 1108 East Main Street, Richmond, Virginia 23219.

The Code of Virginia (Code) authorizes the reporting entity to purchase the following types of investments:

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

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

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

2. Interest Rate Risk

The reporting entity's policy is to minimize the risk that the market value of securities in its portfolio will fall due to changes in market interest rates. To achieve this minimization of risk, the reporting entity structures the pooled investment portfolio so that sufficient securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Pooled investments that are purchased to meet liquidity needs shall have a target weighted average maturity of 90 days. All other pooled funds are invested primarily in shorter-term securities, with a maximum maturity of one year. The reporting entity's pooled investments as of June 30, 2011, are summarized at fair value as shown below:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Primary Government - Pooled Investments:		
Pooled Investments:		
Agency discount notes	$ 19,803,000	0.76
Commercial paper	515,070,510	33.08
Corporate Notes	68,342,688	4.63
Money market funds	155,455,325	0.11
Negotiable certificates of deposit	538,524,036	57.29
Total fair value	$ 1,297,195,559	
Portfolio weighted average maturity		95.87
Component Units - Pooled Investments:		
Agency discount notes	$ 8,897,000	0.76
Commercial paper	231,408,490	33.08
Corporate Notes	30,704,686	4.63
Money market funds	69,842,247	0.11
Negotiable certificates of deposit	241,945,581	57.29
Total fair value	$ 582,798,004	
Portfolio weighted average maturity		95.87

The primary government's pension trust funds manage interest rate risk for fixed income accounts by limiting the credit quality of the securities held as well as the duration of the portfolio against the duration of the benchmark. The component unit's pension trust fund's fixed income managers utilize the modified duration method to manage interest rate risk. In addition, the fund's investment policy states that the average effective duration of each manager's portfolio should be within 25 percent of the portfolio's benchmark duration.

The investments in debt securities of the pension trust funds of the reporting entity as of June 30, 2011, are summarized at fair value as shown on the following page:

Investment Type	Fair Value	Duration (Years)
Primary Government - Pension Trust Funds:		
U.S. Government securities	$107,113,659	5.2
	35,581,286	6.4
	10,736,033	15.4
Corporate and other bonds	354,537,528	4.6
	81,112,786	5.3
	101,929,951	5.4
Asset-backed securities *	207,255,048	5.7
	83,393,368	3.7
	87,139,099	6.1
Short-term investments	287,631,300	0.1
	57,866,600	0.1
	84,982,194	0.1
Total fair value	$1,499,278,852	
Component Unit - Pension Trust Fund:		
U.S. Treasuries	$ 60,396,231	4.1
Agencies	13,961,848	2.4
Asset-backed securities *	95,217,903	3.0
Cash and Cash equivalents	66,805,467	0.1
Corporate bonds	146,912,229	6.7
Municipal bonds	2,604,124	0.1
Foreign bonds	68,179,049	4.1
Convertible and preferred bonds	10,590,869	7.9
Emerging markets	842,020	3.0
Other	17,515	0.1
Total fair value	$ 465,527,255	

* The underlying assets of the asset-backed securities are predominantly mortgages.

3. Credit Risk

The reporting entity's policy is to minimize the risk of loss due to the failure of an issuer or other counterparty to an investment to fulfill its obligations. The reporting entity pre-qualifies financial institutions, broker-dealers, intermediaries, and advisers with which the County does business. In addition, the reporting entity limits its pooled investments to the safest types of securities and diversifies its pooled investment portfolio so that potential losses on individual securities will be minimized. Also, new investments shall not be made in securities that are listed on Moody's Investors Service, Inc. (Moody's) Watchlist or Standard & Poor's, Inc. (S&P) Credit Watch with a negative short term rating. The policy specifies the following acceptable credit ratings for specific types of investments in the pooled portfolio:

- U.S. government sponsored enterprise instruments shall be rated by both Moody's and S&P with a minimum rating of Prime 1 and A-1, respectively.

- Prime quality commercial paper shall be rated by at least two of the following: Moody's, with a rating of P-1; S&P, A-1; Fitch Investor's Services, Inc. (Fitch), F-1; or by Duff and Phelps, Inc., D-1.

- Mutual funds must have a rating of AAA or better by S&P, Moody's, or another nationally recognized rating agency.

- Bank deposit notes must have a rating of at least A-1 by S&P and P-1 by Moody's.

- Banker's acceptances shall be rated by at least two of the following: Moody's, with a rating of P-1; S&P, A-1; Fitch Investor's Services, Inc. (Fitch), F-1; or by Duff and Phelps, Inc., D-1.

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

While the overall investment guidelines for the primary government's pension trust funds do not specifically address credit risk, investment managers have specific quality limits appropriate for the type of mandate they are managing and that fit within the total risk tolerance of the fund. The component unit's pension trust fund's investment policy states that the average credit quality of a fixed income portfolio must be at least AA. The policy also permits up to 10 percent of the portfolio to be invested in Moody's or S&P's quality rating below Baa or BBB, respectively. If a security is downgraded below the minimum rating, the investment manager must notify the Board of Trustees and an exception to the guidelines must be granted in order for the security to remain in the portfolio.

As of June 30, 2011, the reporting entity had investments in the following issuers with credit quality ratings as a percent of total investments in debt securities as shown below:

	Credit Quality Rating *							
Investment Type	AAA	AA	A	BBB	BB	B	Below B	Unrated
Primary Government								
Pooled Investments:								
Commercial paper	- %	4.3 %	15.8 %	- %	- %	- %	- %	15.4 ** %
Asset-backed commercial paper	-	-	-	-	-	-	-	
Banker's acceptances	-	-	-	-	-	-	-	-
Money market funds	-	-	-	-	-	-	-	10.8 **
Corporate notes	-	4.8	-	-	-	-	-	-
Certificates of deposit:								
Negotiable	-	6.7	30.3	-	-	-	-	-
Non-negotiable	-	-	-	-	-	-	-	5.3 **
Insured	-	-	-	-	-	-	-	5.2 **
Agency discount note	1.4	-	-	-	-	-	-	-
Pension Trust Funds:								
U.S. Government securities	10.2 %	- %	- %	- %	- %	- %	- %	- %
Corporate and other bonds	3.4	1.7	6.4	3.1	5.0	8.8	2.3	5.2
Asset-backed securities	14.7	0.5	0.6	0.6	0.4	1.4	5.2	1.8
Short-term investments	0.4	-	-	-	-	-	-	28.3
Component Units								
Pooled Investments:								
Commercial paper	- %	4.3 %	15.8 %	- %	- %	- %	- %	15.4 * %
Asset-backed commercial paper	-	-	-	-	-	-	-	
Banker's acceptances	-	-	-	-	-	-	-	-
Money market funds	-	-	-	-	-	-	-	10.8
Corporate notes	-	4.8	-	-	-	-	-	-
Certificates of deposit:								
Negotiable	-	6.7	30.3	-	-	-	-	-
Non-negotiable	-	-	-	-	-	-	-	5.3
Insured	-	-	-	-	-	-	-	5.2
FHLB discount note	1.4	-	-	-	-	-	-	-
Pension Trust Fund:								
Government securities/agencies	16.3	-	-	-	-	-	-	2.1 %
Mortgage	19.5	1.0	0.1	0.1	-	-	-	0.3
Municipals	-	0.4	-	-	-	-	-	-
Corporate bonds	2.6	1.0	11.4	10.9	1.3	4.6	0.1	2.3
Foreign bonds	5.8	0.9	0.2	2.9	0.2	0.2	-	3.2
Other bonds	-	-	-	0.5	0.5	0.1	-	0.8
Other	-	-	-	-	-	-	-	10.7

* Credit quality ratings are determined using S&P's long-term rating schema, which approximates the greatest degree of risk as of June 30, 2011.

** Insured CD's are not rated by rating agencies. Non-negotiable CD's are rated A-1 by Moody's long-term rating schema. Though not rated on S&P long-term, the 15.5% of Commerical Paper and 10.8% of Money Market Funds held in pooled investments are rated A-1 and AAAm, respectively, on S&P short-term schema.

4. Concentration of Credit Risk

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

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

In addition, not more than 5 percent of the total pooled funds available for investment at the time of purchase may be invested in any one issuing or guaranteeing corporation for commercial paper, banker's acceptances, corporate notes, and bank notes. The County shall seek to maintain 5% of the investment portfolio in a combination of mutual funds or open repurchase agreements to meet liquidity requirements.

While the overall investment guidelines for the primary government's pension trust funds do not specifically address concentration of credit risk, investment managers have specific concentration limits appropriate for the type of mandate they are managing and that fit within the total risk tolerance of the fund. The pension trust funds do not have investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represents 5 percent or more of net assets available for benefits. The component unit's pension trust fund's policy for equity holdings is to limit securities of any one issuer to the greater of 5 percent or the security's weight in the benchmark index plus 2 percent of each equity portfolio at market value. For fixed income holdings, the securities of any one issuer with the exception of U.S. Government and its agencies are limited to 10 percent at cost and 15 percent at market of each fixed income portfolio. In addition, the combined allocation to non-U.S. bonds, below investment grade securities, emerging market debt, and convertible bonds may not exceed 35 percent of the portfolio. Concerning cash, no more than 10 percent of the cash portfolio shall be invested in certificates of deposit or bankers acceptances issued by any single bank. Up to 35 percent of the cash portfolio may be invested in commercial paper and corporate bonds, with no more than 5 percent invested with any single issuer. Each manager's portfolio should have no more than 5 percent of its assets allocated to cash. These policies were implemented to ensure diversification of the portfolio.

5. Custodial Credit Risk

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

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

The Boards of Trustees of the pension trust funds permit the funds to participate in a securities lending program, which is administered by a custodian. Under this program, certain securities are loaned to approved broker/dealers who borrow the securities and provide collateral in the form of cash, U.S. Treasury or government agency securities, letters of credit, and other securities as specified in the securities lending agreement. The value of the collateral for domestic securities must equal 102 percent of the market value of the security and 105 percent of the market value of the foreign security. The custodian monitors the market value of the collateral on a daily basis. Cash collateral is invested in a fund which is maintained by the custodian or its affiliate. The pension trust funds did not impose any restrictions during the period on the amounts of loans security lending agents made on their behalf, and the agents have agreed to indemnify the pension trust funds by purchasing replacement securities, or returning 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 trust funds had no custodial credit risk exposure to borrowers because the amounts the pension trust funds owed the borrower exceeded the amounts the borrowers owed the pension trust funds. Information pertaining to the securities lending transactions as of June 30, 2011, is as follows:

Securities Lent	Underlying Securities	Cash Collateral Investment Value	Securities Collateral Investment Value
Primary Government - Pension Trust Funds:			
Lent for cash collateral:			
U.S. Government securities	$ 35,113,879	35,835,364	-
Asset-backed securities	-	-	-
Corporate and other bonds	75,685,366	77,879,515	-
Common and preferred stock	221,082,499	228,518,175	-
Lent for securities collateral:			
U.S. Government securities	-	-	-
Corporate and other bonds	7,123,247	-	7,274,640
Common and preferred stock	61,312,804	-	67,450,546
Sovereign debt	-	-	-
Total securities lent	$ 400,317,795	342,233,054	74,725,186
Component Unit - Pension Trust Fund:			
Lent for cash or securities collateral:			
Cash and cash equivalents	$ 8,737	8,992	-
Corporate and other bonds	5,484,532	5,681,881	-
Common stocks	58,623,616	59,699,689	-
International stock	4,595,860	4,771,522	
Total securities lent	$ 68,712,745	70,162,084	-

6. Foreign Currency Risk

Per the reporting entity's policy, pooled investments are limited to U.S. dollar denominated instruments.

The pension trust funds are allowed to invest in foreign currency denominated instruments. The component unit's pension trust fund's policy allows investment managers to invest up to 25 percent of the portfolio in securities issued by non-U.S. guarantors with up to10 percent in emerging markets. As of June 30, 2011, the fair value in U.S. dollars of the pension trust funds' foreign currency investments are as follows on the facing page:

International Securities	Cash and Cash Equivalents	Equity	Convertible and Fixed Income	Total U.S. Dollars
Primary Government - Pension Trust Funds:				
Australian dollar	$ 1,464,189	38,774,391	23,037,629	63,276,209
Brazil real	106,322	2,753,124	9,574,462	12,433,908
British pound sterling	2,711,628	97,465,901	19,097,795	119,275,324
Canadian dollar	2,034,756	20,684,646	12,463,683	35,183,085
Danish krone	5,248	8,703,684	-	8,708,932
Euro currency unit	2,797,576	128,323,835	16,430,759	147,552,170
Hong Kong dollar	770,978	39,893,924	-	40,664,902
Indonesian rupian	-	1,132,800	6,863,448	7,996,248
Japanese yen	1,777,203	100,607,242	53,492	102,437,937
Malaysian ringgit	-	1,801,297	8,190,297	9,991,594
Mexican new peso	13,547	457,267	9,314,193	9,785,007
New Zealand dollar	3,160	191,972	7,327,832	7,522,964
Norwegian krone	26,673	7,311,829	8,675,111	16,013,613
Philippines peso	29,330	2,833,571	1,670,797	4,533,698
Polish zloty	-	40,419	10,438,227	10,478,646
Singapore dollar	149,041	15,336,800	-	15,485,841
South African comm rand	8	1,143,640	2,098,583	3,242,231
South Korean won	6,848	7,773,991	10,413,754	18,194,593
Swedish krona	187,063	14,385,163	-	14,572,226
Swiss franc	185,076	25,110,602	-	25,295,678
Thailand baht	(2,528)	1,859,242	-	1,856,714
Other currencies	130,596	5,061,691	8,799,870	13,992,157
Total fair value	$ 12,396,714	521,647,031	154,449,932	688,493,677
Component Unit - Pension Trust Fund:				
Australian dollar	$ 8,043,075	8,209,935	3,787,713	20,040,723
Brazil real	-	892,559	1,767,032	2,659,591
British pound sterling	(14,327,807)	43,850,207	269,471	29,791,871
Canadian dollar	(2,541,930)	11,626,932	6,557,576	15,642,578
Czech koruna	123,306	-	-	123,306
Danish krone	76,514	2,267,794	-	2,344,308
Euro currency unit	(2,583,496)	73,403,596	224,637	71,044,737
Hong Kong dollar	93,601	5,952,528	-	6,046,129
Hungarian forint	103	-	-	103
Indonesian rupian	6,648	221,665	-	228,313
Israeli Shekel	-	632,054	-	632,054
Japanese yen	(10,709,869)	52,255,704	-	41,545,835
Malaysian ringgit	1	3,189,500	-	3,189,501
Mexican new peso	102	456,048	2,624,360	3,080,510
New Taiwan Dollar	71,640	3,753,648	-	3,825,288
New Turkish Lira	17,769	1,255,518	-	1,273,287
New Zealand dollar	7,025,895	31,073	7,193,501	14,250,469
Norwegian krone	7,448,826	1,346,450	2,641,107	11,436,383
Philippine peso	12,627	420,302	-	432,929
Polish zloty	101	2,289,943	-	2,290,044
South African comm rand	109	29,909		30,018
Singapore dollar	56,500	6,352,753	4,540,950	10,950,203
South Korean Won	-	10,061,514	-	10,061,514
Swedish krona	7,228,126	3,951,858	-	11,179,984
Swiss franc	2,263,387	8,878,129	-	11,141,516
Thailand baht	24,736	1,538,066	-	1,562,802
Total fair value	$ 2,329,964	242,867,685	29,606,347	274,803,996

C. 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 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, 2011, after allowances for uncollectible amounts, is $19,199,990, of which $2,558,184 has been included in tax revenue for fiscal year 2011 because it was collected within 45 days after June 30.

As required by GAAP, the County reports real estate and personal property taxes (net of allowances) assessed for calendar year 2011 as receivables (net of payments totaling $13,462,669 received in advance of the due date) and deferred revenue because the County has an enforceable legal claim to these resources at June 30, 2011; however, these resources, which amount to $2,557,683,588, will not be available to the County until fiscal year 2012.

The 1998 Virginia General Assembly enacted the Personal Property Tax Relief Act to provide property tax relief on the first $20,000 of value of motor vehicles not used for business purposes. Due to budget constraints, the 2003 Virginia General Assembly froze the tax reduction at 70 percent. The 2005 Virginia General Assembly revised this measure further to limit its tax relief payments to all localities to a total of $950 million per tax year beginning with 2006 (fiscal year 2007). The County's fixed share of the $950 million is $211,313,944, as determined by its share of the total payments made to all localities by the Commonwealth during calendar years 2004 and 2005 for tax year 2004 (fiscal year 2005). The County's fixed share from the Commonwealth is reported as intergovernmental revenue in the General Fund.

D. RECEIVABLES

Receivables and allowances for uncollectible receivables of the primary government, excluding fiduciary funds, at June 30, 2011, consist of the following:

	General Fund	Nonmajor Governmental Funds	Enterprise Fund	Internal Service Funds	Total Primary Government (Exhibit A)
Receivables:					
Accounts	$ 11,471,077	11,206,951	171,941	256	22,850,225
Accrued interest	284,191	2,708,443	12,238	7,149	3,012,021
Property taxes:					
Delinquent	33,625,046	-	-	-	33,625,046
Not yet due	2,337,398,672	-	-	-	2,337,398,672
Business license taxes - delinquent	7,495,169	-	-	-	7,495,169
Receivable from sale of pension investments	-	-	-	-	-
Loans	-	57,136,854	-	-	57,136,854
Other*	-	-	-	-	20,489
Total receivables	2,390,274,155	71,052,248	184,179	7,405	2,461,538,476
Allowances for uncollectibles:					
Accounts receivable	(5,512,572)	(283,745)	-	-	(5,796,317)
Property taxes:					
Delinquent	(14,425,056)	-	-	-	(14,425,056)
Not yet due	(4,491,698)	-	-	-	(4,491,698)
Business license taxes - delinquent	(3,810,572)	-	-	-	(3,810,572)
Loans	-	(926,165)	-	-	(926,165)
Total allowances for uncollectibles	(28,239,898)	(1,209,910)	-	-	(29,449,808)
Total net receivables	$ 2,362,034,257	69,842,338	184,179	7,405	2,432,088,668

* The other receivables amount represents the amount due from fiduciary funds on a government-wide basis.

Receivables of the component units, excluding fiduciary funds, at June 30, 2011, consist of the following:

	Public Schools	FCRHA	Park Authority	Total Component Units
Receivables:				
Accounts	$ 2,203,581	1,143,378	19,356	3,366,315
Accrued interest	165,322	306,765	46,613	518,700
Notes	-	34,523,522	-	34,523,522
Other	-	-	-	-
Total receivables	2,368,903	35,973,665	65,969	38,408,537
Allowances for uncollectibles	-	(1,885,949)	-	(1,885,949)
Total net receivables	$ 2,368,903	34,087,716	65,969	36,522,588

Delinquent property taxes receivable from taxpayers in the General Fund as of June 30, 2011, consist of the following:

Year of Levy	Real Estate	Personal Property	Total
2010	$ 7,310,422	6,182,494	13,492,916
2009	2,300,541	2,779,258	5,079,799
2008	846,130	2,661,318	3,507,448
Prior years	1,474,898	4,142,190	5,617,088
Total delinquent taxes	11,931,991	15,765,260	27,697,251
Penalty and interest			5,927,795
Total delinquent taxes, penalty and interest			33,625,046
Allowances for uncollectibles			(14,425,056)
Net delinquent tax receivables			$ 19,199,990

Amounts due to the primary government and component units from other governmental units at June 30, 2011, include the following:

	Primary Government				Component Unit - Public Schools
	General Fund	Nonmajor Governmental Funds	Enterprise Fund	Total (Exhibit A)	
Federal government	6,835,880	13,332,020	496,606	20,664,506	35,805,898
State government:					
Property tax relief:					
Delinquent	-	-	-	-	-
Allowance for uncollectibles	-	-	-	-	-
Property tax relief - not yet due	211,313,944	-	-	211,313,944	-
Allowance for uncollectibles	-	-	-	-	-
Other	44,395,190	9,455,646	3,700,000	57,550,836	17,779,344
Local governments	874,262	10,671,177	33,625,429	45,170,868	353,510
Total intergovernmental units	$ 263,419,276	33,458,843	37,822,035	334,700,154	53,938,752
Federal-Build America Bond subsidy				795,573	
Total (Exhibit A)				335,495,727	

E. INTERFUND BALANCES AND TRANSFERS

Payments for fringe benefits are made through the General Fund on behalf of all funds of the County. As a result, interfund payables primarily represent the portion of fringe benefits to be paid by certain other funds to the General Fund. Interfund receivables and payables are also recorded when funds overdraw their share of pooled cash. All amounts are expected to be paid within one year. The composition of interfund balances as of June 30, 2011, is as shown on the right.

	Interfund Receivables	Interfund Payables
Primary Government		
General Fund	$ 1,808,129	-
Nonmajor Governmental Funds	1,851,585	3,855,713
Enterprise Fund	-	231,194
Internal Service Funds	715,767	268,085
Fiduciary Funds	-	20,489
Total primary government	$ 4,375,481	4,375,481
Component Unit		
Public Schools:		
General Fund	$ 6,267,515	-
Nonmajor Governmental Funds	-	4,800,000
Internal Service Funds	-	1,467,515
Total component units	$ 6,267,515	6,267,515

Due to/from primary government and component units represent amounts paid by one entity on behalf of the other entity. Due to/from primary government and component units as of June 30, 2011, are as follows:

Receivable Entity	Payable Entity	Amount
Component Units	**Primary Government**	
Public Schools	General Fund	$ 274,976
Park Authority	General Fund	1,185,335
Park Authority	Nonmajor Governmental Fund	704,624
EDA	General Fund	212,739
Total		$ 2,377,674
Primary Government	**Component Unit**	
General Fund	FCRHA	132,397
General Fund	Park Authority	180,972
Total		$ 313,369

The primary purpose of interfund transfers is to provide funding for operations, including those of the Fairfax-Falls Church Community Services Board, debt service, and capital projects. Interfund transfers for the year ended June 30, 2011, are as follows:

	Transfers In	Transfers Out
Primary Government		
General Fund	$ 9,801,238	454,432,831
Nonmajor Governmental Funds	475,694,306	31,275,049
Internal Service Funds	4,212,336	4,000,000
Total primary government	$ 489,707,880	489,707,880
Component Unit		
Public Schools:		
General Fund	$ -	24,683,859
Capital Projects Fund	9,916,150	-
Nonmajor Governmental Funds	14,767,709	-
Total component units	$ 24,683,859	24,683,859

F. CAPITAL ASSETS

Capital assets activity for the primary government for the year ended June 30, 2011, is as follows:

	Balances July 1, 2010	Increases	Decreases	Balances June 30, 2011
Primary Government				
Governmental activities:				
Non-depreciable/non-amortizable:				
Land	$ 414,911,073	1,014,188	(289,819)	415,635,442
Easements	7,010,430	1,282,934	-	8,293,364
Construction in progress	65,501,728	63,759,388	(41,941,616)	87,319,500
Equipment under construction	13,955,319	17,955,830	(1,296,283)	30,614,866
Software in development	20,264,490	23,557,444	(228,248)	43,593,686
Total non-depreciable/non-amortizable	521,643,040	107,569,784	(43,755,966)	585,456,858
Depreciable/amortizable:				
Equipment	365,635,412	46,774,225	(39,936,495)	372,473,142
Software	-	356,043	-	356,043
Library collections	77,437,722	3,540,250	-	80,977,972
Buildings	1,216,515,010	29,118,171	(762,476)	1,244,870,705
Improvements	117,614,542	10,938,253	(1,241,549)	127,311,246
Infrastructure	579,719,307	7,032,961	(75,427)	586,676,841
Total depreciable/amortizable	2,356,921,993	97,759,903	(42,015,947)	2,412,665,949
Less accumulated depreciation/amortization for:				
Equipment	(223,257,113)	(32,175,122)	36,589,839	(218,842,396)
Software	-	(64,819)	-	(64,819)
Library collections	(62,993,133)	(5,713,852)	-	(68,706,985)
Buildings	(307,529,203)	(27,310,439)	279,902	(334,559,740)
Improvements	(44,637,806)	(3,914,880)	916,089	(47,636,597)
Infrastructure	(176,036,131)	(12,985,515)	31,912	(188,989,734)
Total accumulated depreciation/amortization	(814,453,386)	(82,164,627)	37,817,742	(858,800,271)
Total capital assets, being depreciated/amortized, net	1,542,468,607	15,595,276	(4,198,205)	1,553,865,678
Total capital assets, net - Governmental activities	2,064,111,647	123,165,060	(47,954,171)	2,139,322,536
Business-type activities:				
Non-depreciable/non-amortizable:				
Land	17,370,540	-	-	17,370,540
Easements	318,144	47,565	-	365,709
Construction in progress	82,966,213	51,606,283	(66,381,961)	68,190,535
Total non-depreciable/non-amortizable	100,654,897	51,653,848	(66,381,961)	85,926,784
Depreciable/amortizable:				
Equipment	11,257,743	226,260	(143,571)	11,340,432
Purchased capacity	750,474,294	68,426,687	(33,865,220)	785,035,761
Buildings	58,235,773	-	-	58,235,773
Improvements	945,279,738	70,210,654	-	1,015,490,392
Total depreciable/amortizable	1,765,247,548	138,863,601	(34,008,791)	1,870,102,358
Less accumulated depreciation/amortization for:				
Equipment	(8,477,577)	(674,530)	143,572	(9,008,535)
Purchased capacity	(189,691,742)	(23,667,766)	10,845,518	(202,513,990)
Buildings	(33,725,690)	(1,198,606)	-	(34,924,296)
Improvements	(424,640,833)	(21,589,796)	-	(446,230,629)
Total accumulated depreciation/amortization	(656,535,842)	(47,130,698)	10,989,090	(692,677,450)
Total capital assets, being depreciated/amortized, net	1,108,711,706	91,732,903	(23,019,701)	1,177,424,908
Total capital assets, net - Business-type activities	1,209,366,603	143,386,751	(89,401,662)	1,263,351,692
Total capital assets, net - Primary government	$ 3,273,478,250	266,551,811	(137,355,833)	3,402,674,228

Capital assets activity for the component units for the year ended June 30, 2011, is as follows:

	Balances June 30, 2010	Increases	Decreases	Balances June 30, 2011
Component Units				
Public Schools				
Non-depreciable/non-amortizable:				
Land	$ 44,869,395	-	-	44,869,395
Construction in progress	116,513,775	122,342,549	(45,694,978)	193,161,346
Equipment under construction	-	462,929	-	462,929
Software in development	3,849,508	5,443,419	(7,531,491)	1,761,436
Total non-depreciable/non-amortizable	165,232,678	128,248,897	(53,226,469)	240,255,106
Depreciable/amortizable:				
Equipment	222,161,466	22,637,637	(11,721,042)	233,078,061
Software	351,654	3,524,567	-	3,876,221
Library collections	30,381,314	3,409,040	(1,700,000)	32,090,354
Buildings	1,118,970,906	10,875,075	-	1,129,845,981
Improvements	1,583,977,961	55,405,215	-	1,639,383,176
Total depreciable/amortizable	2,955,843,301	95,851,534	(13,421,042)	3,038,273,793
Less accumulated depreciation/amortization for:				
Equipment	(140,929,866)	(20,386,622)	11,112,577	(150,203,911)
Software	(188,565)	(657,759)	-	(846,324)
Library collections	(18,053,178)	(4,385,763)	1,700,000	(20,738,941)
Buildings	(434,385,831)	(22,134,013)	-	(456,519,844)
Improvements	(566,593,105)	(61,604,422)	-	(628,197,527)
Total accumulated depreciation/amortization	(1,160,150,545)	(109,168,579)	12,812,577	(1,256,506,547)
Total capital assets, being depreciated/amortized, net	1,795,692,756	(13,317,045)	(608,465)	1,781,767,246
Total capital assets, net - Public Schools	1,960,925,434	114,931,852	(53,834,934)	2,022,022,352
FCRHA				
Non-depreciable/non-amortizable:				
Land	39,200,137	3,094,445	(244,571)	42,050,011
Construction in progress	11,848,892	1,532,756	(12,429,958)	951,690
Total non-depreciable/non-amortizable	51,049,029	4,627,201	(12,674,529)	43,001,701
Depreciable/amortizable:				
Equipment	1,570,679	338,204	-	1,908,883
Buildings and improvements	200,894,998	17,106,579	(1,592,537)	216,409,040
Total depreciable/amortizable	202,465,677	17,444,783	(1,592,537)	218,317,923
Less accumulated depreciation/amortization for:				
Equipment	(5,017,665)	(20,613)	-	(5,038,278)
Buildings and improvements	(96,546,857)	(5,965,607)	202,682	(102,309,782)
Total accumulated depreciation/amortization	(101,564,522)	(5,986,220)	202,682	(107,348,060)
Total capital assets, being depreciated/amortized, net	100,901,155	11,458,563	(1,389,855)	110,969,863
Total capital assets, net - FCRHA	151,950,184	16,085,764	(14,064,384)	153,971,564
Park Authority				
Non-depreciable/non-amortizable:				
Land	330,601,488	11,691,683	(814,508)	341,478,663
Easements	16,073,946	770,548	-	16,844,494
Construction in progress	10,574,983	6,563,735	(8,279,965)	8,858,753
Total non-depreciable/non-amortizable	357,250,417	19,025,966	(9,094,473)	367,181,910
Depreciable/amortizable:				
Equipment	13,601,624	298,154	(350,765)	13,549,013
Buildings and improvements	322,255,823	16,919,228	(7,720)	339,167,331
Total depreciable/amortizable	335,857,447	17,217,382	(358,485)	352,716,344
Less accumulated depreciation/amortization for:				
Equipment	(11,536,698)	(636,638)	332,584	(11,840,752)
Buildings and improvements	(141,056,446)	(9,874,599)	622	(150,930,423)
Total accumulated depreciation/amortization	(152,593,144)	(10,511,237)	333,206	(162,771,175)
Total capital assets, being depreciated/amortized, net	183,264,303	6,706,145	(25,279)	189,945,169
Total capital assets, net - Park Authority	540,514,720	25,732,111	(9,119,752)	557,127,079
EDA				
Depreciable/amortizable:				
Equipment	56,234	-	-	56,234
Buildings and improvements	767,961	-	-	767,961
Total depreciable/amortizable	824,195	-	-	824,195
Less accumulated depreciation/amortization for:				
Equipment	(41,762)	(7,765)	-	(49,527)
Buildings and improvements	(74,319)	(74,319)	-	(148,638)
Total accumulated depreciation/amortization	(116,081)	(82,084)	-	(198,165)
Total capital assets, net - EDA	708,114	(82,084)	-	626,030
Total capital assets, net - Component units	$ 2,654,098,452	156,667,643	(77,019,070)	2,733,747,025

Depreciation and amortization expense for the year ended June 30, 2011, charged to the functions of the primary government and component units is as follows:

	Governmental Activities	Business-type Activities	Component Units
Primary Government			
General government administration	$ 7,642,032	-	-
Judicial administration	1,293,820	-	-
Public safety	20,990,458	-	-
Public works	14,124,184	47,130,698	-
Health and welfare	2,556,013	-	-
Community development	9,025,979	-	-
Parks, recreation, and cultural	15,556,167	-	-
In addition, depreciation on capital assets held by the County's internal service funds is charged to the various functions based on asset usage.	10,975,974	-	-
Component Units			
Public Schools	-	-	109,168,579
FCRHA	-	-	6,074,164
Park Authority	-	-	10,511,237
EDA	-	-	82,084
Total depreciation and amortization expense	$ 82,164,627	47,130,698	125,836,064

G. 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 Employees' Retirement System

Plan Description

The Fairfax County Employees' Retirement System (ERS) 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 ERS is disclosed in item 6 of this note.

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. 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.

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

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

Funding Policy

The contribution requirements of ERS 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 4.0 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 County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2011, was 14.22% of annual covered payroll. The decision was made to commit additional funding and a rate of 14.70% was adopted for fiscal year 2011. In the event the ERS's funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) exceeds 120 percent or falls below 90 percent, the contribution rate will be adjusted to bring the funded ratio back within these parameters.

Annual Pension Cost

For the years ended June 30, 2011, 2010, and 2009, the County's and Public Schools' annual pension costs and actual contributions were as follows:

	Annual Pension Costs and Actual Contributions for Years Ended June 30		
	2011	2010	2009
County	$ 69,637,538	$ 46,058,456	46,013,342
Public Schools	26,969,997	18,010,646	19,097,489
Total	$ 96,607,535	$ 64,069,102	65,110,831

For the years ended June 30, 2011, 2010, and 2009, the County's and Public Schools' annual required contributions (ARC) were as follows:

	ARC for Years Ended June 30		
	2011	2010	2009
County	$ 88,254,921	66,692,265	67,172,762
Public Schools	34,180,344	26,079,267	27,879,546
Total	122,435,265	92,771,532	95,052,308

The ARC for the year ended June 30, 2011 was determined as part of the July 1, 2010, 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 6.5 percent, including an inflation component of 4.0 percent.

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

The actuarial value of ERS'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. Any excess of these assets over actuarial accrued liability is amortized as a level percentage of projected payroll over an open 15 year period. The remaining amortization period is 15 years.

For fiscal years ended June 30, 2005 through June 30, 2011, the County's Employees' Retirement System funding progress was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (000) (a)	Actuarial Accrued Liability (AAL) - Entry Age (000) (b)	Unfunded AAL (UAAL) (Funding Excess) (000) (b-a)	Funded Ratio (a/b)	Covered Payroll (000) (c)	UAAL (Funding Excess) as a Percentage of Covered Payroll ((b-a) / c)
7/1/2005	2,202,515	2,676,418	473,903	82.29	565,063	83.87
7/1/2006	2,363,844	2,881,780	517,936	82.03	574,294	90.19
7/1/2007	2,596,658	3,139,187	542,529	82.72	579,075	93.69
7/1/2008	2,752,874	3,328,901	576,027	82.70	610,877	94.30
7/1/2009	2,603,284	3,535,874	932,590	73.62	628,481	148.39
7/1/2010	2,636,052	3,771,060	1,135,008	69.90	629,249	180.38

Concentrations

The ERS does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5.0 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 of this note.

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; attain the age of 55 or have completed 20

years of creditable service, or (b) if employed on or after July 1, 1981; attain the age of 55 or have 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. 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). The benefit for early retirement is actuarially reduced and payable at early termination.

Effective October 1, 2003, a Deferred Retirement Option Program (DROP) was established for eligible members of the PORS. Members who are eligible for normal service retirement are eligible to participate in this program. DROP provides the ability for an employee to retire for purposes of the pension plan, while continuing to work and receive a salary for a period of three years. During the DROP period, the pension plan accumulates the accrued monthly benefit into an account balance identified as belonging to the member. The account balance is credited with interest in the amount of 5.0 percent per annum, compounded monthly. The monthly benefit is calculated using service and final compensation as of the date of entry in DROP, with increases equal to the annual COLA adjustment provided for retirees.

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 10.0 percent of compensation.

The County contributes at a fixed rate as determined by an annual actuarial valuation, unless the PORS's funding ratio falls outside of a pre-determined range. Once outside the range, the rate is either increased or decreased to accelerate or decelerate the funding until the ratio falls back within the range. The range for the PORS is a minimum funding ratio of 90 percent and a maximum funding ratio of 120 percent. The actuarial rate for the year ended June 30, 2011, was 27.40% of annual covered payroll. The decision was made to commit additional funding and a rate of 28.31% was adopted for fiscal year 2011.

Annual Pension Cost

Information related to the County's annual pension cost, ARC, actual contributions, and net pension obligation (NPO) for fiscal years 2011, 2010, and 2009 are as follows:

	2011	2010	2009
ARC, for the year ended June 30	$ 36,872,751	$30,759,259	27,625,460
Interest on NPO from prior year	3,033,289	2,532,811	2,245,280
Actuarial adjustment	(3,416,039)	(2,852,409)	(2,528,597)
Annual pension cost	36,490,001	30,439,661	27,342,143
Actual contributions	(29,174,611)	(23,766,626)	(23,508,402)
Increase in the NPO, for the year ended June 30	7,315,390	6,673,035	3,833,741
NPO, beginning of year	40,443,849	33,770,814	29,937,073
NPO, end of year	$ 47,759,239	$40,443,849	33,770,814
Percentage of annual pension cost contributed	79.95%	78.08%	85.98%

The ARC for the year ended June 30, 2011, was determined as part of the July 1, 2010, 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 5.0 to 12.0 percent, including an inflation component of 4.0 percent.

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. Any excess of these assets over the actuarial accrued liability is amortized as a level percentage of projected payroll over an open 15 year period. The remaining amortization period is 15 years.

For fiscal years ended June 30, 2005 through June 30, 2011, the County's Police Officers Retirement System funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (000) (a)	Actuarial Accrued Liability (AAL) - Entry Age (000) (b)	Unfunded AAL (UAAL) (Funding Excess) (000) (b-a)	Funded Ratio (a/b)	Covered Payroll (000) (c)	UAAL (Funding Excess) as a Percentage of Covered Payroll ((b-a) / c)
7/1/2005	732,582	828,702	96,120	88.40	83,939	114.51
7/1/2006	788,766	897,478	108,712	87.89	89,062	122.06
7/1/2007	870,975	968,735	97,760	89.91	95,904	101.94
7/1/2008	908,077	1,031,333	123,256	88.05	99,714	123.61
7/1/2009	879,543	1,076,039	196,496	81.74	99,647	197.19
7/1/2010	899,543	1,135,015	235,472	79.25	100,500	234.30

Concentrations

The PORS does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5.0 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 of this note.

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 4.0 percent or the percentage increase in the Consumer Price Index for the Washington-Baltimore Metropolitan Statistical 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.

Effective October 1, 2003, a Deferred Retirement Option Program (DROP) was established for eligible members of the URS. Members who are eligible for normal service retirement are eligible to participate in this program. DROP provides the ability for an employee to retire for purposes of the pension plan, while continuing to work and receive a salary for a period of three years. During the DROP period, the pension plan accumulates the accrued monthly benefit into an account balance identified as belonging to the member. The account balance is credited with interest in the amount of 5.0 percent per annum, compounded monthly. The monthly benefit is calculated using service and final compensation as of the date of entry in DROP, with increases equal to the annual COLA adjustment provided for retirees.

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 4.0 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 4.0 percent of compensation. Plan D requires contributions of 7.08 percent of compensation.

The County contributes at a fixed rate as determined by an annual actuarial valuation, unless the URS's funding ratio falls outside of a pre-determined range. Once outside the range, the rate is either increased or decreased to accelerate or decelerate the funding until the ratio falls back within the range. The range for the URS is a minimum funding ratio of 90 percent and a maximum funding ratio of 120 percent. The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2011, was determined actuarially to be 29.78% of annual covered payroll. The decision was made to commit additional funding and a rate of 30.56% was adopted for fiscal year 2011.

Annual Pension Cost

Information related to the County's annual pension cost, ARC, actual contributions, and NPO for fiscal years 2011, 2010, and 2009 is presented on the following page:

	2011	2010	2009
ARC, for the year ended June 30	$ 53,208,307	$47,289,026	47,247,396
Interest on NPO from prior year	2,563,493	2,094,476	1,630,484
Actuarial adjustment	(2,886,962)	(2,358,764)	(1,836,224)
Annual pension cost	52,884,838	47,024,738	47,041,656
Actual contributions	(45,817,015)	(40,771,184)	(40,855,101)
Increase in the NPO, for the year ended June 30	7,067,823	6,253,554	6,186,555
NPO, beginning of year	34,179,901	27,926,347	21,739,792
NPO, end of year	$41,247,724	$34,179,901	27,926,347
Percentage of annual pension cost contributed	86.64%	86.70%	86.85%

The ARC for the year ended June 30, 2011, was determined as part of the July 1, 2010, 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 5.0 to 12.0 percent, including an inflation component of 4.0 percent.

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 amortized as a level percentage of projected payroll over an open 15 year period. The remaining amortization period is 15 years.

For fiscal years ended June 30, 2005 through June 30, 2011, the County's Uniformed Retirement System funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (000) (a)	Actuarial Accrued Liability (AAL) - Entry Age (000) (b)	Unfunded AAL (UAAL) (Funding Excess) (000) (b-a)	Funded Ratio (a/b)	Covered Payroll (000) (c)	UAAL (Funding Excess) as a Percentage of Covered Payroll ((b-a) / c)
7/1/2005	830,702	974,106	143,404	85.28	109,067	131.48
7/1/2006	921,414	1,102,667	181,253	83.56	127,469	142.19
7/1/2007	1,028,385	1,206,624	178,239	85.23	136,487	130.59
7/1/2008	1,097,994	1,285,694	187,700	85.40	142,724	131.51
7/1/2009	1,074,230	1,351,204	276,974	79.50	147,083	188.31
7/1/2010	1,095,080	1,427,617	332,537	76.71	146,777	226.56

Concentrations

The URS does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5.0 percent or more of net assets held in trust for pension benefits.

4. Educational Employees' Supplementary Retirement System of Fairfax County

Plan Descriptions

The Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) is a legally separate single-employer retirement system 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. The ERFC contains two plans, ERFC and ERFC 2001. ERFC is the original defined benefit plan effective July 1, 1973, and remains in effect. It is, however, closed to new members. Effective July 1, 2001, all new-hire full-time educational and civil service employees are enrolled in the ERFC 2001 plan. This new defined benefit plan incorporates a streamlined stand-alone retirement benefit structure.

The ERFC and ERFC 2001 plans provide retirement, disability, and death benefits to plan members and their beneficiaries. Annual post-retirement increases of 3.0 percent are effective each March 31. All benefits vest after five years of creditable service. Benefit provisions are established and may be amended by the Fairfax County Public School Board. The ERFC plan supplements the Virginia Retirement System plan. The benefit structure is designed to provide a level retirement benefit through a combined ERFC/VRS benefit structure. The ERFC 2001 plan has a stand-alone structure. Member contributions for the ERFC and ERFC 2001 plans 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 and ERFC 2001 Plan Documents.

The ERFC and ERFC 2001 plans provide for a variety of benefit payment types. Minimum eligibility conditions for receipt of full benefits for ERFC members are either attaining the age of 55 with 25 years of creditable service or completing five years of creditable service at age 65. Minimum eligibility conditions for receipt of full benefits for ERFC 2001 members are either completing five years of creditable service prior to age 60 or any age with 30 years of creditable service. A description of each of the types of benefits payments is contained in the actuarial valuation and the Plan Documents. Total plan membership for the plans is disclosed in item 6 of this note.

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, 8001 Forbes Place, Springfield, VA 22151.

Funding Policy

The contribution requirements for ERFC and ERFC 2001 members are established and may be amended by the ERFC Board of Trustees with the approval of the School Board. All members are required to contribute 4.0 percent of their covered salaries. The employer is required to contribute at an actuarially determined rate. For fiscal year 2011, Public Schools is required to contribute 4.04 percent of annual covered payroll for educational employees and civil service employees.

Annual Pension Cost

For each of the years ended June 30, 2011, 2010, and 2009, the Public Schools' annual pension cost of $47,118,111, $37,868,623, and $40,012,480, respectively, was equal to its ARC and actual contributions.

The ARC for the year ended June 30, 2011, was determined as part of the December 31, 2010, 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 3.75 percent.

b. Projected annual salary increases of 4.0 to 8.2 percent, including an inflation component of 3.75 percent.

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. Any excess of assets over the actuarial accrued liability is 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 December 31, 2010, was 28 years.

For the fiscal years 2005 through 2011, the County's Educational Employees' Supplementary Retirement System funding progress was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (000) (a)	Actuarial Accrued Liability (AAL) - Entry Age (000) (b)	Unfunded AAL (UAAL) (Funding Excess) (000) (b-a)	Funded Ratio (a/b)	Covered Payroll (000) (c)	UAAL (Funding Excess) as a Percentage of Covered Payroll ((b-a) / c)
12/31/2005	1,718,399	2,022,962	304,563	84.94	1,050,217	29.00
12/31/2006	1,818,930	2,105,552	286,622	86.39	1,111,828	25.78
12/31/2007	1,924,886	2,186,801	261,915	88.02	1,161,432	22.55
12/31/2008	1,733,946	2,255,298	521,352	76.88	1,211,140	43.05
12/31/2009	1,769,540	2,314,282	544,742	76.46	1,208,093	45.09
12/31/2010	1,822,603	2,384,061	561,458	76.45	1,191,290	47.13

Concentrations

The ERFC plans do not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5.0 percent or more of net assets available for benefits.

5. Virginia Retirement System

Plan Description

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 to the Virginia Retirement System, P.O. Box 2500, Richmond, VA 23218-2500.

Funding Policy

Plan members are required by State statute to contribute 5.0 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, Public Schools is required to contribute at an actuarially determined rate or a rate approved by the General Assembly. The approved rate for fiscal year 2011 was 3.9 percent of annual creditable compensation. This rate was less than the actuarial rate of 12.9 percent. The difference is a deferred amount which will be paid beginning in FY 2013. The FCPS Board committed $44.9 million of June 30, 2011 fund balance toward this purpose. State statute may be amended only by the Commonwealth of Virginia Legislature. Public Schools' contributions to the VRS for the years ended June 30, 2011, 2010, and 2009, were $112,157,560, $144,109,311, and $179,716,060, respectively, equal to the required contributions for each year.

6. Current Plan Membership

At July 1, 2010 (December 31, 2010, for ERFC), the date of the latest actuarial valuations, membership in the reporting entity's plans consisted of the following:

	Primary Government			Component Unit - Public Schools
	ERS	PORS	URS	ERFC
Retirees and beneficiaries receiving benefits	6,568	850	1,075	9,081
Terminated employees entitled to, but not yet receiving, benefits	1,427	34	43	2,719
DROP participants	519	59	106	n/a
Active employees	13,858	1,293	1,865	20,141
Total number of plan members	22,372	2,236	3,089	31,941

7. Required Supplementary Information

Pension trend data, including the schedule of funding progress and the schedule of employer contributions, can be found in the required supplementary information section immediately following the notes to the financial statements.

H. OTHER POST-EMPLOYMENT BENEFITS

The reporting entity administers two separate other post-employment benefits (OPEB) plans and has established trust funds to account for the cost of OPEB.

1. Fairfax County OPEB Plan

Plan Description

The Fairfax County OPEB Trust Fund is a single-employer defined benefit plan administered by Fairfax County. The County provides medical/dental, vision, and life insurance benefits to eligible retirees and their spouses. In order to participate, retirees must have reached the age of 55 or be on disability retirement and must have health benefit coverage in a plan provided by the County. Retirees must have five years of service in order to participate in this program. Beginning in fiscal year 2004, the amount of monthly subsidy provided by the County is based on years of service and

ranges from $30 per month to $220 per month. Retirees receiving the subsidy prior to fiscal year 2004 are grandfathered at $100 per month unless their years of service entitle them to receive a higher monthly subsidy.

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

Funding Policy

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

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

Annual OPEB Cost

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

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for 2011, 2010 and 2009 are as follows:

	2011	2010	2009
ARC, for the year ended June 30	$ 35,373,000	$ 32,553,000	$ 25,393,000
Interest on net OPEB asset from prior year	(713,000)	(1,787,000)	(2,027,000)
Actuarial adjustment	529,000	1,325,000	1,398,000
Annual OPEB cost	35,189,000	32,091,000	24,764,000
Actual contributions	(21,004,000)	(17,771,000)	(21,557,000)
(Increase) decrease in net OPEB asset, for the year ended June 30	14,185,000	14,320,000	3,207,000
Net OPEB asset, beginning of year	(9,505,610)	(23,825,610)	(27,032,610)
Net OPEB (asset) obligation, end of year	$ 4,679,390	$ (9,505,610)	$ (23,825,610)
Percentage of annual OPEB cost contributed	59.69%	55.38%	87.05%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, also presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

For the year ended June 30, 2011, the County's OPEB funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (000) (a)	Actuarial Accrued Liability (AAL) - Entry Age (000) (b)	Unfunded AAL (UAAL) (Funding Excess) (000) (b-a)	Funded Ratio (a/b)	Covered Payroll (000) (c)	UAAL (Funding Excess) as a Percentage of Covered Payroll ((b-a) / c)
7/1/2007	$ -	$ 379,856	$ 379,856	- %	$ 650,106	58.43 %
7/1/2008	48,207	350,709	302,502	13.75	697,253	43.39
7/1/2009	50,233	441,286	391,053	11.38	761,303	51.37
7/1/2010	60,473	489,203	428,730	12.36	777,040	55.17

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The ARC for fiscal year 2011 was determined as part of the July 1, 2010, 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. An annual healthcare cost trend rate of 9.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent, including an inflation component of 4.0 percent. The current rate is 6.0 percent.

The actuarial value of the OPEB assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. Any excess of these assets over actuarial accrued liability is amortized as a level percentage of projected payroll over an open 30 year period. The remaining amortization period is 30 years.

The Fairfax County OPEB Trust Fund does not issue a stand-alone financial report and is not included in the report of a public employee retirement system or of another entity.

Concentrations

The Fairfax County OPEB Trust Fund does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5.0 percent or more of net assets held in trust for OPEB benefits.

2. Public Schools OPEB Plan

Plan Description

The Fairfax County Public Schools OPEB Trust Fund is a single-employer defined benefit plan administered by the Fairfax County Public Schools (Public Schools). Public Schools provides health benefits to eligible retirees and their spouses. In order to participate, retirees must have reached the age of 55 or be on disability retirement and must have health benefit coverage in a plan provided by Public Schools. There is no minimum number of years of service required to participate in this plan. Plan participants may continue medical coverage by paying the appropriate subsidized premiums. The amount of monthly subsidy is based on years of service and ranges from $15 per month to $175 per month. Benefit provisions may be amended by the School Board.

Funding Policy

The contributions to the Public Schools OPEB Trust Fund are established and may be amended by the School Board. The contributions are typically based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits. The costs of administering the plan are paid for by the Public Schools OPEB Trust Fund through the use of investment income and employer contributions. GASB Statement No. 45 requires recognition of the current expense of the plan based on each annual required contribution, but it does not require funding of the related liability.

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

Annual OPEB Cost

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

For the year ended June 30, 2011, 2010 and 2009, Public Schools' OPEB funding progress is presented on the following page:

	2011	2010	2009
ARC, for the year ended June 30	$ 38,163,000	$ 35,954,000	$ 37,522,000
Interest on net OPEB asset from prior year	-	-	(61,002)
Actuarial adjustment	172,000	1,000	42,056
Annual OPEB cost	38,335,000	35,955,000	37,503,054
Actual contributions	(45,492,399)	(27,137,145)	(36,641,152)
(Increase) decrease in net OPEB asset, for the year ended June 30	(7,157,399)	8,817,855	861,902
Net OPEB obligation (asset), beginning of year	8,866,393	48,538	(813,364)
Net OPEB obligation (asset), end of year	$ 1,708,994	$ 8,866,393	$ 48,538
Percentage of annual OPEB cost contributed	118.67%	75.48%	97.70%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, also presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

For the year ended June 30, 2011, Public Schools' OPEB funding progress was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (000) (a)	Actuarial Accrued Liability (AAL) - Entry Age (000) (b)	Unfunded AAL (UAAL) (Funding Excess) (000) (b-a)	Funded Ratio (a/b)	Covered Payroll (000) (c)	UAAL (Funding Excess) as a Percentage of Covered Payroll ((b-a) / c)
7/1/2007	$ -	$ 299,668	$ 299,668	- %	$ 1,302,665	23.00 %
7/1/2008	7,996	458,067	450,071	1.75	1,352,321	33.28
7/1/2009	17,520	466,324	448,804	3.76	1,182,922	37.94
7/1/2010	19,563	471,617	452,054	4.15	1,432,000	31.57

Projections of benefits for financial reporting purposes are based on Public Schools' substantive plan (the plan as understood by Public Schools and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between Public Schools and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The ARC for fiscal year 2011 was determined as part of the July 1, 2010, 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. An annual healthcare cost trend rate of 10.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent, including an inflation component of 4.0 percent. The current rate is 8.0 percent and will reduce by 1.0 percent annually for the next three years.

The actuarial value of OPEB assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. Any excess of these assets over actuarial accrued liability is amortized as a level percentage of projected payroll over an open 30 year period. The remaining amortization period is 30 years.

The Public Schools OPEB Trust Fund does not issue a stand-alone financial report and is not included in the report of a public employee retirement system or of another entity.

Concentrations

The Fairfax County Public Schools OPEB Trust Fund does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5.0 percent or more of net assets held in trust for OPEB benefits.

3. Current Plan Membership

At July 1, 2010, the date of the latest actuarial valuations, membership in the reporting entity's plans consisted of the following:

	Primary Government	Component Unit - Public Schools
	OPEB	OPEB
Retirees and beneficiaries receiving benefits	4,107	8,040
Active employees	12,059	18,590
Total number of plan members	16,166	26,630

I. 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 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 FCRHA, Park Authority, and EDA participate in the County's self-insurance program. Participating funds and agencies are charged "premiums" which are computed based on relevant data coupled with 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 include an annual actuarial study, 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 liabilities do not include nonincremental claim adjustment expenses.

The claims liabilities in the self-insurance funds are discounted at 0.75 percent and 1.00 percent at June 30, 2011 and 2010, respectively, to reflect anticipated investment income. Changes in the balances of claims liabilities during fiscal years 2011 and 2010 are as follows:

	Internal Service Funds			
	Primary Government		Component Unit - Public Schools	
	Self-Insurance	Health Benefits	Insurance	Health Benefits Trust
Liability balances, June 30, 2009	$ 33,084,626	11,420,191	20,827,171	16,030,000
Claims incurred	-			
Claims and changes in estimates	13,965,561	106,428,293	9,753,799	253,043,324
Claims payments	(12,670,578)	(105,022,478)	(7,831,121)	(251,748,324)
Liability balances, June 30, 2010	34,379,609	12,826,006	22,749,849	17,325,000
Claims incurred				
Claims and changes in estimates	28,276,128	118,161,357	14,675,042	264,685,432
Claims payments	(22,239,079)	(119,289,863)	(7,530,151)	(263,632,432)
Liability balances, June 30, 2011	$ 40,416,658	$ 11,697,500	29,894,740	18,378,000

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 $1,000,000 self-insured retention. Settled claims have not exceeded any of these commercial coverages in any of the past three fiscal years.

J. LONG-TERM OBLIGATIONS

The following is a summary of changes in the government-wide long-term obligations of the primary government and component units for the year ended June 30, 2011 (in thousands):

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Primary Government					
Governmental activities:					
General obligation bonds payable:					
Principal amount of bonds payable	$ 1,997,045	190,090	(190,925)	1,996,210	170,150
Premium on bonds payable	104,654	13,258	(19,239)	98,673	16,615
Deferred amount on refundings	(39,968)	-	6,179	(33,789)	(4,848)
Revenue bonds payable:					
Principal amount of bonds payable	321,654	252,685	(16,498)	557,841	23,186
Premium on bonds payable	8,405	14,296	(1,195)	21,506	2,059
Discount on bonds payable	(675)	(277)	35	(917)	(46)
Deferred amount on refundings	(8,093)	(27)	900	(7,220)	(913)
Notes payable	9,998	-	(645)	9,353	645
Bond anticipation note:					
Principal amount of bonds anticipation note	32,815	28,905	(32,815)	28,905	2,180
Premium on bond anticipation note	541	1,680	(542)	1,679	762
Compensated absences payable	104,633	62,170	(64,592)	102,211	62,704
Landfill closure and postclosure obligation	60,645	63,801	(60,645)	63,801	500
Obligations under capital leases and installment purchases	8,064	9,439	(2,478)	15,025	3,791
Insurance and benefit claims payable	47,206	146,437	(141,528)	52,114	28,599
Net pension obligation	74,624	89,007	(74,624)	89,007	-
Net OPEB obligation	(9,506)	14,185	-	4,679	
Other:					
HUD Section 108 loans	6,236	6,535	(305)	12,466	311
Obligations for claims and judgments	750	800	(750)	800	800
Library Exchange	21,715	-	(828)	20,887	832
Total governmental activities	2,740,743	892,984	(600,495)	3,033,231	307,327
Business-type activities:					
Sewer revenue bonds payable:					
Principal amount of bonds payable	546,782	34,114	(15,797)	565,099	16,445
Premium on bonds payable	10,069	-	(395)	9,674	395
Deferred amount on refundings	(4,293)	-	167	(4,126)	(166)
Compensated absences payable	2,158	1,225	(1,293)	2,090	1,252
Total business-type activities	554,716	35,339	(17,318)	572,737	17,926
Total long-term liabilities - Primary government	$ 3,295,459	928,323	(617,813)	3,605,968	325,253
Component Units					
Public Schools					
Compensated absences payable	$ 31,656	20,519	(22,159)	30,016	21,011
Obligations under capital leases and installment purchases	97,027	7,059	(22,759)	81,327	11,394
Insurance and benefit claims payable	40,075	279,361	(271,163)	48,273	26,019
Net OPEB obligation	8,866	-	(7,157)	1,709	-
Deferred rent	1,071	651	(141)	1,581	-
Total Public Schools	178,695	307,590	(323,379)	162,906	58,424
FCRHA					
Mortgage revenue bonds payable	35,151	-	(568)	34,583	7,916
Mortgage notes payable	80,018	868	(2,732)	78,154	12,788
Compensated absences payable	1,136	475	(525)	1,086	505
Total FCRHA	116,305	1,343	(3,825)	113,823	21,209
Park Authority					
Revenue bonds payable:					
Principal amount of bonds payable	9,110	-	(670)	8,440	695
Discount on bonds payable	(52)	-	5	(47)	(5)
Deferred amount on refundings	(498)	-	50	(448)	(50)
Loan from primary government	15,150	-	(150)	15,000	180
Compensated absences payable	4,845	2,410	(2,742)	4,513	2,554
Total Park Authority	28,555	2,410	(3,507)	27,458	3,374
EDA					
Compensated absences payable	224	11	-	235	171
Deferred rent	1,223	-	(88)	1,135	64
Total EDA	1,447	11	(88)	1,370	235
Total long-term liabilities - Component units	$ 325,002	311,354	(330,799)	305,557	83,242

Compensated absences payable, obligations under capital leases, obligation to component unit, and obligations for claims and judgments for the primary government are liquidated by the General Fund and other governmental funds. The landfill closure and postclosure obligation will be liquidated by the I-95 Refuse Disposal Fund, a special revenue fund. In addition, the County, FCRHA, Park Authority, and EDA are required to adhere to and are in compliance with the rebate and reporting requirements of the federal regulations pertaining to arbitrage investment earnings on certain bond proceeds.

1. General Obligation Bonds

General obligation bonds are issued to provide funding for long-term capital improvements. In addition, they are issued to refund outstanding general obligation bonds when market conditions enable 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, 2011, the amount of general obligation bonds authorized and unissued is summarized to the right (in thousands).

Bond Purpose	Amount
School improvements	$ 484,435
Transportation improvements	203,370
Parks and park facilities	47,315
Commercial and redevelopment area improvements	6,630
Human services facilities	7,800
Public safety facilities	102,580
Public library facilities	11,380
Total authorized but unissued bonds	$ 863,510

The Commonwealth of Virginia does not impose a legal limit on the amount of general obligation indebtedness that the County can incur or have outstanding. The Board of Supervisors, however, has self-imposed bond limits to provide that the County's net debt may not exceed three percent of the total market value of taxable real and personal property in the County. In addition, the annual debt service may not exceed ten percent of the annual General Fund disbursements. As a financial guideline, the Board of Supervisors also follows a self-imposed limitation in total general obligation bond sales of $1.375 billion over a five-year period or an average of $275 million annually, with a maximum of $300 million in any given year. All self-imposed bond limits have been complied with at June 30, 2011.

In February 2011, the County issued $190,090,000 of Series 2011A General Obligation Public Improvement and Refunding Bonds with average interest rates of 4.58 percent and 4.67 percent, respectively. The Refunding Bonds, totaling $18,695,000, were issued to current refund $19,880,000 of outstanding Series 2002A bonds. Proceeds of $20,314,016 were used to purchase U.S. Government securities which were deposited in an irrevocable escrow account to provide for the resources for refunded bonds redeemed on March 12, 2011. The County refunded these bonds to reduce its total debt service payments over the next four years by approximately $1.4 million and to obtain an economic gain of approximately $1.2 million.

Detailed information regarding the general obligation bonds outstanding as of June 30, 2011, is contained in Section 5 of this note.

2. Revenue Bonds

In March 1994, the EDA issued $116,965,000 of lease revenue bonds (Series 1994) to finance the County's acquisition of certain land and office buildings adjacent to its main government center. In October 2003, the EDA issued $85,650,000 of lease revenue refunding bonds to advance refund $88,405,000 of outstanding Series 1994 lease revenue bonds. In June 2003, the EDA issued

$70,830,000 of revenue bonds to finance the development and construction of a public high school and a public golf course and related structures, facilities, and equipment in the Laurel Hill area of the southern part of the County. In January 2005, the EDA issued $60,690,000 of facilities revenue bonds to finance the acquisition of land and a building and for renovations to that building; this building will be used to consolidate numerous Public Schools administrative offices. In March 2010, the EDA issued $43,390,000 of lease revenue bonds to current refund the FCRHA $3,365,000 of outstanding Series 1996 lease revenue bonds, $2,960,000 of outstanding Series 1998 lease revenue bonds, $835,000 of outstanding Series 1999 lease revenue bonds, and to advance refund the FCRHA $7,245,000 of outstanding Series 2004 lease revenue bonds, and the County's $25,580,000 of outstanding Series 2000 certificate of participation bonds. In May 2011, the EDA issued $205,705,000 of transportation district improvement revenue bonds (Silver Line Phase 1 Project) Series 2011 to finance a portion of the costs of the construction of the first phase of an extension of the Washington Metropolitan Area Transit Authority's mass transit system in Fairfax County. The bonds bear an average interest rate of 4.94 percent and mature on April 1, 2036. 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 these 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.

In August 2006, the FCRHA issued $8,065,000 of lease revenue bonds to finance the Braddock Glen Adult Day Care Center and the Southgate Neighborhood Community Center.

In November 2007, the FCRHA issued a $105,485,000 bond anticipation note (Series 2007B) to finance a portion of the purchase price of a multi-family rental housing property as part of the County's affordable housing initiative. In October 2008, the FCRHA issued a $104,105,000 bond anticipation note (Series 2008B) to repay the outstanding $105,485,000 bond anticipation note (Series 2007B). In August 2009, the FCRHA issued a $94,950,000 of revenue bonds to provide funds, together with other funds, sufficient to pay the outstanding $104,105,000 short-term bond anticipation note (Series 2008B) that matured on October 1, 2009. The bonds bear an average interest rate of 4.53 percent and mature on October 1, 2039. 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 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.

In June 2011, Community Development Authority (CDA) issued $46,980,000 Revenue Bonds (Mosaic District Project) Series 2011A with an average interest rate of 6.83 percent. The bonds were issued to finance certain public infrastructure improvements within or serving the Authority district. The 2011 Bonds are limited obligations of the Authority, payable solely from and secured by a pledge of certain County Advanced Revenues and certain Special Assessment Revenues.

None of these revenue bonds nor the related payment responsibilities of the County are 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 revenue bonds outstanding as of June 30, 2011, is contained in Section 5 of this note.

3. Sewer Revenue Bonds

In July 1996, the Sewer System issued $104,000,000 of Series 1996 Sewer Revenue Bonds with an average interest rate of 5.8 percent to fund the plant expansion of the wastewater treatment facilities at the County's Noman M. Cole, Jr. Pollution Control Plant and other system improvements. In October 2004, the Sewer System issued $94,005,000 of Series 2004 Sewer Revenue Refunding Bonds with an average interest rate of 4.61 percent to advance refund $91,430,000 of the outstanding

Series 1996 Sewer Revenue Bonds with an average interest rate of 5.82 percent. Net proceeds of the Refunding Bond were used mostly to redeem the Series 1996 Bonds on July 15, 2006. The lower interest rate of the Refunding Bond would reduce total debt service payment over future years by approximately $16.8 million. In June 2009, the Sewer System issued $152,255,000 of Series 2009 Sewer Revenue Bonds with an average interest rate of 4.88 percent to fund the System's portion of upgrade costs at certain wastewater treatment facilities that are owned by, or that provide service to, the County, the purchase of additional capacity, and the costs for other system improvements. As of June 30, 2011, the outstanding bonds consist of $149,875,000 of Series 2009 Revenue Bonds and $82,215,000 of Series 2004 Refunding Bonds.

The aforementioned sewer revenue bonds were issued in accordance with the General Bond Resolution adopted by the Board of Supervisors on July 29, 1985, and are payable from and secured by the net revenue generated through the Sewer System's operations. Accordingly, the Master Bond Resolution includes a rate covenant under which the Sewer System agreed that it will charge reasonable rates for the use of and services rendered by the Sewer System. Furthermore, the Sewer 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 Sewer System's annual commitments to fund its proportionate share of other jurisdictions' debt service requirements. In addition, payment of the principal and interest on all bonds is insured by municipal bond insurance policies.

In January 1995, UOSA, a joint venture, issued $288,600,000 of Regional Sewer System Revenue Bonds to finance the cost of expanding the capacity of its wastewater treatment facilities and $42,260,000 of Regional Sewer System Revenue Refunding Bonds to refund certain outstanding bonds that had been issued to finance a prior expansion. In December 2003, UOSA issued $58,150,000 of Regional Sewer System Revenue Refunding Bonds to advance refund its outstanding Series 1993 bonds. In November 2004, UOSA issued $49,395,000 of Regional Sewer System Revenue Refunding Bonds to advance refund a portion of the outstanding Series 1995 bonds. On July 1, 2005, UOSA issued $82,465,000 of Regional Sewer System Revenue Refunding Bonds, of which the Sewer System's share is $53,201,198, to advance refund another portion of the outstanding Series 1995 bonds, resulting in a $1,909,604 accounting gain, which is being amortized over the life of the Series 2005 Bonds. In February 2007, UOSA issued $90,315,000 of Regional Sewer System Revenue Refunding bonds, of which the Sewer System's share is $58,265,521, to advance refund another portion of the outstanding Series 1995 Bonds, resulting in an $83,868 accounting loss, which is amortized over the life of the Series 2007 Bonds. In December 2007, UOSA issued $119,715,000 of Regional Sewer System Revenue Bonds, of which the System's share is $53,925,458, to finance the cost of expanding its wastewater treatment and conveyance facilities. In December 2010, UOSA issued $85,180,000 of Regional Sewer System Revenue Bonds, of which the System's share is $34,113,615, to finance the cost of certain capital improvements.

The Sewer System's share of UOSA's total outstanding debt at June 30, 2011, is $276,062,972, and it is subordinate to the sewer revenue bonds issued by the Sewer System.

In June 2001 and June 2002, the Sewer System issued 20-year subordinated sewer revenue bonds in the amounts of $40,000,000 and $50,000,000, respectively, to the Virginia Water Facilities Revolving Fund, acting by and through the Virginia Resources Authority. The proceeds have been used to finance a portion of the Sewer System's share of incurred expansion and upgrade costs of the Alexandria Sanitation Authority's wastewater treatment facilities, which provide service to certain County residents. The bonds bear interest rates of 4.1 percent per annum and 3.75 percent per annum, respectively, and collectively require semi-annual debt service payments of $3,318,536. The bonds are subordinated to all outstanding prior bond issues of the Sewer System and payments for operation and maintenance expenses. As of June 30, 2011, the outstanding principal for the 2001 and 2002 subordinated revenue bonds is $24,403,389 and $32,543,507, respectively.

Detailed information regarding the sewer revenue bonds outstanding as of June 30, 2011, is contained in Section 5 of this note.

4. Bond Anticipation Notes

In February 2008, the FCRHA issued a $37,615,000 refunding bond anticipation note to repay a portion of a 2007 short-term note that matured on February 12, 2008. The original short-term note was issued to partially finance the purchase of a multi-family rental housing complex as part of the County's affordable housing initiative. The long-term note matures on March 1, 2013, and may be redeemed prior to maturity. In May 2011, the FCRHA issued $28,905,000 of bond anticipation note to current refund $30,215,000 of outstanding Series 2008A bond anticipation note with average interest rate of 3.97 percent. Proceeds of $30,473,938 were used to defease the Series 2008A bond anticipation note on May 19, 2011. The County refunded these bonds to reduce its total debt service payments over the next two years by approximately $1.6 million and to obtain an economic gain of approximately $1.6 million. As the County is responsible, under the related documents and subject to appropriation, to pay timely the principal of and interest on the note, the related transactions, including the liability for the note, have been recorded in the County's financial statements and not in those of the FCRHA. The note is not a general obligation debt of the County, and the full faith and credit of the County is not pledged to the note.

Detailed information regarding the bond anticipation note outstanding as of June 30, 2011, is contained in Section 5 of this note.

5. County Debt and Related Interest to Maturity

The County's outstanding general obligation bonds, revenue bonds, notes payable, HUD Section 108 loans, Sewer System revenue bonds, and the related interest to maturity as of June 30, 2011, are comprised of the issues presented on the facing page:

Series		Interest Rate (%)	Issue Date	Final Maturity Date	Annual Principal Payments (000)	Original Issue (000)	Principal Outstanding (000)	Interest Payable to Maturity (000)	Total Principal Outstanding & Interest Payable to Maturity (000)
Governmental activities:									
General obligation bonds:									
General County:									
Series 2003A	Refunding	5.00	02-01-03	06-01-12	3,650-7,356	82,407	3,650	183	3,833
Series 2003B	Public Improvement	4.00-5.00	05-15-03	06-01-23	3,315-3,330	66,490	26,560	8,108	34,668
Series 2004A	Public Improvement	4.00.5.25	04-14-04	04-01-24	815-3,180	63,530	32,590	10,329	42,919
Series 2004A	Refunding	4.50-5.25	04-14-04	04-01-17	1,898-5,635	67,200	26,757	4,011	30,768
Series 2004B	Public Improvement	4.00-5.00	10-19-04	10-01-24	28-3,460	69,120	35,025	10,707	45,732
Series 2004B	Refunding	4.50-5.00	10-19-04	10-01-19	825-2,575	30,375	19,470	3,701	23,171
Series 2005A	Public Improvement	4.00-5.00	08-16-05	10-01-25	4,155-4,315	85,655	55,460	18,178	73,638
Series 2005A	Refunding	4.25-5.00	08-16-05	10-01-21	3,045-10,155	117,505	94,088	21,473	115,561
Series 2007A	Public Improvement	4.00-5.00	02-07-07	04-01-27	5,389	107,780	86,224	31,613	117,837
Series 2008A	Public Improvement	4.00-5.00	01-30-08	04-01-28	4,955-4,960	99,155	84,275	34,533	118,808
Series 2009A	Public Improvement	3.50-5.00	01-28-09	04-01-29	2,450	49,000	44,100	17,692	61,792
Series 2009 B	Refunding	3.00-4.50	01-28-09	04-01-14	3,840-7,126	31,884	17,572	961	18,533
Series 2009 C	Refunding	3.00-5.00	10-28-09	10-01-19	3,019-14,578	48,527	48,527	14,463	62,990
Series 2009 D	Public Improvement	2.00-5.00	10-28-09	10-01-14	10,739-10,743	53,710	42,967	4,243	47,210
Series 2009 E	Public Improvement (BABs)	3.10-5.25	10-28-09	10-01-29	4,247	63,700	63,700	34,497	98,197
Series 2011 A	Public Improvement	2.00-5.00	02-10-11	04-01-31	2,250-2,415	47,880	47,880	23,393	71,273
Series 2011 A	Refunding	2.00-5.00	02-10-11	04-01-15	1,703-1,756	6,912	6,912	848	7,760
Total general obligation bonds - General County						1,090,830	735,757	238,933	974,690
Schools:									
Series 2003A	Refunding	5.00	02-01-03	06-01-12	3,935-8,015	88,758	3,935	197	4,132
Series 2003B	Public Improvement	4.00-5.00	05-15-03	06-01-23	6,430-6,435	128,680	51,460	15,724	67,184
Series 2004A	Public Improvement	4.00-5.25	04-14-04	04-01-24	1,546-6,015	120,215	61,630	19,531	81,161
Series 2004A	Refunding	4.50-5.25	04-14-04	04-01-17	2,027-6,565	78,165	30,928	4,615	35,543
Series 2004B	Public Improvement	4.00-5.00	10-19-04	10-01-24	47-5,815	116,280	58,895	17,995	76,890
Series 2004B	Refunding	4.50-5.00	10-19-04	10-01-19	2,600-8,165	96,035	61,535	11,697	73,232
Series 2005A	Public Improvement	4.00-5.00	08-16-05	10-01-25	5,085-5,275	104,685	67,785	22,224	90,009
Series 2005A	Refunding	4.25-5.00	08-16-05	10-01-21	5,820-20,335	235,740	190,152	43,682	233,834
Series 2007A	Public Improvement	4.00-5.00	02-07-07	04-01-27	6,341	126,820	101,456	37,198	138,654
Series 2008A	Public Improvement	4.00-5.00	01-30-08	04-01-28	6,765-6,770	135,320	115,010	47,135	162,145
Series 2009A	Public Improvement	3.50-4.50	01-28-09	04-01-29	7,525-7,530	150,510	135,450	54,340	189,790
Series 2009B	Refunding	3.00	01-28-09	04-01-14	3,190-5,919	26,487	14,598	798	15,396
Series 2009C	Refunding	3.00-5.00	10-28-09	10-01-19	5,081-24,052	83,273	83,273	24,304	107,577
Series 2009D	Public Improvement	2.00-5.00	10-28-09	10-01-14	2,636-2,637	13,185	10,548	1,042	11,590
Series 2009E	Public Improvement (BABs)	3.10-5.25	10-28-09	10-01-29	9,233	138,500	138,500	75,004	213,504
Series 2011 A	Public Improvement	2.00-5.00	02-10-11	04-01-31	5,150-6,230	123,515	123,515	60,697	184,212
Series 2011 A	Refunding	2.00-5.00	02-10-11	04-01-15	2,902-2,956	11,783	11,783	1,446	13,229
Total general obligation bonds - Schools						1,777,951	1,260,453	437,629	1,698,082
Total general obligation bonds						2,868,781	1,996,210	676,562	2,672,772
Revenue bonds:									
EDA revenue bonds:									
Series 2003		3.00-5.00	06-01-03	06-01-33	790-4,240	70,830	57,190	23,234	80,424
Series 2003	Refunding	5.00	10-01-03	11-15-18	5,205-7,885	85,650	52,380	12,289	64,669
Series 2005		4.00-5.00	01-27-05	04-01-35	1,255-3,615	60,690	54,145	36,468	90,613
Series 2010		2.00-5.00	03-10-10	04-01-32	1,280-2,785	43,390	40,920	15,297	56,217
Series 2011		2.00-5.00	05-26-11	04-01-36	4,840-13,685	205,705	205,705	153,494	359,199
FCRHA lease revenue bonds:									
Series 2003		3.50	07-22-03	08-01-23	44-176	2,530	1,751	410	2,161
Series 2005		3.25-3.60	06-16-05	06-01-15	810	8,105	3,240	287	3,527
Series 2006		4.00-5.00	08-21-06	06-30-13	1,185	8,065	2,370	166	2,536
Series 2009		2.00-5.00	08-20-09	10-01-39	1,790-5,610	94,950	93,160	73,647	166,807
CDA revenue bonds:									
Series 2011A		6.25-6.88	06-09-11	03-01-36	465-5,315	46,980	46,980	60,117	107,097
Total revenue bonds						626,895	557,841	375,409	933,250
Notes payable		3.46-4.29	12-27-05	12-31-25	323-645	12,900	9,353	2,886	12,239
HUD Section 108 loan #8		4.97-6.67	07-01-01	08-01-21	115	2,300	1,265	450	1,715
HUD Section 108 loan #11		Variable	06-29-09	06-29-29	184-334	5,040	4,666	2,449	7,115
HUD Section 108 loan #12		Variable	02-14-11	08-01-30	125-695	6,535	6,535	4,043	10,578
Total HUD Section 108 loans						13,875	12,466	6,942	19,408
Bond Anticipation Note Series 2011A		3.00-4.00	05-19-11	03-01-13	2,180-26,725	28,905	28,905	1,958	30,863
Total governmental activities						3,551,356	2,604,775	1,063,757	3,668,532
Business-type activities:									
Sewer revenue bonds:									
UOSA Bonds	Subordinated	2.00-6.00	01-12-95	07-01-43	1,828-16,616	277,621	276,062	185,945	462,007
Series 2001	Subordinated	4.10	06-01-01	02-01-21	2,019-2,910	40,000	24,403	5,590	29,993
Series 2002	Subordinated	3.75	09-01-02	03-01-22	2,440-3,538	50,000	32,544	7,472	40,016
Series 2004	Refunding	3.00-5.00	10-14-04	07-15-28	2,935-6,725	94,005	82,215	39,909	122,124
Series 2009	Revenue	2.50-5.00	06-17-09	07-15-40	2,445-9,415	152,255	149,875	130,042	279,917
Total business-type activities						613,881	565,099	368,958	934,057
Total County bond, note, and loan indebtedness						$ 4,165,237	3,169,874	1,432,715	4,602,589

Principal and interest to maturity (in thousands) for the County's general obligation bonds, revenue bonds, loans, and Sewer System revenue bonds outstanding at June 30, 2011, are as follows:

	Governmental Activities						Business-Type			
	General Obligation Bonds		Revenue Bonds		Notes and Loans		Sewer System Revenue Bonds		Total	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	170,150	91,188	23,187	23,948	3,136	1,621	16,445	25,418	212,918	142,175
2013	163,490	82,353	22,281	25,506	27,688	1,763	17,147	25,349	230,606	134,971
2014	157,995	74,490	21,645	24,680	968	945	18,543	24,600	199,151	124,715
2015	149,965	66,643	22,249	23,880	1,100	899	19,441	23,717	192,755	115,139
2016	145,775	58,958	22,239	22,868	1,134	845	20,502	22,789	189,650	105,460
2017-2021	629,440	201,545	106,440	98,601	6,221	3,360	117,955	98,413	860,056	401,919
2022-2026	417,230	84,813	89,110	76,218	6,476	1,808	116,615	70,934	629,431	233,773
2027-2031	162,165	16,572	106,555	53,507	4,001	545	103,816	43,116	376,537	113,740
2032-2036	-	-	123,275	24,056	-	-	62,737	25,410	186,012	49,466
2037-2041	-	-	20,860	2,145	-	-	68,310	9,001	89,170	11,146
2042-2046	-	-	-	-	-	-	3,588	211	3,588	211
Totals	$ 1,996,210	$ 676,562	$ 557,841	$ 375,409	$ 50,724	$ 11,786	565,099	368,958	3,169,874	1,432,715

6. FCRHA Bonds, Notes, and Loans Payable

The FCRHA issues various debt instruments, including bonds, notes and mortgages, to finance the cost of acquisition, construction, and equipping of its workforce, senior, disabled, low income, transient, and homeless affordable housing projects. These debt instruments are usually secured by the properties being financed. Sources of permanent financing include the Federal Department of Housing and Urban Development (HUD), the Virginia Housing Development Authority (VHDA), commercial lenders, and the County. Principal and interest on the HUD debt are funded by HUD under the Annual Contributions Contract, a federal government grant program. In addition, the FCRHA maintains unsecured $10 million tax-exempt and $5 million taxable lines of credit with a commercial bank to provide interim (bridge) financing.

The table on the facing page, details all FCRHA bonds, notes (including a loan from the County), and loans payable as of June 30, 2011, excluding FCRHA's component units:

Series	Secured By	Interest Rate (%)	Issue Date	Final Maturity Date	Annual Principal Payments (000)	Original Issue (000)	Total Principal Outstanding (000)
Housing Bonds Payable:							
Mortgage revenue bonds	Little River Glen rental property	4.65-6.10	08-29-96	09-01-26	$ 150-190	$ 6,340	4,660
Tax-exempt revenue bonds	Herndon Harbor I - rental property	6.10	08-01-97	07-01-27	24-30	2,875	771
Multi-family revenue bonds	Castellani Meadows	6.15	04-01-98	03-01-28	20-26	1,700	692
Lease revenue refunding bonds	FCRHA revenues	4.71	06-15-98	06-15-18	180-220	3,630	1,670
Multi-family revenue bonds	Herndon Harbor II - rental property	4.875-5.50	05-01-99	05-01-29	44-56	2,000	1,633
Multi-family revenue bonds	Cedar Ridge Apartments	5.984	03-29-07	10-01-48	62-115	13,200	12,937
Multi-family revenue bonds	Olley Glen - senior rental property	3.15-5.75	08-26-08	08-01-51	30-355	12,220	12,220
Total mortgage bonds payable - FCRHA						41,965	34,583
Mortgage Notes Payable and Loan from County:							
United Bank	One University Plaza office building	5.00	02-01-04	02-01-14	$ 26-32	363	85
	Faircrest North, Laurel Hill, Westcott Ridge, Holly Acres, Legato Corner, and Willow Oaks rental properties	6.21	01-01-07	12-01-21	54-65	2,998	2,744
	East Market, Fair oaks, Bryson	6.14	12-06-07	12-01-22	15-22	856	800
	Stockwell, Northampton, Halstead I & II	6.11	07-24-09	07-01-24	15-22	868	835
Sun Trust Bank	United Community Ministries	4.71	08-25-98	04-01-13	30-36	400	67
	Creighton Square	7.10	06-25-99	07-01-12	50-62	550	68
	Leland Road Group Home property	5.55	10-06-99	04-01-17	34-43	615	273
	Hopkins Glen rental property	4.33	12-02-02	10-01-16	10-62	475	350
Bank of America	McLean Hills and Springfield Green rental properties	4.54	04-01-95	04-01-15	53-68	1,072	308
	Credit Line	.82	12-11-08	12-31-09	445	445	445
U.S. Dept. of Housing and Urban Development	Various FCRHA rental properties	6.45-9.15	02-01-92	varies	285	5,690	275
	Various FCRHA rental properties	3.73-7.90	02-01-93	varies	110-115	3,100	345
	Various FCRHA rental properties	4.75-7.18	08-01-94	varies	195-205	3,775	580
	Various FCRHA rental properties	5.36-7.66	08-01-96	varies	5-50	1,080	130
	Various FCRHA rental properties	1.21-5.29	08-07-03	varies	35	500	252
	Olley Glen property	1.29-3.44	01-29-09	08-01-23	100-125	2,050	1,850
Virginia Housing Development Authority	Minerva Fisher-Hall Group Home property	8.07	07-01-79	06-01-19	2-16	437	215
	Penderbrook rental property	7.17	09-01-88	10-01-18	16-25	770	401
	First Stop Group Home property	8.00	01-01-93	04-01-22	5-15	246	330
The City of Fairfax	Various properties owned by note holder	9.00-12.50	varies	varies	5-6	65	47
Total mortgage notes payable - FCRHA						26,355	10,400
Total public housing bonds, notes, and loans payable - FCRHA primary government						$ 68,320	44,983

The FCRHA's annual required principal and interest payments to maturity on the bonds, notes (including a loan from the County), and loans payable, excluding FCRHA's component units, at June 30, 2011, are as follows:

	Component Unit - FCRHA (Primary Government)					
	Housing Bonds Payable		Mortgage Notes Payable and Loan from County		Total	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2012	$ 7,915,529	1,476,228	1,285,055	485,853	9,200,584	1,962,081
2013	667,317	1,441,883	1,234,131	406,916	1,901,448	1,848,799
2014	697,786	1,405,354	1,275,505	411,530	1,973,291	1,816,884
2015	744,195	1,366,721	568,767	376,412	1,312,962	1,743,133
2016	781,599	1,325,757	521,808	296,939	1,303,407	1,622,696
2017-2021	3,723,405	5,982,055	1,869,837	1,407,535	5,593,242	7,389,590
2022-2026	4,302,766	4,883,488	3,644,433	392,285	7,947,199	5,275,773
2027-2031	2,807,299	3,721,540	-	-	2,807,299	3,721,540
2032-2036	2,376,873	3,131,219	-	-	2,376,873	3,131,219
2037-2041	3,160,773	2,419,363	-	-	3,160,773	2,419,363
2042-2046	4,202,990	1,470,400	-	-	4,202,990	1,470,400
2047-2051	3,174,334	355,925	-	-	3,174,334	355,925
2052-2055	28,304	151	-	-	28,304	151
Totals	$ 34,583,170	28,980,084	10,399,536	3,777,470	44,982,706	32,757,554

7. Park Authority Bonds, Loans, and Notes 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. In September 2001, the Park Authority issued $13,015,000 of Park Facilities Revenue Refunding Bonds, Series 2001 to advance refund $11,670,000 of the outstanding Series 1995 bonds. The bonds are solely the obligation of the Park Authority and are payable from the Park Revenue Fund's revenues from operations, earnings on investments, and certain fund balance reserves.

In June 2003, the Park Authority received a $15,530,000 loan from the County to fund the development and construction of a public golf course and related structures, facilities, and equipment to be located in the Laurel Hill area of the southern part of the County. The loan is solely the obligation of the Park Authority and is payable from the Park Revenue Fund's revenues from operations, earnings on investments, and certain fund balance reserves.

The debt service requirements to maturity for the outstanding bonds and loan at June 30, 2011, are as follows:

Fiscal	Revenue Bonds			Loan from Primary Government			Total	
Year	Int. Rate	Principal	Interest	Int. Rate	Principal	Interest	Principal	Interest
2012	4.00	695,000	364,428	4.00	180,000	673,313	875,000	1,037,741
2013	4.10	725,000	335,665	5.00	210,000	666,112	935,000	1,001,777
2014	4.20	750,000	305,053	5.00	245,000	655,613	995,000	960,666
2015	4.30	785,000	272,425	5.00	285,000	643,363	1,070,000	915,788
2016	4.40	815,000	237,618	5.00	330,000	629,113	1,145,000	866,731
2017-2021	4.50-4.75	4,670,000	573,106	5.00	2,395,000	2,850,313	7,065,000	3,423,419
2022-2026	-	-	-	5.00-4.25	3,915,000	2,122,613	3,915,000	2,122,613
2027-2031	-	-	-	4.25	5,090,000	1,166,413	5,090,000	1,166,413
2032-2033	-	-	-	4.25	2,350,000	150,875	2,350,000	150,875
Totals		$ 8,440,000	2,088,295		$ 15,000,000	9,557,728	23,440,000	11,646,023

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, who 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 guarantees 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, 2011, approximately $47.6 million of such tax-exempt bonds that are still 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, 2011, the cumulative amount of all IRBs outstanding was $1,208.8 million.

In October 2003, August 2004, March 2007, and July 2008, the EDA issued $33,375,000, $57,410,000, $41,505,000 and $51,505,000, respectively, of transportation contract revenue bonds on behalf of the State Route 28 Transportation Improvement District for the purpose of financing a portion of the costs of the construction of certain improvements to State Route 28 in the County. The bonds are payable from the collection of special improvements assessments levied by the County and by Loudoun County, Virginia, on property owners in the District. As the County and EDA are not responsible to make payments to pay principal and interest on the bonds, the related transactions, including the liability for the bonds, are not recorded in the County's or EDA's financial statements. As of June 30, 2011, the principal amount of transportation contract revenue bonds outstanding was $179.3 million.

In December 2005, the Park Authority issued two notes totaling $12,900,000 to finance the acquisition of a permanent conservation easement. As the County is responsible, under the related documents and subject to appropriation, to pay the principal and interest on the notes, the related transactions, including the liability for the notes, have been recorded in the County's financial statements and not in those of the Park Authority. The notes are not general obligation debt of the County, and the full faith and credit of the County is not pledged to the notes. As of June 30, 2011, $9.4 million of these notes are outstanding.

9. Defeasance of Debt

During the fiscal year, the County has defeased certain outstanding bonds by placing the proceeds of newly issued bonds in an 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 financial statements. As of June 30, 2011, the outstanding bonds but considered defeased are $136.3 million in general obligation bonds, and $24.7 million in certificate of participation bonds.

10. Sanitary Landfill Closure and Postclosure Obligation

State and federal laws require the County to place a final cover on its I-95 Sanitary Landfill when it stops accepting solid waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The existing Municipal Solid Waste unit was closed on December 31, 1995 and capping was completed during 2008. The ash disposal unit continues to accept incinerator ash from the waste to energy facilities and the Norman Cole Pollution Prevention Plant. Closure expenditures have been incurred for approximately 70 percent of the total area involved. The County holds permits that allow it to continue using the landfill until approximately 2042.

The $63.8 million reported as the landfill closure and post closure obligation at June 30, 2011, represents the total estimated cost remaining to be incurred based on landfill capacity used to date. The actual cost may vary due to inflation, changes in technology, or changes in regulations. It is expected that the landfill closure and post closure care costs will be funded from existing resources in the I-95 Refuse Disposal Fund.

11. Obligations Under Capital Leases and Installment Purchases

The reporting entity has financed the acquisition of certain capital assets, including a satellite government center, buses, computer equipment, copier machines, and trailers, by entering into capital lease and installment purchase agreements. The balance of capital assets, net, and the minimum obligations under these capital lease and installment purchase agreements as of June 30, 2011, are presented on the following page:

Asset Class	Primary Government - Governmental Activities	Component Unit - Public Schools
Land	$ 162,110	6,000,000
Buildings	1,055,288	56,910,185
Improvements	5,860,380	-
Equipment	34,334,500	40,853,580
Total assets, at cost	41,412,278	103,763,765
Accumulated depreciation	(25,207,643)	(17,853,895)
Total assets, net	$ 16,204,635	85,909,870

Fiscal Year	Minimum Obligations	Minimum Obligations
2012	$ 4,279,942	14,613,731
2013	4,176,716	10,994,094
2014	4,176,716	10,178,697
2015	2,921,191	7,786,519
2016	303,452	4,035,538
2017-2021	327,360	18,880,612
2022-2026	201,872	18,879,930
2027-2031	-	18,871,850
2032-2036	-	15,102,525
Total minimum obligations	16,387,248	119,343,496
Portion representing interest	(1,362,313)	(38,016,978)
Present value of minimum obligations	$ 15,024,935	81,326,518

The County is the lessor in a direct financing lease with Public Schools for an administrative office building and related land. The lease is structured so that Public Schools will make annual lease payments over 30 years equal to the County's required debt service payments on the Series 2005 Facilities Revenue Bonds (see Note J-2). The County will transfer ownership of the building to Public Schools once all the lease obligations are satisfied. The total future minimum lease payments receivable is $54.1 million and deferred revenue in the amount of $54.1 million is reported. Minimum lease payments for each of the five succeeding fiscal years are $1,305,000, $1,360,000, $1,415,000, $1,470,000 and $1,530,000 respectively.

K. 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 the construction of rail lines and for the acquisition, replacement, and renovation of transit equipment and facilities and to provide operating subsidies for its rail, bus, and paratransit systems. The County's commitments in each of these areas are summarized as follows:

Capital Contributions – Transit Equipment and Facilities

Each fiscal year, the County and other local jurisdictions make contributions for WMATA's acquisition, replacement, and rehabilitation of transit equipment and facilities and for the debt service on federally guaranteed transit revenue bonds issued by WMATA. The County's obligation of approximately $21.0 million for fiscal year 2011 was funded with $11.4 million of County general obligation bond proceeds, $5.0 million of NVTD bond proceeds, and $4.6 million of state aid provided through the NVTC. It is anticipated that the County's obligation for fiscal year 2012 will amount to $31.8 million and be funded with $4.6 million of state aid provided through the NVTC, and $27.2 million of County general obligation bond proceeds.

Operating Subsidies

The County and other local jurisdictions contribute annually toward WMATA's deficits resulting from the operation of its rail, bus, and paratransit systems. For fiscal year 2011, the County's obligation of approximately $72.3 million for operating subsidies was funded with $5.4 million from the County's Metro Operations and Construction Fund, $66.9 million from state aid and regional gasoline tax receipts provided through the NVTC. It is anticipated that the County's obligation for fiscal year 2012 will amount to $81.6 million and be funded with $72.4 million of state aid and regional gasoline tax receipts provided through the NVTC and $9.2 million of County funds.

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 primarily consists of rush hour trips originating from Manassas, Virginia and from Fredericksburg, Virginia to Union Station in Washington, DC. There are five stations in Fairfax County.

In October 1989, the Board of Supervisors of Fairfax County approved the Commuter Rail Master Agreement and financial plans. These have subsequently been amended to reflect voting criteria for member jurisdictions, new member requirements, and fairness in the subsidy allocation formula which took effect for fiscal year 2008. The Board approved this Amended Master Agreement on September 10, 2007. The Amended 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. The County's fiscal year 2011 contribution to the VRE was $4.9 million.

3. Operating Lease Commitments

The County, Public Schools, and the EDA have entered into various long-term lease agreements for real estate and equipment. Certain real estate leases contain provisions which allow for increased rentals based upon increases in real estate taxes and the Consumer Price Index. All lease obligations are contingent upon the Board of Supervisors appropriating funds for each fiscal year's payments. For fiscal year 2011, the County's, Public Schools', and EDA's total expenditures for these operating leases were $16.5 million, $4.8 million, and $0.7 million, respectively. At June 30, 2011, the minimum long-term lease commitments accounted for as operating leases were as shown below:

	Primary Government	Component Units	
Fiscal Year	Governmental Activities	Public Schools	EDA
2012	13,304,045	3,873,020	676,702
2013	8,993,924	2,716,033	695,266
2014	6,816,467	2,369,238	714,493
2015	5,059,048	2,363,744	734,162
2016	4,568,017	1,656,706	754,273
2017-2021	16,167,668	1,298,808	2,669,680
2022-2026	2,541,017	-	-
2027-2031	2,800,800	-	-
2032-2036	1,775,656	-	-
2037-2039	1,092,922	-	-
Total	**$ 63,119,564**	**14,277,549**	**6,244,576**

4. Intermunicipal Agreements

City of Alexandria, Virginia, Sanitation Authority

The Sewer System is 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 its sewage treatment facility. Currently, the Sewer System has a capacity entitlement of 32.4 MGD, which is 60 percent of the facility's total capacity of 54 MGD. The Sewer 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 facility. In addition, the Sewer System has no direct ongoing equity interest in the assets or liabilities of the ASA.

The ASA facility is currently undergoing major improvements to meet new water quality standards. The Sewer System paid ASA $467,620 in fiscal year 2011, to fund its share of construction costs, and it estimates its share of the remaining construction costs to be $172.4 million of which $21.5 million, is expected to be incurred in fiscal year 2012 and the balance over fiscal years 2013 to 2021. In addition, the Sewer System made payments of $13.2 million to the ASA during fiscal year 2011 for its share of the ASA's operating costs.

District of Columbia Water and Sewer Authority

The Sewer System is obligated under an intermunicipal agreement between the County; the District of Columbia (District); Montgomery County, Maryland; Prince George's County, Maryland; and the Washington Suburban Sanitary Commission to share the construction and operating costs of the Blue Plains Wastewater Treatment Plant, which is operated by the District of Columbia Water and Sewer Authority (WASA). Currently, the Sewer System has a capacity entitlement of 31 MGD, which is approximately 8.4 percent of the Plant's total capacity of 370 MGD. WASA has a Board of Directors comprised of six members from the District, two each from Montgomery and Prince George's Counties, and one from the County. The County has no significant control over plant operations and construction and no ownership interest in the assets of WASA.

The Blue Plains Plant is currently undergoing a major renovation of its chemical additions and sludge disposal systems. The Sewer System paid WASA $9.3 million during fiscal year 2011 to fund its share of construction costs, and it estimates its share of the remaining construction costs to be $178.2 million, of which $33.3 million is expected to be incurred in fiscal year 2012 and the balance over fiscal years 2013 to 2021. In addition, the Sewer System made payments of $13.3 million to WASA during fiscal year 2011 for its share of the Plant's operating costs.

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 Waste 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 Sewer System's allocated share of the UOSA plant's total capacity of 54.0 MGD is 22.6 MGD, or approximately 42 percent.

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 Sewer System made payments to UOSA in fiscal year 2011 of $13.2 million to pay its share of UOSA's operating costs.

Summarized UOSA financial information as of and for the years ended June 30, 2010, and 2009 (the most recent audited financial information available), is shown on the following page:

	2010	2009
Total assets	$ 560,540,258	560,892,614
Total liabilities	(456,253,474)	(456,551,831)
Total net assets	$ 104,286,784	104,340,783
Operating revenues	$ 26,184,993	25,736,882
Operating expenses	(45,484,400)	(48,139,820)
Nonoperating revenues, net	9,977,724	11,027,772
Capital contributions	9,267,684	8,815,405
Decrease in net assets	$ (53,999)	(2,559,761)

Arlington County, Virginia

The Sewer System is obligated under an agreement with Arlington County, Virginia, to share the construction and operating costs of the sewage treatment facility owned and operated by Arlington County. Currently, the Sewer System has a capacity entitlement of 3 MGD, which is 7.5 percent of the facility's total capacity of 40 MGD. The Sewer System has no direct on-going equity interest in the facility's assets and liabilities. Furthermore, the Sewer System has no significant influence over the management of the treatment facility.

The Arlington facility is currently undergoing a major upgrade to meet new water quality standards. The Sewer System paid Arlington County $3.5 million in fiscal year 2011 to fund its share of the construction costs, and it estimates its share of the remaining construction costs to be $20.4 million, of which $2.9 million is expected to be incurred in fiscal year 2012 and the balance over fiscal years 2013 to 2021. In addition, the Sewer System made payments of $1.7 million to Arlington County during fiscal year 2011 for its share of Arlington's operating costs.

5. Fairfax County Solid Waste Authority (SWA) – Resource Recovery

During fiscal year 1999, as a result of a call option, the EDA issued $195,505,000 of Series 1998A Resource Recovery Revenue Refunding Bonds, the proceeds of which, together with certain other available funds, were used to refund all remaining outstanding Series 1988 bonds, which were initially issued to finance the construction of a 3,000 tons-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.

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. The final principal and interest payments of $41.8 million and $1.3 million, respectively, were paid on February 1, 2011. The debt service reserve of $19.6 million was applied against the last principal payment.

6. Long-term Contracts

At June 30, 2011, the primary government had contractual commitments of $63,476,226 in the capital projects funds and $66,100,000 in the Sewer System for construction of various sewer projects. At June 30, 2011, the component units had contractual commitments of $84,032,653 and $5,155,428 in the capital projects funds of the Public Schools and the Park Authority, respectively, for construction of various projects.

L. Contingent Liabilities

The County is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. Although the outcome of these matters is not presently determinable, in the opinion of County management, the resolution of these matters will not have a material adverse effect on the County's financial condition.

The County 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 County is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of County management, no material refunds will be required as a result of expenditures disallowed by the grantors.

M. Special Items

In September 2010, the Board of Supervisors approved a two phase Contract of Sale with Inova Health Systems. The Contract of Sale includes the transfer of approximately 15 acres of land including the Woodburn Mental Health Center and Woodburn Place from the County to Inova. In exchange for this land, Inova will provide the County with an approximate 5 acre parcel/pad site at Willow Oaks II, a $15 million cash payment, and a 10 year lease of 40,000 square feet within the new Mid County Center building. The FY 2011 payment of $7,299,699, a special item in the governmental activities, represents the first of two installments on the $15 million cash payment.

In April 2011, the Sewer System completed a sale of 2.0 MGD purchase capacity of its 17.68 MGD share of UOSA expansion (from 27 to 54 MGD) to Prince William Service Authority for $39,807,586. As a result, a special item - Gain from sale of purchase capacity - of $16,787,885 was recognized.

N. Subsequent Events

In July 2011, Community Development Authority (CDA) issued $18,670,000 Revenue Bonds (Mosaic District Project) Taxable Series 2011A-T with an average interest rate of 7.25 percent. The bonds were issued to finance certain public infrastructure improvements within or serving the Authority district. The 2011 Bonds are limited obligations of the Authority, payable solely from and secured by a pledge of certain County Advanced Revenues and certain Special Assessment Revenues.

In July 2011, EDA issued $99,430,000 of Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project) Series 2011 with an average interest rate of 4.25 percent. The bonds were issued to finance the portion of the costs of the construction of the a public parking facility that will provide approximately 2316 public parking spaces, 12 bus bays, and 150 bicycle spaces and ancillary facilities, on public lands within Fairfax County, Virginia.

O. Implementation of New Accounting Pronouncements

In Fiscal Year 2011, the County implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The County determined that the Information Technology Fund previously reported as a special revenue fund would be more appropriately reported in the general fund, based on the proportion of specific revenue in relation to total inflows. As a result, when compared to the General Fund and Special Revenue Fund balances of $349.2 million and $440.0 million reported in FY 2010, balances have been adjusted to $386.7 million and $402.5 million, respectively. The County has opted not to retroactively apply presentation changes to the statistical section of this report.

COUNTY OF FAIRFAX
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Required Supplementary Information

The Required Supplementary Information subsection includes the budgetary comparison schedule for the County of Fairfax's major fund, the General Fund. It also includes trend data, including the schedule of funding progress and the schedule of employer contributions, related to the pension trust funds of the County of Fairfax and the Fairfax County Public Schools component unit. The notes to required supplementary information are also included in this subsection.

COUNTY OF FAIRFAX, VIRGINIA
Budgetary Comparison Schedule - General Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final	(Budget Basis)	Positive (Negative)
REVENUES				
Taxes	$ 2,771,627,008	2,788,427,388	2,827,326,585	38,899,197
Permits, privilege fees, and regulatory licenses	27,719,593	29,888,461	34,267,179	4,378,718
Intergovernmental	329,421,378	341,808,262	347,450,101	5,641,839
Charges for services	65,529,312	63,228,869	64,096,781	867,912
Fines and forfeitures	16,868,801	16,868,801	16,563,245	(305,556)
Revenue from the use of money and property	18,309,869	21,492,015	19,623,458	(1,868,557)
Recovered costs	8,028,650	8,186,633	12,498,274	4,311,641
Total revenues	3,237,504,611	3,269,900,429	3,321,825,623	51,925,194
EXPENDITURES				
General government administration	93,528,682	99,481,408	92,913,451	6,567,957
Judicial administration	31,741,672	32,656,679	31,524,531	1,132,148
Public safety	397,518,891	408,500,494	397,924,626	10,575,868
Public works	65,274,616	67,114,633	61,627,019	5,487,614
Health and welfare	270,150,718	290,805,097	278,251,438	12,553,659
Community development	46,916,989	47,494,827	43,016,293	4,478,534
Parks, recreation, and cultural	47,657,299	49,388,511	47,749,881	1,638,630
Nondepartmental	240,820,644	261,834,656	235,318,425	26,516,231
Total expenditures	1,193,609,511	1,257,276,305	1,188,325,664	68,950,641
Excess of revenues over expenditures	2,043,895,100	2,012,624,124	2,133,499,959	120,875,835
OTHER FINANCING SOURCES (USES)				
Transfers in from other primary government funds	6,729,399	8,059,238	8,059,238	-
Transfers out to other primary government funds	(502,185,456)	(531,205,081)	(531,205,081)	-
Transfers out to component units	(1,612,323,947)	(1,613,579,702)	(1,613,579,702)	-
Total other financing sources (uses)	(2,107,780,004)	(2,136,725,545)	(2,136,725,545)	-
Net change in fund balance	$ (63,884,904)	(124,101,421)	(3,225,586)	120,875,835

See accompanying notes to required supplementary information.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Funding Progress
For the fiscal year ended June 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (000) (a)	Actuarial Accrued Liability (AAL) - Entry Age (000) (b)	Unfunded AAL (UAAL) (Funding Excess) (000) (b-a)	Funded Ratio (a/b)	Covered Payroll (000) (c)	UAAL (Funding Excess) as a Percentage of Covered Payroll ((b-a) / c)
Primary Government						
Employees' Retirement System:						
7/1/2003	$ 1,903,970	$ 2,251,187	$ 347,217	84.58 %	$ 530,216	65.49 %
7/1/2004	2,030,539	2,411,135	380,596	84.22	552,738	68.86
7/1/2005	2,202,515	2,676,418	473,903	82.29	565,063	83.87
7/1/2006	2,363,844	2,881,780	517,936	82.03	574,294	90.19
7/1/2007	2,596,658	3,139,187	542,529	82.72	579,075	93.69
7/1/2008	2,752,874	3,328,901	576,027	82.70	610,877	94.30
7/1/2009	2,603,284	3,535,874	932,590	73.62	628,481	148.39
7/1/2010	2,636,052	3,771,060	1,135,008	69.90	629,249	180.38
Police Officers Retirement System:						
7/1/2003	644,405	703,977	59,572	91.54	71,401	83.43
7/1/2004	685,495	749,344	63,849	91.48	78,080	81.77
7/1/2005	732,582	828,702	96,120	88.40	83,939	114.51
7/1/2006	788,766	897,478	108,712	87.89	89,062	122.06
7/1/2007	870,975	968,735	97,760	89.91	95,904	101.94
7/1/2008	908,077	1,031,333	123,256	88.05	99,714	123.61
7/1/2009	879,543	1,076,039	196,496	81.74	99,647	197.19
7/1/2010	899,543	1,135,015	235,472	79.25	100,500	234.30
Uniformed Retirement System:						
7/1/2003	715,797	795,342	79,545	90.00	100,749	78.95
7/1/2004	767,357	881,015	113,658	87.10	102,960	110.39
7/1/2005	830,702	974,106	143,404	85.28	109,067	131.48
7/1/2006	921,414	1,102,667	181,253	83.56	127,469	142.19
7/1/2007	1,028,385	1,206,624	178,239	85.23	136,487	130.59
7/1/2008	1,097,994	1,285,694	187,700	85.40	142,724	131.51
7/1/2009	1,074,230	1,351,204	276,974	79.50	147,083	188.31
7/1/2010	1,095,080	1,427,617	332,537	76.71	146,777	226.56
Other Post-Employment Benefits (OPEB):						
7/1/2007	-	379,856	379,856	-	650,106	58.43
7/1/2008	48,207	350,709	302,502	13.75	697,253	43.39
7/1/2009	50,233	441,286	391,053	11.38	761,303	51.37
7/1/2010	60,473	489,203	428,730	12.36	777,040	55.17
Component Unit - Public Schools						
Educational Employees' Supplementary Retirement System:						
6/30/2003	1,597,459	1,772,418	174,959	90.13	866,502	20.19
12/31/2004	1,643,020	1,935,582	292,562	84.89	977,817	29.92
12/31/2005	1,718,399	2,022,962	304,563	84.94	1,050,217	29.00
12/31/2006	1,818,930	2,105,552	286,622	86.39	1,111,828	25.78
12/31/2007	1,924,886	2,186,801	261,915	88.02	1,161,432	22.55
12/31/2008	1,733,946	2,255,298	521,352	76.88	1,211,140	43.05
12/31/2009	1,769,540	2,314,282	544,742	76.46	1,208,093	45.09
12/31/2010	1,822,603	2,384,061	561,458	76.45	1,191,290	47.13
Other Post-Employment Benefits (OPEB):						
7/1/2007	-	299,668	299,668	-	1,302,665	23.00
7/1/2008	7,996	458,067	450,071	1.75	1,352,321	33.28
7/1/2009	17,520	466,324	448,804	3.76	1,182,922	37.94
7/1/2010	19,563	471,617	452,054	4.15	1,432,000	31.57

See accompanying notes to required supplementary information.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Employer Contributions
For the fiscal year ended June 30, 2011

	Primary Government					
	Employees' Retirement		Police Officers Retirement		Uniformed Retirement	
Fiscal Year Ended June 30	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2004	$ 51,992,031	66.20 %	$ 17,356,995	84.59 %	$ 25,186,003	98.56 %
2005	67,996,277	69.06	20,744,793	71.83	32,320,929	84.13
2006	73,734,724	67.05	22,641,707	73.88	37,668,222	85.31
2007	81,551,794	70.45	26,518,550	72.49	43,009,853	84.83
2008	89,480,173	70.00	28,198,891	76.06	46,849,354	83.43
2009	95,052,308	69.00	27,625,460	85.00	47,247,396	86.00
2010	92,771,532	69.06	30,759,259	77.27	47,289,026	86.22
2011	122,435,265	78.90	36,872,751	79.12	53,208,307	86.11

	Educational Employees' Supplementary Retirement		
Fiscal Year Ended June 30	Annual Required Contribution		Percentage Contributed
2004	$ 37,331,203	*	100.00 %
2005	32,198,596	*	100.00
2006	34,648,918	*	100.00
2007	36,644,001	*	100.00
2008	38,334,140	*	100.00
2009	40,012,480	*	100.00
2010	37,868,623	*	100.00
2011	47,118,111	*	100.00

	Primary Government		Component Unit - Public Schools	
	Other Post-Employment Benefits (OPEB)		Other Post-Employment Benefits (OPEB)	
Fiscal Year Ended June 30	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2008	$ 31,648,000	185.42 %	$ 25,302,000	103.21 %
2009	25,393,000	84.89	37,522,000	97.70
2010	32,553,000	54.59	35,954,000	75.47
2011	35,373,000	59.38	38,163,000	118.70

* The annual required contribution is equal to the annual pension cost.
See accompanying notes to required supplementary information.

COUNTY OF FAIRFAX, VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2011

A. 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 include certain funds of the Park Authority and the 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 one percent of revenues.

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 (e.g., County organizations in the General Fund) or fund level and identifies administrative controls at the character (i.e., personnel services, operating expenses, recovered costs, and capital equipment) 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 GAAP for the General Fund, 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.
- Offsetting revenues and expenditures related to donated food are not budgeted.
- Capital lease transactions when initiated are not budgeted as offsetting expenditures and other financing sources.
- Certain capital outlays are budgeted as functional expenditures.
- Payments from or to component units are budgeted as transfers rather than functional revenues and expenditures.
- Inventories of supplies are not included in the fund balance for budget purposes.
- Nondepartmental expenditures are reported for budgeting purposes, but are included in functional expenditures for reporting purposes.

- The Gift Fund, which is included in the County's General Fund for reporting purposes, is treated as an agency fund for budgeting purposes.

- The Information Technolgy Fund, Consolidated Community Funding Pool Fund and the Contributory Fund, which are included in the County's General Fund for reporting purposes, are treated as special revenue funds for budgeting purposes.

The following schedule reconciles the amounts on the Budgetary Comparison Schedule – General Fund (Budget Basis) to the amounts on the Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit A-3):

f. Original and final budgeted amounts are shown on the Budgetary Comparison Schedule; amendments were not significant in relation to the original budget.

	Primary Government General Fund
Net change in fund balance (Budget basis)	$ (3,225,586)
Basis difference - Revenue from investments	183,187
Perspective differences:	
The Gift Fund and NOVARIS are treated as agency funds for budget purposes	32,554
The Consolidated Community Funding Pool Fund is treated as a special revenue fund for budget purposes	99,065
The Contributory Fund is treated as a special revenue fund for budget purposes	36,373
The Information Technology Fund is treated as a special revenue fund for budget purposes	(7,407,798)
Net change in fund balance (GAAP basis)	$ (10,282,205)

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

B. PENSION TREND DATA

Six-year historical trend information of the retirement systems administered by the reporting entity is presented 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.

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 is, 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 is, the stronger the system.

Information pertaining to the retirement systems administered by the reporting entity can be found in Note G to the financial statements.

C. OTHER POST-EMPLOYMENT BENEFITS (OPEB) TREND DATA

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Information pertaining to the OPEB plans administered by the reporting entity can be found in Note H to the financial statements.

Other

Supplementary Information

The Other Supplementary Information subsection includes the combining and individual fund statements and schedules for the following:

- Governmental Funds
- Internal Service Funds
- Fiduciary Funds
- Capital Assets
- Component Units:
  - Fairfax County Public Schools
  - Fairfax County Redevelopment and Housing Authority
  - Fairfax County Park Authority
  - Fairfax County Economic Development Authority

The **General Fund** is used to account for all revenues and expenditures of the County, which are not required to be accounted for in other funds.

Revenues are derived primarily from real estate and personal property taxes, local sales taxes, utility taxes, business, professional and occupational license taxes, the use of money and property, license and permit fees, and state shared taxes.

Expenditures and transfers out include the costs of the general County government and transfers to component units and other funds, principally made to fund the operations of the Public Schools, and the debt service requirements of the County and Public Schools.

COUNTY OF FAIRFAX, VIRGINIA
Budgetary Comparison Schedule Detail - General Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
REVENUES				
Taxes:				
Real property	$ 2,009,434,786	2,015,748,709	2,019,836,905	4,088,196
Personal property	287,310,921	288,011,049	301,972,456	13,961,407
Business licenses	138,472,729	140,583,877	150,537,010	9,953,133
Local sales and use	148,154,104	152,565,680	157,077,010	4,511,330
Consumers utility	98,507,662	97,886,017	96,140,982	(1,745,035)
Motor vehicle decals	27,000,000	27,000,000	27,408,623	408,623
Recordation	24,744,134	25,757,775	26,407,596	649,821
Occupancy, tobacco, and other	38,002,672	40,874,281	47,946,003	7,071,722
Total taxes	2,771,627,008	2,788,427,388	2,827,326,585	38,899,197
Permits, privilege fees, and regulatory licenses	27,719,593	29,888,461	34,267,179	4,378,718
Intergovernmental	329,421,378	341,808,262	347,450,101	5,641,839
Charges for services	65,529,312	63,228,869	64,096,781	867,912
Fines and forfeitures	16,868,801	16,868,801	16,563,245	(305,556)
Revenue from the use of money and property	18,309,869	21,492,015	19,623,458	(1,868,557)
Recovered costs	8,028,650	8,186,633	12,498,274	4,311,641
Total revenues	3,237,504,611	3,269,900,429	3,321,825,623	51,925,194
EXPENDITURES				
General government administration:				
Board of Supervisors	4,876,387	4,876,387	4,532,657	343,730
Financial and Program Auditor	330,227	332,320	279,390	52,930
County Executive	5,789,394	5,858,651	5,565,950	292,701
Tax Administration	21,673,030	22,088,489	21,570,147	518,342
Finance	8,515,509	9,070,259	8,729,136	341,123
Cable Communications and Consumer Protection	997,077	1,101,165	860,101	241,064
Human Resources	6,983,752	7,382,252	7,170,466	211,786
Purchasing and Supply Management	4,889,371	4,941,157	4,792,124	149,033
Public Affairs	1,154,174	1,252,262	1,206,973	45,289
Electoral Board and General Registrar	2,596,036	2,997,986	2,499,191	498,795
County Attorney	5,976,026	6,180,469	5,830,105	350,364
Information Technology	26,497,804	30,177,907	26,776,324	3,401,583
Management and Budget	2,720,598	2,792,807	2,757,249	35,558
Civil Service Commission	529,297	429,297	343,638	85,659
Total general government administration	93,528,682	99,481,408	92,913,451	6,567,957
Judicial administration:				
Circuit Court and Records	10,033,175	10,434,277	10,013,163	421,114
Commonwealth Attorney	2,545,464	2,525,464	2,491,478	33,986
General District Court	2,029,128	2,234,811	2,153,317	81,494
Sheriff	17,133,905	17,462,127	16,866,573	595,554
Total judicial administration	31,741,672	32,656,679	31,524,531	1,132,148
Public safety:				
Cable Communications and Consumer Protection	790,919	788,499	856,982	(68,483)
Land Development Services	9,193,297	9,364,671	8,346,808	1,017,863
Juvenile and Domestic Relations Court	20,343,367	20,748,500	20,095,470	653,030
Police Department	161,513,847	164,058,926	162,921,830	1,137,096
Sheriff	43,517,287	42,555,445	41,080,484	1,474,961
Fire and Rescue	160,510,430	165,191,947	159,693,463	5,498,484
Emergency Management	1,649,744	2,292,254	1,785,650	506,604
Code Compliance	-	3,500,252	3,143,939	356,313
Total public safety	$ 397,518,891	408,500,494	397,924,626	10,575,868

continued

EXHIBIT B

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
Public works:				
Facilities Management	$ 50,445,185	51,439,985	47,243,923	4,196,062
Business Planning and Support	350,199	350,199	266,997	83,202
Capital Facilities	10,713,365	11,031,724	10,627,080	404,644
Unclassified Administrative Expenses	3,765,867	4,292,725	3,489,019	803,706
Total public works	65,274,616	67,114,633	61,627,019	5,487,614
Health and welfare:				
Family Services	176,884,039	192,968,722	186,515,683	6,453,039
Health Department	48,289,031	50,415,739	46,655,718	3,760,021
Human Services Administration	10,421,592	10,921,764	10,846,959	74,805
Office to Prevent and End Homelessness	9,582,532	10,237,842	8,966,602	1,271,240
Neighborhood and Community Services	24,973,524	26,261,030	25,266,476	994,554
Total health and welfare	270,150,718	290,805,097	278,251,438	12,553,659
Community development:				
Economic Development Authority	6,795,506	6,795,506	6,824,003	(28,497)
Land Development Services	14,922,619	12,491,538	11,821,127	670,411
Planning and Zoning	10,326,041	9,561,621	8,867,602	694,019
Planning Commission	664,654	664,654	650,089	14,565
Housing and Community Development	5,928,757	6,030,760	5,824,425	206,335
Human Rights	1,544,570	1,534,570	1,434,863	99,707
Transportation	6,734,842	10,416,178	7,594,184	2,821,994
Total community development	46,916,989	47,494,827	43,016,293	4,478,534
Parks, recreation, and cultural:				
Park Authority	21,621,388	22,112,220	21,760,342	351,878
Public Library	26,035,911	27,276,291	25,989,539	1,286,752
Total parks, recreation, and cultural	47,657,299	49,388,511	47,749,881	1,638,630
Nondepartmental:				
Unclassified Administrative Expenses	6,015,760	8,354,044	85,310	8,268,734
Employee Benefits	234,804,884	253,480,612	235,233,115	18,247,497
Total nondepartmental	240,820,644	261,834,656	235,318,425	26,516,231
Total expenditures	1,193,609,511	1,257,276,305	1,188,325,664	68,950,641
Excess of revenues over expenditures	$ 2,043,895,100	2,012,624,124	2,133,499,959	120,875,835

continued

COUNTY OF FAIRFAX, VIRGINIA
Budgetary Comparison Schedule Detail - General Fund (Budget Basis)
For the fiscal year ended June 30, 2011

EXHIBIT B
concluded

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in:				
From other primary government funds:				
Special Revenue Funds:				
Cable Communications	$ 2,729,399	2,729,399	2,729,399	-
Fairfax-Falls Church Community Services Board	-	1,329,839	1,329,839	-
Internal Service Funds:				
Technology Infrastructure Services	4,000,000	4,000,000	4,000,000	-
Total transfers in from other primary government funds	6,729,399	8,059,238	8,059,238	-
Transfers out:				
To other primary government funds:				
Special Revenue Funds:				
Fairfax-Falls Church Community Services Board	(93,337,947)	(93,127,107)	(93,127,107)	-
County Transit Systems	(31,992,047)	(31,992,047)	(31,992,047)	-
Federal/State Grants	(2,914,001)	(2,914,001)	(2,914,001)	-
Aging Grants and Programs	(3,913,560)	(2,961,489)	(2,961,489)	-
Information Technology	(3,225,349)	(19,025,349)	(19,025,349)	-
Energy Resource Recovery Facility	-	(1,745,506)	(1,745,506)	-
Consolidated Community Funding Pool	(8,970,687)	(8,970,687)	(8,970,687)	-
Contributory Fund	(12,038,305)	(12,038,305)	(12,038,305)	-
E-911	(14,058,303)	(14,058,303)	(14,058,303)	-
Debt Service Fund				-
County Debt Service	(282,583,516)	(281,869,025)	(281,869,025)	-
Capital Projects Funds:				
County Construction	(12,062,406)	(12,392,861)	(12,392,861)	-
Capital Facilities Renewal Construction	(3,000,000)	(3,000,000)	(3,000,000)	-
Metro Operations and Construction	(7,409,851)	(7,409,851)	(7,409,851)	-
Housing Assistance Program	(515,000)	(515,000)	(515,000)	-
Internal Service Funds:				
Self-Insurance	(13,866,251)	(22,887,317)	(22,887,317)	-
Document Services	(2,398,233)	(2,398,233)	(2,398,233)	-
OPEB	(9,900,000)	(13,900,000)	(13,900,000)	-
Total transfers out to other primary government funds	(502,185,456)	(531,205,081)	(531,205,081)	-
To component units:				
Public Schools:				
Public Schools - General Fund	(1,610,334,722)	(1,611,590,477)	(1,611,590,477)	-
FCRHA - Elderly Housing Program	(1,989,225)	(1,989,225)	(1,989,225)	-
Total transfers out to component units	(1,612,323,947)	(1,613,579,702)	(1,613,579,702)	-
Total transfers out	(2,114,509,403)	(2,144,784,783)	(2,144,784,783)	-
Total other financing sources (uses)	(2,107,780,004)	(2,136,725,545)	(2,136,725,545)	-
Net change in fund balance	$ (63,884,904)	(124,101,421)	(3,225,586)	120,875,835

The **Nonmajor Governmental Funds** include all special revenue funds, the debt service fund, and capital projects funds.

COUNTY OF FAIRFAX, VIRGINIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

EXHIBIT C

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Equity in pooled cash and temporary investments	$ 340,041,945	15,262,569	167,781,103	523,085,617
Receivables (net of allowances):				
Accounts	10,827,478	-	95,728	10,923,206
Accrued interest	771,235	-	1,937,208	2,708,443
Loans	21,149,545	-	35,061,144	56,210,689
Due from intergovernmental units	33,060,140	-	398,703	33,458,843
Loan to component unit	-	15,000,000	-	15,000,000
Lease to component unit	-	54,145,000	-	54,145,000
Interfund receivables	1,851,585	-	-	1,851,585
Prepaid and other assets	1,641,476	-	-	1,641,476
Restricted assets:				
Equity in pooled cash and temporary investments	-	-	25,925,885	25,925,885
Cash with fiscal agents	194,677,607	409,046	-	195,086,653
Total assets	$ 604,021,011	84,816,615	231,199,771	920,037,397
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 17,954,365	226,090	4,787,100	22,967,555
Accrued salaries and benefits	4,825,122	-	-	4,825,122
Contract retainages	1,538,643	-	993,142	2,531,785
Accrued interest payable	-	-	1,026,351	1,026,351
Due to component units	-	-	704,624	704,624
Interfund payables	3,855,713	-	-	3,855,713
Deferred revenue	6,587,526	54,145,000	39,355,399	100,087,925
Performance and other deposits	187,350	-	6,786,459	6,973,809
Total liabilities	34,948,719	54,371,090	53,653,075	142,972,884
Fund balances:				
Nonspendable:				
Prepaid amounts	1,641,299	-	-	1,641,299
Long-term loan	-	15,000,000	35,061,144	50,061,144
Total Nonspendable	1,641,299	15,000,000	35,061,144	51,702,443
Restricted for:				
Public safety, courts, and judicial	23,793,794	-	-	23,793,794
General public works	103,134,429	-	-	103,134,429
Stormwater management	19,621,816	-	-	19,621,816
Transportation	246,537,294	-	-	246,537,294
Social services, health and welfare	7,452,261	-	-	7,452,261
Housing and community development	73,649,423	-	-	73,649,423
Parks, recreation, and cultural	20,391,724	-	-	20,391,724
Capital projects	-	-	71,820,530	71,820,530
Other purposes	539,835	-	-	539,835
Total Restricted	495,120,576	-	71,820,530	566,941,106
Committed to:				
Public safety, courts, and judicial	14,661,114	-	-	14,661,114
Transportation	29,752,107	-	-	29,752,107
Social services, health and welfare	3,609,064	-	-	3,609,064
Housing and community development	24,288,132	-	-	24,288,132
Debt service	-	15,445,525	-	15,445,525
Capital projects	-	-	70,665,022	70,665,022
Total Committed	72,310,417	15,445,525	70,665,022	158,420,964
Total fund balances	569,072,292	30,445,525	177,546,696	777,064,513
Total liabilities and fund balances	$ 604,021,011	84,816,615	231,199,771	920,037,397

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT C-1

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2011

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	$ 21,253,840	-	9,340,000	30,593,840
Permits, privilege fees, and regulatory licenses	21,135,284	-	-	21,135,284
Intergovernmental	151,525,407	4,527,369	11,567,208	167,619,984
Charges for services	248,777,709	-	1,198,616	249,976,325
Fines and forfeitures	81,870	-	-	81,870
Developers' contributions	398,991	-	128,491	527,482
Revenue from the use of money and property	5,952,515	3,283,549	5,990,308	15,226,372
Recovered costs	2,434,483	-	5,986,093	8,420,576
Gifts, donations, and contributions	882,258	-	-	882,258
Total revenues	452,442,357	7,810,918	34,210,716	494,463,991
EXPENDITURES				
Current:				
General government administration	4,744,108	-	3,284,055	8,028,163
Judicial administration	852,188	-	745,877	1,598,065
Public safety	52,211,554	-	2,002,717	54,214,271
Public works	121,054,640	-	4,623,267	125,677,907
Health and welfare	200,320,013	-	79,540	200,399,553
Community development	101,805,405	-	11,152,969	112,958,374
Parks, recreation, and cultural	11,496,012	-	1,207,431	12,703,443
Intergovernmental:				
Community development	162,911,776	-	23,981,914	186,893,690
Parks, recreation, and cultural	-	-	21,391,464	21,391,464
Education - for Public Schools	2,517,729	-	130,000,000	132,517,729
Capital outlay:				
General government administration	157,256	-	4,673,862	4,831,118
Judicial administration	-	-	2,864,875	2,864,875
Public safety	1,375,345	-	15,375,734	16,751,079
Public works	6,172,435	-	8,631,729	14,804,164
Health and welfare	185,146	-	3,269,514	3,454,660
Community development	29,594,344	-	5,374,026	34,968,370
Parks, recreation, and cultural	1,884,738	-	5,466,718	7,351,456
Debt service:				
Principal retirement	330,301	185,752,652	5,035,000	191,117,953
Interest and other charges	3,939,214	102,034,116	5,733,234	111,706,564
Total expenditures	701,552,204	287,786,768	254,893,926	1,244,232,898
Deficiency of revenues under expenditures	(249,109,847)	(279,975,850)	(220,683,210)	(749,768,907)
OTHER FINANCING SOURCES (USES)				
Transfers in	167,420,983	282,783,797	25,489,526	475,694,306
Transfers out	(18,482,955)	(593,500)	(12,198,594)	(31,275,049)
General obligation bonds issued	-	-	171,395,000	171,395,000
Premium on general obligation bonds issued	-	-	11,568,833	11,568,833
Revenue bonds issued	266,704,702	-	-	266,704,702
General obligation refunding bonds issued	-	18,695,000	-	18,695,000
Premium on general obligation refunding bonds issued	-	1,688,671	-	1,688,671
Lease revenue refunding bonds issued, including premium	-	-	30,584,697	30,584,697
Payments to refunded bonds escrow agent	-	(20,311,679)	(30,473,938)	(50,785,617)
Long Term Loans	-	-	6,535,000	6,535,000
Total other financing sources (uses)	415,642,730	282,262,289	202,900,524	900,805,543
SPECIAL ITEM				
Proceeds from the sale of land	-	-	7,299,696	7,299,696
Net change in fund balances	166,532,883	2,286,439	(10,482,990)	158,336,332
Fund balances, July 1, 2010	402,539,409	28,159,086	188,029,686	618,728,181
Fund balances, June 30, 2011	$ 569,072,292	30,445,525	177,546,696	777,064,513

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

County Transit Systems Fund is used to account for the operation of a bus service, known as the Fairfax Connector, to transport citizens in certain parts of the County to and from WMATA's rail stations and for the County's contributions to the Virginia Railway Express commuter rail service.

Dulles Rail Phase I Transportation Improvement District Fund is used to account for the charges to property owners within the Phase I District to support the debt service payments for bonds to be issued. These bonds fund the County's share of certain transportation improvements in the District.

Dulles Rail Phase II Transportation Improvement District Fund is used to account for the charges to property owners within the Phase II District to support the debt service payments for bonds to be issued. These bonds fund the County's share of certain transportation improvements in the District.

County and Regional Transportation Projects is used to account for the special tax assessed on commercial and industrial real estate in Fairfax County to support opportunities to improve transportation and pedestrian access. The tax revenues support roadway, pedestrian, and transit projects.

Federal/State Grant Fund is used to account for the utilization of federal and state funds to assist County citizens.

Aging Grants and Programs Fund is used to account for programs for senior citizens that specifically relate to the State Plan of Aging Services and that are administered by the Fairfax Area Agency on Aging. Included are programs for the provision of meals, transportation and medical care.

Information Technology Fund is reported as a special revenue fund for budget purposes only. For GAAP reporting, the activity and fund balance for this fund are accounted for in the General Fund. This fund is used to account for the acquisition of computer hardware and software for information technology projects which are designed to improve the County's management information system, its operational efficiency, and customer service.

Cable Communications Fund is used to account for costs associated with monitoring the County's Cable Communications Ordinance and Franchise Agreement as well as providing programming for the County's Governmental Access Channel. Its primary source of revenue is franchise fees.

Fairfax-Falls Church Community Services Board Fund is used to account for mental health, intellectual disability, and alcohol and drug services to individuals and families in Fairfax County, and the Cities of Fairfax and Falls Church.

Reston Community Center Fund is used to account for the operation of a community center serving the residents of Small District Five, located within the Dranesville and Hunter Mill Magisterial Districts. The district's residents support the fund by payment of a special assessment.

Mosaic Community Development Authority Fund is used to track the financing activities by the Authority for the construction of certain infrastructure assets requested by property owners within the Authority District. The Authority was established as a separate corporate entity and all operational aspects are handled by administrators and trustees outside the County. For GAAP reporting purposes, this is being reported as a special revenue fund due to a tax increment financing agreement. This fund is not an appropriated fund within the operating budget. Thus, there is no budgetary comparison schedule for this fund.

McLean Community Center Fund is used to account for the operation of a community center serving the residents of Small District One, located within the Dranesville Magisterial District. The district's residents support the fund by payment of a special assessment.

Burgundy Village Community Center Fund is used to account for the operation of a community center serving the residents of Service District 1A, located within the Lee Magisterial District. The district's residents support the fund by payment of a special assessment.

E-911 Fund is used to account for the operation of a 911 emergency response service for the citizens of the County, including related information technology projects.

Integrated Pest Management Program Fund is used to account for detection, abatement, and public information programs to suppress gypsy moth and cankerworm insect populations in the County.

Stormwater Services Fund is used to account for the operation of the Stormwater Management Program. The operating requirements and stormwater capital projects are supported by the stormwater service district levy.

Leaf Collection Fund is used to account for the collection and disposal of leaves from residences and businesses located within designated districts. These districts' residents and businesses support the fund by payment of a special assessment.

Refuse Collection and Recycling Operations Fund is used to account for the collection of refuse in designated districts and from all County departments and also accounts for the operation of the County's solid waste reduction and recycling centers.

Refuse Disposal Fund is used to account for the operation of a transfer station to receive refuse collected throughout the County and channel it to either the Energy Resource Recovery Facility (incinerator) or a landfill.

Energy Resource Recovery Facility Fund is used to account for the operation of a mass burn waste to energy facility, by a private contractor, used to burn refuse collected throughout the County and received from certain other local jurisdictions. The sale of electricity generated by the facility is a source of revenue for this fund.

I-95 Refuse Disposal Fund is used to account for the operation of a landfill which is now only used for disposal of ash generated by certain local incinerators.

Community Development Block Grant Fund is used to account for programs to upgrade low and moderate income neighborhoods through the provision of public facilities, home improvements, and public services.

Housing Trust Fund is used to account for the promotion of housing for low and moderate income individuals in the County by providing low cost debt and equity capital in the form of loans, grants, and equity contributions.

HOME Investment Partnership Grant Fund is used to account for affordable housing programs involving acquisition, rehabilitation, new construction, and tenant-based rental assistance.

Consolidated Community Funding Pool Fund is reported as a special revenue fund for budget purposes only. For GAAP reporting, the activity and fund balance for this fund are accounted for in the General Fund. This fund accounts for money awarded to community-based nonprofit organizations on a competitive basis to provide certain services to County citizens.

Contributory Fund is reported as a special revenue fund for budget purposes only. For GAAP reporting, the activity and fund balance for this fund are accounted for in the General Fund. This fund accounts for money awarded to certain contributory organizations to provide human services to County citizens.

Alcohol Safety Action Program Fund is used to account for programs to reduce the incidence of driving under the influence (DUI) of alcohol through rehabilitative alcohol/drug education, case management of DUI defendants, referral to alcohol/drug treatment programs and public information. This fund is solely fee supported and is not an appropriated fund within the operating budget. Thus, there is no budgetary comparison schedule for this fund.

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2011

	County Transit Systems	Dulles Rail Phase I Transportation Improvement District	Dulles Rail Phase II Transportation Improvement District	County and Regional Transporation Projects	Federal/ State Grant
ASSETS					
Equity in pooled cash and temporary investments	$ 31,381,118	35,711,666	3,015,766	61,715,562	9,419,568
Receivables (net of allowances):					
Accounts	-	627,149	2,060	245,408	236,345
Accrued interest	-	5,743	201	-	-
Loans	-	-	-	-	-
Due from intergovernmental units	763,000	-	-	-	23,702,558
Interfund receivables	-	-	-	-	-
Prepaid and other assets	177	-	-	-	1,620,067
Restricted assets - Cash with fiscal agents	-	149,762,874			-
Total assets	$ 32,144,295	186,107,432	3,018,027	61,960,970	34,978,538
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	$ 2,392,188	9,663	286	3,154,607	2,299,339
Accrued salaries and benefits	-	-	-	29,874	477,446
Contract retainages	-	-	-	1,107,233	-
Interfund payables	-	-	-	10,142	161,403
Deferred revenue	-	627,148	2,060	345,408	8,141
Performance and other deposits	-	-	-	-	-
Total liabilities	2,392,188	636,811	2,346	4,647,264	2,946,329
Fund balances:					
Nonspendable:					
Prepaid amounts	-	-	-	-	1,620,067
Total Nonspendable	-	-	-	-	1,620,067
Restricted for:					
Public safety, courts, and judicial	-	-	-	-	23,793,794
General public works	-	-	-	-	6,531
Stormwater management	-	-	-	-	-
Transportation	-	185,470,621	3,015,681	57,313,706	737,286
Social services, health and welfare	-	-	-	-	5,273,499
Housing and community development	-	-	-	-	-
Parks, recreation, and cultural	-	-	-	-	61,197
Other purposes	-	-	-	-	539,835
Total Restricted	-	185,470,621	3,015,681	57,313,706	30,412,142
Committed to:					
Public safety, courts, and judicial		-			
Transportation	29,752,107	-	-	-	-
Social services, health and welfare	-	-	-	-	-
Housing and community development	-	-	-	-	-
Total Committed	29,752,107	-	-	-	-
Total fund balances	29,752,107	185,470,621	3,015,681	57,313,706	32,032,209
Total liabilities and fund balances	$ 32,144,295	186,107,432	3,018,027	61,960,970	34,978,538

EXHIBIT D

Aging Grants and Programs	Cable Communications	Fairfax-Falls Church Community Services Board	Reston Community Center	Mosaic Community Development Authority	
					ASSETS
3,745,447	22,786,797	8,375,046	8,303,771	183,750	Equity in pooled cash and temporary investments
					Receivables (net of allowances):
-	1,418,629	-	18,420	-	Accounts
-	-	-	869	541	Accrued interest
-	-	-	-	-	Loans
-	2,576,089	1,025,080	-	-	Due from intergovernmental units
-	-	-	-	-	Interfund receivables
-	-	-	-	-	Prepaid and other assets
-	-	-	-	44,914,733	Restricted assets - Cash with fiscal agents
3,745,447	26,781,515	9,400,126	8,323,060	45,099,024	Total assets
					LIABILITIES AND FUND BALANCES
					Liabilities:
232,966	1,045,770	2,436,103	485,972	105,207	Accounts payable and accrued liabilities
96,741	97,247	2,423,495	107,624	-	Accrued salaries and benefits
-	-	-	-	-	Contract retainages
35,111	34,449	797,706	30,169	-	Interfund payables
-	1,315,917	3,215,995	225,278	-	Deferred revenue
-	-	-	3,600	183,750	Performance and other deposits
364,818	2,493,383	8,873,299	852,643	288,957	Total liabilities
					Fund balances:
					Nonspendable:
-	-	-	-	-	Prepaid amounts
-	-	-	-	-	Total Nonspendable
					Restricted for:
-	-	-	-	-	Public safety, courts, and judicial
-	-	-	-	-	General public works
-	-	-	-	-	Stormwater management
-	-	-	-	-	Transportation
298,392	-	-	-	-	Social services, health and welfare
-	-	-	-	44,810,067	Housing and community development
-	-	-	7,470,417	-	Parks, recreation, and cultural
-	-	-	-	-	Other purposes
298,392	-	-	7,470,417	44,810,067	Total Restricted
					Committed to:
					Public safety, courts, and judicial
-	-	-	-	-	Transportation
3,082,237	-	526,827	-	-	Social services, health and welfare
-	24,288,132	-	-	-	Housing and community development
3,082,237	24,288,132	526,827	-	-	Total Committed
3,380,629	24,288,132	526,827	7,470,417	44,810,067	Total fund balances
3,745,447	26,781,515	9,400,126	8,323,060	45,099,024	Total liabilities and fund balances

continued

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2011

	McLean Community Center	Burgundy Village Community Center	E-911	Integrated Pest Management Program	Stormwater Services
ASSETS					
Equity in pooled cash and temporary investments	$ 12,753,657	271,410	13,767,413	3,191,234	21,816,906
Receivables (net of allowances):					
Accounts	13,514	677	43,092	10,755	115,077
Accrued interest	1,146	23	1,428	302	-
Loans	-	-	-	-	-
Due from intergovernmental units	-	-	2,218,617	-	965,732
Interfund receivables	-	-	-	-	-
Prepaid and other assets	-	-	-	-	-
Restricted assets - Cash with fiscal agents	-	-	-	-	-
Total assets	$ 12,768,317	272,110	16,030,550	3,202,291	22,897,715
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	$ 78,836	34	657,506	34,103	2,448,302
Accrued salaries and benefits	66,396	621	496,014	29,739	271,317
Contract retainages	-	-	-	-	338,887
Interfund payables	20,190	49	215,916	8,010	102,316
Deferred revenue	13,514	677	-	10,755	115,077
Performance and other deposits	-	-	-	-	
Total liabilities	178,936	1,381	1,369,436	82,607	3,275,899
Fund balances:					
Nonspendable:					
Prepaid amounts	-	-	-	-	-
Total Nonspendable	-	-	-	-	-
Restricted for:					
Public safety, courts, and judicial	-	-	-	-	-
General public works	-	-	-	-	-
Stormwater management	-	-	-	-	19,621,816
Transportation	-	-	-	-	-
Social services, health and welfare	-	-	-	1,813,323	-
Housing and community development	-	-	-	1,306,361	-
Parks, recreation, and cultural	12,589,381	270,729	-	-	-
Other purposes	-	-	-	-	-
Total Restricted	12,589,381	270,729	-	3,119,684	19,621,816
Committed to:					
Public safety, courts, and judicial			14,661,114		
Transportation	-	-	-	-	-
Social services, health and welfare	-	-	-	-	-
Housing and community development	-	-	-	-	-
Total Committed	-	-	14,661,114	-	-
Total fund balances	12,589,381	270,729	14,661,114	3,119,684	19,621,816
Total liabilities and fund balances	$ 12,768,317	272,110	16,030,550	3,202,291	22,897,715

EXHIBIT D

Leaf Collection	Refuse Collection and Recycling Operations	Refuse Disposal	Energy Resource Recovery Facility	I-95 Refuse Disposal	
					ASSETS
3,215,910	11,341,820	12,093,094	20,416,396	51,070,996	Equity in pooled cash and temporary investments
					Receivables (net of allowances):
12,775	468,902	6,613,002	69,563	772,110	Accounts
321	1,115	1,102	1,667	4,387	Accrued interest
-	-	-	-	-	Loans
-	120,762	87,823	523,484	-	Due from intergovernmental units
-	-	-	1,794,374	57,211	Interfund receivables
-	-	-	-	-	Prepaid and other assets
-	-	-	-	-	Restricted assets - Cash with fiscal agents
3,229,006	11,932,599	18,795,021	22,805,484	51,904,704	Total assets
					LIABILITIES AND FUND BALANCES
					Liabilities:
502	128,026	1,191,141	374,420	861,985	Accounts payable and accrued liabilities
-	264,264	266,136	20,784	83,863	Accrued salaries and benefits
-	-	78,055	-	2,953	Contract retainages
-	97,609	1,949,328	8,185	27,041	Interfund payables
12,775	171,849	-	-	-	Deferred revenue
-	-	-	-	-	Performance and other deposits
13,277	661,748	3,484,660	403,389	975,842	Total liabilities
					Fund balances:
					Nonspendable:
-	-	-	-	-	Prepaid amounts
-	-	-	-	-	Total Nonspendable
					Restricted for:
-	-	-	-	-	Public safety, courts, and judicial
3,215,729	11,270,851	15,310,361	22,402,095	50,928,862	General public works
-	-	-	-	-	Stormwater management
-	-	-	-	-	Transportation
-	-	-	-	-	Social services, health and welfare
-	-	-	-	-	Housing and community development
-	-	-	-	-	Parks, recreation, and cultural
-	-	-	-	-	Other purposes
3,215,729	11,270,851	15,310,361	22,402,095	50,928,862	Total Restricted
					Committed to:
					Public safety, courts, and judicial
-	-	-	-	-	Transportation
-	-	-	-	-	Social services, health and welfare
-	-	-	-	-	Housing and community development
-	-	-	-	-	Total Committed
3,215,729	11,270,851	15,310,361	22,402,095	50,928,862	Total fund balances
3,229,006	11,932,599	18,795,021	22,805,484	51,904,704	Total liabilities and fund balances

continued

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2011

EXHIBIT D
concluded

	Community Development Block Grant	Housing Trust	HOME Investment Partnership Grant	Alcohol Safety Action Program	Total Special Revenue Funds
ASSETS					
Equity in pooled cash and temporary investments	$ 35,607	5,065,972	362,605	434	340,041,945
Receivables (net of allowances):					
Accounts	-	-	-	160,000	10,827,478
Accrued interest	-	752,390	-	-	771,235
Loans	8,132,145	9,431,405	3,585,995	-	21,149,545
Due from intergovernmental units	1,076,995	-	-	-	33,060,140
Interfund receivables	-	-	-	-	1,851,585
Prepaid and other assets	-	-	21,232	-	1,641,476
Restricted assets - Cash with fiscal agents	-	-	-	-	194,677,607
Total assets	$ 9,244,747	15,249,767	3,969,832	160,434	604,021,011
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	$ 6,963	2,898	-	7,548	17,954,365
Accrued salaries and benefits	46,508	-	4,216	42,837	4,825,122
Contract retainages	11,515	-	-	-	1,538,643
Interfund payables	313,519	-	1,568	43,002	3,855,713
Deferred revenue	-	522,932	-	-	6,587,526
Performance and other deposits	-	-	-	-	187,350
Total liabilities	378,505	525,830	5,784	93,387	34,948,719
Fund balances:					
Nonspendable:					
Prepaid amounts	-	-	21,232	-	1,641,299
Total Nonspendable	-	-	21,232	-	1,641,299
Restricted for:					
Public safety, courts, and judicial	-	-	-	-	23,793,794
General public works	-	-	-	-	103,134,429
Stormwater management	-	-	-	-	19,621,816
Transportation	-	-	-	-	246,537,294
Social services, health and welfare	-	-	-	67,047	7,452,261
Housing and community development	8,866,242	14,723,937	3,942,816	-	73,649,423
Parks, recreation, and cultural	-	-	-	-	20,391,724
Other purposes	-	-	-	-	539,835
Total Restricted	8,866,242	14,723,937	3,942,816	67,047	495,120,576
Committed to:					
Public safety, courts, and judicial					14,661,114
Transportation	-	-	-	-	29,752,107
Social services, health and welfare	-	-	-	-	3,609,064
Housing and community development	-	-	-	-	24,288,132
Total Committed	-	-	-	-	72,310,417
Total fund balances	8,866,242	14,723,937	3,964,048	67,047	569,072,292
Total liabilities and fund balances	$ 9,244,747	$ 15,249,767	$ 3,969,832	$ 160,434	604,021,011

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2011

	County Transit Systems	Dulles Rail Phase I Transportation Improvement District	Dulles Rail Phase II Transportation Improvement District	County and Regional Transportation Projects	Federal/ State Grant
REVENUES					
Taxes	$ -	-	-	-	-
Permits, privilege fees, and regulatory licenses	-	-	-	-	-
Intergovernmental	19,457,926	-	-	6,681,688	75,744,035
Charges for services	14,119,731	22,241,739	3,239,716	40,620,771	-
Fines and forfeitures	-	-	-	-	-
Developers' contributions	-	-	-	-	-
Revenue from the use of money and property	212,581	345,029	8,389	-	101,954
Recovered costs	-	-	-	-	1,746,543
Gifts, donations, and contributions	-	-	-	-	431,969
Total revenues	33,790,238	22,586,768	3,248,105	47,302,459	78,024,501
EXPENDITURES					
Current:					
General government administration	-	-	-	-	4,744,108
Judicial administration	-	-	-	-	852,188
Public safety	-	-	-	-	17,915,039
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	40,184,322
Community development	62,138,705	-	-	6,882,287	12,925,150
Parks, recreation, and cultural	-	-	-	-	248,604
Intergovernmental:		-			
Community development	4,906,693	145,984,405	-	12,020,678	-
Education - for Public Schools	-	-	-	-	-
Capital outlay:		-			
General government administration	-	-	-	-	157,256
Public safety	-	-	-	-	829,880
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	76,031
Community development	5,601,273	-	-	20,569,538	116,236
Parks, recreation, and cultural	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and other charges	-	1,260,190	232,424	-	-
Total expenditures	72,646,671	147,244,595	232,424	39,472,503	78,048,814
Excess (deficiency) of revenues over (under) expenditures	(38,856,433)	(124,657,827)	3,015,681	7,829,956	(24,313)
OTHER FINANCING SOURCES (USES)					
Transfers in	44,930,281	-	-	-	2,963,409
Transfers out	-	-	-	(10,867,614)	-
Revenue bonds issued	-	220,001,247	-	-	-
Total other financing sources (uses)	44,930,281	220,001,247	-	(10,867,614)	2,963,409
Net change in fund balances	6,073,848	95,343,420	3,015,681	(3,037,658)	2,939,096
Fund balances, July 1, 2010	23,678,259	90,127,201	-	60,351,364	29,093,113
Fund balances, June 30, 2011	$ 29,752,107	185,470,621	3,015,681	57,313,706	32,032,209

EXHIBIT D-1

Aging Grants and Programs	Cable Communications	Fairfax-Falls Church Community Services Board	Reston Community Center	Mosaic Community Development Authority	
					REVENUES
-	-	-	-	3,646,655	Taxes
-	21,062,844	-	-	-	Permits, privilege fees, and regulatory licenses
3,281,142	-	31,200,545	-	-	Intergovernmental
118,354	777	21,665,116	6,602,222	-	Charges for services
-	66,400	-	-	-	Fines and forfeitures
-	-	-	-	-	Developers' contributions
-	-	-	233,351	541	Revenue from the use of money and property
110,839	-	-	-	-	Recovered costs
450,289	-	-	-	-	Gifts, donations, and contributions
3,960,624	21,130,021	52,865,661	6,835,573	3,647,196	Total revenues
					EXPENDITURES
					Current:
-	-	-	-	-	General government administration
-	-	-	-	-	Judicial administration
-	-	-	-	-	Public safety
-	-	-	-	-	Public works
7,305,649	-	149,810,106	-	-	Health and welfare
-	9,032,785	-	-	2,760	Community development
132,003	-	-	6,545,640	-	Parks, recreation, and cultural
					Intergovernmental:
-	-	-	-	-	Community development
-	2,517,729	-	-	-	Education - for Public Schools
					Capital outlay:
-	-	-	-	-	General government administration
-	525,547	-	-	-	Public safety
-	-	-	-	-	Public works
-	-	109,115	-	-	Health and welfare
-	-	-	-	3,307,297	Community development
-	-	-	1,503,156	-	Parks, recreation, and cultural
					Debt service:
-	-	-	25,301	-	Principal retirement
-	-	-	40,171	2,230,527	Interest and other charges
7,437,652	12,076,061	149,919,221	8,114,268	5,540,584	Total expenditures
(3,477,028)	9,053,960	(97,053,560)	(1,278,695)	(1,893,388)	Excess (deficiency) of revenues over (under) expenditures
					OTHER FINANCING SOURCES (USES)
2,961,489	-	93,127,107	-	-	Transfers in
-	(6,285,502)	(1,329,839)	-	-	Transfers out
-	-	-	-	46,703,455	Revenue bonds issued
2,961,489	(6,285,502)	91,797,268	-	46,703,455	Total other financing sources (uses)
(515,539)	2,768,458	(5,256,292)	(1,278,695)	44,810,067	Net change in fund balances
3,896,168	21,519,674	5,783,119	8,749,112	-	Fund balances, July 1, 2010
3,380,629	24,288,132	526,827	7,470,417	44,810,067	Fund balances, June 30, 2011

continued

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2011

	McLean Community Center	Burgundy Village Community Center	E-911	Integrated Pest Management Program	Stormwater Services
REVENUES					
Taxes	$ -	-	17,607,185	-	-
Permits, privilege fees, and regulatory licenses	-	-	-	-	-
Intergovernmental	1,900	-	4,806,328	65,000	-
Charges for services	4,812,975	20,290	580	1,856,919	27,903,410
Fines and forfeitures	-	-	-	-	-
Developers' contributions	-	-	-	-	-
Revenue from the use of money and property	137,631	24,420	80,910	15,985	166
Recovered costs	386	-	357,849	-	-
Gifts, donations, and contributions	-	-	-	-	-
Total revenues	4,952,892	44,710	22,852,852	1,937,904	27,903,576
EXPENDITURES					
Current:					
General government administration	-	-	-	-	-
Judicial administration	-	-	-	-	-
Public safety	-	-	34,296,515	-	-
Public works	-	-	-	-	18,213,203
Health and welfare	-	-	-	1,287,280	-
Community development	-	-	-	782,837	-
Parks, recreation, and cultural	4,537,456	32,309	-	-	-
Intergovernmental:					
Community development	-	-	-	-	-
Education - for Public Schools	-	-	-	-	-
Capital outlay:					
General government administration	-	-	-	-	-
Public safety	-	-	19,918	-	-
Public works	-	-	-	-	1,572,636
Health and welfare	-	-	-	-	-
Community development	-	-	-	-	-
Parks, recreation, and cultural	381,582	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	4,919,038	32,309	34,316,433	2,070,117	19,785,839
Excess (deficiency) of revenues over (under) expenditures	33,854	12,401	(11,463,581)	(132,213)	8,117,737
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	14,058,303	-	7,634,888
Transfers out	-	-	-	-	-
Revenue bonds issued	-	-	-	-	-
Total other financing sources (uses)	-	-	14,058,303	-	7,634,888
Net change in fund balances	33,854	12,401	2,594,722	(132,213)	15,752,625
Fund balances, July 1, 2010	12,555,527	258,328	12,066,392	3,251,897	3,869,191
Fund balances, June 30, 2011	$ 12,589,381	270,729	14,661,114	3,119,684	19,621,816

EXHIBIT D-1

Leaf Collection	Refuse Collection and Recycling Operations	Refuse Disposal	Energy Resource Recovery Facility	I-95 Refuse Disposal	
					REVENUES
-	-	-	-	-	Taxes
-	-	69,120	-	3,320	Permits, privilege fees, and regulatory licenses
-	144,492	27,706	-	45,465	Intergovernmental
1,858,769	19,857,265	48,509,273	28,583,060	5,019,527	Charges for services
-	-	15,470	-	-	Fines and forfeitures
-	-	-	-	-	Developers' contributions
74,270	1,353,074	1,374,662	158,574	879,551	Revenue from the use of money and property
513	-	207,059	-	11,294	Recovered costs
-	-	-	-	-	Gifts, donations, and contributions
1,933,552	21,354,831	50,203,290	28,741,634	5,959,157	Total revenues
					EXPENDITURES
					Current:
-	-	-	-	-	General government administration
-	-	-	-	-	Judicial administration
-	-	-	-	-	Public safety
2,213,069	18,398,114	44,680,364	29,669,142	7,880,748	Public works
-	-	-	-	-	Health and welfare
-	-	-	-	-	Community development
-	-	-	-	-	Parks, recreation, and cultural
					Intergovernmental:
-	-	-	-	-	Community development
-	-	-	-	-	Education - for Public Schools
					Capital outlay:
-	-	-	-	-	General government administration
-	-	-	-	-	Public safety
16,239	248,264	3,994,987	-	340,309	Public works
-	-	-	-	-	Health and welfare
-	-	-	-	-	Community development
-	-	-	-	-	Parks, recreation, and cultural
					Debt service:
-	-	-	-	-	Principal retirement
-	-	-	-	-	Interest and other charges
2,229,308	18,646,378	48,675,351	29,669,142	8,221,057	Total expenditures
(295,756)	2,708,453	1,527,939	(927,508)	(2,261,900)	Excess (deficiency) of revenues over (under) expenditures
					OTHER FINANCING SOURCES (USES)
-	-	-	1,745,506	-	Transfers in
-	-	-	-	-	Transfers out
-	-	-	-	-	Revenue bonds issued
-	-	-	1,745,506	-	Total other financing sources (uses)
(295,756)	2,708,453	1,527,939	817,998	(2,261,900)	Net change in fund balances
3,511,485	8,562,398	13,782,422	21,584,097	53,190,762	Fund balances, July 1, 2010
3,215,729	11,270,851	15,310,361	22,402,095	50,928,862	Fund balances, June 30, 2011

continued

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-1
concluded

Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2011

	Community Development Block Grant	Housing Trust	HOME Investment Partnership Grant	Alcohol Safety Action Program	Total Special Revenue Funds
REVENUES					
Taxes	$ -	-	-	-	21,253,840
Permits, privilege fees, and regulatory licenses	-	-	-	-	21,135,284
Intergovernmental	8,442,272	-	1,626,908	-	151,525,407
Charges for services	-	-	-	1,747,215	248,777,709
Fines and forfeitures	-	-	-	-	81,870
Developers' contributions	-	398,991	-	-	398,991
Revenue from the use of money and property	100,031	126,546	724,850	-	5,952,515
Recovered costs	-	-	-	-	2,434,483
Gifts, donations, and contributions	-	-	-	-	882,258
Total revenues	8,542,303	525,537	2,351,758	1,747,215	452,442,357
EXPENDITURES					
Current:					
General government administration	-	-	-	-	4,744,108
Judicial administration	-	-	-	-	852,188
Public safety	-	-	-	-	52,211,554
Public works	-	-	-	-	121,054,640
Health and welfare	-	-	-	1,732,656	200,320,013
Community development	7,973,632	77,529	1,989,720	-	101,805,405
Parks, recreation, and cultural	-	-	-	-	11,496,012
Intergovernmental:		-			
Community development	-	-	-	-	162,911,776
Education - for Public Schools	-	-	-	-	2,517,729
Capital outlay:		-			
General government administration	-	-	-	-	157,256
Public safety	-	-	-	-	1,375,345
Public works	-	-	-	-	6,172,435
Health and welfare	-	-	-	-	185,146
Community development	-	-	-	-	29,594,344
Parks, recreation, and cultural	-	-	-	-	1,884,738
Debt service:		-			
Principal retirement	305,000	-	-	-	330,301
Interest and other charges	175,902	-	-	-	3,939,214
Total expenditures	8,454,534	77,529	1,989,720	1,732,656	701,552,204
Excess (deficiency) of revenues over (under) expenditures	87,769	448,008	362,038	14,559	(249,109,847)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	167,420,983
Transfers out	-	-	-	-	(18,482,955)
Revenue bonds issued	-	-	-	-	266,704,702
Total other financing sources (uses)	-	-	-	-	415,642,730
Net change in fund balances	87,769	448,008	362,038	14,559	166,532,883
Fund balances, July 1, 2010	8,778,473	14,275,929	3,602,010	52,488	402,539,409
Fund balances, June 30, 2011	$ 8,866,242	14,723,937	3,964,048	67,047	569,072,292

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT D-2A**

Special Revenue Fund

Budgetary Comparison Schedule - County Transit Systems Fund (Budget Basis)

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 18,251,878	19,751,878	19,457,926	(293,952)
Charges for services	13,827,554	13,827,554	14,119,731	292,177
Revenue from the use of money and property	200,000	200,000	212,581	12,581
Total revenues	32,279,432	33,779,432	33,790,238	10,806
EXPENDITURES				
Community development	81,849,311	101,406,721	72,646,671	28,760,050
Total expenditures	81,849,311	101,406,721	72,646,671	28,760,050
Excess (deficiency) of revenues over (under) expenditures	(49,569,879)	(67,627,289)	(38,856,433)	28,770,856
OTHER FINANCING SOURCES				
Transfers in	49,569,879	44,930,281	44,930,281	-
Total other financing sources	49,569,879	44,930,281	44,930,281	-
Net change in fund balance	$ -	(22,697,008)	6,073,848	28,770,856

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT D-2B**

Special Revenue Fund
Budgetary Comparison Schedule - Dulles Rail Phase I Transportation Improvement District Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final	(Budget Basis)	Positive (Negative)
REVENUES				
Charges for services	$ 22,431,463	22,431,463	22,241,739	(189,724)
Revenue from the use of money and property	1,336,808	1,336,808	350,785	(986,023)
Total revenues	23,768,271	23,768,271	22,592,524	(1,175,747)
EXPENDITURES				
Community development	-	52,650,000	47,000,000	5,650,000
Debt service:				
Interest and other charges:				
Interest	13,350,000	13,350,000	-	13,350,000
Bond issuance costs and other	-	-	300,851	(300,851)
Total expenditures	13,350,000	66,000,000	47,300,851	18,699,149
Excess (deficiency) of revenues over (under) expenditures	10,418,271	(42,231,729)	(24,708,327)	17,523,402
Net change in fund balance	$ 10,418,271	(42,231,729)	(24,708,327)	17,523,402

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT D-2C**

Special Revenue Fund
Budgetary Comparison Schedule - Dulles Rail Phase II Transportation Improvement District Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Charges for services	$ 3,582,035	3,582,035	3,239,715	(342,320)
Revenue from the use of money and property	15,000	15,000	7,639	(7,361)
Total revenues	3,597,035	3,597,035	3,247,354	(349,681)
EXPENDITURES				
Debt service:				
Bond issuance costs and other	500,000	500,000	232,424	267,576
Total expenditures	500,000	500,000	232,424	267,576
Excess (deficiency) of revenues over (under) expenditures	3,097,035	3,097,035	3,014,930	(82,105)
Net change in fund balance	$ 3,097,035	3,097,035	3,014,930	(82,105)

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT D-2D

Special Revenue Fund
Budgetary Comparison Schedule - County and Regional Transportation Projects (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final	(Budget Basis)	Positive (Negative)
REVENUES				
Intergovernmental	$ -	-	6,681,688	6,681,688
Charges for services	43,105,550	43,105,550	40,620,771	(2,484,779)
Total revenues	43,105,550	43,105,550	47,302,459	4,196,909
EXPENDITURES				
Community development	27,598,338	142,589,301	39,472,503	103,116,798
Total expenditures	27,598,338	142,589,301	39,472,503	103,116,798
Excess (deficiency) of revenues over (under) expenditures	15,507,212	(99,483,751)	7,829,956	107,313,707
OTHER FINANCING SOURCES (USES)				
Transfers out	(15,507,212)	(10,867,614)	(10,867,614)	-
Revenue bonds issued	-	50,000,000	-	(50,000,000)
Total other financing sources (uses)	(15,507,212)	39,132,386	(10,867,614)	(50,000,000)
Net change in fund balance	$ -	(60,351,365)	(3,037,658)	57,313,707

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT D-2E**

Special Revenue Fund
Budgetary Comparison Schedule - Federal/State Grant Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 60,046,908	164,012,580	75,744,035	(88,268,545)
Revenue from the use of money and property	-	50,848	101,954	51,106
Recovered costs	-	2,611,989	1,746,543	(865,446)
Gifts, donations, and contributions	-	2,074,299	481,377	(1,592,922)
Total revenues	60,046,908	168,749,716	78,073,909	(90,675,807)
EXPENDITURES				
General government administration	62,960,909	47,679,860	4,901,364	42,778,496
Judicial administration	-	1,543,172	852,190	690,982
Public safety	-	60,676,387	18,744,919	41,931,468
Public works	-	11,972,274	516,390	11,455,884
Health and welfare	-	54,203,052	40,260,353	13,942,699
Community development	-	24,083,506	12,524,995	11,558,511
Parks, recreation, and cultural	-	369,058	248,603	120,455
Total expenditures	62,960,909	200,527,309	78,048,814	122,478,495
Excess (deficiency) of revenues over (under) expenditures	(2,914,001)	(31,777,593)	25,095	31,802,688
OTHER FINANCING SOURCES				
Transfers in	2,914,001	2,914,001	2,914,001	-
Total other financing sources	2,914,001	2,914,001	2,914,001	-
Net change in fund balance	$ -	(28,863,592)	2,939,096	31,802,688

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT D-2F

Special Revenue Fund
Budgetary Comparison Schedule - Aging Grants and Programs Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 3,109,332	3,617,169	3,281,142	(336,027)
Charges for services	120,203	102,822	118,354	15,532
Recovered costs	71,319	104,537	110,839	6,302
Gifts, donations, and contributions	381,233	415,560	450,289	34,729
Total revenues	3,682,087	4,240,088	3,960,624	(279,464)
EXPENDITURES				
Health and welfare	7,307,203	10,715,741	7,305,649	3,410,092
Parks, recreation, and cultural	517,103	132,003	132,003	-
Total expenditures	7,824,306	10,847,744	7,437,652	3,410,092
Excess (deficiency) of revenues over (under) expenditures	(4,142,219)	(6,607,656)	(3,477,028)	3,130,628
OTHER FINANCING SOURCES				
Transfers in	3,913,560	2,961,489	2,961,489	-
Total other financing sources	3,913,560	2,961,489	2,961,489	-
Net change in fund balance	$ (228,659)	(3,646,167)	(515,539)	3,130,628

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT D-2G**

Special Revenue Fund
Budgetary Comparison Schedule - Information Technology Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ -	900,012	1,286,841	386,829
Revenue from the use of money and property	500,000	199,021	165,507	(33,514)
Total revenues	500,000	1,099,033	1,452,348	353,315
EXPENDITURES				
General government administration	5,467,349	59,284,918	29,627,495	29,657,423
Total expenditures	5,467,349	59,284,918	29,627,495	29,657,423
Excess (deficiency) of revenues over (under) expenditures	(4,967,349)	(58,185,885)	(28,175,147)	30,010,738
OTHER FINANCING SOURCES				
Transfers in	4,967,349	20,767,349	20,767,349	-
Total other financing sources	4,967,349	20,767,349	20,767,349	-
Net change in fund balance	$ -	(37,418,536)	(7,407,798)	30,010,738

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT D-2H

Special Revenue Fund
Budgetary Comparison Schedule - Cable Communications Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Permits, privilege fees, and regulatory licenses	$ 16,924,024	16,924,024	21,062,844	4,138,820
Charges for services	1,200	1,200	777	(423)
Fines and forfeitures	-	-	66,400	66,400
Revenue from the use of money and property	-	-	-	-
Total revenues	16,925,224	16,925,224	21,130,021	4,204,797
EXPENDITURES				
Community development	9,887,220	16,384,504	9,558,332	6,826,172
Total expenditures	9,887,220	16,384,504	9,558,332	6,826,172
Excess (deficiency) of revenues over (under) expenditures	7,038,004	540,720	11,571,689	11,030,969
OTHER FINANCING USES				
Transfers out	(6,285,502)	(6,285,502)	(6,285,502)	-
Transfers out to component units	(2,517,729)	(2,517,729)	(2,517,729)	-
Total other financing uses	(8,803,231)	(8,803,231)	(8,803,231)	-
Net change in fund balance	$ (1,765,227)	(8,262,511)	2,768,458	11,030,969

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT D-2I**

Special Revenue Fund

Budgetary Comparison Schedule - Fairfax-Falls Church Community Services Board Fund (Budget Basis)

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final	(Budget Basis)	Positive (Negative)
REVENUES				
Intergovernmental	$ 27,122,479	35,532,873	31,200,545	(4,332,328)
Charges for services	20,097,994	20,973,563	21,665,117	691,554
Total revenues	47,220,473	56,506,436	52,865,662	(3,640,774)
EXPENDITURES				
Health and welfare	140,558,420	153,586,823	149,919,221	3,667,602
Total expenditures	140,558,420	153,586,823	149,919,221	3,667,602
Excess (deficiency) of revenues over (under) expenditures	(93,337,947)	(97,080,387)	(97,053,559)	26,828
OTHER FINANCING SOURCES				
Transfers in	93,337,947	93,127,107	93,127,107	-
Transfers out	-	(1,329,839)	(1,329,839)	-
Total other financing sources	93,337,947	91,797,268	91,797,268	-
Net change in fund balance	$ -	(5,283,119)	(5,256,291)	26,828

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT D-2J**

Special Revenue Fund

Budgetary Comparison Schedule - Reston Community Center Fund (Budget Basis)

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Charges for services	$ 7,393,347	7,393,347	6,602,222	(791,125)
Revenue from the use of money and property	262,240	262,240	233,048	(29,192)
Total revenues	7,655,587	7,655,587	6,835,270	(820,317)
EXPENDITURES				
Parks, recreation, and cultural	8,006,141	9,850,107	8,114,268	1,735,839
Total expenditures	8,006,141	9,850,107	8,114,268	1,735,839
Net change in fund balance	$ (350,554)	(2,194,520)	(1,278,998)	915,522

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT D-2K**

Special Revenue Fund

Budgetary Comparison Schedule - McLean Community Center Fund (Budget Basis)

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ -	-	1,900	1,900
Charges for services	5,256,520	5,256,520	4,812,975	(443,545)
Revenue from the use of money and property	343,235	343,235	137,128	(206,107)
Recovered costs	4,200	4,200	386	(3,814)
Total revenues	5,603,955	5,603,955	4,952,389	(651,566)
EXPENDITURES				
Parks, recreation, and cultural	5,308,040	5,968,796	4,919,038	1,049,758
Total expenditures	5,308,040	5,968,796	4,919,038	1,049,758
Excess (deficiency) of revenues over (under) expenditures	295,915	(364,841)	33,351	398,192
Net change in fund balance	$ 295,915	(364,841)	33,351	398,192

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT D-2L**

Special Revenue Fund

Budgetary Comparison Schedule - Burgundy Village Community Center Fund (Budget Basis)

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Charges for services	$ 23,775	23,775	20,290	(3,485)
Revenue from the use of money and property	33,835	33,835	24,409	(9,426)
Total revenues	57,610	57,610	44,699	(12,911)
EXPENDITURES				
Parks, recreation, and cultural	44,065	44,065	32,309	11,756
Total expenditures	44,065	44,065	32,309	11,756
Net change in fund balance	$ 13,545	13,545	12,390	(1,155)

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2M

Special Revenue Fund
Budgetary Comparison Schedule - E-911 Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Local sales and use taxes	$ 18,456,745	16,956,745	17,607,185	650,440
Intergovernmental	4,384,627	4,810,751	4,806,328	(4,423)
Revenue from the use of money and property	200,000	100,000	79,931	(20,069)
Recovered costs	195,308	195,308	357,849	162,541
Total revenues	23,236,680	22,062,804	22,851,293	788,489
EXPENDITURES				
Public safety	37,245,287	47,068,932	34,316,433	12,752,499
Total expenditures	37,245,287	47,068,932	34,316,433	12,752,499
Excess (deficiency) of revenues over (under) expenditures	(14,008,607)	(25,006,128)	(11,465,140)	13,540,988
OTHER FINANCING SOURCES				
Transfers in	14,058,303	14,058,303	14,058,303	-
Total other financing sources	14,058,303	14,058,303	14,058,303	-
Net change in fund balance	$ 49,696	(10,947,825)	2,593,163	13,540,988

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT D-2N

Special Revenue Fund
Budgetary Comparison Schedule - Integrated Pest Management Program Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ -	-	65,000	65,000
Charges for services	1,765,515	1,765,515	1,856,919	91,404
Revenue from the use of money and property	48,673	48,673	15,875	(32,798)
Total revenues	1,814,188	1,814,188	1,937,794	123,606
EXPENDITURES				
Health and welfare	1,841,415	2,220,535	1,287,279	933,256
Community development	1,061,937	1,061,937	782,838	279,099
Total expenditures	2,903,352	3,282,472	2,070,117	1,212,355
Net change in fund balance	$ (1,089,164)	(1,468,284)	(132,323)	1,335,961

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT D-2O**

Special Revenue Fund
Budgetary Comparison Schedule - Stormwater Services Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Taxes	$ -	-	-	-
Charges for services	28,000,000	28,000,000	27,903,410	(96,590)
Revenue from the use of money and property	-	-	166	166
Total revenues	28,000,000	28,000,000	27,903,576	(96,424)
EXPENDITURES				
Public works	28,000,000	31,869,191	19,785,839	12,083,352
Total expenditures	28,000,000	31,869,191	19,785,839	12,083,352
Excess (deficiency) of revenues over (under) expenditures	-	(3,869,191)	8,117,737	11,986,928
OTHER FINANCING SOURCES				
Other funds	-	-	7,634,888	7,634,888
Total other financing sources	-	-	7,634,888	7,634,888
Net change in fund balance	$ -	(3,869,191)	15,752,625	19,621,816

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT D-2P**

Special Revenue Fund

Budgetary Comparison Schedule - Leaf Collection Fund (Budget Basis)

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Charges for services	$ 1,866,545	1,866,545	1,858,769	(7,776)
Revenue from the use of money and property	57,541	57,541	74,248	16,707
Recovered costs	-	-	513	513
Total revenues	1,924,086	1,924,086	1,933,530	9,444
EXPENDITURES				
Public works	2,300,780	2,300,780	2,229,308	71,472
Total expenditures	2,300,780	2,300,780	2,229,308	71,472
Net change in fund balance	$ (376,694)	(376,694)	(295,778)	80,916

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT D-2Q**

Special Revenue Fund

Budgetary Comparison Schedule - Refuse Collection and Recycling Operations Fund (Budget Basis)

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ -	115,003	144,492	29,489
Charges for services	19,710,098	19,710,098	19,857,265	147,167
Revenue from the use of money and property	523,875	583,875	1,352,081	768,206
Total revenues	20,233,973	20,408,976	21,353,838	944,862
EXPENDITURES				
Public works	19,277,682	20,908,316	18,646,378	2,261,938
Total expenditures	19,277,682	20,908,316	18,646,378	2,261,938
Excess (deficiency) of revenues over (under) expenditures	956,291	(499,340)	2,707,460	3,206,800
Net change in fund balance	$ 956,291	(499,340)	2,707,460	3,206,800

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT D-2R

Special Revenue Fund
Budgetary Comparison Schedule - Refuse Disposal Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Permits, privilege fees, and regulatory licenses	$ 55,000	55,000	69,120	14,120
Intergovernmental	-	-	27,706	27,706
Charges for services	56,034,331	56,034,331	48,509,273	(7,525,058)
Revenue from the use of money and property	1,112,308	1,112,308	1,373,906	261,598
Recovered costs	-	-	207,059	207,059
Fines and forfeitures	-	-	15,470	15,470
Total revenues	57,201,639	57,201,639	50,202,534	(6,999,105)
EXPENDITURES				
Public works	55,397,092	61,407,069	48,675,351	12,731,718
Total expenditures	55,397,092	61,407,069	48,675,351	12,731,718
Excess (deficiency) of revenues over (under) expenditures	1,804,547	(4,205,430)	1,527,183	5,732,613
Net change in fund balance	$ 1,804,547	(4,205,430)	1,527,183	5,732,613

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT D-2S

Special Revenue Fund
Budgetary Comparison Schedule - Energy Resource Recovery Facility Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Charges for services	$ 34,135,000	32,014,056	28,583,060	(3,430,996)
Revenue from the use of money and property	218,508	218,508	158,238	(60,270)
Total revenues	34,353,508	32,232,564	28,741,298	(3,491,266)
EXPENDITURES				
Public works	31,975,909	33,779,516	29,669,142	4,110,374
Total expenditures	31,975,909	33,779,516	29,669,142	4,110,374
Excess (deficiency) of revenues over (under) expenditures	2,377,599	(1,546,952)	(927,844)	619,108
OTHER FINANCING SOURCES				
Transfers in	-	1,745,506	1,745,506	-
Total other financing sources	-	1,745,506	1,745,506	-
Net change in fund balance	$ 2,377,599	198,554	817,662	619,108

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT D-2T

Special Revenue Fund
Budgetary Comparison Schedule - I-95 Refuse Disposal Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Permits, privilege fees, and regulatory licenses	$ 7,200	7,200	3,320	(3,880)
Intergovernmental	-	-	45,465	45,465
Charges for services	5,571,054	5,571,054	5,019,527	(551,527)
Revenue from the use of money and property	988,123	988,123	878,612	(109,511)
Recovered costs	9,437	9,437	11,294	1,857
Total revenues	6,575,814	6,575,814	5,958,218	(617,596)
EXPENDITURES				
Public works	8,586,108	23,540,506	8,221,057	15,319,449
Total expenditures	8,586,108	23,540,506	8,221,057	15,319,449
Net change in fund balance	$ (2,010,294)	(16,964,692)	(2,262,839)	14,701,853

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT D-2U**

Special Revenue Fund

Budgetary Comparison Schedule - Community Development Block Grant Fund (Budget Basis)

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 5,982,304	16,626,693	8,442,272	(8,184,421)
Revenue from the use of money and property	-	-	237,794	237,794
Total revenues	5,982,304	16,626,693	8,680,066	(7,946,627)
EXPENDITURES				
Community development	5,982,304	17,122,933	8,935,436	8,187,497
Total expenditures	5,982,304	17,122,933	8,935,436	8,187,497
Net change in fund balance	$ -	(496,240)	(255,370)	240,870

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2v

Special Revenue Fund
Budgetary Comparison Schedule - Housing Trust Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Developers' contributions	$ 815,000	200,000	398,991	198,991
Revenue from the use of money and property	25,000	25,000	160,948	135,948
Total revenues	840,000	225,000	559,939	334,939
EXPENDITURES				
Community development	840,000	4,235,632	77,529	4,158,103
Total expenditures	840,000	4,235,632	77,529	4,158,103
Excess (deficiency) of revenues over (under) expenditures	-	(4,010,632)	482,410	4,493,042
Net change in fund balance	$ -	(4,010,632)	482,410	4,493,042

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT D-2W**

Special Revenue Fund

Budgetary Comparison Schedule - HOME Investment Partnership Grant Fund (Budget Basis)

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 2,707,657	9,053,355	1,626,909	(7,426,446)
Revenue from the use of money and property	-	-	724,849	724,849
Total revenues	2,707,657	9,053,355	2,351,758	(6,701,597)
EXPENDITURES				
Community development	2,707,657	9,069,673	1,989,720	7,079,953
Total expenditures	2,707,657	9,069,673	1,989,720	7,079,953
Net change in fund balance	$ -	(16,318)	362,038	378,356

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2x

Special Revenue Fund
Budgetary Comparison Schedule - Consolidated Community Funding Pool Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES	$ -	-	-	-
EXPENDITURES				
Health and welfare	8,970,687	9,154,331	8,871,622	282,709
Total expenditures	8,970,687	9,154,331	8,871,622	282,709
Excess (deficiency) of revenues over (under) expenditures	(8,970,687)	(9,154,331)	(8,871,622)	282,709
OTHER FINANCING SOURCES				
Transfers in	8,970,687	8,970,687	8,970,687	-
Total other financing sources	8,970,687	8,970,687	8,970,687	-
Net change in fund balance	$ -	(183,644)	99,065	282,709

EXHIBIT D-2Y

Special Revenue Fund
Budgetary Comparison Schedule - Contributory Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES	$ -	-	-	-
EXPENDITURES				
General government administration	1,948,376	1,948,376	1,912,003	36,373
Public safety	49,952	49,952	49,952	-
Health and welfare	2,528,436	2,528,436	2,528,436	-
Community development	3,223,865	3,223,865	3,223,865	-
Parks, recreation, and cultural	4,287,676	4,287,676	4,287,676	-
Total expenditures	12,038,305	12,038,305	12,001,932	36,373
Excess (deficiency) of revenues over (under) expenditures	(12,038,305)	(12,038,305)	(12,001,932)	36,373
OTHER FINANCING SOURCES				
Transfers in	12,038,305	12,038,305	12,038,305	-
Total other financing sources	12,038,305	12,038,305	12,038,305	-
Net change in fund balance	$ -	-	36,373	36,373

The **Debt Service Fund** is used to account for the accumulation of resources for and the payments of bond principal, interest, and related expenses. The Debt Service Fund is used to account for the funds accumulated and expended for the payment of principal, interest, and other costs applicable to general obligation bond issues, certain lease revenue bonds, and loans received from the Literary Fund of Virginia.

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT E**

Debt Service Fund
Balance Sheet
June 30, 2011

ASSETS		
Equity in pooled cash and temporary investments	$	15,262,569
Loan to component unit		15,000,000
Lease to component unit		54,145,000
Restricted assets:		
Restricted assets - Cash with fiscal agents		409,046
Total assets	$	84,816,615
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	$	226,090
Deferred revenue		54,145,000
Total liabilities		54,371,090
Fund balance:		
Nonspendable:		
Long-term loan		15,000,000
Total Nonspendable		15,000,000
Committed to:		
Debt service		15,445,525
Total Committed		15,445,525
Total fund balance		30,445,525
Total liabilities and fund balance	$	84,816,615

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT E-1**

Debt Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the fiscal year ended June 30, 2011

REVENUES	
Intergovernmental	$ 4,527,369
Revenue from the use of money and property	3,283,549
Total revenues	7,810,918
EXPENDITURES	
Principal retirement:	
County	82,354,707
Schools	103,397,945
Interest:	
County	39,412,418
Schools	60,385,624
Other charges:	
Bond issuance costs and other	2,236,074
Total expenditures	287,786,768
Deficiency of revenues under expenditures	(279,975,850)
OTHER FINANCING SOURCES (USES)	
Transfers in from:	
General Fund	281,869,025
Capital projects funds	914,772
Transfers out	(593,500)
General obligation refunding bonds issued	18,695,000
Premium on general obligation refunding bonds issued	1,688,671
Payments to refunded bonds escrow agent	(20,311,679)
Total other financing sources (uses)	282,262,289
Net change in fund balance	2,286,439
Fund balance, July 1, 2010	28,159,086
Fund balance, June 30, 2011	$ 30,445,525

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT E-2**

Debt Service Fund
Budgetary Comparison Schedule (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	90,000	90,000	3,272,369	3,182,369
Total revenues	90,000	90,000	3,272,369	3,182,369
EXPENDITURES				
Principal retirement:				
County	81,874,707	81,874,707	82,354,707	(480,000)
Schools	103,397,945	103,397,945	103,397,945	-
Interest:				
County	40,127,596	44,911,902	39,412,419	5,499,483
Schools	60,649,804	67,264,774	60,385,624	6,879,150
Bond issuance costs and other	1,525,000	1,537,234	1,835,822	(298,588)
Total expenditures	287,575,052	298,986,562	287,386,517	11,600,045
Excess (deficiency) of revenues over (under) expenditures	(287,485,052)	(298,896,562)	(284,114,148)	14,782,414
OTHER FINANCING SOURCES				
General obligation bonds issued	300,000	300,000	335,573	35,573
Transfers in from:				
General Fund	282,583,516	281,869,025	281,869,025	-
Other funds	4,601,536	4,852,474	4,852,474	-
Transfers out	-	(593,500)	(593,500)	-
Total other financing sources	287,485,052	286,427,999	286,463,572	35,573
Net change in fund balance	-	(12,468,563)	2,349,424	14,817,987

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

Contributed Roadway Improvement Fund is used to account for contributions received from developers to fund specific projects in various growth areas of the County.

Library Construction Fund is used to account for design and construction of new County libraries, renovations of existing facilities, and capital equipment expenditures authorized by voter referendum. Projects are funded from the sale of bonds.

County Construction Fund is used to account for renovations, maintenance, and on-going initiatives involving County, FCPA, and FCPS properties. Projects are funded from a variety of sources including, but not limited to the General Fund, aid from the State, and the sale of bonds.

Capital Renewal Construction Fund is used to account for the planned replacement of County government building subsystems such as roofs, electrical systems, HVAC systems, and plumbing systems that have reached the end of their useful life cycle. Projects are funded by the General Fund.

Transportation Improvements Fund is used to account for road construction and repair authorized by voter referendum. Projects are funded primarily from the sale of bonds. Other sources of funding are developers' contributions and transfers from other funds.

Pedestrian Walkway Improvements Fund is used to account for the design and construction of sidewalks to provide safe walking conditions for public school students. The program is undertaken in cooperation with the Public School system and generally involves projects which link residential areas and public schools. Projects are funded by the General Fund.

Metro Operations and Construction Fund is used to account for subsidies to the Washington Metropolitan Area Transit Authority for Metrobus/Metrorail operations and Metrorail construction. The cost of the operations and construction is shared by all local jurisdictions in the Washington, D.C. metropolitan area.

Stormwater Management Program Fund is no longer being used. The activities previously accounted for in this fund are now accounted for in the Stormwater Services fund.

County Bond Construction Fund is no longer being used. The activities previously accounted for in this fund are now accounted for in the County Construction fund.

Public Safety Construction Fund is used to account for the funding of public safety projects, including the design and construction of fire stations, police stations, and the Public Safety Academy. Projects are funded by the sale of bonds.

Neighborhood Improvement Program Fund is no longer being used. The activities previously accounted for in this fund are now accounted for in the County Construction fund.

Commercial Revitalization Program Fund is used to account for the development and revitalization of commercial centers. The improvements financed through the program include moving utilities underground, sidewalk construction, street lighting, tree planting, and other pedestrian amenities. Projects are funded by the sale of bonds.

Pro Rata Drainage Construction Fund is used to account for storm drainage projects in accordance with the Pro Rata Share Program approved by the Board of Supervisors on December 16, 1991. Under this program, funding is obtained from land developers who pay a pro rata share of the total estimated cost of necessary storm drainage improvements.

Housing Assistance Program Fund is used to account for the development of low and moderate income housing and the support of public improvement projects in low and moderate income neighborhoods.

The Penny for Affordable Housing Fund is used to account for the planned allocation of funding by the Board of Supervisors to prioritize and monitor affordable housing preservation initiatives. Projects are funded by the dedication of the value of one penny of the real estate tax rate.

Northern Virginia Regional Park Authority Fund is no longer being used. The activities previously accounted for in this fund are now accounted for in the County Construction fund.

COUNTY OF FAIRFAX, VIRGINIA
Capital Projects Funds
Combining Balance Sheet
June 30, 2011

	Contributed Roadway Improvement	Library Construction	County Construction	Capital Renewal Construction
ASSETS				
Equity in pooled cash and temporary investments	44,351,472	3,276,910	49,229,201	17,355,673
Receivables:				
Accounts	-	-	95,728	-
Accrued interest	3,724	-	4,942	-
Loans	-	-	-	-
Due from intergovernmental units	-	-	395,283	-
Equity in pooled cash and temporary investments	-	-	3,730,988	1,650,226
Total assets	44,355,196	3,276,910	53,456,142	19,005,899
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	46,946	486,914	890,254	544,236
Contract retainages	-	297,486	74,689	-
Accrued interest payable	-	-	1,026,351	-
Due to component units	-	-	704,624	-
Deferred revenue	-	-	28,573,290	-
Performance and other deposits	4,219,208	-	2,432,529	-
Total liabilities	4,266,154	784,400	33,701,737	544,236
Fund balances:				
Nonspendable:				
Long-term loan	-	-	-	-
Total Nonspendable	-	-	-	-
Restricted for:				
Capital projects	40,089,042	2,492,510	3,730,988	1,650,226
Total Restricted	40,089,042	2,492,510	3,730,988	1,650,226
Committed to:				
Capital projects	-	-	16,023,417	16,811,437
Total Committed	-	-	16,023,417	16,811,437
Total fund balances	40,089,042	2,492,510	19,754,405	18,461,663
Total liabilities and fund balances	44,355,196	3,276,910	53,456,142	19,005,899

EXHIBIT F

Transportation Improvements	Pedestrian Walkway Improvements	Metro Operations and Construction	
			ASSETS
1,408,822	745,245	-	Equity in pooled cash and temporary investments
			Receivables:
-	-	-	Accounts
-	-	-	Accrued interest
-	-	-	Loans
-	-	-	Due from intergovernmental units
10,137,294	-	10,407,377	Equity in pooled cash and temporary investments
11,546,116	745,245	10,407,377	Total assets
			LIABILITIES AND FUND BALANCES
			Liabilities:
581,828	-	-	Accounts payable and accrued liabilities
94,221	8,129	-	Contract retainages
-	-	-	Accrued interest payable
-	-	-	Due to component units
-	-	-	Deferred revenue
-	128,722	-	Performance and other deposits
676,049	136,851	-	Total liabilities
			Fund balances:
			Nonspendable:
-	-	-	Long-term loan
-	-	-	Total Nonspendable
			Restricted for:
10,137,294	608,394	10,407,377	Capital projects
10,137,294	608,394	10,407,377	Total Restricted
			Committed to:
732,773	-	-	Capital projects
732,773	-	-	Total Committed
10,870,067	608,394	10,407,377	Total fund balances
11,546,116	745,245	10,407,377	Total liabilities and fund balances

continued

COUNTY OF FAIRFAX, VIRGINIA
Capital Projects Funds
Combining Balance Sheet
June 30, 2011

	Public Safety Construction	Commercial Revitalization Program	Pro Rata Drainage Construction
ASSETS			
Equity in pooled cash and temporary investments	29,347,521	130,925	9,561,693
Receivables:			
Accounts	-	-	-
Accrued interest	-	-	-
Loans	-	-	-
Due from intergovernmental units	-	-	-
Equity in pooled cash and temporary investments	-	-	-
Total assets	29,347,521	130,925	9,561,693
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	1,517,357	1,510	649,055
Contract retainages	357,933	-	47,005
Accrued interest payable	-	-	-
Due to component units	-	-	-
Deferred revenue	-	-	8,853,567
Performance and other deposits	-	-	6,000
Total liabilities	1,875,290	1,510	9,555,627
Fund balances:			
Nonspendable:			
Long-term loan	-	-	-
Total Nonspendable	-	-	-
Restricted for:			
Capital projects	-	129,415	6,066
Total Restricted	-	129,415	6,066
Committed to:			
Capital projects	27,472,231	-	-
Total Committed	27,472,231	-	-
Total fund balances	27,472,231	129,415	6,066
Total liabilities and fund balances	29,347,521	130,925	9,561,693

EXHIBIT F
concluded

Housing Assistance Program	The Penny for Affordable Housing	Total Capital Projects Funds	
			ASSETS
2,679,477	9,694,164	167,781,103	Equity in pooled cash and temporary investments
			Receivables:
-	-	95,728	Accounts
-	1,928,542	1,937,208	Accrued interest
-	35,061,144	35,061,144	Loans
3,420	-	398,703	Due from intergovernmental units
-	-	25,925,885	Equity in pooled cash and temporary investments
2,682,897	46,683,850	231,199,771	Total assets
			LIABILITIES AND FUND BALANCES
			Liabilities:
-	69,000	4,787,100	Accounts payable and accrued liabilities
113,679	-	993,142	Contract retainages
-	-	1,026,351	Accrued interest payable
-	-	704,624	Due to component units
-	1,928,542	39,355,399	Deferred revenue
-	-	6,786,459	Performance and other deposits
113,679	1,997,542	53,653,075	Total liabilities
			Fund balances:
			Nonspendable:
-	35,061,144	35,061,144	Long-term loan
-	35,061,144	35,061,144	Total Nonspendable
			Restricted for:
2,569,218	-	71,820,530	Capital projects
2,569,218	-	71,820,530	Total Restricted
			Committed to:
-	9,625,164	70,665,022	Capital projects
-	9,625,164	70,665,022	Total Committed
2,569,218	44,686,308	177,546,696	Total fund balances
2,682,897	46,683,850	231,199,771	Total liabilities and fund balances

COUNTY OF FAIRFAX, VIRGINIA
Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2011

	Contributed Roadway Improvement	Library Construction	County Construction	Capital Renewal Construction
REVENUES				
Taxes	-	-	-	-
Intergovernmental	101,934	-	6,109,805	-
Charges for services	-	-	1,198,616	-
Developers' contributions	128,491	-	-	-
Revenue from the use of money and property	244,541	-	-	-
Recovered costs	-	-	881,874	387,502
Total revenues	474,966	-	8,190,295	387,502
EXPENDITURES				
Current:				
General government administration	-	-	93,372	3,182,448
Judicial administration	-	-	-	-
Public safety	-	-	1,156,422	598,432
Public works	-	-	1,181,074	-
Health and welfare	-	-	71,692	-
Community development	486,520	-	3,165,163	-
Parks, recreation, and cultural	-	82,575	1,124,856	-
Intergovernmental:				
Community development	107,767	-	-	-
Parks, recreation, and cultural	-	-	7,491,464	-
Education - for Public Schools	-	-	-	-
Capital outlay:				
General government administration	-	-	286,512	3,612,728
Judicial administration	-	-	135,483	324,292
Public safety	-	-	3,692,927	684,071
Public works	-	-	144,133	-
Health and welfare	-	-	280,413	34,250
Community development	-	-	338,898	-
Parks, recreation, and cultural	-	4,803,575	654,004	9,139
Debt service:				
Principal retirement	-	-	645,000	-
Interest and other charges	-	-	391,289	-
Total expenditures	594,287	4,886,150	20,852,702	8,445,360
Excess (deficiency) of revenues over	-	-		
(under) expenditures	(119,321)	(4,886,150)	(12,662,407)	(8,057,858)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	12,986,361	3,000,000
Transfers out	(110,000)	-	(1,468,314)	-
General obligation bonds issued	-	-	-	-
Premium on general obligation bonds issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Payments to escrow agents	-	-	-	-
Long-term loans	-	-	-	-
Total other financing sources (uses)	(110,000)	-	11,518,047	3,000,000
SPECIAL ITEM				
Proceeds from the sale of land	-	-	-	-
Net change in fund balances	(229,321)	(4,886,150)	(1,144,360)	(5,057,858)
Fund balances, July 1, 2010	40,318,363	7,378,660	20,898,765	23,519,521
Fund balances, June 30, 2011	40,089,042	2,492,510	19,754,405	18,461,663

EXHIBIT F-1

Transportation Improvements	Pedestrian Walkway Improvements	Metro Operations and Construction	Stormwater Management Program	
				REVENUES
-	-	-	-	Taxes
1,404,656	275,357	-	2,987,613	Intergovernmental
-	-	-	-	Charges for services
-	-	-	-	Developers' contributions
694	-	-	543	Revenue from the use of money and property
3,471	224,690	-	-	Recovered costs
1,408,821	500,047	-	2,988,156	Total revenues
				EXPENDITURES
				Current:
-	-	-	-	General government administration
-	-	-	-	Judicial administration
-	-	-	-	Public safety
-	-	-	1,483,539	Public works
-	-	-	-	Health and welfare
5,248,829	66,511	-	-	Community development
-	-	-	-	Parks, recreation, and cultural
				Intergovernmental:
7,000,000	-	16,874,147	-	Community development
-	-	-	-	Parks, recreation, and cultural
-	-	-	-	Education - for Public Schools
				Capital outlay:
-	-	-	-	General government administration
-	-	-	-	Judicial administration
-	-	-	-	Public safety
-	-	-	7,271,718	Public works
-	-	-	-	Health and welfare
3,841,539	533,563	-	-	Community development
-	-	-	-	Parks, recreation, and cultural
				Debt service:
-	-	-	-	Principal retirement
-	-	-	-	Interest and other charges
16,090,368	600,074	16,874,147	8,755,257	Total expenditures
(14,681,547)	(100,027)	(16,874,147)	(5,767,101)	Excess (deficiency) of revenues over (under) expenditures
				OTHER FINANCING SOURCES (USES)
-	-	7,519,851	-	Transfers in
-	-	(2,070,620)	(7,634,888)	Transfers out
15,780,000	-	18,880,000	-	General obligation bonds issued
1,020,000	-	1,220,000	-	Premium on general obligation bonds issued
-	-	-	-	Refunding bonds issued
-	-	-	-	Payments to escrow agents
-	-	-	-	Long-term loans
16,800,000	-	25,549,231	(7,634,888)	Total other financing sources (uses)
				SPECIAL ITEM
-	-	-	-	Proceeds from the sale of land
2,118,453	(100,027)	8,675,084	(13,401,989)	Net change in fund balances
8,751,614	708,421	1,732,293	13,401,989	Fund balances, July 1, 2010
10,870,067	608,394	10,407,377	-	Fund balances, June 30, 2011

continued

COUNTY OF FAIRFAX, VIRGINIA
Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2011

	County Bond Construction	Public Safety Construction	Neighborhood Improvement Program	Commercial Revitalization Program	Pro Rata Drainage Construction
REVENUES					
Taxes	$ -	-	-	-	-
Intergovernmental	537,812	-	-	-	-
Charges for services	-	-	-	-	-
Developers' contributions	-	-	-	-	-
Revenue from the use of money and property	392,760	43,056	-	-	1,296
Recovered costs	-	927,560	-	386,464	3,174,532
Total revenues	930,572	970,616	-	386,464	3,175,828
EXPENDITURES					
Current:					
General government administration	8,235	-	-	-	-
Judicial administration	-	745,877	-	-	-
Public safety	-	247,863	-	-	-
Public works	-	-	-	-	1,958,654
Health and welfare	7,848	-	-	-	-
Community development	2,000	3,167	-	289,075	-
Parks, recreation, and cultural	-	-	-	-	-
Intergovernmental:					
Community development	-	-	-	-	-
Parks, recreation, and cultural	11,200,000	-	-	-	-
Education - for Public Schools	130,000,000	-	-	-	-
Capital outlay:					
General government administration	774,622	-	-	-	-
Judicial administration	31,784	2,373,316	-	-	-
Public safety	-	10,998,736	-	-	-
Public works	-	-	-	-	1,215,878
Health and welfare	2,954,851	-	-	-	-
Community development	660,026	-	-	-	-
Parks, recreation, and cultural	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	145,639,366	14,368,959	-	289,075	3,174,532
Excess (deficiency) of revenues over (under) expenditures	(144,708,794)	(13,398,343)	-	97,389	1,296
OTHER FINANCING SOURCES (USES)					
Transfers in	1,468,314	-	-	-	-
Transfers out	(663,833)	-	(250,939)	-	-
General obligation bonds issued	134,035,000	-	-	-	-
Premium on general obligation bonds issued	9,328,833	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Payments to escrow agents	-	-	-	-	-
Long-term loans	-	-	-	-	-
Total other financing sources (uses)	144,168,314	-	(250,939)	-	-
SPECIAL ITEM					
Proceeds from the sale of land	7,299,696	-	-	-	-
Net change in fund balances	6,759,216	(13,398,343)	(250,939)	97,389	1,296
Fund balances, July 1, 2010	(6,759,216)	40,870,574	250,939	32,026	4,770
Fund balances, June 30, 2011	$ -	27,472,231	-	129,415	6,066

EXHIBIT F-1
concluded

Housing Assistance Program	The Penny for Affordable Housing	Northern Virginia Regional Park Authority	Total Capital Projects Funds	
				REVENUES
-	9,340,000	-	9,340,000	Taxes
150,031	-	-	11,567,208	Intergovernmental
-	-	-	1,198,616	Charges for services
-	-	-	128,491	Developers' contributions
-	5,307,418	-	5,990,308	Revenue from the use of money and property
-	-	-	5,986,093	Recovered costs
150,031	14,647,418	-	34,210,716	Total revenues
				EXPENDITURES
				Current:
-	-	-	3,284,055	General government administration
-	-	-	745,877	Judicial administration
-	-	-	2,002,717	Public safety
-	-	-	4,623,267	Public works
-	-	-	79,540	Health and welfare
782,857	1,108,847	-	11,152,969	Community development
-	-	-	1,207,431	Parks, recreation, and cultural
				Intergovernmental:
-	-	-	23,981,914	Community development
-	-	2,700,000	21,391,464	Parks, recreation, and cultural
-	-	-	130,000,000	Education - for Public Schools
				Capital outlay:
-	-	-	4,673,862	General government administration
-	-	-	2,864,875	Judicial administration
-	-	-	15,375,734	Public safety
-	-	-	8,631,729	Public works
-	-	-	3,269,514	Health and welfare
-	-	-	5,374,026	Community development
-	-	-	5,466,718	Parks, recreation, and cultural
				Debt service:
-	4,390,000	-	5,035,000	Principal retirement
-	5,341,945	-	5,733,234	Interest and other charges
782,857	10,840,792	2,700,000	254,893,926	Total expenditures
(632,826)	3,806,626	(2,700,000)	(220,683,210)	Excess (deficiency) of revenues over (under) expenditures
				OTHER FINANCING SOURCES (USES)
515,000	-	-	25,489,526	Transfers in
-	-	-	(12,198,594)	Transfers out
-	-	2,700,000	171,395,000	General obligation bonds issued
-	-	-	11,568,833	Premium on general obligation bonds issued
-	30,584,697	-	30,584,697	Refunding bonds issued
-	(30,473,938)	-	(30,473,938)	Payments to escrow agents
6,535,000	-		6,535,000	Long-term loans
7,050,000	110,759	2,700,000	202,900,524	Total other financing sources (uses)
				SPECIAL ITEM
-	-	-	7,299,696	Proceeds from the sale of land
6,417,174	3,917,385	-	(10,482,990)	Net change in fund balances
(3,847,956)	40,768,923	-	188,029,686	Fund balances, July 1, 2010
2,569,218	44,686,308	-	177,546,696	Fund balances, June 30, 2011

The **Internal Service Funds** are used to account for the financing of goods or services provided by a department to another department on a cost reimbursement basis.

Vehicle Services Fund is used to account for the acquisition of certain motor vehicles and the costs associated with the operation thereof by various departments of the reporting entity.

Self-Insurance Fund is used to account for the costs associated with providing coverage to the County for losses related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and citizens, and natural disasters; with managing claims pertaining thereto; and with operating various loss-prevention, safety, and rehabilitation programs.

Document Services Fund is used to account for the costs associated with providing printing, copying, and micrographic services to various departments of the reporting entity.

Technology Infrastructure Services Fund is used to account for the costs associated with providing data center and network services to County departments through the operation and maintenance of a mainframe computer, data communications equipment, and radio networks.

Health Benefits Fund is used to account for the provision of a comprehensive health insurance benefits program to County employees.

COUNTY OF FAIRFAX, VIRGINIA
Internal Service Funds
Combining Statement of Net Assets
June 30, 2011

	Vehicle Services	Self-Insurance	Document Services
ASSETS			
Current assets:			
Equity in pooled cash and temporary investments	$ 45,480,280	43,180,366	2,738,604
Accounts receivable	-	-	-
Accrued interest receivable	-	3,674	-
Interfund receivables	-	-	-
Inventories of supplies	1,889,575	-	-
Prepaid and other assets	-	-	107,188
Total current assets	47,369,855	43,184,040	2,845,792
Long-term assets:			
Restricted assets - Cash with fiscal agents	-	187,000	-
Capital assets:			
Non-depreciable/non-amortizable:			
Land	1,938,688	-	-
Equipment under construction	-	-	-
Software in development	-	-	-
Depreciable:			
Equipment	96,709,957	-	5,425,263
Buildings and improvements	19,392,091	-	-
Accumulated depreciation	(67,228,919)	-	(1,707,768)
Total capital assets, net	50,811,817	-	3,717,495
Total long-term assets	50,811,817	187,000	3,717,495
Total assets	98,181,672	43,371,040	6,563,287
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	2,491,190	25,203	564,704
Accrued salaries and benefits	455,199	33,591	18,514
Interfund payables	192,330	10,987	6,715
Deferred revenue	-	-	-
Compensated absences payable	1,080,854	62,212	47,771
Obligations under capital leases	-	-	1,064,155
Insurance and benefit claims payable	-	16,901,465	-
Total current liabilities	4,219,573	17,033,458	1,701,859
Long-term liabilities:			
Compensated absences payable	916,217	16,302	21,485
Obligations under capital leases	-	-	2,277,217
Insurance and benefit claims payable	-	23,515,193	-
Total long-term liabilities	916,217	23,531,495	2,298,702
Total liabilities	5,135,790	40,564,953	4,000,561
NET ASSETS			
Invested in capital assets, net of related debt	50,811,817	-	376,123
Unrestricted	42,234,065	2,806,087	2,186,603
Total net assets	$ 93,045,882	2,806,087	2,562,726

EXHIBIT G

Technology Infrastructure Services	Health Benefits	Total Internal Service Funds	
			ASSETS
			Current assets:
7,193,818	40,852,966	139,446,034	Equity in pooled cash and temporary investments
256	-	256	Accounts receivable
-	3,475	7,149	Accrued interest receivable
-	715,767	715,767	Interfund receivables
-	-	1,889,575	Inventories of supplies
191,884	-	299,072	Prepaid and other assets
7,385,958	41,572,208	142,357,853	Total current assets
			Long-term assets:
-	-	187,000	Restricted assets - Cash with fiscal agents
			Capital assets:
			Non-depreciable/non-amortizable:
-	-	1,938,688	Land
271,463	-	271,463	Equipment under construction
767,744	-	767,744	Software in development
			Depreciable:
19,167,686	-	121,302,906	Equipment
873,642	-	20,265,733	Buildings and improvements
(15,141,836)	-	(84,078,523)	Accumulated depreciation
5,938,699	-	60,468,011	Total capital assets, net
5,938,699	-	60,655,011	Total long-term assets
13,324,657	41,572,208	203,012,864	Total assets
			LIABILITIES
			Current liabilities:
646,219	1,251,965	4,979,281	Accounts payable and accrued liabilities
179,596	4,777	691,677	Accrued salaries and benefits
58,053	-	268,085	Interfund payables
-	1,221,886	1,221,886	Deferred revenue
509,858	-	1,700,695	Compensated absences payable
-	-	1,064,155	Obligations under capital leases
-	11,697,500	28,598,965	Insurance and benefit claims payable
1,393,726	14,176,128	38,524,744	Total current liabilities
			Long-term liabilities:
310,609	-	1,264,613	Compensated absences payable
-	-	2,277,217	Obligations under capital leases
-	-	23,515,193	Insurance and benefit claims payable
310,609	-	27,057,023	Total long-term liabilities
1,704,335	14,176,128	65,581,767	Total liabilities
			NET ASSETS
5,938,699	-	57,126,639	Invested in capital assets, net of related debt
5,681,623	27,396,080	80,304,458	Unrestricted
11,620,322	27,396,080	137,431,097	Total net assets

COUNTY OF FAIRFAX, VIRGINIA
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Assets
For the fiscal year ended June 30, 2011

	Vehicle Services	Self-Insurance	Document Services
OPERATING REVENUES:			
Charges for services	$ 74,096,254	23,522,217	3,079,242
Intergovernmental	-	-	-
Recovered costs	211,302	-	-
Total operating revenues	74,307,556	23,522,217	3,079,242
OPERATING EXPENSES:			
Personnel services	18,524,823	1,325,271	797,002
Materials and supplies	533,779	155,933	655,523
Equipment operation and maintenance	41,750,350	3,731	1,545,408
Risk financing and benefit payments	-	26,435,308	-
Depreciation	7,543,019	-	923,478
Professional consultant and contractual services	251,955	38,459	1,210,019
Other	119,014	77,011	-
Total operating expenses	68,722,940	28,035,713	5,131,430
Operating income (loss)	5,584,616	(4,513,496)	(2,052,188)
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	-	195,313	-
Interest expense	-	-	(175,331)
Loss on disposal of capital assets	(118,560)	-	(141)
Total nonoperating revenues (expenses)	(118,560)	195,313	(175,472)
Income (loss) before operating transfers and contributions	5,466,056	(4,318,183)	(2,227,660)
Capital contributions	257,035	-	-
Transfers in	-	-	2,398,233
Transfers out	(4,000,000)	-	-
Change in net assets	1,723,091	(4,318,183)	170,573
Total net assets, July 1, 2010	91,322,791	7,124,270	2,392,153
Total net assets, June 30, 2011	$ 93,045,882	2,806,087	2,562,726

EXHIBIT G-1

Technology Infrastructure Services	Health Benefits	Total Internal Service Funds	
			OPERATING REVENUES:
26,318,212	121,997,821	249,013,746	Charges for services
-	2,005,086	2,005,086	Intergovernmental
-	-	211,302	Recovered costs
26,318,212	124,002,907	251,230,134	Total operating revenues
			OPERATING EXPENSES:
6,166,530	-	26,813,626	Personnel services
229,214	7,229	1,581,678	Materials and supplies
15,204,623	112,290	58,616,402	Equipment operation and maintenance
-	116,973,453	143,408,761	Risk financing and benefit payments
2,509,479	-	10,975,976	Depreciation
4,745,183	59,243	6,304,859	Professional consultant and contractual services
53,384	7,109,026	7,358,435	Other
28,908,413	124,261,241	255,059,737	Total operating expenses
(2,590,201)	(258,334)	(3,829,603)	Operating income (loss)
			NONOPERATING REVENUES (EXPENSES):
-	180,937	376,250	Interest revenue
-	-	(175,331)	Interest expense
(1,977)	-	(120,678)	Loss on disposal of capital assets
(1,977)	180,937	80,241	Total nonoperating revenues (expenses)
(2,592,178)	(77,397)	(3,749,362)	Income (loss) before operating transfers and contributions
5,678	-	262,713	Capital contributions
1,814,103	-	4,212,336	Transfers in
-	-	(4,000,000)	Transfers out
(772,397)	(77,397)	(3,274,313)	Change in net assets
12,392,719	27,473,477	140,705,410	Total net assets, July 1, 2010
11,620,322	27,396,080	137,431,097	Total net assets, June 30, 2011

COUNTY OF FAIRFAX, VIRGINIA
Internal Service Funds
Combining Statement of Cash Flows
For the fiscal year ended June 30, 2011

	Vehicle Services	Self-Insurance	Document Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	$ 74,312,106	23,522,217	3,079,242
Payments to suppliers and contractors	(38,252,835)	-	(3,929,530)
Payments to employees	(19,302,940)	(1,345,254)	(846,311)
Claims and benefits paid	-	(20,581,689)	-
Payments for interfund services used	(6,088,163)	(275,136)	-
Intergovernmental revenue received	-	-	-
Net cash provided (used) by operating activities	10,668,168	1,320,138	(1,696,599)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(4,000,000)	-	-
Transfers from other funds	-	-	2,398,233
Net cash provided by noncapital financing activities	(4,000,000)	-	2,398,233
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	380,842	-	-
Purchase of capital assets	(13,702,424)	-	(187,406)
Principal payments on obligations under capital leases	-	-	(1,017,415)
Interest payments on obligations under capital leases	-	-	(175,331)
Net cash used by capital and related financing activities	(13,321,582)	-	(1,380,152)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	212,830	-
Net cash provided by investing activities	-	212,830	-
Net increase (decrease) in cash and cash equivalents	(6,653,414)	1,532,968	(678,518)
Cash and cash equivalents, July 1, 2010	52,133,694	41,834,398	3,417,122
Cash and cash equivalents, June 30, 2011	$ 45,480,280	43,367,366	2,738,604
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ 5,584,616	(4,513,496)	(2,052,188)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	7,543,019	-	923,478
Change in assets and liabilities:			
(Increase) Decrease in accounts receivable	4,550	-	-
(Increase) in interfund receivables	-	-	-
(Increase) decrease in inventories of supplies	(101,443)	-	-
(Increase) in other assets	-	-	(107,188)
Increase (decrease) in accounts payable and accrued liabilities	(1,562,740)	5,853,618	(411,392)
Increase (decrease) in accrued salaries and benefits	(655,903)	(14,003)	(41,721)
Increase (decrease) in contract retainage	(21,716)	-	-
Increase (decrease) in interfund payables	(122,215)	(5,981)	(7,588)
Total adjustments to operating income (loss)	5,083,552	5,833,634	355,589
Net cash provided (used) by operating activities	$ 10,668,168	1,320,138	(1,696,599)
Noncash capital and financing activities:			
Capital contributions - equipment	$ 257,035	-	-

EXHIBIT G-2

Technology Infrastructure Services	Health Benefits	Total Internal Service Funds	
			CASH FLOWS FROM OPERATING ACTIVITIES
26,318,115	122,680,319	249,911,999	Receipts from interfund services provided
(20,538,062)	(5,760,562)	(68,480,989)	Payments to suppliers and contractors
(6,405,413)	-	(27,899,918)	Payments to employees
-	(119,381,603)	(139,963,292)	Claims and benefits paid
-	-	(6,363,299)	Payments for interfund services used
-	2,005,086	2,005,086	Intergovernmental revenue received
(625,360)	(456,760)	9,209,587	Net cash provided (used) by operating activities
			CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES
-	-	(4,000,000)	Transfers to other funds
1,814,103	-	4,212,336	Transfers from other funds
1,814,103	-	212,336	Net cash provided by noncapital financing activities
			CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
152,905	-	533,747	Proceeds from sale of capital assets
(1,943,952)	-	(15,833,782)	Purchase of capital assets
-	-	(1,017,415)	Principal payments on obligations under capital leases
-	-	(175,331)	Interest payments on obligations under capital leases
(1,791,047)	-	(16,492,781)	Net cash used by capital and related financing activities
			CASH FLOWS FROM INVESTING ACTIVITIES
-	198,052	410,882	Interest received
-	198,052	410,882	Net cash provided by investing activities
(602,304)	(258,708)	(6,659,976)	Net increase (decrease) in cash and cash equivalents
7,796,122	41,111,674	146,293,010	Cash and cash equivalents, July 1, 2010
7,193,818	40,852,966	139,633,034	Cash and cash equivalents, June 30, 2011
			Reconciliation of operating income (loss) to net cash provided (used) by operating activities:
(2,590,201)	(258,334)	(3,829,603)	Operating income (loss)
			Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:
2,509,479	-	10,975,976	Depreciation
			Change in assets and liabilities:
(97)	94,765	99,218	(Increase) Decrease in accounts receivable
-	587,733	587,733	(Increase) in interfund receivables
-	-	(101,443)	(Increase) decrease in inventories of supplies
63,376	-	(43,812)	(Increase) in other assets
(369,034)	(883,355)	2,627,097	Increase (decrease) in accounts payable and accrued liabilities
(209,037)	2,431	(918,233)	Increase (decrease) in accrued salaries and benefits
-	-	(21,716)	Increase (decrease) in Contract retainage
(29,846)	-	(165,630)	Increase (decrease) in interfund payables
1,964,841	(198,426)	13,039,190	Total adjustments to operating income (loss)
(625,360)	(456,760)	9,209,587	Net cash provided (used) by operating activities
			Noncash capital and financing activities:
5,678	-	262,713	Capital contributions - equipment

The **Fiduciary Funds** are used to account for assets held by the County in a trustee or agency capacity and include the pension trust funds and agency funds. Pension trust funds account for assets held by the County under terms of a formal trust agreement. Agency funds are custodial in nature and are maintained to account for funds received and disbursed by the County on behalf of various organizations.

Pension Trust Funds are used to account for employee retirement systems that provide pension benefits for various classes of County employees. The County maintains three employee retirement funds: the Uniformed Retirement Fund, the Employees' Retirement Fund, and the Police Officers Retirement Fund.

OPEB Trust Fund is used to account for the costs of other post-employment benefits, including health care, life insurance, and other non-pension benefits offered to retirees. The establishment of a trust fund allows the County to capture long-term investment returns, make progress towards reducing the unfunded actuarial liability, and pre-fund the cost of post-employment health care and other non-pension benefits.

Sanitary Reimbursement Fund is an agency fund used to account for the collection of contributions from beneficiary developers toward the construction of major sewer lines and the reimbursement of these funds to the primary developers.

Special Welfare Fund is an agency fund used to account for regular assistance payments to recipients in the Aid to Dependent Children Program. These funds include money from the State, individuals, organizations, and churches.

Resource Recovery Fund is an agency fund used to account for certain assets of the commercial entity that operates the mass burn facility located near Interstate 95. This is the fund of the Fairfax County Solid Waste Authority, a blended component unit.

Vienna/Huntington Metrorail Fund is an agency fund used to account for certain funds related to the construction and operation of parking facilities at WMATA's Vienna and Huntington Metrorail Stations.

State Taxes Fund is an agency fund used to account for the collection of sheriff's fees and the subsequent remittances to the Commonwealth of Virginia.

Route 28 Fund is an agency fund used to account for the collection of assessments on certain industrial and commercial properties for transportation improvements to Route 28 and the subsequent remittances of these funds to the Commonwealth of Virginia.

Lake Barcroft Fund is an agency fund used to account for the collection of special assessments from certain property owners for the maintenance of Lake Barcroft and the subsequent remittances of these funds to the Commonwealth of Virginia.

Toll Road Violations Fund is an agency fund used to account for the collection of toll road violation fees and the subsequent remittances to Metropolitan Washington Airports Authority.

COUNTY OF FAIRFAX, VIRGINIA
Trust Funds
Combining Statement of Plan Net Assets
June 30, 2011

	Uniformed Retirement	Employees' Retirement	Police Officers Retirement
ASSETS			
Equity in pooled cash and temporary investments	$ 1,790,395	2,729,074	1,371,592
Cash collateral for securities lending	61,616,816	241,795,516	38,820,722
Contributions receivable	3,893,157	7,427,874	2,552,772
Accrued interest and dividends receivable	2,862,107	9,741,838	2,797,961
Receivable from sale of pension investments	63,576,244	127,514,686	7,163,607
Investments, at fair value:			
U.S. Government securities	10,736,033	107,113,659	35,581,286
Asset-backed securities	87,139,099	207,255,048	83,393,368
Corporate and other bonds	101,929,951	354,537,528	81,112,786
Common and preferred stock	311,316,984	940,164,042	321,128,674
Short-term investments	84,982,194	287,631,300	57,866,600
Investment in pooled funds	629,331,239	1,144,611,564	455,895,505
Total assets	1,359,174,219	3,430,522,129	1,087,684,873
LIABILITIES			
Accounts payable and accrued liabilities	2,059,136	4,967,071	1,608,068
Accrued salaries and benefits	8,663	40,427	8,663
Interfund payable	2,936	13,702	2,936
Payable for purchase of pension investments	75,074,695	198,841,769	12,098,523
Liabilities for collateral received under securities lending agreements	61,616,816	241,795,516	38,820,722
Total liabilities	138,762,246	445,658,485	52,538,912
NET ASSETS			
Held in trust for pension/OPEB benefits	$ 1,220,411,973	2,984,863,644	1,035,145,961

EXHIBIT H

Total Pension Trust Funds	OPEB Trust Fund	Total Trust Funds	
			ASSETS
5,891,061	6,960,088	12,851,149	Equity in pooled cash and temporary investments
342,233,054	-	342,233,054	Cash collateral for securities lending
13,873,803	-	13,873,803	Contributions receivable
15,401,906	8,423	15,410,329	Accrued interest and dividends receivable
198,254,537	-	198,254,537	Receivable from sale of pension investments
			Investments, at fair value:
153,430,978	-	153,430,978	U.S. Government securities
377,787,515	-	377,787,515	Asset-backed securities
537,580,265	-	537,580,265	Corporate and other bonds
1,572,609,700	-	1,572,609,700	Common and preferred stock
430,480,094	-	430,480,094	Short-term investments
2,229,838,308	80,086,536	2,309,924,844	Investment in pooled funds
5,877,381,221	87,055,047	5,964,436,268	Total assets
			LIABILITIES
8,634,275	876	8,635,151	Accounts payable and accrued liabilities
57,753	3,087	60,840	Accrued salaries and benefits
19,574	915	20,489	Interfund payable
286,014,987	-	286,014,987	Payable for purchase of pension investments
342,233,054	-	342,233,054	Liabilities for collateral received under securities lending agreements
636,959,643	4,878	636,964,521	Total liabilities
			NET ASSETS
5,240,421,578	87,050,169	5,327,471,747	Held in trust for pension/OPEB benefits

COUNTY OF FAIRFAX, VIRGINIA
Trust Funds
Combining Statement of Changes in Plan Net Assets
For the fiscal year ended June 30, 2011

	Uniformed Retirement	Employees' Retirement	Police Officers Retirement
ADDITIONS			
Contributions:			
Employer	$ 45,817,015	96,607,535	29,174,611
Plan members	10,521,525	31,041,076	10,142,459
Other	-	-	-
Total contributions	56,338,540	127,648,611	39,317,070
Investment income:			
From investment activities:			
Net appreciation in fair value of investments	217,259,066	514,597,278	185,827,758
Interest	17,368,092	56,032,430	20,233,489
Dividends	8,453,082	18,713,275	7,727,342
Total income from investment activities	243,080,240	589,342,983	213,788,589
Less investment activities expenses:			
Management fees	4,809,223	11,498,400	3,473,267
Other	438,575	980,072	359,749
Total investment activities expenses	5,247,798	12,478,472	3,833,016
Net income from investment activities	237,832,442	576,864,511	209,955,573
From securities lending activities:			
Securities lending income	210,475	821,112	113,767
Less securities lending expenses:			
Borrower rebates	(74,592)	7,480	(22,380)
Management fees	78,262	218,974	37,514
Total securities lending activities expenses	3,670	226,454	15,134
Net income from securities lending activities	206,805	594,658	98,633
Net investment income	238,039,247	577,459,169	210,054,206
Total additions	294,377,787	705,107,780	249,371,276
DEDUCTIONS			
Benefits	63,822,794	183,800,128	49,429,119
Refunds of contributions	853,906	3,884,082	466,363
Administrative expenses	361,654	1,640,016	362,889
Total deductions	65,038,354	189,324,226	50,258,371
Net increase	229,339,433	515,783,554	199,112,905
Net assets, July 1, 2010	991,072,540	2,469,080,090	836,033,056
Net assets, June 30, 2011	$ 1,220,411,973	2,984,863,644	1,035,145,961

EXHIBIT H-1

Total Pension Trust Funds	OPEB Trust Fund	Total Trust Funds	
			ADDITIONS
			Contributions:
171,599,161	23,886,140	195,485,301	Employer
51,705,060	-	51,705,060	Plan members
-	1,322,067	1,322,067	Other
223,304,221	25,208,207	248,512,428	Total contributions
			Investment income:
			From investment activities:
917,684,102	13,082,075	930,766,177	Net appreciation in fair value of investments
93,634,011	29,546	93,663,557	Interest
34,893,699	-	34,893,699	Dividends
1,046,211,812	13,111,621	1,059,323,433	Total income from investment activities
			Less investment activities expenses:
19,780,890	68,534	19,849,424	Management fees
1,778,396	500	1,778,896	Other
21,559,286	69,034	21,628,320	Total investment activities expenses
1,024,652,526	13,042,587	1,037,695,113	Net income from investment activities
			From securities lending activities:
1,145,354	-	1,145,354	Securities lending income
			Less securities lending expenses:
(89,492)	-	(89,492)	Borrower rebates
334,750	-	334,750	Management fees
245,258	-	245,258	Total securities lending activities expenses
900,096	-	900,096	Net income from securities lending activities
1,025,552,622	13,042,587	1,038,595,209	Net investment income
1,248,856,843	38,250,794	1,287,107,637	Total additions
			DEDUCTIONS
297,052,041	13,715,036	310,767,077	Benefits
5,204,351	-	5,204,351	Refunds of contributions
2,364,559	139,081	2,503,640	Administrative expenses
304,620,951	13,854,117	318,475,068	Total deductions
944,235,892	24,396,677	968,632,569	Net increase
4,296,185,686	62,653,492	4,358,839,178	Net assets, July 1, 2010
5,240,421,578	87,050,169	5,327,471,747	Net assets, June 30, 2011

COUNTY OF FAIRFAX, VIRGINIA
Agency Funds
Combining Statement of Fiduciary Assets and Liabilities
June 30, 2011

	Sanitary Reimbursement	Special Welfare	State Taxes
ASSETS			
Equity in pooled cash and temporary investments	$ 1,817,305	575,612	22,356
Accounts receivable	-	-	-
Accrued interest and dividends receivable	152	-	-
Total assets	1,817,457	575,612	22,356
LIABILITIES			
Liabilities under reimbursement agreements	1,817,457	575,612	22,356
Total liabilities	$ 1,817,457	575,612	22,356

EXHIBIT H-2

Route 28	Lake Barcroft	Total Agency Funds	
			ASSETS
35,557	-	2,450,830	Equity in pooled cash and temporary investments
110,077	330	110,407	Accounts receivable
-	-	152	Accrued interest and dividends receivable
145,634	330	2,561,389	Total assets
			LIABILITIES
145,634	330	2,561,389	Liabilities under reimbursement agreements
145,634	330	2,561,389	Total liabilities

COUNTY OF FAIRFAX, VIRGINIA
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the fiscal year ended June 30, 2011

	Balances June 30, 2010	Additions	Deductions	Balances June 30, 2011
Sanitary Reimbursement				
Assets:				
Equity in pooled cash and temporary investments	$ 1,808,724	9,214	633	1,817,305
Accrued interest receivable	883	152	883	152
Total assets	1,809,607	9,366	1,516	1,817,457
Liabilities:				
Liabilities under reimbursement agreements	1,809,607	9,366	1,516	1,817,457
Total liabilities	1,809,607	9,366	1,516	1,817,457
Special Welfare				
Assets:				
Equity in pooled cash and temporary investments	576,650	817,812	818,850	575,612
Accrued interest receivable	55	-	55	-
Total assets	576,705	817,812	818,905	575,612
Liabilities:				
Liabilities under reimbursement agreements	576,705	817,812	818,905	575,612
Total liabilities	576,705	817,812	818,905	575,612
Resource Recovery				
Assets:				
Investments	31,630,071	14,421,568	46,051,639	-
Total assets	31,630,071	14,421,568	46,051,639	-
Liabilities:				
Liabilities under reimbursement agreements	31,630,071	14,421,568	46,051,639	-
Total liabilities	31,630,071	14,421,568	46,051,639	-
Vienna/Huntington Metrorail				
Assets:				
Investments	2,343,375	4,389,946	6,733,321	-
Total assets	2,343,375	4,389,946	6,733,321	-
Liabilities:				
Liabilities under reimbursement agreements	2,343,375	4,389,946	6,733,321	-
Total liabilities	2,343,375	4,389,946	6,733,321	-
State Taxes				
Assets:				
Equity in pooled cash and temporary investments	20,480	1,064,771	1,062,895	22,356
Total assets	20,480	1,064,771	1,062,895	22,356
Liabilities:				
Accounts payable and accrued liabilities	-			-
Liabilities under reimbursement agreements	20,480	1,064,771	1,062,895	22,356
Total liabilities	20,480	1,064,771	1,062,895	22,356
Route 28				
Assets:				
Equity in pooled cash and temporary investments	345	8,398,712	8,363,500	35,557
Accounts receivable	128,723	-	18,646	110,077
Total assets	129,068	8,398,712	8,382,146	145,634
Liabilities:				
Liabilities under reimbursement agreements	129,068	8,398,712	8,382,146	145,634
Total liabilities	$ 129,068	8,398,712	8,382,146	145,634

EXHIBIT H-3

	Balances June 30, 2010	Additions	Deductions	Balances June 30, 2011
Lake Barcroft				
Assets:				
Accounts receivable	2,554	905,574	907,798	330
Total assets	2,554	905,574	907,798	330
Liabilities:				
Liabilities under reimbursement agreements	2,554	905,574	907,798	330
Total liabilities	2,554	905,574	907,798	330
Toll Road Violations Penalties				
Assets:				
Equity in pooled cash and temporary investments	-	150,115	150,115	-
Total assets	-	150,115	150,115	-
Liabilities:				
Liabilities under reimbursement agreements	-	150,115	150,115	-
Total liabilities	-	150,115	150,115	-
Total Agency Funds:				
Assets:				
Equity in pooled cash and temporary investments	2,406,199	10,440,624	10,395,993	2,450,830
Investments	33,973,446	18,811,514	52,784,960	-
Accounts receivable	131,277	905,574	926,444	110,407
Accrued interest receivable	938	152	938	152
Total assets	36,511,860	30,157,864	64,108,335	2,561,389
Liabilities:				
Liabilities under reimbursement agreements	36,511,860	30,157,864	64,108,335	2,561,389
Total liabilities	$ 36,511,860	30,157,864	64,108,335	2,561,389

The **Capital Assets** schedules report assets that have been acquired for the activities of the governmental funds. The costs of such assets are recorded as expenditures in the General Fund, special revenue funds, and capital projects funds upon acquisition.

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT I

Capital Assets Used in the Operation of Governmental Funds
Schedule by Source (1)
June 30, 2011

	Governmental Funds
Governmental funds capital assets:	
Land	$ 413,696,754
Easements	8,293,364
Equipment	251,170,236
Software	356,043
Library collections	80,977,972
Buildings	1,225,169,823
Improvements	126,746,395
Infrastructure	586,676,841
Construction in progress	87,319,500
Capital equipment under construction	30,343,403
Software in development	42,825,942
Total governmental funds capital assets	2,853,576,273
Investments in governmental funds capital assets by source:	
General fund	1,073,493,395
Special revenue funds	317,517,920
Capital projects funds	1,250,259,149
Gifts and donations	212,305,809
Total governmental funds capital assets	$ 2,853,576,273

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

COUNTY OF FAIRFAX
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VIRGINIA

COUNTY OF FAIRFAX, VIRGINIA
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity (1)
June 30, 2011

Function and Activity	Land	Easements	Equipment	Software	Library Collections
General government administration:					
Legislative	$ 103,668,773	1,487,000	-	-	-
General and financial administration	18,756,106	-	31,487,711	228,248	-
Board of Elections	-	-	146,889	-	-
Total general government administration	122,424,879	1,487,000	31,634,600	228,248	-
Judicial administration:					
Courts	-	-	851,980	-	-
Commonwealth's Attorney	61,298	-	406,284	-	-
Total judicial administration	61,298	-	1,258,264	-	-
Public safety:					
Law enforcement	1,425,806	-	33,872,127	127,795	-
Fire and rescue services	9,795,840	-	19,464,740	-	-
Correction and detention	-	-	431,587	-	-
Inspections	-	-	1,490,077	-	-
Other protection	4,766,000	158,060	23,969,692	-	-
Total public safety	15,987,646	158,060	79,228,223	127,795	-
Public works:					
Maintenance of streets, roads, and bridges	890,000	183,277	3,830,891	-	-
Sanitation and waste removal	103,877,170	-	35,714,017	-	-
Maintenance of buildings and grounds	958,660	-	2,141,167	-	-
Total public works	105,725,830	183,277	41,686,075	-	-
Health and welfare:					
Health	4,538,432	-	2,338,000	-	-
Mental health and mental retardation	1,638,461	207,800	867,769	-	-
Welfare/social services	-	-	1,292,158	-	-
Total health and welfare	6,176,893	207,800	4,497,927	-	-
Community development:					
Planning and community development	152,311,829	6,228,477	90,594,027	-	-
Environmental management	-	-	374,750	-	-
Cooperative extension program	-	-	-	-	-
Total community development	152,311,829	6,228,477	90,968,777	-	-
Parks, recreation, and cultural:					
Parks and recreation	1,504,046	-	1,108,054	-	-
Library	9,504,333	28,750	788,316	-	80,977,972
Total parks, recreation, and cultural	11,008,379	28,750	1,896,370	-	80,977,972
Total functional capital assets in governmental funds	$ 413,696,754	8,293,364	251,170,236	356,043	80,977,972

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

EXHIBIT I-1

Buildings	Improvements	Infrastructure	Total	Function and Activity
				General government administration:
78,286,254	5,327,117	-	188,769,144	Legislative
138,382,819	2,046,952	350,030	191,251,866	General and financial administration
-	-	-	146,889	Board of Elections
216,669,073	7,374,069	350,030	380,167,899	Total general government administration
				Judicial administration:
8,468,171	17,187	-	9,337,338	Courts
39,247,023	131,052	-	39,845,657	Commonwealth's Attorney
47,715,194	148,239	-	49,182,995	Total judicial administration
				Public safety:
105,425,719	2,476,142	-	143,327,589	Law enforcement
63,087,467	3,150,081	-	95,498,128	Fire and rescue services
235,836,099	5,727,197	20,708,000	262,702,883	Correction and detention
-	-	-	1,490,077	Inspections
452,493	1,650,026	-	30,996,271	Other protection
404,801,778	13,003,446	20,708,000	534,014,948	Total public safety
				Public works:
119,976,764	33,765,120	440,938,937	599,584,989	Maintenance of streets, roads, and bridges
3,536,895	2,743,454	-	145,871,536	Sanitation and waste removal
42,493	1,244,404	-	4,386,724	Maintenance of buildings and grounds
123,556,152	37,752,978	440,938,937	749,843,249	Total public works
				Health and welfare:
61,245,887	1,723,432	-	69,845,751	Health
35,325,931	428,468	-	38,468,429	Mental health and mental retardation
2,520,691	353,115	-	4,165,964	Welfare/social services
99,092,509	2,505,015	-	112,480,144	Total health and welfare
				Community development:
211,183,113	50,317,364	124,560,108	635,194,918	Planning and community development
-	-	-	374,750	Environmental management
-	1,299,107	-	1,299,107	Cooperative extension program
211,183,113	51,616,471	124,560,108	636,868,775	Total community development
				Parks, recreation, and cultural:
42,242,660	13,394,785	-	58,249,545	Parks and recreation
79,909,344	951,392	119,766	172,279,873	Library
122,152,004	14,346,177	119,766	230,529,418	Total parks, recreation, and cultural
1,225,169,823	126,746,395	586,676,841	2,693,087,428	**Total functional capital assets in governmental funds**
			87,319,500	Construction in progress
			30,343,403	Capital equipment under construction
			42,825,942	Software in development
			2,853,576,273	**Total governmental funds capital assets**

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT I-2

Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity (1)
For the fiscal year ended June 30, 2011

Function and Activity	Capital Assets June 30, 2010	Additions	Deletions	Capital Assets June 30, 2011
General government administration:				
Legislative	$ 190,104,422	-	1,335,278	188,769,144
General and financial administration	186,097,107	10,552,905	5,398,146	191,251,866
Board of Elections	146,889	-	-	146,889
Total general government administration	376,348,418	10,552,905	6,733,424	380,167,899
Judicial administration:				
Courts	9,049,991	378,247	90,900	9,337,338
Commonwealth's Attorney	39,845,657	-	-	39,845,657
Total judicial administration	48,895,648	378,247	90,900	49,182,995
Public safety:				
Law enforcement	142,379,455	9,962,315	9,014,181	143,327,589
Fire and rescue services	97,734,936	1,760,084	3,996,892	95,498,128
Correction and detention	258,561,712	4,141,171	-	262,702,883
Inspections	1,518,916	-	28,839	1,490,077
Other protection	26,950,587	4,169,436	123,752	30,996,271
Total public safety	527,145,606	20,033,006	13,163,664	534,014,948
Public works:				
Maintenance of streets, roads, and bridges	584,062,352	15,619,281	96,644	599,584,989
Sanitation and waste removal	147,625,750	2,191,537	3,945,751	145,871,536
Maintenance of buildings and grounds	4,275,450	120,385	9,111	4,386,724
Total public works	735,963,552	17,931,203	4,051,506	749,843,249
Health and welfare:				
Health	69,750,173	635,498	539,920	69,845,751
Mental health and intellectual disability	30,663,695	8,106,905	302,171	38,468,429
Welfare/social services	3,835,868	356,167	26,071	4,165,964
Total health and welfare	104,249,736	9,098,570	868,162	112,480,144
Community development:				
Planning and community development	632,116,264	14,134,956	11,056,302	635,194,918
Environmental management	374,750	-	-	374,750
Cooperative extension program	1,299,107	-	-	1,299,107
Total community development	633,790,121	14,134,956	11,056,302	636,868,775
Parks, recreation, and cultural:				
Parks and recreation	51,413,783	6,974,762	139,000	58,249,545
Library	169,255,667	3,566,145	541,939	172,279,873
Total parks, recreation, and cultural	220,669,450	10,540,907	680,939	230,529,418
Total general capital assets allocated to functions	2,647,062,531	82,669,794	36,644,897	2,693,087,428
Equipment under construction	12,704,333	17,684,368	45,298	30,343,403
Construction in progress	64,160,056	63,736,431	40,576,987	87,319,500
Software in progress	20,264,490	22,789,700	228,248	42,825,942
Total governmental funds capital assets	$ 2,744,191,410	$ 186,880,293	$ 77,495,430	$ 2,853,576,273

(1) This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included as governmental activities in the statement of net assets.

COUNTY OF FAIRFAX
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Fairfax County 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 in that its operations are funded primarily by payments from the County's General Fund, and the County issues general obligation debt to fund Public Schools capital projects.

General Fund is used to account for expenditures to operate, maintain, and support Public Schools' programs. Its primary sources of revenues are Federal and State Aid and payments from the County's General Fund.

Food and Nutrition Services Fund is a special revenue fund used to account for the provision of student breakfasts, snacks, and lunches. Primary sources of revenues are Federal and State Aid and receipts from food sales.

Grants and Self-Supporting Programs Fund is a special revenue fund used to account for federal, state, non-profit, and private industry grants that support the Instructional Services, Student Services, Special Education, and Information Technology programs.

Adult and Community Education Fund is a special revenue fund used to account for programs pertaining to basic skills education, high school completion, English as a second language, apprenticeship and occupation skills instruction, family literacy, driver education, SAT preparation, and business contracts.

Capital Projects Fund is used to account for the renovation, expansion, and new construction of school facilities as authorized by voter referendum and for other capital expenditures. Projects are funded primarily by proceeds from the sale of County general obligation bonds.

Central Procurement Fund is an internal service fund used to account for the centrally procured orders of textbooks, supplies, and equipment and their issuance to individual schools and offices.

Health Benefits Trust Fund is an internal service fund used to account for the provision of a comprehensive health insurance benefits program to Public Schools' employees.

Insurance Fund is an internal service fund that is used to account for the Public Schools' casualty liability obligations, including the provision of worker's compensation benefits in the form of medical and disability payments to Public Schools' employees who sustain occupational injuries.

Pension Trust Fund is used to account for the Educational Employees' Supplementary Retirement System, which provides pension benefits for Public Schools' employees.

OPEB Trust Fund is used to account for a single-employer other post-employment defined benefit plan.

Student Activity Fund is an agency fund that is used to account for the funds derived from various extracurricular school activities.

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Balance Sheet - Governmental Funds
June 30, 2011

			Nonmajor Governmental	
			Special Revenue	
	General Fund	Capital Projects Fund	Food and Nutrition Services	Grants and Self-Supporting Programs
ASSETS				
Equity in pooled cash and temporary investments	$ 329,824,084	98,002,482	13,578,328	152,762
Receivables:				
Accounts	4,347	-	130,441	-
Accrued interest	43	-	20,830	3,564
Due from intergovernmental units	27,808,646	-	4,442,327	21,617,640
Due from primary government	-	-	274,976	-
Interfund receivables	6,638,000	-	-	-
Inventories of supplies	-	-	1,380,185	-
Prepaid and other assets	23,246,428	-	648,807	223,726
Total assets	$ 387,521,548	98,002,482	20,475,894	21,997,692
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$ 20,931,432	14,105,946	35,339	376,617
Accrued salaries and benefits	105,242,678	-	-	3,326
Contract retainages	-	7,282,192	-	-
Interfund payables	332,485	-	-	4,800,000
Deferred revenue	278,793	1,303,504	1,779,644	1,962,406
Performance and other deposits	-	302,163	-	-
Total liabilities	126,785,388	22,993,805	1,814,983	7,142,349
Fund balances:				
Nonspendable	23,246,428	-	2,028,992	223,726
Restricted	-	-	16,631,919	14,631,617
Committed	47,993,007	-	-	-
Assigned	140,889,706	75,008,677	-	-
Unassigned	48,607,019	-	-	-
Total fund balances	260,736,160	75,008,677	18,660,911	14,855,343
Total liabilities and fund balances	$ 387,521,548	98,002,482	20,475,894	21,997,692

Reconciliation of the Balance Sheet to the Statement of Net Assets

Fund balances - Total governmental funds	$ 369,458,839
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental fund activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $3,272,751,160 and accumulated depreciation/amortization is $1,255,660,223.	2,017,213,491
Intangible assets used in governmental fund activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $5,637,657 and accumulated amortization is $846,324.	4,791,333
Internal service funds are used by management to provide certain goods and services to governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	63,059,127
Compensated absences and accrued interests on long-term debt related to governmental fund activities are not due and payable in the current period, and therefore, are not reported in the funds.	(30,643,049)
Capital lease are not due and payable in the current period and, therefore, are not reported in the funds.	(81,326,518)
Rent Abatement on Capital Lease is not reported in governmental funds.	(1,722,960)
The net OPEB obligation, resulting from the annual required contribution in excess of the contributions for other post-employment benefits , is not considered a financial liability and, therefore, is not reported in the governmental funds.	(1,708,994)
Net assets of governmental activities	$ 2,339,121,269

EXHIBIT J

Funds		
Funds		
Adult and Community Education	Total Governmental Funds	
		ASSETS
538,766	442,096,422	Equity in pooled cash and temporary investments
		Receivables:
-	134,788	Accounts
1,045	25,482	Accrued interest
70,139	53,938,752	Due from intergovernmental units
-	274,976	Due from primary government
-	6,638,000	Interfund receivables
-	1,380,185	Inventories of supplies
-	24,118,961	Prepaid and other assets
609,950	528,607,566	Total assets
		LIABILITIES AND FUND BALANCES
		Liabilities:
105	35,449,439	Accounts payable and accrued liabilities
2,616	105,248,620	Accrued salaries and benefits
-	7,282,192	Contract retainages
-	5,132,485	Interfund payables
409,481	5,733,828	Deferred revenue
-	302,163	Performance and other deposits
412,202	159,148,727	Total liabilities
		Fund balances:
-	25,499,146	Nonspendable
197,748	31,461,284	Restricted
-	47,993,007	Committed
-	215,898,383	Assigned
-	48,607,019	Unassigned
197,748	369,458,839	Total fund balances
609,950	528,607,566	Total liabilities and fund balances

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the fiscal year ended June 30, 2011

			Nonmajor Governmental	
			Special Revenue	
	General Fund	Capital Projects Fund	Food and Nutrition Services	Grants and Self-Supporting Programs
REVENUES				
Intergovernmental	$ 2,138,440,795	130,000,000	27,344,114	46,368,345
Charges for services	9,728,734	-	46,411,288	1,600,088
Revenue from the use of money and property	3,181,302	251,751	63,855	17,569
Recovered costs	35,256,195	538,741	-	-
Other	7,142,906	2,490,764	18,750	1,087,018
Total revenues	2,193,749,932	133,281,256	73,838,007	49,073,020
EXPENDITURES				
Current:				
Education	2,047,661,405	19,424,120	70,522,112	61,297,551
Capital outlay	30,407,652	143,041,083	405,483	503,931
Debt service:				
Principal retirement	22,759,352	-	-	-
Interest and other charges	4,317,442	-	-	-
Total expenditures	2,105,145,851	162,465,203	70,927,595	61,801,482
Excess (deficiency) of revenues over (under) expenditures	88,604,081	(29,183,947)	2,910,412	(12,728,462)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	9,916,150	-	14,367,709
Transfers out	(24,683,859)	-	-	-
Capital leases and installment purchases	7,058,523	-	-	-
Total other financing sources (uses)	(17,625,336)	9,916,150	-	14,367,709
Net change in fund balances	70,978,745	(19,267,797)	2,910,412	1,639,247
Fund balances, July 1, 2010	189,757,415	94,276,474	16,042,275	13,216,096
Increase in reserve for inventories of supplies	-	-	(291,776)	-
Fund balances, June 30, 2011	$ 260,736,160	75,008,677	18,660,911	14,855,343

EXHIBIT J-1

Funds Funds Adult and Community Education	Total Governmental Funds	
		REVENUES
1,422,114	2,343,575,368	Intergovernmental
7,122,070	64,862,180	Charges for services
3,231	3,517,708	Revenue from the use of money and property
-	35,794,936	Recovered costs
396,626	11,136,064	Other
8,944,041	2,458,886,256	Total revenues
		EXPENDITURES
		Current:
9,944,090	2,208,849,278	Education
-	174,358,151	Capital outlay
		Debt service:
-	22,759,350	Principal retirement
-	4,317,442	Interest and other charges
9,944,090	2,410,284,221	Total expenditures
(1,000,049)	48,602,035	Excess (deficiency) of revenues over (under) expenditures
		OTHER FINANCING SOURCES (USES)
400,000	24,683,859	Transfers in
-	(24,683,859)	Transfers out
-	7,058,523	Capital leases and installment purchases
400,000	7,058,523	Total other financing sources (uses)
(600,049)	55,660,558	Net change in fund balances
797,797	314,090,057	Fund balances, July 1, 2010
-	(291,776)	Increase in reserve for inventories of supplies
197,748	369,458,839	Fund balances, June 30, 2011

continued

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT J-1**
concluded

Fairfax County Public Schools
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the fiscal year ended June 30, 2011

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

Net change in fund balances - Total governmental funds		$ 55,660,558
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceed depreciation/amortization expense in the current period:		
Capital outlay	$ 174,358,149	
Capital lease expenditures		
Capitalized interest on School Administration Building		
Less depreciation/amortization expense	(109,161,277)	65,196,872
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		3,633,822
Loss on the disposition of capital assets is reported in the statement of activities. However, in the governmental funds, only the proceeds from sales are reported, which increase fund balance. Thus, the difference is the depreciated cost of the capital assets disposed.		(7,726,475)
Principal payments on capital leases and installment purchases are reported as expenditures in governmental funds. However, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.		22,759,352
Under the modified accrual basis of accounting used in the governmental funds, expenditures for compensated absences are not recognized until they mature. In the statement of activities, however, they are reported as expenses and liabilities as they accrue.		1,657,146
Internal service funds are used by management to provide certain goods and services to governmental funds. The change in net assets of these funds is reported within governmental activities in the statement of activities.		4,318,624
Interest on capital leases and installment purchases is reported as expenditures in the governmental funds when it is due. However, in the statement of activities, interest is expensed as it accrues. This amount represents the net change in accrued interest on long-term debt.		229,815
Proceeds from the issuance of long-term debt are reported as other financing sources in the governmental funds, increasing fund balance. In the government-wide statements, new debt increases long-term liabilities in the statement of net assets and does not affect the statement of activities. This amount represents principal amounts of new capital leases and and installment purchases.		(7,058,523)
Rent abatement charges reduce deferred rent in government-wide statements, but do not use current resources so are not reported in governmental funds.		(651,710)
Inventory changes impact net assets in government-wide statements, but are recorded as expenditures when purchase in governmental fund statements.		(291,776)
OPEB costs are recognized as expenditures in the fund statements, but are deferred and amortized in the government-wide statements, resulting in a net difference.		7,157,399
Change in net assets of governmental activities		$ 144,885,104

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT J-2**

Fairfax County Public Schools
Budgetary Comparison Schedule - General Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 501,107,299	532,971,855	526,850,318	(6,121,537)
Charges for services	10,022,262	8,022,262	9,728,734	1,706,472
Revenue from the use of money and property	2,373,923	2,373,923	3,181,302	807,379
Recovered costs	35,433,040	35,433,040	35,256,195	(176,845)
Other	3,399,187	3,399,187	7,142,906	3,743,719
Total revenues	552,335,711	582,200,267	582,159,455	(40,812)
EXPENDITURES				
Education	2,139,489,844	2,248,251,990	2,094,313,605	153,938,385
Total expenditures	2,139,489,844	2,248,251,990	2,094,313,605	153,938,385
Excess (deficiency) of revenues over (under) expenditures	(1,587,154,133)	(1,666,051,723)	(1,512,154,150)	153,897,573
OTHER FINANCING USES				
Transfers in	1,610,334,722	1,611,590,477	1,611,590,477	-
Transfers out	(28,687,581)	(28,457,582)	(28,457,582)	-
Total other financing uses	1,581,647,141	1,583,132,895	1,583,132,895	-
Net change in fund balance	$ (5,506,992)	(82,918,828)	70,978,745	153,897,573

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT J-3A**

Fairfax County Public Schools
Budgetary Comparison Schedule - Food and Nutrition Services Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 22,562,210	$ 22,562,210	$ 27,344,114	4,781,904
Charges for services	49,102,532	49,038,246	46,411,288	(2,626,958)
Revenue from the use of money and property	135,549	135,549	63,855	(71,694)
Other	-	-	18,750	18,750
Total revenues	71,800,291	71,736,005	73,838,007	2,102,002
EXPENDITURES				
Education	83,017,202	87,778,279	70,927,595	16,850,684
Total expenditures	83,017,202	87,778,279	70,927,595	16,850,684
Excess (deficiency) of revenues over (under) expenditures	(11,216,911)	(16,042,274)	2,910,412	18,952,686
Net change in fund balance	$ (11,216,911)	(16,042,274)	2,910,412	18,952,686

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT J-3B**

Fairfax County Public Schools

Budgetary Comparison Schedule - Grants and Self-Supporting Programs Fund (Budget Basis)

For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 52,548,558	$ 63,808,747	$ 43,850,616	(19,958,131)
Charges for services	2,034,042	2,034,042	1,600,088	(433,954)
Revenue from the use of money and property	-	-	17,569	17,569
Other	26,421	588,332	1,087,018	498,686
Total revenues	54,609,021	66,431,121	46,555,291	(19,875,830)
EXPENDITURES				
Education	72,812,263	96,532,656	61,801,482	34,731,174
Total expenditures	72,812,263	96,532,656	61,801,482	34,731,174
Excess (deficiency) of revenues over (under) expenditures	(18,203,242)	(30,101,535)	(15,246,191)	14,855,344
OTHER FINANCING SOURCES				
Transfers in	14,367,709	14,367,709	14,367,709	-
Transfers in from primary government	2,517,729	2,517,729	2,517,729	-
Total other financing sources	16,885,438	16,885,438	16,885,438	-
Net change in fund balance	$ (1,317,804)	(13,216,097)	1,639,247	14,855,344

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT J-3C

Fairfax County Public Schools
Budgetary Comparison Schedule - Adult and Community Education Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final	(Budget Basis)	Positive (Negative)
REVENUES				
Intergovernmental	$ 1,322,994	$ 1,472,994	$ 1,422,114	(50,880)
Charges for services	8,343,313	8,403,073	7,122,070	(1,281,003)
Recovered costs	48,850	48,850	3,231	(45,619)
Other	283,702	346,702	396,626	49,924
Total revenues	9,998,859	10,271,619	8,944,041	(1,327,578)
EXPENDITURES				
Education	10,568,675	11,469,416	9,944,090	1,525,326
Total expenditures	10,568,675	11,469,416	9,944,090	1,525,326
Excess (deficiency) of revenues over (under) expenditures	(569,816)	(1,197,797)	(1,000,049)	197,748
OTHER FINANCING SOURCES				
Transfers in	400,000	400,000	400,000	-
Net change in fund balance	$ (169,816)	(797,797)	(600,049)	197,748

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT J-4

Fairfax County Public Schools
Combining Statement of Net Assets - Internal Service Funds
June 30, 2011

	Central Procurement	Health Benefits Trust	Insurance	Total Internal Service Funds
ASSETS				
Current assets:				
Equity in pooled cash and temporary investments	$ 112,946	102,463,296	41,010,764	143,587,006
Accounts receivable	-	2,030,793	-	2,030,793
Accrued interest receivable	-	139,840	-	139,840
Inventories of supplies	1,854,588	-	-	1,854,588
Interfund receivables	332,485	-	-	332,485
Total current assets	2,300,019	104,633,929	41,010,764	147,944,712
Long-term assets - Capital assets:				
Equipment	100,053	-	40,029	140,082
Accumulated depreciation	(90,091)	-	(32,463)	(122,554)
Total long-term assets	9,962	-	7,566	17,528
Total assets	2,309,981	104,633,929	41,018,330	147,962,240
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	306,906	5,561,589	109,812	5,978,307
Interfund payables	1,800,000	-	-	1,800,000
Compensated absences payable	-	82,720	36,709	119,429
Insurance and benefit claims payable	-	17,459,100	8,560,185	26,019,285
Deferred revenue	-	28,681,452	-	28,681,452
Total current liabilities	2,106,906	51,784,861	8,706,706	62,598,473
Long-term liabilities:				
Compensated absences payable	-	35,452	15,733	51,185
Insurance and benefit claims payable	-	918,900	21,334,555	22,253,455
Total long-term liabilities	-	954,352	21,350,288	22,304,640
Total liabilities	2,106,906	52,739,213	30,056,994	84,903,113
NET ASSETS				
Invested in capital assets	9,962	-	7,566	17,528
Unrestricted	193,113	51,894,716	10,953,770	63,041,599
Total net assets	$ 203,075	51,894,716	10,961,336	63,059,127

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT J-5

Fairfax County Public Schools
Combining Statement of Revenues, Expenses, and Changes in Net Assets - Internal Service Funds
For the fiscal year ended June 30, 2011

	Central Procurement	Health Benefits Trust	Insurance	Total Internal Service Funds
OPERATING REVENUES:				
Charges for services	$ 11,891,886	278,379,358	19,110,784	309,382,028
Total operating revenues	11,891,886	278,379,358	19,110,784	309,382,028
OPERATING EXPENSES:				
Cost of goods sold	12,013,572	-	-	12,013,572
Personnel services	67,013	1,888,308	836,732	2,792,053
Depreciation expense	3,437	-	3,865	7,302
Claims and benefit payments	-	265,564,439	14,681,763	280,246,202
Professional consultant and contractual services	-	8,938,799	815,574	9,754,373
Other	42,420	48,914	520,381	611,715
Total operating expenses	12,126,442	276,440,460	16,858,315	305,425,217
Operating income	(234,556)	1,938,898	2,252,469	3,956,811
NONOPERATING REVENUES:				
Interest revenue	-	361,813	-	361,813
Total nonoperating revenues	-	361,813	-	361,813
Income (loss) before operating transfers	(234,556)	2,300,711	2,252,469	4,318,624
Change in net assets	(234,556)	2,300,711	2,252,469	4,318,624
Total net assets, July 1, 2010	437,631	49,594,005	8,708,867	58,740,503
Total net assets, June 30, 2011	$ 203,075	51,894,716	10,961,336	63,059,127

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT J-6

Fairfax County Public Schools
Combining Statement of Cash Flows - Internal Service Funds
For the fiscal year ended June 30, 2011

	Central Procurement	Health Benefits Trust	Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	$ 11,824,819	281,199,707	19,110,784	312,135,310
Payments to suppliers	(12,120,798)	-	-	(12,120,798)
Payments to employees	(70,385)	(1,881,459)	(830,732)	(2,782,576)
Claims and benefits paid	-	(263,632,432)	(7,530,151)	(271,162,583)
Payments for professional services	-	(8,580,998)	(782,727)	(9,363,725)
Payments for other operating expenses	(40,625)	(56,582)	(523,302)	(620,509)
Net cash provided (used) by operating activities	(406,989)	7,048,236	9,443,872	16,085,119
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net advnaces from other funds	300,000	-	-	300,000
Net cash provided by noncapital financing activities	300,000	-	-	300,000
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	278,125	-	278,125
Net cash provided by investing activities	-	278,125	-	278,125
Net increase in cash and cash equivalents	(106,989)	7,326,361	9,443,872	16,663,244
Cash and cash equivalents, July 1, 2010	219,935	95,136,935	31,566,892	126,923,762
Cash and cash equivalents, June 30, 2011	$ 112,946	102,463,296	41,010,764	143,587,006
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ (234,556)	1,938,898	2,252,469	3,956,811
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	3,437	-	3,865	7,302
Change in assets and liabilities:				
(Increase) in accounts receivable	-	(658,151)	-	(658,151)
(Increase) decrease in interfund receivables	(67,068)	673,646	-	606,578
(Increase) in inventories of supplies	(194,019)	-	-	(194,019)
(Decrease) in accounts payable and accrued liabilities	88,589	1,229,139	36,647	1,354,375
Increase (decrease) in accrued salaries and benefits	-	(2,308)	(5,333)	(7,641)
(Decrease) increase in compensated absences	(3,372)	9,157	11,333	17,118
Increase in deferred revenue	-	2,804,855	-	2,804,855
Increase in insurance and benefits claims payable	-	1,053,000	7,144,891	8,197,891
Total adjustments to operating income (loss)	(172,433)	5,109,338	7,191,403	12,128,308
Net cash provided (used) by operating activities	$ (406,989)	7,048,236	9,443,872	16,085,119

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT J-7

Fairfax County Public Schools
Statement of Fiduciary Net Assets
June 30, 2011

	Pension Trust Fund - Educational Employees' Supplementary Retirement System	OPEB Trust Fund	Agency Fund - Student Activity Fund
ASSETS			
Equity in pooled cash and temporary investments	$ 935,246	800	936,046
Cash with fiscal agents	1,653,164	-	1,653,164
Cash collateral for securities lending	70,162,084	-	70,162,084
Accrued interest and dividends receivable	3,276,920	-	3,276,920
Receivable from sale of pension investments	91,816,243		91,816,243
Investments, at fair value:			
U.S. government obligations	9,775,639	-	9,775,639
Asset-backed securities	3,071,802	-	3,071,802
Corporate bonds	130,653,703	-	130,653,703
Common and preferred stock	647,304,673	15,972,778	663,277,451
Pooled and mutual funds	479,485,063	24,183,547	503,668,610
Real estate	142,630,077	-	142,630,077
Other bonds	400,411,370	1,806,194	402,217,564
Private Equity Mutual Partnership	9,054,940	-	9,054,940
Short-term investments	93,375,073	998	93,376,071
Prepaid items and other assets	24,792	-	24,792
Equipment, net of depreciation	35,933	-	35,933
Total assets	2,083,666,722	41,964,317	2,125,631,039
LIABILITIES			
Accounts payable and accrued liabilities	1,678,615	38,000	1,716,615
Payable for purchase of pension investments	124,857,904	1,875,232	126,733,136
Liabilities for collateral received under securities lending agreements	70,162,084	-	70,162,084
Total liabilities	196,698,603	1,913,232	198,611,835
NET ASSETS			
Held in trust for pension/OPEB benefits	$ 1,886,968,119	40,051,085	1,927,019,204

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT J-8

Fairfax County Public Schools
Statement of Changes in Plan Net Assets - Trust Funds
For the fiscal year ended June 30, 2011

	Pension Trust Fund - Educational Employees' Supplementary Retirement System	OPEB Trust Fund	Total Trust Funds
ADDITIONS			
Contributions:			
Employer	$ 47,118,111	45,492,399	92,610,510
Plan members	47,167,129	-	47,167,129
Total contributions	94,285,240	45,492,399	139,777,639
Investment income:			
From investment activities:			
Net appreciation in fair value of investments	306,582,500	5,523,052	312,105,552
Interest and dividends	41,843,597	74	41,843,671
Real estate income	1,849,906	-	1,849,906
Other	151,594	-	151,594
Total income from investment activities	350,427,597	5,523,126	355,950,723
Less investment activities expenses:			
Management fees	8,258,940	34,164	8,293,104
Other	723,311	500	723,811
Total investment activities expenses	8,982,251	34,664	9,016,915
Net income from investment activities	341,445,346	5,488,462	346,933,808
From securities lending activities:			
Securities lending income	229,914	-	229,914
Less securities lending expenses:			
Borrower rebates	(68,452)	-	(68,452)
Management fees	74,345	-	74,345
Total securities lending activities expenses	5,893	-	5,893
Net income from securities lending activities	224,021	-	224,021
Net investment income	341,669,367	5,488,462	347,157,829
Other loss	(1,503)		(1,503)
Total additions	435,953,104	50,980,861	486,933,965
DEDUCTIONS			
Benefits	149,046,042	30,492,399	179,538,441
Refunds of contributions	4,258,033	-	4,258,033
Administrative expenses	3,344,333	-	3,344,333
Total deductions	156,648,408	30,492,399	187,140,807
Net increase (decrease)	279,304,696	20,488,462	299,793,158
Net assets, July 1, 2010	1,607,663,423	19,562,623	1,627,226,046
Net assets, June 30, 2011	$ 1,886,968,119	40,051,085	1,927,019,204

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT J-9

Fairfax County Public Schools
Statement of Changes in Assets and Liabilities - Agency Fund
For the fiscal year ended June 30, 2011

	Balances June 30, 2010	Additions	Deductions	Balances June 30, 2011
Student Activity Fund:				
Assets:				
Cash with fiscal agents	$ 19,106,800	40,268,496	39,593,628	19,781,668
Accounts receivable	525,074	248,384	120,635	652,823
Inventories of supplies	349,869	81,705	63,521	368,053
Total assets	19,981,743	40,598,585	39,777,784	20,802,544
Liabilities:				
Accounts payable and accrued liabilities	382,770	332,556	158,316	557,010
Due to student groups	19,598,973	1,728,864	1,082,303	20,245,534
Total liabilities	$ 19,981,743	2,061,420	1,240,619	20,802,544

The **Fairfax County Redevelopment and Housing Authority** (FCRHA) is responsible for low income housing and community development programs within the County. FCRHA was approved by a voter referendum in November 1965 and was activated by the County Board of Supervisors in February 1966. FCRHA is a political subdivision of and reports to the Commonwealth of Virginia. The County Board of Supervisors appoints the FCRHA Board of Commissioners and the County provides certain managerial and other related assistance to FCRHA.

Primary Government represents FCRHA's use of an enterprise fund to report its activities. FCRHA activities are funded by federal grants from the U.S. Department of Housing and Urban Development (HUD), rents, and other user charges resulting from operations of subsidized housing, development and financing fees, investment income, and loan proceeds. These funds provide rental housing, housing for the elderly/group homes, loans for home ownership and home improvement, tenant assistance, community development, and administration of these programs.

Component Units are real estate limited partnerships of FCRHA. FCRHA is the managing general partner and has certain rights which enable it to impose its will on the limited partnerships. FCRHA is legally obligated to fund operating deficits, making FCRHA financially accountable for the partnerships.

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT K

Fairfax County Redevelopment and Housing Authority
Statement of Net Assets
June 30, 2011

		Housing Authority	Component Units of Housing	Total Entity
ASSETS				
Current assets:				
Equity in pooled cash and temporary investments	$	31,460,960	-	31,460,960
Cash in banks		9,297,354	5,336,581	14,633,935
Investments		4,760,000	-	4,760,000
Receivables (net of allowances):				
Accounts		735,194	254,014	989,208
Accrued interest		201,590	105,175	306,765
Notes		7,736,042	-	7,736,042
Property held for sale		1,727,600	-	1,727,600
Prepaid and other assets		3,796,316	49,204	3,845,520
Total current assets		59,715,056	5,744,974	65,460,030
Long-term assets:				
Restricted assets:				
Cash with fiscal agents		9,372,113	10,896,124	20,268,237
Certificates of deposit - performance bonds		2,625,560	518,320	3,143,880
Investments		1,965,000	-	1,965,000
Total restricted assets		13,962,673	11,414,444	25,377,117
Capital assets:				
Non-depreciable/non-amortizable:				
Land		30,200,212	11,849,799	42,050,011
Construction in progress		951,690	-	951,690
Depreciable/amortizable:				
Equipment		572,657	1,336,226	1,908,883
Buildings and improvements		129,495,501	86,913,539	216,409,040
Accumulated depreciation/amortization		(79,188,948)	(28,159,112)	(107,348,060)
Total capital assets, net		82,031,112	71,940,452	153,971,564
Other long-term assets:				
Notes receivable		25,055,701	-	25,055,701
Prepaid and other assets		168,335	-	168,335
Deferred financing fees (net of amortization)		11,335	1,311,741	1,323,076
Total other long-term assets		25,235,371	1,311,741	26,547,112
Total long-term assets		121,229,156	84,666,637	205,895,793
Total assets		180,944,212	90,411,611	271,355,823
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities		1,465,131	6,162,423	7,627,554
Accrued salaries and benefits		351,240	-	351,240
Accrued interest payable		-	3,776,054	3,776,054
Due to primary government		132,397	-	132,397
Deferred revenue		1,839,326	91,082	1,930,408
Performance and other deposits		1,691,687	481,247	2,172,934
Mortgage revenue bonds payable		7,915,529	-	7,915,529
Mortgage notes payable		1,285,055	11,502,671	12,787,726
Compensated absences payable		505,423	-	505,423
Total current liabilites		15,185,788	22,013,477	37,199,265
Long-term liabilities:				
Mortgage revenue bonds payable		26,667,641	-	26,667,641
Mortgage notes payable		9,114,481	56,251,987	65,366,468
Compensated absences payable		580,462	-	580,462
Total long-term liabilities		36,362,584	56,251,987	92,614,571
Total liabilities		51,548,372	78,265,464	129,813,836
NET ASSETS				
Invested in capital assets, net of related debt		66,899,181	4,185,794	71,084,975
Restricted		15,837,774	10,933,197	26,770,971
Unrestricted		46,658,885	(2,972,844)	43,686,041
Total net assets	$	129,395,840	12,146,147	141,541,987

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT K-1

Fairfax County Redevelopment and Housing Authority
Statement of Revenues, Expenses, and Changes in Net Assets
For the fiscal year ended June 30, 2011

		Housing Authority	Component Units of Housing	Total Entity
OPERATING REVENUES:				
Dwelling rentals	$	26,571,566	8,473,943	35,045,509
Other		2,615,126	1,187,717	3,802,843
Total operating revenues		29,186,692	9,661,660	38,848,352
OPERATING EXPENSES:				
Personnel services		14,326,265	1,976,952	16,303,217
Materials and supplies		2,429,432	2,286,991	4,716,423
Repairs and maintenance		9,484,812	2,073,826	11,558,638
Housing assistance payments		46,063,327	-	46,063,327
Depreciation and amortization		3,628,386	2,445,778	6,074,164
Contractual services		1,907,729	143,616	2,051,345
Utilities		3,634,993	1,140,219	4,775,212
Total operating expenses		81,474,944	10,067,382	91,542,326
Operating income (loss)		(52,288,252)	(405,722)	(52,693,974)
NONOPERATING REVENUES (EXPENSES):				
Intergovernmental revenue		56,940,766	186,878	57,127,644
Interest revenue		303,505	883,270	1,186,775
Interest expense		(845,990)	(2,710,374)	(3,556,364)
Loss on disposition of assets		(734,011)	-	(734,011)
Grant to the County		(5,018,400)	-	(5,018,400)
Total nonoperating revenues (expenses)		50,645,870	(1,640,226)	49,005,644
Gain (loss) before contributions		(1,642,382)	(2,045,948)	(3,688,330)
CAPITAL CONTRIBUTIONS:				
HUD capital contributions		1,405,267	-	1,405,267
Total capital contributions		1,405,267	-	1,405,267
Change in net assets		(237,115)	(2,045,948)	(2,283,063)
Total net assets, July 1, 2010		129,632,955	14,192,095	143,825,050
Total net assets, June 30, 2011	$	129,395,840	12,146,147	141,541,987

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT K-2

Fairfax County Redevelopment and Housing Authority
Statement of Cash Flows
For the fiscal year ended June 30, 2011

	Housing Authority	Component Units of Housing	Total Entity
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	$ 27,093,858	8,504,202	35,598,060
Other operating cash receipts	1,286,983	1,200,730	2,487,713
Payments to employees for services	(14,688,004)	(1,976,952)	(16,664,956)
Payments made for housing assistance	(46,421,913)	-	(46,421,913)
Payments to suppliers for goods and services	(18,427,761)	(7,906,843)	(26,334,604)
Purchase of property held for sale	(2,441,481)	-	(2,441,481)
Receipts from sale of property held for sale	2,212,528	-	2,212,528
Net cash used by operating activities	(51,385,790)	(178,863)	(51,564,653)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Retirement of loans, notes, and bonds payables	(203,324)	-	(203,324)
Payments on behalf of the County	(27,312)	-	(27,312)
Intergovernmental revenue received	58,487,812	186,878	58,674,690
Amount provided to County	(5,018,400)	-	(5,018,400)
Net cash provided by noncapital financing activities	53,238,776	186,878	53,425,654
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(2,437,527)	(7,204,500)	(9,642,027)
Proceeds from sale of capital assets	895,392	-	895,392
Proceeds from issuance of debt	445,000	422,602	867,602
Interest payments	(885,284)	(2,569,758)	(3,455,042)
Debt principal payments	(2,079,993)	(1,016,493)	(3,096,486)
HUD debt service and capital contributions	1,405,267	-	1,405,267
Net cash provided (used) by capital and related financing activities	(2,657,145)	(10,368,149)	(13,025,294)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of loan and advance repayments	797,035	-	797,035
Disbursement of loans and advances receivable	(24,428)	-	(24,428)
Acquisition of investments	90,000	-	90,000
Interest received	254,901	883,270	1,138,171
Net cash provided (used) by investing activities	1,117,508	883,270	2,000,778
Net increase in cash and cash equivalents	313,349	(9,476,864)	(9,163,515)
Cash and cash equivalents, July 1, 2010	52,442,638	26,227,889	78,670,527
Cash and cash equivalents, June 30, 2011	$ 52,755,987	16,751,025	69,507,012
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating loss	$ (52,288,252)	(405,722)	(52,693,974)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	3,628,386	2,445,778	6,074,164
Change in assets and liabilities:			
(Increase) in accounts receivable	(1,018,652)	16,881	(1,001,771)
(Increase) decrease in prepaid and other assets	(588,927)	(508,326)	(1,097,253)
(Decrease) in accounts payable and accrued liabilities	(753,336)	(1,753,865)	(2,507,201)
Increase in accrued salaries and benefits	(560,816)	-	(560,816)
(Decrease) in performance and other deposits	194,697	13,013	207,710
Increase (decrease) in deferred revenue	1,110	13,378	14,488
Total adjustments to operating income (loss)	902,462	226,859	1,129,321
Net cash used by operating activities	$ (51,385,790)	(178,863)	(51,564,653)

The **Fairfax County Park Authority** (Park Authority) was created by the Board of Supervisors of the County on December 6, 1950, to maintain and operate the public parks and recreational facilities located in the County. The Board appoints the Park Authority's Board members, and a substantial portion of the cost of the Park Authority's operations are funded by the County.

General Fund (Financed from County General Fund) is used to account for the operations of the park facilities that are funded by the County.

Park Revenue Fund is a special revenue fund used to account for the operations of the park facilities that are funded from park operating revenues.

Financed from County Construction Fund is a capital projects fund used to account for specific maintenance projects for park facilities that are funded by the County's Construction Fund.

Park Construction Bond Fund is a capital projects fund used to account for all construction projects and capital improvements of the Park Authority financed by County general obligation bonds.

Park Capital Improvement Fund is a capital projects fund used to account for all Park Authority construction projects and capital improvements financed through interest earned and transfers from the Park Revenue Fund.

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Park Authority
Balance Sheet
June 30, 2011

	General Fund (Financed from County General Fund)	Major Governmental: Special Revenue Fund - Park Revenue	Major Governmental: Capital Financed from County Construction Fund
ASSETS			
Equity in pooled cash and temporary investments	$ -	10,456,599	-
Receivables:			
Accounts	-	19,356	-
Accrued interest	-	10,010	-
Due from primary government	1,185,335	-	704,624
Due from Intergovernmental units	-	-	-
Restricted assets:			
Equity in pooled cash and temporary investments	-	-	-
Investments	-	1,944,916	-
Total assets	$ 1,185,335	12,430,881	704,624
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	$ 262,075	956,027	704,624
Accrued salaries and benefits	923,260	997,191	-
Due to primary government	-	180,972	-
Contract retainages	-	-	-
Deferred revenue	-	5,024,379	-
Performance and other deposits	-	99,426	-
Total liabilities	1,185,335	7,257,995	704,624
Fund balances:			
Restricted for:			
Capital projects	-	-	-
Debt service	-	1,944,916	-
E.C.Lawrence Trust			
Repair and replacement	-	-	-
Committed to:			
Other capital projects			
Unreserved (deficit)	-	3,227,970	-
Total fund balances	-	5,172,886	-
Total liabilities and fund balances	$ 1,185,335	12,430,881	704,624

Reconciliation of the Balance Sheet to the Statement of Net Assets

Fund balances - Total governmental funds		$ 33,416,326
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $719,898,254 and the accumulated depreciation is $162,771,175.		557,127,079
Deferred bond issuance costs reported in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds.		253,217
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Revenue bonds payable, net	$ (7,945,355)	
Compensated absences payable	(4,512,814)	
Loan from primary government	(15,000,000)	
Accrued interest payable	(179,235)	(27,637,404)
Net assets of governmental activities		$ 563,159,218

EXHIBIT L

Funds			
Projects Funds			
Park Construction Bond	Park Capital Improvement	Total Governmental Funds	
			ASSETS
-	25,873,524	36,330,123	Equity in pooled cash and temporary investments
			Receivables:
-	-	19,356	Accounts
-	36,603	46,613	Accrued interest
-	-	1,889,959	Due from primary government
100,000	-	100,000	Due from Intergovernmental units
			Restricted assets:
3,307,876	700,000	4,007,876	Equity in pooled cash and temporary investments
-	-	1,944,916	Investments
3,407,876	26,610,127	44,338,843	Total assets
			LIABILITIES AND FUND BALANCES
			Liabilities:
454,720	273,914	2,651,360	Accounts payable and accrued liabilities
-	-	1,920,451	Accrued salaries and benefits
-	-	180,972	Due to primary government
330,652	24,768	355,420	Contract retainages
-	139,083	5,163,462	Deferred revenue
-	551,426	650,852	Performance and other deposits
785,372	989,191	10,922,517	Total liabilities
			Fund balances:
			Restricted for:
2,622,504	9,333,240	11,955,744	Capital projects
-	-	1,944,916	Debt service
	1,507,926	1,507,926	E.C.Lawrence Trust
-	700,000	700,000	Repair and replacement
			Committed to:
	14,079,770	14,079,770	Other capital projects
-	-	3,227,970	Unreserved (deficit)
2,622,504	25,620,936	33,416,326	Total fund balances
3,407,876	26,610,127	44,338,843	Total liabilities and fund balances

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COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Park Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2011

		Major Governmental	
	General Fund (Financed from County General Fund)	Special Revenue Fund - Park Revenue	Capital Financed from County Construction Fund
REVENUES			
Intergovernmental	$ 28,794,293	-	7,491,465
Charges for services	1,733,561	36,806,554	-
Developers' contributions	-	-	-
Revenue from the use of money and property	-	2,447,828	-
Gifts, donations, and contributions	44,426	500,040	-
Other	-	195,998	-
Total revenues	30,572,280	39,950,420	7,491,465
EXPENDITURES			
Current:			
Parks, recreation, and cultural	30,562,846	37,808,065	6,897,872
Capital outlay	9,434	124,347	593,593
Debt service:			
Principal retirement	-	820,000	-
Interest and other charges	-	1,072,104	-
Total expenditures	30,572,280	39,824,516	7,491,465
Excess (deficiency) of revenues over (under) expenditures	-	125,904	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(800,000)	-
Total other financing sources (uses)	-	(800,000)	-
Net change in fund balances	-	(674,096)	-
Fund balances, July 1, 2010	-	5,846,982	-
Fund balances, June 30, 2011	$ -	5,172,886	-

EXHIBIT L-1

Funds			
Projects Funds			
Park Construction Bond	Park Capital Improvement	Total Governmental Funds	
			REVENUES
11,300,000	3,294	47,589,052	Intergovernmental
-	637	38,540,752	Charges for services
-	292,725	292,725	Developers' contributions
9,527	1,092,229	3,549,584	Revenue from the use of money and property
-	1,546,858	2,091,324	Gifts, donations and contributions
-	-	195,998	Other
11,309,527	2,935,743	92,259,435	Total revenues
			EXPENDITURES
			Current:
123,037	773,595	76,165,415	Parks, recreation, and cultural
16,075,008	9,770,600	26,572,982	Capital outlay
			Debt service:
-	-	820,000	Principal retirement
-	-	1,072,104	Interest and other charges
16,198,045	10,544,195	104,630,501	Total expenditures
(4,888,518)	(7,608,452)	(12,371,066)	Excess (deficiency) of revenues over (under) expenditures
			OTHER FINANCING SOURCES (USES)
-	800,000	800,000	Transfers in
-	-	(800,000)	Transfers out
-	800,000	-	Total other financing sources (uses)
(4,888,518)	(6,808,452)	(12,371,066)	Net change in fund balances
7,511,022	32,429,388	45,787,392	Fund balances, July 1, 2010
2,622,504	25,620,936	33,416,326	Fund balances, June 30, 2011

continued

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT L-1
concluded

Fairfax County Park Authority
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
For the fiscal year ended June 30, 2011

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities		
Net change in fund balances - Total governmental funds		$ (12,371,066)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period:		
Capital outlays	$ 26,572,981	
Less depreciation expense	(10,511,237)	16,061,744
In the statement of activities, the gain or loss on the disposition of capital assets is reported. However, in the governmental funds, only the proceeds from sales are reported, which increase fund balance. Thus, the difference is the depreciated cost of the capital assets disposed.		(2,171)
Gross sales proceeds are adjusted as they appear as gain on sale on government wide financial statements		(23,108)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		1,509,000
Certain costs in CIP beginning balance were expensed because total costs were under $5,000		(933,106)
Repayment of the principal amounts of long-term debt is reported as an expenditure or as an other financing use when debt is refunded in the governmental funds and thus, reduces fund balance. However, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities. Principal repayments of matured bonds totaled this amount.		
Principal repayments of matured bonds	$ 670,000	
Principal repayments of revenue notes	150,000	820,000
Under the modified accrual basis of accounting used in the governmental funds, expenditures for the following are not recognized until they mature. In the statement of activities, however, they are reported as expenses and liabilities as they accrue. The timing differences are as follows:		
Compensated absences	$ 332,411	
Interest and other	(77,260)	255,151
Change in net assets of governmental activities		$ 5,316,444

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT L-2A

Fairfax County Park Authority
Budgetary Comparison Schedule - General Fund (Financed from County General Fund) (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 19,465,050	20,262,220	19,982,356	(279,864)
Charges for services	2,156,338	1,850,000	1,777,986	(72,014)
Total revenues	21,621,388	22,112,220	21,760,342	(351,878)
EXPENDITURES				
Current:				
Parks, recreation, and cultural	21,621,388	22,112,220	21,760,342	351,878
Total expenditures	21,621,388	22,112,220	21,760,342	351,878
Net change in fund balance	$ -	-	-	-

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT L-2B

Fairfax County Park Authority
Budgetary Comparison Schedule - Park Revenue Fund (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Charges for services	$ 39,038,242	39,038,242	36,806,554	(2,231,688)
Revenue from the use of money and property	2,999,523	2,999,523	2,447,828	(551,695)
Gifts, donations, and contributions	355,500	355,500	500,040	144,540
Other	248,549	248,549	195,998	(52,551)
Total revenues	42,641,814	42,641,814	39,950,420	(2,691,394)
EXPENDITURES				
Parks, recreation, and cultural	42,641,814	42,641,814	39,824,516	2,817,298
Total expenditures	42,641,814	42,641,814	39,824,516	2,817,298
Excess of revenues over expenditures	-	-	125,904	125,904
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(800,000)	(800,000)	-
Total other financing sources (uses)	-	(800,000)	(800,000)	-
Net change in fund balance	$ -	(800,000)	(674,096)	125,904

The **Fairfax County Economic Development Authority** (EDA) provides direct assistance to firms which intend to establish their operations within the County. The 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. The EDA is an independent authority, legally authorized by an enactment of the Virginia General Assembly and formally created by resolution of the County Board of Supervisors. The County Board of Supervisors appoints the seven members of EDA's Commission. The Board also appropriates funds annually for operating expenditures incurred in carrying out EDA's mission.

General Fund (Financed from County General Fund) is used to account for the operations of the EDA, all of which are funded by the County.

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT M**

Fairfax County Economic Development Authority
Balance Sheet
June 30, 2011

	Governmental Fund (Financed from County General Fund)
ASSETS	
Due from primary government	$ 212,739
Total assets	$ 212,739
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable and accrued liabilities	$ 88,541
Accrued salaries and benefits	124,198
Total liabilities	212,739
Fund balance:	
Unreserved	-
Total liabilities and fund balance	$ 212,739

Reconciliation of the Balance Sheet to the Statement of Net Assets

Fund balance - General Fund	$ -
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $824,195 and the accumulated depreciation and amortization is $198,165.	626,030
Long-term liabilities, including compensated absences payable, $234,570, and deferred rent, $1,134,961, are not due and payable in the current period and, therefore, are not reported in the fund.	(1,369,531)
Net deficit of governmental activities	$ (743,501)

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT M-1**

Fairfax County Economic Development Authority
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the fiscal year ended June 30, 2011

	Governmental Fund (Financed from County General Fund)
REVENUES	
Intergovernmental	$ 7,448,660
Total revenues	7,448,660
EXPENDITURES	
Current:	
Community development	7,448,660
Total expenditures	7,448,660
Excess of revenues over expenditures	-
Fund balance, July 1, 2010	-
Fund balance, June 30, 2011	$ -

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

Net change in fund balance - General Fund		$ -
Amounts reported for governmental activities in the statement of activities are different because:		
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds:		
Depreciation and amortization expense	$ (82,084)	
Increase in liability for compensated absences	(10,901)	
Deferred rent	88,023	(4,962)
Change in net assets of governmental activities		$ (4,962)

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT M-2

Fairfax County Economic Development Authority
Budgetary Comparison Schedule - General Fund (Financed from County General Fund) (Budget Basis)
For the fiscal year ended June 30, 2011

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 6,797,506	$ 6,797,506	6,824,003	26,497
Total revenues	6,797,506	6,797,506	6,824,003	26,497
EXPENDITURES				
Community development	6,797,506	$ 6,797,506	6,824,003	(26,497)
Total expenditures	6,797,506	6,797,506	6,824,003	(26,497)
Net change in fund balance	$ -	-	-	-

Statistical Section

The Statistical Section provides financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, including the accompanying notes, and required supplementary information to understand and assess the County's economic condition. Information is presented in the following five categories:

1.0	Financial trends information
2.0	Revenue capacity information
3.0	Debt capacity information
4.0	Demographic and economic information
5.0	Operating information

COUNTY OF FAIRFAX
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VIRGINIA

1.0 - Financial trends information is intended to assist users in understanding and assessing how the County's financial position has changed over time. There are four tables presented in this section.

COUNTY OF FAIRFAX, VA
TABLE 1.1 - Net Assets by Component
Last Ten Fiscal Years

	Fiscal Year				
	2011	2010	2009	2008	2007
Governmental activities:					
Invested in capital assets, net of related debt	$ 1,540,962,447	1,458,369,495	1,399,874,484	1,313,609,617	1,176,653,933
Restricted	308,394,968	210,842,044	188,432,037	55,360,397	45,835,642
Unrestricted (1)	(1,370,285,300)	(1,112,442,403)	(1,093,476,245)	(919,381,116)	(762,741,854)
Total net assets, governmental activities	$ 479,072,115	556,769,136	494,830,276	449,588,898	459,747,721
Business-type activities:					
Invested in capital assets, net of related debt	$ 722,703,848	748,697,093	645,044,053	757,799,128	789,479,735
Restricted	93,427,366	44,371,666	148,760,524	28,251,270	46,489,817
Unrestricted	81,180,178	76,855,173	84,277,881	109,530,192	61,756,541
Total net assets, business-type activities	$ 897,311,392	869,923,932	878,082,458	895,580,590	897,726,093
Total Primary government:					
Invested in capital assets, net of related debt	$ 2,263,666,295	2,207,066,588	2,044,918,537	2,071,408,745	1,966,133,668
Restricted	401,822,334	255,213,710	337,192,561	83,611,667	92,325,459
Unrestricted	(1,289,105,122)	(1,035,587,230)	(1,009,198,364)	(809,850,924)	(700,985,313)
Total net assets, primary government	$ 1,376,383,507	1,426,693,068	1,372,912,734	1,345,169,488	1,357,473,814

Source: Fairfax County Department of Finance

Notes:

(1) The County issues debt for the construction of Public Schools and Park Authority facilities. The County reports this debt; whereas, the Public Schools and Park Authority report the related capital assets and unspent bond proceeds. As a result, the debt reduces unrestricted net assets for the primary government. The amount of this debt related to investments in capital assets and unspent bond proceeds for these component units that is outstanding for each fiscal year is as follows:

Fiscal Year				
2011	2010	2009	2008	2007
$ 1,431,198,421	1,371,914,260	1,342,939,932	1,297,409,248	1,215,573,395

Fiscal Year					
2006	2005	2004	2003	2002	
					Governmental activities:
1,075,520,989	1,034,317,673	995,156,131	932,499,218	905,544,976	Invested in capital assets, net of related debt
36,903,134	30,414,477	42,737,479	29,329,687	11,092,218	Restricted
(777,273,475)	(882,121,487)	(885,313,225)	(891,343,756)	(849,887,728)	Unrestricted (1)
335,150,648	182,610,663	152,580,385	70,485,149	66,749,466	Total net assets, governmental activities
					Business-type activities:
786,263,108	787,889,313	755,683,261	651,624,011	621,870,392	Invested in capital assets, net of related debt
57,514,949	56,463,753	85,025,111	144,412,547	154,565,734	Restricted
61,442,481	63,234,893	63,547,596	105,456,857	132,250,541	Unrestricted
905,220,538	907,587,959	904,255,968	901,493,415	908,686,667	Total net assets, business-type activities
					Total Primary government:
1,861,784,097	1,822,206,986	1,750,839,392	1,584,123,229	1,527,415,368	Invested in capital assets, net of related debt
94,418,083	86,878,230	127,762,590	173,742,234	165,657,952	Restricted
(715,830,994)	(818,886,594)	(821,765,629)	(785,886,899)	(717,637,187)	Unrestricted
1,240,371,186	1,090,198,622	1,056,836,353	971,978,564	975,436,133	Total net assets, primary government

Fiscal Year				
2006	2005	2004	2003	2002
1,184,160,483	1,154,667,840	1,117,774,930	1,059,149,620	984,800,430

COUNTY OF FAIRFAX, VA
TABLE 1.2 - Changes in Net Assets
Last Ten Fiscal Years

	Fiscal Year				
	2011	2010	2009	2008	2007
Expenses					
Governmental activities:					
General government administration	$ 138,976,659	148,730,289	160,696,700	155,387,589	140,972,403
Judicial administration	52,295,620	40,825,671	44,885,189	45,402,679	41,566,535
Public safety	618,789,976	604,822,717	624,257,988	614,837,542	580,551,244
Public works	192,081,461	198,458,714	195,125,647	191,477,505	173,175,664
Health and welfare	546,852,765	495,727,107	494,493,208	491,520,452	464,160,365
Community development	378,565,455	232,156,056	273,649,566	206,158,826	224,697,345
Parks, recreation, and cultural	105,293,977	123,549,652	140,802,569	182,268,495	126,638,121
Education - for Public Schools	1,744,248,387	1,784,128,380	1,784,670,681	1,733,929,914	1,665,173,825
Interest on long-term debt	98,596,584	97,587,106	95,151,292	94,307,127	88,475,535
Total expenses, governmental activities	3,875,700,884	3,725,985,692	3,813,732,840	3,715,290,129	3,505,411,037
Business-type activities:					
Public works - Sewer	$ 156,989,198	155,490,570	148,934,682	142,521,912	136,914,753
Total expenses, business-type activities	156,989,198	155,490,570	148,934,682	142,521,912	136,914,753
Total expenses, primary government	4,032,690,082	3,881,476,262	3,962,667,522	3,857,812,041	3,642,325,790
Program Revenues					
Governmental activities:					
Charges for services:					
Public safety	$ 74,126,570	67,562,279	62,631,798	62,297,005	55,092,085
Public works	113,296,977	95,740,931	88,943,909	88,692,491	89,181,174
Health and welfare	70,834,601	63,641,537	60,789,511	56,173,288	53,722,470
Other activities	137,393,757	136,293,136	181,759,896	63,191,212	82,465,140
Operating grants and contributions	292,921,660	440,962,393	247,996,754	260,367,949	238,382,990
Capital grants and contributions	17,033,448	45,298,191	30,537,124	32,540,001	20,942,679
Total program revenues, governmental activities	705,607,013	849,498,467	672,658,992	563,261,946	539,786,538
Business-type activities:					
Charges for services:					
Public works - Sewer	$ 154,118,716	137,350,273	120,184,626	114,206,818	115,457,196
Capital grants and contributions	12,385,470	8,677,874	8,950,919	10,087,940	8,137,150
Total program revenues, business-type activities	166,504,186	146,028,147	129,135,545	124,294,758	123,594,346
Total program revenues, primary government	872,111,199	995,526,614	801,794,537	687,556,704	663,380,884
Net (Expense) Revenue					
Governmental activities	(3,170,093,871)	(2,876,487,225)	(3,141,073,848)	(3,152,028,183)	(2,965,624,499)
Business-type activities	9,514,988	(9,462,423)	(19,799,137)	(18,227,154)	(13,320,407)
Total primary government	$ (3,160,578,883)	(2,885,949,648)	(3,160,872,985)	(3,170,255,337)	(2,978,944,906)

Fiscal Year					
2006	2005	2004	2003	2002 (4)	
					Expenses
					Governmental activities:
133,838,032	182,163,429 (5)	118,582,483	118,511,161	132,867,365	General government administration
38,631,468	36,370,091	34,988,605	35,243,062	32,652,640	Judicial administration
550,648,594	481,881,184	436,789,222	414,698,922	391,465,390	Public safety
159,913,922	155,502,766	146,543,177	132,457,898	141,536,370	Public works
441,567,541	423,218,014	400,760,061	383,744,665	370,118,888	Health and welfare
185,778,647	167,075,768	130,018,919	134,530,817	142,055,156	Community development
137,380,297	126,227,717	123,769,806	118,518,084	105,852,089	Parks, recreation, and cultural
1,547,083,954	1,453,746,126	1,370,981,360	1,308,402,963	1,209,931,327	Education - for Public Schools
82,365,378	82,981,808	77,309,276	81,994,507	77,719,236	Interest on long-term debt
3,277,207,833	3,109,166,903	2,839,742,909	2,728,102,079	2,604,198,461	Total expenses, governmental activities
					Business-type activities:
136,063,778	125,435,224	124,373,936	126,953,197	105,766,365	Public works - Sewer
136,063,778	125,435,224	124,373,936	126,953,197	105,766,365	Total expenses, business-type activities
3,413,271,611	3,234,602,127	2,964,116,845	2,855,055,276	2,709,964,826	Total expenses, primary government
					Program Revenues
					Governmental activities:
					Charges for services:
53,558,588	41,565,418	38,438,771	34,072,120	30,698,240	Public safety
80,212,361	72,715,488	72,758,327	66,543,218	61,306,429	Public works
56,770,395	48,998,685	43,329,319	43,281,914	38,309,902	Health and welfare
72,600,753	64,486,204	59,564,348	56,553,155	57,024,536	Other activities
241,510,533	225,089,494	236,755,548	203,931,755	175,459,023	Operating grants and contributions
28,003,177	55,346,338	47,056,844	32,611,096	77,783,486	Capital grants and contributions
532,655,807	508,201,627	497,903,157	436,993,258	440,581,616	Total program revenues, governmental activities
					Business-type activities:
					Charges for services:
123,358,395	118,013,675	117,422,097	108,149,558	110,345,773	Public works - Sewer
5,888,926	7,248,130	8,887,132	7,244,852	9,862,455	Capital grants and contributions
129,247,321	125,261,805	126,309,229	115,394,410	120,208,228	Total program revenues, business-type activities
661,903,128	633,463,432	624,212,386	552,387,668	560,789,844	Total program revenues, primary government
					Net (Expense) Revenue
(2,744,552,026)	(2,600,965,276)	(2,341,839,752)	(2,291,108,821)	(2,163,616,845)	Governmental activities
(6,816,457)	(173,419)	1,935,293	(11,558,787)	14,441,863	Business-type activities
(2,751,368,483)	(2,601,138,695)	(2,339,904,459)	(2,302,667,608)	(2,149,174,982)	Total primary government

(continued)

COUNTY OF FAIRFAX, VA
TABLE 1.2 - Changes in Net Assets (concluded)
Last Ten Fiscal Years

	Fiscal Year				
	2011	2010	2009	2008	2007
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes:					
Real property	$ 2,028,435,622	2,126,498,175	2,093,518,885	2,020,779,749	1,938,762,106
Personal property	301,272,265	296,610,992	316,717,991	307,572,072	310,274,454
Business licenses	150,669,671	138,684,942	142,922,838	139,073,624	136,616,482
Local sales and use	158,772,098	151,354,001	154,902,699	164,873,726	160,580,634
Consumers utility	113,731,677	117,882,816	113,556,023	122,378,380	116,673,940
Motor vehicle decals	27,408,623	-	-	-	-
Recordation	26,407,596	24,891,357	25,063,223	29,958,163	41,687,302
Occupancy, tobacco, and other	47,946,003	47,772,667	40,122,826	40,827,006	46,450,935
Unrestricted grants and contributions	211,818,969	366,331	211,981,020	212,546,890	216,873,082
Revenue from the use of money	18,634,630	34,364,804	87,529,721	103,859,750	111,428,568
Special item	7,299,696 (8)	-	-	-	10,874,069
Total general revenues and other changes in net assets, governmental activities	3,092,396,850	2,938,426,085	3,186,315,226	3,141,869,360	3,090,221,572
Business-type activities:					
Revenue from the use of money	$ 1,084,587	1,303,897	2,301,005	5,127,079	5,825,962
Special item	16,787,885 (9)	-	-	10,954,572 (7)	-
Total general revenues and other changes in net assets, business-type activities	17,872,472	1,303,897	2,301,005	16,081,651	5,825,962
Total general revenues and other changes in net assets, primary government	3,110,269,322	2,939,729,982	3,188,616,231	3,157,951,011	3,096,047,534
Change in Net Assets					
Governmental activities	(77,697,021)	61,938,860	45,241,378	(10,158,823)	124,597,073
Business-type activities	27,387,460	(8,158,526)	(17,498,132)	(2,145,503)	(7,494,445)
Total primary government	$ (50,309,561)	53,780,334	27,743,246	(12,304,326)	117,102,628

Source: Fairfax County Department of Finance

Notes:

(1) The County sold 46.8 acres of land located in the Laurel Hill area of the southern part of the County to a private developer for development as a senior living campus and graduated care facility.

(2) The County sold 34.0 acres of land located in central Fairfax to provide funding for the Park Authority to satisfy the debt it issued to purchase certain park land in western Fairfax.

(3) The Sewer System used available resources to redeem certain outstanding bonds, resulting in the recognition of an accounting loss, in order to reduce its total debt service payments by approximately $20.9 million over 13 years.

(4) Certain revenue amounts for fiscal year 2002 have been reclassified to conform with the presentations for subsequent years.

(5) General government administration expenses increased approx 53.6 percent over fiscal year 2004 primarily as a result of the transfer of South County Secondary School valued at $68.0 million to Public Schools.

Fiscal Year					
2006	2005	2004	2003	2002 (4)	
					General Revenues and Other Changes in Net Assets
					Governmental activities:
					Taxes:
1,785,065,735	1,638,739,052	1,502,921,280	1,396,210,347	1,233,555,473	Real property
288,584,215	277,668,819	272,609,749	273,447,219	284,981,993	Personal property
127,439,823	114,434,467	103,176,919	94,744,725	90,973,176	Business licenses
176,084,111	168,740,477	160,910,888	143,641,853	139,345,413	Local sales and use
103,271,085	96,189,365	92,533,138	85,892,727	86,368,876	Consumers utility
19,572,404	19,802,772	19,503,579	19,052,623	18,694,344	Motor vehicle decals
51,431,631	48,743,007	30,908,422	27,044,633	19,843,886	Recordation
41,195,083	33,376,957	19,814,208	17,788,607	16,486,754	Occupancy, tobacco, and other
215,804,028	200,817,597	201,520,018	197,619,418	209,855,319	Unrestricted grants and contributions
88,643,896	24,483,041	20,036,787	21,841,712	31,667,551	Revenue from the use of money
-	8,000,000 (2)	-	17,560,640 (1)	-	Special item
2,897,092,011	2,630,995,554	2,423,934,988	2,294,844,504	2,131,772,785	Total general revenues and other changes in net assets, governmental activities
					Business-type activities:
4,449,036	3,505,410	2,640,720	4,365,535	7,031,710	Revenue from the use of money
-	-	(1,813,460) (3)	-	-	Special item
4,449,036	3,505,410	827,260	4,365,535	7,031,710	Total general revenues and other changes in net assets, business-type activities
2,901,541,047	2,634,500,964	2,424,762,248	2,299,210,039	2,138,804,495	Total general revenues and other changes in net assets, primary government
					Change in Net Assets
152,539,985	30,030,278	82,095,236	3,735,683	(31,844,060)	Governmental activities
(2,367,421)	3,331,991	2,762,553	(7,193,252)	21,473,573	Business-type activities
150,172,564	33,362,269	84,857,789	(3,457,569)	(10,370,487)	Total primary government

(6) In FY2007, Public Schools transferred 12 properties totaling 188.9 acres to the County valued at $10,874,069. As part of this transfer, Public Schools is able to make an annual request of $25 million in capital bond funding through fiscal year 2012.

(7) In January 2008, the Sewer System sold purchased capacity to Prince William County Service Authority (2 MPG) and the City of Manassas (1 MPG) for $50.6 million. As a result, a special item – Gain from sale of Purchased Capacity of $10,954,572 was recognized.

(8) In September 2010, Inova Health Systems transferred approximately 15 acres of land to the County. In exchange for this land, Inova will provide the County with an approximate 5 acre parcel, a $15 million cash payment, and a 10 year lease of 40,000 square feet within the new Mid County Center building. The FY 2011 payment of $7,299,699, a special item in the governmental activities, represents the first of two installments on the $15 million cash payment.

(9) In April 2011, the Sewer System completed a sale of 2.0 MGD purchase capacity of its 17.68 MGD share of UOSA expansion (from 27 to 54 MGD) to Prince William Service Authority for $39,807,586. As a result, a special item - Gain from sale of purchase capacity - of $16,787,885 was recognized.

COUNTY OF FAIRFAX, VA
TABLE 1.3 - Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year				
	2011 (1)	2010 (2)	2009	2008	2007
General Fund:					
Reserved		42,842,683	41,356,567	44,027,425	41,763,658
Unreserved		343,838,486	237,826,810	227,421,300	249,823,537
Nonspendable	$ 308,818				
Restricted	-				
Committed	206,627,013				
Assigned	34,411,546				
Unassigned	135,051,587				
Total general fund	376,398,964	386,681,169	279,183,377	271,448,725	291,587,195
All Other Governmental Funds:					
Reserved		204,151,525	219,337,769	238,978,072	249,675,360
Unreserved, reported in:					
Special revenue funds		327,654,603	342,552,944	219,078,434	191,493,718
Debt service funds		12,918,625	10,487,202	8,890,466	12,121,986
Capital projects funds		74,003,428	(64,900,755)	(3,629,250)	121,892,612
Nonspendable	51,702,443				
Restricted	566,941,106				
Committed	158,420,964				
Assigned	-				
Unassigned	-				
Total all other governmental funds	$ 777,064,513	618,728,181	507,477,160	463,317,722	575,183,676

Source: Fairfax County Department of Finance

(1) GASB Statement No. 54 changed classifications used for fund balance reporting. These changes were not applied to years shown prior to fiscal year 2011.

(2) 2010 balances recalculated to reflect reporting change for the Information Technology Fund.

Fiscal Year					
2006	2005	2004	2003	2002	
					General Fund:
34,665,914	25,761,930	31,694,047	20,452,621	14,120,072	Reserved
239,587,945	210,724,987	161,541,066	133,004,492	112,673,370	Unreserved
					Nonspendable
					Restricted
					Committed
					Assigned
					Unassigned
274,253,859	236,486,917	193,235,113	153,457,113	126,793,442	Total general fund
					All Other Governmental Funds:
236,238,170	196,266,810	222,458,953	167,212,512	97,762,828	Reserved
					Unreserved, reported in:
184,308,185	180,570,230	178,290,865	181,380,468	174,045,654	Special revenue funds
8,361,065	14,302,670	18,970,383	16,897,074	10,222,617	Debt service funds
101,882,556	113,143,870	62,758,569	88,799,811	68,051,292	Capital projects funds
					Nonspendable
					Restricted
					Committed
					Assigned
					Unassigned
530,789,976	504,283,580	482,478,770	454,289,865	350,082,391	Total all other governmental funds

COUNTY OF FAIRFAX, VA
TABLE 1.4 - Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year				
	2011	2010	2009	2008	2007
Revenues					
Taxes	$ 2,857,920,425	2,899,801,062	2,888,968,005	2,822,785,575	2,747,313,169
Permits, privilege fees, and regulatory licenses	55,402,463	47,681,442	41,148,793	42,102,636	44,581,986
Intergovernmental	516,260,179	482,379,557	476,787,036	486,912,629	482,930,649
Charges for services	314,079,106	305,372,921	372,034,854	212,446,433	219,607,480
Fines and forfeitures	16,645,115	15,065,700	16,507,756	14,912,589	14,867,509
Revenue from the use of money and property	35,214,790	34,949,962	56,222,006	108,289,490	122,013,330
Recovered costs	21,034,191	16,701,652	18,153,938	18,244,071	13,393,966
Contributions and other	2,727,276	4,482,245	6,639,296	4,975,659	6,771,263
Total revenues	$ 3,819,283,545	3,806,434,541	3,876,461,684	3,710,669,082	3,651,479,352
Expenditures					
Current:					
General government administration	131,833,676	133,726,104	149,274,890	149,122,282	133,968,481
Judicial administration	50,502,397	39,347,205	43,230,230	43,509,367	41,062,317
Public safety	573,559,767	565,403,962	583,525,248	569,302,568	562,006,584
Public works	203,941,440	218,774,283	215,701,070	218,923,642	210,888,400
Health and welfare	539,471,030	489,662,065	488,328,771	488,090,226	463,193,567
Community development	166,588,005	150,881,980	148,394,752	145,834,184	163,601,525
Parks, recreation, and cultural	45,300,724	65,451,624	71,536,790	73,762,142	68,455,248
Intergovernmental (1):					
Community development	196,331,575	64,962,498	111,546,162	53,272,255	52,461,994
Parks, recreation, and cultural	51,963,744	50,660,393	57,753,807	97,512,863	51,998,820
Education	1,744,248,387	1,784,128,380	1,784,670,681	1,733,929,914	1,665,173,825
Capital outlay	126,573,819	108,546,444	103,631,142	269,431,452	151,872,354
Debt service:					
Principal retirement	192,553,364	180,329,456	181,248,484	172,491,889	163,468,305
Interest and other charges	111,835,136	113,476,133	107,665,231	103,891,079	97,148,791
Total expenditures	4,134,703,064	3,965,350,527	4,046,507,258	4,119,073,863	3,825,300,211
Excess of revenues over (under) expenditures	(315,419,519)	(158,915,986)	(170,045,574)	(408,404,781)	(173,820,859)
Other Financing Sources (Uses)					
Transfers in	485,495,544	515,765,999	519,572,088	493,747,382	500,822,272
Transfers out	(485,707,880)	(508,672,574)	(514,736,191)	(506,661,485)	(513,738,563)
Bonds issued	449,668,535	370,806,378	211,699,021	250,487,439	248,483,479
Refunding bonds issued	50,968,368	199,228,007	61,224,951	-	-
Payments to escrow agent	(50,785,617)	(198,007,662)	(61,085,125)	-	-
Capital leases, installment purchases, and other	6,535,000	-	5,197,257	38,771,498	-
Total other financing sources	456,173,950	379,120,148	221,872,001	276,344,834	235,567,188
Special Item	7,299,696	-	-	-	-
Net change in fund balances	$ 148,054,127	220,204,162	51,826,427	(132,059,947)	61,746,329
Debt service as a percentage of noncapital expenditures	7.6%	7.6%	7.3%	7.2%	7.1%

Source: Fairfax County Department of Finance

Notes:

(1) Intergovernmental expenditures represent payments to component units, including Public Schools, the Park Authority, and the Economic Development Authority, and certain other government authorities. Certain reclassifications have been made for fiscal years 2001 - 2003 to conform with the presentations for subsequent years.

Fiscal Year					
2006	2005	2004	2003	2002	
					Revenues
2,591,610,934	2,398,277,235	2,200,570,345	2,054,784,694	1,898,192,584	Taxes
45,335,405	40,591,871	40,310,942	38,625,237	36,939,184	Permits, privilege fees, and regulatory licenses
484,822,403	435,486,897	451,720,871	415,759,761	451,679,407	Intergovernmental
202,707,290	182,316,633	168,106,332	157,604,088	140,033,476	Charges for services
15,108,251	15,554,264	13,307,318	11,065,873	10,318,703	Fines and forfeitures
91,543,648	44,975,930	25,582,447	25,336,155	34,115,952	Revenue from the use of money and property
15,876,280	11,135,242	12,607,810	12,481,015	9,009,483	Recovered costs
6,708,723	6,920,481	7,220,453	14,569,936	12,913,055	Contributions and other
3,453,712,934	3,135,258,553	2,919,426,518	2,730,226,759	2,593,201,844	Total revenues
					Expenditures
					Current:
123,677,400	120,937,429	112,177,459	108,912,669	99,226,761	General government administration
38,113,725	35,409,832	34,127,757	34,087,541	30,852,713	Judicial administration
532,941,254	461,387,643	422,501,453	405,593,918	379,379,556	Public safety
195,231,421	180,096,171	171,616,126	157,131,104	144,649,708	Public works
442,392,799	421,059,009	395,790,648	380,515,142	365,542,786	Health and welfare
140,630,700	112,375,464	87,925,272	92,061,094	102,629,811	Community development
63,493,502	54,152,986	49,149,335	52,411,059	57,122,407	Parks, recreation, and cultural
					Intergovernmental (1):
36,375,841	42,713,945	30,280,310	30,003,932	27,424,248	Community development
67,429,466	65,432,258	66,231,453	57,108,484	41,152,581	Parks, recreation, and cultural
1,548,705,318	1,516,057,490	1,372,602,724	1,306,972,343	1,211,552,691	Education
159,498,041	114,008,813	85,091,794	54,684,186	101,859,104	Capital outlay
					Debt service:
155,731,090	149,333,276	144,474,933	140,564,084	130,050,588	Principal retirement
93,863,245	90,670,315	83,091,312	81,949,450	77,627,666	Interest and other charges
3,598,083,802	3,363,634,631	3,055,060,576	2,901,995,006	2,769,070,620	Total expenditures
(144,370,868)	(228,376,078)	(135,634,058)	(171,768,247)	(175,868,776)	Excess of revenues over (under) expenditures
					Other Financing Sources (Uses)
494,604,574	454,613,670	412,033,079	355,467,852	348,524,492	Transfers in
(502,270,865)	(458,514,510)	(416,933,079)	(355,667,852)	(348,279,492)	Transfers out
199,964,050	280,615,984	199,224,018	282,510,708	201,345,513	Bonds issued
381,982,418	141,081,070	257,362,098	183,893,333	62,614,916	Refunding bonds issued
(381,019,900)	(140,525,562)	(255,977,448)	(183,541,600)	(62,561,378)	Payments to escrow agent
15,424,016	807,522	7,774,660	1,565,293	33,640,753	Capital leases, installment purchases, and other
208,684,293	278,078,174	203,483,328	284,227,734	235,284,804	Total other financing sources
-	15,500,000	-	18,200,000	-	**Special Item**
64,313,425	65,202,096	67,849,270	130,659,487	59,416,028	Net change in fund balances
7.3%	7.4%	7.7%	7.8%	7.8%	Debt service as a percentage of noncapital expenditures

2.0 - Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the County's ability to generate its own-source revenues. There are four tables presented in this section.

COUNTY OF FAIRFAX, VA
TABLE 2.1 - Assessed Value and Actual Value of Taxable Real Property (1)
Last Ten Fiscal Years

Fiscal Year	Residential (000s)	Commercial (000s)	Public Service Corporations (000s)	Total Taxable Assessed Value (000s)	Tax-Exempt (000s)	Total Direct Tax Rate (2)
2011	$ 142,995,627	44,784,450	859,782	188,639,859	13,707,594	1.09
2010	151,207,936	55,600,077	1,187,930	207,995,943	14,960,334	1.04
2009	171,891,606	57,778,239	1,142,302	230,812,147	14,935,364	0.92
2008	176,497,713	52,001,524	1,025,674	229,524,911	12,972,693	0.89
2007	175,316,906	44,088,497	950,707	220,356,110	12,261,651	0.89
2006	141,857,826	36,942,894	960,617	179,761,337	10,462,057	1.00
2005	112,858,706	31,946,040	991,053	145,795,799	9,779,970	1.13
2004	99,189,600	30,057,551	902,495	130,149,646	9,261,168	1.16
2003	84,668,753	30,233,837	846,936	115,749,526	8,720,806	1.21
2002	70,980,944	28,812,448	826,274	100,619,666	8,246,380	1.23

Source: Fairfax County Department of Tax Administration

Notes:

(1) Assessed value is the estimated actual value of taxable property and is shown for each period for which taxes are levied. Real property is assessed as of January 1 each year at the estimated fair market value of all land and improvements, with the resulting taxes being payable in the subsequent fiscal year.

COUNTY OF FAIRFAX, VA
TABLE 2.2 - Direct and Overlapping Real Property Tax Rates (1)
Last Ten Fiscal Years

		Overlapping Rates (3)	
Fiscal Year	County Direct Rate (2)	Town of Herndon	Town of Vienna
2011	1.09	0.27	0.245
2010	1.04	0.26	0.228
2009	0.92	0.24	0.209
2008	0.89	0.24	0.197
2007	0.89	0.24	0.186
2006	1.00	0.25	0.220
2005	1.13	0.28	0.265
2004	1.16	0.28	0.275
2003	1.21	0.30	0.285
2002	1.23	0.32	0.300

Sources: Fairfax County Department of Tax Administration; Town of Herndon; Town of Vienna

Notes:

(1) Rates are per $100 of assessed value, which is determined as of January 1 of the prior calendar year.

(2) Virginia law limits the annual tax increase to 2% unless public hearings are held. The County Board of Supervisors holds public hearings annually in conjunction with the budget process.

(3) These overlapping rates only apply to property owners within these Towns, which lie entirely within the County.

COUNTY OF FAIRFAX, VA
TABLE 2.3 - Principal Real Property Taxpayers
Current Year and Nine Years Ago

Fiscal Year 2011			
Rank	Taxpayer	Taxable Assessed Value (1)	Pct. of Total Taxable Assessed Value (2)
1	Tysons Corner Property Holdings LLC	$ 1,012,437,860	0.54 %
2	CESC Skyline LLC	550,737,670	0.29
3	West Group Properties LLC	309,686,520	0.16
4	Fairfax Company of	273,932,200	0.15
5	Reston Town Center	257,979,330	0.14
6	Washington Gas Light Co.	254,210,859	0.14
7	Brandywine Acquistion Partners LP	251,006,950	0.13
8	SRI Seven Fair Lakes LLC	245,283,710	0.13
9	Summit Properties Partnership LP	228,521,370	0.12
10	West Mac Associates	213,567,660	0.11
Totals		$ 3,597,364,129	1.91 %

Source: Fairfax County Department of Tax Administration
Notes:
(1) Assessed values are as of January 1 of the prior calendar year.
(2) Total taxable assessed value for fiscal year 2011 is $187,780,086,910.
Total taxable assessed value for fiscal year 2002 is $114,902,589,425.

COUNTY OF FAIRFAX, VA
TABLE 2.4 - Real Property Tax Levies and Collections
Last Ten Fiscal Years

		Collected within the Fiscal Year of the Levy		Adjustments to Original Levy in	
Fiscal Year	Taxes Levied for the Fiscal Year Original Levy (1)	Amount	Pct. of Original Levy	Subsequent Years (2)	Total Adjusted Levy
2011	$ 2,024,903,008	$ 2,017,592,586	99.64 %	$ -	$ 2,024,903,008
2010	2,122,256,675	2,113,800,763	99.60	(659,231)	2,121,597,444
2009	2,088,602,937	2,078,433,868	99.51	(1,134,969)	2,087,467,968
2008	2,014,871,776	2,005,101,989	99.52	(776,487)	2,014,095,289
2007	1,935,626,339	1,926,279,952	99.52	(325,749)	1,935,300,590
2006	1,779,168,760	1,769,793,216	99.47	(1,199,811)	1,777,968,949
2005	1,656,668,208	1,648,504,246	99.51	(766,348)	1,655,901,860
2004	1,518,549,518	1,511,904,661	99.56	(639,156)	1,517,910,362
2003	1,410,550,906	1,405,218,191	99.62	(311,210)	1,410,239,696
2002	1,247,726,326	1,242,776,932	99.60	(134,912)	1,247,591,414

Source: Fairfax County Department of Tax Administration
Notes:
(1) Taxes are levied on assessed property values as of January 1 of prior calendar year, i.e. FY2011, taxes are levied for calendar year 2010.

(2) Adjustments to the original levy include exonerations, tax relief, and supplemental assessments.

Fiscal Year 2002			
Rank	Taxpayer	Taxable Assessed Value (1)	Pct. of Total Taxable Assessed Value (2)
1	West Group Properties LLC	$ 598,754,600	0.52 %
2	Lehndorff Tysons Property	457,011,200	0.40
3	Prentiss Properties	353,156,590	0.31
4	Dominion Virginia Power	321,162,457	0.28
5	Franconia Two LP	240,066,065	0.21
6	Fairfax Company	234,776,440	0.20
7	Smith Property Holdings	230,599,185	0.20
8	California State Teachers	218,282,950	0.19
9	EOP Reston Town Center	201,989,070	0.18
10	Mobil Oil Corp	195,022,480	0.17
Totals		$ 3,050,821,037	2.66 %

	Total Collections to Date	
Collections in Subsequent Years	Amount	Pct. of Adjusted Levy (3)
$ -	$ 2,017,592,586	99.64 %
5,496,140	2,119,296,903	99.89
8,187,971	2,086,621,839	99.96
8,612,130	2,013,714,119	99.98
8,803,649	1,935,083,601	99.99
8,015,139	1,777,808,355	99.99
7,097,336	1,655,601,582	99.98
6,108,664	1,518,013,325	100.01
4,999,579	1,410,217,770	100.00
4,775,404	1,247,552,336	100.00

(3) This table includes real estate taxes only and does not include penalty and interest. There is a difference in the collection rate reported here and the rate reported in the County's Budget Overview document resulting from a difference in accounting basis. Taxes receivable reflects only the actual levy and collections and does not include the accrual of taxes.

3.0 - Debt capacity information is intended to assist users in understanding and assessing the County's debt burden and its ability to issue additional debt. There are five tables presented in this section.

COUNTY OF FAIRFAX, VA
TABLE 3.1 - Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities (1)					
Fiscal Year	General Obligation Bonds (000s)	Revenue Bonds (000s)	Certificates of Participation (2) (000s)	Notes (000s)	Capital Leases (000s)	HUD Section 108 Loan (000s)
2011	$ 1,996,210	557,841	-	38,258	15,025	12,466
2010	1,997,045	321,654	-	42,813	8,064	6,236
2009	1,895,765	209,653	25,855	45,958	8,339	6,535
2008	1,860,900	222,623	26,385	48,903	7,809	1,610
2007	1,784,240	234,290	26,885	11,933	11,736	1,725
2006	1,700,980	234,863	27,360	12,578	16,169	1,725
2005	1,661,385	241,732	27,805	-	22,277	1,955
2004	1,618,775	167,354	28,230	-	19,961	2,070
2003	1,577,156	173,450	28,625	-	17,513	2,185
2002	1,519,646	106,650	29,000	-	21,958	2,300

Source: Fairfax County Department of Finance

Notes:

(1) Amounts for bonds are reported gross, excluding premiums and/or discounts and deferred amounts on refundings. See Note K in Notes to the Financial Statements for additional information regarding the County's outstanding debt.

(2) The Certificates of Participation relate to the County's acquisition of the South County Government Center, which is reported as a capital lease in the financial statements. The lease was signed on November 1, 2000, and the first payment was due on October 15, 2002. The Certificates of Participation bonds were refunded on March 10, 2010 by EDA Series 2010 Revenue Bonds.

(3) See Table 4.1 for personal income data. The percentage is calculated using personal income data for the prior calendar year.

(4) See Table 4.1 for population data. The ratio is calculated using population data for the prior calendar year.

Business-type Activities (1)				
State Literary Fund Loans (000s)	Revenue Bonds (000s)	Total Primary Government (000s)	Pct. of Personal Income (3)	Debt Per Capita (4)
-	565,100	3,184,900	4.388 %	2,944
-	546,783	2,922,595	3.929	2,721
-	559,070	2,751,175	3.699	2,619
-	418,593	2,586,823	3.669	2,484
8	376,008	2,446,825	3.646	2,359
15	386,783	2,380,473	3.724	2,303
86	398,602	2,353,842	4.001	2,303
158	405,586	2,242,134	4.094	2,215
230	474,272	2,273,431	4.310	2,263
319	484,522	2,164,395	4.233	2,199

COUNTY OF FAIRFAX, VA
TABLE 3.2 - Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

	General Bonded Debt Outstanding (1)						
Fiscal Year	General Obligation Bonds (000s)	Lease Revenue Bonds (2) (000s)	Certificates of Participation (000s)	State Literary Fund Loans (000s)	Total (000s)	Pct. of Actual Taxable Value of Real Property (3)	Debt Per Capita (4)
2011	$ 1,996,210	557,841	-	-	2,554,051	1.35 %	2,361
2010	1,997,045	321,654	-	-	2,318,699	1.11	2,158
2009	1,895,765	209,653	25,855	-	2,131,273	0.92	2,029
2008	1,860,900	222,623	26,385	-	2,109,908	0.92	2,026
2007	1,784,240	234,290	26,885	8	2,045,423	0.93	1,972
2006	1,700,980	234,863	27,360	15	1,963,218	1.09	1,899
2005	1,661,385	241,732	27,805	86	1,931,008	1.32	1,889
2004	1,618,775	167,354	28,230	158	1,814,517	1.39	1,793
2003	1,577,156	173,450	28,625	230	1,779,461	1.54	1,772
2002	1,519,646	106,650	29,000	319	1,655,615	1.65	1,682

Source: Fairfax County Department of Finance

Notes:

(1) Amounts for bonds are reported gross, excluding premiums and/or discounts and deferred amounts on refundings. See Note K in Notes to the Financial Statements for additional information regarding the County's outstanding debt.

(2) Lease revenue bonds have been issued by county component units, using receipt of lease payments as the revenue source. All outstanding lease revenue bonds have been identified as conduit debt of the county and the associated lease payments are made using general government resources.

(3) See Table 2.1 for actual taxable value of real property data. This percentage is calculated using values for each fiscal year for which levied.

(4) See Table 4.1 for population data. This ratio is calculated using population for the prior calendar year.

COUNTY OF FAIRFAX, VA
TABLE 3.3 - Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

	Debt Outstanding (1) (000s)	Percentage Applicable (2)	Share of Overlapping Debt (000s)
Overlapping debt (2):			
Town of Herndon general obligation bonds	$ 15,731	100.0 %	$ 15,731
Town of Vienna general obligation bonds	12,180	100.0	12,180
Total overlapping debt			27,911
County direct debt (3):			
General obligation bonds			1,996,210
Revenue bonds			557,841
Certificates of participation			-
Notes			38,258
Capital leases			15,025
HUD Section 108 loan			12,466
State Literary Fund loans			-
Total direct debt			2,619,800
Total direct and overlapping debt			$ 2,647,711

Sources: Fairfax County Department of Finance; Town of Herndon; Town of Vienna

Notes:

(1) Amounts for bonds are reported gross, excluding premiums and/or discounts and deferred amounts on refundings.

(2) The percentage of overlapping debt applicable is determined using taxable assessed property values. The Towns of Herndon and Vienna are situated entirely within the geographic boundaries of the County, and their residents and businesses bear the governmental activities debt burdens of both the County and their respective Towns.

(3) The County's direct debt is also presented in Table 3.1.

COUNTY OF FAIRFAX, VA
TABLE 3.4 - Self-Imposed Debt Margin Information
Last Ten Fiscal Years

The Commonwealth of Virginia does not impose a legal limit on the amount of long-term indebtedness that the County can at any time incur or have outstanding. The Board of Supervisors, however, has imposed limits which provide that the County's (a) long-term general bonded debt should not exceed three percent of the total assessed value of taxable real and personal property in the County and (b) the annual debt service should not exceed ten percent of the annual general fund expenditures and transfers out, excluding capital leases and installment purchases in the year initiated. Relevant information pertaining to these self-imposed debt margins is provided below.

	Fiscal Year (000s)				
	2011	2010	2009	2008	2007
(a) Debt limit (2)	$ 6,108,656	6,680,146	7,354,368	7,334,790	7,057,254
Total debt applicable to limit (3)	2,554,051	2,318,699	2,131,273	2,109,908	2,045,423
Self-imposed debt margin	$ 3,554,605	4,361,447	5,223,095	5,224,882	5,011,831
Total debt applicable to limit as a percentage of debt limit	41.81%	34.71%	28.98%	28.77%	28.98%
Total debt applicable to limit as a percentage of assessed value	1.25%	1.04%	0.87%	0.86%	0.87%

Debt Margin Calculation for Fiscal Year 2011:	
Assessed value (2)	$ 203,621,876
Debt limit (3% of assessed value)	6,108,656
Debt applicable to limit: (3)	
General obligation bonds (1)	1,996,210
Revenue bonds (1)	557,841
Total debt applicable to limit	2,554,051
Self-imposed debt margin	$ 3,554,605

	Fiscal Year (000s)				
	2011	2010	2009	2008	2007
(b) Debt service limit	$ 334,490	330,895	335,364	332,217	322,551
Total debt service requirements applicable to limit (4)	285,551	277,370	276,105	267,624	253,433
Self-imposed debt service margin	$ 48,939	53,525	59,259	64,593	69,118
Total debt service requirements applicable to limit as a percentage of the debt service limit	85.37%	83.82%	82.33%	80.56%	78.57%
Total debt service requirements applicable to limit as a percentage of annual general fund expenditures and transfers out	8.54%	8.38%	8.23%	8.06%	7.86%

Source: Fairfax County Department of Finance

Notes:

(1) Amounts for bonds are reported gross, excluding premiums and/or discounts and deferred amounts on refundings.

(2) See Table 2.1 for assessed taxable value of real property data. The amounts used to determine debt limits include values for each period for which levied and include both real and personal property.

(3) See Table 3.2 for debt applicable to limit amounts.

(4) Debt service requirements exclude "bond issuance costs and other" expenditures recorded in the debt service funds.

Fiscal Year (000s)					
2006	2005	2004	2003	2002	
5,820,845	4,782,421	4,324,646	3,888,560	3,432,734	Debt limit (2)
1,963,218	1,931,008	1,814,517	1,779,461	1,655,615	Total debt applicable to limit (3)
3,857,627	2,851,413	2,510,129	2,109,099	1,777,119	Self-imposed debt margin
33.73%	40.38%	41.96%	45.76%	48.23%	Total debt applicable to limit as a percentage of debt limit
1.01%	1.21%	1.26%	1.37%	1.45%	Total debt applicable to limit as a percentage of assessed value

Fiscal Year (000s)					
2006	2005	2004	2003	2002	
303,501	279,878	259,515	244,792	229,262	Debt service limit
239,326	224,544	213,027	212,107	190,098	Total debt service requirements applicable to limit (4)
64,175	55,334	46,488	32,685	39,164	Self-imposed debt service margin
78.86%	80.23%	82.09%	86.65%	82.92%	Total debt service requirements applicable to limit as a percentage of the debt service limit
7.89%	8.02%	8.21%	8.67%	8.29%	Total debt service requirements applicable to limit as a percentage of annual general fund expenditures and transfers out

COUNTY OF FAIRFAX, VA
TABLE 3.5 - Pledged Revenue Coverage for the Integrated Sewer System
Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1) (000s)	Operating Expenses (2) (000s)	Net Available Revenue (000s)	Debt Service (3) Principal (000s)	Debt Service (3) Interest (000s)	Debt Service (3) Total (000s)	Coverage
2011	$ 155,218	$ 84,757	$ 70,461	$ 15,797	$ 25,436	$ 41,233	1.71 %
2010	138,702	83,112	55,590	12,287	22,892	35,179	1.58
2009	122,532	85,307	37,225	11,778	17,888	29,666	1.25
2008	130,349	79,870	50,479	11,341	21,004	32,345	1.56
2007	121,193	73,663	47,530	10,859	17,489	28,348	1.68
2006	127,780	72,705	55,075	9,910	18,028	27,938	1.97
2005	121,476	67,226	54,250	8,939	18,351	27,290	1.99
2004	120,063	70,124	49,939	11,842	22,054	33,896	1.47
2003	112,515	70,579	41,936	10,249	23,457	33,706	1.24
2002	117,377	68,665	48,712	8,061	21,765	29,826	1.63

Source: Fairfax County Department of Finance

Notes:

(1) Gross revenues include all revenues, except the amortization of deferred gain on bond refundings.

(2) Operating expenses do not include depreciation and amortization.

(3) See Note K in the Notes to the Financial Statements for detailed information regarding the sewer revenue bonds issued by the Integrated Sewer System and the System's share of the revenue bonds issued by the Upper Occoquan Sewage Authority.

4.0 - Demographic and economic information is intended to assist users in understanding the socioeconomic environment within which a government operates and to provide information that facilitates comparisons of financial statement information over time and among governments. There are two tables presented in this section.

COUNTY OF FAIRFAX, VA
TABLE 4.1 - Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (2) (000s)	Per Capita Personal Income (2)	Median Age (yrs) (3)	Pct. of People ≥ 25 Years Old with a Bachelor's Degree (3)	Public School Enrollment (4)	Unemployment Rate (5)
2010	1,081,726	$ 72,577,324	$ 67,094	37.5	56.1 %	172,391	4.9 %
2009	1,074,227	74,380,758	69,241	37.3	58.1	169,538	4.8
2008	1,050,315	74,385,409	70,822	39.4	58.5	166,307	3.4
2007	1,041,507	70,500,650	67,691	39.1	59.0	164,486	2.2
2006	1,037,311	67,111,947	64,698	38.4	58.7	164,284	2.2
2005	1,033,646	63,917,568	61,837	38.1	58.5	164,408	2.5
2004	1,022,298	58,830,183	57,547	37.6	57.4	164,195	2.7
2003	1,012,090	54,771,275	54,117	37.9	56.3	163,386	3.1
2002	1,004,435	52,744,891	52,512	37.3	55.9	161,385	3.4
2001	984,366	51,126,001	51,938	36.4	56.2	158,331	2.5

Notes:

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

(2) Personal income data is obtained from the Bureau of Economic Analysis, U.S. Department of Commerce and includes the Cities of Fairfax and Falls Church. Data for only Fairfax County is not available, however, it is believed that the inclusion of these Cities does not significantly affect the County's data. Fairfax County data for 2009 has been updated to reflect actual reported figures, while 2010 has been estimated using percent change in per capita personal income from 2008 to 2009.

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

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

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

COUNTY OF FAIRFAX, VA
TABLE 4.2 - Principal Employers
Current Year and Nine Years Ago

	Fiscal Year 2011 (1)			Fiscal Year 2002 (1)		
Employer	Number of Employees (2)	Rank	Pct. of Total County Employment (3)	Number of Employees (2)	Rank	Pct. of Total County Employment (3)
Fairfax County Public Schools	22,939	1	3.98 %	20,510	1	3.82 %
Federal Government	22,648	2	3.93	11,142	3	2.08
Fairfax County Government	11,871	3	2.06	11,385	2	2.12
Booz-Allen Hamilton	7,000-10,000	4	1.47	4,000-5,000	6	0.84
Inova Health System	7,000-10,000	5	1.47	9,000-10,000	4	1.77
Science Applications International Corporation	4,000-6,999	6	0.95	5,000-6,000	5	1.02
Federal Home Loan Mortgage	4,000-6,999	7	0.95	-	-	-
George Mason University	4,000-6,999	8	0.95	3,000-4,000	8	0.65
Northrup Grumman	4,000-6,999	9	0.95	3,000-4,000	10	0.65
The Mitre Corp	1,000-3,999	10	0.43	-	-	-
Lockheed Martin Corporation	-	-	-	3,000-4,000	7	0.65
Raytheon Company	-	-	-	3,000-4,000	9	0.65
Totals			17.14 %			14.25 %

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

Notes:

(1) Employment information for fiscal year 2011 excluding data for Fairfax County Government and Fairfax County Public Schools, is from the 1st quarter of calendar year 2011 VEC, which represents the most recent data available. Employment information for fiscal year 2002 is from third quarter 2001 through second quarter 2002, corresponding to the actual County fiscal year, except for Federal Government employment, which uses the VEC's annually reported figure.

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

(3) Percentages are based on the midpoint of the employment range. Average total County employment for fiscal year 2011 is estimated at 576,746, based on VEC's reported monthly employment for July 2010 through June 2011. Average total County employment for fiscal year 2002 was estimated at 536,871 according to the same VEC approach.

COUNTY OF FAIRFAX
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5.0 - Operating information is intended to provide contextual information about a government's operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition. There are three tables presented in this section.

COUNTY OF FAIRFAX, VA
TABLE 5.1 - Full Time Equivalent County Government Employees by Function
Last Ten Fiscal Years

	Full-Time Equivalent Employees as of June 30				
Function/Program	2011	2010	2009	2008	2007
Primary Government:					
General government administration	1,362.0	1,375.0	1,466.5	1,446.5	1,437.5
Judicial administration	386.0	386.0	391.0	384.0	381.0
Public safety	4,256.0	4,304.0	4,331.0	4,321.0	4,297.8
Public works	972.0	970.5	1,118.5	1,129.5	1,128.5
Health and welfare	2,976.0	2,865.8	2,913.3	2,922.3	2,986.3
Community development	666.0	678.0	531.0	495.0	487.0
Parks, recreation, and cultural	422.0	604.5	641.5	636.2	605.5
Total	11,040.0	11,183.8	11,392.8	11,334.5	11,323.6
Component Units:					
Public Schools:					
Education	22,938.8	22,851.6	23,014.3	22,994.2	22,706.8
Redevelopment and Housing Authority:					
Community development	228.0	228.0	238.0	238.0	236.0
Park Authority:					
Parks, recreation, and cultural	603.0	600.0	620.0	618.0	615.5

Sources: Fairfax County Department of Management and Budget; Fairfax County Public Schools; Fairfax County Redevelopment and Housing Authority; Fairfax County Park Authority

Full-Time Equivalent Employees as of June 30					
2006	2005	2004	2003	2002	Function/Program
					Primary Government:
1,426.5	1,417.5	1,415.0	1,415.0	1,421.0	General government administration
370.0	370.0	370.0	376.0	382.0	Judicial administration
4,163.4	4,000.4	3,941.9	3,865.2	3,808.2	Public safety
1,103.5	1,100.5	1,133.5	1,137.5	1,146.5	Public works
2,867.1	2,818.2	2,808.3	2,840.4	2,817.9	Health and welfare
469.0	447.5	403.1	431	444.0	Community development
599.5	585.0	590.5	571.9	572.9	Parks, recreation, and cultural
10,999.0	10,739.1	10,662.3	10,637.0	10,592.5	Total
					Component Units:
					Public Schools:
22,561.8	22,246.5	21,770.1	21,291.7	21,044.9	Education
					Redevelopment and Housing Authority:
234.0	234.0	234.0	235.0	235.0	Community development
					Park Authority:
611.3	609.7	592.3	586.3	587.3	Parks, recreation, and cultural

COUNTY OF FAIRFAX, VA
TABLE 5.2 - Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year				
Function/Program	2011	2010	2009	2008	2007
Primary Government:					
General government administration:					
Real property parcels assessed	357,943	357,872	358,179	357,180	354,830
Personal property vehicles assessed	956,528	948,285	947,698	940,437	941,788
Businesses licensed	46,597	46,872	47,750	47,768	47,556
Best qualified job applicants forwarded to departments	20,563	11,672	11,028	19,343	20,336
Judicial administration:					
Cases filed in General District Court	328,580	334,971	345,240	336,776	308,118
Booking transactions	48,569	49,784	55,806	54,134	53,389
General District Court probation program new adult enrollment	1,353	1,300	1,819	1,455	1,369
Public safety:					
Police:					
Recruits graduating Criminal Justice Academy	42	37	41	108	89
Total cases assigned	12,083	13,199	11,078	11,200	11,224
Total cases cleared	6,820	9,503	6,158	7,850	6,937
Parking tickets issued	61,252	64,079	66,003	66,962	66,993
Sheriff:					
Court cases heard annually	451,744	435,853	459,836	459,543	458,358
Average daily Adult Detention Center inmate population	1,226	1,279	1,309	1,155	1,095
Fire and rescue:					
Fire investigations conducted	306	312	276	331	380
Fire inspection activities conducted	19,251	15,468	24,641	26,830	18,942
EMS incidents	64,066	65,898	65,662	64,433	64,088
Animals impounded	4,365	4,087	5,176	5,899	5,202
Public works:					
Gross square feet of facilities maintained	8,532,386	8,494,171	8,079,711	8,569,129	7,720,206
Tons of County waste disposed	789,721	789,198	845,541	917,463	1,008,263
Total tons recycled	472,646	445,625	491,113	488,240	498,139
Total average daily wastewater flow treated (million gallons)	100	107.7	101	99	107
Health and welfare:					
Persons served through Community Services Board programs:					
Intellectual Disability Services (IDS)	12,390	11,447	11,318	12,006	11,191
Alcohol and drug services	5,153	5,115	5,136	5,397	5,456
Intellectual disability	2,319	2,297	2,685	2,808	2,297
Infant Toddler Connection	2,801	2,448	2,374	2,044	1,314
Senior home-delivered meals	504,093	584,942	624,745	624,745	570,614
Food Stamp applications processed	17,593	17,739	15,412	11,057	9,363
Medicaid/FAMIS applications processed	19,711	17,760	18,700	17,298	15,621
Primary care clinic visits	56,018	51,447	50,012	50,054	47,022
Child immunization vaccines given at clinics	31,152	65,725	36,062	39,587	44,775

Fiscal Year					
2006	2005	2004	2003	2002	Function/Program
					Primary Government:
					General government administration:
349,995	345,338	341,651	337,350	333,209	Real property parcels assessed
947,135	955,658	942,860	949,061	921,716	Personal property vehicles assessed
48,074	47,248	47,176	40,649	39,568	Businesses licensed
23,850	20,207	17,777	14,863	18,289	Best qualified job applicants forwarded to departments
					Judicial administration:
314,964	306,347	281,002	249,708	260,214	Cases filed in General District Court
52,069	52,120	51,972	48,395	47,158	Booking transactions
1,092	1,181	768	742	631	General District Court probation program new adult enrollment
					Public safety:
					Police:
76	96	154	135	113	Recruits graduating Criminal Justice Academy
10,752	10,407	11,257	10,890	11,550	Total cases assigned
6,182	6,839	7,949	7,556	7,991	Total cases cleared
77,459	81,881	32,743	21,367	27,188	Parking tickets issued
					Sheriff:
488,453	496,080	456,574	425,022	447,545	Court cases heard annually
1,046	1,031	1,044	1,034	859	Average daily Adult Detention Center inmate population
					Fire and rescue:
395	380	372	465	469	Fire investigations conducted
17,396	20,052	20,816	21,330	21,660	Fire inspection activities conducted
62,036	61,636	62,420	60,306	60,685	EMS incidents
5,753	7,013	5,773	6,447	8,619	Animals impounded
					Public works:
7,620,961	7,564,973	7,525,059	7,460,673	6,781,380	Gross square feet of facilities maintained
1,020,009	1,006,837	965,119	883,088	855,812	Tons of County waste disposed
424,923	437,235	514,220	386,019	401,368	Total tons recycled
102	104	108	106	97	Total average daily wastewater flow treated (million gallons)
					Health and welfare:
					Persons served through Community Services Board programs:
11,165	11,006	10,641	10,438	10,551	Intellectual Disability Services (IDS)
5,684	5,290	5,665	6,323	6,224	Alcohol and drug services
1,890	1,809	1,926	1,985	1,882	Intellectual disability
1,719	1,541	1,434	1,254	1,189	Infant Toddler Connection
505,520	462,049	456,735	451,152	452,241	Senior home-delivered meals
9,343	8,611	9,645	9,327	9,299	Food Stamp applications processed
14,548	13,359	14,376	15,499	13,737	Medicaid/FAMIS applications processed
48,032	47,616	47,899	39,733	44,005	Primary care clinic visits
39,762	32,644	44,537	52,395	59,360	Child immunization vaccines given at clinics

(continued)

COUNTY OF FAIRFAX, VA
TABLE 5.2 - Operating Indicators by Function (concluded)
Last Ten Fiscal Years

	Fiscal Year				
Function/Program	2011	2010	2009	2008	2007
Community development:					
Building inspections	131,236	119,132	130,492	144,388	180,471
Building permits issued	52,450	59,662	49,783	59,662	73,719
Zoning permits processed	15,768	14,791	14,379	18,435	24,611
Fairfax Connector bus passengers	10,283,313	9,629,993	10,901,053	9,810,228	9,717,392
Parks, recreation, and cultural:					
Senior Center attendance	258,359	254,830	278,054	276,326	246,946
Teen Center attendance	95,993	99,267	90,600	103,357	99,445
Community Center attendance	219,768	211,637	211,781	190,397	175,908
Library visits	5,439,426	5,685,827	6,128,289	5,794,036	5,334,827
Circulation of all library materials	13,241,259	13,879,073	13,931,027	13,065,309	11,942,788
Component Units:					
Public Schools:					
Combined SAT scores (1)	1,654	1,664	1,664	1,654	1,639
Number of lunches served daily	85,154	83,514	83,385	81,432	82,273
Number of breakfasts served daily	12,825	11,911	10,456	10,555	10,889
Student enrollment	174,933	172,391	169,538	166,307	164,486
Special education enrollment	24,489	14,157	14,071	13,499	13,265
ESOL enrollment	22,650	19,222	22,001	21,783	21,369
Redevelopment and Housing Authority:					
Residents housed through subsidized rental programs:					
Federal Public Housing	2,839	2,866	2,863	2,878	2,924
Federal Housing Choice Vouchers	9,103	8,138	8,454	8,264	8,108
County Rental Program-multifamily and seniors (2)	6,006	6,113	6,398	4,941	3,876
Homes sold in First-Time Homebuyer Program	51	63	120	152	142
Park Authority:					
REC Center attendance	1,988,830	1,868,390	1,847,391	1,778,914	1,773,319
Golf course rounds	281,930	289,384	298,631	322,175	318,117
Visits to natural, cultural, historic, and interpretive sites	723,351	616,441	606,411	566,815	526,975
Class, camp, and program participation	166,430	152,002	157,590	161,213	158,449

Sources: Fairfax County Department of Management and Budget, Fairfax County Public Schools, Fairfax County Redevelopment and Housing Authority, Fairfax County Park Authority

Notes:

(1) Starting in FY2006, a writing section was added to the SAT, for a possible total score of 2400, compared to 1600 in FY2005 and prior years.

(2) Prior to FY2007, the numbers for the Fairfax County Rental Program included only properties managed by the FCRHA.

Fiscal Year					
2006	2005	2004	2003	2002	Function/Program
					Community development:
218,631	256,659	237,073	222,546	261,811	Building inspections
82,029	91,416	78,703	78,078	82,100	Building permits issued
24,555	28,991	27,963	33,410	32,860	Zoning permits processed
9,529,056	8,474,143	7,990,825	7,595,138	6,831,313	Fairfax Connector bus passengers
					Parks, recreation, and cultural:
249,966	209,963	191,794	180,692	191,009	Senior Center attendance
116,033	85,610	61,866	53,265	48,822	Teen Center attendance
157,512	142,531	116,185	119,685	137,600	Community Center attendance
5,225,404	5,265,176	5,283,497	5,261,448	5,349,847	Library visits
11,279,972	11,232,817	11,435,007	11,566,681	12,114,743	Circulation of all library materials
					Component Units:
					Public Schools:
1,643	1,114	1,105	1,110	1,096	Combined SAT scores (1)
82,169	81,672	81,166	79,012	76,423	Number of lunches served daily
10,202	10,830	11,410	10,665	10,029	Number of breakfasts served daily
164,284	164,408	164,195	163,386	161,385	Student enrollment
12,665	12,420	12,148	11,751	10,839	Special education enrollment
20,963	20,646	19,921	19,346	17,128	ESOL enrollment
					Redevelopment and Housing Authority:
					Residents housed through subsidized rental programs:
2,933	3,165	2,940	2,967	2,897	Federal Public Housing
8,676	10,140	10,534	10,185	9,229	Federal Housing Choice Vouchers
1,355	1,378	1,494	2,068	2,117	County Rental Program-multifamily and seniors (2)
92	114	97	147	111	Homes sold in First-Time Homebuyer Program
					Park Authority:
1,775,980	1,658,377	1,582,774	1,532,537	1,514,138	REC Center attendance
319,595	296,750	321,381	285,392	375,711	Golf course rounds
574,127	479,533	469,774	459,828	418,561	Visits to natural, cultural, historic, and interpretive sites
151,019	131,379	133,202	132,461	115,901	Class, camp, and program participation

COUNTY OF FAIRFAX, VA
TABLE 5.3 - Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year				
Function/Program	2011	2010	2009	2008	2007
Primary Government:					
General government administration:					
Government office buildings (square feet)	3,792,927	3,630,519	3,836,771	3,393,794	3,080,056
Vehicle maintenance facilities	4	4	4	4	4
Judicial administration:					
Correctional facilities (inmate capacity)	1,260	1,260	1,260	1,260	1,260
Courtrooms	40	39	35	34	35
Public safety:					
Police:					
Stations	8	8	8	8	8
Vehicles	1,255	1,289	1,290	1,280	1,280
Helicopters	2	2	2	2	2
Criminal justice academy (trainee capacity)	240	240	240	240	230
Fire and rescue:					
County-operated fire and rescue stations	28	27	26	24	22
Volunteer fire and rescue stations	9	10	11	13	13
Combination stations	4	4	4	4	4
Vehicles	496	502	495	496	462
Boats	2	2	2	2	2
Training facilities (trainee capacity)	186	186	186	186	177
Animal shelters (animal capacity)	134	146	158	158	158
Public works:					
Miles of sanitary sewer lines	3,390	3,380	3,378	3,353	3,328
Sewer pumping stations	65	65	65	65	65
Refuse collection, recycling, and disposal vehicles	264	263	254	289	229
Miles of stormwater drainage lines	1,593	1,586	1,575	1,554	1,758
Stormwater retention ponds	1,349	1,334	1,303	1,267	1,222
Landfills and transfer stations	3	3	3	3	3
Health and welfare:					
Health-related clinics	5	5	5	5	5
Shelters	6	6	6	4	3
Community Services Board centers	10	10	10	9	9
Community development:					
Community centers	7	7	7	5	5
Bus shelters	194	184	184	181	74
Transit centers and park & ride lots	45	51	51	48	19
Fairfax Connector buses	271	255	220	212	202
Parks, recreation, and cultural:					
Libraries	23	23	22	21	21
Community centers	2	2	2	3	3
Trails and walkways (miles)	645	641	634	696	605

Fiscal Year					
2006	2005	2004	2003	2002	Function/Program
					Primary Government:
					General government administration:
3,027,973	3,027,973	3,027,973	3,027,973	2,962,899	Government office buildings (square feet)
4	4	4	4	4	Vehicle maintenance facilities
					Judicial administration:
1,260	1,260	1,260	1,260	1,260	Correctional facilities (inmate capacity)
35	35	35	35	35	Courtrooms
					Public safety:
					Police:
8	8	8	7	7	Stations
1,326	1,283	1,248	1,334	1,298	Vehicles
2	2	2	2	2	Helicopters
230	230	230	230	230	Criminal justice academy (trainee capacity)
					Fire and rescue:
21	20	20	20	20	County-operated fire and rescue stations
11	11	11	11	11	Volunteer fire and rescue stations
4	4	4	4	4	Combination stations
458	447	431	397	407	Vehicles
2	2	2	2	2	Boats
177	152	152	152	152	Training facilities (trainee capacity)
158	158	158	158	158	Animal shelters (animal capacity)
					Public works:
3,306	3,289	3,267	3,240	3,213	Miles of sanitary sewer lines
65	64	64	61	61	Sewer pumping stations
229	228	224	222	222	Refuse collection, recycling, and disposal vehicles
1,520	1,507	1,044	835	815	Miles of stormwater drainage lines
1,196	1,146	1,116	1,060	1,004	Stormwater retention ponds
3	3	3	3	3	Landfills and transfer stations
					Health and welfare:
5	5	5	5	5	Health-related clinics
3	3	3	3	3	Shelters
9	9	9	9	9	Community Services Board centers
					Community development:
5	5	5	5	5	Community centers
57	53	42	28	13	Bus shelters
8	6	6	7	7	Transit centers and park & ride lots
170	170	170	163	163	Fairfax Connector buses
					Parks, recreation, and cultural:
21	21	21	21	21	Libraries
3	3	3	3	3	Community centers
596	631	626	616	606	Trails and walkways (miles)

(Continued)

COUNTY OF FAIRFAX, VA
TABLE 5.3 - Capital Asset Statistics by Function (concluded)
Last Ten Fiscal Years

	Fiscal Year				
Function/Program	2011	2010	2009	2008	2007
Component Units:					
Public Schools:					
Elementary schools	139	139	137	137	137
Middle schools	22	22	22	22	22
High/secondary schools	25	25	25	25	25
Special education centers	8	8	9	10	11
Alternative high schools	2	3	3	3	3
Redevelopment and Housing Authority:					
Housing units owned under programs:					
Federal Public Housing	1,065	1,065	1,065	1,065	1,065
County Rental Program	1,420	1,429	1,442	1,437	736
Senior Housing Program	494	494	494	494	494
Partnership Program	779	779	689	689	689
Park Authority:					
Acres of park land	22,894	22,524	24,277	24,149	23,976
Athletic fields	273	284	289	289	288
Trail miles	317	314	312	299	297
Play areas and tot lots	204	201	201	201	194
Tennis courts	229	229	229	229	229
Multi-use courts	132	132	132	132	132
Recreational centers	9	9	9	9	9
Golf courses	9	9	9	9	9
Historic sites	68	67	67	64	64
Nature/visitor centers	7	7	7	7	7
Marinas	3	3	3	3	3

Sources: Fairfax County Department of Finance, Fairfax County Public Schools, Fairfax County Redevelopment and Housing Authority, Fairfax County Park Authority

Fiscal Year					
2006	2005	2004	2003	2002	Function/Program
					Component Units:
					Public Schools:
136	136	136	132	132	Elementary schools
22	22	22	22	21	Middle schools
25	24	24	24	24	High/secondary schools
13	15	20	21	24	Special education centers
3	3	3	3	3	Alternative high schools
					Redevelopment and Housing Authority:
					Housing units owned under programs:
1,065	1,065	1,065	1,065	1,065	Federal Public Housing
702	683	670	666	666	County Rental Program
460	400	400	400	400	Senior Housing Program
491	491	491	491	491	Partnership Program
					Park Authority:
23,687	23,517	22,987	22,644	22,621	Acres of park land
288	275	274	274	295	Athletic fields
211	204	204	204	204	Trail miles
192	205	205	201	201	Play areas and tot lots
229	225	223	222	222	Tennis courts
128	119	118	119	143	Multi-use courts
9	9	8	8	8	Recreational centers
9	8	8	8	8	Golf courses
64	65	65	60	60	Historic sites
7	7	7	7	7	Nature/visitor centers
3	3	3	3	3	Marinas

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