County of Fairfax, Virginia

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2014

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Department of Finance
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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, 2014

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County of Fairfax, Virginia

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

November 10, 2014

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 (CAFR) of the County of Fairfax, Virginia (the County) for Fiscal Year (FY) 2014 (July 1, 2013 - June 30, 2014) 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.

The following subjects are discussed in this letter:

- Economic Condition and Outlook
- Major Initiatives and Accomplishments
- About Fairfax County
- Financial Information
- Independent Audit
- Awards
- Acknowledgements

Important information regarding the financial statements and audit is discussed under the Financial Information heading located on page XVI.

Economic Condition and Outlook

The Local Economy

Economic indicators show that the local economy has slowed since federal government efforts to stimulate the economy ceased and the sequestration decreased federal spending. From July 2012 to July 2014, federal employment decreased by 3,400 jobs in Northern Virginia. During the same period, the professional and business services sector lost an additional 1,400 jobs. Through July 2014, the number of jobs in Northern Virginia expanded at an annual rate of 1 percent, which is significantly lower than the 2.4 percent average annual rate experienced from 2004 through 2007, prior to the recession.

The unemployment rate in the County as of June is 4.4 percent, down from its 5.7 percent peak in January 2010 (but still much higher than the 2.2 percent annual rate experienced in 2006 prior to the economic

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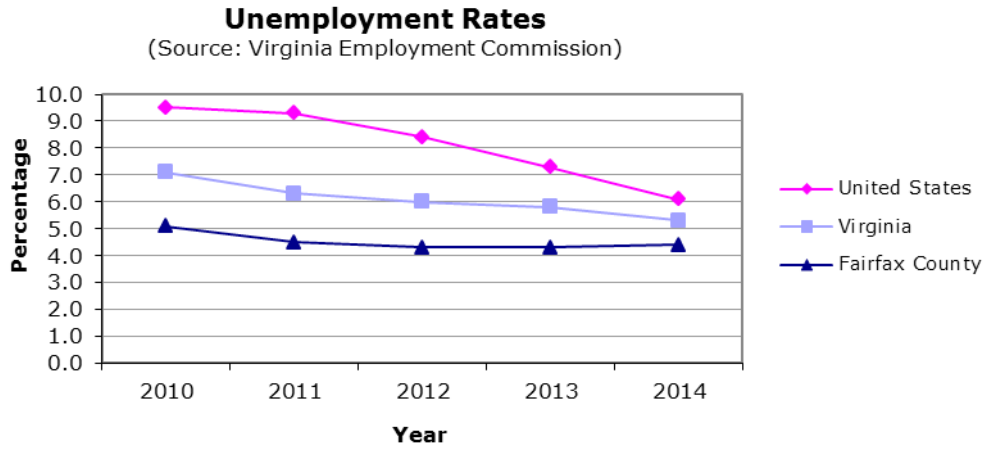
downturn). A variety of factors contributed to the sluggishness of the local labor market. The severe winter weather likely impacted hiring early in the year. The ripple effects from the sequestration cuts are proving to be more long-lasting than initially expected. Government contractors continue to adapt to the across-the-board sequestration budget cuts which came as the federal government was already reducing spending. The recently announced state revenue deficit is also cause for concern.



The factors putting pressure on the employment picture are impacting other facets of the economy. While **real estate tax receipts grew 4.4 percent**, all non-real estate revenue declined 0.4 percent in FY 2014. Consumer spending has been impacted as demonstrated by sales tax receipts which have declined by 0.9 percent, the first decline in four years. Business, Professional and Occupational Licenses revenue declined 2.7 percent in FY 2014.

Online Resource: www.fairfaxcounty.gov/budget

Economic Development

Economic development promotes a vibrant, diversified business community, enhancing the commercial tax base. Economic development activities of the County are carried out through the Fairfax County Economic Development Authority (FCEDA), which promotes Fairfax County as a preferred location for business start-up, expansion, relocation, and capital investment. FCEDA commissioners are appointed by the Board of Supervisors. Working with new and existing businesses FCEDA helps identify facility needs, offers business development support, and assists in resolving county and state related issues. Recent highlights include:

Jobs

In FY 2014, the FCEDA worked with **115 businesses that will add more than 6,700 jobs** to Fairfax County's primary economy. Companies such as Cvent, Volkswagen of America, Lockheed International, Sevatec and Gate Gourmet announced expansions in or relocations to Fairfax County along with scores of other U.S., foreign-owned, and small, minority- and veteran-owned businesses.

Office Space

The total **inventory of office space in the County was more than 115 million square feet** at June 30, 2014, making Fairfax County the second-largest suburban office market in the nation; as well as, the largest office market in the Commonwealth of Virginia. Industrial/flex inventory in the county is estimated at 39 million square feet. At June 30, 2014, the vacancy rates (including sublet space) for the office market and industrial/flex markets were 16.5 percent and 13.3 percent, respectively.

Foreign Companies

The FCEDA maintains marketing offices in seven important global business centers: Bangalore, India;

Boston; London; Los Angeles; Munich, Germany; Seoul, South Korea; and Tel Aviv, Israel. In FY 2014, the FCEDA assisted 37 foreign-owned businesses with their decision to locate or expand in Fairfax County. **More than 400 foreign-owned firms from 45 countries have a presence in the County.**

Online Resource: www.fairfaxcountyeda.org

Major Initiatives and Accomplishments

Development Initiatives

Tysons

Significant progress was made in Tysons in 2014. **The Silver Line Phase One began service** on July 26, 2014. The Fairfax County Board of Supervisors has approved new development applications to transform Tysons. The applications approved this year permit up to approximately 650,000 square feet of additional non-residential development and 1,920,000 square feet of additional residential development (up to 2,029 dwelling units). These approved developments are estimated to accommodate over 3,500 new residents and 1,400 new employees.

Tysons is envisioned as Fairfax County's "downtown," 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 less than a six-minute walk from the stations, allowing people to get around on foot, bicycle, bus or rail.

By 2050, Tysons will be transformed into a walkable, urban center, home to up to 100,000 residents and 200,000 jobs. The County has approved a Comprehensive Plan for the redevelopment of Tysons into a major residential and commercial center. Currently, the area employs around 100,000 people with only 17,000 residents, creating a significant amount of traffic as people commute to and from work.

Springfield Town Center

The Springfield Town Center, which opened on October 17, 2014, heralds a new Springfield renaissance. What used to be the old Springfield Mall now boasts 1.3 million square feet in upscale stores, restaurants and entertainment. The almost 80-acre site will eventually become home to mixed used development with more than 2,200 apartments, offices, entertainment and shopping.

The vision for the Springfield Town Center is for a walkable community where people can live, work, shop and enjoy entertainment and community activities. Interwoven among the retail, offices, hotels, and residences will be a pedestrian oriented network of sidewalks, multi-use pathways, an abundance of open spaces and recreational facilities, including a Central Plaza, dog park, and indoor and outdoor recreations opportunities which will result in a rich environment where the community can gather for concerts, farmer's markets, events and public exhibits.

The redevelopment of the mall into a mixed use town center was approved by the Board of Supervisors in 2009.

Mosaic District

Two years after its grand opening in September 2012, the Mosaic District has been transformed into a walkable, bustling town center, which is attracting visitors from across the region and is stimulating economic growth in the surrounding community. The Mosaic District boasts a mix of retail shops, restaurants, high-end town homes, as well as popular public spaces and a parking garage. The redevelopment of the 31 acre site was facilitated by the Mosaic Community Development Authority (CDA), which financed infrastructure improvements.

Online Resources: Go to www.fairfaxcounty.gov and search by project name.

Transportation Improvements

In January 2014 the Board of Supervisors made **the most dramatic pledge to fund transportation improvements since the 1980s, approving $1.4 billion in transportation project priorities over the next six years**. This package includes roughly 180 projects largely funded using state and regional sources.

Regional Cooperation

The County is an active member of the multi-jurisdictional Northern Virginia Transportation Authority (NVTA). The NVTA was created to develop and implement solutions to transportation issues across the Northern Virginia region. Under a landmark Commonwealth of Virginia transportation bill, **$1.9 billion in new transportation funding will be available over the next six years.** NVTA's first year goal is to jump-start those congestion relief projects that will make the most effective use of this funding. A significant part of this funding comes from a 0.7 percent addition to the sales tax in the region, designated for deposit to the NVTA Fund.

Dulles Corridor Metrorail Project

This is a 23-mile extension of the Metrorail system in the Dulles Corridor, passing through the Tysons area to Washington Dulles International Airport and into Loudoun County. The project is being constructed in two phases due to federal funding constraints. Phase 1 consists of rail from Vienna, through Tysons, to Reston; Phase 2 will extend rail from Reston to Dulles airport and into Loudoun County. **The total project capital cost is estimated at $5.9 billion. Fairfax County is responsible for funding 16.1% of the capital costs with federal, state, Loudoun County, Metropolitan Washington Airports Authority and Dulles Toll Road funding the balance of the project.**

The Board approved the creation of two special tax districts for commercial and industrial properties to fund the majority of the County's share of the project. The two tax districts will provide $730 million of the County's share for Phase 1 and 2. The Phase 1 Tax District will provide $400 million and the Phase 2 Tax District will provide $330 million in funding.

Phase 1 began service July 2014 and **ridership is expected to exceed original estimates.** After two months of service, ridership was at sixty percent of the first year estimate. Phase 2 began construction in late 2013 with construction to be complete in 2018. The County was approved for a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan in the amount of $403 million. "Low interest financing for Dulles

Rail will keep toll rates low and keep the project (Phase 2) on track for 2018," said Fairfax County Board of Supervisors Chairman Sharon Bulova. "**The Silver Line is the largest and most significant transportation project in the country today** and is vitally important to the economic growth of Fairfax County, the region and the Commonwealth."

The Route 1 Widening Project

Route 1 is being expanded from four to six lanes from Old Mill Road to Telegraph Road, through the Fort Belvoir area. **Supported by $180 million in federal funding**, this project includes sidewalks, trails, and a wide median to accommodate future transit. Construction is underway on this design-build project being managed by the Federal Highway Administration.

The Route 7 Widening Project

Route 7 is being widened from four to six lanes from Rolling Holly Avenue to Reston Avenue in the northwest part of Fairfax County. The project will include 10-foot wide trails on both sides of Route 7. Construction is underway, with completion scheduled in 2015.

Online Resource: www.fairfaxcounty.gov/living/transportation

Technology Initiatives

The e-Government (e-Gov) initiative is a program supporting the County's goal of a "government without walls, doors, or clocks". The comprehensive strategy is the foundation for the County's Open Government, Transparency, Customer Service, and Public Engagement strategies, as well as enabling County agencies' operational effectiveness goals, such as a mobile workforce and Continuity of Operations.

The County had made mobile applications (apps) available in the areas of tax transactions and reporting, land-use information, permits and inspections, social services resources, and customer services in public works. A mobile app was developed for the location of voting precincts. Mobile initiatives have transformed 'office' work to 'anywhere' work, increasing productivity and have made government more accessible to citizens.

In FY 2014, there was a focus on citizen/community engagement allowing multiple communication channels for 24/7 access to the County government at home and on mobile platforms. As part of this effort, the County homepage was redesigned in a joint effort between the Office of Public Affairs and the Department of Information Technology, to present a more topic driven and intuitive starting point. This is a visible change, with many other customer relationship management projects underway that improve service efficiency or the quality of service provided by multiple County agencies.

Online Resource: www.fairfaxcounty.gov/DIT/ITplan

Environmental Stewardship

In Fairfax County, environmental stewardship and prudent management of our natural environment and resources are essential and fundamental responsibilities. Decisions with environmental impacts are guided by the strategic and policy framework described in the Board's Environmental Agenda, titled Environmental Excellence for Fairfax County: A 20-year Vision. The plan addresses six core areas for protecting the environment, including growth and land use; air quality and transportation; water quality; solid waste; parks, trails, and open space; and environmental stewardship. Implementing this long-term strategic planning requires cooperation and coordination between County residents, government leadership and County agencies. Examples of projects and initiatives undertaken to improve the County's environment include:

Promoting Sustainable County Operations

Green Building policy for County Facilities: In 2014, the County broke ground on the new public safety headquarters building, currently under construction on the Government Center complex. This project complies with the Board of Supervisors adopted Sustainable Development policy, which requires **County buildings of 10,000 or more square feet to be constructed to meet or exceed minimum green building standards**. The public safety headquarters is designed to achieve LEED Silver certification. It will be the County's first building constructed to use energy efficient LED lighting throughout. Other design features include green roofs, low-flow plumbing fixtures and permeable pavements.

Online Resource: www.fairfaxcounty.gov/living/environment/eip/bos_environmental_agenda.pdf

Affordable Housing

The County's affordable housing policy, known as the Housing Blueprint, has **four goals: to end homelessness in ten years, to provide affordable housing options to those with special needs, to meet the affordable housing needs of low-income working families, and to produce workforce housing**. Current Housing Blueprint initiatives include:

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 initiative is the Penny for Affordable Housing Fund, which is the dedication of a "half penny" of the real estate tax rate for affordable housing initiatives. The values of the "half penny" in FY 2013 and FY 2014 were $10,330,000 and $10,590,000, respectively. The Board's Affordable Housing Preservation **Initiative has preserved a total of 2,701 units** of affordable housing as of the end of FY 2014.

Affordable Dwelling Unit Program

The Affordable Dwelling Unit (ADU) Ordinance 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 offered 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 September 2014, a total of **2,576 units (1,204 rentals and 1,372 for-sale units) have been produced under the ADU program**; the FCRHA has acquired 141 of the for-sale units, which are maintained as permanent affordable rental housing.

Workforce Housing Policy

The 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 September 2014, a total of 4,783 Workforce Dwelling Units** (WDU) have been committed by private developers in rezoning actions approved by the Board of Supervisors, and 243 WDUs have been constructed.

Online Resource: www.fairfaxcounty.gov/rha

Quality Communities

Fairfax County prides itself on its cultural assets, as well as parks and diverse recreational opportunities, including:

Destinations

The Steven F. Udvar-Hazy Center, part of the Smithsonian National Air and Space Museum is located at Dulles International Airport. Wolf Trap Farm Park for the Performing Arts is a renowned cultural facility offering year-round programs across a broad range of art forms. Other well-known attractions include Mount Vernon, the home of George Washington; Woodlawn Plantation, George Washington's wedding gift to his nephew; and Gunston Hall, the home of George Mason. The Workhouse Arts Center is a distinctive cultural arts center and an example of creative re-use of what was previously a medium-security prison.

Parks

The Fairfax County Park Authority manages **23,310 acres of park land, including 239 athletic fields and 36 synthetic turf fields, 209 playgrounds, 324 miles of trails, 9 recreation centers, 9 golf courses (two at Twin Lakes),** several lakes and historic sites, thus offering diverse recreational options. In 2014, the Park Authority began to update their needs assessment which was last completed in 2004. Information will be gathered and analyzed through surveys and public outreach. This information will help the Authority understand the customer needs and desires. It will be a useful tool to plan future capital improvements that will best meet the recreation needs of the County's large diverse population.

Library

Based on a recent assessment, approximately **12.8 million items** are borrowed annually from the Library's collection of nearly 3 million books, CDs, DVDs, magazines, and other items. There were 5.2 million visits made to the branches and 4.9 million visits 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.

Shopping

With more than 200 shopping centers and over 7,000 restaurants, Fairfax County offers one of the best shopping and dining experiences on the East Coast. Tysons, the "downtown" of Fairfax County, is home to several malls that feature such retailers as Macy's, Neiman Marcus, Nordstrom, Saks Fifth Avenue, Tiffany and Company and Bloomingdale's. The Reston Town Center offers more than fifty retail shops and thirty restaurants in the County's first and largest mixed-used development. Fairfax Corner, the Mosaic District, and Springfield Towncenter are other mixed-use developments, offering main street style shopping at both national chains and local boutiques.

ABOUT FAIRFAX COUNTY

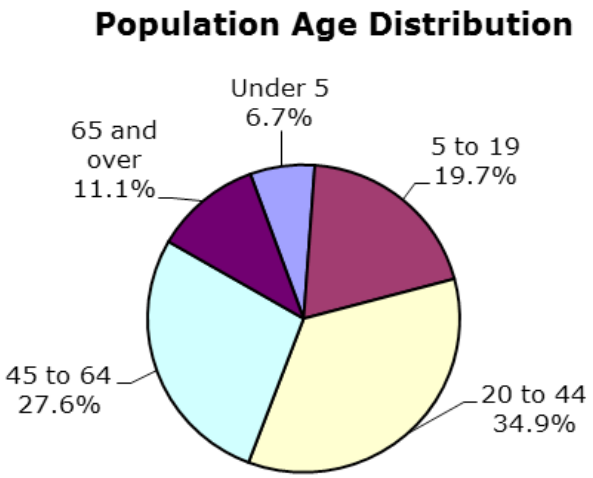
GOVERNMENTAL STRUCTURE

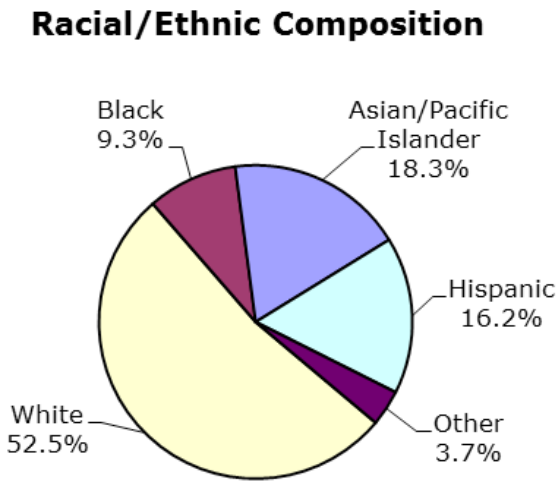
Fairfax County is located in the northeastern corner of Virginia and encompasses an area of 407 square miles, including land and water. The County is part of the Washington, D.C. metropolitan area, which includes jurisdictions in Maryland, Northern Virginia, and the District of Columbia.

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.

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.





Source: U.S. Census Bureau, 2013 American Community Survey

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.

Demographic Information

Based on U.S. Census Bureau data for 2013, the County's estimated population was 1,130,924.

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 area.**

The population of Fairfax is anticipated to grow to 1.2 million by the year 2025.

As reported in the American Community Survey, Fairfax County had an **estimated annual median household income of $111,079 in 2013,** compared with $62,666 in the Commonwealth of Virginia and $52,250 in the United States.

In 2013, approximately **38.7 percent of the population was 45 years of age or older**, while about 26.4 percent of the population was under 20 years old. More than 30 percent of the County's population is foreign-born, and more than 36 percent of all County residents five years or older speak a language other than English at home.

Public Schools

Fairfax County Public Schools (FCPS), with a

student population of 183,895, is the largest educational system in the Commonwealth of Virginia. The operating costs of FCPS are funded primarily from the County's general fund and accounts for more that 50 percent of the general fund budget; 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.

In the 2014, 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 four gold medal school in the nation and was the top ranked school for science, technology engineering and mathematics.

Colleges and Universities

Higher education plays a critical role in developing a highly skilled and competitive workforce. The County is home to campuses of five major universities; more than 40 colleges and universities offer graduate and undergraduate programs throughout the area.

Among the larger institutions are George Mason University (GMU), one of the top 150 national universities in the United States, according to the 2014 ranking released by U.S. News & World Report, and Northern Virginia Community College (NVCC). **Combined, GMU and NVCC serve approximately 90,000 students and offer 223 programs of study across 6 campuses.** Additionally, the County is home to satellite campuses for the University of Virginia, Virginia Tech and the Commonwealth Graduate Engineering Program.

Online Resource: www.fairfaxcounty.gov/government/about

Employment

More than 34,000 payroll businesses, including corporate and regional headquarters, information technology firms, sales and marketing offices, and business services are located in the 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 high proportion of jobs in the County are in the high-wage, highly skilled information technology and professional services sectors.** Recent achievements and highlights include:

Fairfax County companies annually appear on a number of prestigious regional and national "best of business" lists in an array of categories that reflect the diversity and strength of Fairfax County's vibrant business community. One-hundred thirty Fairfax County firms, most of them in technology and professional services fields are on the 2014 **Inc. 5000** list. Produced by Inc. magazine, this list highlights the **fastest-growing companies in the nation. Nine of the Fairfax County firms are among the top 500** companies on the list.

Fairfax County is home to ten companies on the 2014 Fortune 500 list: Freddie Mac, General Dynamics, Northrop Grumman, Capital One, CSC, Hilton Worldwide, Leidos, Booz Allen, Gannett and NII Holdings.

Other interesting notes about Fairfax County's Fortune 500 companies:

- Fairfax County **has more Fortune 500 headquarters than 30 states** and the same number as three other states.
- Fairfax County is home to **four of the five largest** Fortune 500 companies headquartered in Virginia.
- The Fairfax County total accounts for 59 percent of the 17 listed companies from the Washington, D.C. region.

Financial Information

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.

INDEPENDENT AUDIT

The County's financial statements have been audited as required by the Code of Virginia and received an unmodified 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.

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 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 monthly. 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 superior commitment item 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. Two budget reviews during the year, the Carryover Review and the Third Quarter Review, serve as the primary mechanisms for revising appropriations. A synopsis of proposed changes is advertised and a public hearing is

held prior to the adoption of amendments to the current year budget when adjustments exceed one percent of total expenditures.

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 as a financial tool only in the event of an economic downturn, and then within strict parameters. The Revenue Stabilization Fund has a targeted balance of three percent of General Fund disbursements and is separate and distinct from the County's two percent Managed Reserve, which was established initially in FY 1983. The aggregate of both reserves will not exceed five percent. As of June 30, 2014, the Revenue Stabilization Fund and Managed Reserve balances were both fully funded per the County's policies.

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 and compliance with the requirements of the U.S. Office of Management and Budget Circular A-133 Compliance Supplement for major federal award programs. This internal control structure is subject to periodic evaluation by management, and the internal audit staff.

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 September 2014, only 9 of 50 states, 37 of 3,143 counties, and 32 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.

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 FY 2013. 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. Management believes that the current CAFR meets the Certificate of Achievement Program's requirements, and it will be submitted 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 FY 1985. 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 received since 1999.

National Association of Clean Water Agencies Award

In FY 2014, 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 Noman M. Cole, Jr. Plant has met this standard for more than 16 consecutive years. The plant's achievement helps protect the water quality of the County's streams and watersheds, and the Chesapeake Bay.

The County also received an Excellence in Management Award in recognition of commitment to excellence in utility management through the implementation of sustainable, successful programs that exemplify the attributes of an effectively managed utility.

National Association of Counties (NACo) 2014 Achievement 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 nine County programs and projects with 2014 Achievement Awards, including one judged Best in Category.

- **WorkSafe Fairfax - Risk Management (Best in Category)**
  WorkSafe Fairfax is a countywide injury prevention awareness campaign. The primary goals of the program are to protect employees from preventable accidents and reduce the high cost of employee injuries to the County, including Workers Compensation claims and lost workdays.

- **Good Neighbor Initiative - Civics Education and Public Information**
  The Good Neighbor campaign was launched in April 2012 to address neighbor concerns about

behavioral issues in some group homes and residential facilities. Currently, 26 organizations have signed on to the Good Neighbor Agreement.

- **The More Easily Informed Voter -Civics Education and Public Information**

A customized interactive voice recognition software program was integrated with the existing phone system and the statewide secure voter registration database to provide personalized voter information and answers to common questions in both English and Spanish, 24/7.

- **Project Manager Guide - County Administration and Management**

The online guide establishes standard processes and procedures. It is an easy-to-follow resource for the process and paperwork necessary to guide project managers to a successful project completion.

- **5th Grade Field Guide Development Project - Environmental Protection and Energy**

A collaborative effort to develop teaching tools for the school system's newly developed Fields of Science study unit. "A Field Guide to Fairfax County's Plants and Wildlife" introduces 5th-graders to the different disciplines and specialized fields of natural science and encourages exploration of the natural world.

- **Primary and Behavioral Health Care Integration Initiative - Health**

This partnership between a primary care organization and a behavioral health care agency has been key to making this integrated "whole health" model work without special funds or any policy changes. The result is better care and better health outcomes for some of the most vulnerable community members.

- **Mondloch Place - Human Services**

Fairfax County's newest affordable housing property was built in the footprint of a former homeless shelter. A critical component of the county's Housing Blueprint and the Plan to Prevent and End Homelessness, it offers 20 fully furnished efficiency rental units with on-site supportive services to formerly homeless individuals.

- **Emergency Damages Assessment Tracking - Information Technology**

The Emergency Data Gathering Repository (EDGR) system collects real time damage assessment data from a wide range of sources during an emergency event or incident when the Emergency Operations Center is activated.

- **Next Generation Security Program - Information Technology**

The Next Generation Security Program safely provides county agencies and employees with access to social media outlets for immediate dissemination of information to citizens while guarding against the vulnerabilities and attack vectors inherent in today's social media.

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,

Edward L. Long Jr.	Susan W. Datta	Christopher J. Pietsch
County Executive	Chief Financial Officer	Director of Finance

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

Urban County Executive Form of Government
As of June 30, 2014

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
Catherine A. Chianese

County Executive
Edward L. Long Jr.

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

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

Department of Finance
Christopher J. Pietsch, 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
Sharon A. Pribadi, Acting Director

Independent Auditors
KPMG LLP

COUNTY OF FAIRFAX
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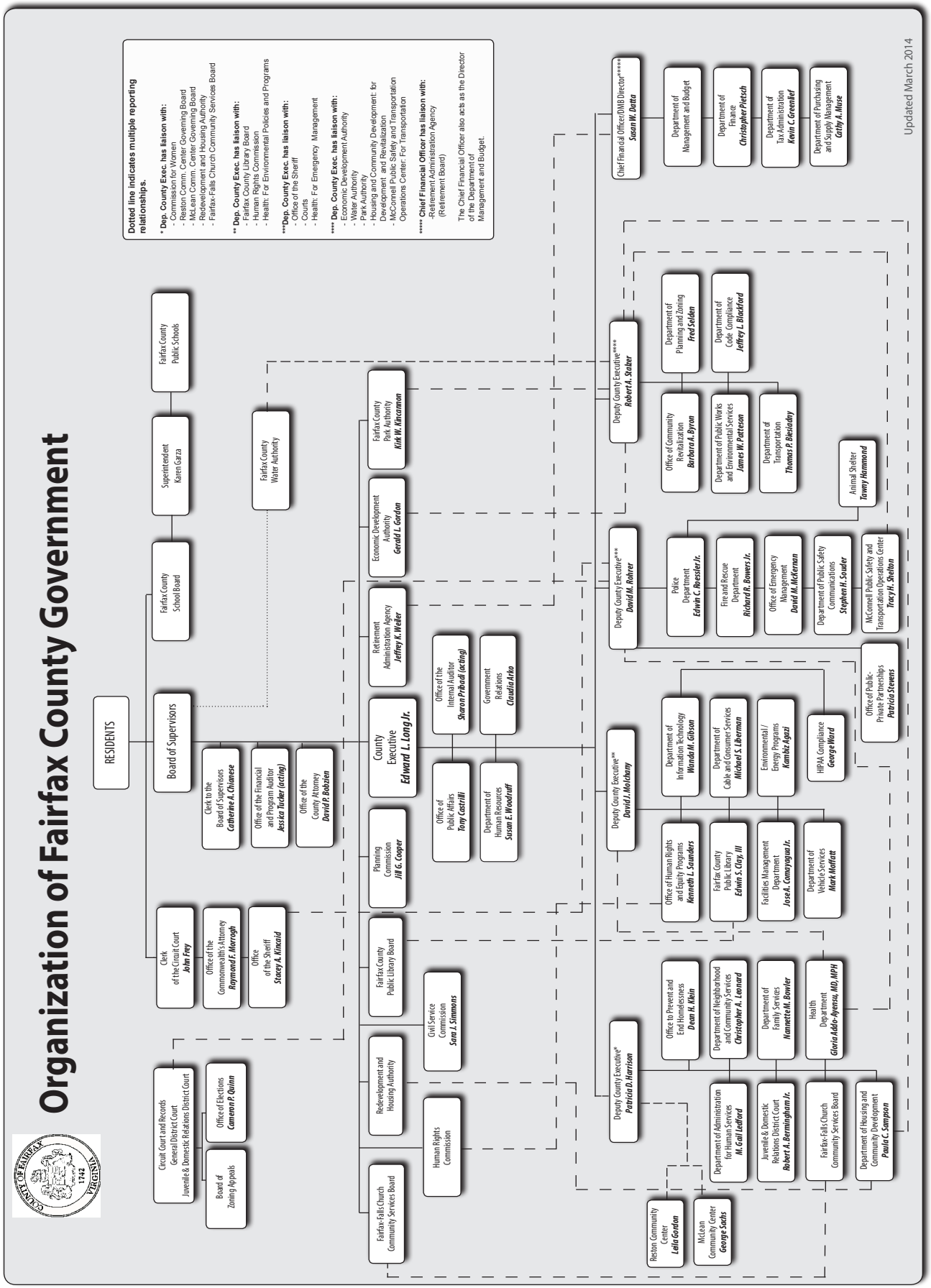
Organization of Fairfax County Government
COUNTY OF FAIRFAX 1742 VIRGINIA
RESIDENTS
Board of Supervisors
Clerk to the Board of Supervisors Catherine A. Chianese
Office of the Financial and Program Auditor Jessica Tucker (acting)
Office of the County Attorney David P. Bobzien
Fairfax County School Board
Superintendent Karen Garza
Fairfax County Public Schools
Fairfax County Water Authority
Clerk of the Circuit Court John Frey
Office of the Commonwealth's Attorney Raymond F. Morrogh
Office of the Sheriff Stacey A. Kincaid
Circuit Court and Records General District Court Juvenile & Domestic Relations District Court
Office of Elections Cameron P. Quinn
Board of Zoning Appeals
Fairfax-Falls Church Community Services Board
Redevelopment and Housing Authority
Human Rights Commission
Planning Commission Jill G. Cooper
Fairfax County Public Library Board
Civil Service Commission Sara J. Simmons
County Executive Edward L. Long Jr.
Office of the Internal Auditor Sharon Pribadi (acting)
Government Relations Claudia Arko
Office of Public Affairs Tony Castrilli
Department of Human Resources Susan E. Woodruff
Retirement Administration Agency Jeffrey K. Weiler
Economic Development Authority Gerald L. Gordon
Fairfax County Park Authority Kirk W. Kincannon
Dotted line indicates multiple reporting relationships.
* Dep. County Exec. has liaison with:
- Commission for Women
- Reston Comm. Center Governing Board
- McLean Comm. Center Governing Board
- Redevelopment and Housing Authority
- Fairfax-Falls Church Community Services Board
** Dep. County Exec. has liaison with:
- Fairfax County Library Board
- Human Rights Commission
- Health: For Environmental Policies and Programs
***Dep. County Exec. has liaison with:
- Office of the Sheriff
- Courts
- Health: For Emergency Management
**** Dep. County Exec. has liaison with:
- Economic Development Authority
- Water Authority
- Park Authority
- Housing and Community Development: for Development and Revitalization
- McConnell Public Safety and Transportation Operations Center: For Transportation
***** Chief Financial Officer has liaison with:
-Retirement Administration Agency (Retirement Board)
The Chief Financial Officer also acts as the Director of the Department of Management and Budget.
Deputy County Executive* Patricia D. Harrison
Office to Prevent and End Homelessness Dean K. Klein
Department of Neighborhood and Community Services Christopher A. Leonard
Department of Family Services Nannette M. Bowler
Health Department Gloria Addo-Ayensu, MD, MPH
Department of Administration for Human Services M. Gail Ledford
Juvenile & Domestic Relations District Court Robert A. Berningham Jr.
Fairfax-Falls Church Community Services Board
Department of Housing and Community Development Paula C. Sampson
Reston Community Center Lelia Gordon
McLean Community Center George Sachs
Deputy County Executive** David J. Molchany
Department of Information Technology Wanda M. Gibson
Department of Cable and Consumer Services Michael S. Liberman
Environmental / Energy Programs Kambiz Agazi
HIPAA Compliance George Ward
Office of Human Rights and Equity Programs Kenneth L. Saunders
Fairfax County Public Library Edwin S. Clay, III
Facilities Management Department Jose A. Comayagua Jr.
Department of Vehicle Services Mark Moffatt
Office of Public-Private Partnerships Patricia Stevens
Deputy County Executive*** David M. Rohrer
Police Department Edwin C. Roessler Jr.
Fire and Rescue Department Richard R. Bowers Jr.
Office of Emergency Management David M. McKernan
Department of Public Safety Communications Stephen H. Souder
McConnell Public Safety and Transportation Operations Center Tracy R. Shelton
Deputy County Executive**** Robert A. Stalzer
Office of Community Revitalization Barbara A. Byron
Department of Public Works and Environmental Services James W. Patteson
Department of Transportation Thomas P. Biesiadny
Department of Planning and Zoning Fred Selden
Department of Code Compliance Jeffrey L. Blackford
Animal Shelter Tawny Hammond
Chief Financial Officer/OMB Director***** Susan W. Datta
Department of Management and Budget
Department of Finance Christopher Pietsch
Department of Tax Administration Kevin C. Greenlief
Department of Purchasing and Supply Management Cathy A. Muse
Updated March 2014

This report was prepared by:

County of Fairfax, Virginia
Department of Finance

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Christopher J. Pietsch

Deputy Director
Deirdre M. Finneran

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Michael J. Sandler

Tanya D. Burrell, CPA, MPA, Chief, Financial Operations Division

Nanette A. Velasco
Jhany P. Cardozo

With the support and assistance of many others.

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, 2013. 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.

Government Finance Officers Association

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, 2013

Executive Director/CEO

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
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report

The Board of Supervisors
County of Fairfax, Virginia:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Fairfax, Virginia (the County), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Fairfax County Redevelopment and Housing Authority (FCRHA), a discretely presented component until of the County which represents 7%, 4%, and 4%, respectively, of total assets, net position, 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 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 and 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 from material misstatement.

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

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accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion based on our audit and the report of another auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2014, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 5 through 20 and the required supplementary information and the notes to the required supplemental information on pages 109 through 115 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 on pages 117 through 230 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures

in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section on pages VII through XXV and the statistical section on pages 232 through 265 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2014 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

KPMG LLP

November 10, 2014

COUNTY OF FAIRFAX
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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 *(Unaudited)*

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, located in the Introductory Section of the 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 and deferred outflow of resources exceeded liabilities and deferred inflow of resources by $1,356.5 million on a government-wide basis at June 30, 2014.
- For the fiscal year, taxes and other revenues of the County's governmental activities amounted to $4,201.6 million. Expenses amounted to $4,151.5 million.
- For the fiscal year, revenues of the County's business-type activities were $216.6 million, and expenses were $174.8 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 $188.7 million for fiscal year 2014, compared to a decrease of $79.4 million for fiscal year 2013.
- The County's General Fund reported a fund balance of $302.8 million, a decrease of $26.5 million, or 8.0 percent, from June 30, 2013.

General Financial Highlights

- In November 2013, the County issued an $11.1 million special subfund revenue bond (the "2013C VRA Bond") to the Virginia Resources Authority ("VRA").
- In December 2013, the Economic Development Authority and the County entered into a loan agreement with T.D. Bank, N.A. for $25 million.
- In December 2013, the Economic Development Authority and the County entered into a master credit agreement with Bank of America, N.A., pursuant to which a revolving line of credit in an amount of up to $100.0 million is made available to the County to provide interim financing for projects within the County's Capital Improvement Program or other similar projects. In January 2014, the County drew on the revolving line of credit in the amount of $30 million to finance the leasehold acquisition of the Lorton Workhouse Arts Center.
- In February 2014, the County issued $316.3 million of Series 2014A General Obligation Public Improvement Bonds and Refunding Bonds. Of this total, $264.3 million are being used to finance

school, park, road, and other general County improvements, and $52.0 million were used to advance refund multiple outstanding series of bonds in order to save $4.8 million in future debt service payments, with a $4.4 million net present value.

- In June 2014, the Economic Development Authority issued $126.7 million of Fairfax County Facilities Revenue Bonds Series 2014A.

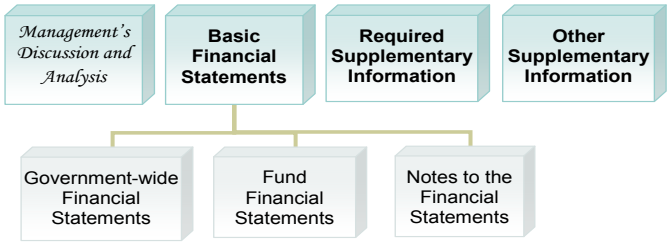
- In June 2014, the Economic Development Authority issued $44.0 million of Fairfax County Revenue Refunding Bonds Series 2014A to refund and redeem prior to their respective maturities certain outstanding School Board Administrative Building Bonds.

- In June 2014, the Economic Development Authority issued $30.2 million of revenue bonds Series 2014B (Federally Taxable) to pay off the County's $30 million draw on its Line of Credit in January 2014 and provide for a permanent plan of finance for the leasehold acquisition from the Lorton Arts Foundation, LLC, of the Workhouse Arts Center located in the southeastern corner of the County, for a price sufficient to enable the lessee to retire all of its indebtedness relating to the Workhouse Arts Center, with a true interest cost of 3.81 percent.

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.

Components of the Financial Section



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, fiduciary funds, and component units.

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 position and how they have changed during the fiscal year.

The first government-wide statement—the statement of net position—presents information on all of the County's assets and deferred outflow of resources less liabilities and deferred inflow of resources, resulting in the net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial 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 position 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:

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; it is the largest of the governmental funds. All other governmental funds, that is, 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 Position

The table below and on the following page present a summary of the Statements of Net Position for the reporting entity as of June 30, 2014 and 2013:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and other assets	$ 4,776.1	4,329.4	$ 246.6	291.1	$ 5,022.7	4,620.5
Capital assets (net)	2,544.2	2,397.2	1,419.6	1,350.9	3,963.8	3,748.1
Total assets	7,320.3	6,726.6	1,666.2	1,642.0	8,986.5	8,368.6
Deferred outflow of resources:	38.3	45.3	17.4	18.0	55.7	63.3
Liabilities:						
Current liabilities	708.6	641.7	48.0	42.4	756.6	684.1
Long-term liabilities	3,358.0	3,088.3	622.0	645.6	3,980.0	3,733.9
Total liabilities	4,066.6	3,730.0	670.0	688.0	4,736.6	4,418.0
Deferred inflow of resources:	2,947.5	2,747.5	1.7	1.9	2,949.2	2,749.4
Net position:						
Net investment in capital assets	1,861.8	1,736.9	843.3	778.8	2,705.1	2,515.7
Restricted	286.2	215.0	43.1	44.1	329.3	259.1
Unrestricted (deficit)	(1,803.5)	(1,657.5)	125.5	147.2	(1,678.0)	(1,510.3)
Net position	$ 344.5	294.4	$ 1,011.9	970.1	$ 1,356.4	1,264.5

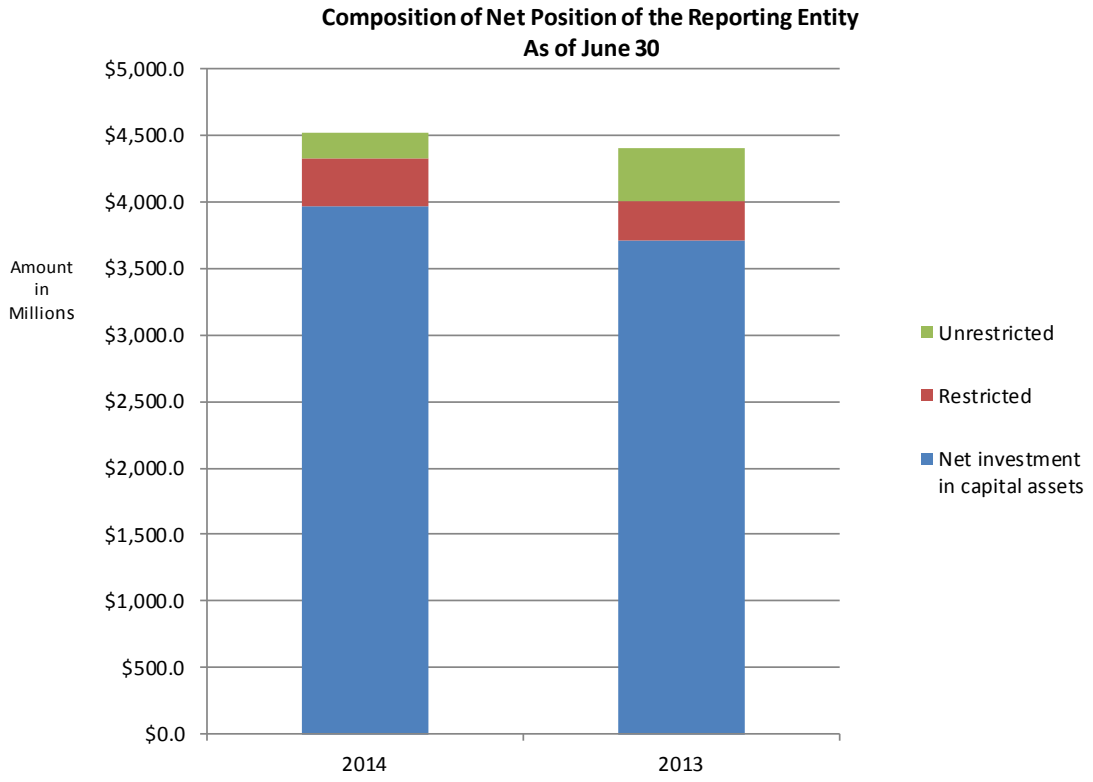
Summary of Net Position- continued
As of June 30
($ in millions)

	Total Primary Government		Component Units		Reclassifications*		Total Reporting Entity	
	2014	2013	2014	2013	2014	2013	2014	2013
Assets:								
Current and other assets	$ 5,022.7	4,620.5	$ 659.2	723.2	$ -	-	$ 5,681.9	$ 5,343.7
Capital assets (net)	3,963.8	3,748.1	2,937.3	2,831.0	-	-	6,901.1	6,579.1
Total assets	8,986.5	8,368.6	3,596.5	3,554.2	-	-	12,583.0	11,922.8
Deferred outflow of resources:	55.7	63.3	0.5	0.5	-	-	56.2	63.8
Liabilities:								
Current liabilities	756.6	684.1	218.8	194.7	-	-	975.4	878.8
Long-term liabilities	3,980.0	3,733.9	206.2	218.0	-	-	4,186.2	3,951.9
Total liabilities	4,736.6	4,418.0	425.0	412.7	-	-	5,161.6	4,830.7
Deferred inflow of resources:	2,949.2	2,749.4	5.3	-	-	-	2,954.5	2,749.4
Net position:								
Net investment in capital assets	2,705.1	2,515.7	2,778.6	2,657.1	(1,522.5)	(1,463.4)	3,961.2	3,709.4
Restricted	329.3	259.1	136.1	164.2	(103.1)	(133.0)	362.3	290.3
Unrestricted (deficit)	(1,678.0)	(1,510.3)	252.0	320.7	1,625.6	1,596.4	199.6	406.8
Net position	$ 1,356.4	1,264.5	$ 3,166.7	3,142.0	$ -	-	$ 4,523.1	4,406.5

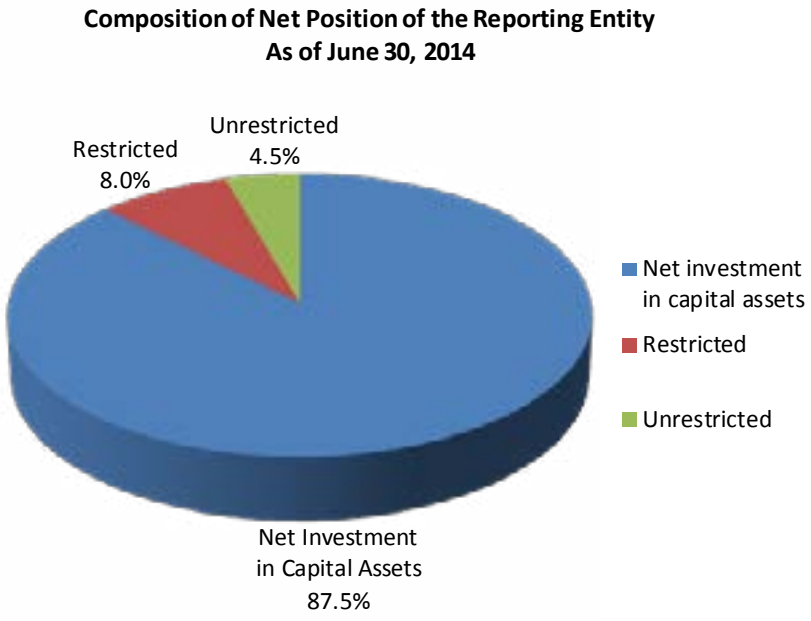
*Reclassification represents County issued debt for Schools and Parks facilities. See Note A - 12 on p. 55 for more information.

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 position 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 position may serve over time as a useful indicator of a government's financial position. For the reporting entity, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by $4,523.1 million at the end of fiscal year 2014, representing an increase of $116.6 million from the net position at June 30, 2013, as shown on the following page.



As shown to the right, the largest portion of net position is the net 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 position portion represents resources that are subject to external restrictions on how they may be used. Net position of the reporting entity are restricted for various uses, some of which include grant programs ($39.8 million), community centers ($15.6 million), and sewer improvements ($29.9 million). The balance of net position that are neither related to capital assets nor restricted for specific uses is represented as unrestricted net position.



Statement of Activities

The following table summarizes the changes in Net Position for the primary government for the fiscal years ended June 30, 2014 and 2013:

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

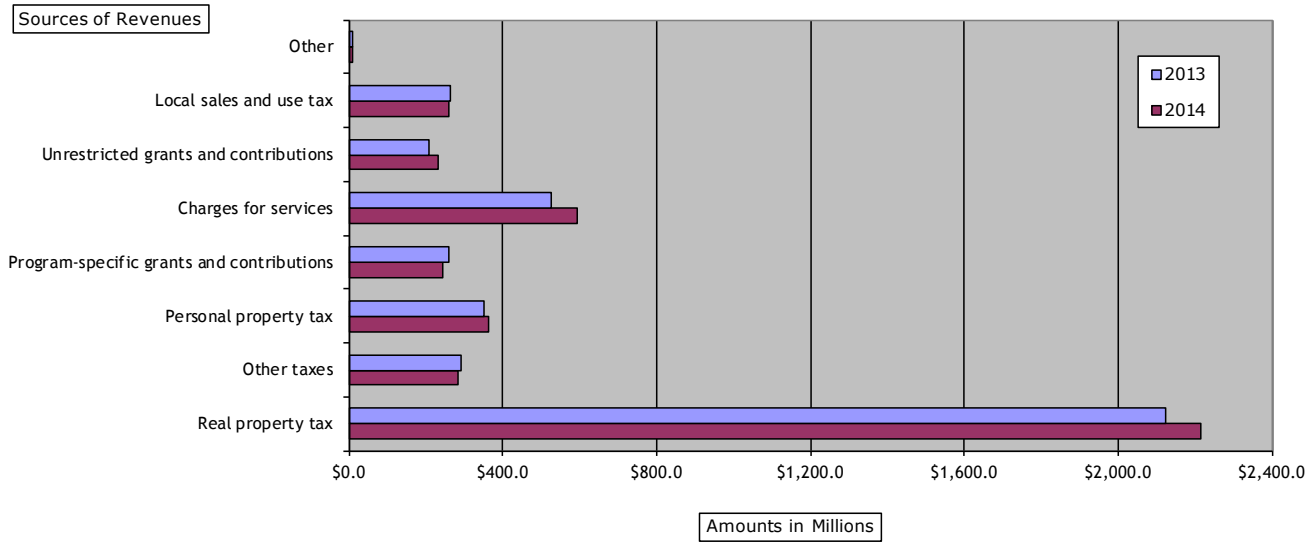
	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	$ 593.0	527.9	$ 212.2	194.0	$ 805.2	721.9
Operating grants and contributions	222.1	239.5	-	-	222.1	239.5
Capital grants and contributions	22.6	22.3	4.0	7.1	26.6	29.4
General revenues:						
Real property tax	2,215.9	2,123.8	-	-	2,215.9	2,123.8
Personal property tax	362.8	353.3	-	-	362.8	353.3
Business licenses tax	158.6	158.8	-	-	158.6	158.8
Local sales and use tax	261.2	265.0	-	-	261.2	265.0
Consumers utility tax	74.6	73.5	-	-	74.6	73.5
Other taxes	51.3	61.0	-	-	51.3	61.0
Unrestricted grants and contributions	230.9	209.3	-	-	230.9	209.3
Revenue from the use of money	8.6	9.8	0.4	1.4	9.0	11.2
Total revenues	4,201.6	4,044.2	216.6	202.5	4,418.2	4,246.7
Expenses:						
General government administration	201.2	201.4	-	-	201.2	201.4
Judicial administration	54.9	46.3	-	-	54.9	46.3
Public safety	695.7	658.2	-	-	695.7	658.2
Public works	195.0	185.3	174.8	169.2	369.8	354.5
Health and welfare	551.5	542.1	-	-	551.5	542.1
Community development	352.8	387.6	-	-	352.8	387.6
Parks, recreation, and cultural	107.8	112.1	-	-	107.8	112.1
Education	1,883.0	1,843.6	-	-	1,883.0	1,843.6
Interest on long-term debt *	109.6	117.3	-	-	109.6	117.3
Total expenses	4,151.5	4,093.9	174.8	169.2	4,326.3	4,263.1
Increase (decrease) in net position before special item	50.1	(49.7)	41.8	33.3	91.9	(16.4)
Special items:						
INOVA - Health	-	4.2	-	-	-	4.2
Increase (decrease) in net position	50.1	(45.5)	41.8	33.3	91.9	(12.2)
Beginning net position	294.4	339.9	970.1	936.8	1,264.5	1,276.7
Ending net position	$ 344.5	294.4	$ 1,011.9	970.1	$1,356.4	1,264.5

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

Governmental Activities

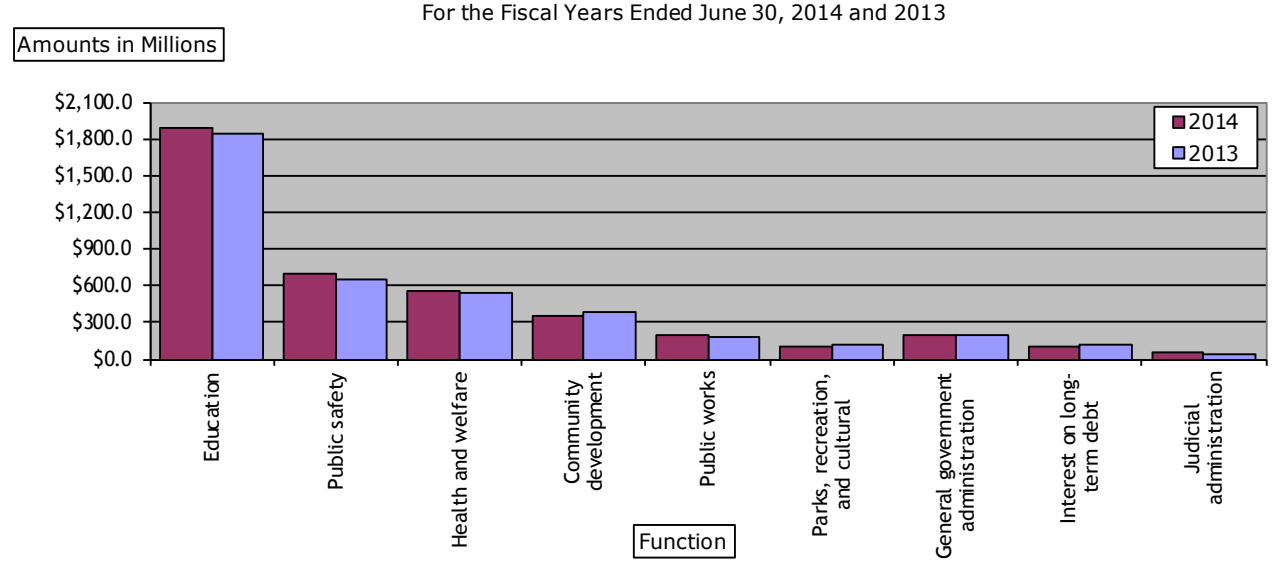
Revenues for the County's governmental activities were $4,201.6 million for fiscal year 2014, representing an increase of $157.4 million over fiscal year 2013. Sources of revenues for fiscal years 2014 and 2013 are shown below:

Governmental Activities - Revenues by Source
For the Fiscal Years Ended June 30, 2014 and 2013



Taxes constitute the largest source of County revenues, amounting to $3,124.4 million for fiscal year 2014, an increase of $89.0 million over fiscal year 2013, primarily due to real property taxes. Real property taxes ($2,215.9 million) represent 70.9 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).

Governmental Activities - Expenses by Function
For the Fiscal Years Ended June 30, 2014 and 2013



The total cost of all of the County's governmental activities for fiscal year 2014 was $4,151.5 million, representing an increase of $57.6 million over fiscal year 2013. As the chart below indicates, education continues to be the County's largest program. Education expenses totaled about $1.88 billion in fiscal year 2014, supporting school operations and to service debt for bond-funded projects to build new schools and renew older facilities. Public safety expenses represent the second largest expense category, totaling $695.7 million in fiscal year 2014. Public safety expenses increased $37.5 million compared with $36.3 million in fiscal year 2013, primarily due to the full-year impact of the 2.5 percent performance-based scale and salary increase for non-uniformed merit employees in FY 2013 and the longevity steps awarded to eligible uniformed merit employees in FY 2014. Effective January 2013, the reinstatement of merit and longevity increases for uniformed employees is partially offset by a reduction in Land Development Services resulting from an internal reorganization that moved positions from the Public Safety program area to the Community Development program area and $2.8 million in targeted budget reductions.

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	**2014**	**2013**	**2014**	**2013**
Education	$ 1,883.0	1,843.6	$ 1,883.0	1,843.6
Public safety	695.7	658.2	579.6	542.1
Health and welfare	551.5	542.1	360.7	338.6
Community development	352.8	387.6	51.7	131.6
Public works	195.0	185.3	47.5	50.3
General government administration	201.2	201.4	168.7	161.8
Other	272.3	275.7	222.6	236.1
Total	$ 4,151.5	4,093.9	$ 3,313.8	3,304.1

The table to the right shows 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—and the net cost of each program (total cost less fees generated by the programs and program-specific intergovernmental aid).

Some of the cost of governmental activities was paid by those who directly benefited from the programs, which was $593.0 million. Other governments and organizations that subsidized certain programs with grants and contributions was $244.7 million. Of the $3,313.8 million net cost of services, the amount that taxpayers paid for these programs through County taxes was $3,124.4 million.

Business-type Activities

The Sewer System recovers its costs primarily through user service charges and availability fees. For fiscal year 2014, the Sewer System reported an increase in net position of $41.8 million. Total revenues of the Sewer System increased $14.1 million over fiscal year 2013. This increase was primarily the result an increase in the sewer service base availability charges.

Total expenses of the Sewer System for fiscal year 2014 were $174.8 million, increasing by $5.6 million over fiscal year 2013. This increase resulted primarily from increases in the cost of personnel services and materials and supplies.

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. Fund balance classifications are reported by purpose within these classifications; nonspendable, restricted, committed, assigned, and unassigned as defined by GASB 54.

As of June 30, 2014, the County's governmental funds had a combined fund balance of $1,233.8 million, compared with $1,045.1 million at June 30, 2013. Of the fiscal year 2014 fund balance, $29.4 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 17.2 percent ($52.2 million) of the total 2014 General fund balance is unassigned, representing resources not associated with a specified purpose. Of the total nonmajor fund balance, 75.5 percent ($931.2 million) has been restricted or committed in the special revenue, capital projects, and debt service funds to meet the program needs. Nonspendable prepaid expenditures are 0.1 percent ($1.1 million) of the total fund balance. At June 30, 2014, $184.9 million of the General Fund's committed fund balance of $220.6 million is designated for the managed reserve and revenue stabilization fund based on Fiscal Year 2014 actuals.

For the fiscal year ended June 30, 2014, fund balances for all governmental funds increased by $188.7 million, compared with the $79.4 million decrease for fiscal year ended June 30, 2013. Total revenues, other financing sources were $5,431.1 million, total expenditures and other financing uses were $5,242.4 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 $52.2 million, which represents approximately 1.7 percent of the General Fund's total expenditures. Revenues of $3,587.2 million, less expenditures of $3,136.2 million and other financing uses of $477.5 million, resulted in a net decrease in fund balance of $26.5 million, based on FY 2014 spending requirements and a small variance between projected and actual revenues. It should be noted that some utilization of fund balance is generally expected each year as the County uses savings from prior years held in fund balance to offset disbursement requirements.

In addition to Revenue stabilization, managed reserve and other reserves specifically identified in the General Fund, the County has, as a result of policy decisions, established reserves in other funds which are available to allow the County to respond to both anticipated or unforeseen events. The practice of identifying these reserves in multiple funds has been in place for many years. These reserves are identified in the County's Internal Service Funds and certain Special Revenue Funds, for example, Fairfax-Falls Church Community Services Board and Elderly Housing Program, that receive the majority of their funding from the General Fund. These balances total approximately 12.5 percent of total General Fund receipts (including revenues and transfers from other funds) as shown in the table on the following page.

Fund Reserves For the Fiscal Years Ended June 30 ($ in millions)		
General fund committed reserves (1):		
Revenue stabilization fund reserve	$	110.6
Managed reserve		74.3
Information Technology and others		35.7
Total committed		220.6
General fund assigned reserves (encumbrances)		29.4
General fund unassigned reserves		52.2
General fund supported reserves (2):		
Community services board		12.2
Elderly housing		2.7
Internal service fund reserves (3):		
Vehicle related reserves		34.9
Technology related reserves		10.0
Outstanding liability reserve		47.2
Self insurance reserves		12.6
Litigation reserve		30.0
Total reserves funded by and available to the general fund		451.8
General fund revenues and transfers in (4)		
General fund revenues		3,587.2
Transfers in		24.2
Total general fund revenues and transfers in	$	3,611.4
Total available reserves as % of general fund revenues		12.5%

(1) Exhibit A-2
(2) Information cited from the *FY 2014 Carryover Review* for Fund Statements 40040 and 40330.
(3) Information cited from the *FY 2014 Carryover Review* for Fund Statements 60000, 60010, 60020 and 60030.
(4) Exhibit A-3

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 $109.8 million or 3.1 percent. This increase is due primarily to the carryover of prior-year commitments. The final amended budget revenues and transfers was more than the original budget by $15.1 million or 0.4 percent, primarily due to the.higher than projected Real Estate and Personal Property Tax Collections.

Actual revenues exceeded final budget amounts by $11.8 million, while actual expenditures were $62.6 million less than final budget amounts. Highlights of the comparison of final budget to actual figures for the fiscal year ended June 30, 2014, include the following:

- Tax revenues exceeded budgeted amounts by $6.5 million. The increase is primarily the result of increases in both current and delinquent Personal Property Tax receipts.

- Intergovernmental revenue was $5.6 million more than budgeted amounts primarily associated with reimbursable expenditures for public assistance programs.

- Recovered Costs were $2.4 million more than budgeted amounts primarily due to one-time revenues of $1.8 million associated with insurance reimbursement for expenditures related to Tropical Storm Lee.

- General government administration expenditures were $9.7 million, or 8.9 percent less than budgeted amounts as a result of managing position vacancies and encumbrances carried forward to the next fiscal year.

- Public safety expenditures were $17.3 million, or 3.9 percent, less than budgeted amounts mainly as a result of savings associated with managing position vacancies and encumbrances carried forward to the next fiscal year.

- Health and welfare expenditures were $12.2 million, or 4.2 percent less than budgeted amounts due to managing position vacancies, lower than anticipated costs in the Comprehensive Services Act (CSA) and the Adoption Subsidy Program, and encumbrances carried forward to the next fiscal year.

- Nondepartmental expenditures were $12.9 million, or 4.3 percent, less than budgeted amounts primarily due to savings in group health insurance and contributions to the three County Retirement Systems.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The County's investment in capital assets as of June 30, 2014, amounted to $4 billion, which represents an increase of $215.5 million, or 5.7 percent, over last year. Capital assets as of June 30, 2014 and 2013, are summarized below:

Capital Assets As of June 30 ($ in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land and easements	$ 417.3	422.0	$ 17.8	17.8	$ 435.1	439.8
Buildings, improvements, and infrastructure	2,299.8	2,064.3	1,191.2	1,134.8	3,491.0	3,199.1
Software	93.2	86.8	-	-	93.2	86.8
Equipment and library collections	507.1	472.1	12.3	12.2	519.4	484.3
Construction in progress	266.6	309.9	116.8	115.1	383.4	425.0
Equipment under construction	5.1	12.7	-	-	5.1	12.7
Software in development	4.7	3.9	-	-	4.7	3.9
Purchased capacity	-	-	934.3	869.0	934.3	869.0
Total capital assets	3,593.8	3,371.7	2,272.4	2,148.9	5,866.2	5,520.6
Less: Accumulated depreciation and amortization	(1,049.7)	(974.5)	(852.9)	(798.0)	(1,902.6)	(1,772.5)
Total capital assets, net	$ 2,544.1	2,397.2	$ 1,419.5	1,350.9	$ 3,963.6	3,748.1

The major capital asset activities for fiscal year 2014 included the following:

- Developers' contributions of sewer lines and manholes totaled $3.5 million.

- The purchase of library books and audio/video materials totaled $3.4 million, funded through general operating revenues.

- Expenditures related to construction of the Woodburn Mental Health Center were $32.8 million in fiscal year 2014.

- Improvements to transportation, including bus and rail service, totaled $11.9 million.
- In fiscal year 2014, expenditures related to the renovation of the Fair Oaks, Reston, and McLean Police Stations were $2.7 million, $8.9 million, and $4.8 million, respectively.
- The Sewer System's share of the upgrade and operating costs of the Arlington County, City of Alexandria, and the District of Columbia's wastewater treatment facilities, which provide service to certain County residents, was $1.0 million, $32.9 million, and $31.4 million, respectively.

Additional information related to the County's capital assets can be found in Note F to the financial statements on page 74.

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 2014, these percentages were 1.26 percent and 8.12 percent, respectively.
- In February 2014, the County issued $264.3 million of Series 2014A General Obligation Public Improvement with a true interest cost of 2.96 percent and a premium of $26.3 million. Proceeds of $264.3 million are being used to fund new facilities and improvements, as follows (in millions):

County facilities:	
Transportation Improvements	$ 26.2
Public safety facilities	44.2
Other purposes	6.1
Park facilities	11.3
Transportation facilities	29.5
Public Schools facilities	147.0
Total bonds issued for new projects	$264.3

In February 2014, the County also issued $52.0 million of Series 2014A General Obligation Refunding Bonds to advance refund for multiple outstanding Series bonds, thereby taking advantage of lower interest rates to reduce the County's debt service payments by $4.8 million over the next ten years with a $4.4 million net present value.

In November 2013, the County issued $11.1 million special subfund revenue bond Series 2013C to the Virginia Resources Authority ("VRA"). In return for issuing the 2013C VRA Bond, VRA provided the County with a portion of the proceeds realized from its autumn 2013 pooled financing bond transaction. The 2013C VRA Bond was issued to finance renovations to a complex that serves as a senior housing and assisted

living facility, a senior center and an adult day health care center in the County, with a true interest cost of 3.72 percent.

In December 2013, the Economic Development Authority and the County entered into a loan agreement with T.D. Bank, N.A., pursuant to which the proceeds of the loan in the amount of $25.0 million is made available to the County to provide financing for the costs of the planned replacement of County-owned building subsystems such as roofs, electrical systems, HVAC, plumbing systems, carpet replacement, parking lot and garage repairs, fire alarm replacement and emergency generator replacement that have reached the end of their useful life, with a true interest cost of 1.24 percent.

In June 2014, the Economic Development Authority issued $126.7 million of revenue bonds Series 2014A to finance the costs of the construction of a building to serve as a public safety facility for the County and the construction of a related parking garage and to capitalize interest on a portion of the Series 2014 A Bonds up to and including the October 1, 2016, interest payment date, with a true interest cost of 3.20 percent.

In June 2014, the Economic Development Authority issued $44.0 million of revenue refunding bonds Series 2014A to refund and redeem prior to their respective maturities certain outstanding School Board Building Bonds, with a true interest cost of 3.34 percent.

In June 2014, the Economic Development Authority issued $30.2 million of Fairfax County Facilities Revenue Bonds Series 2014B (Federally Taxable) to pay off the County's $30 million draw on its Line of Credit in January 2014 and provide for a permanent plan of finance for the leasehold acquisition from Lorton Arts Foundation, LLC, of the Workhouse Arts Center located in the southeastern corner of the County, for a price sufficient to enable the lessee to retire all of its indebtedness relating to the Workhouse Arts Center. The County leased the 55-acre site and existing historic structures of the Lorton Correctional Complex to the lessee in 2006, and the lessee incurred over $50 million in debt through the EDA to finance improvements to convert the Complex into a center for visual and performing arts.

The following is a summary of the County's gross outstanding long-term debt as of June 30, 2014 and 2013:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
General obligation bonds issued for:						
County facilities	$ 787.3	737.4	$ -	-	$ 787.3	737.4
Public Schools facilities	1,347.1	1,311.5	-	-	1,347.1	1,311.5
Revenue bonds	874.0	734.4	-	-	874.0	734.4
Sewer revenue bonds	-	-	616.5	642.9	616.5	642.9
Capital leases and other	53.5	34.2	-	-	53.5	34.2
Total County outstanding debt	$ 3,061.9	2,817.5	$ 616.5	642.9	$ 3,678.4	3,460.4

Additional information related to the County's long-term debt can be found in Note K to the financial statements on page 92.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following economic factors are reflected in the General Fund budget for fiscal year 2015:

- The assessed value of all real property increased by $11.9 billion, or 5.77 percent, over the fiscal year 2014 value. This resulted from a moderate increase in existing residential property values and new construction in the County.

- Equalized residential property assessments rose up to 6.54 percent and non-residential equalization decreased 0.1 percent for fiscal year 2015. Existing residential property values have increased in each of the last four years indicating the continued stabilization of the residential housing market.

- Personal property tax revenue is projected to increase 1.6 percent in fiscal year 2015. The total vehicle volume is forecast to increase 1.1 percent in fiscal year 2015. There is no longer a lack of vehicle supply and depreciation of vehicles has returned to more normal levels.

The fiscal year 2015 Adopted Budget includes revenues of $3.71 billion, or a 3.77 percent increase over the fiscal year 2014 Revised Budget Plan. Real and personal property taxes represent the majority of budgeted revenues, comprising approximately 79.0 percent of the fiscal year 2015 General Fund revenues. Revenue from real property taxes alone makes up 63.5 percent of total revenues, as compared with approximately 62.0 percent in the fiscal year 2014 Adopted Budget.

Budgeted disbursements, which include expenditures and transfers out, are $3.72 billion, a 0.47 percent increase from the fiscal year 2014 Revised Budget Plan. County funding for Public Schools is $1.95 billion – approximately 52.4 percent of the County's total General Fund budget. This funding supports operating costs, school construction, and debt service. Total direct expenditure funding increased by $10.4 million, or 0.8 percent, over fiscal year 2014.

The following tax rate and fees were approved for fiscal year 2015:

- Real estate tax rate was increased from $1.085 to $1.090 per $100 of assessed value.

- Commercial real estate tax rate for County transportation projects remains at $0.125 per $100 of assessed value, levied on commercial and industrial properties.

- Special real estate tax rate collected on all properties within Small District 1, Dranesville, for the McLean Community Center increases from $0.022 to $0.023 per $100 of assessed value, and the rate collected on all properties within Small District 5, Hunter Mill, for the Reston Community Center remains at $0.047 per $100 assessed value.

- The sewer service rate increases from $6.55 to $6.62 per 1,000 gallons of water consumption and the Sewer Availability Charge for new single family homes remains at $7,750 per unit. The Sewer Base Charge increases from $12.79 to $15.86 per quarter.

- Refuse collection rate for County collection sanitation districts remains at $345 per household while the refuse disposal rate increases from $60 to $62 per ton.

- The Stormwater Services rate increases from $0.02 to $0.0225 per $100 of assessed value.

- Special real estate tax rate collected on all properties within the Tysons Service District remains at $0.04 per $100 of assessed value.

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 2015 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.

Contacting the County's Financial Management

This financial report is designed to provide our residents, 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.

COUNTY OF FAIRFAX
FARE FAC
1742
VIRGINIA

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, VIRGINIA
Statement of Net Position
June 30, 2014

	Primary Government		Total
	Governmental Activities	Business-type Activities	Primary Government
ASSETS			
Equity in pooled cash and temporary investments	$ 1,051,087,715	97,243,744	1,148,331,459
Cash in banks	-	-	-
Investments	183,656,165	-	183,656,165
Receivables (net of allowances):			
Accounts	27,470,244	390,169	27,860,413
Accrued interest	3,934,657	-	3,934,657
Property taxes:			
Delinquent	22,156,469	-	22,156,469
Not yet due	2,710,515,873	-	2,710,515,873
Business license taxes - delinquent	5,666,770	-	5,666,770
Loans	54,420,044	-	54,420,044
Notes	-	-	-
Due from intergovernmental units (net of allowances):			
Property tax relief:			
Property tax relief - not yet due	211,313,944	-	211,313,944
Other	88,600,154	52,799,346	141,399,500
Due from primary government	-	-	-
Due from component units	2,323	-	2,323
Loan to component unit	12,588,500	-	12,588,500
Lease to component unit	45,470,000	-	45,470,000
Inventories of supplies	2,792,963	169,672	2,962,635
Prepaid and other assets	1,405,369	-	1,405,369
Restricted assets:			
Equity in pooled cash and temporary investments	71,803,875	61,694,477	133,498,352
Cash with fiscal agents	273,401,226	13,238,425	286,639,651
Certificates of deposit - performance bonds	26,406	-	26,406
Investments	-	21,097,057	21,097,057
Unearned financing fees (net of amortization)	-	-	-
Net OPEB Asset	9,829,610	-	9,829,610
Land held for sale	-	-	-
Capital assets:			
Non-depreciable/non-amortizable:			
Land and easements	417,277,062	17,814,152	435,091,214
Construction in progress	266,627,915	116,847,901	383,475,816
Equipment under construction	5,065,278	-	5,065,278
Software in development	4,669,886	-	4,669,886
Depreciable/amortizable:			
Equipment	416,384,506	12,342,537	428,727,043
Software	93,165,847	-	93,165,847
Library collections	90,740,515	-	90,740,515
Purchased capacity	-	934,345,410	934,345,410
Buildings and improvements	1,532,433,544	88,398,832	1,620,832,376
Infrastructure	767,478,139	1,102,833,994	1,870,312,133
Accumulated depreciation	(1,036,126,118)	(567,003,646)	(1,603,129,764)
Accumulated amortization	(13,537,552)	(285,937,804)	(299,475,356)
Total assets	7,320,321,329	1,666,274,266	8,986,595,595
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding of debt	38,379,492	17,383,929	55,763,421
Total deferred outflows of resources	$ 38,379,492	17,383,929	55,763,421

See accompanying notes to the financial statements.

EXHIBIT A

Total Component Units	Reclassifications (See Note A-12)	Total Reporting Entity	
			ASSETS
397,466,733	-	1,545,798,192	Equity in pooled cash and temporary investments
12,112,585	-	12,112,585	Cash in banks
4,805,000	-	188,461,165	Investments
			Receivables (net of allowances):
7,038,823	-	34,899,236	Accounts
513,111	-	4,447,768	Accrued interest
			Property taxes:
-	-	22,156,469	Delinquent
-	-	2,710,515,873	Not yet due
-	-	5,666,770	Business license taxes - delinquent
-	-	54,420,044	Loans
26,237,346	-	26,237,346	Notes
			Due from intergovernmental units (net of allowances):
			Property tax relief:
-	-	211,313,944	Property tax relief - not yet due
49,606,442	-	191,005,942	Other
2,362,903	-	2,362,903	Due from primary government
-	-	2,323	Due from component units
-	-	12,588,500	Loan to component unit
-	-	45,470,000	Lease to component unit
2,740,178	-	5,702,813	Inventories of supplies
5,671,644	-	7,077,013	Prepaid and other assets
			Restricted assets:
105,303,412	-	238,801,764	Equity in pooled cash and temporary investments
14,667,793	-	301,307,444	Cash with fiscal agents
3,097,782	-	3,124,188	Certificates of deposit - performance bonds
2,862,952	-	23,960,009	Investments
1,032,116	-	1,032,116	Unearned financing fees (net of amortization)
22,173,923	-	32,003,533	Net OPEB Asset
1,515,352	-	1,515,352	Land held for sale
			Capital assets:
			Non-depreciable/non-amortizable:
459,460,654	-	894,551,868	Land and easements
277,412,087	-	660,887,903	Construction in progress
-	-	5,065,278	Equipment under construction
7,584,455	-	12,254,341	Software in development
			Depreciable/amortizable:
300,614,938	-	729,341,981	Equipment
4,865,424	-	98,031,271	Software
34,500,761	-	125,241,276	Library collections
-	-	934,345,410	Purchased capacity
3,761,933,246	-	5,382,765,622	Buildings and improvements
-	-	1,870,312,133	Infrastructure
(1,905,749,430)	-	(3,508,879,194)	Accumulated depreciation
(3,333,219)	-	(302,808,575)	Accumulated amortization
3,596,497,011	-	12,583,092,606	Total assets
			DEFERRED OUTFLOWS OF RESOURCES
467,904	-	56,231,325	Deferred loss on refunding of debt
467,904	-	56,231,325	Total deferred outflows of resources

continued

COUNTY OF FAIRFAX, VIRGINIA
Statement of Net Position
June 30, 2014

	Primary Government		Total
	Governmental Activities	Business-type Activities	Primary Government
LIABILITIES			
Accounts payable and accrued liabilities	$ 67,838,426	3,739,430	71,577,856
Accrued salaries and benefits	49,807,984	1,020,555	50,828,539
Contract retainages	6,956,749	12,069,676	19,026,425
Accrued interest payable	35,183,465	6,065,503	41,248,968
Due to other governments	1,291,959	-	1,291,959
Due to primary government	-	-	-
Due to component units	2,362,903	-	2,362,903
Short-term notes payable	30,000,000	-	30,000,000
Unearned revenue	30,598,903	-	30,598,903
Performance and other deposits	106,664,104	-	106,664,104
Long-term liabilities:			
Portion due or payable within one year:			
General obligation bonds payable, net	207,547,278	-	207,547,278
Revenue bonds payable, net	32,992,014	23,787,280	56,779,294
Notes payable, net	27,110,000	-	27,110,000
Compensated absences payable	63,395,920	1,345,208	64,741,128
Obligations under capital leases and installment purchases	3,666,972	-	3,666,972
Insurance and benefit claims payable	29,684,418	-	29,684,418
Loan from primary government	-	-	-
Unearned Rent	-	-	-
Other	13,515,764	-	13,515,764
Portion due or payable after one year:			
General obligation bonds payable, net	2,104,078,573	-	2,104,078,573
Revenue bonds payable, net	901,545,631	621,179,245	1,522,724,876
Notes payable, net	26,772,500	-	26,772,500
Compensated absences payable	43,730,342	807,594	44,537,936
Landfill closure and postclosure obligation	69,136,222	-	69,136,222
Obligations under capital leases and installment purchases	20,656,393	-	20,656,393
Insurance and benefit claims payable	29,452,000	-	29,452,000
Net pension obligation	134,969,399	-	134,969,399
Loan from primary government	-	-	-
Unearned Rent	-	-	-
Other	27,690,948	-	27,690,948
Total liabilities	4,066,648,867	670,014,491	4,736,663,358
DEFERRED INFLOWS OF RESOURCES			
Deferred tax revenue	2,942,415,201	-	2,942,415,201
Deferred revenue - other	3,656,907	-	3,656,907
Deferred gain on refunding of debt	1,463,611	1,695,556	3,159,167
Reduction of Capital Lease	-	-	-
Total deferred inflows of resources	2,947,535,719	1,695,556	2,949,231,275
NET POSITION			
Net investment in capital assets	1,861,776,623	843,276,715	2,705,053,338
Restricted for:			
Grant programs	39,802,708	-	39,802,708
Sewer improvements	-	29,878,043	29,878,043
Repair and replacement	-	-	-
Community centers	15,594,229	-	15,594,229
Housing	-	-	-
Transportation	230,799,343	-	230,799,343
Capital projects	-	-	-
Debt service	-	13,238,425	13,238,425
Unrestricted (deficit)	(1,803,456,668)	125,554,965	(1,677,901,703)
Net position	$ 344,516,235	1,011,948,148	1,356,464,383

See accompanying notes to the financial statements.

EXHIBIT A
concluded

Total Component Units	Reclassifications (See Note A-12)	Total Reporting Entity	
			LIABILITIES
55,092,234	-	126,670,090	Accounts payable and accrued liabilities
42,019,214	-	92,847,753	Accrued salaries and benefits
10,567,408	-	29,593,833	Contract retainages
5,656,919	-	46,905,887	Accrued interest payable
-	-	1,291,959	Due to other governments
2,323	-	2,323	Due to primary government
-	-	2,362,903	Due to component units
-	-	30,000,000	Short-term notes payable
23,368,783	-	53,967,686	Unearned revenue
6,154,703	-	112,818,807	Performance and other deposits
			Long-term liabilities:
			Portion due or payable within one year:
-	-	207,547,278	General obligation bonds payable, net
1,497,642	-	58,276,936	Revenue bonds payable, net
2,971,324	-	30,081,324	Notes payable, net
26,998,017	-	91,739,145	Compensated absences payable
14,280,773	-	17,947,745	Obligations under capital leases and installment purchases
29,358,911	-	59,043,329	Insurance and benefit claims payable
283,100	-	283,100	Loan from primary government
594,516	-	594,516	Unearned Rent
-	-	13,515,764	Other
			Portion due or payable after one year:
-	-	2,104,078,573	General obligation bonds payable, net
29,176,258	-	1,551,901,134	Revenue bonds payable, net
58,870,307	-	85,642,807	Notes payable, net
12,938,254	-	57,476,190	Compensated absences payable
-	-	69,136,222	Landfill closure and postclosure obligation
62,132,128	-	82,788,521	Obligations under capital leases and installment purchases
29,970,642	-	59,422,642	Insurance and benefit claims payable
-	-	134,969,399	Net pension obligation
12,305,400	-	12,305,400	Loan from primary government
838,594	-	838,594	Unearned Rent
-	-	27,690,948	Other
425,077,450	-	5,161,740,808	Total liabilities
			DEFERRED INFLOWS OF RESOURCES
-	-	2,942,415,201	Deferred tax revenue
-	-	3,656,907	Deferred revenue - other
-	-	3,159,167	Deferred gain on refunding of debt
5,275,817	-	5,275,817	Reduction of Capital Lease
5,275,817	-	2,954,507,092	Total deferred inflow of resources
			NET POSITION
2,778,552,927	(1,522,527,638)	3,961,078,627	Net investment in capital assets
			Restricted for:
28,424,757	-	68,227,465	Grant programs
-	-	29,878,043	Sewer improvements
700,000	-	700,000	Repair and replacement
-	-	15,594,229	Community centers
18,138,014	-	18,138,014	Housing
-	-	230,799,343	Transportation
87,349,023	(103,057,986)	(15,708,963)	Capital projects
1,507,926	-	14,746,351	Debt service
251,939,001	1,625,585,624	199,622,922	Unrestricted (deficit)
3,166,611,648	-	4,523,076,031	Net position

COUNTY OF FAIRFAX, VIRGINIA
Statement of Activities
For the fiscal year ended June 30, 2014

		Program Revenues		
Functions/Programs	**Expenses**	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government administration	$ 201,180,941	18,909,706	9,996,831	3,555,445
Judicial administration	54,913,419	14,075,955	18,677,011	53,038
Public safety	695,690,761	58,202,390	56,434,545	1,409,639
Public works	195,014,404	131,355,271	-	16,126,322
Health and welfare	551,586,755	69,351,107	121,667,214	-
Community development	352,759,047	285,317,216	14,352,733	1,434,032
Parks, recreation, and cultural	107,762,594	15,821,668	987,112	-
Education - for Public Schools	1,883,055,936	-	-	-
Interest on long-term debt	109,563,020	-	-	-
Total governmental activities	4,151,526,877	593,033,313	222,115,446	22,578,476
Business-type activities:				
Public works - Sewer	174,845,675	212,175,672	-	4,074,576
Total business-type activities	174,845,675	212,175,672	-	4,074,576
Total primary government	4,326,372,552	805,208,985	222,115,446	26,653,052
Component units:				
Public Schools	2,655,779,952	102,855,650	262,295,149	160,007,893
Redevelopment and Housing Authority	106,299,285	42,708,556	66,355,633	1,566,283
Park Authority	98,935,072	43,501,817	-	14,151,467
Economic Development Authority	10,002,258	-	-	-
Total component units	$ 2,871,016,567	189,066,023	328,650,782	175,725,643

General revenues:
- Taxes:
  - Real property
  - Personal property
  - Business licenses
  - Local sales and use
  - Consumers utility
  - Recordation
  - Occupancy, tobacco, and other
- 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 position
Net position, July 1, 2013
Net position, June 30, 2014

See accompanying notes to the financial statements.

EXHIBIT A-1

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
Governmental Activities	Business-type Activities	Total Primary Government	Total Component Units	**Functions/Programs**
				Primary government:
				Governmental activities:
(168,718,959)	-	(168,718,959)	-	General government administration
(22,107,415)	-	(22,107,415)	-	Judicial administration
(579,644,187)	-	(579,644,187)	-	Public safety
(47,532,811)	-	(47,532,811)	-	Public works
(360,568,434)	-	(360,568,434)	-	Health and welfare
(51,655,066)	-	(51,655,066)	-	Community development
(90,953,814)	-	(90,953,814)	-	Parks, recreation, and cultural
(1,883,055,936)	-	(1,883,055,936)	-	Education - for Public Schools
(109,563,020)	-	(109,563,020)	-	Interest on long-term debt
(3,313,799,642)	-	(3,313,799,642)	-	Total governmental activities
				Business-type activities:
-	41,404,573	41,404,573	-	Public works - Sewer
-	41,404,573	41,404,573	-	Total business-type activities
(3,313,799,642)	41,404,573	(3,272,395,069)	-	Total primary government
				Component units:
-	-	-	(2,130,621,260)	Public Schools
-	-	-	4,331,187	Redevelopment and Housing Authority
-	-	-	(41,281,788)	Park Authority
-	-	-	(10,002,258)	Economic Development Authority
-	-	-	(2,177,574,119)	Total component units
				General revenues:
				Taxes:
2,215,898,422	-	2,215,898,422	-	Real property
362,772,805	-	362,772,805	-	Personal property
158,619,113	-	158,619,113	-	Business licenses
261,193,846	-	261,193,846	-	Local sales and use
74,633,997	-	74,633,997	-	Consumers utility
19,968,520	-	19,968,520	-	Recordation
31,296,981	-	31,296,981	-	Occupancy, tobacco, and other
230,920,811	-	230,920,811	437,462,327	Grants and contributions not restricted to specific programs
8,577,857	484,332	9,062,189	272,737	Revenue from the use of money
-	-	-	1,767,887,705	Revenue from primary government
-	-	-	1,702,513	Other
3,363,882,352	484,332	3,364,366,684	2,207,325,282	Total general revenues
50,082,710	41,888,905	91,971,615	29,751,163	Change in net position
294,433,525	970,059,243	1,264,492,768	3,142,136,302	Net position, July 1, 2013
$ 344,516,235	1,011,948,148	1,356,464,383	3,171,887,465	Net position, June 30, 2014

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT A-2

Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Equity in pooled cash and temporary investments	$ 240,984,441	608,697,338	849,681,779
Investments	183,656,165	-	183,656,165
Receivables (net of allowances):			
Accounts	14,703,775	12,652,314	27,356,089
Accrued interest	23,213	3,910,919	3,934,132
Property taxes:			
Delinquent	22,156,469	-	22,156,469
Not yet due	2,710,515,873	-	2,710,515,873
Business license taxes - delinquent	5,666,770	-	5,666,770
Loans	-	54,420,044	54,420,044
Due from intergovernmental units (net of allowances):			
Property tax relief - not yet due	211,313,944	-	211,313,944
Other	47,374,750	40,487,112	87,861,862
Due from component units	2,323	-	2,323
Loan to component unit	-	12,588,500	12,588,500
Lease to component unit	-	45,470,000	45,470,000
Interfund receivables	230,000	-	230,000
Prepaid and other assets	946,957	457,598	1,404,555
Restricted assets:			
Equity in pooled cash and temporary investments	-	71,803,875	71,803,875
Cash with fiscal agents	633,416	272,767,810	273,401,226
Certificates of deposit - performance bonds	26,406	-	26,406
Total assets	3,438,234,502	1,123,255,510	4,561,490,012
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	$ 3,438,234,502	1,123,255,510	4,561,490,012
LIABILITIES			
Accounts payable and accrued liabilities	$ 25,511,125	33,638,731	59,149,856
Accrued salaries and benefits	39,888,573	8,690,333	48,578,906
Contract retainages	-	6,956,749	6,956,749
Due to other governments	95,458	1,196,501	1,291,959
Due to component units	1,932,168	430,735	2,362,903
Interfund payables	965,051	230,000	1,195,051
Short-term notes payable	-	30,000,000	30,000,000
Unearned revenue	27,829,559	74,297,546	102,127,105
Performance and other deposits	77,796,625	28,867,479	106,664,104
Total liabilities	174,018,559	184,308,074	358,326,633
DEFERRED INFLOWS OF RESOURCES			
Deferred tax revenue	2,942,415,201	-	2,942,415,201
Unavailable revenue	18,996,643	7,965,080	26,961,723
Total deferred inflows of resources	2,961,411,844	7,965,080	2,969,376,924
Total liabilities and deferred inflows of resources	$ 3,135,430,403	192,273,154	3,327,703,557

continued

EXHIBIT A-2

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES			
Nonspendable:			
Prepaid amounts	$ 614,966	457,598	1,072,564
Total Nonspendable	614,966	457,598	1,072,564
Restricted for:			
Public safety, courts, and judicial	-	26,703,761	26,703,761
General public works	-	118,826,557	118,826,557
Stormwater management	-	22,242,818	22,242,818
Transportation	-	218,616,571	218,616,571
Social services, health and welfare	-	23,297,379	23,297,379
Housing and community development	-	38,683,167	38,683,167
Parks, recreation, and cultural	-	29,062,044	29,062,044
Debt service	-	8,687,946	8,687,946
Capital projects	-	291,671,055	291,671,055
Other purposes	-	1,445,704	1,445,704
Total Restricted	-	779,237,002	779,237,002
Committed to:			
Revenue stabilization	110,575,007	-	110,575,007
Managed reserves	74,327,279	-	74,327,279
Public safety, courts, and judicial	971,245	2,334,021	3,305,266
Transportation	-	19,521,714	19,521,714
Social services, health and welfare	1,260,633	14,232,483	15,493,116
Housing and community development	29,277	16,793,200	16,822,477
Parks, recreation, and cultural	1,689,925	-	1,689,925
Debt service	-	26,467,312	26,467,312
Capital projects	-	71,939,026	71,939,026
Other purposes	31,774,688	-	31,774,688
Total Committed	220,628,054	151,287,756	371,915,810
Assigned to:			
Public safety, courts, and judicial	8,419,028	-	8,419,028
General public works	1,142,702	-	1,142,702
Social services, health and welfare	14,964,373	-	14,964,373
Housing and community development	385,035	-	385,035
Parks, recreation, and cultural	1,683,459	-	1,683,459
Other purposes	2,811,942	-	2,811,942
Total Assigned	29,406,539	-	29,406,539
Unassigned:	52,154,540	-	52,154,540
Total fund balances	302,804,099	930,982,356	1,233,786,455
Total liabilities, deferred inflows of resources, and fund balances	$ 3,438,234,502	1,123,255,510	4,561,490,012

See accompanying notes to the financial statements.

continued

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT A-2
concluded

Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2014

Fund balances - Total governmental funds		$ 1,233,786,455
Amounts reported for governmental activities in the statement of net position (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 and Easements	$ 415,338,374	
Construction in progress	266,627,915	
Equipment under construction	629,378	
Software in development	4,669,886	
Depreciable/amortizable assets:		
Equipment	277,071,012	
Software	90,965,260	
Library collections	90,740,515	
Buildings and improvements	1,510,800,281	
Infrastructure	764,651,319	
Total capital assets	3,421,493,940	
Less accumulated depreciation/amortization	(956,283,178)	2,465,210,762
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 unearned revenue in the funds:		
Delinquent taxes (net of allowances):		
Property	$ 19,704,154	
Business license	5,666,770	
Sales and use and other taxes	687,278	
Lease to component unit	45,470,000	71,528,202
When an asset is recorded in governmental fund financial statements, but the revenue is not available, it is reported as deferred inflow of resources in the funds:		
Sales and use and other taxes	$ 20,936,383	
EMS transport and other charges for services	2,368,433	23,304,816
For debt refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources:		
Deferred loss on refunding of debt		38,379,492
Deferred gain on refunding of debt		(1,463,611)
Certain other receivables are accrued only in the government-wide statements		738,292
OPEB costs are recognized as expenditures in the fund statements, but are deferred in the government-wide statements.		9,829,610
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 position.		
Assets:		
Current assets	$ 205,279,444	
Capital assets	172,348,752	
Less accumulated depreciation/amortization	(93,380,492)	
Liabilities	(72,786,489)	211,461,215
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	$ (2,311,625,851)	
Revenue bonds payable, net	(934,537,645)	
Notes payable	(53,882,500)	
Compensated absences payable	(104,132,480)	
Landfill closure and postclosure obligation	(69,136,222)	
Obligations under capital leases and installment purchases	(23,589,767)	
Net pension obligation	(134,969,399)	
Other long-term liabilities	(41,206,712)	
Accrued interest on long-term debt	(35,178,422)	(3,708,258,998)
Net position of governmental activities		$ 344,516,235

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, 2014

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	$ 3,091,497,604	28,449,140	3,119,946,744
Permits, privilege fees, and regulatory licenses	39,351,756	24,535,233	63,886,989
Intergovernmental	345,208,093	264,635,090	609,843,183
Charges for services	69,207,776	282,390,032	351,597,808
Fines and forfeitures	16,669,844	147,469	16,817,313
Developers' contributions	14,906	2,044,312	2,059,218
Revenue from the use of money and property	15,033,510	16,510,626	31,544,136
Recovered costs	9,426,879	6,715,056	16,141,935
Gifts, donations, and contributions	771,379	578,170	1,349,549
Total revenues	3,587,181,747	626,005,128	4,213,186,875
EXPENDITURES			
Current:			
General government administration	163,828,478	556,068	164,384,546
Judicial administration	49,302,583	1,457,629	50,760,212
Public safety	620,073,326	69,990,082	690,063,408
Public works	86,012,739	116,891,786	202,904,525
Health and welfare	352,430,786	200,819,790	553,250,576
Community development	55,705,696	138,270,568	193,976,264
Parks, recreation, and cultural	35,409,661	16,299,995	51,709,656
Intergovernmental:			
Community development	10,382,091	136,430,319	146,812,410
Parks, recreation, and cultural	31,427,759	20,953,394	52,381,153
Education - for Public Schools	1,717,128,761	161,332,175	1,878,460,936
Capital outlay:			
General government administration	9,073,520	3,439,503	12,513,023
Judicial administration	54,113	-	54,113
Public safety	675,118	56,546,676	57,221,794
Public works	106,271	44,862,997	44,969,268
Health and welfare	213,352	34,605,173	34,818,525
Community development	27,670	38,219,716	38,247,386
Parks, recreation, and cultural	3,919,566	33,156,402	37,075,968
Debt service:			
Principal retirement	362,258	204,613,261	204,975,519
Interest and other charges	38,166	132,935,191	132,973,357
Total expenditures	3,136,171,914	1,411,380,725	4,547,552,639
Excess (deficiency) of revenues over (under) expenditures	451,009,833	(785,375,597)	(334,365,764)
OTHER FINANCING SOURCES (USES)			
Transfers in	24,195,595	557,180,001	581,375,596
Transfers out	(501,669,578)	(85,463,723)	(587,133,301)
General obligation bonds issued	-	264,330,000	264,330,000
Premium on general obligation bonds issued	-	26,340,354	26,340,354
Revenue bonds issued	-	167,950,000	167,950,000
Premium on revenue bonds issued	-	22,265,761	22,265,761
General obligation refunding bonds issued	-	51,980,000	51,980,000
Premium on general obligation refunding bonds issued	-	5,120,365	5,120,365
Lease revenue refunding bonds issued	-	44,000,000	44,000,000
Premium on lease revenue refunding bonds issued	-	6,980,613	6,980,613
General obligation payments to refunded bonds escrow agent	-	(56,892,852)	(56,892,852)
Lease revenue bond payments to refunded bonds escrow agent	-	(50,811,058)	(50,811,058)
Notes issued	-	25,000,000	25,000,000
Capital leases	-	22,574,292	22,574,292
Total other financing sources (uses)	(477,473,983)	1,000,553,753	523,079,770
Net change in fund balances	(26,464,150)	215,178,156	188,714,006
Fund balances, July 1, 2013	329,268,249	715,804,200	1,045,072,449
Fund balances, June 30, 2014	$ 302,804,099	930,982,356	1,233,786,455

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, 2014

Net change in fund balances - Total governmental funds		$ 188,714,006
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	$ 224,900,077	
Less depreciation/amortization expense	(91,008,432)	133,891,645
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.		(11,140,459)
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		15,740,910
Build America Bonds interest subsidy accrual is not recognized as revenue in the fund statements		11,934
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 unearned revenue in the funds:		
Delinquent property taxes	$ 2,017,764	
Delinquent business license taxes	2,516,263	
Other charges for services	35,671	4,569,698
Some revenues will not be collected for several months after the fiscal year ends, hence, they are not considered "available" revenues and are deferred inflow of resources in the governmental funds:		
Sales and use and other taxes	$ (97,087)	
EMS transport and other charges for services	(31,266)	(128,353)
The receipt of principal payments for the lease to the component unit does not result in a revenue in the statement of activities.		(1,415,000)
Revenue adjusted for certain assets provided to a component unit via capital lease does not result in a revenue in the statement of activities.		(4,595,000)
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 position and does not affect the statement of activities. The following were issued:		
Series 2014A General Obligation Bonds	$ (290,670,354)	
Series 2014A General Obligation Refunding Bonds	(57,100,365)	
EDA Series 2014A and 2014B Revenue Bonds	(178,159,580)	
VRA Subfund Series 2013C Revenue Bonds	(12,056,181)	
EDA Series 2014A Lease Revenue Refunding Bonds	(50,980,613)	
Capital Renewal Note	(25,000,000)	
Obligations under capital leases and installment purchases	(22,574,292)	(636,541,385)
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.		8,314,000
Certain other long-term liabilities are recognized only in the government-wide statements, resulting in a net difference.		838,508
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 position and do not result in an expense in the statement of activities.		
Principal repayments of matured bonds, notes, and loans	$ 204,582,066	
Payment to escrow agent to refund bonds	107,703,910	
Principal payments of capital leases and installment purchases	393,452	312,679,428
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	$ 170,627	
Amortization of bond premiums and discounts	32,367,630	
Amortization of deferred gains on bond refundings	314,897	
Amortization of deferred losses on bond refundings	(9,384,318)	23,468,836
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	$ (954,543)	
Compensated absences	428,217	
Net pension obligation	(15,750,348)	
Other	(10,797,500)	(27,074,174)
Internal service funds are used by management to provide certain goods and services to governmental funds. The change in net position is reported with governmental activities.		42,748,116
Change in net position of governmental activities		$ 50,082,710

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT A-4**

Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities - Enterprise Fund Integrated Sewer System	Governmental Activities - Internal Service Funds
ASSETS		
Current assets:		
Equity in pooled cash and temporary investments	$ 97,243,744	201,405,936
Accounts receivable	390,169	114,155
Accrued interest receivable	-	525
Due from intergovernmental units (net of allowance)	52,799,346	-
Interfund receivables	-	965,051
Inventories of supplies	169,672	2,792,963
Prepaid and other assets	-	814
Total unrestricted current assets	150,602,931	205,279,444
Restricted assets:		
Equity in pooled cash and temporary investments	61,694,477	-
Cash with fiscal agents	13,238,425	-
Investments	21,097,057	-
Total restricted current assets	96,029,959	-
Total current assets	246,632,890	205,279,444
Long-term assets:		
Capital assets:		
Non-depreciable/non-amortizable:		
Land	17,407,323	1,938,688
Easements	406,829	-
Construction in progress	116,847,901	-
Equipment under construction	-	4,435,900
Depreciable/amortizable:		
Equipment	12,342,537	139,313,494
Software	-	2,200,587
Purchased capacity	934,345,410	-
Buildings and improvements	88,398,832	21,633,263
Infrastructure	1,102,833,994	2,826,820
Accumulated depreciation	(567,003,646)	(92,403,180)
Accumulated amortization	(285,937,804)	(977,312)
Total capital assets, net	1,419,641,376	78,968,260
Total long-term assets	1,419,641,376	78,968,260
Total assets	1,666,274,266	284,247,704
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding of debt	17,383,929	-
Total deferred outflows of resources	$ 17,383,929	-

See accompanying notes to the financial statements.

continued

EXHIBIT A-4
concluded

	Business-type Activities - Enterprise Fund Integrated Sewer System	Governmental Activities - Internal Service Funds
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	$ 3,739,430	8,688,570
Accrued salaries and benefits	1,020,555	1,229,078
Contract retainages	12,069,676	-
Accrued interest payable	6,065,503	5,043
Revenue bonds payable, net	23,787,280	-
Compensated absences payable	1,345,208	1,647,541
Obligations under capital leases	-	176,005
Insurance and benefit claims payable	-	29,684,418
Total current liabilities	48,027,652	41,430,655
Long-term liabilities:		
Revenue bonds payable, net	621,179,245	-
Compensated absences payable	807,594	1,346,241
Obligations under capital leases	-	557,593
Insurance and benefit claims payable	-	29,452,000
Total long-term liabilities	621,986,839	31,355,834
Total liabilities	670,014,491	72,786,489
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refunding of debt	1,695,556	-
Total deferred inflow of resources	1,695,556	-
NET POSITION		
Net investment in capital assets	843,276,715	78,234,664
Restricted for:		
Sewer improvements	29,878,043	-
Debt service	13,238,425	-
Unrestricted	125,554,965	133,226,551
Net position	$ 1,011,948,148	211,461,215

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT A-5

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the fiscal year ended June 30, 2014

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Integrated Sewer System	
OPERATING REVENUES:		
Charges for services	$ 188,168,475	328,527,775
Other	-	56,031
Total operating revenues	188,168,475	328,583,806
OPERATING EXPENSES:		
Personnel services	27,576,508	28,842,492
Materials and supplies	15,635,981	1,798,248
Equipment operation and maintenance	-	52,279,773
Risk financing and benefit payments	-	168,352,796
Depreciation and amortization	55,558,575	13,612,791
Professional consultant and contractual services	47,898,930	20,455,662
Other	-	6,784,616
Total operating expenses	146,669,994	292,126,378
Operating gain	41,498,481	36,457,428
NONOPERATING REVENUES (EXPENSES):		
Availability fees	24,007,197	-
Interest revenue	484,332	111,636
Interest expense	(26,960,382)	(58,499)
Bond issuance costs	(343,229)	-
Amortization of deferred loss on bond refunding	(994,404)	-
Gain (loss) on disposal of capital assets	122,334	(134,366)
Total nonoperating (expenses)	(3,684,152)	(81,229)
Gain before contributions, special item, and transfers	37,814,329	36,376,199
Capital contributions	4,074,576	614,212
Transfers in	-	8,482,636
Transfers out	-	(2,724,931)
Change in net position	41,888,905	42,748,116
Net position, July 1, 2013	970,059,243	168,713,099
Net position, June 30, 2014	$ 1,011,948,148	211,461,215

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, 2014

	Business-type Activities - Enterprise Fund Integrated Sewer System	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 180,889,340	-
Receipts from interfund services provided	-	328,388,023
Payments to suppliers and contractors	(59,130,036)	(73,415,334)
Payments to employees	(27,531,547)	(28,918,062)
Claims and benefits paid	-	(168,865,502)
Payments for interfund services used	-	(8,703,585)
Net cash provided by operating activities	94,227,757	48,485,540
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to other funds	-	(2,724,931)
Transfers from other funds	-	8,482,636
Net cash provided by noncapital financing activities	-	5,757,705
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Availability fees received	24,007,197	-
Capital grants received	591,814	-
Principal payments on sewer revenue bonds	(20,872,354)	-
Interest payments on sewer revenue bonds	(27,124,425)	-
Revenue bonds issued, including premium	69,117,462	-
Escrow for refunded bonds	(71,381,994)	
Payment of bond issuance costs	(343,229)	-
Proceeds from sale of capital assets	126,560	876,767
Purchase of capital assets, other than purchased capacity	(55,488,324)	(22,461,334)
Acquisition of purchased capacity	(65,297,709)	-
Principal payments on obligations under capital leases	-	(1,335,470)
Interest payments on obligations under capital leases	-	(53,456)
Net cash used by capital and related financing activities	(146,665,002)	(22,973,493)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of restricted investments	25,054,560	-
Purchases of investments	(22,433,747)	-
Interest received	487,106	112,638
Net cash provided by investing activities	3,107,919	112,638
Net increase (decrease) in cash and cash equivalents	(49,329,326)	31,382,390
Cash and cash equivalents, July 1, 2013	208,267,547	170,023,546
Cash and cash equivalents, June 30, 2014	$ 158,938,221	201,405,936
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 41,498,481	36,457,428
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	55,558,575	13,612,791
Change in assets and liabilities:		
Increase in accounts receivable	-	(60,023)
Increase in intergovernmental receivables	(7,279,135)	-
Increase in interfund receivables	-	(135,760)
(Increase) decrease in inventories of supplies	12,137	(661,326)
(Increase) decrease in other assets	39,121	(814)
Increase (decrease) in accounts payable and accrued liabilities	4,353,617	(651,511)
Increase in accrued salaries and benefits	24,424	(75,245)
Increase in interfund payables	20,537	-
Total adjustments to operating	52,729,276	12,028,112
Net cash provided by operating activities	$ 94,227,757	48,485,540
Noncash investing, capital, and financing activities:		
Capital contributions - sewer lines, manholes, and equipment	$ 3,482,762	614,212
Net increase in long-term debt resulting from the issuance of loans/revenue bonds by UOSA	2,520,436	-
Increase in fair value of investments not classified as cash and cash equivalents	23,729	-

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT A-7

Statement of Fiduciary Net Position
June 30, 2014

	Pension Trust Funds	OPEB Trust Fund	Agency Funds
ASSETS			
Equity in pooled cash and temporary investments	$ 8,069,365	2,880,683	2,156,326
Cash collateral for securities lending	51,588,977	-	-
Accounts receivable	-	-	72,511
Contributions receivable	9,779,962	-	-
Accrued interest and dividends receivable	15,325,811	27,572	-
Receivable from sale of investments	201,164,964	-	-
Equipment	5,438	-	-
Investments, at fair value:			
U.S. Government and agency securities	190,813,103	-	-
Asset-backed securities	283,909,257	-	-
Corporate and other bonds	881,624,926	-	-
Common and preferred stock	1,822,898,353	-	-
Short-term investments	304,165,160	-	-
Investment in pooled funds	3,068,989,903	192,950,672	-
Total assets	6,838,335,219	195,858,927	$ 2,228,837
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	
LIABILITIES			
Accounts payable and accrued liabilities	11,482,214	4,403	-
Payable for purchase of pension investments	231,727,103	-	-
Liabilities for collateral received under securities lending agreements	51,588,977	-	-
Liabilities under reimbursement agreements	-	-	2,228,837
Total liabilities	294,798,294	4,403	$ 2,228,837
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	
NET POSITION			
Held in trust for pension/OPEB benefits	$ 6,543,536,925	195,854,524	

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA **EXHIBIT A-8**

Statement of Changes in Plan Net Position
Trust Funds
For the fiscal year ended June 30, 2014

	Pension Trust Funds	OPEB Trust Fund
ADDITIONS		
Contributions:		
Employer	$ 219,891,959	38,767,540
Plan members	53,755,662	-
Other	-	1,172,895
Total contributions	273,647,621	39,940,435
Investment income:		
From investment activities:		
Net appreciation in fair value of investments	758,405,131	19,529,481
Interest	91,741,124	20,144
Dividends	46,994,909	-
Total income from investment activities	897,141,164	19,549,625
Less investment activities expenses:		
Management fees	18,832,483	95,977
Other	1,796,009	500
Total investment activities expenses	20,628,492	96,477
Net income from investment activities	876,512,672	19,453,148
From securities lending activities:		
Securities lending income	937,268	-
Less securities lending expenses:		
Management fees	313,912	-
Total securities lending activities expenses	313,912	-
Net income from securities lending activities	623,356	-
Net investment income	877,136,028	19,453,148
Total additions	1,150,783,649	59,393,583
DEDUCTIONS		
Benefits	375,278,975	14,259,904
Refunds of contributions	4,486,504	-
Administrative expenses	2,749,432	167,494
Total deductions	382,514,911	14,427,398
Net increase	768,268,738	44,966,185
Net position, July 1, 2013	5,775,268,187	150,888,339
Net position, June 30, 2014	$ 6,543,536,925	195,854,524

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Net Position
Component Units
June 30, 2014

	Public Schools	Redevelopment and Housing Authority
ASSETS		
Equity in pooled cash and temporary investments	$ 334,919,888	28,327,472
Cash in banks	-	12,112,585
Investments	-	4,805,000
Receivables (net of allowances):		
Accounts	6,189,406	841,532
Accrued interest	107,968	361,475
Notes	-	26,237,346
Due from intergovernmental units	49,499,700	-
Due from primary government	362,637	-
Inventories of supplies	2,740,178	-
Prepaid and other assets	997,560	4,674,084
Restricted assets:		
Equity in pooled cash and temporary investments	100,961,681	-
Cash with fiscal agents	-	14,667,793
Certificates of deposit - performance bonds	-	3,097,782
Investments	-	2,351,037
Net OPEB Asset	22,173,923	-
Unearned financing fees (net of amortization)	-	1,032,116
Property held for sale	-	1,515,352
Capital assets:		
Non-depreciable/non-amortizable:		
Land and easements	46,837,095	42,311,894
Construction in progress	261,520,672	271,478
Software in development	7,584,455	-
Depreciable/amortizable:		
Equipment	284,978,864	1,943,111
Software	4,865,424	-
Library collections	34,500,761	-
Buildings and improvements	3,152,923,022	224,546,618
Accumulated depreciation	(1,586,782,438)	(125,676,093)
Accumulated amortization	(3,333,219)	-
Total assets	2,721,047,577	243,420,582
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts from the refunding debt	-	-
Total deferred outflows of resources	$ -	-

See accompanying notes to the financial statements.

EXHIBIT A-9

Park Authority	Economic Development Authority	Total Component Units	
			ASSETS
34,219,373	-	397,466,733	Equity in pooled cash and temporary investments
-	-	12,112,585	Cash in banks
-	-	4,805,000	Investments
			Receivables (net of allowances):
6,385	1,500	7,038,823	Accounts
43,668	-	513,111	Accrued interest
-	-	26,237,346	Notes
106,742	-	49,606,442	Due from intergovernmental units
1,765,249	235,017	2,362,903	Due from primary government
-	-	2,740,178	Inventories of supplies
-	-	5,671,644	Prepaid and other assets
			Restricted assets:
4,341,731	-	105,303,412	Equity in pooled cash and temporary investments
-	-	14,667,793	Cash with fiscal agents
-	-	3,097,782	Certificates of deposit - performance bonds
511,915	-	2,862,952	Investments
-	-	22,173,923	Net OPEB Asset
-	-	1,032,116	Unearned financing fees (net of amortization)
-	-	1,515,352	Land held for sale
			Capital assets:
			Non-depreciable/non-amortizable:
370,311,665	-	459,460,654	Land and easements
15,619,937	-	277,412,087	Construction in progress
-	-	7,584,455	Software in development
			Depreciable/amortizable:
13,654,116	38,847	300,614,938	Equipment
-	-	4,865,424	Software
-	-	34,500,761	Library collections
383,695,645	767,961	3,761,933,246	Buildings and improvements
(192,880,712)	(410,187)	(1,905,749,430)	Accumulated depreciation
-	-	(3,333,219)	Accumulated amortization
631,395,714	633,138	3,596,497,011	Total assets
			DEFERRED OUTFLOWS OF RESOURCES
467,904	-	467,904	Deferred amounts from the refunding debt
467,904	-	467,904	Total deferred outflows of resources

continued

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Net Position
Component Units
June 30, 2014

	Public Schools	Redevelopment and Housing Authority
LIABILITIES		
Accounts payable and accrued liabilities	$ 46,541,427	6,260,199
Accrued salaries and benefits	38,783,956	631,934
Contract retainages	9,954,278	-
Accrued interest payable	665,085	4,942,356
Due to primary government	-	2,323
Unearned revenue	15,796,087	2,225,581
Performance and other deposits	3,048,783	2,360,500
Long-term liabilities:		
Portion due or payable within one year:		
Revenue bonds payable, net	-	744,195
Notes payable	-	2,971,324
Compensated absences payable	23,771,094	571,918
Obligations under capital leases and installment purchases	14,280,773	-
Insurance and benefit claims payable	29,358,911	-
Loan from primary government	-	-
Unearned rent	473,508	-
Portion due or payable after one year:		
Revenue bonds payable, net	-	24,558,225
Notes payable	-	58,870,307
Compensated absences payable	10,187,611	554,173
Obligations under capital leases and installment purchases	62,132,128	-
Insurance and benefit claims payable	29,970,642	-
Loan from primary government	-	-
Unearned rent	71,640	-
Total liabilities	285,035,923	104,693,035
DEFERRED INFLOWS OF RESOURCES		
Reduction of Capital Lease	5,275,817	-
Total deferred inflow of resources	5,275,817	-
NET POSITION		
Net investment in capital assets	2,126,681,735	78,054,081
Restricted for:		
Grant and education programs	16,480,206	-
Food Service	11,944,551	-
Repair and replacement	-	-
Housing	-	18,138,014
Capital projects	75,274,527	-
E.C. Lawrence Trust	-	-
Unrestricted (deficit)	200,354,818	42,535,452
Net position	$ 2,430,735,837	138,727,547

See accompanying notes to the financial statements.

EXHIBIT A-9
concluded

Park Authority	Economic Development Authority	Total Component Units	
			LIABILITIES
2,215,071	75,537	55,092,234	Accounts payable and accrued liabilities
2,442,636	160,688	42,019,214	Accrued salaries and benefits
613,130	-	10,567,408	Contract retainages
49,478	-	5,656,919	Accrued interest payable
-	-	2,323	Due to primary government
5,346,823	292	23,368,783	Unearned revenue
745,420	-	6,154,703	Performance and other deposits
			Long-term liabilities:
			Portion due or payable within one year:
753,447	-	1,497,642	Revenue bonds payable, net
-	-	2,971,324	Notes payable
2,466,061	188,944	26,998,017	Compensated absences payable
-	-	14,280,773	Obligations under capital leases and installment purchases
-	-	29,358,911	Insurance and benefit claims payable
283,100	-	283,100	Loan from primary government
-	121,008	594,516	Unearned rent
			Portion due or payable after one year:
4,618,033	-	29,176,258	Revenue bonds payable, net
-	-	58,870,307	Notes payable
2,095,642	100,828	12,938,254	Compensated absences payable
-	-	62,132,128	Obligations under capital leases and installment purchases
-	-	29,970,642	Insurance and benefit claims payable
12,305,400	-	12,305,400	Loan from primary government
-	766,954	838,594	Unearned rent
33,934,241	1,414,251	425,077,450	Total liabilities
			DEFERRED INFLOWS OF RESOURCES
-	-	5,275,817	Reduction of Capital Lease
-	-	5,275,817	Total deferred inflow of resources
			NET POSITION
573,420,490	396,621	2,778,552,927	Net investment in capital assets
			Restricted for:
-	-	16,480,206	Grant and education programs
-	-	11,944,551	Food Service
700,000	-	700,000	Repair and replacement
-	-	18,138,014	Housing
12,074,496	-	87,349,023	Capital projects
1,507,926	-	1,507,926	E.C. Lawrence Trust
10,226,465	(1,177,734)	251,939,001	Unrestricted (deficit)
597,929,377	(781,113)	3,166,611,648	Net position

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Activities
Component Units
For the fiscal year ended June 30, 2014

		Program Revenues		
Functions/Programs	**Expenses**	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Public Schools:				
Education	$ 2,655,779,952	102,855,650	262,295,149	160,007,893
Redevelopment and Housing Authority:				
Community development	106,299,285	42,708,556	66,355,633	1,566,283
Park Authority:				
Parks, recreation, and cultural	98,935,072	43,501,817	-	14,151,467
Economic Development Authority:				
Community development	10,002,258	-	-	-
Total component units	$ 2,871,016,567	189,066,023	328,650,782	175,725,643

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 position
Net position, July 1, 2013
Net position, June 30, 2014

See accompanying notes to the financial statements.

EXHIBIT A-10

Net (Expense) Revenue and Changes in Net Position

Public Schools	Redevelopment and Housing Authority	Park Authority	Economic Development Authority	Total Component Units
(2,130,621,260)	-	-	-	(2,130,621,260)
-	4,331,187	-	-	4,331,187
-	-	(41,281,788)	-	(41,281,788)
-	-	-	(10,002,258)	(10,002,258)
(2,130,621,260)	4,331,187	(41,281,788)	(10,002,258)	(2,177,574,119)
432,504,593	-	4,957,734	-	437,462,327
19,555	222,667	30,515	-	272,737
1,716,988,731	-	40,881,154	10,017,820	1,767,887,705
1,702,513	-	-		1,702,513
2,151,215,392	222,667	45,869,403	10,017,820	2,207,325,282
20,594,132	4,553,854	4,587,615	15,562	29,751,163
2,415,417,522	134,173,693	593,341,762	(796,675)	3,142,136,302
$ 2,436,011,654	138,727,547	597,929,377	(781,113)	3,171,887,465

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 of Supervisors 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. The County has assumed the responsibility for the management 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 was located within the Sully, 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. In March 2006, the Board of Supervisors voted to change the boundaries, placing all boarders within the Hunter Mill Magisterial District. This change became effective January 1, 2007. 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. The District is governed by the members of the Board of Supervisors representing the property owners within the district, and the County management oversees its operation. 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. The District is governed by the members of the Board of Supervisors representing the property owners within the district, and the County management oversees its operation. 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. This authority presentation consists of a special revenue, a debt service fund, and a capital projects fund. This authority provides services that exclusively benefit the County and was established with a tax increment financing agreement. 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 2014, Fairfax Water collected approximately $149.4 million on behalf of the County, and as of June 30, 2014, the County has receivables of approximately $41.5 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 K-8 for additional information related to the District.

2. Basis of Presentation

Government-wide Statements

The statement of net position 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.

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, 2014, 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, 2014, 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	$ 1,627,697
Internal Service Funds	65,147
Total primary government	1,692,844
Component Units	
Public Schools	632,607
FCRHA	24,621
Park Authority	5,401
Total component units	662,629
Total reporting entity	$ 2,355,473

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 ownership is recorded as of the trade date. Transactions are finalized and money movement occurs on the settlement date. For the retirement system, 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. Derivative instruments are financial contracts with valuations dependent on the values of one or more underlying assets, reference rates or financial indices. Detailed information on derivative investments is found in Note B.

8. Inventories

The consumption method of accounting for inventories is used. 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, 2014, the Sewer System has cash and investments that are restricted for the following uses:

Restricted Assets of the Sewer System	
Extensions and improvements	$ 55,491,199
Long-term debt service requirements	27,300,335
Current debt service requirements	13,238,425
Total restricted assets	$ 96,029,959

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 - 50 years
Sewer lines	50 years
Buildings	20 - 50 years
Purchased capacity	30 - 99 years
Improvements	15 - 25 years
Equipment	5 - 20 years
Library collections	5 years
Software	5 - 20 years

No depreciation is taken in the year of acquisition for 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 Position

Net position is comprised of three categories: Net investment in capital assets; Restricted net position; and Unrestricted net position. The first category of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds that are attributable to these capital assets. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to those assets. As of June 30, 2014, the primary government had $329.3 million restricted net position, of which $246.4 million was restricted by enabling legislation. Net position which is neither restricted nor related to net investment in capital assets, is reported as unrestricted net position.

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 Position (Exhibit A), the debt reduces *unrestricted net position* for the primary government, while the capital assets are reported in *net investment in capital assets* and the unspent bond proceeds are reported in *restricted net position* 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 $1,522.5 million is reclassified as shown below to present the total reporting entity column of Exhibit A.

			Reclassification of Debt Issued for:			
Net Position (summarized)	Primary Government	Component Units	Public Schools Facilities	Park Authority Facilities	Total Reclassifcation of Debt Issued	Total Reporting Entity
Net Investment in capital assets, net of related debt	$ 2,705,053,338	2,778,552,927	(1,351,232,627)	(171,295,011)	(1,522,527,638)	3,961,078,627
Restricted	329,312,748	136,119,720	(100,961,681)	(2,096,305)	(103,057,986)	362,374,482
Unrestricted	(1,677,901,703)	251,939,001	1,452,194,308	173,391,316	1,625,585,624	199,622,922
Net position	$ 1,356,464,383	3,166,611,648	-	-	-	4,523,076,031

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 Balance
Primary Government		
General Fund		
Public safety, courts, and judicial	$	8,419,028
General public works		1,142,702
Social services, health and welfare		14,964,373
Housing and community development		385,035
Parks, recreation, and cultural		1,683,459
Other purposes		10,765,287
Total General Fund		37,359,884
Capital Projects Funds		
Capital Project	$	79,469,069

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 L). 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 is a participant in the Virginia Investment Pool Trust Fund (VIP Trust). VIP Trust is a Section 115 governmental trust fund created under the Joint Exercise of Powers statute of the Commonwealth of Virginia to provide political subdivisions with an investment vehicle to pool surplus funds and to invest such funds into one or more investment portfolios under the direction and daily supervision of a professional fund manager. The VIP Trust is governed by a Board of Trustees. The VIP Trust seeks to maintain a bond fund rating on the Portfolio of AAf/S1 or better from S&P, or an equivalent rating from Fitch.

The primary government is a participant in the Virginia Investment Pool Trust Fund (VIP Trust). VIP Trust is a Section 115 governmental trust fund created under the Joint Exercise of Powers statute of the Commonwealth of Virginia to provide political subdivisions with an investment vehicle to pool surplus funds and to invest such funds into one or more investment portfolios under the direction and daily supervision of a professional fund manager. The VIP Trust is governed by a Board of Trustees. The VIP Trust seeks to maintain a bond fund rating on the Portfolio of AAf/S1 or better from S&P, or an equivalent rating from Fitch.

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, but not eliminated, 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 sponsored by the Virginia Municipal League and the Virginia Association of Counties (VML/VACo). The primary government's and component unit's respective shares in this pool are reported on the face of 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, 919 East Main Street, Suite 1100, 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 or less. All other pooled funds are invested primarily in shorter-term securities, with a maximum maturity of two years. The reporting entity's pooled investments as of June 30, 2014, 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	$ 100,608,870	9.64
Commercial paper	407,816,861	35.05
Corporate Notes	117,126,858	40.86
Money market funds	33,623,859	0.02
Negotiable certificates of deposit	683,156,917	11.72
VA Investment Pool	37,263,522	0.35
Total fair value	$ 1,379,596,886	
Portfolio weighted average maturity		97.64
Component Units - Pooled Investments:		
Agency discount notes	$ 34,608,005	9.64
Commercial paper	140,283,139	35.05
Corporate Notes	40,289,956	40.86
Money market funds	11,566,124	0.02
Negotiable certificates of deposit	234,996,162	11.72
VA Investment Pool	12,818,116	0.35
Total fair value	$ 474,561,503	
Portfolio weighted average maturity		97.64

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 30 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, 2014, are summarized at fair value as shown below:

Investment Type	Fair Value	Duration (Years)
Primary Government - Pension Trust Funds:		
U.S. Government securities		
Employees' Retirement System	$ 101,312,758	6.6
Police Officers Retirement System	50,920,477	7.3
Uniformed Retirement System	34,167,802	7.5
Corporate and other bonds		
Employees' Retirement System	460,041,691	4.7
Police Officers Retirement System	54,839,708	5.2
Uniformed Retirement System	97,823,059	6.0
Asset-backed securities *		
Employees' Retirement System	255,465,805	3.7
Police Officers Retirement System	77,202,066	4.5
Uniformed Retirement System	100,295,618	4.2
Short-term investments		
Employees' Retirement System	135,148,368	0.1
Police Officers Retirement System	25,601,157	0.1
Uniformed Retirement System	143,415,635	0.2
Total fair value	$ 1,536,234,144	
Component Unit - Pension Trust Fund:		
U.S. Treasuries	$ 167,221,903	2.8
Agencies	12,463,884	1.7
Asset-backed securities	3,172,387	6.2
Cash and Cash equivalents	6,629,816	0.0
Corporate bonds	168,907,871	6.1
Municipals	2,989,199	0.1
Mortgages	103,046,401	2.6
CMBS	3,504,021	3.4
Foreign bonds	55,509,207	3.0
Convertible and preferred	14,982,013	7.0
Emerging markets	67,335,499	3.9
Total fair value	$ 605,762,201	

* 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, 2014, the primary government and component units of the reporting entity had pooled investments in the following issuers with credit quality ratings as a percent of total investments in debt securities as shown below:

Credit Quality Rating *									
AA		A-1		AAA-m		Aaf/S1		Unrated	
U.S. Treasury and Agencies**	6.7%	Commercial paper	27.0%	Money Market Funds	2.0%	Virginia Investment Pool	2.5%	Demand Deposit Accounts	5.7%
Corporate Notes	7.9%	Negotiable CD	45.0%	-	-	-	-	Insured CD	3.2%
	14.6%		72.0%		2.0%		2.5%		8.9%

* Credit quality ratings are determined using S&P's short term and long-term ratings, which approximates the greatest degree of risk as of June 30, 2014.
** U.S.Treasury and Agencies AA+

As of June 30, 2014, the primary government and component units' pension trust funds of the reporting entity had pooled investments in the following issuers with credit quality ratings as a percent of total investments in debt securities as shown on the opposite page:

	Credit Quality Rating *							
Investment Type	AAA	AA	A	BBB	BB	B	Below B	Unrated
Primary Government								
Pension Trust Funds:								
U.S. Government securities	12.1 %	- %	- %	- %	- %	- %	- %	- %
Corporate and other bonds	1.1	3.8	5.4	2.7	7.4	8.8	3.6	7.0
Asset-backed securities	0.2	10.1	0.5	0.8	0.4	0.4	8.6	7.3
Short-term investments	-	0.5	-	-	-	-	-	19.3
Component Units								
Pension Trust Fund:								
Government securities/agencies	3.0 %	9.8 %	- %	- %	- %	- %	- %	1.2 %
Mortgage-backed securities	0.4	7.3	0.1	0.1	-	-	-	0.1
Domestic bonds	0.1	0.7	5.7	8.6	3.6	0.9	0.9	31.2
Convertible bonds	-	-	0.5	0.7	0.7	0.3	-	0.1
International bonds	2.5	0.3	5.4	6.7	2.1	0.1	-	1.1
Cash and cash equivalents	-	-	-	-	-	-	-	5.7
Preferred stocks	-	-	-	-	-	0.1	-	-

* Credit quality ratings are determined using S&P's long-term rating schema, which approximates the greatest degree of risk as of June 30, 2014.

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:

U.S. Treasury securities and agencies	100%	maximum
Banker's acceptances	40%	maximum
Negotiable certificates of deposit and bank deposit notes	40%	maximum
Non-negotiable certificates of deposit	40%	maximum
Insured certificates of deposit	40%	maximum
Commercial paper	35%	maximum
Repurchase agreements	30%	maximum
Mutual funds	30%	maximum
Collateralized deposit account	30%	maximum
Insured deposit account	30%	maximum
Corporate notes	25%	maximum
Virginia Investment Pool	10%	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, demand deposit accounts 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 position 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, 2014, is presented 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	$	1,638,467	1,675,633	-
Corporate and other bonds		7,808,791	8,008,080	-
Common and preferred stock		40,495,491	41,905,264	-
Lent for securities collateral:				
U.S. Government securities		29,504,783	-	31,675,004
Corporate and other bonds		18,535,053	-	18,981,788
Common and preferred stock		307,512,937	-	341,194,965
Total securities lent	$	405,495,522	51,588,977	391,851,757
Component Unit - Pension Trust Fund:				
Lent for cash collateral:				
U.S. Government and agency securities	$	2,522,947	2,576,048	-
Domestic corporate bonds		21,634,017	22,153,379	-
Domestic stock		139,232,764	143,177,410	-
International stock		5,783,060	7,498,751	-
Total securities lent	$	169,172,788	175,405,588	-

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 to 10 percent in emerging markets. As of June 30, 2014, the fair value in U.S. dollars of the pension trust funds' foreign currency investments are presented on the following page:

International Securities	Cash and Cash Equivalents	Equity	Convertible and Fixed Income	Total U.S. Dollars
Primary Government - Pension Trust Funds:				
Australian dollar	$ 135,341	29,617,836	29,006,377	58,759,554
Brazil real	9,657	-	13,932,040	13,941,697
Canadian dollar	311,208	17,755,013	208,384	18,274,605
Danish krone	(8)	25,556,819	-	25,556,811
Euro currency unit	7,938,454	99,203,941	44,122,524	151,264,919
Hong Kong dollar	32,485	37,340,494	-	37,372,979
Hungarian forint	4	-	10,250,527	10,250,531
Indonesian rupian	-	22,586	5,922,593	5,945,179
Japanese yen	2,528,579	105,246,098	(9,945)	107,764,732
Malaysian ringgit	-	129,075	5,443,421	5,572,496
Mexican new peso	15,728	3,743,158	43,084,173	46,843,059
New Zealand dollar	29,831	550,628	9,425,773	10,006,232
Philippines peso	539	344,751	1,102,067	1,447,357
Polish zloty	10,505	-	11,972,758	11,983,263
Pound Sterling	1,044,934	86,384,686	16,165,946	103,595,566
Singapore dollar	185,085	13,357,423	-	13,542,508
South African comm rand	30	2,779,030	9,151,107	11,930,167
South Korean won	-	2,085,898	12,094,272	14,180,170
Swedish krona	27,584	15,464,693	-	15,492,277
Swiss franc	13,439	24,396,268	-	24,409,707
Other currencies	111,193	6,662,129	4,680,344	11,453,666
Total fair value	$ 12,394,588	470,640,526	216,552,361	699,587,475
Component Unit - Pension Trust Fund:				
Australian dollar	$ 186,651	3,858,751	3,857,797	7,903,199
Brazil real	82,427	243,566	12,953,954	13,279,947
Canadian dollar	81,519	22,477,478	6,242,494	28,801,491
Chilean peso	1,817,416	-	-	1,817,416
Columbian peso	58,636	-	4,298,940	4,357,576
Danish krone	-	3,292,175	-	3,292,175
Euro currency unit	621,786	83,069,504	1,190,083	84,881,373
Hong Kong dollar	130,863	8,667,366	-	8,798,229
Hungarian forint	-	-	1,202,602	1,202,602
Indonesian rupian	71,073	415,835	3,616,486	4,103,394
Israeli Shekel	945	24,069	-	25,014
Japanese yen	214,488	42,816,774	-	43,031,262
Malaysian ringgit	93,749	1,928,694	4,310,316	6,332,759
Mexican new peso	257,243	1,101,080	13,202,366	14,560,689
New Taiwan Dollar	46,095	6,029,766	-	6,075,861
New Turkish Lira	-	1,448,833	-	1,448,833
New Zealand dollar	42,969	683,805	8,305,230	9,032,004
Norwegian krone	74,753	3,098,520	2,661,290	5,834,563
Peruvian nuevo sol	95,859	-	3,114,600	3,210,459
Philippine peso	137	118,147	-	118,284
Polish zloty	28,253	1,545,265	6,826,363	8,399,881
Pound Sterling	104,322	44,540,055	317,534	44,961,911
Russian rouble	-	-	5,111,637	5,111,637
South African comm rand	77,912	2,933,515	5,520,805	8,532,232
Singapore dollar	19,252	3,866,129	-	3,885,381
South Korean Won	59,390	13,082,812	-	13,142,202
Swedish krona	226	9,554,564	-	9,554,790
Swiss franc	84,454	20,105,482	-	20,189,936
Thailand baht	-	1,388,311	1,225,248	2,613,559
Turkish lira	-	-	3,717,303	3,717,303
Total fair value	$ 4,250,418	276,290,496	87,675,048	368,215,962

7. Derivatives

In order to enhance investment returns and manage risk exposure, the Primary government's pension trust funds (Pension trust funds) regularly invest in derivative financial instruments with off-balance-sheet risk. The Pension trust funds also entered into derivative transactions to gain exposure to currencies and markets where derivatives are the most cost-effective instrument. During fiscal year 2014, the Pension trust funds 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. Some traditional on balance sheet securities, such as structured notes, can have derivative-like characteristics where the return may be linked to one or more indices. Asset-backed securities, such as collateralized mortgage obligations (CMOs), are sensitive to changes in interest rates and pre-payments. Futures, forwards, options, and swaps generally are not recorded on the financial statements, whereas floating rate securities, structured notes, and asset-backed securities are recorded. The pension trust funds also have exposure to derivatives indirectly through its ownership interests in certain hedge funds, mutual funds and commingled funds which may use, hold or write derivative financial instruments.

Derivative investments may involve credit and market risk in excess of amounts recognized on the financial statements. The pension trust funds could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. Holders of futures contracts look to the exchange for performance under the contract and not to the other party holding the offsetting futures position; therefore, the amount at risk due to nonperformance of counterparties to futures contracts is minimal. For counterparties involving over the counter derivatives, the Boards of Trustees of the pension trust funds seek to control such risk through counterparty credit evaluations, counterparty credit limits, and exposure monitoring procedures conducted by investment managers and staff. To address counterparty risk, the pension trust funds instruct the investment managers who use swaps, forwards, and options to only enter into contracts with counterparties rated at investment grade of BBB or better by at least one nationally recognized rating agency.

The Pension trust funds held four types of derivative financial instruments with notional values carried off-balance sheet: futures, swaps, currency forwards, and options. Those financial instruments provide the Pension trust funds with the opportunity to build passive benchmark positions, manage portfolio duration in relation to various benchmarks, adjust portfolio yield curve exposure, enhance returns, and gain market exposure to various indices in a more efficient way and at lower transaction costs. Risk is inherent to most investments.

Futures contracts are contracts to deliver or receive securities at a specified future date and at a specified price or yield. Futures contracts are traded on organized exchanges (exchange-traded) and typically require an initial margin (collateral) in the form of cash or marketable securities. The net change in the futures contract value is settled daily with the exchanges in cash and the net gains or losses are included in the Pension trust funds' financial statements. Holders of futures contracts look to the exchange for performance under the contract and not to the entity holding the offsetting futures position. Accordingly, the amount at risk posed by nonperformance of counterparties to futures contracts is minimal. The notional value of the Pension trust funds' investment in futures contracts at June 30, 2014 is shown in the table on the following page:

Future Contract Types	Amount
Primary Government - Pension Trust Funds:	
Cash & Cash Equivalent Futures:	
Long	$ 162,893,788
Equity Futures:	
Long	249,907,200
Short	(21,964,500)
Fixed Income Futures:	
Long	341,301,237
Short	(339,188)
Commodity Futures	
Long	30,145,735
Short	(15,069,722)
Total	$ 746,874,550

The Pension trust funds enter into several types of swap contracts in which two counterparties agree to exchange one stream of payments for another over some agreed to period of time. Swaps are used to manage risk and enhance returns. All counterparties are rated A or better. The Pension trust funds' swap contracts outstanding at June 30, 2014 is summarized as follows:

Swap Types	Base Exposure	Market Value
Primary Government - Pension Trust Funds:		
Equity Swaps:		
Equity Index Swaps	$ (7,764)	(7,764)
Total Return Swaps	(9,055)	1,165
Variance Swaps	6,090	6,090
Fixed Income Swaps:		
Credit Default Swaps	100,553	98,735
Inflation Swaps	(3,488)	(3,488)
Interest Rate Swaps	(90,079)	(78,173)
Commodity Swaps:		
Commodity Swaps	70,533	70,533
Total	$ 66,790	87,098

Option contracts may be exchanged traded or negotiated directly in over the counter transactions between two counterparties. Options holders have the right, but not the obligation, to purchase or sell a financial instrument at a future price and date. The Pension trust funds can both purchase and write options. Exchange traded options rely on the exchange for performance and the risk to non-performance of counterparties is minimal. All counterparties for over the counter options are rated A or better. The Pension trust funds option contracts at June 30, 2014 are presented as follows:

	Proceeds	Market Value	Unrealized Gain/(loss)
Primary Government - Pension Trust Funds:			
Cash & cash Equivalent Options:			
Call	$ (16,800)	(10,417)	6,383
Put	(15,386)	(8,218)	7,169
Commodity Options:			
Call	(10,154)	(7,118)	3,037
Put	(20,119)	(261)	19,858
Equity Options:			
Call	(11,440)	(393)	11,047
Put	(5,210)	(191)	5,019
Fixed Income Options:			
Put	(11,604)	(23,956)	(12,365)
Total	$ (90,713)	(50,554)	40,148

Currency forwards represent foreign exchange contracts and are used to effect settlements and to protect the base currency value of portfolio assets denominated in foreign currencies against fluctuations in the exchange rates of those currencies or to gain exposure to the change in market value of a specific currency. A forward foreign currency exchange contract is a commitment to purchase or sell a foreign currency at a future date and at a negotiated price. The credit risk of currency contracts that are exchange-traded lies with the clearinghouse of the exchange where the contracts are traded. The credit risk of currency contracts traded over-the counter lies with the counterparty, and exposure usually is equal to the unrealized profit on in-the money contracts. All counterparties are rated A or better. The market risk in foreign currency contracts is related to adverse movements in currency exchange rates. The net unrealized loss on foreign currency spot and forward contract at June 30, 2014 was $251,340, and the Pension trust funds' currency forwards contracts are summarized as follows:

Foreign Currency Contracts Purchased	Notional (Local Currency)	Fair Value of Foreign Currency Contract Payable in U.S. Dollars
Primary Government - Pension Trust Funds:		
Australian Dollar	(15,312,000)	$ (210,793)
Brazil Real	(5,519,339)	(19,172)
Euro Currency Unit	(47,571,680)	166,382
Hungarian Forint	(121,564,350)	3,568
Japanese Yen	(392,193,000)	(12,502)
Mexican New Peso	(1,379,898)	(1,219)
New Zealand Dollar	(11,890,000)	(114,741)
Polish Zloty	(32,820,000)	(32,927)
Pound Sterling	(295,000)	(8,957)
Total Foreign Currency Contracts Purchased		$ (230,361)

Foreign Currency Contracts Sold	Notional (Local Currency)	Fair Value of Foreign Currency Contract Receivable in U.S. Dollars
Primary Government - Pension Trust Funds:		
Brazil Real	7,928,694	$ 41,639
Chilean Peso	5,994,500,000	13,675
Euro Currency Unit	12,339,248	72,442
Indian Rupee	804,260,680	(162,426)
Japanese Yen	208,986,000	5,394
Mexican New Peso	14,415,425	(751)
New Zealand Dollar	1,305,000	7,261
Polish Zloty	1,071,262	1,787
Total Foreign Currency Contracts Sold		$ (20,979)

As permitted by the Board's policies, the Pension trust funds hold off balance sheet derivatives in a small number of separately managed accounts. Investment managers are prohibited from purchasing securities on margin or using leverage unless specifically permitted within the investment manager's guidelines. Derivative instruments covered under the scope of GASB 53 are reported at fair value. The changes in fair value of derivative instruments that are used for investment purposes are reported within the investment revenue classification. Gains and losses on derivative securities are determined based upon fair market values as determined by our custodian and recorded in the Statement of Changes in Plan Net Position of the pension trust funds.

As permitted by the Code, ERFC invests in derivative instruments on a limited basis in accordance with the ERFC Board's investment policy. Derivatives provide a means for ERFC to increase earnings and/or hedge against potential losses. During the fiscal year, ERFC invested in collateralized mortgage obligation (CMO) derivatives. These derivatives are securities created using the underlying cash flows from mortgage backed securities as collateral. As of June 30, 2014, the fair value of the CMOs was $534,020. In addition, ERFC had indirect investments in derivatives through its ownership interest in the Emerging Markets Growth Fund, the Better Beta fund, one of the Emerging Market Debt funds, one Private Equity manager, two of the Real Estate managers, and one of the Global Asset Allocation managers. These portfolios are commingled funds in which ERFC has a percentage ownership. Derivatives in these portfolios consisted of interest rate swaps and caps, which reduce the effect of interest rate fluctuations by converting floating rate financing into fixed rate loans for real estate investments. Futures, because they are more liquid than over the counter derivatives, have among the lowest transaction costs available, carry minimal counterparty risk and are de facto currency hedged. Non Deliverable Forward's (NDF's) obtain exposure to a currency and its interest rate where the actual purchase of onshore debt is difficult. The interest rate exposure comes through the difference between the spot F/X rate and the forward F/X rate, and through investing the USD cash used as collateral in short dated US bonds. Forward commodity contracts hedge changes in cash flows due to market price fluctuations related to the expected purchase of a commodity. Currency forwards are used for hedging non-USD denominated physical instruments back to the base currency. Options are contracts that give the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date. At June 30, 2014, exposure to interest rate swaps was $(5,509,290), exposure to interest rate caps was $406,164, exposure to futures contracts was $15,645,131, exposure to NDF's was $(1,716,805), exposure to forward commodity contracts was $165,839, exposure to currency forward contracts was $(21,530,513) and exposure to options was $344,017.

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, 2014, after allowances for uncollectible amounts, is $22,156,469 of which $2,452,315 has been included in tax revenue for fiscal year 2014 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 2014 as receivables (net of payments totaling $20,585,385 received in advance of the due date) and deferred tax revenue because the County has an enforceable legal claim to these resources at June 30, 2014; however, these resources, which amount to $2,942,415,201, will not be available to the County until fiscal year 2015.

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, 2014, consist of the following:

	General Fund	Nonmajor Governmental Funds	Enterprise Fund	Internal Service Funds	Total Primary Government (Exhibit A)
Receivables:					
Accounts	$ 20,042,406	12,922,394	390,169	114,155	33,469,124
Accrued interest	23,213	3,910,919	-	525	3,934,657
Property taxes:					
Delinquent	37,748,859	-	-	-	37,748,859
Not yet due	2,717,418,506	-	-	-	2,717,418,506
Business license taxes - delinquent	18,000,927	-	-	-	18,000,927
Loans	-	55,316,687	-	-	55,316,687
Total receivables	2,793,233,911	72,150,000	390,169	114,680	2,865,888,760
Allowances for uncollectibles:					
Accounts receivable	(5,338,631)	(270,080)	-	-	(5,608,711)
Property taxes:					
Delinquent	(15,592,390)	-	-	-	(15,592,390)
Not yet due	(6,902,633)	-	-	-	(6,902,633)
Business license taxes - delinquent	(12,334,157)	-	-	-	(12,334,157)
Loans	-	(896,643)	-	-	(896,643)
Total allowances for uncollectibles	(40,167,811)	(1,166,723)	-	-	(41,334,534)
Total net receivables	$ 2,753,066,100	70,983,277	390,169	114,680	2,824,554,226

Receivables of the component units, excluding fiduciary funds, at June 30, 2014, consist of the following:

	Public Schools	FCRHA	Park Authority	EDA	Total Component Units
Receivables:					
Accounts	$ 6,189,406	940,573	6,385	1,500	7,137,864
Accrued interest	107,968	361,475	43,668	-	513,111
Notes	-	27,570,469	-	-	27,570,469
Total receivables	6,297,374	28,872,517	50,053	1,500	35,221,444
Allowances for uncollectible	-	(1,432,164)	-	-	(1,432,164)
Total net receivables	$ 6,297,374	27,440,353	50,053	1,500	33,789,280

Delinquent property taxes receivable from taxpayers in the General Fund as of June 30, 2014, consist of the following:

Year of Levy	Real Estate	Personal Property	Total
2013	$ 6,788,014	9,916,438	16,704,452
2012	2,196,088	2,966,430	5,162,518
2011	1,117,176	2,323,273	3,440,449
Prior years	2,201,406	4,381,106	6,582,512
Total delinquent taxes	12,302,684	19,587,247	31,889,931
Penalty and interest			5,858,928
Total delinquent taxes, penalty and interest			37,748,859
Allowances for uncollectibles			(15,592,390)
Net delinquent tax receivables			$ 22,156,469

Amounts due to the primary government and component units from other governmental units at June 30, 2014, include the following:

	Primary Government				Component Unit - Public Schools
	General Fund	Nonmajor Governmental Funds	Enterprise Fund	Total (Exhibit A)	
Federal government	$ 3,506,546	12,125,087	209,298	15,840,931	29,003,220
State government:					
Property tax relief - not yet due	211,313,944	-	-	211,313,944	-
Other	43,293,568	26,274,827	1,891,814	71,460,209	20,200,311
Local governments	574,636	2,087,198	50,698,234	53,360,068	296,169
Total intergovernmental units	$ 258,688,694	40,487,112	52,799,346	351,975,152	49,499,700
Federal-Build America Bond subsidy				738,292	
Total (Exhibit A)				352,713,444	

E. INTERFUND BALANCES AND TRANSFERS

Interfund receivables and payables are 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, 2014, is as shown on the opposite page.

	Interfund Receivables	Interfund Payables
Primary Government		
General Fund	$ 230,000	965,051
Nonmajor Governmental Funds	-	230,000
Internal Service Funds	965,051	-
Total primary government	$ 1,195,051	1,195,051
Component Unit		
Public Schools:		
General Fund	$ 712,700	-
Nonmajor Governmental Funds	-	-
Internal Service Funds	-	675,000
Fiduciary Funds	-	37,700
Total component units	$ 712,700	712,700

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, 2014, are as follows:

Receivable Entity	Payable Entity	Amount
Component Units	**Primary Government**	
Public Schools	General Fund	$ 362,637
Park Authority	General Fund	1,334,514
Park Authority	Nonmajor Governmental Fund	430,735
EDA	General Fund	235,017
Total		$ 2,362,903
Primary Government	**Component Unit**	
General Fund	FCRHA	$ 2,323
Total		$ 2,323

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, 2014, are as follows:

	Transfers In	Transfers Out
Primary Government		
General Fund	$ 24,195,595	501,669,578
Nonmajor Governmental Funds	557,180,001	85,463,723
Internal Service Funds	8,482,636	2,724,931
Total primary government	$ 589,858,232	589,858,232
Component Unit		
Public Schools:		
General Fund	$ -	36,873,698
Capital Projects Fund	15,096,706	-
Nonmajor Governmental Funds	21,776,992	-
Total component units	$ 36,873,698	36,873,698

F. CAPITAL ASSETS

Capital assets activity for the primary government for the year ended June 30, 2014, is as follows:

	Balances July 1, 2013	Increases	Decreases	Balances June 30, 2014
Primary Government				
Governmental activities:				
Non-depreciable/non-amortizable:				
Land and easements	$ 418,402,250	1,291,825	(2,417,013)	417,277,062
Construction in progress	309,940,835	118,134,836	(161,447,756)	266,627,915
Equipment under construction	12,655,371	10,480,979	(18,071,072)	5,065,278
Software in development	3,917,834	4,669,886	(3,917,834)	4,669,886
Total non-depreciable/non-amortizable	744,916,290	134,577,526	(185,853,675)	693,640,141
Depreciable/amortizable:				
Equipment	384,571,807	67,472,938	(35,660,239)	416,384,506
Software	86,797,615	7,409,631	(1,041,399)	93,165,847
Library collections	87,485,754	3,254,761	-	90,740,515
Buildings	1,208,375,004	154,359,483	-	1,362,734,487
Improvements	136,930,599	34,513,597	(1,745,139)	169,699,057
Infrastructure	722,637,965	44,840,174	-	767,478,139
Total depreciable/amortizable	2,626,798,744	311,850,584	(38,446,777)	2,900,202,551
Less accumulated depreciation/amortization for:				
Equipment	(217,849,753)	(34,807,472)	27,720,465	(224,936,760)
Software	(7,072,956)	(6,471,076)	6,480	(13,537,552)
Library collections	(77,294,833)	(3,490,211)	-	(80,785,044)
Buildings	(380,203,917)	(35,504,016)	-	(415,707,933)
Improvements	(57,973,403)	(6,300,805)	1,710,337	(62,563,871)
Infrastructure	(234,084,867)	(18,047,643)	-	(252,132,510)
Total accumulated depreciation/amortization	(974,479,729)	(104,621,223)	29,437,282	(1,049,663,670)
Total capital assets, being depreciated/amortized, net	1,652,319,015	207,229,361	(9,009,495)	1,850,538,881
Total capital assets, net - Governmental activities	2,397,235,305	341,806,887	(194,863,170)	2,544,179,022
Business-type activities:				
Non-depreciable/non-amortizable:				
Land and easements	17,814,152	-	-	17,814,152
Construction in progress	115,149,188	54,713,477	(53,014,764)	116,847,901
Total non-depreciable/non-amortizable	132,963,340	54,713,477	(53,014,764)	134,662,053
Depreciable/amortizable:				
Equipment	12,179,421	815,623	(652,507)	12,342,537
Purchased capacity	869,047,701	65,297,709	-	934,345,410
Buildings	88,398,832	-	-	88,398,832
Infrastructure	1,046,377,246	56,456,748	-	1,102,833,994
Total depreciable/amortizable	2,016,003,200	122,570,080	(652,507)	2,137,920,773
Less accumulated depreciation/amortization for:				
Equipment	(8,375,346)	(964,246)	648,282	(8,691,310)
Purchased capacity	(257,456,512)	(28,481,292)	-	(285,937,804)
Buildings	(39,208,470)	(2,141,086)	-	(41,349,556)
Infrastructure	(492,990,829)	(23,971,951)	-	(516,962,780)
Total accumulated depreciation/amortization	(798,031,157)	(55,558,575)	648,282	(852,941,450)
Total capital assets, being depreciated/amortized, net	1,217,972,043	67,011,505	(4,225)	1,284,979,323
Total capital assets, net - Business-type activities	1,350,935,383	121,724,982	(53,018,989)	1,419,641,376
Total capital assets, net - Primary government	$ 3,748,170,688	463,531,869	(247,882,159)	3,963,820,398

Capital assets activity for the component units for the year ended June 30, 2014, is as follows:

	Balances June 30, 2013	Increases	Decreases	Balances June 30, 2014
Component Units				
Public Schools				
Non-depreciable/non-amortizable:				
Land	$ 44,869,395	1,967,700	-	46,837,095
Construction in progress	193,374,318	155,072,769	(86,926,415)	261,520,672
Software in development	6,265,521	1,318,934	-	7,584,455
Total non-depreciable/non-amortizable	244,509,234	158,359,403	(86,926,415)	315,942,222
Depreciable/amortizable:				
Equipment	267,744,446	26,629,307	(9,394,889)	284,978,864
Software	4,865,424	-	-	4,865,424
Library collections	34,769,180	2,320,280	(2,588,699)	34,500,761
Buildings	1,199,466,196	37,218,518	-	1,236,684,714
Improvements	1,836,136,859	80,101,449	-	1,916,238,308
Total depreciable/amortizable	3,342,982,105	146,269,554	(11,983,588)	3,477,268,071
Less accumulated depreciation/amortization for:				
Equipment	(178,512,709)	(24,859,617)	7,977,791	(195,394,535)
Software	(2,474,501)	(858,718)	-	(3,333,219)
Library collections	(24,310,839)	(3,549,255)	2,588,699	(25,271,395)
Buildings	(510,235,429)	(24,253,216)	-	(534,488,645)
Improvements	(760,270,873)	(71,356,990)	-	(831,627,863)
Total accumulated depreciation/amortization	(1,475,804,351)	(124,877,796)	10,566,490	(1,590,115,657)
Total capital assets, being depreciated/amortized, net	1,867,177,754	21,391,758	(1,417,098)	1,887,152,414
Total capital assets, net - Public Schools	2,111,686,988	179,751,161	(88,343,513)	2,203,094,636
FCRHA				
Non-depreciable/non-amortizable:				
Land	42,096,776	215,118	-	42,311,894
Construction in progress	1,833,004	1,190,056	(2,751,582)	271,478
Total non-depreciable/non-amortizable	43,929,780	1,405,174	(2,751,582)	42,583,372
Depreciable/amortizable:				
Equipment	1,943,111	-	-	1,943,111
Buildings and improvements	218,097,802	6,448,816	-	224,546,618
Total depreciable/amortizable	220,040,913	6,448,816	-	226,489,729
Less accumulated depreciation/amortization for:				
Equipment	(5,065,886)	(6,632)	-	(5,072,518)
Buildings and improvements	(114,531,279)	(6,072,296)	-	(120,603,575)
Total accumulated depreciation/amortization	(119,597,165)	(6,078,928)	-	(125,676,093)
Total capital assets, being depreciated/amortized, net	100,443,748	369,888	-	100,813,636
Total capital assets, net - FCRHA	144,373,528	1,775,062	(2,751,582)	143,397,008
Park Authority				
Non-depreciable/non-amortizable:				
Land and easements	363,976,312	6,335,353	-	370,311,665
Construction in progress	13,410,371	15,289,145	(13,079,579)	15,619,937
Total non-depreciable/non-amortizable	377,386,683	21,624,498	(13,079,579)	385,931,602
Depreciable/amortizable:				
Equipment	13,688,182	354,144	(388,209)	13,654,116
Buildings and improvements	365,536,755	18,398,577	(239,688)	383,695,645
Total depreciable/amortizable	379,224,937	18,752,721	(627,897)	397,349,761
Less accumulated depreciation/amortization for:				
Equipment	(11,859,842)	(918,348)	384,500	(12,393,690)
Buildings and improvements	(170,263,530)	(10,266,503)	43,011	(180,487,022)
Total accumulated depreciation/amortization	(182,123,372)	(11,184,851)	427,511	(192,880,712)
Total capital assets, being depreciated/amortized, net	197,101,565	7,567,870	(200,386)	204,469,049
Total capital assets, net - Park Authority	574,488,248	29,192,368	(13,279,965)	590,400,651
EDA				
Depreciable/amortizable:				
Equipment	38,847	-	-	38,847
Buildings	767,961	-	-	767,961
Total depreciable/amortizable	806,808	-	-	806,808
Less accumulated depreciation/amortization for:				
Equipment	(37,575)	(1,017)	-	(38,592)
Buildings	(297,276)	(74,319)	-	(371,595)
Total accumulated depreciation/amortization	(334,851)	(75,336)	-	(410,187)
Total capital assets, net - EDA	471,957	(75,336)	-	396,621
Total capital assets, net - Component units	$ 2,831,020,721	210,643,255	(104,375,060)	2,937,288,916

Depreciation and amortization expense for the year ended June 30, 2014, 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	$ 29,454,990	-	-
Judicial administration	4,688,450	-	-
Public safety	8,148,497	-	-
Public works	23,821,889	55,558,575	-
Health and welfare	3,535,289	-	-
Community development	14,566,783	-	-
Parks, recreation, and cultural	6,792,534	-	-
In addition, depreciation on capital assets held by the County's internal service funds is charged to the various functions based on asset usage.	13,612,791	-	-
Component Units			
Public Schools	-	-	124,877,567
FCRHA	-	-	6,078,928
Park Authority	-	-	11,184,851
EDA	-	-	75,336
Total depreciation and amortization expense	$ 104,621,223	55,558,575	142,216,682

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

retirement or DROP entry. The benefit for early retirement is actuarially reduced and payable at early termination.

Effective July 1, 2005, a Deferred Retirement Option Program (DROP) was established for eligible members of the ERS. Members who are eligible for normal service retirement are eligible to participate in this program. DROP provides the ability for an employee to retire for purposes of the pension plan, while continuing to work and receive a salary for a period of three years. During the DROP period, the pension plan accumulates the accrued monthly benefit into an account balance identified as belonging to the member. The account balance is credited with interest in the amount of 5.0 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. Plan A and Plan C require member contributions of 4.0 percent of compensation up to the maximum Social Security wage base and 5.33 percent of compensation in excess of the wage base. Plan B and Plan D require 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, 2014 was 18.70 percent of annual covered payroll. The decision was made to commit additional funding and a rate of 19.30 percent was adopted for fiscal year 2014. Since the ERS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund changes to the actuarial accrued liability) has fallen below 90 percent, the contribution rate includes a margin to amortize this shortfall back to the 90 percent level. In fiscal year 2011 the target was increased to a 91 percent level and with the fiscal year 2015 contribution, it will be increased again to 93 percent. The intent of the County is to continue increasing the amortization target until full actuarial funding has been restored. The goal is to reach an amortization to 100 percent in contributions at or before fiscal year 2020.

Annual Pension Cost

For the years ended June 30, 2014, 2013, and 2012, the County's and Public Schools' annual pension costs and actual contributions are as follows:

	Annual Pension Costs and Actual Contributions for Years Ended June 30		
	2014	2013	2012
County	$ 93,056,557	91,742,368	82,844,146
Public Schools	36,561,752	35,705,650	31,838,392
Total	$ 129,618,309	127,448,018	114,682,538

For the years ended June 30, 2014, 2013, and 2012, the County's and Public Schools' annual required contributions (ARC) are as follows:

	ARC for Years Ended June 30		
	2014	2013	2012
County	$ 116,200,157	113,847,222	102,784,539
Public Schools	45,654,830	44,308,744	39,501,819
Total	$ 161,854,987	158,155,966	142,286,358

The ARC for the year ended June 30, 2014 was determined as part of the July 1, 2013, actuarial valuation using the entry age actuarial cost method. 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 3.0 percent.

b. Projected annual salary increases of 4.0 to 10.0 percent, including an inflation component of 3.0 percent.

c. Cost of living adjustments increases of 2.75 percent.

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.

The County's Employees' Retirement System funding progresses for the past three years are 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)
7/1/2011	$ 2,841,466	$ 4,018,924	$ 1,177,458	70.70 %	$ 642,073	183.38 %
7/1/2012	3,053,412	4,264,175	1,210,763	71.61	642,639	188.40
7/1/2013	3,261,924	4,473,831	1,211,907	72.91	655,613	184.85

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 position 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. Those sworn in on or after January 1, 2013, may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or DROP entry. 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 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 is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2014 was 32.72 percent of annual covered payroll. The decision was made to commit additional funding and a rate of 33.87 percent was adopted for fiscal year 2014. Since the PORS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund changes to the actuarial accrued liability) has fallen below 90 percent, the contribution rate includes a margin to amortize this shortfall back to the 90 percent level. In fiscal year 2011 the target was increased to a 91 percent level and with the fiscal year 2015 contribution, it will be increased again to 93 percent. The intent of the County is to continue increasing the amortization target until full actuarial funding has been restored. The goal is to reach an amortization to 100 percent in contributions at or before fiscal year 2020.

Annual Pension Cost

Information related to the County's annual pension cost, ARC, actual contributions, and net pension obligation (NPO) for fiscal years 2014, 2013, and 2012 are presented as follows:

	2014	2013	2012
ARC, for the year ended June 30	$ 43,190,419	43,091,299	39,408,110
Interest on NPO from prior year	4,744,559	4,126,101	3,581,943
Actuarial adjustment	(5,703,384)	(4,959,941)	(4,033,924)
Annual pension cost	42,231,594	42,257,459	38,956,129
Actual contributions	(34,178,960)	(34,011,347)	(31,700,690)
Increase in the NPO, for the year ended June 30	8,052,634	8,246,112	7,255,439
NPO, beginning of year	63,260,790	55,014,678	47,759,239
NPO, end of year	$ 71,313,424	63,260,790	55,014,678
Percentage of annual pension cost contributed	80.93%	80.49%	81.38%

The ARC for the year ended June 30, 2014, was determined as part of the July 1, 2013, actuarial valuation using the entry age actuarial cost method. 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 3.0 percent.

b. Projected annual salary increases of 4.8 to 11.0 percent, including an inflation component of 3.0 percent.

c. Cost of living adjustments increases of 2.75 percent.

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.

The County's Police Officers Retirement System funding progresses for the past three years are 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)
7/1/2011	$ 982,154	$ 1,219,609	$ 237,455	80.53 %	$ 99,070	239.68 %
7/1/2012	1,035,444	1,286,841	251,397	80.46	101,121	248.61
7/1/2013	1,101,475	1,341,130	239,655	82.13	97,362	246.15

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 position 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, 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 Consolidated 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. Those who commenced employment on or after January 1, 2013, may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or DROP entry. 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 through December 31, 2012, all new hires were enrolled in Plan D. From January 1, 2013 forward all new hires are enrolled in Plan E. 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 and Plan E require contributions of 7.08 percent of compensation.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2014 was 35.45 percent of annual covered payroll. The decision was made to commit additional funding and a rate of 36.43 percent was adopted for fiscal year 2014. Since the URS's adjusted funded ratio (the ratio of the sum of the actuarial value of assets and commitments already made to fund changes to the actuarial accrued liability) has fallen below 90 percent, the contribution rate includes a margin to amortize this shortfall back to the 90 percent level. In fiscal year 2011 the target was increased to a 91 percent level and with the fiscal year 2015 contribution, it will be increased again to 93 percent. The intent of the County is to continue increasing the amortization target until full actuarial funding has been restored. The goal is to reach an amortization to 100 percent in contributions at or before fiscal year 2020.

Annual Pension Cost

Information related to the County's annual pension cost, ARC, actual contributions, and NPO for fiscal years 2014, 2013, and 2012 is presented as follows:

	2014	2013	2012
ARC, for the year ended June 30	$ 64,640,546	62,240,960	57,663,522
Interest on NPO from prior year	4,196,870	3,612,716	3,093,579
Actuarial adjustment	(5,045,012)	(4,342,808)	(3,483,937)
Annual pension cost	63,792,404	61,510,868	57,273,164
Actual contributions	(56,094,690)	(53,722,160)	(50,351,335)
Increase in the NPO, for the year ended June 30	7,697,714	7,788,708	6,921,829
NPO, beginning of year	55,958,261	48,169,553	-
NPO, end of year	$ 63,655,975	55,958,261	6,921,829
Percentage of annual pension cost contributed	87.93%	87.34%	87.91%

The ARC for the year ended June 30, 2014, was determined as part of the July 1, 2013, actuarial valuation using the entry age actuarial cost method. 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 3.0 percent.

b. Projected annual salary increases of 4.8 to 11.0 percent, including an inflation component of 3.0 percent.

c. Cost of living adjustments increases of 2.75 percent.

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.

The County's Police Officers Retirement System funding progresses for the past three years are 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)
7/1/2011	$ 1,185,594	$ 1,526,218	$ 340,624	77.68 %	$ 147,326	231.20 %
7/1/2012	1,247,526	1,613,654	366,128	77.31	148,236	246.99
7/1/2013	1,326,425	1,676,266	349,841	79.13	146,598	238.64

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 position 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 3.0 percent of their covered salaries. The employer is required to contribute at an actuarially determined rate. For fiscal year 2014, Public Schools is required to contribute 5.60 percent of annual covered payroll for educational employees and civil service employees.

Annual Pension Cost

For each of the years ended June 30, 2014, 2013, and 2012, the Public Schools' annual pension cost of $74,174,082; 67,734,634; and $52,934,245, respectively, was equal to its ARC and actual contributions.

The ARC for the year ended June 30, 2014, was determined as part of the December 31, 2013, 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 3.0 percent.

b. Projected annual salary increases of 3.75 to 9.05 percent, including an inflation component of 3.0 percent.

c. Level percentage of closed payroll amortization method was used.

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 closed payrolls over a future period, which has never exceeded 30 years. The remaining amortization period, which is closed at December 31, 2013, was 25 years.

The County's Educational Employees' Supplementary Retirement System funding progresses for the past three years are 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)
12/31/2011	$ 1,866,952	$ 2,470,964	$ 604,012	75.56 %	$ 1,246,973	48.44 %
12/31/2012	1,935,292	2,566,128	630,836	75.42	1,297,537	48.62
12/31/2013	2,029,000	2,645,000	616,000	76.71	1,268,438	48.56

Concentrations

ERFC's investment guidelines limit the securities of any one issue to 10 percent at cost and 15 percent at market of each fixed income portfolio. These guidelines allow an exception for U.S. government securities and its agencies.

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 retirement system, which administers two defined benefit plans and a hybrid plan that combines the features of a defined benefit plan and a defined contribution plan. These plans are administered by the Commonwealth of Virginia and provide coverage for State employees, public school board employees, employees of participating political subdivisions, and other qualifying employees. All full-time, salaried, permanent employees of VRS-participating employers are automatically covered under VRS. All employees hired after January 1, 2014 are automatically enrolled in the Hybrid Plan. Employees hired prior to January 1, 2014 were eligible to opt into the plan until April 30, 2014. 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. For existing employees, school divisions and localities were able to choose to either shift the entire cost to employees beginning July 1, 2012, or phase in the shift over a five year period. To help offset the financial impact of transitioning the cost to employees, the state required employers to increase salaries for existing employees by the same percentage employees were required to contribute effective July 1, 2012. FCPS began implementation of the mandate with a 2.0 percent shift in fiscal year 2013. The remaining 3.0 percent shift was implemented in fiscal year 2014. 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. In fiscal year 2013, The General Assembly adopted a higher VRS employer contribution rate of 11.66 percent compared to the prior year rate of 6.33 percent. This rate is effective for fiscal years 2013 and 2014. In addition, the General Assembly approved an employer rate increase from 0.6 percent in fiscal year 2012 to 1.11 percent in fiscal year 2013 and 2014 for the VRS Retiree Health Insurance Credit. State statute may be amended only by the Commonwealth of Virginia Legislature. The combined FCPS employer and member contributions to VRS, including the Retiree Health Insurance Credit, for the years ended June 30, 2014, 2013, and 2012 were $251,681,672; $242,343,488; and $146,454,888, respectively, equal to the statutorily required contributions for each year.

6. Current Plan Membership

At July 1, 2013 (December 31, 2013, 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	7,263	907	1,155	10,156
Terminated employees entitled to, but not yet receiving, benefits	1,576	33	47	3,509
DROP participants	670	89	126	n/a
Active employees	14,011	1,237	1,862	21,643
Total number of plan members	23,520	2,266	3,190	35,308

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 50 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 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, 919 East Main Street, Suite 1100, 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 2014, 2013, and 2012 are as follows:

	2014	2013	2012
ARC, for the year ended June 30	$ 30,452,000	38,858,000	37,640,000
Interest on net OPEB asset from prior year	(114,000)	(153,000)	351,000
Actuarial adjustment	94,000	127,000	(291,000)
Annual OPEB cost	30,432,000	38,832,000	37,700,000
Actual contributions	(38,746,000)	(38,306,000)	(44,421,000)
(Increase) decrease in net OPEB asset, for the year ended June 30	(8,314,000)	526,000	(6,721,000)
Net OPEB asset, beginning of year	(1,515,610)	(2,041,610)	4,679,390
Net OPEB (asset) obligation, end of year	$ (9,829,610)	(1,515,610)	(2,041,610)
Percentage of annual OPEB cost contributed	127.32%	98.65%	117.83%

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 fiscal years 2012 through 2014, 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)
7/1/2011	$ 80,087	$ 474,229	$ 394,142	16.89 %	$ 799,500	49.30 %
7/1/2012	103,270	503,786	400,516	20.50	824,504	48.58
7/1/2013	148,543	455,386	306,843	32.62	825,441	37.17

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 2014 was determined as part of the July 1, 2013, 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.

b. Projected annual salary increases of 3.0 percent.

c. An annual healthcare cost trend rate of 7.22 percent initial Pre 65 and 6.71 percent Post 65, reduced by decrements to an ultimate rate of 5.0 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 position 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, 919 East Main Street, Suite 1100, 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, 2014, 2013, and 2012, Public Schools' OPEB funding progress is presented as follows:

	2014	2013	2012
ARC, for the year ended June 30	$ 17,003,000	31,142,000	30,630,000
Interest on net OPEB asset from prior year	(1,004,000)	-	-
Actuarial adjustment	745,000	(9,000)	33,000
Annual OPEB cost	16,744,000	31,133,000	30,663,000
Actual contributions	(25,524,938)	(34,471,108)	(42,426,871)
(Increase) decrease in net OPEB asset, for the year ended June 30	(8,780,938)	(3,338,108)	(11,763,871)
Net OPEB obligation (asset), beginning of year	(13,392,985)	(10,054,877)	1,708,994
Net OPEB obligation (asset), end of year	$ (22,173,923)	(13,392,985)	(10,054,877)
Percentage of annual OPEB cost contributed	152.44%	110.72%	138.37%

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 fiscal years 2012 through 2014, Public Schools' 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)
7/1/2011	$ 40,051	$ 431,303	$ 391,252	9.29 %	$ 1,005,000	38.93 %
7/1/2012	53,423	448,849	395,426	11.90	1,045,000	37.84
7/1/2013	64,925	273,983	209,058	23.70	1,109,000	18.85

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 2014 was determined as part of the July 1, 2013, actuarial valuation using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation include certain annual health care cost trends, and 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.

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 position held in trust for OPEB benefits.

3. Current Plan Membership

The latest actuarial valuations for Fairfax County and Fairfax County Public Schools were July 1, 2013 and July 1, 2012, respectively. At that time membership in the reporting entity's plans consisted of the following:

	Primary Government	Component Unit - Public Schools
	OPEB	OPEB
Retirees and beneficiaries receiving benefits	4,469	9,137
Active employees	13,062	19,757
Total number of plan members	17,531	28,894

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 0.50 percent and 0.45 percent at June 30, 2014 and 2013, respectively, to reflect anticipated investment income. Changes in the balances of claims liabilities during fiscal years 2014 and 2013 are presented as follows:

	Internal Service Funds			
	Primary Government		Component Unit - Public Schools	
	Self-Insurance	Health Benefits	Insurance	Health Benefits Trust
Liability balances, June 30, 2012	$ 41,493,713	17,261,961	31,750,079	19,660,000
Claims and changes in estimates	24,850,485	127,037,432	11,831,316	306,977,640
Claims payments	(19,187,198)	(132,776,550)	(9,290,075)	(307,743,640)
Liability balances, June 30, 2013	47,157,000	11,522,843	34,291,320	18,894,000
Claims and changes in estimates	18,253,832	148,147,974	12,032,499	327,515,454
Claims payments	(17,337,832)	(148,607,399)	(10,318,266)	(323,085,454)
Liability balances, June 30, 2014	$ 48,073,000	11,063,418	36,005,553	23,324,000

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 (SIR) for liability and $2,000,000 for workers' compensation. There has been one automobile liability claim settled which exceeded the liability SIR in the past three fiscal years.

J. Short-term Obligations

In December 2013, EDA and the County entered into a master credit agreement with Bank of America, N.A., pursuant to which a revolving line of credit in an amount of up to $100,000,000 is made available to the County to provide interim financing for projects within the County's Capital Improvement Program or other similar projects. On January 30, 2014, the County drew on the revolving line of credit in the amount of $30,000,000 to finance the leasehold acquisition of the Lorton Workhouse Arts Center located in Lorton, Virginia. The $30 million draw from the revolving line of credit was paid on July 29, 2014 through the issuance of Series 2014 B Bonds to permanently finance the leasehold acquisition from LAF, LLC of the Workhouse Arts Center.

K. 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, 2014 (in thousands):

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Primary Government					
Governmental activities:					
General obligation bonds payable:					
Principal amount of bonds payable	$ 2,048,840	316,310	(230,690)	2,134,460	181,790
Premium on bonds payable	178,045	31,461	(32,340)	177,166	25,757
Revenue bonds payable:					
Principal amount of bonds payable	734,424	211,950	(72,390)	873,984	27,464
Premium on bonds payable	36,061	29,246	(3,975)	61,332	5,573
Discount on bonds payable	(823)	-	45	(778)	(45)
Notes payable, net	8,063	25,000	(645)	32,418	5,645
Bond anticipation notes:					
Principal amount of bonds anticipation notes	24,650	-	(3,185)	21,465	21,465
Compensated absences payable	107,709	64,881	(65,464)	107,126	63,396
Landfill closure and postclosure obligation	68,182	954	-	69,136	-
Obligations under capital leases and installment purchases	3,478	22,574	(1,729)	24,323	3,667
Insurance and benefit claims payable	58,680	166,402	(165,946)	59,136	29,684
Net pension obligation	119,219	15,750	-	134,969	-
Other:					
HUD Section 108 loans	11,493	-	(667)	10,826	674
Obligations for claims and judgments	1,203	10,797	-	12,000	12,000
Library Exchange	19,219	-	(838)	18,381	842
Total governmental activities	3,418,443	895,325	(577,824)	3,735,944	377,912
Business-type activities:					
Sewer revenue bonds payable:					
Principal amount of bonds payable	642,887	64,275	(90,617)	616,545	22,429
Premium on bonds payable	23,590	7,363	(2,531)	28,422	1,358
Compensated absences payable	2,187	1,385	(1,419)	2,153	1,345
Total business-type activities	668,664	73,023	(94,567)	647,120	25,132
Total long-term liabilities - Primary government	$ 4,087,107	968,348	(672,391)	4,383,064	403,044
Component Units					
Public Schools					
Compensated absences payable	$ 34,328	23,660	(24,029)	33,959	23,771
Obligations under capital leases and installment purchases	84,948	11,148	(19,683)	76,413	14,281
Insurance and benefit claims payable	53,185	30,952	(24,807)	59,330	29,359
Unearned rent	966	-	(421)	545	474
Total Public Schools	173,427	65,760	(68,940)	170,247	67,885
FCRHA					
Mortgage revenue bonds payable	26,000	-	(698)	25,302	744
Mortgage notes payable	67,614	174	(5,946)	61,842	2,971
Compensated absences payable	1,220	477	(571)	1,126	572
Total FCRHA	94,834	651	(7,215)	88,270	4,287
Park Authority					
Revenue bonds payable:					
Principal amount of bonds payable	4,800	-	-	4,800	615
Premium on bonds payable	701	-	(130)	571	138
Loan from primary government	12,832	-	(243)	12,589	283
Compensated absences payable	4,596	2,575	(2,609)	4,562	2,466
Total Park Authority	22,929	2,575	(2,982)	22,522	3,502
EDA					
Compensated absences payable	279	226	(215)	290	189
Unearned rent	989	-	(101)	888	121
Total EDA	1,268	226	(316)	1,178	310
Total long-term liabilities - Component units	$ 292,458	69,212	(79,453)	282,217	75,984

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 be 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, 2014, the amount of general obligation bonds authorized and unissued is summarized as follows (in thousands):

Bond Purpose	Amount
School improvements	$ 545,711
Transportation improvements	91,140
Parks and park facilities	83,812
Public safety facilities	87,277
Public library facilities	25,000
Flood control	30,000
Total authorized but unissued bonds	$ 862,940

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, 2014.

In February 2014, the County issued $316,310,000 of Series 2014A General Obligation Public Improvement and Refunding Bonds with average interest rates of 4.13 percent and 4.09 percent, respectively. The Refunding Bonds, totaling $51,980,000, were issued to advance refund $31,295,000 of outstanding Series 2004A bonds, $9,335,000 of outstanding Series 2004B bonds, and $13,770,000 of outstanding Series 2005A bonds. Proceeds of $56,892,852 were used to purchase U.S. Government securities which were deposited in an irrevocable escrow account to provide for the resources to redeem the Series 2004A bonds on April 1, 2014, the Series 2004B bonds on October 1, 2014, and the Series 2005A bonds on October 1, 2015. The County refunded these bonds to reduce its total debt service payments over the next twelve years by approximately $4.8 million and to obtain an economic gain of approximately $4.4 million.

Detailed information regarding the general obligation bonds outstanding as of June 30, 2014, 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 April 2012, the Authority issued $47,745,000 to advance refund a portion of the outstanding Series 2003 Laurel Hill revenue bonds. In January 2005, the EDA issued $60,690,000 of facilities revenue bonds to finance the acquisition of land and an existing office building to enable the Fairfax County Public Schools to consolidate numerous Public Schools administrative offices. In June 2014, the Authority issued $44,000,000 to advance refund certain outstanding maturities of the Series 2005 facilities revenue bonds. 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 and in September 2012, the EDA issued $42,390,000 of transportation district improvement revenue bonds (Silver Line Phase 1 Project) Series 2012 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 July 2011, the EDA issued $99,430,000 of revenue bonds Series 2011 to finance a portion of the costs of the construction of a public parking facility on public lands within Fairfax County, Virginia, to serve the Wiehle Avenue Metrorail Station. In May 2012, the EDA issued $65,965,000 of revenue bonds Series 2012 to finance the improvement of certain properties to be used by Fairfax County as mental health facilities and as a neighborhood community center. In June 2014, the Authority issued $126,690,000 of facilities revenue bonds to finance the costs of the construction of a building to serve as a public safety facility for Fairfax County. In June 2014, the Authority issued $30,175,000 of facilities revenue bonds to finance the leasehold acquisition from LAF, LLC of the Workhouse Arts Center located in Lorton, Virginia. 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 July 2003, the FCRHA issued $2,530,000 of lease revenue bonds for the purpose of financing the construction of one Head Start facility. In June 2005, the FCRHA issued $8,105,000 of lease revenue bonds for the purpose of financing the construction of senior 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 notes (Series 2008B) to repay the outstanding $105,485,000 bond anticipation notes (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 notes (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 (the "Authority") issued $46,980,000 Revenue Bonds (Mosaic District Project) Series 2011A. In July 2011, the Authority issued $18,670,000 Revenue Bonds (Taxable) Series 2011A-T. 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 November 2013, the County issued a $11,085,000 special subfund revenue bond (the "2013 VRA Bond") to Virginia Resources Authority ("VRA"). In return for issuing the 2013 VRA Bond, VRA provided the County with a portion of the proceeds realized from its autumn 2013 pooled financing bond transaction. The 2013 VRA Bond was issued to finance renovations to a complex that serves as a senior housing and assisted living facility, a senior center, and an adult day health care center in the County. The County is obligated by a contract with VRA to pay amounts equal to the debt service on the 2013 VRA Bond.

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, 2014 is contained in Section 5 of this note.

3. Sewer Revenue Bonds

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. In June 2009, the Sewer System issued $152,255,000 of Series 2009 Sewer Revenue Bonds with an average interest rate of 4.72 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. In August 2012, the System issued $90,710,000 of Series 2012 Sewer Revenue Bonds with an average interest rate 4.54 percent to fund upgrade costs allocable to the System at certain 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. In April 2014, the System issued $61,755,000 of Series 2014 Sewer Revenue Refunding Bonds with an average interest rate of 4.14 percent to refund $69,745,000 of the outstanding Series 2004 Sewer Revenue Refunding Bonds with an average interest rate of 4.61 percent. Net proceeds of the Refunding Bond were used mostly to redeem the Series 2004 Bonds on July 15, 2014. As of June 30, 2014, the outstanding bonds consist of $61,755,000 of Series 2014 Revenue Refunding Bonds, $89,270,000 of Series 2012 Revenue Bonds, $142,220,000 of Series 2009 Revenue Bonds and $3,335,000 of Series 2004 Revenue 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. In July 2011, UOSA entered into VRA loan 2011A to fund costs related to the Energy Service (ESCO) project. In December 2011, UOSA entered into VRA loan 2011B to fund Phase 1 of the Nutrient Compliance Improvement Project (P1NR). In May 2013, UOSA issued $101,615,000 of Regional Sewer System Revenue Refunding Bonds of which the System's share is $65,555,566, to refund Series 2005 Bonds. Although the refunding resulted in an accounting loss of $12,354,368 which is being amortized over the life of the Series 2013A Bonds, the System reduced total debt service payments over future years by approximately $4.9 million.

In November 2013, UOSA issued $37,735,000 of Regional Sewer System Revenue Refunding Bonds of which the System's share is $23,911,671 to refund the outstanding Series 2003 Bonds. Although the refunding resulted in an accounting loss of $2,520,436 which is being amortized over the life of the Series 2013B Bonds, the System reduced total interest payments over future years by approximately $2.1 million.

The Sewer System's share of UOSA's total outstanding debt at June 30, 2014, is $277,293,041, 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. In September 2012, the System executed a rate reduction agreement with VRA reducing the interest rates on these bonds from 4.10 percent per annum and 3.75 percent per annum, respectively, to 2.35 percent per annum and the collectively required semi-annual debt service payments from $3,318,536 to $3,101,638. 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, 2014, the outstanding principal for the 2001 and 2002 subordinated revenue bonds is $17,918,532 and $24,753,207 respectively.

Detailed information regarding the sewer revenue bonds outstanding as of June 30, 2014 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 notes 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. In May 2011, the FCRHA issued $28,905,000 of bond anticipation notes to current refund $30,215,000 of outstanding Series 2008A bond anticipation notes. In February 2013, the FCRHA issued $24,650,000 of bond anticipations notes to current refund $26,725,000 of outstanding Series 2011 bond anticipation notes. The note matures on March 1, 2015. 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.

In December 2013, EDA and the County entered into a loan agreement with TD Bank, N.A., pursuant to which the proceeds of the loan in the amount of $25,000,000 are made available to the County to provide financing for the costs of the planned replacement of the County-owned building subsystems such as roofs, electrical systems, HVAC, plumbing systems, carpet replacement, parking lot and garage repairs, fire alarm replacement and emergency generator replacement that have reached the end of their useful life. The County is obligated by a contract with EDA to pay amounts equal to the debt service on the loan.

Detailed information regarding the bond anticipation notes and notes payable outstanding as of June 30, 2014, 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, 2014, are comprised of the issues presented on the following pages:

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 2004B	Public Improvement	4.50-5.00	10-19-04	10-01-19	28-3,455	69,120	3,910	176	4,086
Series 2004B	Refunding	4.50-5.00	10-19-04	10-01-19	825-2,545	30,375	11,764	1,382	13,146
Series 2005A	Public Improvement	4.25-5.00	08-16-05	10-01-25	65-4,315	85,655	23,927	6,833	30,760
Series 2005A	Refunding	4.25-5.00	08-16-05	10-01-21	3,045-10,140	117,505	61,923	9,698	71,621
Series 2007A	Public Improvement	4.00-5.00	02-07-07	04-01-27	5,389	107,780	16,167	3,678	19,845
Series 2008A	Public Improvement	4.13-5.00	01-30-08	04-01-28	4,955-4,960	99,155	54,530	18,226	72,756
Series 2009A	Public Improvement	3.50-5.00	01-28-09	04-01-29	2,450	49,000	36,750	12,305	49,055
Series 2009 C	Refunding	3.00-5.00	10-28-09	10-01-19	3,019-14,578	48,527	48,527	7,366	55,893
Series 2009 D	Public Improvement	5.00	10-28-09	10-01-14	10,739	53,710	10,739	268	11,007
Series 2009 E	Public Improvement (BABs)	3.10-5.25	10-28-09	10-01-29	4,247	63,700	63,700	25,904	89,604
Series 2011 A	Public Improvement	4.00-5.00	02-10-11	04-01-31	2,400-2,405	47,880	40,805	16,794	57,599
Series 2011 A	Refunding	5.00	02-10-11	04-01-15	1,703	6,912	1,703	85	1,788
Series 2012 A	Public Improvement	2.00-5.00	02-02-12	04-01-32	3,855-3,860	77,185	69,470	23,155	92,625
Series 2012 B	Refunding	4.00-5.00	02-02-12	04-01-24	3,969-13,142	74,759	72,426	25,880	98,306
Series 2013 A	Public Improvement	4.00-5.00	01-24-13	10-01-32	3,925-3,930	78,535	74,605	35,329	109,934
Series 2013 B	Refunding	3.00-4.00	01-24-13	10-01-25	1,242-9,255	54,389	54,389	12,745	67,134
Series 2014 A	Public Improvement	3.00-5.00	02-06-14	10-01-33	6,170-6,175	123,426	123,426	51,699	175,125
Series 2014 A	Refunding	3.00-5.00	02-06-14	10-01-23	821-6,637	18,569	18,570	2,667	21,237
Total general obligation bonds - General County						1,206,182	787,331	254,190	1,041,521
Schools:									
Series 2004B	Public Improvement	4.50-5.00	10-19-04	10-01-19	47-5,815	116,280	6,580	296	6,876
Series 2004B	Refunding	4.50-5.00	10-19-04	10-01-19	2,600-8,045	96,035	37,186	4,368	41,554
Series 2005A	Public Improvement	4.25-5.00	08-16-05	10-01-25	80-5,275	104,685	29,263	8,359	37,622
Series 2005A	Refunding	4.25-5.00	08-16-05	10-01-21	5,820-20,295	235,740	125,736	19,874	145,610
Series 2007A	Public Improvement	4.00-5.00	02-07-07	04-01-27	6,341	126,820	19,023	4,328	23,351
Series 2008A	Public Improvement	4.13-5.00	01-30-08	04-01-28	6,765	135,320	74,415	24,878	99,293
Series 2009A	Public Improvement	3.50-5.00	01-28-09	04-01-29	7,525	150,510	112,875	37,794	150,669
Series 2009C	Refunding	3.00-5.00	10-28-09	10-01-19	5,081-24,052	83,273	83,273	12,167	95,440
Series 2009D	Public Improvement	5.00	10-28-09	10-01-14	2,636	13,185	2,636	66	2,702
Series 2009E	Public Improvement (BABs)	3.10-5.25	10-28-09	10-01-29	9,233	138,500	138,500	56,321	194,821
Series 2011 A	Public Improvement	4.00-5.00	02-10-11	04-01-31	6,230	123,515	105,910	43,594	149,504
Series 2011 A	Refunding	5.00	02-10-11	04-01-15	2,902	11,783	2,902	145	3,047
Series 2012 A	Public Improvement	2.00-5.00	02-02-12	04-01-32	7,020-7,025	140,470	126,420	42,134	168,554
Series 2012 B	Refunding	4.00-5.00	02-02-12	04-01-24	4,671-21058	117,591	113,074	40,655	153,729
Series 2013 A	Public Improvement	4.00-5.00	01-24-13	10-01-32	6,390	127,800	121,410	57,510	178,920
Series 2013 B	Refunding	3.00-4.00	01-24-13	10-01-25	1,518-14,285	73,611	73,611	17,065	90,676
Series 2014 A	Public Improvement	3.00-5.00	02-06-14	10-01-33	7,045	140,904	140,904	59,030	199,934
Series 2014 A	Refunding	3.00-5.00	02-06-14	10-01-23	1,229-11,203	33,411	33,411	4,905	38,316
Total general obligation bonds - Schools						1,969,433	1,347,129	433,489	1,780,618
Total general obligation bonds						3,175,615	2,134,460	687,679	2,822,139
Revenue bonds:									
EDA revenue bonds:									
Series 2003	Refunding	5.00	10-01-03	11-15-18	6,325-7,885	85,650	35,150	5,265	40,415
Series 2005		4.00	01-27-05	04-01-15	1,470	60,690	1,470	59	1,529
Series 2010		2.00-5.00	03-10-10	04-01-32	1,280-2,785	43,390	33,085	11,225	44,310
Series 2011	Silver Line Phase 1 Project	5.00	05-26-11	04-01-36	5,035-13,685	205,705	189,740	126,354	316,094
Series 2011	Metrorail Station Parking Proje	2.00-5.00	07-28-11	08-01-34	3,275-7,225	99,430	99,430	52,432	151,862
Series 2012A	Refunding Laurel Hill Project	3.00-5.00	04-17-12	06-01-33	670-4,205	47,745	44,005	12,536	56,541
Series 2012A	Facilities Revenue Bonds	4.50-5.00	05-30-12	03-01-42	1,240-3,700	65,965	63,580	48,605	112,185
Series 2012	Silver Line Phase 1 Project	3.00-5.00	10-10-12	04-01-37	1,005-2,835	42,390	40,220	28,246	68,466
Series 2014A	Public Safety Facility Project	4.00-5.00	06-26-14	10-01-34	7,035-7,040	126,690	126,690	73,986	200,676
Series 2014A	County Facilities Refunding	3.00-5.00	06-26-14	10-01-34	1,375-3,385	44,000	44,000	26,993	70,993
Series 2014B	County Facilities Project	.25-4.38	06-26-14	10-01-33	1,185-2,085	30,175	30,175	12,460	42,635
FCRHA lease revenue bonds:									
Series 2003		3.50	07-22-03	8-01-23	44-171	2,530	1,389	243	1,632
Series 2005		3.60	06-16-05	06-01-15	810	8,105	810	29	839
Series 2009		2.5-5.00	08-20-09	10-01-39	1,940-5,610	94,950	87,505	62,044	149,549
VRA Subfund Revenue bonds:									
Series 2013C		2.07-5.13	11-20-13	10-01-33	555	11,085	11,085	5,057	16,142
CDA revenue bonds:									
Series 2011A Tax-Exempt		6.25-6.88	06-09-11	03-01-36	465-5,315	46,980	46,980	51,419	98,399
Series 2011A Taxable		7.25	07-06-11	03-01-36	150-2,180	18,670	18,670	21,927	40,597
Total revenue bonds						1,034,150	873,984	538,880	1,412,864

(Continued)

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)
Notes payables:								
Salona	3.81-4.29	12-27-05	12-31-25	323-645	12,900	7,418	1,851	9,269
Capital Renewal	1.24	12-18-13	01-01-19	5,000	25,000	25,000	943	25,943
Total notes payables					37,900	32,418	2,794	35,212
HUD Section 108 Loans:								
HUD Section 108 loan #8	4.97-6.67	07-01-01	08-01-21	115	2,300	920	74	994
HUD Section 108 loan #11	Variable	06-29-09	08-01-28	196-334	5,040	4,059	1,290	5,349
HUD Section 108 loan #12	Variable	02-14-11	08-01-30	343-344	6,535	5,847	1,423	7,270
Total HUD Section 108 loans					13,875	10,826	2,787	13,613
Bond Anticipation Note Series 2013A-Taxable	.66	02-14-13	03-01-15	21,465	24,650	21,465	142	21,607
Total governmental activities					4,286,190	3,073,153	1,232,282	4,305,435
Business-type activities:								
Sewer revenue bonds:								
UOSA Bonds Subordinated	2.00-6.00	01-12-95	07-01-43	1,760-17,100	277,621	277,293	139,030	416,323
Series 2001 Subordinated	2.35	06-01-01	02-01-21	1,185-1,379	40,000	17,919	1,619	19,538
Series 2002 Subordinated	2.35	09-01-02	03-01-22	1,415-1,686	50,000	24,753	2,544	27,297
Series 2004 Refunding	5.00	10-14-04	07-15-15	3,335	94,005	3,335	84	3,419
Series 2009 Revenue	4.00-5.00	06-17-09	07-15-40	2,805-9,415	152,255	142,220	108,741	250,961
Series 2012 Revenue	4.00-5.00	08-08-12	07-15-43	1,475-5,435	90,710	89,270	71,866	161,136
Series 2014 Refunding	2.00-5.00	04-16-14	07-15-28	0-5,770	61,755	61,755	21,224	82,979
Total business-type activities					766,346	616,545	345,108	961,653
Total County bond, note, and loan indebtedness					$ 5,052,536	3,689,698	1,577,390	5,267,088

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, 2014, 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
2015	$ 181,790	93,817	27,464	39,334	27,784	1,056	22,429	24,290	259,467	158,497
2016	180,610	83,682	30,434	40,307	6,326	809	23,070	24,145	240,440	148,943
2017	174,660	75,490	31,979	39,135	6,333	711	23,904	23,331	236,876	138,667
2018	165,010	67,769	38,574	37,573	6,340	610	24,803	22,443	234,727	128,395
2019	157,645	60,498	39,714	35,659	6,348	507	25,781	21,477	229,488	118,141
2020-2024	662,600	207,347	168,604	154,860	6,633	1,546	131,352	92,735	969,189	456,488
2025-2029	441,440	84,628	187,760	113,732	4,258	461	149,465	67,830	782,923	266,651
2030-2034	170,705	14,448	227,280	63,419	687	23	75,824	42,389	474,496	120,279
2035-2039	-	-	105,935	13,750	-	-	93,012	22,919	198,947	36,669
2040-2044	-	-	16,240	1,111	-	-	46,905	3,549	63,145	4,660
Totals	$ 2,134,460	687,679	873,984	538,880	64,709	5,723	616,545	345,108	3,689,698	1,577,390

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. In addition, the FCRHA maintains unsecured $1 million tax-exempt and $3.5 million taxable lines of credit with a commercial bank to provide interim (bridge) financing.

The table details all FCRHA bonds, notes (including a loan from the County), and loans payable as of June 30, 2014, excluding FCRHA's component units is presented as follows:

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	4,095
Tax-exempt revenue bonds	Herndon Harbor I - rental property	6.10	08-01-97	07-01-27	24-30	2,875	679
Multi-family revenue bonds	Castellani Meadows	6.15	04-01-98	03-01-28	20-26	1,700	614
Lease revenue refunding bonds	FCRHA revenues	4.71	06-15-98	06-15-18	180-220	3,630	1,025
Multi-family revenue bonds	Herndon Harbor II - rental property	4.875-5.50	05-01-99	05-01-29	44-56	2,000	1,464
Multi-family revenue bonds	Cedar Ridge Apartments	5.984	03-29-07	10-01-48	62-115	13,200	12,590
Multi-family revenue bonds	Olley Glen - senior rental property	3.15-5.75	08-26-08	08-01-51	30-355	12,220	4,835
Total mortgage bonds payable - FCRHA						41,965	25,302
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	-
	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	2,527
	East Market, Fair oaks, Bryson	6.14	12-06-07	12-01-22	15-22	856	741
	Stockwell, Northampton, Halstead I & II	6.11	07-24-09	07-01-24	15-22	868	782
Sun Trust Bank	Leland Road Group Home property	5.55	10-06-99	04-01-17	34-43	615	144
	Hopkins Glen rental property	4.33	12-02-02	10-01-16	10-62	475	163
Bank of America	McLean Hills and Springfield Green rental properties	4.54	04-01-95	04-01-15	53-68	1,072	72
PNC Bank	Credit Line	1.04	03-01-12	03-01-14	-	1,834	1,834
U.S. Dept. of Housing and Urban Development	Various FCRHA rental properties	6.45-9.15	02-01-92	08-01-13	285	5,690	-
	Various FCRHA rental properties	4.75-7.18	08-01-94	08-01-13	195-205	3,775	-
	Various FCRHA rental properties	5.36-7.66	08-01-96	08-01-15	5-50	1,080	50
	Various FCRHA rental properties	1.21-5.29	08-07-03	08-01-17	35	500	144
	Olley Glen property	1.29-3.44	01-29-09	08-01-23	100-125	2,050	1,386
Virginia Housing Development Authority	Minerva Fisher-Hall Group Home property	8.07	07-01-79	06-01-19	2-16	437	150
	Penderbrook rental property	7.17	09-01-88	10-01-18	16-25	770	262
	First Stop Group Home property	8.00	01-01-93	04-01-22	5-15	246	284
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						23,694	8,586
Total public housing bonds, notes, and loans payable - FCRHA primary government						$ 65,659	33,888

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, 2014, 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
2015	744,194	1,366,721	2,402,850	364,768	3,147,044	1,731,489
2016	781,599	1,325,757	569,027	342,955	1,350,626	1,668,712
2017	825,059	1,282,329	462,679	311,971	1,287,738	1,594,300
2018	874,645	1,236,548	415,123	287,955	1,289,768	1,524,503
2019	635,415	1,192,752	354,611	265,201	990,026	1,457,953
2020-2024	3,810,709	5,350,513	3,599,480	763,171	7,410,189	6,113,684
2025-2029	3,910,745	4,114,593	782,223	12,971	4,692,968	4,127,564
2030-2034	2,120,997	3,363,391	-	-	2,120,997	3,363,391
2035-2039	2,820,255	2,728,863	-	-	2,820,255	2,728,863
2040-2044	3,749,946	1,882,989	-	-	3,749,946	1,882,989
2045-2049	4,364,528	765,121	-	-	4,364,528	765,121
2050-2052	664,328	47,040	-	-	664,328	47,040
Totals	$ 25,302,420	24,656,617	8,585,993	2,348,992	33,888,413	27,005,609

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 outstanding $7.02 million of Revenue Bonds Series 2001 was refunded on June 5, 2013 through the Virginia Resources Authority bond sale of Series 2013, which resulted in a total debt service savings of $1.92 million. 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, 2014, are as follows:

Fiscal	Revenue Bonds			Loan from Primary Government			Total	
Year	Int. Rate	Principal	Interest	Int. Rate	Principal	Interest	Principal	Interest
2015	2.42	615,000	191,541	5.00	283,100	487,249	898,100	678,790
2016	4.12	630,000	171,088	5.00	327,900	473,094	957,900	644,182
2017	3.42	655,000	146,884	5.00	372,600	456,699	1,027,600	603,583
2018	4.82	680,000	119,275	5.00	422,300	438,069	1,102,300	557,344
2019	4.23	705,000	87,959	5.00	471,400	416,954	1,176,400	504,913
2020-2024	4.82	1,515,000	73,890	5.00	3,141,200	1,687,892	4,656,200	1,761,782
2025-2029	-	-	-	3.00-5.00	3,930,000	1,022,405	3,930,000	1,022,405
2030-2033	-	-	-	3.00-4.00	3,640,000	328,527	3,640,000	328,527
Totals		$ 4,800,000	790,637		$ 12,588,500	5,310,889	17,388,500	6,101,526

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, 2014, approximately $27.7 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, 2014, the cumulative amount of all IRBs outstanding was $641,059,333.

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. In May 2012, the Authority issued $86,275,000 of transportation contract revenue refunding bonds on behalf of the State Route 28 Transportation Improvement District to advance refund $29,285,000 of outstanding Series 2003 bonds and $52,755,000 of outstanding Series 2004 bonds. 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. At June 30, 2014, the total outstanding principal amount of these transportation contract revenue bonds outstanding was $177,535,000.

In December 2005, the Park Authority issued two notes totaling $12.9 million 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, 2014, $7.4 million of these notes are outstanding.

9. Debt Guarantee

In 1989 and 1990, EDA issued $26,765,000 of parking revenue bonds to finance construction of parking structures near the Vienna Metrorail Station and the Huntington Metrorail Station in the County. All obligations relating to the construction of such parking structures have now been paid. EDA issued $25.735 million in bonds on November 10, 1999, to finance a second parking structure at the Vienna Metrorail Station. In August 2005, EDA issued $18,695,000 in bonds to refund all of the callable 1999 parking revenue bonds. The parking revenue bonds are payable under a lease with the WMATA from revenues to be derived by WMATA from parking surcharges at these and other parking facilities in the County. In the event such revenues are not sufficient to pay debt service on the parking revenue bonds and under certain other conditions, the County is, in effect, obligated, subject to annual appropriation by its Board of Supervisors, to make payments to EDA sufficient to pay such debt service. As of June 30, 2014, $12,480,000 of such bonds remain outstanding.

10. 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 fund 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, 2014, the outstanding bonds considered defeased but not yet redeemed are $318.5 million in general obligation bonds and $48.6 million in revenue bonds.

11. 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 stopped accepting waste on December 31, 1995 and the placement of the final closure cap 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 $69.1 million reported as the landfill closure and post closure obligation at June 30, 2014, 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.

12. 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, 2014, are presented as follows:

Asset Class	Primary Government - Governmental Activities	Component Unit - Public Schools
Land	$ -	6,000,000
Buildings	-	56,910,185
Improvements	3,774,949	-
Equipment	38,046,043	59,066,605
Total assets, at cost	41,820,992	121,976,790
Accumulated depreciation	(16,145,390)	(39,111,745)
Total assets, net	$ 25,675,602	82,865,045

Fiscal Year	Minimum Obligations	Minimum Obligations
2015	$ 4,124,715	16,717,241
2016	4,025,048	11,833,586
2017	3,787,068	10,309,980
2018	3,787,068	6,645,824
2019	3,590,889	3,990,041
2020-2024	7,378,194	17,349,000
2025-2029	5,456	17,343,500
2030-2034	-	17,338,375
2035-2039	-	3,444,289
Total minimum obligations	26,698,438	104,971,836
Portion representing interest	(2,375,073)	(28,558,935)
Present value of minimum obligations	$ 24,323,365	76,412,901

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 K-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 $45.5 million and unearned revenue in the amount of $45.5 million is reported. Minimum lease payments for each of the five succeeding fiscal years are $1,470,000; $1,375,000; $1,415,000; $1,470,000 and $1,530,000 respectively.

L. 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 $30.5 million for fiscal year 2014 was funded with $26.7 million of County general obligation bond proceeds, and $3.8 million of state aid provided through the Northern Virginia Transportation Commission (NVTC). It is anticipated that the County's obligation for fiscal year 2015 will amount to $38.1 million and be funded with $5.4 million of state aid provided through the NVTC, and $32.7 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 2014, the County's obligation of approximately $96.2 million for operating subsidies was funded with $9.0 million from the County's Metro Operations and Construction Fund, $87.2 million from state aid and regional gasoline tax receipts provided through the NVTC. It is anticipated that the County's obligation for fiscal year 2015 will amount to $103.9 million and be funded with $100.4 million of state aid and regional gasoline tax receipts provided through the NVTC and $3.5 million of County funds.

The state aid discussed in both Capital Contributions and Operating subsidies is shown passing through the County and Regional Transportation Projects Fund as the result of a change in the language used in the State Budget in fiscal years 2013 and 2014. Prior to fiscal year 2013, this activity was not reflected as activity on the County financial statements.

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 2014 contribution to the VRE was $4.7 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 2014, the County's, Public Schools', and EDA's total expenditures for these operating leases were $18.0 million, $4.1 million, and $0.7 million, respectively. At June 30, 2014, 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
2015	18,267,642	4,084,460	734,162
2016	16,529,696	4,354,340	754,273
2017	15,613,807	4,926,938	775,047
2018	15,254,721	5,072,378	796,263
2019	12,914,755	5,222,125	818,142
2020-2024	13,181,879	5,376,304	280,228
2025-2029	5,916,213	-	-
2030-2034	1,985,891	-	-
2035-2039	1,369,231	-	-
Total	$ 101,033,835	29,036,545	4,158,115

4. Intermunicipal Agreements

City of Alexandria, Virginia, Renew Enterprises

The Sewer System is obligated under an agreement with the City of Alexandria, Virginia, Renew Enterprises (ARE) 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 ARE 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 ARE.

The ARE facility is currently undergoing major improvements to meet new water quality standards. The Sewer System paid ARE $32.9 million for purchase capacity in fiscal year 2014, to fund its share of construction costs, and it estimates its share of the remaining construction costs to be $137.5 million of which $45.4 million, is expected to be incurred in fiscal year 2015 and the balance over fiscal years 2016 to 2024. In addition, the Sewer System made payments of $13.1 million to the ARE during fiscal year 2014 for its share of the ARE'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); District of Columbia Water and Sewer Authority (DC Water); 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 DC Water. 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. DC Water 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 DC Water.

The Blue Plains Plant is currently undergoing a major renovation of its chemical additions and sludge disposal systems. The Sewer System paid DC Water $31.4 million for purchase capacity during fiscal year 2014 to fund its share of construction costs, and it estimates its share of the remaining construction costs to be $137.2 million, of which $17.5 million is expected to be incurred in fiscal year 2015 and the balance over fiscal years 2016 to 2024. In addition, the Sewer System made payments of $11.8 million for contractual services to DC Water during fiscal year 2014 for its share of the Plant's operating costs.

Upper Occoquan Sewage Authority

As described in Note A, 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 contractual service payments to UOSA in fiscal year 2014 of $12.3 million to pay its share of UOSA's operating costs.

Summarized UOSA financial information as of and for the years ended June 30, 2013, and 2012 (the most recent audited financial information available), is shown as follows:

	2013	2012*
Total assets	$ 627,740,768	630,240,481
Deferred outflows of resources	10,636,054	7,348,912
Total liabilities	(548,166,869)	(540,833,757)
Total net assets	$ 90,209,953	96,755,636
Operating revenues	$ 26,918,771	26,284,637
Operating expenses	(49,846,103)	(47,732,629)
Nonoperating revenues, net	4,011,892	8,953,289
Capital contributions	12,369,757	13,064,440
Increase (decrease) in net assets	$ (6,545,683)	569,737

* Fiscal year 2012 amounts restated due to the implementation of GASB statement 65.

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 significant influence over the

management of the treatment facility. In addition, the Sewer System has no direct on-going equity interest in the facility's assets and liabilities.

The Arlington facility is currently undergoing a major upgrade to meet new water quality standards. The Sewer System paid Arlington $1.0 million in fiscal year 2014 to fund its share of the construction costs, and it estimates its share of the remaining construction costs to be $6.5 million, of which $1.5 million is expected to be incurred in fiscal year 2015 and the balance over fiscal years 2016 to 2024. In addition, the Sewer System made payments of $2.2 million for contractual services to Arlington during fiscal year 2014 for its share of Arlington's operating costs.

Loudoun County, Virginia

The Sewer System is obligated under an agreement with Loudoun County, Virginia, to share the construction and operating costs and debt service requirements for the sewage treatment facility owned and operated by Loudoun Water. Currently, the Sewer System has a capacity entitlement of 1.0 MGD, which is 9.0 percent of the facility's total capacity of 11 MGD. The Sewer System has no significant influence over the management of the treatment facility. Furthermore, the Sewer System has no direct on-going equity interest in the facility's assets and liabilities.

The System did not pay any operating cost to Loudoun Water in fiscal year 2014. The System will incur operating costs once it starts to deliver flows to Loudoun Water's facilities which is not expected to start in fiscal year 2015.

5. Long-term Contracts

At June 30, 2014, the primary government had contractual commitments of $87,736,524 in the capital projects funds and $37,027,000 in the Sewer System for construction of various sewer projects. At June 30, 2014, the component units had contractual commitments of $187,190,086 and $9,801,723 in the capital projects funds of the Public Schools and the Park Authority, respectively, for construction of various projects.

M. 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.

N. Subsequent Event

A number of pending litigation claims were settled during September and October, 2014 totaling $6.5 million which were part of the pending litigation liabilities reported as Other under Long-term liabilities-Portion due or payable within one year in Exhibit A.

O. Implementation of New Accounting Pronouncements

In Fiscal Year 2014, the County implemented GASB Statement No. 69, "Government Combinations and Disposals of Government Operations". The implementation of the new standard did not have a material impact on the County's financial statements for Fiscal Year 2014.

The County implemented GASB Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees". The implementation of the new standard did not have a material impact on the County's financial statements for Fiscal Year 2014.

The County Retirement Systems implemented GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities". The implementation of the new standard has replaced the statement of plan net assets with the statement of plan net position which includes the deferred outflows of resources and deferred inflow of resources.

The County Retirement Systems implemented GASB Statement No. 67, "Financial Reporting for Pension Plans - An Amendment of GASB Statement No. 25". The implementation of the new standard changed the information presented in their annual financial reports for Fiscal Year 2014. There was no material impact on the County's financial statements. The County Retirement Systems' reports may be obtained by writing to Fairfax County Retirement Systems, 10680 Main Street, Suite 280, Fairfax, VA 22030, or by calling (703) 279-8200.

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, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final	(Budget Basis)	Positive (Negative)
REVENUES				
Taxes	$ 3,070,657,065	3,084,990,774	3,091,497,604	6,506,830
Permits, privilege fees, and regulatory licenses	36,870,254	38,688,569	39,351,756	663,187
Intergovernmental	332,594,757	331,560,993	337,162,996	5,602,003
Charges for services	72,690,493	74,509,001	71,318,911	(3,190,090)
Fines and forfeitures	14,863,219	14,217,784	14,073,582	(144,202)
Revenue from the use of money and property	16,936,422	15,613,799	15,490,937	(122,862)
Recovered costs	14,935,437	15,030,165	17,468,021	2,437,856
Total revenues	3,559,547,647	3,574,611,085	3,586,363,807	11,752,722
EXPENDITURES				
General government administration	101,869,644	109,557,743	99,848,184	9,709,559
Judicial administration	33,242,578	34,420,187	34,393,868	26,319
Public safety	425,818,013	443,249,574	425,929,461	17,320,113
Public works	67,958,940	72,223,943	69,885,589	2,338,354
Health and welfare	286,001,136	292,971,312	280,791,407	12,179,905
Community development	46,375,447	49,813,596	44,231,774	5,581,822
Parks, recreation, and cultural	50,001,226	52,123,425	49,614,006	2,509,419
Nondepartmental	298,134,321	300,615,360	287,713,301	12,902,059
Total expenditures	1,309,401,305	1,354,975,140	1,292,407,590	62,567,550
Excess of revenues over expenditures	2,250,146,342	2,219,635,945	2,293,956,217	74,320,272
OTHER FINANCING SOURCES (USES)				
Transfers in from other primary government funds	23,870,596	23,870,596	23,870,596	-
Transfers out to other primary government funds	(558,127,310)	(622,365,002)	(622,365,002)	-
Transfers out to component units	(1,718,841,107)	(1,718,853,002)	(1,718,853,002)	-
Total other financing (uses)	(2,253,097,821)	(2,317,347,408)	(2,317,347,408)	-
Net change in fund balance	$ (2,951,479)	(97,711,463)	(23,391,191)	74,320,272

See accompanying notes to required supplementary information.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Funding Progress
For the fiscal year ended June 30, 2014

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:						
7/1/2004	$ 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
7/1/2011	2,841,466	4,018,924	1,177,457	70.70	642,073	183.38
7/1/2012	3,053,412	4,264,175	1,210,763	71.61	642,639	188.40
7/1/2013	3,261,924	4,473,831	1,211,907	72.91	655,613	184.85
Police Officers Retirement System:						
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
7/1/2011	982,154	1,219,609	237,455	80.53	99,070	239.68
7/1/2012	1,035,444	1,286,841	251,397	80.46	101,121	248.61
7/1/2013	1,101,475	1,341,130	239,655	82.13	97,362	246.15
Uniformed Retirement System:						
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
7/1/2011	1,185,594	1,526,218	340,624	77.68	147,326	231.20
7/1/2012	1,247,526	1,613,654	366,128	77.31	148,236	246.99
7/1/2013	1,326,425	1,676,266	349,841	79.13	146,598	238.64
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
7/1/2011	80,087	474,229	394,142	16.89	799,500	49.30
7/1/2012	103,270	503,786	400,516	20.50	824,504	48.58
7/1/2013	148,543	455,386	306,843	32.62	825,441	37.17
Component Unit - Public Schools						
Educational Employees' Supplementary Retirement System:						
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
12/31/2011	1,866,952	2,470,964	604,012	75.56	1,246,973	48.44
12/31/2012	1,935,292	2,566,128	630,836	75.42	1,297,537	48.62
12/31/2013	2,029,000	2,645,000	616,000	76.71	1,268,438	48.56
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
7/1/2011	40,051	431,303	391,252	9.29	1,005,000	38.93
7/1/2012	53,423	448,849	395,426	11.90	1,045,000	37.84
7/1/2013	64,925	273,983	209,058	23.70	1,109,000	18.85

See accompanying notes to required supplementary information.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Employer Contributions
For the fiscal year ended June 30, 2014

	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
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
2012	142,286,358	80.60	39,408,110	81.38	57,663,522	87.91
2013	158,155,966	80.58	43,091,299	80.49	62,240,960	87.34
2014	161,854,987	80.08	43,190,419	79.14	64,640,546	86.78

	Component Unit - Public Schools		
	Educational Employees' Supplementary Retirement		
Fiscal Year Ended June 30	Annual Required Contribution		Percentage Contributed
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
2012	52,934,245	*	100.00
2013	67,734,634	*	100.00
2014	73,673,215	*	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
2012	37,640,000	118.02	30,630,000	138.37
2013	38,858,000	98.58	31,142,000	110.72
2014	30,452,000	127.24	17,003,000	150.12

* 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, 2014

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 one percent of expenditures.

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.
- Certain purchase order transactions that qualify as current expenditures under GAAP, are not recognized as expenditures in the current budget due to the timing of the receipt of goods or services.
- 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 budgeted as separate funds.

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):

	Primary Government General Fund
Net change in fund balance (Budget basis)	$ (23,391,191)
Basis difference - Revenue from investments	(644,628)
Timing difference - Purchase expenditures	142,149
Interfund differences - Fringe benefits	(769,227)
Perspective differences:	
The Gift Fund and NOVARIS are treated as agency funds for budget purposes	(99,166)
The Consolidated Community Funding Pool Fund is treated as a special revenue fund for budget purposes	(22,870)
The Contributory Fund is treated as a special revenue fund for budget purposes	9,234
The Information Technology Fund is treated as a special revenue fund for budget purposes	(1,688,451)
Net change in fund balance (GAAP basis)	$ (26,464,150)

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

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

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 position, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net position 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.

The parameters of GASB Statement No. 27 as they pertain to the development of an Annual Required Contribution and Annual Pension Costs allow for the use of an amortization period of up to 30 years. The County has used a very conservative 15-year amortization period in the results shown in this report. To put this in context, the contribution rates as a percent of annual covered payroll for fiscal year 2014 using a 30-year amortization period would be 18.24 percent for ERS, 35.07 percent for PORS, and 34.30 percent for URS compared to the actual contibution rate of 19.30 percent, 33.87 percent, and 36.43 percent, respectively.

Similarly, comparing the actual contributions to the required amounts varies based on the amortization period chosen. Using a 30-year amortization period, the percentage of the Annual Required Contribution contributed for each system in fiscal year 2014 would be 105.81 percent for ERS, 96.58 percent for PORS, and 106.21 percent for URS.

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.

COUNTY OF FAIRFAX
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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
- 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.

The General Fund Group contains funds which are included in the General Fund for GAAP reporting purposes, but are budgeted separately. Prior to fiscal year 2014, these funds were included in the budget as special revenue funds:

Consolidated Community Funding Pool Fund is used to account for money awarded to community-based nonprofit organizations on a competitive basis to provide certain services to County citizens.

Contributory Fund is used to account for money awarded to certain contributory organizations to provide human services to County citizens.

Northern Virginia Regional Identification System (NOVARIS) is used to account for contributions received from the County and six other participating Northern Virginia jurisdictions to enhance the Northern Virginia Regional Identification System. Program operations are decentralized among the participating Northern Virginia jurisdictions.

Information Technology 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.

COUNTY OF FAIRFAX, VIRGINIA
Budgetary Comparison Schedule Detail - General Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Taxes:				
Real property	$ 2,207,982,016	2,216,599,964	2,216,471,157	(128,807)
Personal property	336,067,422	354,308,292	360,182,306	5,874,014
Business licenses	153,940,164	155,928,841	156,102,850	174,009
Local sales and use	268,548,275	259,731,774	261,431,180	1,699,406
Consumers utility	45,330,492	45,330,492	46,044,610	714,118
Recordation	24,307,372	21,644,837	19,968,520	(1,676,317)
Occupancy, tobacco, and other	34,481,324	31,446,574	31,296,981	(149,593)
Total taxes	3,070,657,065	3,084,990,774	3,091,497,604	6,506,830
Permits, privilege fees, and regulatory licenses	36,870,254	38,688,569	39,351,756	663,187
Intergovernmental	332,594,757	331,560,993	337,162,996	5,602,003
Charges for services	72,690,493	74,509,001	71,318,911	(3,190,090)
Fines and forfeitures	14,863,219	14,217,784	14,073,582	(144,202)
Revenue from the use of money and property	16,936,422	15,613,799	15,490,937	(122,862)
Recovered costs	14,935,437	15,030,165	17,468,021	2,437,856
Total revenues	3,559,547,647	3,574,611,085	3,586,363,807	11,752,722
EXPENDITURES				
General government administration:				
Board of Supervisors	5,171,389	5,224,936	4,662,121	562,815
Financial and Program Auditor	350,582	354,020	238,267	115,753
County Executive	6,420,926	6,580,974	5,880,094	700,880
Tax Administration	22,644,049	23,260,562	22,816,026	444,536
Finance	8,387,352	9,035,310	7,640,312	1,394,998
Cable and Consumer Services	955,853	984,943	875,121	109,822
Human Resources	7,190,025	7,568,287	6,827,764	740,523
Purchasing and Supply Management	4,411,712	4,673,546	4,442,882	230,664
Public Affairs	1,261,248	1,349,398	1,230,260	119,138
Elections	3,695,935	3,737,406	3,537,776	199,630
County Attorney	6,357,795	7,648,129	6,312,069	1,336,060
Information Technology	30,156,498	34,241,181	30,710,117	3,531,064
Management and Budget	4,458,126	4,487,702	4,285,557	202,145
Civil Service Commission	408,154	411,349	389,818	21,531
Total general government administration	101,869,644	109,557,743	99,848,184	9,709,559
Judicial administration:				
Circuit Court and Records	10,462,252	10,640,203	10,526,463	113,740
Commonwealth Attorney	2,699,151	2,833,791	2,750,206	83,585
General District Court	2,208,314	2,239,528	2,087,470	152,058
Sheriff	17,872,861	18,706,665	19,029,729	(323,064)
Total judicial administration	33,242,578	34,420,187	34,393,868	26,319
Public safety:				
Cable Communications and Consumer Protection	664,178	672,678	744,126	(71,448)
Land Development Services	7,594,843	8,317,736	9,800,020	(1,482,284)
Juvenile and Domestic Relations Court	20,843,493	21,437,003	20,636,623	800,380
Police Department	175,549,661	181,116,503	171,795,597	9,320,906
Sheriff	44,497,605	45,713,739	42,467,057	3,246,682
Fire and Rescue	170,859,601	179,594,363	174,824,888	4,769,475
Emergency Management	1,822,734	2,337,837	1,627,581	710,256
Code Compliance	3,985,898	4,059,715	4,033,569	26,146
Total public safety	$ 425,818,013	443,249,574	425,929,461	17,320,113

continued

EXHIBIT B

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
Public works:				
Facilities Management	$ 51,051,935	53,819,249	51,881,513	1,937,736
Business Planning and Support	771,489	775,544	755,411	20,133
Capital Facilities	12,653,954	13,044,382	12,843,761	200,621
Unclassified Administrative Expenses	3,481,562	4,584,768	4,404,904	179,864
Total public works	67,958,940	72,223,943	69,885,589	2,338,354
Health and welfare:				
Family Services	184,997,583	186,086,251	179,906,973	6,179,278
Health Department	51,704,161	55,628,681	51,779,265	3,849,416
Human Services Administration	11,842,653	11,967,604	11,772,166	195,438
Office to Prevent and End Homelessness	11,400,964	12,332,988	11,359,749	973,239
Neighborhood and Community Services	26,055,775	26,955,788	25,973,254	982,534
Total health and welfare	286,001,136	292,971,312	280,791,407	12,179,905
Community development:				
Economic Development Authority	7,259,183	7,288,083	7,288,075	8
Land Development Services	13,320,328	14,423,325	11,840,624	2,582,701
Planning and Zoning	9,931,555	10,696,977	10,000,096	696,881
Planning Commission	646,007	712,841	701,298	11,543
Housing and Community Development	6,230,225	6,299,628	5,561,417	738,211
Human Rights and Equity Programs	1,506,522	1,521,267	1,326,420	194,847
Transportation	7,481,627	8,871,475	7,513,844	1,357,631
Total community development	46,375,447	49,813,596	44,231,774	5,581,822
Parks, recreation, and cultural:				
Park Authority	22,909,700	23,306,950	23,036,747	270,203
Public Library	27,091,526	28,816,475	26,577,259	2,239,216
Total parks, recreation, and cultural	50,001,226	52,123,425	49,614,006	2,509,419
Nondepartmental:				
Unclassified Administrative Expenses	(600,000)	499,979	86,923	413,056
Employee Benefits	298,734,321	300,115,381	287,626,378	12,489,003
Total nondepartmental	298,134,321	300,615,360	287,713,301	12,902,059
Total expenditures	1,309,401,305	1,354,975,140	1,292,407,590	62,567,550
Excess of revenues over expenditures	$ 2,250,146,342	2,219,635,945	2,293,956,217	74,320,272

continued

COUNTY OF FAIRFAX, VIRGINIA
Budgetary Comparison Schedule Detail - General Fund (Budget Basis)
For the fiscal year ended June 30, 2014

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:				
Debt Service Fund	$ 8,000,000	8,000,000	8,000,000	-
Special Revenue Funds:				
County Transit Systems	4,000,000	4,000,000	4,000,000	-
Cable Communications	4,145,665	4,145,665	4,145,665	-
Integrated Pest Management	138,000	138,000	138,000	-
Stormwater Services	1,000,000	1,000,000	1,000,000	-
Refuse Collection/Recyling Operation	535,000	535,000	535,000	-
Refuse Disposal	535,000	535,000	535,000	-
Energy Resource Recovery Facility	42,000	42,000	42,000	-
I-95 Refuse Disposal	175,000	175,000	175,000	-
Internal Service Funds:				
Vehicle Services Fund	1,224,931	1,224,931	1,224,931	-
Technology Infrastructure Services	1,500,000	1,500,000	1,500,000	-
Enterprise Funds:				
Sewer Operation and Maintenance	1,800,000	1,800,000	1,800,000	-
Component Units	775,000	775,000	775,000	-
Total transfers in from other primary government funds	23,870,596	23,870,596	23,870,596	-
Transfers out:				
To other primary government funds:				
Special Revenue Funds:				
County Transit Systems	(34,547,739)	(34,547,739)	(34,547,739)	-
Federal/State Grants	(5,057,965)	(5,459,853)	(5,459,853)	-
Information Technology	(2,913,280)	(9,763,280)	(9,763,280)	-
Fairfax-Falls Church CSB	(109,233,258)	(110,081,034)	(110,081,034)	-
Consolidated Community Funding Pool	(9,867,755)	(9,867,755)	(9,867,755)	-
Contributory Fund	(13,370,975)	(14,370,975)	(14,370,975)	-
E-911	(17,051,691)	(17,279,271)	(17,279,271)	-
Alcohol Safety Action Program	(171,958)	(193,864)	(193,864)	-
Debt Service Fund				
Debt Service Fund	(291,165,641)	(291,165,641)	(291,165,641)	-
				-
Capital Projects Funds:				
County Construction	(11,933,202)	(22,136,497)	(22,136,497)	-
Capital Facilities Renewal Construction	-	(5,000,000)	(5,000,000)	-
Metro Operations and Construction	(11,298,296)	(11,298,296)	(11,298,296)	-
Transportation Improvements Construction	-	(200,000)	(200,000)	-
Pedestrian Walkway Improvements	(100,000)	(300,000)	(300,000)	-
Internal Service Funds:				
Self-Insurance	(21,017,317)	(58,693,414)	(58,693,414)	-
Document Services	(2,398,233)	(2,407,383)	(2,407,383)	-
Health Benefits	-	(1,600,000)	(1,600,000)	-
OPEB Trust Fund	(28,000,000)	(28,000,000)	(28,000,000)	-
Total transfers out to other primary government funds	(558,127,310)	(622,365,002)	(622,365,002)	-
To component units:				
Public Schools:				
Public Schools - General Fund	(1,716,988,731)	(1,716,988,731)	(1,716,988,731)	-
FCRHA - Elderly Housing Program	(1,852,376)	(1,864,271)	(1,864,271)	-
Total transfers out to component units	(1,718,841,107)	(1,718,853,002)	(1,718,853,002)	-
Total transfers out	(2,276,968,417)	(2,341,218,004)	(2,341,218,004)	-
Total other financing (uses)	(2,253,097,821)	(2,317,347,408)	(2,317,347,408)	-
Net change in fund balance	$ (2,951,479)	(97,711,463)	(23,391,191)	74,320,272

County of Fairfax, Virginia

Exhibit B-1a

General Fund Group
Budgetary Comparison Schedule - Consolidated Community Funding Pool Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
EXPENDITURES				
Health and welfare	$ 9,867,755	9,890,626	9,890,626	-
Total expenditures	9,867,755	9,890,626	9,890,626	-
Excess (deficiency) of revenues over (under) expenditures	(9,867,755)	(9,890,626)	(9,890,626)	-
OTHER FINANCING SOURCES				
Transfers in	9,867,755	9,867,755	9,867,755	-
Total other financing sources	9,867,755	9,867,755	9,867,755	-
Net change in fund balance	$ -	(22,871)	(22,871)	-

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT B-1B

General Fund Group
Budgetary Comparison Schedule - Contributory Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
EXPENDITURES				
General government administration	$ 2,202,752	2,202,752	2,201,514	1,238
Public safety	49,927	49,927	49,927	-
Health and welfare	3,094,707	3,144,707	3,094,706	50,001
Community development	3,718,923	4,718,923	4,687,147	31,776
Parks, recreation, and cultural	4,328,447	4,328,447	4,328,447	-
Total expenditures	13,394,756	14,444,756	14,361,741	83,015
Excess (deficiency) of revenues over (under) expenditures	(13,394,756)	(14,444,756)	(14,361,741)	83,015
OTHER FINANCING SOURCES				
Transfers in	13,370,975	14,370,975	14,370,975	-
Total other financing sources	13,370,975	14,370,975	14,370,975	-
Net change in fund balance	$ (23,781)	(73,781)	9,234	83,015

County of Fairfax, Virginia — Exhibit B-1c

General Fund Group
Budgetary Comparison Schedule - Northern Virginia Regional Identification System (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final	(Budget Basis)	Positive (Negative)
REVENUES				
Revenue from the use of money and property	$ 206	206	68	(138)
Recovered costs	18,593	18,593	18,593	-
Total revenues	18,799	18,799	18,661	(138)
EXPENDITURES				
Public safety	18,799	59,846	33,744	26,102
Total expenditures	18,799	59,846	33,744	26,102
Excess (deficiency) of revenues over (under) expenditures	-	(41,047)	(15,083)	25,964
Net change in fund balance	$ -	(41,047)	(15,083)	25,964

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT B-1D

General Fund Group
Budgetary Comparison Schedule - Information Technology Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ -	-	615,513	615,513
Revenue from the use of money and property	108,240	108,240	33,171	(75,069)
Recovered costs	-	1,925	342,438	340,513
Total revenues	108,240	110,165	991,122	880,957
EXPENDITURES				
General government administration	6,113,280	46,237,581	15,371,563	30,866,018
Total expenditures	6,113,280	46,237,581	15,371,563	30,866,018
Excess (deficiency) of revenues over (under) expenditures	(6,005,040)	(46,127,416)	(14,380,441)	31,746,975
OTHER FINANCING SOURCES				
Transfers in	5,813,280	12,663,280	12,663,280	-
Total other financing sources	5,813,280	12,663,280	12,663,280	-
Net change in fund balance	$ (191,760)	(33,464,136)	(1,717,161)	31,746,975

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

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT C

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2014

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Equity in pooled cash and temporary investments	$ 432,823,010	11,165,773	164,708,555	608,697,338
Receivables (net of allowances):				
Accounts	12,515,823	-	136,491	12,652,314
Accrued interest	1,088,902	23,512	2,798,505	3,910,919
Loans	19,232,375	-	35,187,669	54,420,044
Due from intergovernmental units	40,113,901	-	373,211	40,487,112
Loan to component unit	-	12,588,500	-	12,588,500
Lease to component unit	-	45,470,000	-	45,470,000
Prepaid and other assets	457,598	-	-	457,598
Restricted assets:				
Equity in pooled cash and temporary investments	-	-	71,803,875	71,803,875
Cash with fiscal agents	55,919,889	54,649,488	162,198,433	272,767,810
Total assets	562,151,498	123,897,273	437,206,739	1,123,255,510
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	$ 562,151,498	123,897,273	437,206,739	1,123,255,510
LIABILITIES				
Accounts payable and accrued liabilities	$ 24,588,727	531,152	8,518,852	33,638,731
Accrued salaries and benefits	8,690,333	-	-	8,690,333
Contract retainages	1,364,799	-	5,591,950	6,956,749
Due to intergovernmental units	1,196,501	-	-	1,196,501
Due to component units	-	-	430,735	430,735
Interfund payables	230,000	-	-	230,000
Short-term notes payable	-	30,000,000	-	30,000,000
Unearned revenue	1,280,173	45,622,363	27,395,010	74,297,546
Performance and other deposits	5,680	-	28,861,799	28,867,479
Total liabilities	37,356,213	76,153,515	70,798,346	184,308,074
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	5,166,768	-	2,798,312	7,965,080
Total deferred inflows of resources	5,166,768	-	2,798,312	7,965,080
Total liabilities and deferred inflows of resources	42,522,981	76,153,515	73,596,658	192,273,154
FUND BALANCES				
Nonspendable:				
Prepaid amounts	457,598	-	-	457,598
Total Nonspendable	457,598	-	-	457,598
Restricted for:				
Public safety, courts, and judicial	26,703,761	-	-	26,703,761
General public works	118,826,557	-	-	118,826,557
Stormwater management	22,242,818	-	-	22,242,818
Transportation	218,616,571	-	-	218,616,571
Social services, health and welfare	23,297,379	-	-	23,297,379
Housing and community development	38,683,167	-	-	38,683,167
Parks, recreation, and cultural	16,473,544	12,588,500	-	29,062,044
Debt service	-	8,687,946	-	8,687,946
Capital projects	-	-	291,671,055	291,671,055
Other purposes	1,445,704	-	-	1,445,704
Total Restricted	466,289,501	21,276,446	291,671,055	779,237,002
Committed to:				
Public safety, courts, and judicial	2,334,021	-	-	2,334,021
Transportation	19,521,714	-	-	19,521,714
Social services, health and welfare	14,232,483	-	-	14,232,483
Housing and community development	16,793,200	-	-	16,793,200
Debt service	-	26,467,312	-	26,467,312
Capital projects	-	-	71,939,026	71,939,026
Total Committed	52,881,418	26,467,312	71,939,026	151,287,756
Unassigned:	-	-	-	-
Total fund balances	519,628,517	47,743,758	363,610,081	930,982,356
Total liabilities, deferred inflows of resources, and fund balances	$ 562,151,498	123,897,273	437,206,739	1,123,255,510

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT C-1

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	$ 18,119,140	-	10,330,000	28,449,140
Permits, privilege fees, and regulatory licenses	24,535,233	-	-	24,535,233
Intergovernmental	258,634,053	4,408,821	1,592,216	264,635,090
Charges for services	281,099,845	-	1,290,187	282,390,032
Fines and forfeitures	147,469	-	-	147,469
Developers' contributions	331,973	-	1,712,339	2,044,312
Revenue from the use of money and property	5,821,313	2,929,666	7,759,647	16,510,626
Recovered costs	1,363,287	-	5,351,769	6,715,056
Gifts, donations, and contributions	578,170	-	-	578,170
Total revenues	590,630,483	7,338,487	28,036,158	626,005,128
EXPENDITURES				
Current:				
General government administration	-	-	556,068	556,068
Judicial administration	1,457,629	-	-	1,457,629
Public safety	68,967,693	-	1,022,389	69,990,082
Public works	113,170,819	-	3,720,967	116,891,786
Health and welfare	196,963,103	-	3,856,687	200,819,790
Community development	115,475,901	-	22,794,667	138,270,568
Parks, recreation, and cultural	12,587,474	-	3,712,521	16,299,995
Intergovernmental:				
Community development	99,921,083	-	36,509,236	136,430,319
Parks, recreation, and cultural	-	-	20,953,394	20,953,394
Education - for Public Schools	4,832,175	-	156,500,000	161,332,175
Capital outlay:				
General government administration	-	-	3,439,503	3,439,503
Public safety	26,506,446	-	30,040,230	56,546,676
Public works	29,023,543	-	15,839,454	44,862,997
Health and welfare	102,260	-	34,502,913	34,605,173
Community development	21,631,395	-	16,588,321	38,219,716
Parks, recreation, and cultural	1,217,591	-	31,938,811	33,156,402
Debt service:				
Principal retirement	6,613,194	192,230,067	5,770,000	204,613,261
Interest and other charges	16,367,626	112,274,074	4,293,491	132,935,191
Total expenditures	714,837,932	304,504,141	392,038,652	1,411,380,725
Deficiency of revenues under expenditures	(124,207,449)	(297,165,654)	(364,002,494)	(785,375,597)
OTHER FINANCING SOURCES (USES)				
Transfers in	181,410,548	306,724,660	69,044,793	557,180,001
Transfers out	(29,427,435)	(38,000,000)	(18,036,288)	(85,463,723)
General obligation bonds issued	-	-	264,330,000	264,330,000
Premium on general obligation bonds issued	-	-	26,340,354	26,340,354
Revenue bonds issued	11,085,000	30,175,000	126,690,000	167,950,000
Premium on revenue bonds issued	971,180	-	21,294,581	22,265,761
General obligation refunding bonds issued	-	51,980,000	-	51,980,000
Premium on general obligation refunding bonds issued	-	5,120,365	-	5,120,365
Lease revenue refunding bonds issued	-	44,000,000	-	44,000,000
Premium on lease revenue refunding bonds issued	-	6,980,613	-	6,980,613
General obligation payments to refunded bonds escrow agent	-	(56,892,852)	-	(56,892,852)
Notes issued	-	-	25,000,000	25,000,000
Lease revenue bond payments to refunded bonds escrow agent	-	(50,811,058)	-	(50,811,058)
Capital leases	22,574,292	-	-	22,574,292
Total other financing sources	186,613,585	299,276,728	514,663,440	1,000,553,753
Net change in fund balances	62,406,136	2,111,074	150,660,946	215,178,156
Fund balances, July 1, 2013	457,222,381	45,632,684	212,949,135	715,804,200
Fund balances, June 30, 2014	$ 519,628,517	47,743,758	363,610,081	930,982,356

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 issued to 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.

Tysons Service District Fund is used to account for the special tax assessed on commercial and residential real estate in Fairfax County Tysons Service District. These revenues provide the District's share of funding for transportation infrastructure improvements in Tysons.

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

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 Hunter Mill Magisterial Districts. The district's residents support the fund by payment of a special assessment.

Mosaic Community Development Authority Fund is the general fund of the Mosaic Community Development Authority District. The Authority was established as a separate corporate entity and all operational aspects are handled by administrators and trustees outside the County. This fund is not an appropriated fund within the operating budget. Thus, there is no budgetary comparison schedule for this fund. Other activities are tracked in debt service and capital project funds. The Authority is funded through a special assessment on property located within the district.

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.

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, 2014

	County Transit Systems	Dulles Rail Phase I Transportation Improvement District	Dulles Rail Phase II Transportation Improvement District	County and Regional Transportation Projects	Tysons Service District
ASSETS					
Equity in pooled cash and temporary investments	$ 25,042,196	15,010,917	35,466,781	139,234,882	2,362,312
Receivables (net of allowances):					
Accounts	1,062,504	48,903	10,448	253,886	4,192
Accrued interest	-	153	93	10	-
Loans	-	-	-	-	-
Due from intergovernmental units	-	-	-	6,181,354	-
Prepaid and other assets	-	-	-	-	-
Restricted assets - Cash with fiscal agents	-	35,295,087	-	5,430,991	-
Total assets	26,104,700	50,355,060	35,477,322	151,101,123	2,366,504
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	$ 26,104,700	50,355,060	35,477,322	151,101,123	2,366,504
LIABILITIES					
Accounts payable and accrued liabilities	$ 6,582,986	5,688	3,833	3,670,666	-
Accrued salaries and benefits	-	-	-	89,640	-
Contract retainages	-	-	-	679,769	-
Due to other governments	-	-	-	1,196,501	-
Interfund payables	-	-	-	-	-
Unearned revenue	-	48,903	10,448	252,945	4,192
Performance and other deposits	-	-	-	-	-
Total liabilities	6,582,986	54,591	14,281	5,889,521	4,192
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	6,582,986	54,591	14,281	5,889,521	4,192
FUND BALANCES					
Nonspendable:					
Prepaid amounts	-	-	-	-	-
Total Nonspendable	-	-	-	-	-
Restricted for:					
Public safety, courts, and judicial	-	-	-	-	-
General public works	-	-	-	-	-
Stormwater management	-	-	-	-	-
Transportation	-	50,300,469	20,742,188	145,211,602	2,362,312
Social services, health and welfare	-	-	14,720,853	-	-
Housing and community development	-	-	-	-	-
Parks, recreation, and cultural	-	-	-	-	-
Other purposes	-	-	-	-	-
Total Restricted	-	50,300,469	35,463,041	145,211,602	2,362,312
Committed to:					
Public safety, courts, and judicial	-	-	-	-	-
Transportation	19,521,714	-	-	-	-
Social services, health and welfare	-	-	-	-	-
Housing and community development	-	-	-	-	-
Total Committed	19,521,714	-	-	-	-
Total fund balances	19,521,714	50,300,469	35,463,041	145,211,602	2,362,312
Total liabilities, deferred inflow of resources, and fund balances	$ 26,104,700	50,355,060	35,477,322	151,101,123	2,366,504

EXHIBIT D

Federal/ State Grant	Cable Communications	Fairfax-Falls Church Community Services Board	Reston Community Center	Mosaic Community Development Authority	
					ASSETS
18,141,240	10,868,800	18,046,124	5,931,053	-	Equity in pooled cash and temporary investments
					Receivables (net of allowances):
937,283	1,744,562	939,159	45,574	-	Accounts
66	-	-	49	471	Accrued interest
-	-	-	-	-	Loans
22,831,476	1,858,490	920	-	-	Due from intergovernmental units
66,421	11,540	163,739	-	-	Prepaid and other assets
-	-	-	-	3,858,330	Restricted assets - Cash with fiscal agents
41,976,486	14,483,392	19,149,942	5,976,676	3,858,801	Total assets
					DEFERRED OUTFLOWS OF RESOURCES
-	-	-	-	-	Total deferred outflows of resources
41,976,486	14,483,392	19,149,942	5,976,676	3,858,801	Total assets and deferred outflows of resources
					LIABILITIES
2,582,819	388,208	3,075,722	81,374	5,443	Accounts payable and accrued liabilities
1,332,930	197,840	3,888,853	187,422	-	Accrued salaries and benefits
22,782	-	-	-	-	Contract retainages
-	-	-	-	-	Due to other governments
-	-	-	-	-	Interfund payables
-	-	1,213	314,859	-	Unearned revenue
-	-	-	3,600	-	Performance and other deposits
3,938,531	586,048	6,965,788	587,255	5,443	Total liabilities
					DEFERRED INFLOWS OF RESOURCES
-	945,962	-	-	-	Unavailable revenue
-	945,962	-	-	-	Total deferred inflows of resources
3,938,531	1,532,010	6,965,788	587,255	5,443	Total liabilities and deferred inflows of resources
					FUND BALANCES
					Nonspendable:
66,421	11,540	163,739	-	-	Prepaid amounts
66,421	11,540	163,739	-	-	Total Nonspendable
					Restricted for:
26,703,761	-	-	-	-	Public safety, courts, and judicial
-	-	-	-	-	General public works
-	-	-	-	-	Stormwater management
-	-	-	-	-	Transportation
6,943,026	-	-	-	-	Social services, health and welfare
374,324	-	-	-	-	Housing and community development
362,068	-	-	5,389,421	-	Parks, recreation, and cultural
1,445,704	-	-	-	-	Other purposes
35,828,883	-	-	5,389,421	-	Total Restricted
					Committed to:
-	-	-	-	-	Public safety, courts, and judicial
-	-	-	-	-	Transportation
2,142,651	-	12,020,415	-	-	Social services, health and welfare
-	12,939,842	-	-	3,853,358	Housing and community development
2,142,651	12,939,842	12,020,415	-	3,853,358	Total Committed
38,037,955	12,951,382	12,184,154	5,389,421	3,853,358	Total fund balances
41,976,486	14,483,392	19,149,942	5,976,676	3,858,801	Total liabilities, deferred inflow of resources, and fund balances

continued

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2014

	McLean Community Center	Burgundy Village Community Center	E-911	Integrated Pest Management Program	Stormwater Services
ASSETS					
Equity in pooled cash and temporary investments	$ 10,796,835	333,862	2,409,127	2,784,823	26,830,428
Receivables (net of allowances):					
Accounts	32,463	575	-	11,267	195,143
Accrued interest	71	2	76	20	-
Loans	-	-	-	-	-
Due from intergovernmental units	-	-	5,253,140	-	1,268,789
Prepaid and other assets	29,648	-	-	-	74,671
Restricted assets - Cash with fiscal agents	-	-	-	-	-
Total assets	10,859,017	334,439	7,662,343	2,796,110	28,369,031
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	$ 10,859,017	334,439	7,662,343	2,796,110	28,369,031
LIABILITIES					
Accounts payable and accrued liabilities	$ 33,422	5,551	999,980	4,162	4,637,642
Accrued salaries and benefits	122,782	255	966,131	46,831	655,096
Contract retainages	-	-	-	-	563,812
Due to other governments	-	-	-	-	-
Interfund payables	-	-	-	-	-
Unearned revenue	279,168	575	-	11,259	194,992
Performance and other deposits	-	-	-	-	-
Total liabilities	435,372	6,381	1,966,111	62,252	6,051,542
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	3,362,211	-	-
Total deferred inflows of resources	-	-	3,362,211	-	-
Total liabilities and deferred inflows of resources	435,372	6,381	5,328,322	62,252	6,051,542
FUND BALANCES					
Nonspendable:					
Prepaid amounts	29,648	-	-	-	74,671
Total Nonspendable	29,648	-	-	-	74,671
Restricted for:					
Public safety, courts, and judicial	-	-	-	-	-
General public works	-	-	-	-	-
Stormwater management	-	-	-	-	22,242,818
Transportation	-	-	-	-	-
Social services, health and welfare	-	-	-	1,633,500	-
Housing and community development	-	-	-	1,100,358	-
Parks, recreation, and cultural	10,393,997	328,058	-	-	-
Other purposes	-	-	-	-	-
Total Restricted	10,393,997	328,058	-	2,733,858	22,242,818
Committed to:					
Public safety, courts, and judicial	-	-	2,334,021	-	-
Transportation	-	-	-	-	-
Social services, health and welfare	-	-	-	-	-
Housing and community development	-	-	-	-	-
Total Committed	-	-	2,334,021	-	-
Total fund balances	10,423,645	328,058	2,334,021	2,733,858	22,317,489
Total liabilities, deferred inflow of resources, and fund balances	$ 10,859,017	334,439	7,662,343	2,796,110	28,369,031

EXHIBIT D

Leaf Collection	Refuse Collection and Recycling Operations	Refuse Disposal	Energy Resource Recovery Facility	I-95 Refuse Disposal	
					ASSETS
3,980,359	11,395,034	4,965,642	56,148,492	36,493,984	Equity in pooled cash and temporary investments
					Receivables (net of allowances):
14,213	281,703	5,677,829	2,225	1,219,962	Accounts
26	81	90	-	253	Accrued interest
-	-	-	-	-	Loans
-	234,769	134,473	1,171,261	314	Due from intergovernmental units
-	-	-	-	-	Prepaid and other assets
-	-	-	-	-	Restricted assets - Cash with fiscal agents
3,994,598	11,911,587	10,778,034	57,321,978	37,714,513	Total assets
					DEFERRED OUTFLOWS OF RESOURCES
-	-	-	-	-	Total deferred outflows of resources
3,994,598	11,911,587	10,778,034	57,321,978	37,714,513	Total assets and deferred outflows of resources
					LIABILITIES
4,724	332,945	360,641	563,465	318,616	Accounts payable and accrued liabilities
-	433,004	458,649	39,868	135,119	Accrued salaries and benefits
-	-	81,169	-	4,334	Contract retainages
-	-	-	-	-	Due to other governments
-	-	-	-	-	Interfund payables
14,154	147,465	-	-	-	Unearned revenue
-	-	-	-	-	Performance and other deposits
18,878	913,414	900,459	603,333	458,069	Total liabilities
					DEFERRED INFLOWS OF RESOURCES
-	-	-	-	-	Unavailable revenue
-	-	-	-	-	Total deferred inflows of resources
18,878	913,414	900,459	603,333	458,069	Total liabilities and deferred inflows of resources
					FUND BALANCES
					Nonspendable:
-	-	-	-	-	Prepaid amounts
-	-	-	-	-	Total Nonspendable
					Restricted for:
-	-	-	-	-	Public safety, courts, and judicial
3,975,720	10,998,173	9,877,575	56,718,645	37,256,444	General public works
-	-	-	-	-	Stormwater management
-	-	-	-	-	Transportation
-	-	-	-	-	Social services, health and welfare
-	-	-	-	-	Housing and community development
-	-	-	-	-	Parks, recreation, and cultural
-	-	-	-	-	Other purposes
3,975,720	10,998,173	9,877,575	56,718,645	37,256,444	Total Restricted
					Committed to:
-	-	-	-	-	Public safety, courts, and judicial
-	-	-	-	-	Transportation
-	-	-	-	-	Social services, health and welfare
-	-	-	-	-	Housing and community development
-	-	-	-	-	Total Committed
3,975,720	10,998,173	9,877,575	56,718,645	37,256,444	Total fund balances
3,994,598	11,911,587	10,778,034	57,321,978	37,714,513	Total liabilities, deferred inflow of resources, and fund balances

continued

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D
concluded

Special Revenue Funds
Combining Balance Sheet
June 30, 2014

	Community Development Block Grant	Housing Trust	HOME Investment Partnerships Grant	Alcohol Safety Action Program	Total Special Revenue Funds
ASSETS					
Equity in pooled cash and temporary investments	$ 336,446	6,116,220	3,436	124,017	432,823,010
Receivables (net of allowances):					
Accounts	-	-	12,138	21,794	12,515,823
Accrued interest	-	1,087,441	-	-	1,088,902
Loans	6,955,976	9,018,797	3,257,602	-	19,232,375
Due from intergovernmental units	826,312	-	352,603	-	40,113,901
Prepaid and other assets	138	-	111,441	-	457,598
Restricted assets - Cash with fiscal agents	-	11,335,481	-	-	55,919,889
Total assets	8,118,872	27,557,939	3,737,220	145,811	562,151,498
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	$ 8,118,872	27,557,939	3,737,220	145,811	562,151,498
LIABILITIES					
Accounts payable and accrued liabilities	$ 42,024	873,824	4,717	10,275	24,588,727
Accrued salaries and benefits	61,179	-	8,615	66,119	8,690,333
Contract retainages	11,515	1,418	-	-	1,364,799
Due to other governments	-	-	-	-	1,196,501
Interfund payables	-	-	230,000	-	230,000
Unearned revenue	-	-	-	-	1,280,173
Performance and other deposits	2,080	-	-	-	5,680
Total liabilities	116,798	875,242	243,332	76,394	37,356,213
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	858,595	-	-	5,166,768
Total deferred inflows of resources	-	858,595	-	-	5,166,768
Total liabilities and deferred inflows of resources	116,798	1,733,837	243,332	76,394	42,522,981
FUND BALANCES					
Nonspendable:					
Prepaid amounts	138	-	111,441	-	457,598
Total Nonspendable	138	-	111,441	-	457,598
Restricted for:					
Public safety, courts, and judicial	-	-	-	-	26,703,761
General public works	-	-	-	-	118,826,557
Stormwater management	-	-	-	-	22,242,818
Transportation	-	-	-	-	218,616,571
Social services, health and welfare	-	-	-	-	23,297,379
Housing and community development	8,001,936	25,824,102	3,382,447	-	38,683,167
Parks, recreation, and cultural	-	-	-	-	16,473,544
Other purposes	-	-	-	-	1,445,704
Total Restricted	8,001,936	25,824,102	3,382,447	-	466,289,501
Committed to:					
Public safety, courts, and judicial	-	-	-	-	2,334,021
Transportation	-	-	-	-	19,521,714
Social services, health and welfare	-	-	-	69,417	14,232,483
Housing and community development	-	-	-	-	16,793,200
Total Committed	-	-	-	69,417	52,881,418
Total fund balances	8,002,074	25,824,102	3,493,888	69,417	519,628,517
Total liabilities, deferred inflow of resources, and fund balances	$ 8,118,872	27,557,939	3,737,220	145,811	562,151,498

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2014

	County Transit Systems	Dulles Rail Phase I Transportation Improvement District	Dulles Rail Phase II Transportation Improvement District	County and Regional Transportation Projects	Tysons Service District
REVENUES					
Taxes	$ -	-	-	-	-
Permits, privilege fees, and regulatory licenses	-	-	-	-	-
Intergovernmental	10,390,396	-	-	131,400,888	-
Charges for services	14,836,240	23,666,689	14,691,317	51,623,605	2,362,312
Fines and forfeitures	-	-	-	-	-
Developers' contributions	-	-	-	-	-
Revenue from the use of money and property	590,211	250,821	29,536	118,868	-
Recovered costs	-	-	-	-	-
Gifts, donations, and contributions	-	-	-	-	-
Total revenues	25,816,847	23,917,510	14,720,853	183,143,361	2,362,312
EXPENDITURES					
Current:					
Judicial administration	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community development	80,269,918	-	-	10,166,110	-
Parks, recreation, and cultural	-	-	-	-	-
Intergovernmental:					
Community development	4,975,911	-	-	94,945,172	-
Education - for Public Schools	-	-	-	-	-
Capital outlay:					-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community development	11,886,883	-	-	7,655,134	-
Parks, recreation, and cultural	-	-	-	-	-
Debt service:					
Principal retirement	-	5,915,000	-	-	-
Interest and other charges	-	11,432,663	-	4,145,463	-
Total expenditures	97,132,712	17,347,663	-	116,911,879	-
Excess (deficiency) of revenues over (under) expenditures	(71,315,865)	6,569,847	14,720,853	66,231,482	2,362,312
OTHER FINANCING SOURCES (USES)					
Transfers in	48,386,526	-	-	-	-
Transfers out	(4,000,000)	-	-	(11,442,434)	-
Revenue bonds issued	-	-	-	-	-
Premium on revenue bonds issued	-	-	-	-	-
Capital leases	-	-	-	-	-
Total other financing sources (uses)	44,386,526	-	-	(11,442,434)	-
Net change in fund balances	(26,929,339)	6,569,847	14,720,853	54,789,048	2,362,312
Fund balances, July 1, 2013	46,451,053	43,730,622	20,742,188	90,422,554	-
Fund balances, June 30, 2014	$ 19,521,714	50,300,469	35,463,041	145,211,602	2,362,312

EXHIBIT D-1

Federal/ State Grant	Cable Communications	Fairfax-Falls Church Community Services Board	Reston Community Center	Mosaic Community Development Authority	
					REVENUES
-	-	-	-	2,214,585	Taxes
-	24,457,677	-	-	-	Permits, privilege fees, and regulatory licenses
84,896,286	-	19,402,426	-	-	Intergovernmental
83,911	1,190	17,623,255	7,216,162	-	Charges for services
-	20,000	48,352	-	-	Fines and forfeitures
-	-	-	-	-	Developers' contributions
17,698	1,414	-	206,858	4,599	Revenue from the use of money and property
964,191	-	-	-	-	Recovered costs
578,170	-	-	-	-	Gifts, donations, and contributions
86,540,256	24,480,281	37,074,033	7,423,020	2,219,184	Total revenues
					EXPENDITURES
					Current:
1,457,629	-	-	-	-	Judicial administration
29,481,295	-	-	-	-	Public safety
-	-	-	-	-	Public works
52,907,468	-	141,298,393	-	-	Health and welfare
8,263,206	9,219,176	-	-	38,223	Community development
-	-	-	7,504,454	-	Parks, recreation, and cultural
					Intergovernmental:
-	-	-	-	-	Community development
-	4,832,175	-	-	-	Education - for Public Schools
				-	Capital outlay:
3,569,598	-	-	-	-	Public safety
-	-	-	-	-	Public works
-	-	102,260	-	-	Health and welfare
-	312,283	-	-	-	Community development
-	-	-	207,321	-	Parks, recreation, and cultural
					Debt service:
-	-	-	31,194	-	Principal retirement
-	-	-	34,278	-	Interest and other charges
95,679,196	14,363,634	141,400,653	7,777,247	38,223	Total expenditures
(9,138,940)	10,116,647	(104,326,620)	(354,227)	2,180,961	Excess (deficiency) of revenues over (under) expenditures
					OTHER FINANCING SOURCES (USES)
5,469,853	-	110,081,034	-	-	Transfers in
-	(11,520,918)	-	-	(39,083)	Transfers out
-	-	-	-	-	Revenue bonds issued
-	-	-	-	-	Premium on revenue bonds issued
-	-	-	-	-	Capital leases
5,469,853	(11,520,918)	110,081,034	-	(39,083)	Total other financing sources (uses)
(3,669,087)	(1,404,271)	5,754,414	(354,227)	2,141,878	Net change in fund balances
41,707,042	14,355,653	6,429,740	5,743,648	1,711,480	Fund balances, July 1, 2013
38,037,955	12,951,382	12,184,154	5,389,421	3,853,358	Fund balances, June 30, 2014

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, 2014

	McLean Community Center	Burgundy Village Community Center	E-911	Integrated Pest Management Program	Stormwater Services
REVENUES					
Taxes	$ -	-	15,904,555	-	-
Permits, privilege fees, and regulatory licenses	-	-	-	-	-
Intergovernmental	-	-	4,424,054	-	1,268,320
Charges for services	4,533,124	22,693	1,619	2,048,178	41,122,730
Fines and forfeitures	-	-	-	-	-
Developers' contributions	-	-	-	-	-
Revenue from the use of money and property	202,501	32,091	9,260	2,851	496
Recovered costs	-	-	148,300	-	-
Gifts, donations, and contributions	-	-	-	-	-
Total revenues	4,735,625	54,784	20,487,788	2,051,029	42,391,546
EXPENDITURES					
Current:					
Judicial administration	-	-	-	-	-
Public safety	-	-	39,486,398	-	-
Public works	-	-	-	-	22,984,192
Health and welfare	-	-	-	1,102,692	-
Community development	-	-	-	833,181	-
Parks, recreation, and cultural	5,041,943	41,077	-	-	-
Intergovernmental:					
Community development	-	-	-	-	-
Education - for Public Schools	-	-	-	-	-
Capital outlay:					
Public safety	-	-	22,936,848	-	-
Public works	-	-	-	-	25,648,984
Health and welfare	-	-	-	-	-
Community development	-	-	-	-	-
Parks, recreation, and cultural	1,010,270	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	6,052,213	41,077	62,423,246	1,935,873	48,633,176
Excess (deficiency) of revenues over (under) expenditures	(1,316,588)	13,707	(41,935,458)	115,156	(6,241,630)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	17,279,271	-	-
Transfers out	-	-	-	(138,000)	(1,000,000)
Revenue bonds issued	-	-	-	-	-
Premium on revenue bonds issued	-	-	-	-	-
Capital leases	-	-	22,574,292	-	-
Total other financing sources (uses)	-	-	39,853,563	(138,000)	(1,000,000)
Net change in fund balances	(1,316,588)	13,707	(2,081,895)	(22,844)	(7,241,630)
Fund balances, July 1, 2013	11,740,233	314,351	4,415,916	2,756,702	29,559,119
Fund balances, June 30, 2014	$ 10,423,645	328,058	2,334,021	2,733,858	22,317,489

EXHIBIT D-1

Leaf Collection	Refuse Collection and Recycling Operations	Refuse Disposal	Energy Resource Recovery Facility	I-95 Refuse Disposal	
					REVENUES
-	-	-	-	-	Taxes
-	-	62,880	-	14,676	Permits, privilege fees, and regulatory licenses
-	128,207	-	-	-	Intergovernmental
2,072,360	18,825,936	43,930,403	28,298,195	6,674,373	Charges for services
-	-	79,117	-	-	Fines and forfeitures
-	-	-	-	-	Developers' contributions
69,333	1,347,130	1,485,920	42,854	215,858	Revenue from the use of money and property
-	30,226	205,036	-	15,534	Recovered costs
-	-	-	-	-	Gifts, donations, and contributions
2,141,693	20,331,499	45,763,356	28,341,049	6,920,441	Total revenues
					EXPENDITURES
					Current:
-	-	-	-	-	Judicial administration
-	-	-	-	-	Public safety
1,911,023	18,591,223	44,936,225	17,881,040	6,867,116	Public works
-	-	-	-	-	Health and welfare
-	-	-	-	-	Community development
-	-	-	-	-	Parks, recreation, and cultural
					Intergovernmental:
-	-	-	-	-	Community development
-	-	-	-	-	Education - for Public Schools
					Capital outlay:
-	-	-	-	-	Public safety
-	900,144	1,463,808	-	1,010,607	Public works
-	-	-	-	-	Health and welfare
-	-	-	-	-	Community development
-	-	-	-	-	Parks, recreation, and cultural
					Debt service:
-	-	-	-	-	Principal retirement
-	-	-	-	-	Interest and other charges
1,911,023	19,491,367	46,400,033	17,881,040	7,877,723	Total expenditures
230,670	840,132	(636,677)	10,460,009	(957,282)	Excess (deficiency) of revenues over (under) expenditures
					OTHER FINANCING SOURCES (USES)
-	-	-	-	-	Transfers in
-	(535,000)	(535,000)	(42,000)	(175,000)	Transfers out
-	-	-	-	-	Revenue bonds issued
-	-	-	-	-	Premium on revenue bonds issued
-	-	-	-	-	Capital leases
-	(535,000)	(535,000)	(42,000)	(175,000)	Total other financing sources (uses)
230,670	305,132	(1,171,677)	10,418,009	(1,132,282)	Net change in fund balances
3,745,050	10,693,041	11,049,252	46,300,636	38,388,726	Fund balances, July 1, 2013
3,975,720	10,998,173	9,877,575	56,718,645	37,256,444	Fund balances, June 30, 2014

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, 2014

	Community Development Block Grant	Housing Trust	HOME Investment Partnerships Grant	Alcohol Safety Action Program	Total Special Revenue Funds
REVENUES					
Taxes	$ -	-	-	-	18,119,140
Permits, privilege fees, and regulatory licenses	-	-	-	-	24,535,233
Intergovernmental	4,682,426	-	2,041,050	-	258,634,053
Charges for services	-	-	-	1,465,553	281,099,845
Fines and forfeitures	-	-	-	-	147,469
Developers' contributions	-	331,973	-	-	331,973
Revenue from the use of money and property	522,003	479,609	191,240	162	5,821,313
Recovered costs	-	-	-	-	1,363,287
Gifts, donations, and contributions	-	-	-	-	578,170
Total revenues	5,204,429	811,582	2,232,290	1,465,715	590,630,483
EXPENDITURES					
Current:					
Judicial administration	-	-	-	-	1,457,629
Public safety	-	-	-	-	68,967,693
Public works	-	-	-	-	113,170,819
Health and welfare	-	-	-	1,654,550	196,963,103
Community development	3,841,722	558,256	2,286,109	-	115,475,901
Parks, recreation, and cultural	-	-	-	-	12,587,474
Intergovernmental:					
Community development	-	-	-	-	99,921,083
Education - for Public Schools	-	-	-	-	4,832,175
Capital outlay:					
Public safety	-	-	-	-	26,506,446
Public works	-	-	-	-	29,023,543
Health and welfare	-	-	-	-	102,260
Community development	-	1,737,601	39,494	-	21,631,395
Parks, recreation, and cultural	-	-	-	-	1,217,591
Debt service:					
Principal retirement	667,000	-	-	-	6,613,194
Interest and other charges	302,256	452,966	-	-	16,367,626
Total expenditures	4,810,978	2,748,823	2,325,603	1,654,550	714,837,932
Excess (deficiency) of revenues over (under) expenditures	393,451	(1,937,241)	(93,313)	(188,835)	(124,207,449)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	193,864	181,410,548
Transfers out	-	-	-	-	(29,427,435)
Revenue bonds issued	-	11,085,000	-	-	11,085,000
Premium on revenue bonds issued	-	971,180	-	-	971,180
Capital leases	-	-	-	-	22,574,292
Total other financing sources (uses)	-	12,056,180	-	193,864	186,613,585
Net change in fund balances	393,451	10,118,939	(93,313)	5,029	62,406,136
Fund balances, July 1, 2013	7,608,623	15,705,163	3,587,201	64,388	457,222,381
Fund balances, June 30, 2014	$ 8,002,074	25,824,102	3,493,888	69,417	519,628,517

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, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 24,829,770	24,829,770	10,390,396	(14,439,374)
Charges for services	10,300,659	10,300,659	9,289,305	(1,011,354)
Revenue from the use of money and property	362,778	362,778	477,566	114,788
Total revenues	35,493,207	35,493,207	20,157,267	(15,335,940)
EXPENDITURES				
Community development	94,129,374	116,238,764	91,483,107	24,755,657
Total expenditures	94,129,374	116,238,764	91,483,107	24,755,657
Excess (deficiency) of revenues over (under) expenditures	(58,636,167)	(80,745,557)	(71,325,840)	9,419,717
OTHER FINANCING SOURCES (USES)				
Transfers in	48,386,526	48,386,526	48,386,526	-
Transfers out	(4,000,000)	(4,000,000)	(4,000,000)	-
Total other financing sources (uses)	44,386,526	44,386,526	44,386,526	-
Net change in fund balance	$ (14,249,641)	(36,359,031)	(26,939,314)	9,419,717

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, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Charges for services	$ 23,828,109	23,828,109	23,666,689	(161,420)
Revenue from the use of money and property	-	-	250,821	250,821
Total revenues	23,828,109	23,828,109	23,917,510	89,401
EXPENDITURES				
Debt service:				
Principal retirement	5,915,000	5,915,000	5,915,000	-
Interest and other charges:				
Interest	11,431,663	11,431,663	11,431,663	-
Bond issuance costs and other	100,000	100,000	1,000	99,000
Total expenditures	17,446,663	17,446,663	17,347,663	99,000
Excess of revenues over expenditures	6,381,446	6,381,446	6,569,847	188,401
Net change in fund balance	$ 6,381,446	6,381,446	6,569,847	188,401

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, 2014

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	$ 14,470,344	14,470,344	14,691,317	220,973
Revenue from the use of money and property	14,634	14,634	29,536	14,902
Total revenues	14,484,978	14,484,978	14,720,853	235,875
EXPENDITURES				
Debt service:				
Bond issuance costs and other	500,000	500,000	-	500,000
Total expenditures	500,000	500,000	-	500,000
Excess of revenues over expenditures	13,984,978	13,984,978	14,720,853	735,875
Net change in fund balance	$ 13,984,978	13,984,978	14,720,853	735,875

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, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ -	48,394,144	37,661,433	(10,732,711)
Charges for services	87,995,455	50,495,455	51,623,604	1,128,149
Revenue from the use of money and property	1,294,470	1,544,470	302,589	(1,241,881)
Total revenues	89,289,925	100,434,069	89,587,626	(10,846,443)
EXPENDITURES				
Community development	77,847,491	218,111,434	14,557,200	203,554,234
Debt service:				
Interest	-	-	27,950	(27,950)
Total expenditures	77,847,491	218,111,434	14,585,150	203,526,284
Excess (deficiency) of revenues over (under) expenditures	11,442,434	(117,677,365)	75,002,476	192,679,841
OTHER FINANCING SOURCES (USES)				
Transfers out	(11,442,434)	(11,442,434)	(11,442,434)	-
Revenue bonds issued	-	50,000,000	-	(50,000,000)
Total other financing sources (uses)	(11,442,434)	38,557,566	(11,442,434)	(50,000,000)
Net change in fund balance	$ -	(79,119,799)	63,560,042	142,679,841

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

Special Revenue Fund

Budgetary Comparison Schedule - Tysons Service District Fund (Budget Basis)

For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Charges for services	$ 2,390,494	2,390,494	2,362,312	(28,182)
Total revenues	2,390,494	2,390,494	2,362,312	(28,182)
Excess (deficiency) of revenues over (under) expenditures	2,390,494	2,390,494	2,362,312	(28,182)
Net change in fund balance	$ 2,390,494	2,390,494	2,362,312	(28,182)

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2F

Special Revenue Fund
Budgetary Comparison Schedule - Federal/State Grant Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final	(Budget Basis)	Positive (Negative)
REVENUES				
Intergovernmental	$ 85,922,239	202,299,894	84,896,286	(117,403,608)
Recovered costs	-	1,727,869	1,623,970	(103,899)
Gifts, donations, and contributions	-	2,391,640	30,000	(2,361,640)
Total revenues	85,922,239	206,419,403	86,550,256	(119,869,147)
EXPENDITURES				
General government administration	90,980,204	38,851,470	-	38,851,470
Judicial administration	-	2,558,058	1,457,629	1,100,429
Public safety	-	75,940,435	33,161,055	42,779,380
Public works	-	5,034,847	-	5,034,847
Health and welfare	-	78,830,094	52,788,797	26,041,297
Community development	-	51,550,433	8,263,206	43,287,227
Parks, recreation, and cultural	-	5,771	-	5,771
Total expenditures	90,980,204	252,771,108	95,670,687	157,100,421
Excess (deficiency) of revenues over (under) expenditures	(5,057,965)	(46,351,705)	(9,120,431)	37,231,274
OTHER FINANCING SOURCES				
Transfers in	5,057,965	5,459,853	5,459,853	-
Total other financing sources	5,057,965	5,459,853	5,459,853	-
Net change in fund balance	$ -	(40,891,852)	(3,660,578)	37,231,274

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2G

Special Revenue Fund
Budgetary Comparison Schedule - Cable Communications Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final	(Budget Basis)	Positive (Negative)
REVENUES				
Permits, privilege fees, and regulatory licenses	$ 24,091,377	24,091,377	24,457,677	366,300
Charges for services	1,200	1,200	1,190	(10)
Fines and forfeitures	-	-	20,000	20,000
Revenue from the use of money and property	-	-	1,413	1,413
Total revenues	24,092,577	24,092,577	24,480,280	387,703
EXPENDITURES				
Community development	10,118,668	18,766,083	9,531,493	9,234,590
Total expenditures	10,118,668	18,766,083	9,531,493	9,234,590
Excess of revenues over expenditures	13,973,909	5,326,494	14,948,787	9,622,293
OTHER FINANCING USES				
Transfers out	(11,520,918)	(11,520,918)	(11,520,918)	-
Transfers out to component units	(4,732,175)	(4,832,175)	(4,832,175)	-
Total other financing uses	(16,253,093)	(16,353,093)	(16,353,093)	-
Net change in fund balance	$ (2,279,184)	(11,026,599)	(1,404,306)	9,622,293

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT D-2H

Special Revenue Fund
Budgetary Comparison Schedule - Fairfax-Falls Church Community Services Board Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final	(Budget Basis)	Positive (Negative)
REVENUES				
Intergovernmental	$ 19,013,567	19,334,434	19,402,426	67,992
Charges for services	20,721,974	18,692,174	17,623,255	(1,068,919)
Fines and forfeitures	-	14,100	48,352	34,252
Total revenues	39,735,541	38,040,708	37,074,033	(966,675)
EXPENDITURES				
Health and welfare	148,968,799	152,778,656	141,400,652	11,378,004
Total expenditures	148,968,799	152,778,656	141,400,652	11,378,004
Excess (deficiency) of revenues over (under) expenditures	(109,233,258)	(114,737,948)	(104,326,619)	10,411,329
OTHER FINANCING SOURCES				
Transfers in	109,233,258	110,081,034	110,081,034	-
Total other financing sources	109,233,258	110,081,034	110,081,034	-
Net change in fund balance	$ -	(4,656,914)	5,754,415	10,411,329

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

Special Revenue Fund

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

For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Charges for services	$ 7,168,866	7,304,612	7,216,162	(88,450)
Revenue from the use of money and property	190,391	240,391	206,858	(33,533)
Total revenues	7,359,257	7,545,003	7,423,020	(121,983)
EXPENDITURES				
Parks, recreation, and cultural	8,827,660	9,205,765	7,777,247	1,428,518
Total expenditures	8,827,660	9,205,765	7,777,247	1,428,518
Net change in fund balance	$ (1,468,403)	(1,660,762)	(354,227)	1,306,535

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT D-2J

Special Revenue Fund
Budgetary Comparison Schedule - McLean Community Center Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Charges for services	$ 4,771,399	4,777,655	4,533,123	(244,532)
Revenue from the use of money and property	249,882	240,651	202,501	(38,150)
Total revenues	5,021,281	5,018,306	4,735,624	(282,682)
EXPENDITURES				
Parks, recreation, and cultural	5,814,749	6,604,342	6,052,562	551,780
Total expenditures	5,814,749	6,604,342	6,052,562	551,780
Net change in fund balance	$ (793,468)	(1,586,036)	(1,316,938)	269,098

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2K

Special Revenue Fund
Budgetary Comparison Schedule - Burgundy Village Community Center Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Charges for services	$ 23,775	23,775	22,693	(1,082)
Revenue from the use of money and property	33,125	33,125	32,091	(1,034)
Total revenues	56,900	56,900	54,784	(2,116)
EXPENDITURES				
Parks, recreation, and cultural	44,791	116,291	41,077	75,214
Total expenditures	44,791	116,291	41,077	75,214
Net change in fund balance	$ 12,109	(59,391)	13,707	73,098

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT D-2L

Special Revenue Fund
Budgetary Comparison Schedule - E-911 Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget
	Original	Final	(Budget Basis)	Positive (Negative)
REVENUES				
Local sales and use taxes	$ 16,800,000	16,800,000	15,904,555	(895,445)
Intergovernmental	4,200,000	4,200,000	4,424,054	224,054
Charges for Services	-	-	1,619	1,619
Revenue from the use of money and property	100,000	100,000	9,260	(90,740)
Recovered costs	358,430	358,430	148,300	(210,130)
Total revenues	21,458,430	21,458,430	20,487,788	(970,642)
EXPENDITURES				
Public safety	38,657,317	42,765,433	39,846,675	2,918,758
Total expenditures	38,657,317	42,765,433	39,846,675	2,918,758
Excess (deficiency) of revenues over (under) expenditures	(17,198,887)	(21,307,003)	(19,358,887)	1,948,116
OTHER FINANCING SOURCES				
Transfers in	17,051,691	17,279,271	17,279,271	-
Total other financing sources	17,051,691	17,279,271	17,279,271	-
Net change in fund balance	$ (147,196)	(4,027,732)	(2,079,616)	1,948,116

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2M

Special Revenue Fund
Budgetary Comparison Schedule - Integrated Pest Management Program Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Charges for services	$ 1,843,968	1,843,968	2,048,178	204,210
Revenue from the use of money and property	7,691	7,691	2,851	(4,840)
Total revenues	1,851,659	1,851,659	2,051,029	199,370
EXPENDITURES				
Health and welfare	2,001,042	2,111,539	1,102,692	1,008,847
Community development	1,098,568	1,105,316	833,181	272,135
Total expenditures	3,099,610	3,216,855	1,935,873	1,280,982
Excess (deficiency) of revenues over (under) expenditures	(1,247,951)	(1,365,196)	115,156	1,480,352
OTHER FINANCING USES				
Transfers out	(138,000)	(138,000)	(138,000)	-
Total other financing uses	(138,000)	(138,000)	(138,000)	-
Net change in fund balance	$ (1,385,951)	(1,503,196)	(22,844)	1,480,352

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2N

Special Revenue Fund
Budgetary Comparison Schedule - Stormwater Services Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ -	1,825,863	1,268,320	(557,543)
Charges for services	41,200,000	41,200,000	41,122,730	(77,270)
Revenue from the use of money and property	-	-	496	496
Total revenues	41,200,000	43,025,863	42,391,546	(634,317)
EXPENDITURES				
Public works	40,200,000	101,500,017	48,630,344	52,869,673
Total expenditures	40,200,000	101,500,017	48,630,344	52,869,673
Excess (deficiency) of revenues over (under) expenditures	1,000,000	(58,474,154)	(6,238,798)	52,235,356
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	-	30,000,000	-	(30,000,000)
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	(1,000,000)	29,000,000	(1,000,000)	(30,000,000)
Net change in fund balance	$ -	(29,474,154)	(7,238,798)	22,235,356

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2O

Special Revenue Fund
Budgetary Comparison Schedule - Leaf Collection Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 100,879	100,879	128,207	27,328
Charges for services	19,303,855	19,303,855	18,825,936	(477,919)
Revenue from the use of money and property	936,907	996,102	1,347,130	351,028
Recovered costs	59,195	-	30,226	30,226
Total revenues	20,400,836	20,400,836	20,331,499	(69,337)
EXPENDITURES				
Public works	22,711,907	26,294,964	21,292,563	5,002,401
Total expenditures	22,711,907	26,294,964	21,292,563	5,002,401
Excess (deficiency) of revenues over (under) expenditures	(2,311,071)	(5,894,128)	(961,064)	4,933,064
OTHER FINANCING USES				
Transfers out	(535,000)	(535,000)	(535,000)	-
Total other financing uses	(535,000)	(535,000)	(535,000)	-
Net change in fund balance	$ (2,846,071)	(6,429,128)	(1,496,064)	4,933,064

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT D-2P

Special Revenue Fund
Budgetary Comparison Schedule - Refuse Collection and Recycling Operations Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 100,879	100,879	128,207	27,328
Charges for services	19,303,855	19,303,855	18,825,936	(477,919)
Revenue from the use of money and property	936,907	996,102	1,347,130	351,028
Recovered costs	59,195	-	30,226	30,226
Total revenues	20,400,836	20,400,836	20,331,499	(69,337)
EXPENDITURES				
Public works	22,711,907	26,294,964	21,292,563	5,002,401
Total expenditures	22,711,907	26,294,964	21,292,563	5,002,401
Excess (deficiency) of revenues over (under) expenditures	(2,311,071)	(5,894,128)	(961,064)	4,933,064
OTHER FINANCING USES				
Transfers out	(535,000)	(535,000)	(535,000)	-
Total other financing uses	(535,000)	(535,000)	(535,000)	-
Net change in fund balance	$ (2,846,071)	(6,429,128)	(1,496,064)	4,933,064

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2Q

Special Revenue Fund
Budgetary Comparison Schedule - Refuse Disposal Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Permits, privilege fees, and regulatory licenses	$ 69,000	69,000	62,880	(6,120)
Charges for services	48,634,590	44,554,455	43,930,403	(624,052)
Revenue from the use of money and property	1,639,160	1,379,160	1,485,920	106,760
Recovered costs	-	260,000	205,036	(54,964)
Fines and forfeitures	-	-	79,117	79,117
Total revenues	50,342,750	46,262,615	45,763,356	(499,259)
EXPENDITURES				
Public works	51,427,385	53,997,391	46,399,928	7,597,463
Total expenditures	51,427,385	53,997,391	46,399,928	7,597,463
Excess (deficiency) of revenues over (under) expenditures	(1,084,635)	(7,734,776)	(636,572)	7,098,204
OTHER FINANCING USES				
Transfers out	(535,000)	(535,000)	(535,000)	-
Total other financing sources	(535,000)	(535,000)	(535,000)	-
Net change in fund balance	$ (1,619,635)	(8,269,776)	(1,171,572)	7,098,204

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT D-2R

Special Revenue Fund
Budgetary Comparison Schedule - Energy Resource Recovery Facility Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Charges for services	$ 31,193,600	27,423,371	28,298,195	874,824
Revenue from the use of money and property	225,000	225,000	42,854	(182,146)
Total revenues	31,418,600	27,648,371	28,341,049	692,678
EXPENDITURES				
Public works	21,451,821	21,462,801	17,881,040	3,581,761
Total expenditures	21,451,821	21,462,801	17,881,040	3,581,761
Excess of revenues over expenditures	9,966,779	6,185,570	10,460,009	4,274,439
OTHER FINANCING USES				
Transfers out	(42,000)	(42,000)	(42,000)	-
Total other financing uses	(42,000)	(42,000)	(42,000)	-
Net change in fund balance	$ 9,924,779	6,143,570	10,418,009	4,274,439

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2S

Special Revenue Fund
Budgetary Comparison Schedule - I-95 Refuse Disposal Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	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	14,676	7,476
Charges for services	8,612,961	6,886,692	6,674,373	(212,319)
Revenue from the use of money and property	593,276	471,339	215,858	(255,481)
Recovered costs	-	-	15,534	15,534
Total revenues	9,213,437	7,365,231	6,920,441	(444,790)
EXPENDITURES				
Public works	11,637,653	16,947,473	7,878,956	9,068,517
Total expenditures	11,637,653	16,947,473	7,878,956	9,068,517
Excess (deficiency) of revenues over (under) expenditures	(2,424,216)	(9,582,242)	(958,515)	8,623,727
OTHER FINANCING USES				
Transfers out	(175,000)	(175,000)	(175,000)	-
Total other financing uses	(175,000)	(175,000)	(175,000)	-
Net change in fund balance	$ (2,599,216)	(9,757,242)	(1,133,515)	8,623,727

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT D-2T

Special Revenue Fund
Budgetary Comparison Schedule - Community Development Block Grant Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ -	5,415,763	4,682,426	(733,337)
Revenue from the use of money and property	4,414,224	3,853,606	1,125,425	(2,728,181)
Total revenues	4,414,224	9,269,369	5,807,851	(3,461,518)
EXPENDITURES				
Community development	3,444,968	8,336,956	3,841,723	4,495,233
Debt service:				
Principal retirement	667,000	667,000	667,000	-
Interest and other charges:				
Interest	302,256	302,256	302,256	-
Total expenditures	4,414,224	9,306,212	4,810,979	4,495,233
Excess (deficiency) of revenues over (under) expenditures	-	(36,843)	996,872	1,033,715
Net change in fund balance	$ -	(36,843)	996,872	1,033,715

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

Special Revenue Fund
Budgetary Comparison Schedule - Housing Trust Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Developers' contributions	$ 404,560	404,560	331,973	(72,587)
Revenue from the use of money and property	88,860	88,860	546,637	457,777
Total revenues	493,420	493,420	878,610	385,190
EXPENDITURES				
Community development	493,420	6,305,955	1,146,726	5,159,229
Total expenditures	493,420	6,305,955	1,146,726	5,159,229
Excess (deficiency) of revenues over (under) expenditures	-	(5,812,535)	(268,116)	5,544,419
Net change in fund balance	$ -	(5,812,535)	(268,116)	5,544,419

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT D-2v

Special Revenue Fund
Budgetary Comparison Schedule - HOME Investment Partnership Grant Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ -	4,038,177	2,041,050	(1,997,127)
Revenue from the use of money and property	1,405,283	716,236	343,403	(372,833)
Total revenues	1,405,283	4,754,413	2,384,453	(2,369,960)
EXPENDITURES				
Community development	1,405,283	4,918,486	2,325,602	2,592,884
Total expenditures	1,405,283	4,918,486	2,325,602	2,592,884
Net change in fund balance	$ -	(164,073)	58,851	222,924

The **Debt Service Funds** are used to account for the accumulation of resources for and the payments of bond principal, interest, and related expenses.

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.

Debt Service Fund Mosaic Community Development Authority Fund is used to account for the accumulation of resources for and the payments of bond principal, interest, and related expenses on debt of the Mosaic Community Development Authority.

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT E

Debt Service Funds
Combining Balance Sheet
June 30, 2014

	Debt Service	Mosaic Community Development Authority	Total Debt Service Funds
ASSETS			
Equity in pooled cash and temporary investments	$ 11,165,773	-	11,165,773
Accrued interest	-	23,512	23,512
Loan to component unit	12,588,500	-	12,588,500
Lease to component unit	45,470,000	-	45,470,000
Restricted assets:			
Restricted assets - Cash with fiscal agents	45,832,691	8,816,797	54,649,488
Total assets	115,056,964	8,840,309	123,897,273
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	$ 115,056,964	8,840,309	123,897,273
LIABILITIES			
Liabilities:			
Accounts payable and accrued liabilities	$ 531,152	-	531,152
Notes payable	30,000,000	-	30,000,000
Unearned revenue	45,470,000	152,363	45,622,363
Total liabilities	76,001,152	152,363	76,153,515
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	76,001,152	152,363	76,153,515
FUND BALANCES			
Restricted for:			
Parks, recreation, and cultural	12,588,500	-	12,588,500
Debt service	-	8,687,946	8,687,946
Total Restricted	12,588,500	8,687,946	21,276,446
Committed to:			
Debt service	26,467,312	-	26,467,312
Total Committed	26,467,312	-	26,467,312
Total fund balance	39,055,812	8,687,946	47,743,758
Total liabilities, deferred inflows of resources, and fund balance	$ 115,056,964	8,840,309	123,897,273

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT E-1

Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2014

	Debt Service	Mosaic Community Development Authority	Total Debt Service Funds
REVENUES			
Intergovernmental	$ 4,408,821	-	4,408,821
Revenue from the use of money and property	2,883,455	46,211	2,929,666
Total revenues	7,292,276	46,211	7,338,487
EXPENDITURES			
Principal retirement:			
County	81,868,467	-	81,868,467
Schools	110,361,600	-	110,361,600
Interest:			
County	40,193,303	4,542,088	44,735,391
Schools	63,027,652	-	63,027,652
Other charges:			
Bond issuance costs and other	4,511,031	-	4,511,031
Total expenditures	299,962,053	4,542,088	304,504,141
Deficiency of revenues under expenditures	(292,669,777)	(4,495,877)	(297,165,654)
OTHER FINANCING SOURCES (USES)			
Transfers in from:			
General Fund	291,165,641	-	291,165,641
Special revenue funds	-	39,083	39,083
Capital projects funds	15,519,936	-	15,519,936
Transfers out	(38,000,000)	-	(38,000,000)
General obligation refunding bonds issued	51,980,000	-	51,980,000
Revenue bonds issued	30,175,000	-	30,175,000
Premium on general obligation refunding bonds issued	5,120,365	-	5,120,365
Lease revenue refunding bonds issued	44,000,000	-	44,000,000
Premium on lease revenue refunding bonds issued	6,980,613	-	6,980,613
General obligation payments to refunded bonds escrow agent	(56,892,852)	-	(56,892,852)
Lease revenue bond payments to refunded bonds escrow agent	(50,811,058)	-	(50,811,058)
Total other financing sources	299,237,645	39,083	299,276,728
Net change in fund balance	6,567,868	(4,456,794)	2,111,074
Fund balance, July 1, 2013	32,487,944	13,144,740	45,632,684
Fund balance, June 30, 2014	$ 39,055,812	8,687,946	47,743,758

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT E-2

Debt Service Fund
Budgetary Comparison Schedule - Debt Service Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	80,000	80,000	3,015,921	2,935,921
Total revenues	80,000	80,000	3,015,921	2,935,921
EXPENDITURES				
Principal retirement:				
County	76,748,467	76,748,467	81,868,467	(5,120,000)
Schools	103,971,600	103,971,600	110,361,600	(6,390,000)
Interest:				
County	42,135,101	44,808,462	37,386,598	7,421,864
Schools	71,210,530	75,447,632	63,027,652	12,419,980
Bond issuance costs and other	2,000,000	2,000,000	3,011,635	(1,011,635)
Total expenditures	296,065,698	302,976,161	295,655,952	7,320,209
Excess (deficiency) of revenues over (under) expenditures	(295,985,698)	(302,896,161)	(292,640,031)	10,256,130
OTHER FINANCING SOURCES				
General obligation bonds issued	300,000	300,000	531,170	231,170
Transfers in from:				
General Fund	291,165,641	291,165,641	291,165,641	-
Other funds	4,520,057	4,520,057	4,520,055	(2)
Transfers out	(8,000,000)	(8,000,000)	(8,000,000)	-
Total other financing sources	287,985,698	287,985,698	288,216,866	231,168
Net change in fund balance	(8,000,000)	(14,910,463)	(4,423,165)	10,487,298

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.

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.

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 amount dedicated by the Board; original method to determine the amount of dedication was the value of one penny of the real estate tax rate.

Mosaic Community Development Authority Fund is used to track the capital project activities of the Authority for the construction of certain infrastructure assets requested by property owners within the Authority District. Projects are funded by bonds sold by the Authority.

COUNTY OF FAIRFAX, VIRGINIA
Capital Projects Funds
Combining Balance Sheet
June 30, 2014

	Contributed Roadway Improvement	Library Construction	County Construction	Capital Renewal Construction
ASSETS				
Equity in pooled cash and temporary investments	$ 57,460,403	3,568,882	54,478,749	9,033,998
Receivables:				
Accounts	-	-	136,491	-
Accrued interest	193	-	-	-
Loans	-	-	-	-
Due from intergovernmental units	-	-	-	-
Restricted assets:				
Equity in pooled cash and temporary investments	-	9,578,098	1,885,479	3,598,173
Cash with fiscal agents	-	-	28,698,433	-
Total assets	57,460,596	13,146,980	85,199,152	12,632,171
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	$ 57,460,596	13,146,980	85,199,152	12,632,171
LIABILITIES				
Liabilities:				
Accounts payable and accrued liabilities	$ 305,197	420,952	2,741,858	333,989
Contract retainages	28,894	60,583	2,838,248	10,000
Due to component units	-	-	430,735	-
Unearned revenue	-	-	27,395,010	-
Performance and other deposits	22,112,415	613	2,491,095	-
Total liabilities	22,446,506	482,148	35,896,946	343,989
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	22,446,506	482,148	35,896,946	343,989
FUND BALANCES				
Restricted for:				
Capital projects	35,014,090	12,664,832	1,885,479	12,288,182
Total Restricted	35,014,090	12,664,832	1,885,479	12,288,182
Committed to:				
Capital projects	-	-	47,416,727	-
Total Committed	-	-	47,416,727	-
Unassigned:	-	-	-	-
Total fund balances	35,014,090	12,664,832	49,302,206	12,288,182
Total liabilities, deferred inflows of resources, and fund balances	$ 57,460,596	13,146,980	85,199,152	12,632,171

EXHIBIT F

Transportation Improvements	Pedestrian Walkway Improvements	Metro Operations and Construction	
			ASSETS
-	1,976,772	2,274,286	Equity in pooled cash and temporary investments
			Receivables:
-	-	-	Accounts
-	-	-	Accrued interest
-	-	-	Loans
374	372,837	-	Due from intergovernmental units
			Restricted assets:
21,529,417	-	2,416,614	Equity in pooled cash and temporary investments
-	-	-	Cash with fiscal agents
21,529,791	2,349,609	4,690,900	Total assets
			DEFERRED OUTFLOWS OF RESOURCES
-	-	-	Total deferred outflows of resources
21,529,791	2,349,609	4,690,900	Total assets and deferred outflows of resources
			LIABILITIES
			Liabilities:
656,511	105,186	-	Accounts payable and accrued liabilities
65,202	2,025	-	Contract retainages
-	-	-	Due to component units
-	-	-	Unearned revenue
-	128,722	1,755	Performance and other deposits
721,713	235,933	1,755	Total liabilities
			DEFERRED INFLOW OF RESOURCES
-	-	-	Unavailable revenue
-	-	-	Total deferred inflows of resources
721,713	235,933	1,755	Total liabilities and deferred inflows of resources
			FUND BALANCES
			Restricted for:
20,808,078	1,413,676	2,416,614	Capital projects
20,808,078	1,413,676	2,416,614	Total Restricted
			Committed to:
-	700,000	2,272,531	Capital projects
-	700,000	2,272,531	Total Committed
-	-	-	Unassigned:
20,808,078	2,113,676	4,689,145	Total fund balances
21,529,791	2,349,609	4,690,900	Total liabilities, deferred inflows of resources, and fund balances

continued

COUNTY OF FAIRFAX, VIRGINIA
Capital Projects Funds
Combining Balance Sheet
June 30, 2014

	Public Safety Construction	Commercial Revitalization Program	Pro Rata Drainage Construction	Housing Assistance Program
ASSETS				
Equity in pooled cash and temporary investments	$ -	950,000	5,363,609	3,527,315
Receivables:				
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Loans	-	-	-	-
Due from intergovernmental units	-	-	-	-
Restricted assets:				
Equity in pooled cash and temporary investments	29,308,008	198,684	-	3,289,402
Cash with fiscal agents	133,500,000	-	-	-
Total assets	162,808,008	1,148,684	5,363,609	6,816,717
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	$162,808,008	1,148,684	5,363,609	6,816,717
LIABILITIES				
Liabilities:				
Accounts payable and accrued liabilities	$ 3,697,287	143,000	114,872	-
Contract retainages	2,384,101	-	89,218	113,679
Due to component units	-	-	-	-
Unearned revenue	-	-	-	-
Performance and other deposits	-	-	4,127,199	-
Total liabilities	6,081,388	143,000	4,331,289	113,679
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	6,081,388	143,000	4,331,289	113,679
FUND BALANCES				
Restricted for:				
Capital projects	156,726,620	1,005,684	1,032,320	6,188,038
Total Restricted	156,726,620	1,005,684	1,032,320	6,188,038
Committed to:				
Capital projects	-	-	-	515,000
Total Committed	-	-	-	515,000
Unassigned:	-	-	-	-
Total fund balances	156,726,620	1,005,684	1,032,320	6,703,038
Total liabilities deferred inflows of resources, and fund balances	$ 162,808,008	1,148,684	5,363,609	6,816,717

EXHIBIT F
concluded

The Penny for Affordable Housing	Total Capital Projects Funds	
		ASSETS
26,074,541	164,708,555	Equity in pooled cash and temporary investments
		Receivables:
-	136,491	Accounts
2,798,312	2,798,505	Accrued interest
35,187,669	35,187,669	Loans
-	373,211	Due from intergovernmental units
		Restricted assets:
-	71,803,875	Equity in pooled cash and temporary investments
-	162,198,433	Cash with fiscal agents
64,060,522	437,206,739	Total assets
		DEFERRED OUTFLOWS OF RESOURCES
-	-	Total deferred outflows of resources
64,060,522	437,206,739	Total assets and deferred outflows of resources
		LIABILITIES AND FUND BALANCES
		Liabilities:
-	8,518,852	Accounts payable and accrued liabilities
-	5,591,950	Contract retainages
-	430,735	Due to component units
-	27,395,010	Unearned revenue
-	28,861,799	Performance and other deposits
-	70,798,346	Total liabilities
		DEFERRED INFLOW OF RESOURCES
2,798,312	2,798,312	Unavailable revenue
2,798,312	2,798,312	Total deferred inflows of resources
2,798,312	73,596,658	Total liabilities and deferred inflows of resources
		FUND BALANCES
		Restricted for:
40,227,442	292,392,394	Capital projects
40,227,442	292,392,394	Total Restricted
		Committed to:
21,034,768	71,939,026	Capital projects
21,034,768	71,939,026	Total Committed
-	(721,339)	Unassigned:
61,262,210	363,610,081	Total fund balances
64,060,522	437,206,739	Total liabilities, deferred inflows of resources, 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, 2014

	Contributed Roadway Improvement	Library Construction	County Construction	Capital Renewal Construction
REVENUES				
Taxes	$ -	-	-	-
Intergovernmental	191,111	-	-	88,452
Charges for services	-	-	1,290,187	-
Developers' contributions	1,087,152	-	-	-
Revenue from the use of money and property	98,532	-	439,861	-
Recovered costs	-	-	1,275,601	-
Total revenues	1,376,795	-	3,005,649	88,452
EXPENDITURES				
Current:				
General government administration	-	-	556,068	-
Public safety	-	-	45,285	-
Public works	-	-	93,070	3,075,284
Health and welfare	-	-	3,856,687	-
Community development	1,396,235	-	1,140,291	-
Parks, recreation, and cultural	-	7,197	3,705,324	-
Intergovernmental:				
Community development	306,815	-	-	-
Parks, recreation, and cultural	-	-	20,953,394	-
Education - for Public Schools	-	-	156,500,000	-
Capital outlay:				
General government administration	-	-	3,439,503	-
Public safety	-	-	-	-
Public works	-	-	-	11,490,617
Health and welfare	-	-	34,502,913	-
Community development	-	-	8,945,173	-
Parks, recreation, and cultural	-	1,438,811	30,500,000	-
Debt service:				
Principal retirement	-	-	645,000	-
Interest and other charges	-	-	321,162	-
Total expenditures	1,703,050	1,446,008	265,203,870	14,565,901
Deficiency of revenues under expenditures	(326,255)	(1,446,008)	(262,198,221)	(14,477,449)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	52,136,497	5,000,000
Transfers out	(110,000)	-	(1,035,354)	-
General obligation bonds issued	-	6,135,000	158,264,700	4,100,000
Premium on general obligation bonds issued	-	-	16,770,654	-
Revenue bonds issued	-	-	-	-
Premium on revenue bonds issued	-	-	-	-
Notes issued	-	-	-	25,000,000
Total other financing sources (uses)	(110,000)	6,135,000	226,136,497	34,100,000
Net change in fund balances	(436,255)	4,688,992	(36,061,724)	19,622,551
Fund balances, July 1, 2013	35,450,345	7,975,840	85,363,930	(7,334,369)
Fund balances, June 30, 2014	$ 35,014,090	12,664,832	49,302,206	12,288,182

EXHIBIT F-1

Transportation Improvements	Pedestrian Walkway Improvements	Metro Operations and Construction	
			REVENUES
-	-	-	Taxes
-	1,222,903	-	Intergovernmental
-	-	-	Charges for services
-	625,187	-	Developers' contributions
-	-	-	Revenue from the use of money and property
-	-	-	Recovered costs
-	1,848,090	-	Total revenues
			EXPENDITURES
			Current:
-	-	-	General government administration
-	-	-	Public safety
-	552,613	-	Public works
-	-	-	Health and welfare
14,910,487	-	-	Community development
-	-	-	Parks, recreation, and cultural
			Intergovernmental:
-	-	35,754,211	Community development
-	-	-	Parks, recreation, and cultural
-	-	-	Education - for Public Schools
			Capital outlay:
-	-	-	General government administration
-	-	-	Public safety
-	272,572	-	Public works
-	-	-	Health and welfare
4,192,864	-	-	Community development
-	-	-	Parks, recreation, and cultural
			Debt service:
-	-	-	Principal retirement
-	-	-	Interest and other charges
19,103,351	825,185	35,754,211	Total expenditures
(19,103,351)	1,022,905	(35,754,211)	Deficiency of revenues under expenditures
			OTHER FINANCING SOURCES (USES)
200,000	300,000	11,408,296	Transfers in
-	(10,000)	(2,396,353)	Transfers out
26,217,500	-	29,500,000	General obligation bonds issued
3,782,500	-	-	Premium on general obligation bonds issued
-	-	-	Revenue bonds issued
-	-	-	Premium on revenue bonds issued
-	-	-	Notes issued
30,200,000	290,000	38,511,943	Total other financing sources (uses)
11,096,649	1,312,905	2,757,732	Net change in fund balances
9,711,429	800,771	1,931,413	Fund balances, July 1, 2013
20,808,078	2,113,676	4,689,145	Fund balances, June 30, 2014

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, 2014

	Public Safety Construction	Commercial Revitalization Program	Pro Rata Drainage Construction	Housing Assistance Program
REVENUES				
Taxes	$ -	-	-	-
Intergovernmental	-	89,750	-	-
Charges for services	-	-	-	-
Developers' contributions	-	-	-	-
Revenue from the use of money and property	-	-	1,026,351	-
Recovered costs	-	-	4,076,168	-
Total revenues	-	89,750	5,102,519	-
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Public safety	977,104	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Community development	-	187,757	-	132,489
Parks, recreation, and cultural	-	-	-	-
Intergovernmental:				
Community development	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Education - for Public Schools	-	-	-	-
Capital outlay:				
General government administration	-	-	-	-
Public safety	30,040,230	-	-	-
Public works	-	-	4,076,265	-
Health and welfare	-	-	-	-
Community development	-	227,619	-	-
Parks, recreation, and cultural	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	31,017,334	415,376	4,076,265	132,489
Deficiency of revenues under expenditures	(31,017,334)	(325,626)	1,026,254	(132,489)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(14,484,581)	-	-	-
General obligation bonds issued	40,112,800	-	-	-
Premium on general obligation bonds issued	5,787,200	-	-	-
Revenue bonds issued	126,690,000	-	-	-
Premium on revenue bonds issued	21,294,581	-	-	-
Notes issued	-	-	-	-
Total other financing sources (uses)	179,400,000	-	-	-
Net change in fund balances	148,382,666	(325,626)	1,026,254	(132,489)
Fund balances, July 1, 2013	8,343,954	1,331,310	6,066	6,835,527
Fund balances, June 30, 2014	$ 156,726,620	1,005,684	1,032,320	6,703,038

EXHIBIT F-1
concluded

The Penny for Affordable Housing	Mosaic Community Development Authority	Total Capital Projects Funds	
			REVENUES
10,330,000	-	10,330,000	Taxes
-	-	1,592,216	Intergovernmental
-	-	1,290,187	Charges for services
-		1,712,339	Developers' contributions
6,190,370	4,533	7,759,647	Revenue from the use of money and property
-	-	5,351,769	Recovered costs
16,520,370	4,533	28,036,158	Total revenues
			EXPENDITURES
			Current:
-	-	556,068	General government administration
-	-	1,022,389	Public safety
-	-	3,720,967	Public works
-	-	3,856,687	Health and welfare
5,027,408	-	22,794,667	Community development
-	-	3,712,521	Parks, recreation, and cultural
			Intergovernmental:
448,210	-	36,509,236	Community development
-	-	22,453,394	Parks, recreation, and cultural
-	-	155,000,000	Education - for Public Schools
			Capital outlay:
-	-	3,439,503	General government administration
-	-	30,040,230	Public safety
-	-	15,839,454	Public works
-	-	34,502,913	Health and welfare
-	3,222,665	16,588,321	Community development
-	-	31,938,811	Parks, recreation, and cultural
			Debt service:
5,125,000	-	5,770,000	Principal retirement
3,972,329	-	4,293,491	Interest and other charges
14,572,947	3,222,665	392,038,652	Total expenditures
1,947,423	(3,218,132)	(364,002,494)	Deficiency of revenues under expenditures
			OTHER FINANCING SOURCES (USES)
-	-	69,044,793	Transfers in
-	-	(18,036,288)	Transfers out
-	-	264,330,000	General obligation bonds issued
-	-	26,340,354	Premium on general obligation bonds issued
-	-	126,690,000	Revenue bonds issued
-	-	21,294,581	Premium on revenue bonds issued
-		25,000,000	Notes issued
-	-	514,663,440	Total other financing sources (uses)
1,947,423	(3,218,132)	150,660,946	Net change in fund balances
59,314,787	3,218,132	212,949,135	Fund balances, July 1, 2013
61,262,210	-	363,610,081	Fund balances, June 30, 2014

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 Position
June 30, 2014

	Vehicle Services	Self-Insurance	Document Services
ASSETS			
Current assets:			
Equity in pooled cash and temporary investments	$ 41,837,419	90,781,291	1,830,484
Accounts receivable	64,342	-	1,851
Accrued interest receivable	-	305	-
Interfund receivables	-	-	-
Inventories of supplies	2,792,963	-	-
Prepaid and other assets	-	-	814
Total current assets	44,694,724	90,781,596	1,833,149
Long-term assets:			
Capital assets:			
Non-depreciable/non-amortizable:			
Land	1,938,688	-	-
Equipment under construction	3,800,665	-	-
Depreciable:			
Equipment	118,011,894	-	1,138,015
Software	-	-	-
Buildings and improvements	20,697,212	-	-
Infrastructure	2,826,820	-	-
Accumulated depreciation	(79,795,670)	-	(932,621)
Accumulated amortization	-		-
Total capital assets, net	67,479,609	-	205,394
Total assets	112,174,333	90,781,596	2,038,543
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	3,996,577	120,851	175,648
Accrued salaries and benefits	820,097	61,893	33,485
Accrued Interest Payable	-	-	-
Compensated absences payable	1,024,896	81,874	46,859
Obligations under capital leases	-	-	-
Insurance and benefit claims payable	-	18,621,000	-
Total current liabilities	5,841,570	18,885,618	255,992
Long-term liabilities:			
Compensated absences payable	876,275	35,541	36,694
Obligations under capital leases	-	-	-
Insurance and benefit claims payable	-	29,452,000	-
Total long-term liabilities	876,275	29,487,541	36,694
Total liabilities	6,717,845	48,373,159	292,686
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflow of resources	-	-	-
NET POSITION			
Net investment in capital assets	67,479,611	-	205,394
Unrestricted	37,976,877	42,408,437	1,540,463
Net position	$ 105,456,488	42,408,437	1,745,857

EXHIBIT G

Technology Infrastructure Services	Health Benefits	Total Internal Service Funds	
			ASSETS
			Current assets:
10,436,473	56,520,269	201,405,936	Equity in pooled cash and temporary investments
743	47,219	114,155	Accounts receivable
-	220	525	Accrued interest receivable
-	965,051	965,051	Interfund receivables
-	-	2,792,963	Inventories of supplies
-	-	814	Prepaid and other assets
10,437,216	57,532,759	205,279,444	Total current assets
			Long-term assets:
			Capital assets:
			Non-depreciable/non-amortizable:
-	-	1,938,688	Land
635,235	-	4,435,900	Equipment under construction
			Depreciable:
20,136,227	27,358	139,313,494	Equipment
2,200,587	-	2,200,587	Software
936,051	-	21,633,263	Buildings and improvements
-	-	2,826,820	Infrastructure
(11,663,319)	(11,570)	(92,403,180)	Accumulated depreciation
(977,312)	-	(977,312)	Accumulated amortization
11,267,469	15,788	78,968,260	Total capital assets, net
21,704,685	57,548,547	284,247,704	Total assets
			DEFERRED OUTFLOWS OF RESOURCES
-	-	-	Total deferred outflows of resources
			LIABILITIES
			Current liabilities:
876,145	3,519,349	8,688,570	Accounts payable and accrued liabilities
307,301	6,302	1,229,078	Accrued salaries and benefits
5,043	-	5,043	Accrued Interest Payable
493,912	-	1,647,541	Compensated absences payable
176,005	-	176,005	Obligations under capital leases
-	11,063,418	29,684,418	Insurance and benefit claims payable
1,858,406	14,589,069	41,430,655	Total current liabilities
			Long-term liabilities:
397,731	-	1,346,241	Compensated absences payable
557,593	-	557,593	Obligations under capital leases
-	-	29,452,000	Insurance and benefit claims payable
955,324	-	31,355,834	Total long-term liabilities
2,813,730	14,589,069	72,786,489	Total liabilities
			DEFERRED INFLOWS OF RESOURCES
-	-	-	Total deferred inflow of resources
			NET POSITION
10,533,871	15,788	78,234,664	Net investment in capital assets
8,357,084	42,943,690	133,226,551	Unrestricted
18,890,955	42,959,478	211,461,215	Net position

COUNTY OF FAIRFAX, VIRGINIA
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the fiscal year ended June 30, 2014

	Vehicle Services	Self-Insurance	Document Services
OPERATING REVENUES:			
Charges for services	$ 79,878,300	59,326,369	2,723,060
Recovered costs	56,031	-	-
Total operating revenues	79,934,331	59,326,369	2,723,060
OPERATING EXPENSES:			
Personnel services	19,734,587	1,470,389	808,354
Materials and supplies	201,108	213,740	1,147,094
Equipment operation and maintenance	44,243,354	684	1,250,443
Risk financing and benefit payments	-	21,265,753	-
Depreciation	10,815,635	-	941,098
Professional consultant and contractual services	6,042,669	639,926	985,113
Other	44,716	262,570	-
Total operating expenses	81,082,069	23,853,062	5,132,102
Operating income (loss)	(1,147,738)	35,473,307	(2,409,042)
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	-	61,665	-
Interest expense	-	-	(28,571)
Gain (loss) on disposal of capital assets	746,786	-	(889,234)
Total nonoperating revenues (expenses)	746,786	61,665	(917,805)
Income (loss) before operating transfers and contributions	(400,952)	35,534,972	(3,326,847)
Capital contributions	23,894	-	-
Transfers in	-	-	2,407,383
Transfers out	(1,224,931)	-	-
Change in net position	(1,601,989)	35,534,972	(919,464)
Net position, July 1, 2013	107,058,477	6,873,465	2,665,321
Net position, June 30, 2014	$ 105,456,488	42,408,437	1,745,857

EXHIBIT G-1

Technology Infrastructure Services	Health Benefits	Total Internal Service Funds	
			OPERATING REVENUES:
29,213,246	157,386,800	328,527,775	Charges for services
-	-	56,031	Recovered costs
29,213,246	157,386,800	328,583,806	Total operating revenues
			OPERATING EXPENSES:
6,829,162	-	28,842,492	Personnel services
219,343	16,963	1,798,248	Materials and supplies
6,745,355	39,937	52,279,773	Equipment operation and maintenance
-	147,087,043	168,352,796	Risk financing and benefit payments
1,851,824	4,234	13,612,791	Depreciation
12,592,545	195,409	20,455,662	Professional consultant and contractual services
31,062	6,446,268	6,784,616	Other
28,269,291	153,789,854	292,126,378	Total operating expenses
943,955	3,596,946	36,457,428	Operating income (loss)
			NONOPERATING REVENUES (EXPENSES):
-	49,971	111,636	Interest revenue
(29,928)	-	(58,499)	Interest expense
8,082	-	(134,366)	Gain (loss) on disposal of capital assets
(21,846)	49,971	(81,229)	Total nonoperating revenues (expenses)
922,109	3,646,917	36,376,199	Income (loss) before operating transfers and contributions
590,318	-	614,212	Capital contributions
4,475,253	1,600,000	8,482,636	Transfers in
(1,500,000)	-	(2,724,931)	Transfers out
4,487,680	5,246,917	42,748,116	Change in net position
14,403,275	37,712,561	168,713,099	Net position, July 1, 2013
18,890,955	42,959,478	211,461,215	Net position, June 30, 2014

COUNTY OF FAIRFAX, VIRGINIA
Internal Service Funds
Combining Statement of Cash Flows
For the fiscal year ended June 30, 2014

		Vehicle Services	Self-Insurance	Document Services
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	$	79,869,989	59,326,369	2,727,866
Payments to suppliers and contractors		(42,629,558)	-	(3,590,672)
Payments to employees		(19,802,837)	(1,463,868)	(803,563)
Claims and benefits paid		-	(20,248,297)	-
Payments for interfund services used		(7,586,665)	(1,116,920)	-
Net cash provided (used) by operating activities		9,850,929	36,497,284	(1,666,369)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds		(1,224,931)	-	-
Transfers from other funds		-	-	2,407,383
Net cash provided by noncapital financing activities		(1,224,931)	-	2,407,383
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from sale of capital assets		846,449	-	-
Purchase of capital assets		(17,692,139)	-	-
Principal payments on obligations under capital leases		-	-	(1,164,175)
Interest payments on obligations under capital leases		-	-	(28,571)
Net cash used by capital and related financing activities		(16,845,690)	-	(1,192,746)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received		-	62,292	-
Net cash provided by investing activities		-	62,292	-
Net increase (decrease) in cash and cash equivalents		(8,219,692)	36,559,576	(451,732)
Cash and cash equivalents, July 1, 2013		50,057,111	54,221,715	2,282,216
Cash and cash equivalents, June 30, 2014	$	41,837,419	90,781,291	1,830,484
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$	(1,147,738)	35,473,307	(2,409,042)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization		10,815,635	-	941,098
Change in assets and liabilities:				
(Increase) Decrease in accounts receivable		(64,342)	-	4,806
Increase in interfund receivables		-	-	-
Increase in inventories of supplies		(661,326)	-	-
Decrease in other assets		-	-	(814)
Increase (decrease) in accounts payable and accrued liabilities		976,950	1,017,456	(207,208)
Increase (decrease) in accrued salaries and benefits		(68,250)	6,521	4,791
Total adjustments to operating income		10,998,667	1,023,977	742,673
Net cash provided (used) by operating activities		9,850,929	36,497,284	(1,666,369)
Noncash capital and financing activities:				
Capital contributions - equipment	$	23,894	-	-

EXHIBIT G-2

Technology Infrastructure Services	Health Benefits	Total Internal Service Funds	
			CASH FLOWS FROM OPERATING ACTIVITIES
29,212,759	157,251,040	328,388,023	Receipts from interfund services provided
(22,052,795)	(5,142,309)	(73,415,334)	Payments to suppliers and contractors
(6,847,794)	-	(28,918,062)	Payments to employees
-	(148,617,205)	(168,865,502)	Claims and benefits paid
-	-	(8,703,585)	Payments for interfund services used
312,170	3,491,526	48,485,540	Net cash provided (used) by operating activities
			CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES
(1,500,000)	-	(2,724,931)	Transfers to other funds
4,475,253	1,600,000	8,482,636	Transfers from other funds
2,975,253	1,600,000	5,757,705	Net cash provided by noncapital financing activities
			CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
30,318	-	876,767	Proceeds from sale of capital assets
(4,769,195)	-	(22,461,334)	Purchase of capital assets
(171,295)	-	(1,335,470)	Principal payments on obligations under capital leases
(24,885)	-	(53,456)	Interest payments on obligations under capital leases
(4,935,057)	-	(22,973,493)	Net cash used by capital and related financing activities
			CASH FLOWS FROM INVESTING ACTIVITIES
-	50,346	112,638	Interest received
-	50,346	112,638	Net cash provided by investing activities
(1,647,634)	5,141,872	31,382,390	Net increase (decrease) in cash and cash equivalents
12,084,107	51,378,397	170,023,546	Cash and cash equivalents, July 1, 2013
10,436,473	56,520,269	201,405,936	Cash and cash equivalents, June 30, 2014
			Reconciliation of operating income (loss) to net cash provided (used) by operating activities:
943,955	3,596,946	36,457,428	Operating income (loss)
			Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:
1,851,824	4,234	13,612,791	Depreciation and amortization
			Change in assets and liabilities:
(487)	-	(60,023)	(Increase) Decrease in accounts receivable
-	(135,760)	(135,760)	Increase in interfund receivables
-	-	(661,326)	Increase in inventories of supplies
-	-	(814)	Decrease in other assets
(2,464,490)	25,781	(651,511)	Increase (decrease) in accounts payable and accrued liabilities
(18,632)	325	(75,245)	Increase (decrease) in accrued salaries and benefits
(631,785)	(105,420)	12,028,112	Total adjustments to operating income
312,170	3,491,526	48,485,540	Net cash provided (used) by operating activities
			Noncash capital and financing activities:
590,318	-	614,212	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.

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 Hot Lane violation fees, and the subsequent remittances to Metropolitan Washington Airports Authority and Transurban, respectively.

COUNTY OF FAIRFAX, VIRGINIA
Trust Funds
Combining Statement of Plan Net Position
June 30, 2014

	Uniformed Retirement	Employees' Retirement	Police Officers Retirement
ASSETS			
Equity in pooled cash and temporary investments	$ 1,940,100	4,550,641	1,578,624
Cash collateral for securities lending	8,587,339	39,803,388	3,198,250
Contributions receivable	2,958,116	4,935,820	1,886,026
Accrued interest and dividends receivable	2,555,653	10,981,723	1,788,435
Receivable from sale of pension investments	51,191,852	147,544,558	2,428,554
Equipment	816	3,806	816
Investments, at fair value:			
U.S. Government securities	34,167,802	105,724,824	50,920,477
Asset-backed securities	54,441,463	176,859,179	52,608,615
Corporate and other bonds	184,936,049	617,255,718	79,433,159
Common and preferred stock	238,208,622	1,418,936,975	165,752,756
Short-term investments	143,415,635	135,148,368	25,601,157
Investment in pooled funds	868,662,379	1,317,019,458	883,308,066
Total assets	1,591,065,826	3,978,764,458	1,268,504,935
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
LIABILITIES			
Accounts payable and accrued liabilities	2,648,950	7,137,424	1,695,840
Payable for purchase of pension investments	63,109,492	165,763,981	2,853,630
Liabilities for collateral received under securities lending agreements	8,587,339	39,803,388	3,198,250
Total liabilities	74,345,781	212,704,793	7,747,720
DEFERRED INFLOW OF RESOURCES			
Total deferred inflows of resources	-	-	-
NET POSITION			
Held in trust for pension/OPEB benefits	$ 1,516,720,045	3,766,059,665	1,260,757,215

EXHIBIT H

OPEB Trust Fund	Total Trust Funds	
		ASSETS
2,880,683	10,950,048	Equity in pooled cash and temporary investments
-	51,588,977	Cash collateral for securities lending
-	9,779,962	Contributions receivable
27,572	15,353,383	Accrued interest and dividends receivable
-	201,164,964	Receivable from sale of pension investments
-	5,438	Equipment
		Investments, at fair value:
-	190,813,103	U.S. Government securities
-	283,909,257	Asset-backed securities
-	881,624,926	Corporate and other bonds
-	1,822,898,353	Common and preferred stock
-	304,165,160	Short-term investments
192,950,672	3,261,940,575	Investment in pooled funds
195,858,927	7,034,194,146	Total assets
		DEFERRED OUTFLOWS OF RESOURCES
-	-	Total deferred outflows of resources
		LIABILITIES
4,403	11,486,617	Accounts payable and accrued liabilities
-	231,727,103	Payable for purchase of pension investments
-	51,588,977	Liabilities for collateral received under securities lending agreements
4,403	294,802,697	Total liabilities
		DEFERRED INFLOW OF RESOURCES
-	-	Total deferred inflows of resources
		NET POSITION
195,854,524	6,739,391,449	Held in trust for pension/OPEB benefits

COUNTY OF FAIRFAX, VIRGINIA
Trust Funds
Combining Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2014

	Uniformed Retirement	Employees' Retirement	Police Officers Retirement
ADDITIONS			
Contributions:			
Employer	$ 56,094,690	129,618,309	34,178,960
Plan members	10,905,744	32,758,587	10,091,331
Other	-	-	-
Total contributions	67,000,434	162,376,896	44,270,291
Investment income:			
From investment activities:			
Net appreciation (depreciation) in fair value of investments	191,207,399	406,152,719	161,045,013
Interest	14,012,306	65,434,731	12,294,087
Dividends	10,272,199	31,024,328	5,698,382
Total income from investment activities	215,491,904	502,611,778	179,037,482
Less investment activities expenses:			
Management fees	4,955,562	11,754,030	2,122,891
Other	459,381	1,068,565	268,063
Total investment activities expenses	5,414,943	12,822,595	2,390,954
Net income from investment activities	210,076,961	489,789,183	176,646,528
From securities lending activities:			
Securities lending income	261,717	620,513	55,038
Less securities lending expenses:			
Management fees	82,646	213,310	17,956
Total securities lending activities expenses	82,646	213,310	17,956
Net income from securities lending activities	179,071	407,203	37,082
Net investment income	210,256,032	490,196,386	176,683,610
Total additions	277,256,466	652,573,282	220,953,901
DEDUCTIONS			
Benefits	78,358,943	235,204,611	61,715,421
Refunds of contributions	557,938	3,356,282	572,284
Administrative expenses	433,541	1,884,827	431,064
Total deductions	79,350,422	240,445,720	62,718,769
Net increase (decrease)	197,906,044	412,127,562	158,235,132
Net position, July 1, 2013	1,318,814,001	3,353,932,103	1,102,522,083
Net position, June 30, 2014	$ 1,516,720,045	3,766,059,665	1,260,757,215

EXHIBIT H-1

Total Pension Trust Funds	OPEB Trust Fund	Total Trust Funds	
			ADDITIONS
			Contributions:
219,891,959	38,767,540	258,659,499	Employer
53,755,662	-	53,755,662	Plan members
-	1,172,895	1,172,895	Other
273,647,621	39,940,435	313,588,056	Total contributions
			Investment income:
			From investment activities:
758,405,131	19,529,481	777,934,612	Net appreciation in fair value of investments
91,741,124	20,144	91,761,268	Interest
46,994,909	-	46,994,909	Dividends
897,141,164	19,549,625	916,690,789	Total income from investment activities
			Less investment activities expenses:
18,832,483	95,977	18,928,460	Management fees
1,796,009	500	1,796,509	Other
20,628,492	96,477	20,724,969	Total investment activities expenses
876,512,672	19,453,148	895,965,820	Net income from investment activities
			From securities lending activities:
937,268	-	937,268	Securities lending income
			Less securities lending expenses:
313,912	-	313,912	Management fees
313,912	-	313,912	Total securities lending activities expenses
623,356	-	623,356	Net income from securities lending activities
877,136,028	19,453,148	896,589,176	Net investment income
1,150,783,649	59,393,583	1,210,177,232	Total additions
			DEDUCTIONS
375,278,975	14,259,904	389,538,879	Benefits
4,486,504	-	4,486,504	Refunds of contributions
2,749,432	167,494	2,916,926	Administrative expenses
382,514,911	14,427,398	396,942,309	Total deductions
768,268,738	44,966,185	813,234,923	Net increase (decrease)
5,775,268,187	150,888,339	5,926,156,526	Net position, July 1, 2013
6,543,536,925	195,854,524	6,739,391,449	Net position, June 30, 2014

COUNTY OF FAIRFAX, VIRGINIA
Agency Funds
Combining Statement of Fiduciary Assets and Liabilities
June 30, 2014

	Sanitary Reimbursement	Special Welfare	State Taxes	Route 28
ASSETS				
Equity in pooled cash and temporary investments	$ 1,650,237	463,291	33,692	8,075
Accounts receivable	-	-	-	71,114
Total assets	1,650,237	463,291	33,692	79,189
LIABILITIES				
Liabilities under reimbursement agreements	1,650,237	463,291	33,692	79,189
Total liabilities	$ 1,650,237	463,291	33,692	79,189

EXHIBIT H-2

Lake Barcroft	Toll Road Violations Penalties	Total Agency Funds	
			ASSETS
984	47	2,156,326	Equity in pooled cash and temporary investments
1,397	-	72,511	Accounts receivable
2,381	47	2,228,837	Total assets
			LIABILITIES
2,381	47	2,228,837	Liabilities under reimbursement agreements
2,381	47	2,228,837	Total liabilities

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT H-3

Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the fiscal year ended June 30, 2014

	Balances June 30, 2013	Additions	Deductions	Balances June 30, 2014
Sanitary Reimbursement				
Assets:				
Equity in pooled cash and temporary investments	$ 1,647,133	3,353	249	1,650,237
Total assets	1,647,133	3,353	249	1,650,237
Liabilities:				
Liabilities under reimbursement agreements	1,647,133	3,353	249	1,650,237
Total liabilities	1,647,133	3,353	249	1,650,237
Special Welfare				
Assets:				
Equity in pooled cash and temporary investments	507,736	712,111	756,556	463,291
Total assets	507,736	712,111	756,556	463,291
Liabilities:				
Liabilities under reimbursement agreements	507,736	712,111	756,556	463,291
Total liabilities	507,736	712,111	756,556	463,291
State Taxes				
Assets:				
Equity in pooled cash and temporary investments	16,664	7,620,802	7,603,774	33,692
Total assets	16,664	7,620,802	7,603,774	33,692
Liabilities:				
Liabilities under reimbursement agreements	16,664	7,620,802	7,603,774	33,692
Total liabilities	16,664	7,620,802	7,603,774	33,692
Route 28				
Assets:				
Equity in pooled cash and temporary investments	6,676	9,958,018	9,956,619	8,075
Accounts receivable	59,921	11,193	-	71,114
Total assets	66,597	9,969,211	9,956,619	79,189
Liabilities:				
Liabilities under reimbursement agreements	66,597	9,969,211	9,956,619	79,189
Total liabilities	66,597	9,969,211	9,956,619	79,189
Lake Barcroft				
Assets:			-	
Equity in pooled cash and temporary investments	509	992,101	991,626	984
Accounts receivable	1,595	-	198	1,397
Total assets	2,104	992,101	991,824	2,381
Liabilities:				
Liabilities under reimbursement agreements	2,104	992,101	991,824	2,381
Total liabilities	2,104	992,101	991,824	2,381
Toll Road Violations Penalties				
Assets:				
Equity in pooled cash and temporary investments	454	232,343	232,750	47
Total assets	454	232,343	232,750	47
Liabilities:				
Liabilities under reimbursement agreements	454	232,343	232,750	47
Total liabilities	454	232,343	232,750	47
Total Agency Funds:				
Assets:				
Equity in pooled cash and temporary investments	2,179,172	19,518,728	19,541,574	2,156,326
Accounts receivable	61,516	11,193	198	72,511
Total assets	2,240,688	19,529,921	19,541,772	2,228,837
Liabilities:				
Liabilities under reimbursement agreements	2,240,688	19,529,921	19,541,772	2,228,837
Total liabilities	$ 2,240,688	19,529,921	19,541,772	2,228,837

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, 2014

			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	$176,957,850	6,490,385	12,271,064	7,484,347
Receivables:				
Accounts	9,088	51,157	143,299	114,526
Accrued interest	27	-	13,944	10,282
Due from intergovernmental units	33,927,848	-	2,554,409	12,507,322
Due from primary government	93,024	-	269,613	-
Interfund receivables	712,700	-	-	-
Inventories of supplies	-	-	1,782,053	-
Prepaid and other assets	427,070	100,961,681	28,821	537,583
Total assets	212,127,607	107,503,223	17,063,203	20,654,060
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	$ 212,127,607	107,503,223	17,063,203	20,654,060
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	$17,439,842	19,215,768	150,999	686,945
Accrued salaries and benefits	37,135,824	9,867	1,041,039	144,717
Contract retainages	-	9,954,278	-	-
Unearned revenue	283,995	-	2,115,740	2,804,609
Performance and other deposits	-	3,048,783	-	-
Total liabilities	54,859,661	32,228,696	3,307,778	3,636,271
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	-	-	-	-
Total liabilites and deferred inflows of resources	54,859,661	32,228,696	3,307,778	3,636,271
FUND BALANCES				
Nonspendable	427,070	-	1,810,874	537,583
Restricted	-	75,274,527	11,944,551	16,480,206
Committed	57,205,122	-	-	-
Assigned	97,549,572	-	-	-
Unassigned	2,086,182	-	-	-
Total fund balances	157,267,946	75,274,527	13,755,425	17,017,789
Total liabilities, deferred inflows of resources, and fund balances	$ 212,127,607	107,503,223	17,063,203	20,654,060

Reconciliation of the Balance Sheet to the Statement of Net Position

Fund balances - Total governmental funds	$ 263,682,211
Amounts reported for governmental activities in the statement of net position 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 $3,780,620,332 and accumulated depreciation/amortization is $1,586,648,829.	2,193,971,503
The net OPEB asset, resulting from contributions for other post-employment benefits in excess of the annual required contribution, is not considered a finiancial asset and, therefore, is not reported in the governmental funds.	22,173,923
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 $12,449,879 and accumulated amortization is $3,333,219.	9,116,660
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.	58,461,825
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.	(33,771,334)
Capital leases are not due and payable in the current period and, therefore, are not reported in the funds.	(76,412,901)
Accrued interest on long-term debt	(665,085)
Unearned rent	(545,148)
Revisions of capital lease agreement resulting in a reduction of capital lease obligation are reported as deferred inflows in the statement of net position.	(5,275,817)
Net position of governmental activities	$ 2,430,735,837

EXHIBIT I

Funds		
Funds		
Adult and Community Education	Total Governmental Funds	
		ASSETS
806,916	204,010,562	Equity in pooled cash and temporary investments
		Receivables:
864	318,934	Accounts
5,180	29,433	Accrued interest
510,121	49,499,700	Due from intergovernmental units
-	362,637	Due from primary government
-	712,700	Interfund receivables
-	1,782,053	Inventories of supplies
-	101,955,155	Prepaid and other assets
1,323,081	358,671,174	Total assets
		DEFERRED OUTFLOWS OF RESOURCES
-	-	Total deferred outflows of resources
1,323,081	358,671,174	Total assets and deferred outflows of resources
		LIABILITIES AND FUND BALANCES
		Liabilities:
47,136	37,540,690	Accounts payable and accrued liabilities
452,509	38,783,956	Accrued salaries and benefits
-	9,954,278	Contract retainages
456,912	5,661,256	Unearned revenue
-	3,048,783	Performance and other deposits
956,557	94,988,963	Total liabilities
		DEFERRED INFLOWS OF RESOURCES
-	-	Total deferred inflows of resources
956,557	94,988,963	Total liabilities and deferred inflows of resources
		FUND BALANCES
-	2,775,527	Nonspendable
366,524	104,065,808	Restricted
-	57,205,122	Committed
-	97,549,572	Assigned
-	2,086,182	Unassigned
366,524	263,682,211	Total fund balances
1,323,081	358,671,174	Total liabilities, deferred inflows of resources 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, 2014

			Nonmajor Governmental	
			Special Revenue	
	General Fund	Capital Projects Fund	Food and Nutrition Services	Grants and Self-Supporting Programs
REVENUES				
Intergovernmental	$ 2,321,153,948	156,540,925	34,178,417	45,685,890
Charges for services	8,362,583	-	41,566,590	2,280,940
Revenue from the use of money and property	3,154,172	-	17,763	6,054
Recovered costs	41,985,113	155,000	-	-
Other	8,849,763	3,574,995	-	1,063,848
Total revenues	2,383,505,579	160,270,920	75,762,770	49,036,732
EXPENDITURES				
Current:				
Education	2,371,098,941	19,693,146	77,986,816	67,991,588
Capital outlay	25,708,946	188,785,234	66,869	182,567
Debt service:				
Principal retirement	14,400,347	-	3,742	2,648
Interest and other charges	3,272,775	-	392	204
Total expenditures	2,414,481,009	208,478,380	78,057,819	68,177,007
Deficiency of revenues over expenditures	(30,975,430)	(48,207,460)	(2,295,049)	(19,140,275)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	15,096,706	-	21,376,992
Transfers out	(36,873,698)	-	-	-
Capital leases and installment purchases	11,128,753	-	18,768	-
Total other financing sources (uses)	(25,744,945)	15,096,706	18,768	21,376,992
Net change in fund balances	(56,720,375)	(33,110,754)	(2,276,281)	2,236,717
Fund balances, July 1, 2013	213,988,321	108,385,281	15,689,133	14,781,072
Increase in reserve for inventories of supplies	-	-	342,573	-
Fund balances, June 30, 2014	$ 157,267,946	75,274,527	13,755,425	17,017,789

EXHIBIT I-1

Funds Funds Adult and Community Education	Total Governmental Funds	
		REVENUES
1,753,687	2,559,312,867	Intergovernmental
5,628,077	57,838,190	Charges for services
4,960	3,182,949	Revenue from the use of money and property
-	42,140,113	Recovered costs
411,360	13,899,966	Other
7,798,084	2,676,374,085	Total revenues
		EXPENDITURES
		Current:
8,340,275	2,545,110,766	Education
75,440	214,819,056	Capital outlay
		Debt service:
-	14,406,737	Principal retirement
-	3,273,371	Interest and other charges
8,415,715	2,777,609,930	Total expenditures
(617,631)	(101,235,845)	Deficiency of revenues over expenditures
		OTHER FINANCING SOURCES (USES)
400,000	36,873,698	Transfers in
-	(36,873,698)	Transfers out
-	11,147,521	Capital leases and installment purchases
400,000	11,147,521	Total other financing sources (uses)
(217,631)	(90,088,324)	Net change in fund balances
584,155	353,427,962	Fund balances, July 1, 2013
-	342,573	Increase in reserve for inventories of supplies
366,524	263,682,211	Fund balances, June 30, 2014

continued

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT I-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, 2014

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		$ (90,088,324)
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	$ 214,819,056	
Less depreciation/amortization expense	(124,874,992)	89,944,064
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.		1,841,915
Gain or 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. The difference is the net depreciated value of the disposed capital assets.		(375,757)
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 position and do not result in an expense in the statement of activities.		14,406,737
Retirement of lease debt		5,275,817
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.		393,314
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.		569,580
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.		230,241
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 position and does not affect the statement of activities. This amount represents principal amounts of new capital leases and and installment purchases.		(11,147,521)
Rent abatement charges reduce deferred rent in government-wide statements, but do not use current resources so are not reported in governmental funds.		420,555
Inventory changes impact net assets in government-wide statements, but are recorded as expenditures when purchase in governmental fund statements.		342,573
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.		8,780,938
Change in net position of governmental activities		$ 20,594,132

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT I-2

Fairfax County Public Schools
Budgetary Comparison Schedule - General Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 599,548,393	611,790,549	603,565,217	(8,225,332)
Charges for services	7,919,212	7,919,212	8,362,583	443,371
Revenue from the use of money and property	2,773,923	2,773,923	3,154,172	380,249
Recovered costs	43,036,416	43,036,416	41,985,113	(1,051,303)
Other	6,877,014	6,877,014	8,849,763	1,972,749
Total revenues	660,154,958	672,397,114	665,916,848	(6,480,266)
EXPENDITURES				
Education	2,423,290,250	2,511,294,639	2,399,575,333	111,719,306
Total expenditures	2,423,290,250	2,511,294,639	2,399,575,333	111,719,306
Excess (deficiency) of revenues over (under) expenditures	(1,763,135,292)	(1,838,897,525)	(1,733,658,485)	105,239,040
OTHER FINANCING USES				
Transfers in	1,717,588,731	1,717,588,731	1,717,588,731	-
Transfers out	(34,541,937)	(40,650,621)	(40,650,621)	-
Total other financing uses	1,683,046,794	1,676,938,110	1,676,938,110	-
Net change in fund balance	$ (80,088,498)	(161,959,415)	(56,720,375)	105,239,040

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT I-3A

Fairfax County Public Schools
Budgetary Comparison Schedule - Food and Nutrition Services Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 32,409,789	32,881,115	34,178,417	1,297,302
Charges for services	48,233,348	43,998,145	41,566,590	(2,431,555)
Revenue from the use of money and property	54,950	54,950	17,763	(37,187)
Total revenues	80,698,087	76,934,210	75,762,770	(1,171,439)
EXPENDITURES				
Education	96,388,598	92,623,343	78,039,051	14,584,292
Total expenditures	96,388,598	92,623,343	78,039,051	14,584,292
Excess (deficiency) of revenues over (under) expenditures	(15,690,511)	(15,689,133)	(2,276,281)	13,412,852
Net change in fund balance	$ (15,690,511)	(15,689,133)	(2,276,281)	13,412,852

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT I-3B

Fairfax County Public Schools
Budgetary Comparison Schedule - Grants and Self-Supporting Programs Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 43,088,404	50,841,344	41,453,715	(9,387,629)
Charges for services	2,010,330	2,010,330	2,280,940	270,610
Revenue from the use of money and property	-	-	6,054	6,054
Other	380,107	1,353,885	1,063,848	(290,037)
Total revenues	45,478,841	54,205,559	44,804,557	(9,401,002)
EXPENDITURES				
Education	71,832,723	94,488,160	68,177,007	26,311,153
Total expenditures	71,832,723	94,488,160	68,177,007	26,311,153
Excess (deficiency) of revenues over (under) expenditures	(26,353,882)	(40,282,601)	(23,372,451)	16,910,151
OTHER FINANCING SOURCES				
Transfers in from other governmental funds	21,376,992	21,376,993	21,376,992	(1)
Transfers in from primary government	4,132,175	4,132,175	4,232,175	100,000
Total other financing sources	25,509,167	25,509,168	25,609,167	99,999
Net change in fund balance	$ (844,715)	(14,773,433)	2,236,717	17,010,150

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT I-3C

Fairfax County Public Schools
Budgetary Comparison Schedule - Adult and Community Education Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 2,704,848	2,865,002	1,753,687	(1,111,315)
Charges for services	5,464,964	5,464,965	5,628,077	163,112
Recovered costs	3,062	3,062	4,960	1,898
Other	436,625	436,625	411,360	(25,265)
Total revenues	8,609,499	8,769,654	7,798,084	(971,570)
EXPENDITURES				
Education	9,009,499	9,753,810	8,415,715	1,338,095
Total expenditures	9,009,499	9,753,810	8,415,715	1,338,095
Excess (deficiency) of revenues over (under) expenditures	(400,000)	(984,156)	(617,631)	366,525
OTHER FINANCING SOURCES				
Transfers in	400,000	400,000	400,000	-
Total other financing sources	400,000	400,000	400,000	-
Net change in fund balance	$ -	(584,156)	(217,631)	366,525

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT I-4

Fairfax County Public Schools
Combining Statement of Net Position - Internal Service Funds
June 30, 2014

	Central Procurement	Health Benefits Trust	Insurance	Total Internal Service Funds
ASSETS				
Current assets:				
Equity in pooled cash and temporary investments	$ 19	80,727,540	50,181,767	130,909,326
Accounts receivable	-	5,832,772	-	5,832,772
Accrued interest receivable	-	78,535	-	78,535
Inventories of supplies	958,125	-	-	958,125
Prepaid items	-	-	4,086	4,086
Total current assets	958,144	86,638,847	50,185,853	137,782,844
Long-term assets - Capital assets:				
Equipment	100,053	-	40,029	140,082
Accumulated depreciation	(94,573)	-	(39,036)	(133,609)
Total long-term assets	5,480	-	993	6,473
Total assets	963,624	86,638,847	50,186,846	137,789,317
DEFERRED OUTFLOW OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	2,066	8,035,804	962,867	9,000,737
Interfund payables	675,000	-	-	675,000
Compensated absences payable	5,681	84,376	41,103	131,160
Insurance and benefit claims payable	-	22,157,800	7,201,111	29,358,911
Unearned revenue	-	10,134,831	-	10,134,831
Total current liabilities	682,747	40,412,811	8,205,081	49,300,639
Long-term liabilities:				
Compensated absences payable	2,435	36,161	17,615	56,211
Insurance and benefit claims payable	-	1,166,200	28,804,442	29,970,642
Total long-term liabilities	2,435	1,202,361	28,822,057	30,026,853
Total liabilities	685,182	41,615,172	37,027,138	79,327,492
DEFERRED INFLOW OF RESOURCES				
Total deferred inflow of resouces	-	-	-	-
NET POSITION				
Net investment in capital assets	5,480	-	993	6,473
Unrestricted	272,962	45,023,675	13,158,715	58,455,352
Net position	$ 278,442	45,023,675	13,159,708	58,461,825

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT I-5

Fairfax County Public Schools
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds
For the fiscal year ended June 30, 2014

	Central Procurement	Health Benefits Trust	Insurance	Total Internal Service Funds
OPERATING REVENUES:				
Charges for services	$ 4,375,594	340,022,577	14,822,262	359,220,433
Total operating revenues	4,375,594	340,022,577	14,822,262	359,220,433
OPERATING EXPENSES:				
Cost of goods sold	4,048,611	-	-	4,048,611
Personnel services	133,637	2,162,178	978,768	3,274,583
Depreciation expense	1,251	-	1,323	2,574
Claims and benefit payments	-	327,526,517	12,040,773	339,567,290
Professional consultant and contractual services	-	10,324,192	906,945	11,231,137
Other	248,543	31,037	320,015	599,595
Total operating expenses	4,432,042	340,043,924	14,247,824	358,723,790
Operating income (loss)	(56,448)	(21,347)	574,438	496,643
NONOPERATING REVENUES:				
Interest revenue	-	72,937	-	72,937
Total nonoperating revenues	-	72,937	-	72,937
Income (loss) before operating transfers	(56,448)	51,590	574,438	569,580
Change in net position	(56,448)	51,590	574,438	569,580
Net position, July 1, 2013	334,890	44,972,085	12,585,270	57,892,245
Net position, June 30, 2014	$ 278,442	45,023,675	13,159,708	58,461,825

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT I-6

Fairfax County Public Schools
Combining Statement of Cash Flows - Internal Service Funds
For the fiscal year ended June 30, 2014

	Central Procurement	Health Benefits Trust	Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	$ 4,375,594	338,186,213	14,822,262	357,384,069
Payments to suppliers	(3,835,301)	-	-	(3,835,301)
Payments to employees	(133,637)	(2,162,178)	(978,768)	(3,274,583)
Claims and benefits paid	-	(323,085,454)	(10,318,266)	(333,403,720)
Payments for professional services	-	(6,849,752)	(122,781)	(6,972,533)
Payments for other operating expenses	(251,030)	(36,709)	(320,015)	(607,754)
Net cash provided by operating activities	155,626	6,052,120	3,082,432	9,290,178
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Net advances from other funds	(156,100)	-	-	(156,100)
Net cash provided by noncapital financing activities	(156,100)	-	-	(156,100)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	126,957	-	126,957
Net cash provided by investing activities	-	126,957	-	126,957
Net increase in cash and cash equivalents	(474)	6,179,077	3,082,432	9,261,035
Cash and cash equivalents, July 1, 2012	493	74,548,463	47,099,335	121,648,291
Cash and cash equivalents, June 30, 2013	$ 19	80,727,540	50,181,767	130,909,326
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ (56,448)	(21,347)	574,438	496,643
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,251	-	1,323	2,574
Change in assets and liabilities:				
Decrease in accounts receivable	-	(2,517,097)	-	(2,517,097)
Decrease in inventories of supplies	336,605	-	-	336,605
(Increase) in other assets	-	-	(4,086)	(4,086)
(Decrease) Increase in accounts payable and accrued liabilities	(130,868)	3,468,768	788,250	4,126,150
(Decrease) Increase in actuarial claims payable	-	4,430,000	1,714,233	6,144,233
Decrease in unearned revenue	-	680,733	-	680,733
Increase in compensated absences	5,086	11,063	8,274	24,423
Total adjustments to operating income (loss)	212,074	6,073,467	2,507,994	8,793,535
Net cash provided (used) by operating activities	$ 155,626	6,052,120	3,082,432	9,290,178

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT I-7

Fairfax County Public Schools
Statement of Fiduciary Net Position
June 30, 2014

	Pension Trust Fund - Educational Employees' Supplementary Retirement System	OPEB Trust Fund	Total Pension and OPEB Trust Funds
ASSETS			
Equity in pooled cash and temporary investments	$ 2,027,643	500	2,028,143
Cash with fiscal agents	559,643	-	559,643
Cash collateral for securities lending	175,405,588	-	175,405,588
Short-term investments	56,058,086	11	56,058,097
Accrued interest and dividends receivable	3,419,057	-	3,419,057
Receivable from sale of pension investments	3,373,707	149,103	3,522,810
Investments, at fair value:			
U.S. Government securities	25,166,149	-	25,166,149
Mortgage-backed securities	3,437,784	-	3,437,784
Corporate bonds	143,838,237	-	143,838,237
Common and preferred stock	662,297,752	28,623,556	690,921,308
Real estate	170,254,849	-	170,254,849
Global asset allocation	223,631,110		223,631,110
Better beta derivatives	112,865,754		112,865,754
Hedge funds	174,498,284	7,643,005	182,141,289
Private Equity Mutual Partnership	34,645,625	-	34,645,625
Mutual funds	601,339,353	47,498,863	648,838,216
Prepaid items and other assets	5,004	-	5,004
Equipment, net of depreciation	25,786	-	25,786
Total assets	2,392,849,411	83,915,038	2,476,764,449
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
LIABILITIES			
Accounts payable and accrued liabilities	1,957,496		1,957,496
Interfund payables		37,700	37,700
Payable for purchase of pension investments	10,567,130		10,567,130
Liabilities for collateral received under securities lending agreements	175,405,588	-	175,405,588
Total liabilities	187,930,214	37,700	187,967,914
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
NET POSITION			
Held in trust for pension/OPEB benefits	$ 2,204,919,197	83,877,338	2,288,796,535

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT I-8

Fairfax County Public Schools
Statement of Changes in Plan Net Position - Trust Funds
For the fiscal year ended June 30, 2014

	Pension Trust Fund - Educational Employees' Supplementary Retirement System	OPEB Trust Fund	Total Pension and OPEB Trust Funds
ADDITIONS			
Contributions:			
Employer	$ 74,174,082	25,524,938	99,699,020
Plan members	40,018,590	-	40,018,590
Total contributions	114,192,672	25,524,938	139,717,610
Investment income:			
From investment activities:			
Net depreciation in fair value of investments	272,689,846	9,001,941	281,691,787
Interest and dividends	40,909,308	12	40,909,320
Real estate income	2,922,632	-	2,922,632
Other	54,967	-	54,967
Total income from investment activities	316,576,753	9,001,953	325,578,706
Less investment activities expenses:			
Management fees	11,271,734	48,805	11,320,539
Other	893,325	500	893,825
Total investment activities expenses	12,165,059	49,305	12,214,364
Net income from investment activities	304,411,694	8,952,648	313,364,342
From securities lending activities:			
Securities lending income	131,434	-	131,434
Less securities lending expenses:			
Borrower rebates	(173,929)	-	(173,929)
Management fees	76,254	-	76,254
Total securities lending activities expenses	(97,675)	-	(97,675)
Net income from securities lending activities	229,109	-	229,109
Net investment income	304,640,803	8,952,648	313,593,451
Total additions	418,833,475	34,477,586	453,311,061
DEDUCTIONS			
Benefits	161,276,831	15,524,938	176,801,769
Refunds of contributions	5,772,959	-	5,772,959
Administrative expenses	3,637,314	-	3,637,314
Total deductions	170,687,104	15,524,938	186,212,042
Net increase	248,146,371	18,952,648	267,099,019
Net position, July 1, 2013	1,956,772,826	64,924,690	2,021,697,516
Net position, June 30, 2014	$ 2,204,919,197	83,877,338	2,288,796,535

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT I-9

Fairfax County Public Schools
Statement of Changes in Assets and Liabilities - Agency Fund
For the fiscal year ended June 30, 2014

	Balances June 30, 2013	Additions	Deductions	Balances June 30, 2014
Student Activity Fund:				
Assets:				
Cash with fiscal agents	$ 19,298,822	116,560,273	115,924,721	19,934,374
Accounts receivable	453,285	134,763	168,795	419,253
Inventories of supplies	372,982	106,567	110,279	369,270
Total assets	20,125,089	116,801,603	116,203,795	20,722,897
Liabilities:				
Accounts payable and accrued liabilities	586,691	261,897	302,093	546,495
Due to student groups	19,538,398	1,864,166	1,226,162	20,176,402
Total liabilities	$ 20,125,089	2,126,063	1,528,255	20,722,897

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 J

Fairfax County Redevelopment and Housing Authority
Statement of Net Position
June 30, 2014

	Housing Authority	Component Units of Housing	Total Entity
ASSETS			
Current assets:			
Equity in pooled cash and temporary investments	$ 28,327,472	-	28,327,472
Cash in banks	6,641,457	5,471,128	12,112,585
Investments	4,805,000	-	4,805,000
Receivables (net of allowances):			
Accounts	741,462	100,070	841,532
Accrued interest	361,475	-	361,475
Notes	445,069	-	445,069
Property held for sale	1,515,352	-	1,515,352
Prepaid and other assets	4,345,725	-	4,345,725
Restricted assets:			
Performance and other deposits	2,494,168	603,614	3,097,782
Investments	1,920,140	-	1,920,140
Total current assets	51,597,320	6,174,812	57,772,132
Long-term assets:			
Restricted assets:			
Cash reserves	8,639,048	6,028,745	14,667,793
Investments	430,897	-	430,897
Total restricted assets	9,069,945	6,028,745	15,098,690
Capital assets:			
Non-depreciable/non-amortizable:			
Land	30,405,214	11,906,680	42,311,894
Construction in progress	235,082	36,396	271,478
Depreciable/amortizable:			
Equipment	572,657	1,370,454	1,943,111
Buildings and improvements	137,742,298	86,804,320	224,546,618
Accumulated depreciation/amortization	(89,550,521)	(36,125,572)	(125,676,093)
Total capital assets, net	79,404,730	63,992,278	143,397,008
Other long-term assets:			
Notes receivable	25,792,277	-	25,792,277
Prepaid and other assets	328,359	-	328,359
Unearned financing fees (net of amortization)	-	1,032,116	1,032,116
Total other long-term assets	26,120,636	1,032,116	27,152,752
Total long-term assets	114,595,311	71,053,139	185,648,450
Total assets	166,192,631	77,227,951	243,420,582
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	979,004	5,281,195	6,260,199
Accrued salaries and benefits	631,934	-	631,934
Due to primary government	2,323	-	2,323
Unearned revenue	2,079,445	146,136	2,225,581
Performance and other deposits	1,809,037	551,463	2,360,500
Mortgage notes payable	3,147,061	568,458	3,715,519
Compensated absences payable	571,918	-	571,918
Total current liabilites	9,220,722	6,547,252	15,767,974
Long-term liabilities:			
Mortgage notes payable	30,741,352	52,687,180	83,428,532
Compensated absences payable	554,173	-	554,173
Other accrued long-term interest	-	4,942,356	4,942,356
Total long-term liabilities	31,295,525	57,629,536	88,925,061
Total liabilities	40,516,247	64,176,788	104,693,035
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflow of resources	-	-	-
NET POSITION			
Net investment in capital assets	67,317,441	10,736,640	78,054,081
Restricted	12,057,118	6,080,896	18,138,014
Unrestricted	46,301,825	(3,766,373)	42,535,452
Net Position	$ 125,676,384	13,051,163	138,727,547

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

Fairfax County Redevelopment and Housing Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the fiscal year ended June 30, 2014

		Housing Authority	Component Units of Housing	Total Entity
OPERATING REVENUES:				
Dwelling rentals	$	27,485,313	10,656,393	38,141,706
Other		3,659,157	907,693	4,566,850
Total operating revenues		31,144,470	11,564,086	42,708,556
OPERATING EXPENSES:				
Personnel services		15,876,381	2,386,320	18,262,701
Materials and supplies		2,452,517	2,728,199	5,180,716
Repairs and maintenance		4,337,242	2,042,380	6,379,622
Housing assistance payments		53,064,631	-	53,064,631
Depreciation and amortization		3,404,311	2,778,190	6,182,501
Contractual services		221,092	147,113	368,205
Utilities		7,054,992	1,324,202	8,379,194
Total operating expenses		86,411,166	11,406,404	97,817,570
Operating income (loss)		(55,266,696)	157,682	(55,109,014)
NONOPERATING REVENUES (EXPENSES):				
Intergovernmental revenue		63,466,210	2,889,423	66,355,633
Interest revenue		216,864	5,803	222,667
Interest expense		(655,259)	(2,608,056)	(3,263,315)
Grant to the County		(5,218,400)	-	(5,218,400)
Total nonoperating revenues (expenses)		57,809,415	287,170	58,096,585
Gain (loss) before contributions		2,542,719	444,852	2,987,571
CAPITAL CONTRIBUTIONS:				
Investor capital contributions		-	412,623	412,623
HUD capital contributions		1,153,660	-	1,153,660
Total capital contributions		1,153,660	412,623	1,566,283
Change in net position		3,696,379	857,475	4,553,854
Net Position, July 1, 2013		121,980,005	12,193,688	134,173,693
Net Position, June 30, 2014	$	125,676,384	13,051,163	138,727,547

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT J-2

Fairfax County Redevelopment and Housing Authority
Statement of Cash Flows
For the fiscal year ended June 30, 2014

	Housing Authority	Component Units of Housing	Total Entity
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	$ 27,358,813	10,742,847	38,101,660
Other operating cash receipts	3,323,337	907,489	4,230,826
Payments to employees for services	(15,840,751)	(2,386,320)	(18,227,071)
Payments made for housing assistance	(52,979,650)	-	(52,979,650)
Payments to suppliers for goods and services	(14,485,602)	(6,754,141)	(21,239,743)
Purchase of property held for sale	(2,296,717)	-	(2,296,717)
Receipts from sale of property held for sale	1,808,112	-	1,808,112
Net cash provided (used) by operating activities	(53,112,458)	2,509,875	(50,602,583)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Retirement of loans, notes, and bonds payables	(272,786)	-	(272,786)
Intergovernmental revenue received	65,518,720	2,889,423	68,408,143
Amount provided to County	(5,218,400)	-	(5,218,400)
Net cash provided by noncapital financing activities	60,027,534	2,889,423	62,916,957
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(6,773,647)	(57,733)	(6,831,380)
Proceeds from issuance of debt	-	174,204	174,204
Interest payments	(667,601)	(2,318,208)	(2,985,809)
Debt principal payments	(1,208,282)	(5,159,353)	(6,367,635)
HUD debt service and capital contributions	1,153,660	412,623	1,566,283
Net cash used by capital and related financing activities	(7,495,870)	(6,948,467)	(14,444,337)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of loan and advance repayments	529,494	-	529,494
Disbursement of loans and advances receivable	(161,030)	-	(161,030)
Acquisition of investments	(1,510,850)	-	(1,510,850)
Interest received	178,280	5,803	184,083
Net cash provided (used) by investing activities	(964,106)	5,803	(958,303)
Net increase (decrease) in cash and cash equivalents	(1,544,900)	(1,543,366)	(3,088,266)
Cash and cash equivalents, July 1, 2013	47,647,045	13,646,853	61,293,898
Cash and cash equivalents, June 30, 2014	$ 46,102,145	12,103,487	58,205,632
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating loss	$ (55,266,696)	157,683	(55,109,013)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	3,404,311	2,778,190	6,182,501
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(704,339)	163,273	(541,066)
(Increase) decrease in prepaid and other assets	(422,712)	80,345	(342,367)
(Decrease) in accounts payable and accrued liabilities	(359,319)	(592,592)	(951,911)
Increase in accrued salaries and benefits	69,503	-	69,503
Increase (decrease) in performance and other deposits	32,084	(205)	31,879
Increase (decrease) in unearned revenue	134,710	(76,819)	57,891
Total adjustments to operating income (loss)	2,154,238	2,352,192	4,506,430
Net cash provided (used) by operating activities	$ (53,112,458)	2,509,875	(50,602,583)

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 and Operating Fund.

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Park Authority
Balance Sheet
June 30, 2014

	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	$ -	11,027,368	-
Receivables:			
Accounts	-	6,385	-
Accrued interest	-	11,998	-
Due from primary government	1,334,514	-	430,735
Due from Intergovernmental units	-	-	-
Restricted assets:			
Equity in pooled cash and temporary investments	-	-	-
Investments	-	511,915	-
Total assets	1,334,514	11,557,666	430,735
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	1,334,514	11,557,666	430,735
LIABILITIES			
Accounts payable and accrued liabilities	$ 237,121	824,128	393,378
Accrued salaries and benefits	1,097,393	1,345,243	-
Contract retainages	-	-	37,357
Deferred revenue	-	5,178,016	-
Performance and other deposits	-	95,106	-
Total liabilities	1,334,514	7,442,493	430,735
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	1,334,514	7,442,493	430,735
FUND BALANCES			
Restricted for:			
Capital projects	-	-	-
Debt service	-	511,915	-
E.C.Lawrence Trust	-	-	-
Repair and replacement	-	-	-
Committed to:			
Managed reserve	-	2,053,518	-
Donation/Deferred revenue	-	1,246,804	-
Facilities and services reserve	-	-	-
Other capital projects	-	-	-
Assigned to:			
Park operation and maintenance	-	302,936	-
Total fund balances	-	4,115,173	-
Total liabilities, deferred inflows of resources, and fund balances	$ 1,334,514	11,557,666	430,735

Reconciliation of the Balance Sheet to the Statement of Net Position

Fund balances - Total governmental funds		$ 29,631,983
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $756,611,620 and the accumulated depreciation is $192,880,712.		590,400,651
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	$ (4,903,576)	
Compensated absences payable	(4,561,703)	
Loan from primary government	(12,588,500)	
Accrued interest payable	(49,478)	(22,103,257)
Net position of governmental activities		$ 597,929,377

EXHIBIT K

Funds			
Projects Funds			
Park Construction Bond	Park Capital Improvement	Total Governmental Funds	
			ASSETS
-	23,192,005	34,219,373	Equity in pooled cash and temporary investments
			Receivables:
-	-	6,385	Accounts
-	31,670	43,668	Accrued interest
-	-	1,765,249	Due from primary government
100,000	6,742	106,742	Due from Intergovernmental units
			Restricted assets:
2,133,805	2,207,926	4,341,731	Equity in pooled cash and temporary investments
-	-	511,915	Investments
2,233,805	25,438,343	40,995,063	Total assets
			DEFERRED OUTFLOWS OF RESOURCES
-	-	-	Total deferred outflows of resources
2,233,805	25,438,343	40,995,063	Total assets and deferred outflows of resources
			LIABILITIES
397,424	363,020	2,215,071	Accounts payable and accrued liabilities
-	-	2,442,636	Accrued salaries and benefits
503,639	72,134	613,130	Contract retainages
-	168,807	5,346,823	Deferred revenue
-	650,314	745,420	Performance and other deposits
901,063	1,254,275	11,363,080	Total liabilities
			DEFERRED INFLOWS OF RESOURCES
-	-	-	Total deferred inflows of resources
901,063	1,254,275	11,363,080	Total liabilities and deferred inflows of resources
			FUND BALANCES
			Restricted for:
1,332,742	9,940,691	11,273,433	Capital projects
-	-	511,915	Debt service
-	1,507,926	1,507,926	E.C.Lawrence Trust
-	700,000	700,000	Repair and replacement
			Committed to:
-	-	2,053,518	Managed reserve
-	-	1,246,804	Donation/Deferred revenue
-	2,572,411	2,572,411	Facilities and services reserve
-	9,463,040	9,463,040	Other capital projects
			Assigned to:
-	-	302,936	Park operation and maintenance
1,332,742	24,184,068	29,631,983	Total fund balances
2,233,805	25,438,343	40,995,063	Total liabilities, deferred inflows of resources, and fund balances

COUNTY OF FAIRFAX, VIRGINIA

Fairfax County Park Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2014

		Major Governmental	
	General Fund (Financed from County General Fund)	Special Revenue Fund - Park Revenue	Capital Financed from County Construction Fund
REVENUES			
Intergovernmental	$ 31,427,759	-	9,453,395
Charges for services	1,314,874	39,721,101	19,688
Developers' contributions	-	-	-
Revenue from the use of money and property	-	2,402,654	-
Gifts, donations, and contributions	-	678,644	-
Other	-	252,711	-
Total revenues	32,742,633	43,055,110	9,473,083
EXPENDITURES			
Current:			
Parks, recreation, and cultural	32,742,633	40,975,936	7,407,045
Intergovernmental	-	775,000	-
Capital outlay	-	246,571	2,066,038
Debt service:			
Principal retirement	-	243,700	-
Interest and other charges	-	679,640	-
Total expenditures	32,742,633	42,920,847	9,473,083
Excess (deficiency) of revenues over (under) expenditures	-	134,263	-
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(1,500,000)	-
Total other financing sources (uses)	-	(1,500,000)	-
Net change in fund balances	-	(1,365,737)	-
Fund balances, July 1, 2013	-	5,480,910	-
Fund balances, June 30, 2014	$ -	4,115,173	-

EXHIBIT K-1

Funds			
Projects Funds			
Park Construction Bond	Park Capital Improvement	Total Governmental Funds	
			REVENUES
13,000,000	158,767	54,039,921	Intergovernmental
-	796	41,056,459	Charges for services
-	774,390	774,390	Developers' contributions
-	835,835	3,238,489	Revenue from the use of money and property
37,500	483,762	1,199,906	Gifts, donations and contributions
-	-	252,711	Other
13,037,500	2,253,550	100,561,876	Total revenues
			EXPENDITURES
			Current:
181,130	898,952	82,205,696	Parks, recreation, and cultural
-	1,285,000	2,060,000	Intergovernmental
18,469,406	6,214,532	26,996,547	Capital outlay
			Debt service:
-	-	243,700	Principal retirement
-	-	679,640	Interest and other charges
18,650,536	8,398,484	112,185,583	Total expenditures
(5,613,036)	(6,144,934)	(11,623,707)	Excess (deficiency) of revenues over (under) expenditures
			OTHER FINANCING SOURCES (USES)
-	1,500,000	1,500,000	Transfers in
-	-	(1,500,000)	Transfers out
-	1,500,000	-	Total other financing sources (uses)
(5,613,036)	(4,644,934)	(11,623,707)	Net change in fund balances
6,945,778	28,829,002	41,255,690	Fund balances, July 1, 2013
1,332,742	24,184,068	29,631,983	Fund balances, June 30, 2014

continued

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT K-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, 2014

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		$ (11,623,707)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.		
Capital outlays	26,996,547	
Depreciation expense	(11,184,851)	15,811,696
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.		3,011,808
In the statement of activities, the gain or loss on the disposition of capital assets is reported. However, in the governmental funds only the proceeds from sales are reported, which increases fund balance. Thus, the difference is the depreciated cost of the capital assets dispositions.		37,696
Certain costs reported in prior year construction in progress balances were determined not to be capital		(2,948,795)
Repayment of the principal amount of long-term debt is reported as an expenditure or as an other financing use when debt is refunded in governmental funds and thus, reduces fund balance. However, the principal payment reduces the liabilities in the statement of net position and do not result in the statement of activities.		
Principal payments of notes	243,700	243,700
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 itemas are amortized. This difference in interest reporting is as follows:		
Interest expense	(31,845)	
Amortized premium and deferred loss	52,270	20,425
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	34,792	34,792
Change in net position of governmental activities		$ 4,587,615

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT K-2A

Fairfax County Park Authority
Budgetary Comparison Schedule - General Fund (Financed from County General Fund) (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 21,079,607	21,839,784	21,721,874	(117,910)
Charges for services	1,830,093	1,467,166	1,314,874	(152,292)
Total revenues	22,909,700	23,306,950	23,036,748	(270,202)
EXPENDITURES				
Current:				
Parks, recreation, and cultural	22,909,700	23,306,950	23,036,748	270,202
Total expenditures	22,909,700	23,306,950	23,036,748	270,202
Net change in fund balance	$ -	-	-	-

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT K-2B

Fairfax County Park Authority
Budgetary Comparison Schedule - Park Revenue Fund (Budget Basis)
For the fiscal year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Charges for services	$ 41,021,056	40,217,056	39,721,101	(495,955)
Revenue from the use of money and property	2,563,463	2,557,463	2,402,654	(154,809)
Gifts, donations, and contributions	609,928	609,928	678,644	68,716
Other	50,822	50,822	252,711	201,889
Total revenues	44,245,269	43,435,269	43,055,110	(380,159)
EXPENDITURES				
Parks, recreation, and cultural	43,956,631	43,305,965	42,920,847	385,118
Total expenditures	43,956,631	43,305,965	42,920,847	385,118
Excess of revenues over expenditures	288,638	129,304	134,263	4,959
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(1,500,000)	(1,500,000)	-
Total other financing sources (uses)	-	(1,500,000)	(1,500,000)	-
Net change in fund balance	$ 288,638	(1,370,696)	(1,365,737)	4,959

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 L**

Fairfax County Economic Development Authority
Balance Sheet
June 30, 2014

	Governmental Fund (Financed from County General Fund)
ASSETS	
Due from primary government	$ 235,017
Accounts receivable	1,500
Total assets	236,517
DEFERRED OUTFLOWS OF RESOURCES	
Total deferred outflows of resources	-
Total assets and deferred outflows of resources	$ 236,517
LIABILITIES	
Accounts payable and accrued liabilities	75,537
Accrued salaries and benefits	160,688
Unearned revenue	292
Total liabilities	236,517
DEFERRED INFLOWS OF RESOURCES	
Total deferred inflows of resources	-
Total liabilities and deferred inflows of resources	236,517
FUND BALANCE	
Unreserved	-
Total liabilities, deferred inflows of resources and fund balance	$ 236,517

Reconciliation of the Balance Sheet to the Statement of Net Position

Fund balance - General Fund	$ -
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $806,808 and the accumulated depreciation and amortization is $410,187.	396,621
Long-term liabilities, including compensated absences payable, $289,772, and undearned rent, $887,962, are not due and payable in the current period and, therefore, are not reported in the fund.	(1,177,734)
Net position of governmental activities	$ (781,113)

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

Fairfax County Economic Development Authority
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the fiscal year ended June 30, 2014

	Governmental Fund (Financed from County General Fund)
REVENUES	
Intergovernmental	$ 8,517,820
Total revenues	8,517,820
EXPENDITURES	
Current:	
Community development	8,517,820
Total expenditures	8,517,820
Excess of revenues over expenditures	-
Fund balance, July 1, 2013	-
Fund balance, June 30, 2014	$ -

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	(75,336)	
Increase in liability for compensated absences	(10,441)	
Unearned rent	101,339	15,562
Change in net position of governmental activities		$ 15,562

COUNTY OF FAIRFAX, VIRGINIA — EXHIBIT L-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, 2014

	Budgeted Amounts		Actual Amounts	Variance from Final Budget Positive
	Original	Final	(Budget Basis)	(Negative)
REVENUES				
Intergovernmental	$ 7,259,183	7,288,083	7,288,075	(8)
Total revenues	7,259,183	7,288,083	7,288,075	(8)
EXPENDITURES				
Community development	7,259,183	7,288,083	7,288,075	8
Total expenditures	7,259,183	7,288,083	7,288,075	8
Net change in fund balance	$ -	-	-	-

COUNTY OF FAIRFAX
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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

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 Position by Component
Last Ten Fiscal Years

	Fiscal Year				
	2014	2013	2012 (2)	2011	2010
Governmental activities:					
Net investment in capital assets	$ 1,861,776,623	1,736,906,426	1,695,143,766	1,540,962,447	1,458,369,495
Restricted	286,196,280	214,950,085	226,409,285	308,394,968	210,842,044
Unrestricted (1)	(1,803,456,668)	(1,657,422,986)	(1,581,687,019)	(1,370,285,300)	(1,112,442,403)
Net position, governmental activities	$ 344,516,235	294,433,525	339,866,032	479,072,115	556,769,136
Business-type activities:					
Net investment in capital assets	$ 843,276,715	778,825,722	769,135,097	722,703,848	748,697,093
Restricted	43,116,468	44,113,954	51,055,374	93,427,366	44,371,666
Unrestricted	125,554,965	147,119,567	116,578,189	81,180,178	76,855,173
Net position, business-type activities	$ 1,011,948,148	970,059,243	936,768,660	897,311,392	869,923,932
Total Primary government:					
Net investment in capital assets	$ 2,705,053,338	2,515,732,148	2,464,278,863	2,263,666,295	2,207,066,588
Restricted	329,312,748	259,064,039	277,464,659	401,822,334	255,213,710
Unrestricted	(1,677,901,703)	(1,510,303,419)	(1,465,108,830)	(1,289,105,122)	(1,035,587,230)
Net position, primary government	$ 1,356,464,383	1,264,492,768	1,276,634,692	1,376,383,507	1,426,693,068

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				
2014	2013	2012	2011	2010
$ 1,625,585,624	1,596,333,283	1,453,383,980	1,431,198,421	1,371,914,260

Fiscal Year					
2009	2008	2007	2006	2005	
					Governmental activities:
1,399,874,484	1,313,609,617	1,176,653,933	1,075,520,989	1,034,317,673	Net investment in capital assets
188,432,037	55,360,397	45,835,642	36,903,134	30,414,477	Restricted
(1,093,476,245)	(919,381,116)	(762,741,854)	(777,273,475)	(882,121,487)	Unrestricted (1)
494,830,276	449,588,898	459,747,721	335,150,648	182,610,663	Net position, governmental activities
					Business-type activities:
645,044,053	757,799,128	789,479,735	786,263,108	787,889,313	Net investment in captial assets
148,760,524	28,251,270	46,489,817	57,514,949	56,463,753	Restricted
84,277,881	109,530,192	61,756,541	61,442,481	63,234,893	Unrestricted
878,082,458	895,580,590	897,726,093	905,220,538	907,587,959	Net position, business-type activities
					Total Primary government:
2,044,918,537	2,071,408,745	1,966,133,668	1,861,784,097	1,822,206,986	Net investment in capital assets
337,192,561	83,611,667	92,325,459	94,418,083	86,878,230	Restricted
(1,009,198,364)	(809,850,924)	(700,985,313)	(715,830,994)	(818,886,594)	Unrestricted
1,372,912,734	1,345,169,488	1,357,473,814	1,240,371,186	1,090,198,622	Net position, primary government

(2) Fiscal Year 2012 net position restated in Fiscal Year 2013 due to the implementation of GASB statement 65.

Fiscal Year				
2009	2008	2007	2006	2005
1,342,939,932	1,297,409,248	1,215,573,395	1,184,160,483	1,154,667,840

COUNTY OF FAIRFAX, VA
TABLE 1.2 - Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year				
	2014	2013	2012	2011	2010
Expenses					
Governmental activities:					
General government administration	$ 201,180,941	201,445,282	201,444,643 (7)	138,976,659	148,730,289
Judicial administration	54,913,419	46,336,343	54,731,149	52,295,620	40,825,671
Public safety	695,690,761	658,186,021	621,850,677	618,789,976	604,822,717
Public works	195,014,404	185,250,816	176,714,926	192,081,461	198,458,714
Health and welfare	551,586,755	542,052,102	562,237,332	546,852,765	495,727,107
Community development	352,759,047	387,551,012	393,528,633	378,565,455	232,156,056
Parks, recreation, and cultural	107,762,594	112,057,718	114,767,984	105,293,977	123,549,652
Education - for Public Schools	1,883,055,936	1,843,611,090	1,769,700,781	1,744,248,387	1,784,128,380
Interest on long-term debt	109,563,020	117,251,705	112,604,312	98,596,584	97,587,106
Total expenses, governmental activities	4,151,526,877	4,093,742,089	4,007,580,437	3,875,700,884	3,725,985,692
Business-type activities:					
Public works - Sewer	$ 174,845,675	169,212,487	163,955,907 (7)	156,989,198	155,490,570
Total expenses, business-type activities	174,845,675	169,212,487	163,955,907	156,989,198	155,490,570
Total expenses, primary government	4,326,372,552	4,262,954,576	4,171,536,344	4,032,690,082	3,881,476,262
Program Revenues					
Governmental activities:					
Charges for services:					
Public safety	$ 58,202,390	58,883,550	62,860,108	74,126,570	67,562,279
Public works	131,355,271	117,037,898	110,804,240	113,296,977	95,740,931
Health and welfare	69,351,107	64,938,672	68,152,942	70,834,601	63,641,537
Other activities	334,124,545	287,013,174	191,091,722	137,393,757	136,293,136
Operating grants and contributions	222,115,446	239,536,892	256,182,164	292,921,660	440,962,393
Capital grants and contributions	22,578,476	22,312,264	29,696,488	17,033,448	45,298,191
Total program revenues, governmental activities	837,727,235	789,722,450	718,787,664	705,607,013	849,498,467
Business-type activities:					
Charges for services:					
Public works - Sewer	$ 212,175,672	194,030,949	188,917,214	154,118,716	137,350,273
Capital grants and contributions	4,074,576	7,062,744	13,974,206	12,385,470	8,677,874
Total program revenues, business-type activities	216,250,248	201,093,693	202,891,420	166,504,186	146,028,147
Total program revenues, primary government	1,053,977,483	990,816,143	921,679,084	872,111,199	995,526,614
Net (Expense) Revenue					
Governmental activities	(3,313,799,642)	(3,304,019,639)	(3,288,792,773)	(3,170,093,871)	(2,876,487,225)
Business-type activities	41,404,573	31,881,206	38,935,513	9,514,988	(9,462,423)
Total primary government	$ (3,272,395,069)	(3,272,138,433)	(3,249,857,260)	(3,160,578,883)	(2,885,949,648)

Fiscal Year						
2009	2008	2007	2006	2005		
						Expenses
						Governmental activities:
160,696,700	155,387,589	140,972,403	133,838,032	182,163,429	(2)	General government administration
44,885,189	45,402,679	41,566,535	38,631,468	36,370,091		Judicial administration
624,257,988	614,837,542	580,551,244	550,648,594	481,881,184		Public safety
195,125,647	191,477,505	173,175,664	159,913,922	155,502,766		Public works
494,493,208	491,520,452	464,160,365	441,567,541	423,218,014		Health and welfare
273,649,566	206,158,826	224,697,345	185,778,647	167,075,768		Community development
140,802,569	182,268,495	126,638,121	137,380,297	126,227,717		Parks, recreation, and cultural
1,784,670,681	1,733,929,914	1,665,173,825	1,547,083,954	1,453,746,126		Education - for Public Schools
95,151,292	94,307,127	88,475,535	82,365,378	82,981,808		Interest on long-term debt
3,813,732,840	3,715,290,129	3,505,411,037	3,277,207,833	3,109,166,903		Total expenses, governmental activities
						Business-type activities:
148,934,682	142,521,912	136,914,753	136,063,778	125,435,224		Public works - Sewer
148,934,682	142,521,912	136,914,753	136,063,778	125,435,224		Total expenses, business-type activities
3,962,667,522	3,857,812,041	3,642,325,790	3,413,271,611	3,234,602,127		Total expenses, primary government
						Program Revenues
						Governmental activities:
						Charges for services:
62,631,798	62,297,005	55,092,085	53,558,588	41,565,418		Public safety
88,943,909	88,692,491	89,181,174	80,212,361	72,715,488		Public works
60,789,511	56,173,288	53,722,470	56,770,395	48,998,685		Health and welfare
181,759,896	63,191,212	82,465,140	72,600,753	64,486,204		Other activities
247,996,754	260,367,949	238,382,990	241,510,533	225,089,494		Operating grants and contributions
30,537,124	32,540,001	20,942,679	28,003,177	55,346,338		Capital grants and contributions
672,658,992	563,261,946	539,786,538	532,655,807	508,201,627		Total program revenues, governmental activities
						Business-type activities:
						Charges for services:
120,184,626	114,206,818	115,457,196	123,358,395	118,013,675		Public works - Sewer
8,950,919	10,087,940	8,137,150	5,888,926	7,248,130		Capital grants and contributions
129,135,545	124,294,758	123,594,346	129,247,321	125,261,805		Total program revenues, business-type activities
801,794,537	687,556,704	663,380,884	661,903,128	633,463,432		Total program revenues, primary government
						Net (Expense) Revenue
(3,141,073,848)	(3,152,028,183)	(2,965,624,499)	(2,744,552,026)	(2,600,965,276)		Governmental activities
(19,799,137)	(18,227,154)	(13,320,407)	(6,816,457)	(173,419)		Business-type activities
(3,160,872,985)	(3,170,255,337)	(2,978,944,906)	(2,751,368,483)	(2,601,138,695)		Total primary government

(continued)

COUNTY OF FAIRFAX, VA
TABLE 1.2 - Changes in Net Position (concluded)
Last Ten Fiscal Years

	Fiscal Year				
	2014	2013	2012	2011	2010
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Real property	$ 2,215,898,422	2,123,759,406	2,057,935,398	2,028,435,622	2,126,498,175
Personal property	362,772,805	353,275,799	316,966,006	301,272,265	296,610,992
Business licenses	158,619,113	158,768,484	155,480,677	150,669,671	138,684,942
Local sales and use	261,193,846	265,029,666	257,770,918	158,772,098	151,354,001
Consumers utility	74,633,997	73,450,331	65,254,197	113,731,677	117,882,816
Motor vehicle decals	-	-	-	27,408,623	-
Recordation	19,968,520	28,281,179	26,223,747	26,407,596	24,891,357
Occupancy, tobacco, and other	31,296,981	32,694,178	33,360,801	47,946,003	47,772,667
Unrestricted grants and contributions	230,920,811	209,291,717	218,287,716	211,818,969	366,331
Revenue from the use of money	8,577,857	9,836,372	14,807,663	18,634,630	34,364,804
Special item	-	4,200,000 (5)	3,499,567 (5)	7,299,696 (5)	-
Total general revenues and other changes in net position, governmental activities	3,363,882,352	3,258,587,132	3,149,586,690	3,092,396,850	2,938,426,085
Business-type activities:					
Revenue from the use of money	$ 484,332	1,409,377	521,755	1,084,587	1,303,897
Special item	-	-	-	16,787,885 (6)	-
Total general revenues and other changes in net position, business-type activities	484,332	1,409,377	521,755	17,872,472	1,303,897
Total general revenues and other changes in net position, primary government	3,364,366,684	3,259,996,509	3,150,108,445	3,110,269,322	2,939,729,982
Change in Net Position					
Governmental activities	50,082,710	(45,432,507)	(139,206,083)	(77,697,021)	61,938,860
Business-type activities	41,888,905	33,290,583	39,457,268	27,387,460	(8,158,526)
Total primary government	$ 91,971,615	(12,141,924)	(99,748,815)	(50,309,561)	53,780,334

Source: Fairfax County Department of Finance

Notes:

(1) 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.

(2) 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.

(3) 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.

(4) 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.

Fiscal Year					
2009	2008	2007	2006	2005	
					General Revenues and Other Changes in Net Position
					Governmental activities:
					Taxes:
2,093,518,885	2,020,779,749	1,938,762,106	1,785,065,735	1,638,739,052	Real property
316,717,991	307,572,072	310,274,454	288,584,215	277,668,819	Personal property
142,922,838	139,073,624	136,616,482	127,439,823	114,434,467	Business licenses
154,902,699	164,873,726	160,580,634	176,084,111	168,740,477	Local sales and use
113,556,023	122,378,380	116,673,940	103,271,085	96,189,365	Consumers utility
-	-	-	19,572,404	19,802,772	Motor vehicle decals
25,063,223	29,958,163	41,687,302	51,431,631	48,743,007	Recordation
40,122,826	40,827,006	46,450,935	41,195,083	33,376,957	Occupancy, tobacco, and other
211,981,020	212,546,890	216,873,082	215,804,028	200,817,597	Unrestricted grants and contributions
87,529,721	103,859,750	111,428,568	88,643,896	24,483,041	Revenue from the use of money
-	-	10,874,069 (3)	-	8,000,000 (1)	Special item
3,186,315,226	3,141,869,360	3,090,221,572	2,897,092,011	2,630,995,554	Total general revenues and other changes in net position, governmental activities
					Business-type activities:
2,301,005	5,127,079	5,825,962	4,449,036	3,505,410	Revenue from the use of money
-	10,954,572 (4)	-	-	-	Special item
2,301,005	16,081,651	5,825,962	4,449,036	3,505,410	Total general revenues and other changes in net position, business-type activities
3,188,616,231	3,157,951,011	3,096,047,534	2,901,541,047	2,634,500,964	Total general revenues and other changes in net position, primary government
					Change in Net Position
45,241,378	(10,158,823)	124,597,073	152,539,985	30,030,278	Governmental activities
(17,498,132)	(2,145,503)	(7,494,445)	(2,367,421)	3,331,991	Business-type activities
27,743,246	(12,304,326)	117,102,628	150,172,564	33,362,269	Total primary government

(5) 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 special items in the governmental activities, represent the installments on the $15 million cash payment.

(6) 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.

(7) Fiscal Year 2012 expenses restated due to the implementation of GASB statement 65.

COUNTY OF FAIRFAX, VA
TABLE 1.3 - Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year				
	2014	2013	2012	2011 (1)	2010 (2)
General Fund:					
Reserved	$ -	-	-	-	42,842,683
Unreserved	-	-	-	-	343,838,486
Nonspendable	614,966	727,441	1,129,586	308,818	-
Committed	220,628,054	216,879,261	213,718,785	206,627,013	-
Assigned	29,406,539	34,841,916	29,080,155	34,411,546	-
Unassigned	52,154,540	76,819,631	109,742,640	135,051,587	-
Total general fund	302,804,099	329,268,249	353,671,166	376,398,964	386,681,169
All Other Governmental Funds:					
Reserved	-	-	-	-	204,151,525
Unreserved, reported in:					
Special revenue funds	-	-	-	-	327,654,603
Debt service funds	-	-	-	-	12,918,625
Capital projects funds	-	-	-	-	74,003,428
Nonspendable	457,598	748,799	48,513,721	51,702,443	-
Restricted	779,237,002	565,814,956	569,803,909	566,941,106	-
Committed	151,287,756	162,348,750	155,083,147	158,420,964	-
Unassigned	-	(13,108,305)	(2,604,408)	-	-
Total all other governmental funds	$ 930,982,356	715,804,200	770,796,369	777,064,513	618,728,181

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					
2009	2008	2007	2006	2005	
					General Fund:
41,356,567	44,027,425	41,763,658	34,665,914	25,761,930	Reserved
237,826,810	227,421,300	249,823,537	239,587,945	210,724,987	Unreserved
-	-	-	-	-	Nonspendable
-	-	-	-	-	Committed
-	-	-	-	-	Assigned
-	-	-	-	-	Unassigned
279,183,377	271,448,725	291,587,195	274,253,859	236,486,917	Total general fund
					All Other Governmental Funds:
219,337,769	238,978,072	249,675,360	236,238,170	196,266,810	Reserved
					Unreserved, reported in:
342,552,944	219,078,434	191,493,718	184,308,185	180,570,230	Special revenue funds
10,487,202	8,890,466	12,121,986	8,361,065	14,302,670	Debt service funds
(64,900,755)	(3,629,250)	121,892,612	101,882,556	113,143,870	Capital projects funds
-	-	-	-	-	Nonspendable
-	-	-	-	-	Restricted
-	-	-	-	-	Committed
-	-	-	-	-	Unassigned
507,477,160	463,317,722	575,183,676	530,789,976	504,283,580	Total all other governmental funds

COUNTY OF FAIRFAX, VA
TABLE 1.4 - Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year				
	2014	2013	2012	2011	2010
Revenues					
Taxes	$ 3,119,946,744	3,036,288,822	2,907,905,803	2,857,920,425	2,899,801,062
Permits, privilege fees, and regulatory licenses	63,886,989	62,411,104	59,935,796	55,402,463	47,681,442
Intergovernmental	609,843,183	554,886,927	500,063,928	516,260,179	482,379,557
Charges for services	351,597,808	337,660,061	323,151,828	314,079,106	305,372,921
Fines and forfeitures	16,817,313	16,842,952	17,230,369	16,645,115	15,065,700
Revenue from the use of money and property	31,544,136	34,239,413	38,113,332	35,214,790	34,949,962
Recovered costs	16,141,935	14,076,599	20,294,568	21,034,191	16,701,652
Contributions and other	3,408,767	2,337,036	4,353,629	2,727,276	4,482,245
Total revenues	4,213,186,875	4,058,742,914	3,871,049,253	3,819,283,545	3,806,434,541
Expenditures					
Current:					
General government administration	164,384,546	172,947,861	142,882,772	131,833,676	133,726,104
Judicial administration	50,760,212	45,751,873	50,071,223	50,502,397	39,347,205
Public safety	690,063,408	639,655,183	594,264,731	573,559,767	565,403,962
Public works	202,904,525	198,203,970	194,764,262	203,941,440	218,774,283
Health and welfare	553,250,576	542,814,370	557,655,637	539,471,030	489,662,065
Community development	193,976,264	192,000,269	185,214,980	166,588,005	150,881,980
Parks, recreation, and cultural	51,709,656	54,270,433	51,248,180	45,300,724	65,451,624
Intergovernmental (1):					
Community development	146,812,410	178,024,166	195,414,873	196,331,575	64,962,498
Parks, recreation, and cultural	52,381,153	52,494,525	56,373,285	51,963,744	50,660,393
Education	1,878,460,936	1,843,611,090	1,769,700,781	1,744,248,387	1,784,128,380
Capital outlay	224,900,077	173,558,840	215,858,520	126,573,819	108,546,444
Debt service:					
Principal retirement	204,975,519	234,615,416	199,199,649	192,553,364	180,329,456
Interest and other charges	132,973,357	127,353,770	122,995,432	111,835,136	113,476,133
Total expenditures	4,547,552,639	4,455,301,766	4,335,644,325	4,134,703,064	3,965,350,527
Deficiency of revenues under expenditures	(334,365,764)	(396,558,852)	(464,595,072)	(315,419,519)	(158,915,986)
Other Financing Sources (Uses)					
Transfers in	581,375,596	525,335,599	547,558,731	485,495,544	515,765,999
Transfers out	(587,133,301)	(536,354,136)	(551,771,067)	(485,707,880)	(508,672,574)
Bonds issued	480,886,115	298,776,517	434,761,982	449,668,535	370,806,378
Refunding bonds issued	108,080,978	171,151,301	297,015,139	50,968,368	199,228,007
Payments to escrow agent	(107,703,910)	(145,945,515)	(295,465,222)	(50,785,617)	(198,007,662)
Capital leases, installment purchases, and other	47,574,292	-	-	6,535,000	-
Total other financing sources	523,079,770	312,963,766	432,099,563	456,173,950	379,120,148
Special Item		4,200,000	3,499,567	3,499,567	-
Net change in fund balances	$ 188,714,006	(79,395,086)	(28,995,942)	144,253,998	220,204,162
Debt service as a percentage of noncapital expenditures	7.8%	8.5%	7.8%	7.6%	7.6%

Source: Fairfax County Department of Finance

Note:

(1) Intergovernmental expenditures represent payments to component units, including Public Schools, the Park Authority, and the Economic Development Authority, and certain other government authorities.

Fiscal Year					
2009	2008	2007	2006	2005	
					Revenues
2,888,968,005	2,822,785,575	2,747,313,169	2,591,610,934	2,398,277,235	Taxes
41,148,793	42,102,636	44,581,986	45,335,405	40,591,871	Permits, privilege fees, and regulatory licenses
476,787,036	486,912,629	482,930,649	484,822,403	435,486,897	Intergovernmental
372,034,854	212,446,433	219,607,480	202,707,290	182,316,633	Charges for services
16,507,756	14,912,589	14,867,509	15,108,251	15,554,264	Fines and forfeitures
56,222,006	108,289,490	122,013,330	91,543,648	44,975,930	Revenue from the use of money and property
18,153,938	18,244,071	13,393,966	15,876,280	11,135,242	Recovered costs
6,639,296	4,975,659	6,771,263	6,708,723	6,920,481	Contributions and other
3,876,461,684	3,710,669,082	3,651,479,352	3,453,712,934	3,135,258,553	Total revenues
					Expenditures
					Current:
149,274,890	149,122,282	133,968,481	123,677,400	120,937,429	General government administration
43,230,230	43,509,367	41,062,317	38,113,725	35,409,832	Judicial administration
583,525,248	569,302,568	562,006,584	532,941,254	461,387,643	Public safety
215,701,070	218,923,642	210,888,400	195,231,421	180,096,171	Public works
488,328,771	488,090,226	463,193,567	442,392,799	421,059,009	Health and welfare
148,394,752	145,834,184	163,601,525	140,630,700	112,375,464	Community development
71,536,790	73,762,142	68,455,248	63,493,502	54,152,986	Parks, recreation, and cultural
					Intergovernmental (1):
111,546,162	53,272,255	52,461,994	36,375,841	42,713,945	Community development
57,753,807	97,512,863	51,998,820	67,429,466	65,432,258	Parks, recreation, and cultural
1,784,670,681	1,733,929,914	1,665,173,825	1,548,705,318	1,516,057,490	Education
103,631,142	269,431,452	151,872,354	159,498,041	114,008,813	Capital outlay
					Debt service:
181,248,484	172,491,889	163,468,305	155,731,090	149,333,276	Principal retirement
107,665,231	103,891,079	97,148,791	93,863,245	90,670,315	Interest and other charges
4,046,507,258	4,119,073,863	3,825,300,211	3,598,083,802	3,363,634,631	Total expenditures
(170,045,574)	(408,404,781)	(173,820,859)	(144,370,868)	(228,376,078)	Deficiency of revenues under expenditures
					Other Financing Sources (Uses)
519,572,088	493,747,382	500,822,272	494,604,574	454,613,670	Transfers in
(514,736,191)	(506,661,485)	(513,738,563)	(502,270,865)	(458,514,510)	Transfers out
211,699,021	250,487,439	248,483,479	199,964,050	280,615,984	Bonds issued
61,224,951	-	-	381,982,418	141,081,070	Refunding bonds issued
(61,085,125)	-	-	(381,019,900)	(140,525,562)	Payments to escrow agent
5,197,257	38,771,498	-	15,424,016	807,522	Capital leases, installment purchases, and other
221,872,001	276,344,834	235,567,188	208,684,293	278,078,174	Total other financing sources
-	-	-	-	15,500,000	**Special Item**
51,826,427	(132,059,947)	61,746,329	64,313,425	65,202,096	Net change in fund balances
7.3%	7.2%	7.1%	7.3%	7.4%	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)
2014	$ 154,104,662	52,968,482	876,142	207,949,286	15,866,827	1.085
2013	148,296,431	51,966,913	875,704	201,139,048	15,564,645	1.075
2012	146,877,992	47,040,882	839,163	194,758,037	14,689,068	1.07
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

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. Residential and Commercial properties are assessed as of January 1 and the properties of Public Service Corporations are assessed in October each year at the estimated fair market value of all land and improvements, with the resulting taxes being payable in the subsequent fiscal year.

(2) Rates are per $100 of assessed value, which is determined as of January 1 of the prior calendar 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
2014	1.085	0.265	0.2288
2013	1.075	0.27	0.242
2012	1.07	0.27	0.242
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

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 2014		
Rank	Taxpayer	Taxable Assessed Value (1)	Pct. of Total Taxable Assessed Value (2)
1	TYSONS CORNER PROPERTY HOLDINGS LLC	$ 1,137,857,650	0.55 %
2	CESC SKYLINE LLC	419,290,390	0.20
3	FAIRFAX COMPANY OF VIRGINIA LLC	379,938,870	0.18
4	FEDERAL HOME LOAN MORTGAGE CORP	341,990,170	0.17
5	CAMDEN SUMMIT PARTNERSHIP LP	326,992,350	0.16
6	SRI SEVEN FAIR LAKES LLC	264,259,140	0.13
7	PS BUSINESS PARKS LP	256,850,710	0.12
8	WASHINTON GAS LIGHT CO	252,538,480	0.12
9	RESTON TOWN CENTER PROPERTY LLC	238,816,470	0.12
10	HOMART NEWCO ONE INC	224,542,520	0.11
Totals		$ 3,843,076,750	1.86 %

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 2014 is $207,073,144,800.
Total taxable assessed value for fiscal year 2005 is $178,818,426,150.

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			
Fiscal Year	Taxes Levied for the Fiscal Year Original Levy (1)	Amount	Pct. of Original Levy	Adjustments to Original Levy in Subsequent Years (2)	Total Adjusted Levy
2014	$ 2,226,943,153	2,220,155,139	99.70 %	$ -	2,226,943,153
2013	2,132,072,324	2,124,865,909	99.66	(1,176,382)	2,130,895,942
2012	2,055,354,905	2,048,202,774	99.65	(1,252,511)	2,054,102,393
2011	2,024,903,008	2,017,592,586	99.64	(1,100,407)	2,023,802,601
2010	2,122,256,675	2,113,800,763	99.60	(1,302,122)	2,120,954,553
2009	2,088,602,937	2,078,433,868	99.51	(1,374,199)	2,087,228,738
2008	2,014,871,776	2,005,101,989	99.52	(1,462,049)	2,013,409,727
2007	1,935,626,339	1,926,279,952	99.52	(344,301)	1,935,282,038
2006	1,779,168,760	1,769,793,216	99.47	(1,211,518)	1,777,957,242
2005	1,656,668,208	1,648,504,246	99.51	(781,082)	1,655,887,126

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. FY2014, taxes are levied for calendar year 2013.

(2) Adjustments to the original levy include exonerations, tax relief, and supplemental assessments.

Fiscal Year 2005			
Rank	Taxpayer	Taxable Assessed Value (1)	Pct. of Total Taxable Assessed Value (2)
1	Tysons Corner Property Holdings LLC	$ 574,159,430	0.32 %
2	Prentiss Properties	496,564,760	0.28
3	West Group Properties LLC	377,562,360	0.21
4	Virginia Electric & Power Company	346,885,714	0.19
5	Company of Fairfax	262,191,600	0.15
6	Franconia Two LP	238,012,530	0.13
7	EOP Reston Town Center	230,431,960	0.13
8	Smith Property Holdings	206,341,640	0.12
9	Washington Gas Light	204,590,008	0.11
10	Gannett Co Inc	194,529,960	0.11
Totals		$ 3,131,269,962	1.75 %

	Total Collections to Date	
Collections in Subsequent Years	Amount	Pct. of Adjusted Levy (3)
-	2,220,155,139	99.70 %
3,832,624	2,128,698,533	99.90
4,782,447	2,052,985,221	99.95
5,471,007	2,023,063,593	99.96
6,610,714	2,120,411,477	99.97
8,548,853	2,086,982,721	99.99
8,150,056	2,013,252,044	99.99
8,881,249	1,935,161,201	99.99
8,061,240	1,777,854,456	99.99
7,135,802	1,655,640,048	99.99

(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)							
		Revenue Bonds						
Fiscal Year	General Obligation Bonds (000s)	Revenue-Backed Bonds (6) (000s)	Lease Revenue Bonds (2) (6) (000s)	Certificates of Participation (3) (000s)	Notes (000s)	Capital Leases (000s)	HUD Section 108 Loan (000s)	State Literary Fund Loans (000s)
2014	$ 2,311,626	413,632	520,906	-	53,883	24,323	10,826	-
2013	2,226,884	420,949	348,712	-	32,713	3,478	11,493	-
2012	2,017,435	-	716,700	-	35,433	11,234	12,155	-
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	8
2006	1,700,980	-	234,863	27,360	12,578	16,169	1,725	15
2005	1,661,385	-	241,732	27,805	-	22,277	1,955	86

Source: Fairfax County Department of Finance

Notes:

(1) Amounts for bonds are reported net of premiums and/or discounts starting in fiscal year 2013. Prior to fiscal year 2013, amounts for bonds are reported gross, excluding premiums and/or discounts and deferred amounts on refundings. See Note J 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) 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.

(4) See Table 4.1 for personal income data. The percentage is calculated using personal income data for the prior calendar year.

(5) See Table 4.1 for population data. The ratio is calculated using population data for the prior calendar year.

(6) In fiscal years 2011 and 2012, the revenue-backed and lease revenue bonds were consolidated in lease revenue bonds. The outstanding debt for revenue-backed bonds in fiscal years 2011 and 2012 are $252,685 and $364,595, respectively. The two types of bonds are reported separately starting in fiscal year 2013.

Business-type Activities (1)			
Revenue Bonds (000s)	Total Primary Government (000s)	Pct. of Personal Income (4)	Debt Per Capita (5)
616,545	3,951,741	4.880 %	3,494
666,477	3,710,706	5.131	3,533
552,254	3,345,211	4.627	3,104
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
376,008	2,446,825	3.646	2,359
386,783	2,380,473	3.724	2,303
398,602	2,353,842	4.001	2,303

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)(5) (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)
2014	$ 2,311,626	520,906	-	-	2,832,532	1.41 %	2,505
2013	2,226,884	348,712	-	-	2,575,596	1.28	2,303
2012	2,017,435	716,700	-	-	2,734,135	1.40	2,484
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

Source: Fairfax County Department of Finance

Notes:

(1) Amounts for bonds are reported net of premiums and/or discounts starting in fiscal year 2013. Prior to fiscal year 2013, amounts for bonds are reported gross, excluding premiums and/or discounts and deferred amounts on refundings. See Note J 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.

(5) In fiscal years 2011 and 2012, the revenue-backed and lease revenue bonds were consolidated in lease revenue bonds. The outstanding debt for revenue-backed bonds in fiscal years 2011 and 2012 are $252,685 and $364,595, respectively. The two types of bonds are reported separately starting in fiscal year 2013.

COUNTY OF FAIRFAX, VA
TABLE 3.3 - Direct and Overlapping Governmental Activities Debt
As of June 30, 2014

	Debt Outstanding (000s)	Percentage Applicable (2)	Share of Overlapping Debt (000s) (1)
Overlapping debt (2):			
Town of Herndon			
General obligation bonds	$ 12,594	100.0 %	$ 12,594
Public Improvement notes	1,452	100.0	1,452
Total overlapping debt, Town of Herndon			14,046
Town of Vienna			
General obligation bonds	21,880	100.0	21,880
Capital leases	1,720	100.0	1,720
Total overlapping debt, Town of Vienna			23,600
Total overlapping debt			37,646
County direct debt (3):			
General obligation bonds			2,311,626
Revenue-Backed bonds			413,632
Lease Revenue bonds			520,906
Notes			53,883
Capital leases			24,323
HUD Section 108 loans			10,826
Total direct debt			3,335,196
Total direct and overlapping debt			$ 3,372,842

Sources: Fairfax County Department of Finance; Town of Herndon; Town of Vienna

Notes:

(1) Amounts for bonds are reported net of premiums and/or discounts.

(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

	Fiscal Year (000s)				
	2014	2013	2012	2011	2010
(a) Debt limit (2)	$ 6,731,089	6,513,757	6,320,578	6,108,656	6,680,146
Total debt applicable to limit (3)	2,832,532	2,575,596	2,734,135	2,554,051	2,318,699
Self-imposed debt margin	$ 3,898,557	3,938,161	3,586,443	3,554,605	4,361,447
Total debt applicable to limit as a percentage of debt limit	42.08%	39.54%	43.26%	41.81%	34.71%
Total debt applicable to limit as a percentage of assessed value	1.26%	1.19%	1.30%	1.25%	1.04%

Debt Margin Calculation for Fiscal Year 2014:	
Assessed value (2)	$ 224,369,643
Debt limit (3% of assessed value)	6,731,089
Debt applicable to limit: (3)	
General obligation bonds (1)	2,311,626
Lease Revenue bonds (1)	520,906
Total debt applicable to limit	2,832,532
Self-imposed debt margin	$ 3,898,557

	Fiscal Year (000s)				
	2014	2013	2012	2011	2010
(b) Debt service limit	$ 363,784	353,329	341,854	334,490	330,895
Total debt service requirements applicable to limit (4)	295,451	289,714	288,302	285,551	277,370
Self-imposed debt service margin	$ 68,333	63,615	53,552	48,939	53,525
Total debt service requirements applicable to limit as a percentage of the debt service limit	81.22%	82.00%	84.33%	85.37%	83.82%
Total debt service requirements applicable to limit as a percentage of annual general fund expenditures and transfers out	8.12%	8.20%	8.43%	8.54%	8.38%

Source: Fairfax County Department of Finance

Notes:

(1) Amounts for bonds are reported net of premiums and/or discounts .

(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)					
2009	2008	2007	2006	2005	
7,354,368	7,334,790	7,057,254	5,820,845	4,782,421	Debt limit (2)
2,131,273	2,109,908	2,045,423	1,963,218	1,931,008	Total debt applicable to limit (3)
5,223,095	5,224,882	5,011,831	3,857,627	2,851,413	Self-imposed debt margin
28.98%	28.77%	28.98%	33.73%	40.38%	Total debt applicable to limit as a percentage of debt limit
0.87%	0.86%	0.87%	1.01%	1.21%	Total debt applicable to limit as a percentage of assessed value

Fiscal Year (000s)					
2009	2008	2007	2006	2005	
335,364	332,217	322,551	303,501	279,878	Debt service limit
276,105	267,624	253,433	239,326	224,544	Total debt service requirements applicable to limit (4)
59,259	64,593	69,118	64,175	55,334	Self-imposed debt service margin
82.33%	80.56%	78.57%	78.86%	80.23%	Total debt service requirements applicable to limit as a percentage of the debt service limit
8.23%	8.06%	7.86%	7.89%	8.02%	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)	Interest (000s)	Total (000s)	Coverage
2014	$ 212,782	91,111	121,671	20,872	27,125	47,997	2.53 %
2013	195,628	86,441	109,187	17,217	27,091	44,308	2.46
2012	189,447	85,455	103,993	16,445	25,418	41,863	2.48
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	119,395	79,870	39,525	11,341	17,042	28,383	1.39
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

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 L 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)
2013	1,130,924	$ 80,982,075	$ 71,607	37.3	58.2 %	181,259	3.7 %
2012	1,118,602	77,012,392	68,847	37.6	59.3	177,918	4.4
2011	1,100,692	71,145,429	64,637	37.6	58.0	174,933	4.7
2010	1,081,726	72,577,324	67,094	37.5	56.1	172,391	5.1
2009	1,074,227	74,380,758	69,241	37.3	58.1	169,538	4.9
2008	1,050,315	74,385,409	70,822	39.4	58.5	166,307	2.8
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

Notes:

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

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

(3) Median age and educational attainment information are obtained from the U.S. Census Bureau's American Community Survey, Virginia Employment Commission, and Virginia Economic Development Partnership.

(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.

COUNTY OF FAIRFAX, VA
TABLE 4.2 - Principal Employers
Current Year and Nine Years Ago

		Fiscal Year 2014 (1)			Fiscal Year 2005 (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		24,590	1	4.27 %	21,564	1	3.96 %
Federal Government		23,586	2	4.09	17,667	2	3.25
Fairfax County Government		12,240	3	2.12	11,547	3	2.12
Inova Health System		7,000-10,000	4	1.47	9,000-10,000	4	1.75
George Mason University		5,000-10,000	5	1.30	-	-	-
Booz-Allen Hamilton		4,000-6,999	6	0.95	6,000-7,000	6	1.19
Federal Home Loan Mortgage		4,000-6,999	7	0.95	3,000-4,000	8	0.64
General Dynamics		4,000-6,999	8	0.95	2,000-3,000	-	0.46
Northrop Grumman		4,000-6,999	9	0.95	6,000-7,000	5	1.19
Science Applications International Corporation	(4)	4,000-6,999	10	0.95	6,000-7,000	7	1.19
Lockheed Martin		1,000-3,999	-	0.43	2,000-3,000	-	0.46
Computer Science Corporation		1,000-3,999	-	0.43	3,000-4,000	9	0.64
Navy Federal Credt Union		1,000-3,999	-	0.43	3,000-4,000	10	0.64
Totals				19.29 %			17.49 %

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 2014 excluding data for Fairfax County Government and Fairfax County Public Schools, is from the 1st quarter of calendar year 2014 VEC. Employment information for fiscal year 2005 is from 2005 CAFR.

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

(3) Percentages are based on the midpoint of the employment range. Average total County employment for fiscal year 2014 is estimated at 576,368, based on Bureau of Labor Statistics report for first quarter 2014. Average total County employment for fiscal year 2005 was estimated at 544,206.

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

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	2014	2013	2012	2011	2010
Primary Government:					
General government administration	2,251.0	2,254.0	2,257.0	1,362.0	1,375.0
Judicial administration	391.0	392.0	390.0	386.0	386.0
Public safety	4,318.0	4,330.0	4,335.0	4,256.0	4,304.0
Public works	520.0	511.0	481.0	972.0	970.5
Health and welfare	3,490.0	3,571.0	3,571.0	2,976.0	2,865.8
Community development	513.0	481.0	491.0	666.0	678.0
Parks, recreation, and cultural	757.0	763.0	753.0	422.0	604.5
Total	12,240.0	12,302.0	12,278.0	11,040.0	11,183.8
Component Units:					
Public Schools:					
Education	24,590.0	24,232.0	23,534.0	22,938.8	22,851.6
Redevelopment and Housing Authority:					
Community development	233.0	230.0	230.0	228.0	228.0
Park Authority:					
Parks, recreation, and cultural	600.0	598.0	605.0	603.0	600.0

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					
2009	2008	2007	2006	2005	Function/Program
					Primary Government:
1,466.5	1,446.5	1,437.5	1,426.5	1,417.5	General government administration
391.0	384.0	381.0	370.0	370.0	Judicial administration
4,331.0	4,321.0	4,297.8	4,163.4	4,000.4	Public safety
1,118.5	1,129.5	1,128.5	1,103.5	1,100.5	Public works
2,913.3	2,922.3	2,986.3	2,867.1	2,818.2	Health and welfare
531.0	495.0	487.0	469.0	447.5	Community development
641.5	636.2	605.5	599.5	585.0	Parks, recreation, and cultural
11,392.8	11,334.5	11,323.6	10,999.0	10,739.1	Total
					Component Units:
					Public Schools:
23,014.3	22,994.2	22,706.8	22,561.8	22,246.5	Education
					Redevelopment and Housing Authority:
238.0	238.0	236.0	234.0	234.0	Community development
					Park Authority:
620.0	618.0	615.5	611.3	609.7	Parks, recreation, and cultural

COUNTY OF FAIRFAX, VA
TABLE 5.2 - Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year				
Function/Program	2014	2013	2012	2011	2010
Primary Government:					
General government administration:					
Real property parcels assessed	359,099	358,555	358,489	357,943	357,872
Personal property vehicles assessed	979,424	970,361	963,595	956,528	948,285
Businesses licensed	48,202	47,454	46,919	46,597	46,872
Best qualified job applicants forwarded to departments	15,577	21,828	22,466	20,563	11,672
Judicial administration:					
Cases filed in General District Court	313,055	310,883	313,369	328,580	334,971
Booking transactions	43,543	43,857	42,290	48,569	49,784
General District Court probation program new adult enrollment	1,252	1,286	755	1,353	1,300
Public safety:					
Police:					
Recruits graduating Criminal Justice Academy	49	31	28	42	37
Total cases assigned	11,792	12,699	13,725	12,083	13,199
Total cases cleared	6,230	7,434	7,699	6,820	9,503
Parking tickets issued	59,097	52,182	58,550	61,252	64,079
Sheriff:					
Court cases heard annually	510,857	490,492	478,726	451,744	435,853
Average daily Adult Detention Center inmate population	1,228	1,220	1,257	1,226	1,279
Fire and rescue:					
Fire investigations conducted	283	329	260	306	312
Fire inspection activities conducted	21,920	18,024	17,917	19,251	15,468
EMS incidents	66,550	67,243	67,073	64,066	65,898
Animals impounded	4,090	3,228	4,323	4,365	4,087
Public works:					
Gross square feet of facilities maintained	8,590,360	8,688,860	8,613,111	8,532,386	8,494,171
Tons of County waste disposed	700,170	724,606	796,472	789,721	789,198
Total tons recycled	518,575	647,456	571,116	472,646	445,625
Total average daily wastewater flow treated (million gallons)	104.2	98.0	102.7	100	107.7
Health and welfare:					
Persons served through Community Services Board programs (1):					
Mental Health Services	6,619	6,874	6,736	12,390	11,447
Substance Abuse Services	2,602	2,944	3,281	5,153	5,115
Developmental Services	1,910	1,645	2,087	2,319	2,297
Infant Toddler Connection	3,164	2,975	2,803	2,801	2,448
Emergency and Ancillary Services	13,442	13,248	11,549	-	-
Home and Congregate Meals for Older Adults	443,865	451,945	479,555	504,093	584,942
Food Stamp applications processed	17,416	18,725	17,604	17,593	17,739
Medicaid/FAMIS applications processed	17,472	22,161	20,544	19,711	17,760
Primary care clinic visits	50,174	50,287	54,336	56,018	51,447
Child immunization vaccines given at clinics	30,590	27,849	29,365	31,152	65,725

Fiscal Year					
2009	2008	2007	2006	2005	Function/Program
					Primary Government:
					General government administration:
358,179	357,180	354,830	349,995	345,338	Real property parcels assessed
947,698	940,437	941,788	947,135	955,658	Personal property vehicles assessed
47,750	47,768	47,556	48,074	47,248	Businesses licensed
11,028	19,343	20,336	23,850	20,207	Best qualified job applicants forwarded to departments
					Judicial administration:
345,240	336,776	308,118	314,964	306,347	Cases filed in General District Court
55,806	54,134	53,389	52,069	52,120	Booking transactions
1,819	1,455	1,369	1,092	1,181	General District Court probation program new adult enrollment
					Public safety:
					Police:
41	108	89	76	96	Recruits graduating Criminal Justice Academy
11,078	11,200	11,224	10,752	10,407	Total cases assigned
6,158	7,850	6,937	6,182	6,839	Total cases cleared
66,003	66,962	66,993	77,459	81,881	Parking tickets issued
					Sheriff:
459,836	459,543	458,358	488,453	496,080	Court cases heard annually
1,309	1,155	1,095	1,046	1,031	Average daily Adult Detention Center inmate population
					Fire and rescue:
276	331	380	395	380	Fire investigations conducted
24,641	26,830	18,942	17,396	20,052	Fire inspection activities conducted
65,662	64,433	64,088	62,036	61,636	EMS incidents
5,176	5,899	5,202	5,753	7,013	Animals impounded
					Public works:
8,079,711	8,569,129	7,720,206	7,620,961	7,564,973	Gross square feet of facilities maintained
845,541	917,463	1,008,263	1,020,009	1,006,837	Tons of County waste disposed
491,113	488,240	498,139	424,923	437,235	Total tons recycled
101	99	107	102	104	Total average daily wastewater flow treated (million gallons)
					Health and welfare:
					Persons served through Community Services Board programs (1):
11,318	12,006	11,191	11,165	11,006	Intellectual Disability Services (IDS)
5,136	5,397	5,456	5,684	5,290	Alcohol and drug services
2,685	2,808	2,297	1,890	1,809	Intellectual disability
2,374	2,044	1,314	1,719	1,541	Infant Toddler Connection
-	-	-	-	-	
624,745	624,745	570,614	505,520	462,049	Senior home-delivered meals
15,412	11,057	9,363	9,343	8,611	Food Stamp applications processed
18,700	17,298	15,621	14,548	13,359	Medicaid/FAMIS applications processed
50,012	50,054	47,022	48,032	47,616	Primary care clinic visits
36,062	39,587	44,775	39,762	32,644	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	2014	2013	2012	2011	2010
Community development:					
Building inspections	145,715	146,335	136,532	131,236	119,132
Building permits issued	59,956	59,714	54,138	52,450	59,662
Zoning permits processed	19,163	17,982	15,000	15,768	14,791
Fairfax Connector bus passengers	10,655,021	10,650,401	10,895,833	10,283,313	9,629,993
Parks, recreation, and cultural:					
Senior Center attendance	277,342	284,392	260,943	258,359	254,830
Teen Center attendance	92,895	84,180	97,913	95,993	99,267
Community Center attendance	269,279	264,144	224,163	219,768	211,637
Library visits	4,990,860	5,221,226	5,246,854	5,439,426	5,685,827
Circulation of all library materials	12,881,013	13,091,690	13,034,816	13,241,259	13,879,073
Component Units:					
Public Schools:					
Combined SAT scores (2)	1,668	1,663	1,659	1,654	1,664
Number of lunches served daily	83,355	85,006	86,703	85,154	83,514
Number of breakfasts served daily	19,090	17,171	15,400	12,825	11,911
Student enrollment	183,895	181,259	177,918	174,933	172,391
Special education enrollment	25,358	25,114	24,807	24,489	14,157
ESOL enrollment	31,204	28,090	27,944	22,650	19,222
Redevelopment and Housing Authority:					
Residents housed through subsidized rental programs:					
Federal Public Housing	2,701	2,789	2,818	2,839	2,866
Federal Housing Choice Vouchers	9,530	9,636	9,317	9,103	8,138
County Rental Program-multifamily and seniors (3)	6,202	6,224	6,166	6,006	6,113
Homes sold in First-Time Homebuyer Program	27	42	32	51	63
Park Authority:					
REC Center attendance	1,796,905	1,919,684	2,006,294	1,988,830	1,868,390
Golf course rounds	268,151	276,759	294,828	281,930	289,384
Visits to natural, cultural, historic, and interpretive sites (4)	1,324,432	791,038	881,510	723,351	616,441
Class, camp, and program participation	178,861	180,336	176,240	166,430	152,002

Sources: Fairfax County Department of Management and Budget, Fairfax County Public Schools, Fairfax County Redevelopment and Housing Authority, Fairfax County Park Authority

Notes:

(1) In FY2012, the Virginia Department of Behavioral Health and Developmental Services revised reporting requirements related to individuals served. Prior to FY2012, individuals who received emergency and ancillary services were primarily reported as being served in mental health, substance abuse or developmental services. Effective FY2012, these individuals are reported in a separate category "Emergency and Ancillary Services". Individuals served reflects duplicated count as individuals may be served in more than one program area. In FY2014, CSB served 21,249 unduplicated individuals.

(2) 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.

(3) Prior to FY2007, the numbers for the Fairfax County Rental Program included only properties managed by the FCRHA.

(4) Prior to FY2014, the visitor numbers included only counted attendance for program visitation and outreach.

Fiscal Year					
2009	2008	2007	2006	2005	Function/Program
					Community development:
130,492	144,388	180,471	218,631	256,659	Building inspections
49,783	59,662	73,719	82,029	91,416	Building permits issued
14,379	18,435	24,611	24,555	28,991	Zoning permits processed
10,901,053	9,810,228	9,717,392	9,529,056	8,474,143	Fairfax Connector bus passengers
					Parks, recreation, and cultural:
278,054	276,326	246,946	249,966	209,963	Senior Center attendance
90,600	103,357	99,445	116,033	85,610	Teen Center attendance
211,781	190,397	175,908	157,512	142,531	Community Center attendance
6,128,289	5,794,036	5,334,827	5,225,404	5,265,176	Library visits
13,931,027	13,065,309	11,942,788	11,279,972	11,232,817	Circulation of all library materials
					Component Units:
					Public Schools:
1,664	1,654	1,639	1,643	1,114	Combined SAT scores (2)
83,385	81,432	82,273	82,169	81,672	Number of lunches served daily
10,456	10,555	10,889	10,202	10,830	Number of breakfasts served daily
169,538	166,307	164,486	164,284	164,408	Student enrollment
14,071	13,499	13,265	12,665	12,420	Special education enrollment
22,001	21,783	21,369	20,963	20,646	ESOL enrollment
					Redevelopment and Housing Authority:
					Residents housed through subsidized rental programs:
2,863	2,878	2,924	2,933	3,165	Federal Public Housing
8,454	8,264	8,108	8,676	10,140	Federal Housing Choice Vouchers
6,398	4,941	3,876	1,355	1,378	County Rental Program-multifamily and seniors (3)
120	152	142	92	114	Homes sold in First-Time Homebuyer Program
					Park Authority:
1,847,391	1,778,914	1,773,319	1,775,980	1,658,377	REC Center attendance
298,631	322,175	318,117	319,595	296,750	Golf course rounds
606,411	566,815	526,975	574,127	479,533	Visits to natural, cultural, historic, and interpretive sites (4)
157,590	161,213	158,449	151,019	131,379	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	2014	2013	2012	2011	2010
Primary Government:					
General government administration:					
Government office buildings (square feet)	3,763,174	3,621,104	3,605,182	3,792,927	3,630,519
Vehicle maintenance facilities	3	3	4	4	4
Judicial administration:					
Correctional facilities (inmate capacity)	1,157	1,220	1,257	1,260	1,260
Courtrooms	44	44	44	40	39
Public safety:					
Police:					
Stations	8	8	8	8	8
Vehicles	1,491	1,486	1,263	1,255	1,289
Helicopters	2	2	2	2	2
Criminal justice academy (trainee capacity)	240	240	240	240	240
Fire and rescue:					
County-operated fire and rescue stations	29	29	28	28	27
Volunteer fire and rescue stations	9	9	9	9	10
Combination stations	4	4	4	4	4
Vehicles	502	502	495	496	502
Boats	2	2	4	2	2
Training facilities (trainee capacity)	186	186	186	186	186
Animal shelters (animal capacity)	153	137	158	134	146
Public works:					
Miles of sanitary sewer lines	3,420	3,412	3,398	3,390	3,380
Sewer pumping stations	59	59	65	65	65
Refuse collection, recycling, and disposal vehicles	244	263	264	264	263
Miles of stormwater drainage lines	1,633	1,621	1,607	1,593	1,586
Stormwater retention ponds	1,414	1,396	1,373	1,349	1,334
Landfills and transfer stations	3	3	3	3	3
Health and welfare:					
Health-related clinics	8	8	8	5	5
Shelters	6	6	6	6	6
Community Services Board Centers	10	10	10	10	10
Community development:					
Community centers	7	7	7	7	7
Bus shelters	410	375	350	194	184
Transit centers and park & ride lots	36	36	38	45	51
Fairfax Connector buses	278	278	254	271	255
Parks, recreation, and cultural:					
Libraries	23	23	23	23	23
Community centers	1	1	2	2	2
Trails and walkways (miles)	664	656	649	645	641

Fiscal Year					
2009	2008	2007	2006	2005	Function/Program
					Primary Government:
					General government administration:
3,836,771	3,393,794	3,080,056	3,027,973	3,027,973	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	34	35	35	35	Courtrooms
					Public safety:
					Police:
8	8	8	8	8	Stations
1,290	1,280	1,280	1,326	1,283	Vehicles
2	2	2	2	2	Helicopters
240	240	230	230	230	Criminal justice academy (trainee capacity)
					Fire and rescue:
26	24	22	21	20	County-operated fire and rescue stations
11	13	13	11	11	Volunteer fire and rescue stations
4	4	4	4	4	Combination stations
495	496	462	458	447	Vehicles
2	2	2	2	2	Boats
186	186	177	177	152	Training facilities (trainee capacity)
158	158	158	158	158	Animal shelters (animal capacity)
					Public works:
3,378	3,353	3,328	3,306	3,289	Miles of sanitary sewer lines
65	65	65	65	64	Sewer pumping stations
254	289	229	229	228	Refuse collection, recycling, and disposal vehicles
1,575	1,554	1,758	1,520	1,507	Miles of stormwater drainage lines
1,303	1,267	1,222	1,196	1,146	Stormwater retention ponds
3	3	3	3	3	Landfills and transfer stations
					Health and welfare:
5	5	5	5	5	Health-related clinics
6	4	3	3	3	Shelters
10	9	9	9	9	Community Services Board centers
					Community development:
7	5	5	5	5	Community centers
184	181	74	57	53	Bus shelters
51	48	19	8	6	Transit centers and park & ride lots
220	212	202	170	170	Fairfax Connector buses
					Parks, recreation, and cultural:
22	21	21	21	21	Libraries
2	3	3	3	3	Community centers
634	696	605	596	631	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	2014	2013	2012	2011	2010
Component Units:					
Public Schools:					
Elementary schools	139	139	138	139	139
Middle schools	23	23	22	22	22
High/secondary schools	25	25	25	25	25
Special education centers	7	7	7	8	8
Alternative high schools	2	2	2	2	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	1,456	1,420	1,420	1,420	1,429
Senior Housing Program	494	494	494	494	494
Partnership Program	779	779	779	779	779
Park Authority:					
Acres of park land	23,310	23,265	23,196	22,894	22,524
Athletic fields	272	272	274	273	284
Trail miles	324	320	320	317	314
Play areas and tot lots	209	205	205	204	201
Tennis courts	252	252	227	229	229
Multi-use courts	124	124	132	132	132
Recreational centers	9	9	9	9	9
Golf courses	9	9	9	9	9
Historic sites	68	68	68	68	67
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					
2009	2008	2007	2006	2005	Function/Program
					Component Units:
					Public Schools:
137	137	137	136	136	Elementary schools
22	22	22	22	22	Middle schools
25	25	25	25	24	High/secondary schools
9	10	11	13	15	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
1,442	1,437	736	702	683	County Rental Program
494	494	494	460	400	Senior Housing Program
689	689	689	491	491	Partnership Program
					Park Authority:
24,277	24,149	23,976	23,687	23,517	Acres of park land
289	289	288	288	275	Athletic fields
312	299	297	211	204	Trail miles
201	201	194	192	205	Play areas and tot lots
229	229	229	229	225	Tennis courts
132	132	132	128	119	Multi-use courts
9	9	9	9	9	Recreational centers
9	9	9	9	8	Golf courses
67	64	64	64	65	Historic sites
7	7	7	7	7	Nature/visitor centers
3	3	3	3	3	Marinas

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