



Fairfax County, Virginia

Popular Annual Financial Report

July 1, 2022 – June 30, 2023

Fiscal Year
Ended June 30, 2023



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November 17, 2023

We are pleased to present to you, our residents, the Popular Annual Financial Report (PAFR) for the County of Fairfax, Virginia, covering Fiscal Year (FY) 2023, from July 1, 2022, through June 30, 2023. The PAFR is designed to offer, those with a general interest in the County's financial activities, a glimpse at selected data from the FY 2023 Annual Comprehensive Financial Report (ACFR) presented in a highly readable format.

The County's financial statements conform to generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), have been audited as required by the Code of Virginia, and have received an unmodified opinion by the accounting firm of Cherry Bekaert LLP.

We hope this issue of the PAFR helps the reader gain a better understanding of the County's financial activities and reinforces our commitment to fiscal integrity and sound financial management. The PAFR also reflects our continued commitment to the residents and businesses of Fairfax County, the Board of Supervisors, and all interested readers of this report by providing financial, economic, and demographic information about the County, while demonstrating our deep pride in serving it.

Respectfully,

Bryan J. Hill
County Executive

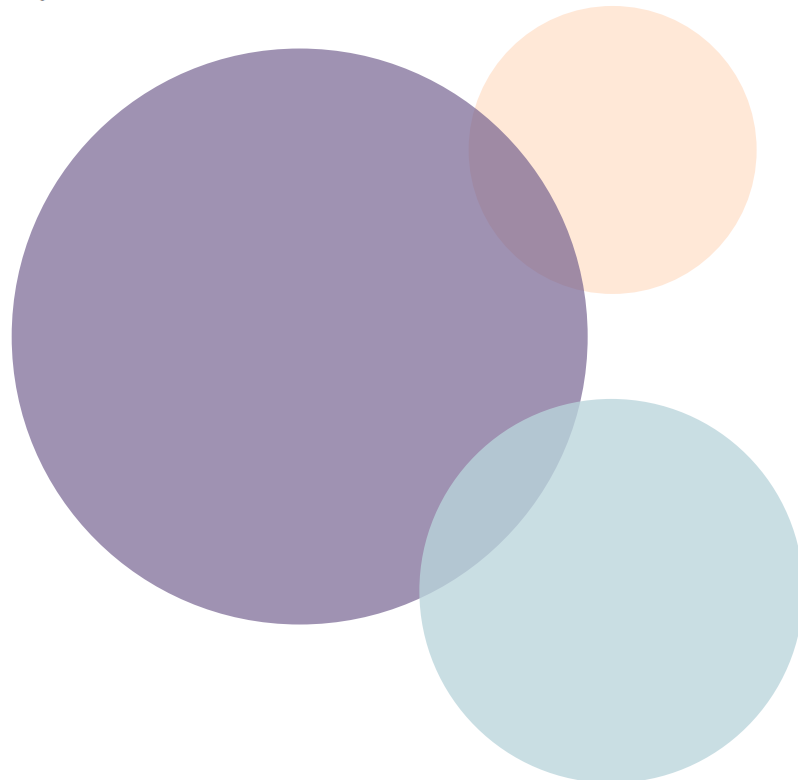
Christina C. Jackson
Chief Financial Officer

Christopher J. Pietsch
Director of Finance

Photo Credits:

Front Cover – The Silver Line Metro
Opening – November 2022

Back cover – Fairfax County District
Map



About Fairfax County

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 Northern Virginia, Maryland, and the District of Columbia, and has a population in excess of 1.17 million.

Fairfax County surrounds the City of Fairfax and is adjacent to the Cities of Falls Church and Alexandria. Cities and counties in Virginia are discrete units of government that under Virginia law may not be overlapping districts. The incorporated towns of Clifton, Herndon, and Vienna are underlying units of government within the County. There are nine Board of Supervisor districts in Fairfax County as shown on the map on the back cover.

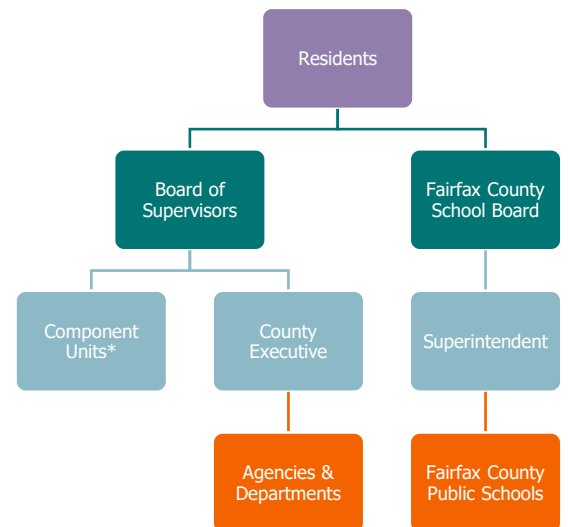
Government Structure

Fairfax County operates under the urban county executive form of government, as defined by the Code of Virginia. The powers of government are vested in an elected Board of Supervisors (the Board or BOS) consisting of nine members elected by district, plus a Chairman elected at large. Board members are elected for four-year terms by the voters of the district in which each member resides. There is no legal limit to the number of terms a member can serve. The Board sets policy for the administration of the County and appoints a County Executive to act as the administrative head of the County. The County Executive 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 County Executive's Office focuses on strategic planning, ensuring and valuing excellence in public service, fostering partnerships with our residents and community leaders, preparing the annual budget and executing all resolutions and orders of our elected Board of Supervisors. To see the complete organizational chart of the County, and the various relationships to the BOS, click [here](#).



Fairfax County Board of Supervisors pictured from left to right: Walter L. Alcorn (Hunter Mill District), Kathy L. Smith (Sully District), Pat Herrity (Springfield District), Daniel G. Storck (Mount Vernon District), Penelope A. Gross (Vice Chairman, Mason District), Jeffrey C. McKay (Chairman, At-Large), Dalia A. Palchik (Providence District), John W. Foust (Dranesville District), James R. Walkinshaw (Braddock District), and Rodney L. Lusk (Franconia District).

Fairfax County Government Organization Chart



*Fairfax County Component Units include the Fairfax County Park Authority, the Fairfax County Housing and Redevelopment Authority, the Retirement Administration Agency, and the Economic Development Authority.

Community Highlights

In September 2022, members of the Fairfax County Board of Supervisors, the Department of Neighborhood and Community Services and community leaders celebrated the opening of the new Sully Community Center during a ribbon-cutting ceremony and Grand Opening Celebration. Attendees enjoyed tours of the new facility as well as family-friendly activities, food, performances and more.

The [Sully Community Center](#) is a 36,000-square-foot facility located on five acres at the intersection of Wall Road and the Air and Space Museum Parkway in Herndon. It serves as the

new home of the Sully Senior Center, which formerly operated in leased space in Chantilly, as well as provides a broad array of services, programs and activities for individuals of all ages and abilities. Offerings include afterschool programs, facility rentals, fitness classes, gym sports, meeting spaces, Park Authority specialty camps, partnership garden plots, School Age Child Care (SACC), camps for youth, therapeutic recreation services, and technology and computer instruction.

The community center also features an approximately 4,000-square-foot Healthcare Suite. Managed by HealthWorks for Northern Virginia, this suite provides comprehensive primary health care services with a focus upon those who are underserved and have faced barriers to accessing healthcare.



Inside the Lorton Community Center and Library



Lorton Community Center and Library



In October of 2022, hundreds of residents joined county officials and local leaders to celebrate the opening of a facility designed to bring all members of the Lorton community together.

Construction began in July 2020 on the \$27.3 million [Lorton Community Center](#) project that co-locates a library with a community center for the first time in Fairfax County. The project included renovation of the existing library into a 16,000-square-foot facility with a larger children's area, increased seating and additional meeting and study rooms along with a new 30,000-square-foot community center featuring a gym, fitness room, kitchen and art and sensory rooms.

The facility also includes the Lorton Senior Center and the Lorton [Community Action Center](#) (LCAC). The rejuvenated campus includes a new playground, fitness area, open field area, plaza and trail loop in the adjacent 1.7-acre park.

In November 2022, the Washington Metropolitan Area Transit Authority (WMATA) launched the Silver Line Extension which includes six new stations: Reston Town Center, Herndon, Innovation Center, Dulles Airport, Loudoun Gateway and Ashburn. Fairfax County marked the opening on November 15 with two events following WMATA's Ceremony at Dulles Airport. The Town of Herndon celebrated the opening with an event on November 16 and additional family day celebration was held on November 19.



Community Highlights

In March of 2023, county leaders, the Boys & Girls Club of Greater Washington and community members gathered to celebrate the grand opening of the new [Annandale Community Center](#) at the Heritage Shopping Plaza.

The 2,100-square-foot center features two multipurpose rooms, a small lounge, a kitchen and restrooms. Fairfax County is partnering with the Boys & Girls Club of Greater Washington (BGCGW) to offer affordable youth programming and afterschool activities in the new space. Additional programs and resources will be added following the grand opening.



The opening of The Growth and Healing HUB took place in the spring of 2023. This HUB provides affordable, inclusive behavioral health and wellness services to children and families in southern Fairfax County.

The HUB accepts both major insurance companies as well as self-pay, and community members who need financial support for services are offered a sliding fee scale.

The HUB will provide internships, training, and supervision for master and doctoral level students studying in the mental health and psychiatric fields.

For more information, visit the Growth and Healing HUB page [here](#).



Fairfax County Neighborhood and Community Services (NCS), along with Providence Supervisor Dalia A. Palchik and partners from county agencies and an educational non-profit, celebrated the reopening of the [Fairfax County Community Services Room at Tysons Corner Center](#) in July 2023.

The Community Services Room - which had closed during the COVID-19 pandemic - will offer expanded access to government- and community-based resources that promote equity and create positive outcomes for people of all ages and abilities. NCS is offering the multi-use space in partnership with [Edu-Futuro](#), the [Fairfax County Public Library](#), [Fairfax County Department of Family Services](#), and Supervisor Palchik.

The 2,280-square foot space will provide the Tysons community and patrons of Tysons with easier access to government and community resources, including workforce and career development, case management, educational opportunities, library access, crisis intervention and mentorship.





One Fairfax is a joint racial and social equity policy of the Fairfax County Board of Supervisors and School Board. The 2016 One Fairfax Resolution commits the county and schools to intentionally consider equity when making policies or delivering programs and services.

It's a declaration that all residents deserve an equitable opportunity to succeed — regardless of their race, color, nationality, sex, gender identity, sexual orientation, religion, disability, income or where they live.

The One Fairfax Policy establishes shared definitions, focus areas, processes and organizational structure to help county and school leaders to look intentionally, comprehensively and systematically at barriers that may be creating gaps in opportunity. The One Fairfax Policy includes a purpose, definitions, areas of focus to promote equity, process and roles.

5 Key Equity Drivers



Fairfax County Strategic Plan

The following ten outcome areas represent the issues of the greatest importance to the Fairfax County community. They were developed based on extensive community input and were reinforced repeatedly over an 18-month outreach period. You can find the full Fairfax County Strategic Plan report online at www.fairfaxcounty.gov/strategicplan/.

CULTURAL AND RECREATIONAL OPPORTUNITIES

HEALTH

ECONOMIC OPPORTUNITY

HOUSING AND NEIGHBORHOOD LIVABILITY

EFFECTIVE AND EFFICIENT GOVERNMENT

LIFELONG EDUCATION AND LEARNING

EMPOWERMENT AND SUPPORT FOR RESIDENTS FACING VULNERABILITY

MOBILITY AND TRANSPORTATION

ENVIRONMENT

SAFETY AND SECURITY



Have Questions?

Get in touch to learn more information about these Equity Impact Plans, One Fairfax or how the County is advancing racial and social equity! Email us at OneFairfax@fairfaxcounty.gov or call 703-324-2531, TTY 711

Fairfax County is committed to nondiscrimination on the basis of disability in all county programs, services and activities. To request reasonable accommodations or to receive this information in an alternate format, call 703-324-7329, TTY 711.



Fiscal Integrity

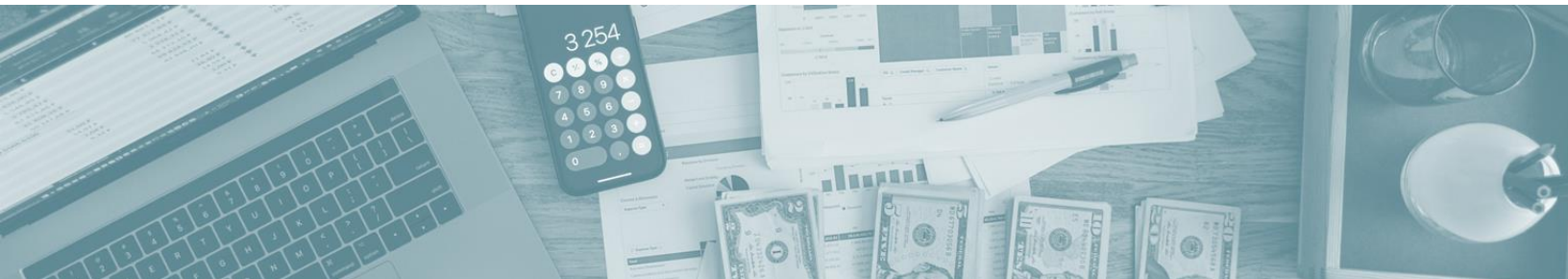
The keystone to the County's ability to maintain its fiscal integrity is the continuing commitment of the Board. This commitment is evidenced by their adoption of the Ten Principles of Sound Financial Management (Ten Principles), first adopted in 1975, which remain the policy context within which financial decisions are considered and made. These principles 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. From time to time the Board amends the Ten Principles in order to address changing economic conditions and management practices. In FY 2016, as a response to concerns from the bond rating agencies, the Board committed to increasing the County's reserve policies to strengthen the County's financial position. The total target balance is ten percent of the General Fund disbursements, which is in-line with other **Triple A Jurisdictions**. The chart below illustrates the General Fund Committed Reserves for FY 2021 through FY 2023. The County has established General Fund committed reserves which are available to allow the County to respond to both anticipated and unforeseen events. At June 30, 2023, those reserves were primarily revenue stabilization fund reserves and managed reserves.



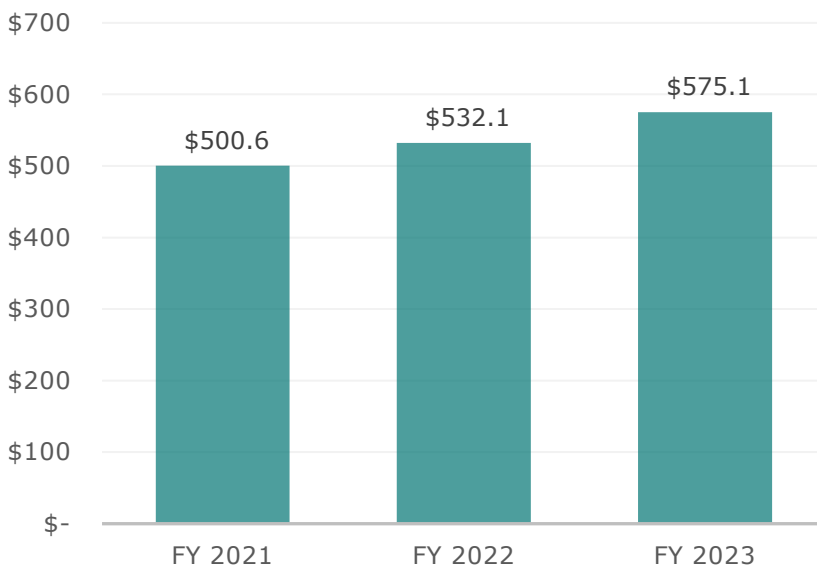
10 Principles of

Sound Financial Management

1. Planning Policy
2. Annual Budget Plans & Reserves
3. Cash Balances
4. Debt Ratios
5. Cash Management
6. Internal Controls
7. Performance Measurement
8. Reducing Duplication
9. Underlying Debt & Moral Obligations
10. Diversified Economy



General Fund Committed Reserves
(in millions)



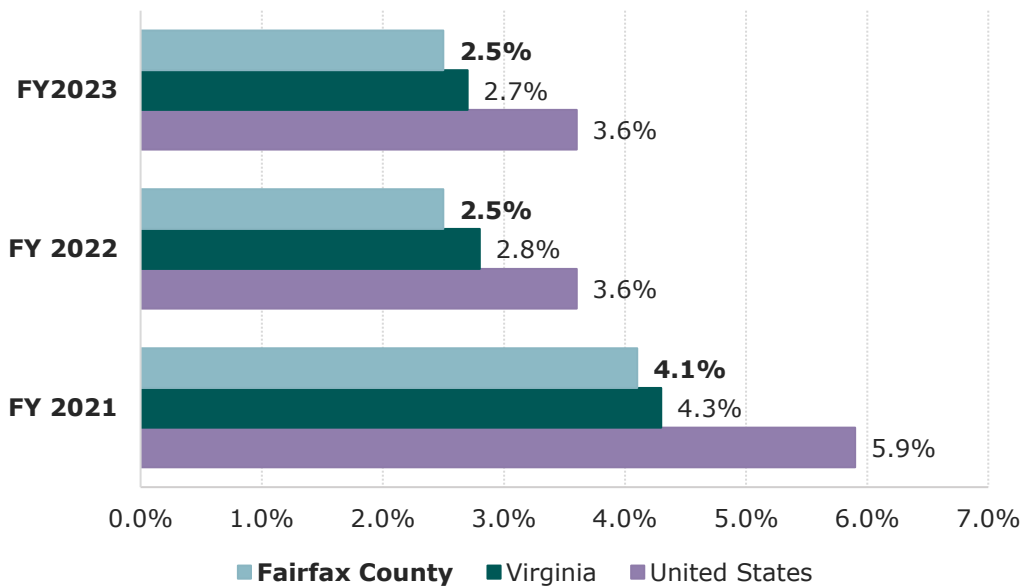
Triple A Jurisdiction

The County has held a AAA rating from Moody's Investors Service since 1975, a AAA rating from Standard and Poor's Corporation since 1978, and a AAA rating from Fitch Investors Services since 1997. As of January 2023, only 11 states, 47 counties, and 36 cities currently hold the AAA rating from all three agencies. Having the top bond rating allows Fairfax to borrow funds at lower interest rates, as investors would have confidence the government would not default on its debt. Since 1978, taxpayers have saved \$630.27 million in interest payments because of the high credit rating. Including savings of \$395.44 million from the various refunding sales, the total benefit to the County equates to just over \$1.00 billion.

Business and Employment Facts

Businesses in Fairfax County include corporate and regional headquarters, information technology firms, sales and marketing offices, and business services. Local businesses create employment in such diverse areas as computer software development and systems integration, internet related services, telecommunications, wholesale and retail trade, defense and homeland security, and financial services. A large proportion of jobs in the County are in the high wage, highly skilled information technology and professional services sectors.

Comparison of Unemployment Rates
As of June 30
(not seasonally adjusted)



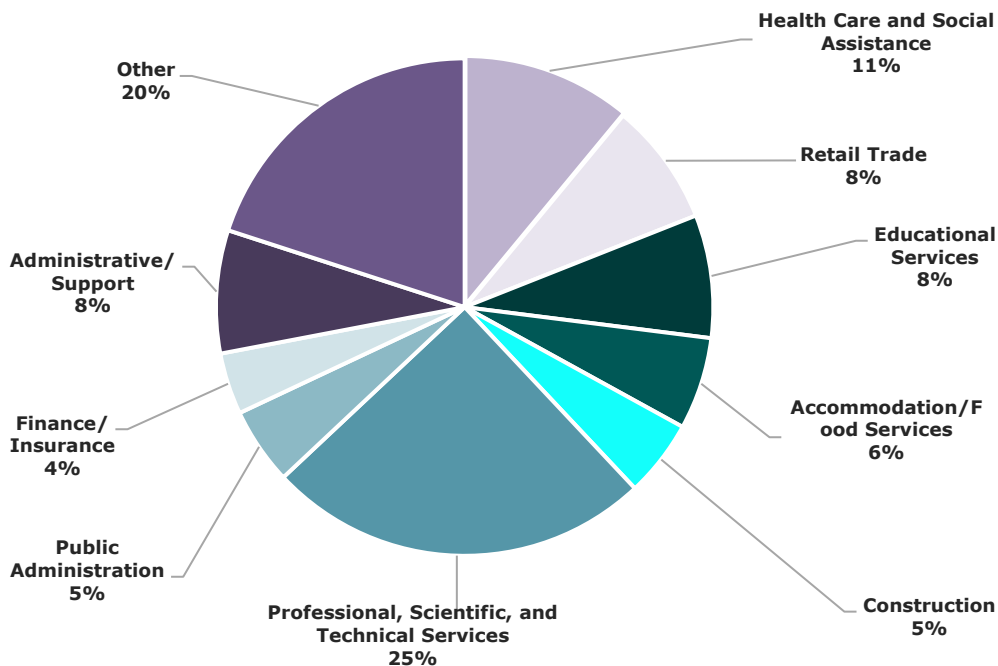
Source: U.S. Bureau of Labor and Statistics

Economic Accolades

- **9+** Fortune 500 headquarters
- **10K+** technology firms
- **500+** cyber security companies headquartered in Fairfax County
- **88K** people employed in IT jobs
- **56K** people employed in accounting, advisory, and consulting jobs
- **64K** people are employed in social, physical and life science occupations
- **5** Fortune 500 defense and aerospace firms operate in Fairfax County
- **400+** foreign-owned or foreign-affiliated companies
- **60+** regional colleges and universities

Source: Fairfax County Economic Development Authority

Employment By Industry



Source: Fairfax County Economic Development Authority

Ten Largest Employers in Fairfax County

- Federal Government
- Fairfax County Public Schools
- Inova Health System
- Fairfax County Government
- George Mason University
- Booz, Allen and Hamilton
- Amazon
- Capital One
- Science Applications International Corporation
- Federal Home Loan Mortgage

Demographic Facts



Over
1.17
million
residents

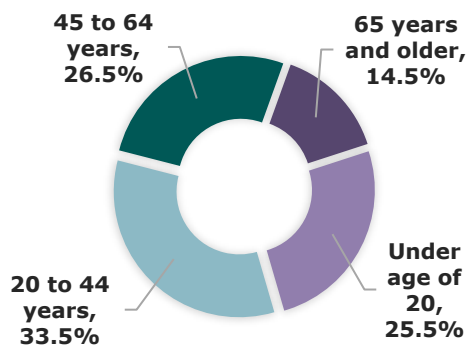


51%
of residents
identify as a
racial/ethnic
minority



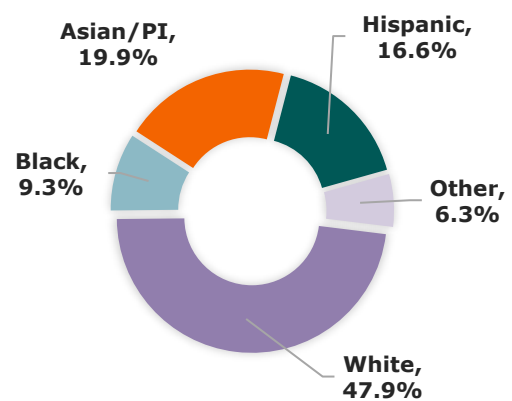
38%
of residents over
the age of 5
speak a language
other than English
at home

POPULATION AGE DISTRIBUTION



Source: Fairfax County Economic, Demographic, & Statistical Research

RACE/ETHNICITY DISTRIBUTION



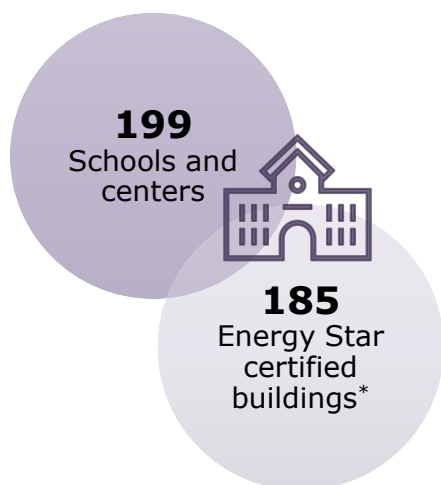
\$18,772
Average cost
per student



181,000+
Students
(Pre-K –
12th grade)

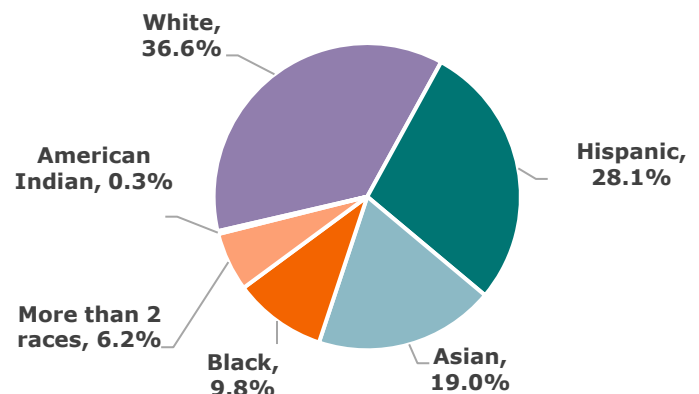


1,600+
School
Buses



*More than any other school
system in the country

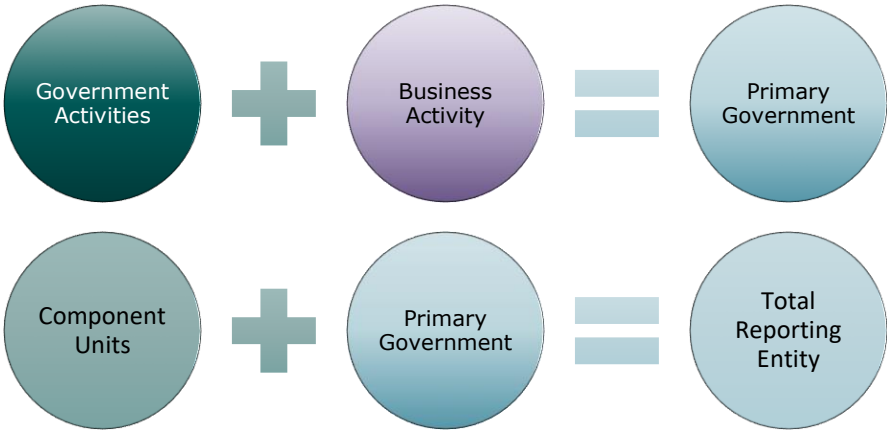
FCPS Student Population



Source: 2022 Fall Membership by Subgroup

Financial Facts

Government-wide financial statements consist of three categories: Government Activities; Business-type Activities; and Discretely Presented Component Units. 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 Total Reporting Entity. Most of the County’s basic services are reported in the Governmental Activities category. The County’s only Business-type activity is the Integrated Sewer System. To get a more comprehensive explanation on Fairfax County’s financial statements, please refer to the Management’s Discussion and Analysis (MD&A) section in the [ACFR](#).

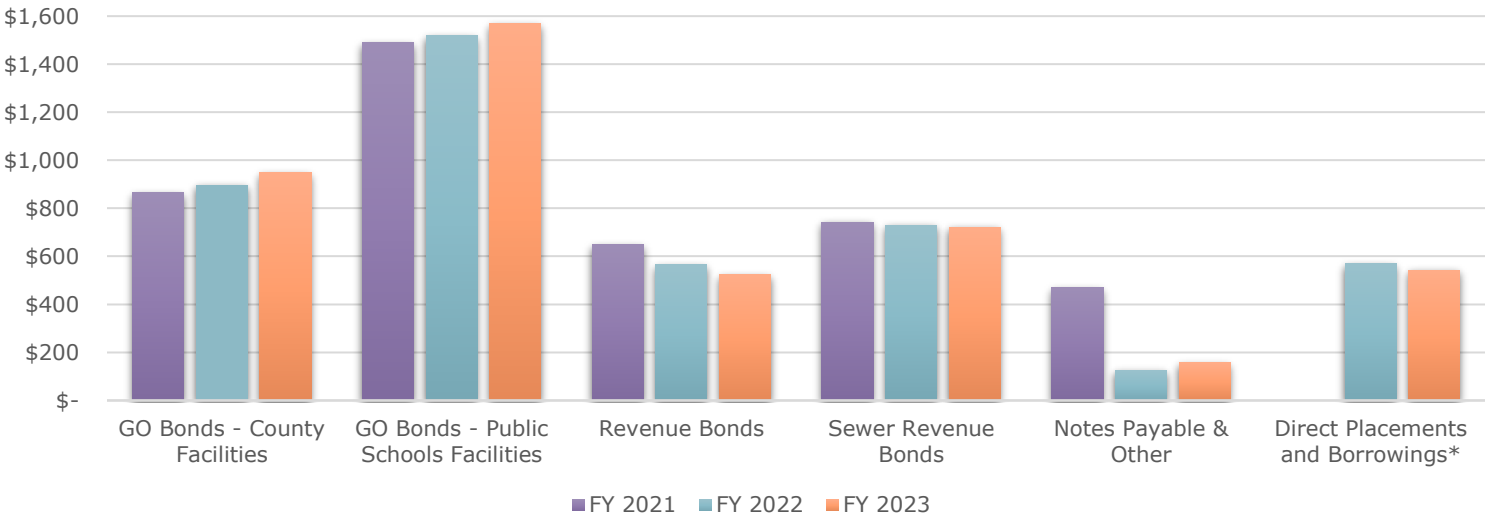


Primary Government
Long-term Debt

The County primarily borrows money by issuing general obligation (GO) bonds to finance capital projects. All general obligation bonds require approval by voter referendum.

While there is no legal limit on the amount of long-term indebtedness that the County can at any time incur or have outstanding, the Board has established self-imposed limits with respect to long-term debt. The adjacent chart compares the debt distribution over the last three fiscal years for the Primary Government. Public school facilities represent the largest amount of GO bond debt, which, in part, reflects County residents’ strong community support for our public schools.

Total Primary Government
Gross Outstanding Long-term Debt
(in millions)



* FY 2021 Direct Placements and Borrowings amounts were reported under Notes Payable and Other.

Financial Facts**Net Position**

For the Total Primary Government, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$1,744.5 million for FY 2023, representing an increase of \$408.9 million in the net position over FY 2022. The increase in fiscal year 2023 net position was mainly due to increases in current and other assets, capital assets and decrease in long-term liabilities offset by increases in deferred tax revenue and deferred inflows related to pension.

Total revenues increased by \$445.0 million as compared to FY 2022. This increase is directly attributed to real property taxes, personal property taxes, and other taxes. The real estate tax rate decreased from \$1.14 to \$1.11 per \$100 of assessed value, but the real estate assessments increased.

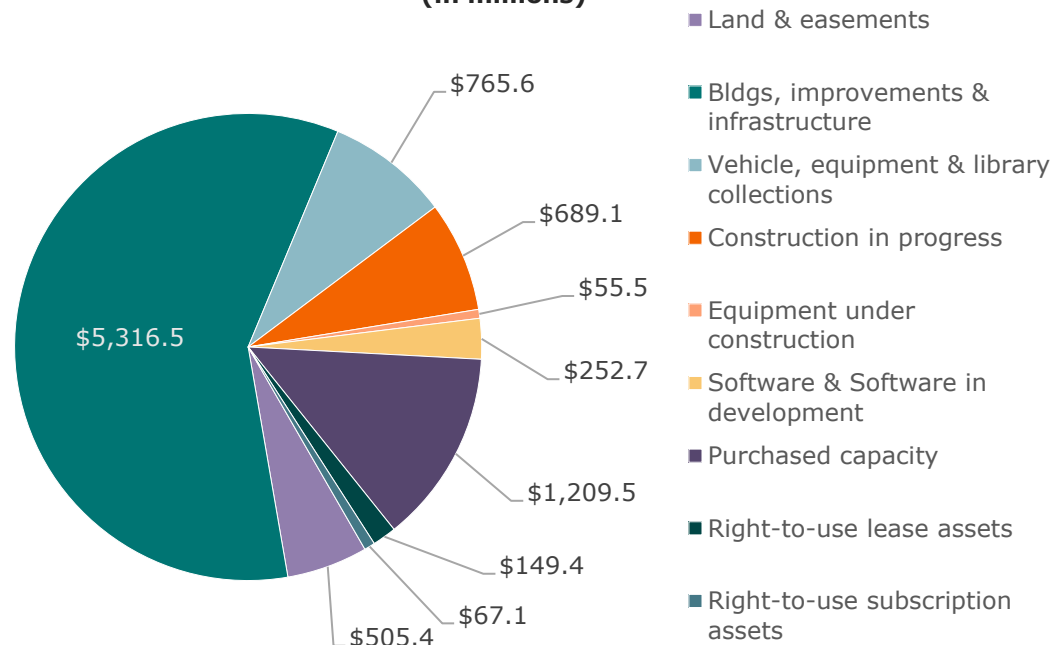
Education expenses totaled \$2,515.9 million in fiscal year 2023, an increase of \$147.0 million over fiscal year 2022. Community development increased by \$129.6 million and Public safety increased by \$86.6 million compared to FY 2022.

Summary of Changes in Net Position Total Primary Government For the Fiscal Years Ended June 30 (\$-millions)				
	FY 2023	FY 2022	FY 2021	
Revenues				
Program Revenues				
Charges for services	\$ 1,093.7	\$ 905.8	\$ 876.2	
Operating grants & contributions	447.7	522.3	505.0	
Capital grants & contributions	29.8	41.0	65.8	
General Revenues				
Real property tax	3,219.9	3,053.6	3,008.7	
Personal property tax	564.3	475.1	432.9	
Other taxes	689.1	657.7	612.2	
Unrestricted grants & contributions	211.4	211.4	211.4	
Revenue from the use of money	(5.0)	(61.0)	(4.4)	
Total Revenues	\$ 6,250.9	\$ 5,805.9	\$ 5,707.8	
Expenses				
Expenses				
General government administration	\$ 228.8	\$ 192.5	\$ 258.1	
Judicial administration	81.3	61.8	71.1	
Public safety	888.2	801.6	882.3	
Public works	519.5	420.5	477.5	
Health and welfare	778.6	775.3	797.8	
Community development	572.7	443.1	569.7	
Parks, recreation, and cultural	158.1	195.3	133.2	
Education	2,515.9	2,368.9	2,339.3	
Interest on long-term debt*	98.9	96.1	99.9	
Total expenses	\$ 5,842.0	\$ 5,355.1	\$ 5,628.9	
Increase (decrease) in net position	\$ 408.9	\$ 450.8	\$ 78.9	
Beginning net position	\$ 1,335.6	\$ 884.8	\$ 805.9	
Ending net position	\$ 1,744.5	\$ 1,335.6	\$ 884.8	

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

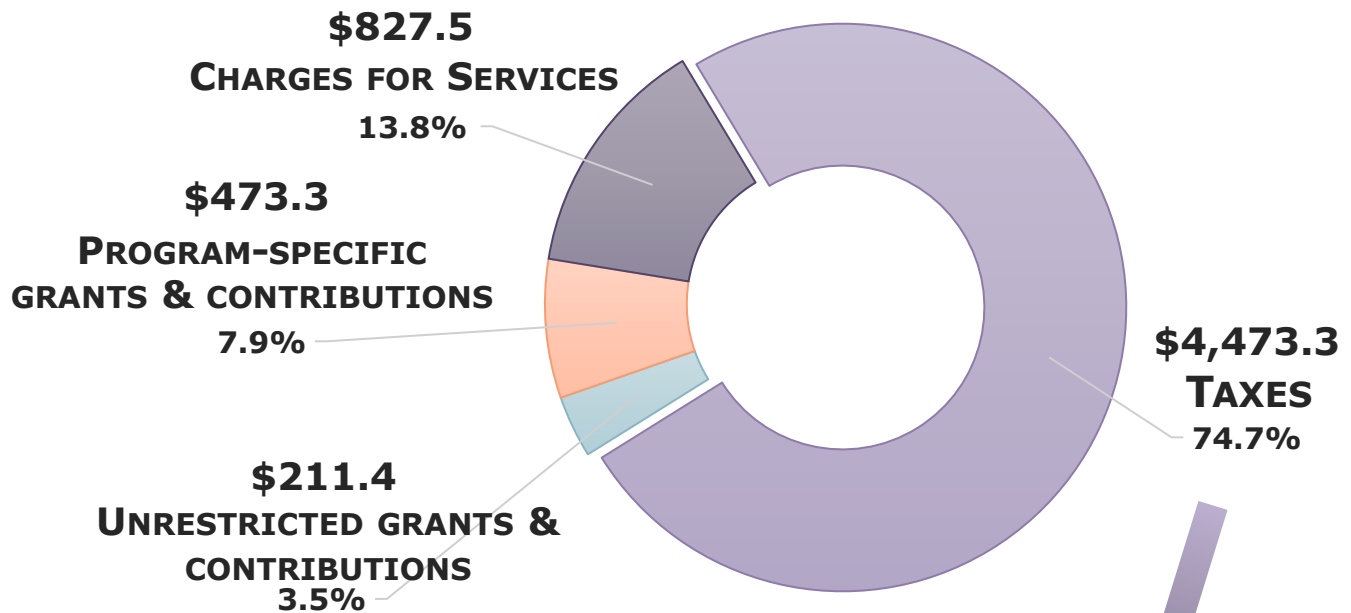
**Primary Government
Capital Assets**

The Total Primary Government's investment in capital assets for FY 2023, amounted to \$9.0 billion. Major activities for FY 2023 included: improvements to transportation, including bus and rail services; upgrades to the Sewer System's share of the Noman Cole Treatment Plant Renovation; acquisition of software to improve general government administration; and due to the implementation of GASB 96, the County reported intangible Right-To-Use subscription assets for the use of vendors' information technology software. As of June 30, 2023, the value of the underlying assets totaled \$67.1 million. For more information about capital assets refer to Note F of the 2023 ACFR.

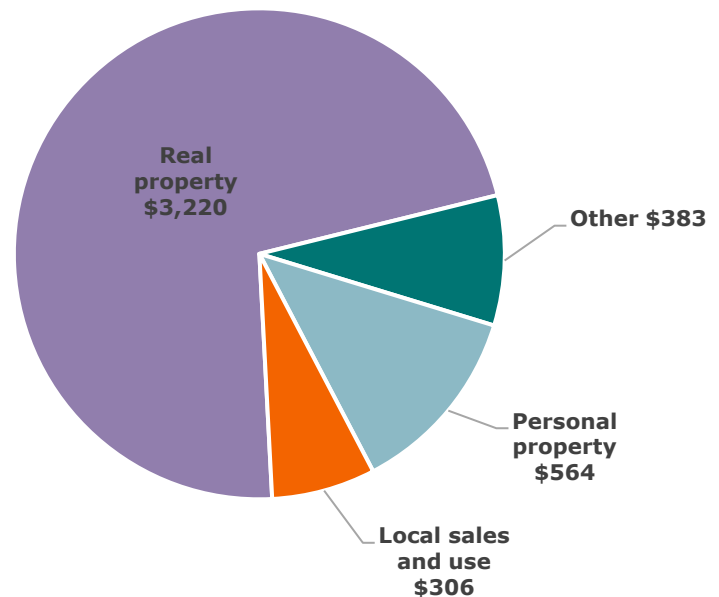
**FY 2023 Total Primary Government
Capital Assets
(in millions)**

Government Activities – Major Revenues by Source

(in millions)



Tax Revenue by Source (in millions)



Taxes totaled \$4,473.3M for fiscal year 2023, an increase of \$286.9M over prior fiscal year.

The increase is primarily due to an increase in Real Property taxes.

Real Property taxes represent 72.0% of total taxes and over half of all revenues combined.

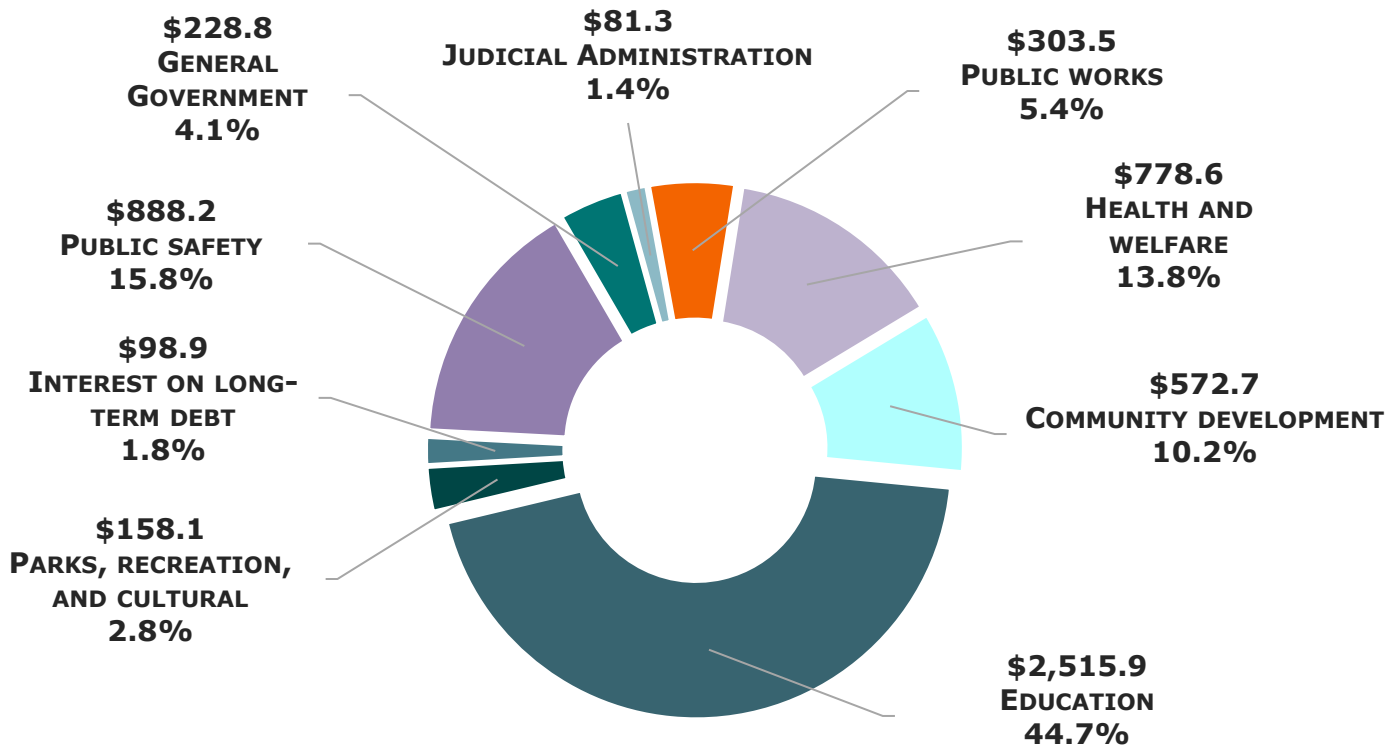
The real estate tax rate decreased from \$1.14 to \$1.11 per \$100 of assessed value, but the real estate assessments increased by \$163.5 million.



Expenditure categories identify the functional areas in which the County spends its resources on behalf of its residents. The chart below identifies the major expenditure categories and reflects the commitment the Board has to serving the community.

Total Primary Government - Expenditures

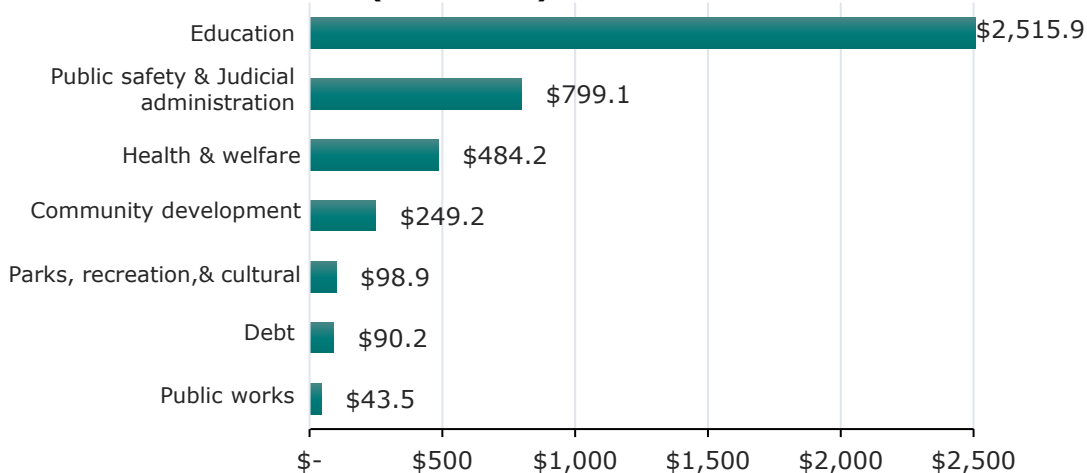
(in millions)



Expenditure categories can also be viewed by the net cost of each program for the governmental activities. The total cost less fees generated by the program, and program-specific intergovernmental aid, determines a program's net cost. The chart below illustrates the net cost of each of the County's six largest programs.

Net Cost of Governmental Activities

(in millions)



Some of the cost of governmental activities is paid by those who directly benefit from the programs, as well as by subsidies from other governments and organizations for certain programs through grants and contributions. County taxpayers subsidized the balance of \$3,939.3 million net cost of governmental activities.

Around the County



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**County of Fairfax
Virginia**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrell

Executive Director/CEO



Solar panel installation at Sully Community Center



Red Flag Law Promotion



Take a Moment Campaign



Public Health Youth Ambassador Graduation – John Lewis HS in Annandale



Fairfax County Government Center - Last Day of Vaccination Center

Around the County



Franconia Government Building Groundbreaking Event



Solar panel installation at Station 25 in Reston



Fairfax County Public Health Youth Ambassadors recognized by federal Office of Minority Health



Silver Line Metro in Reston

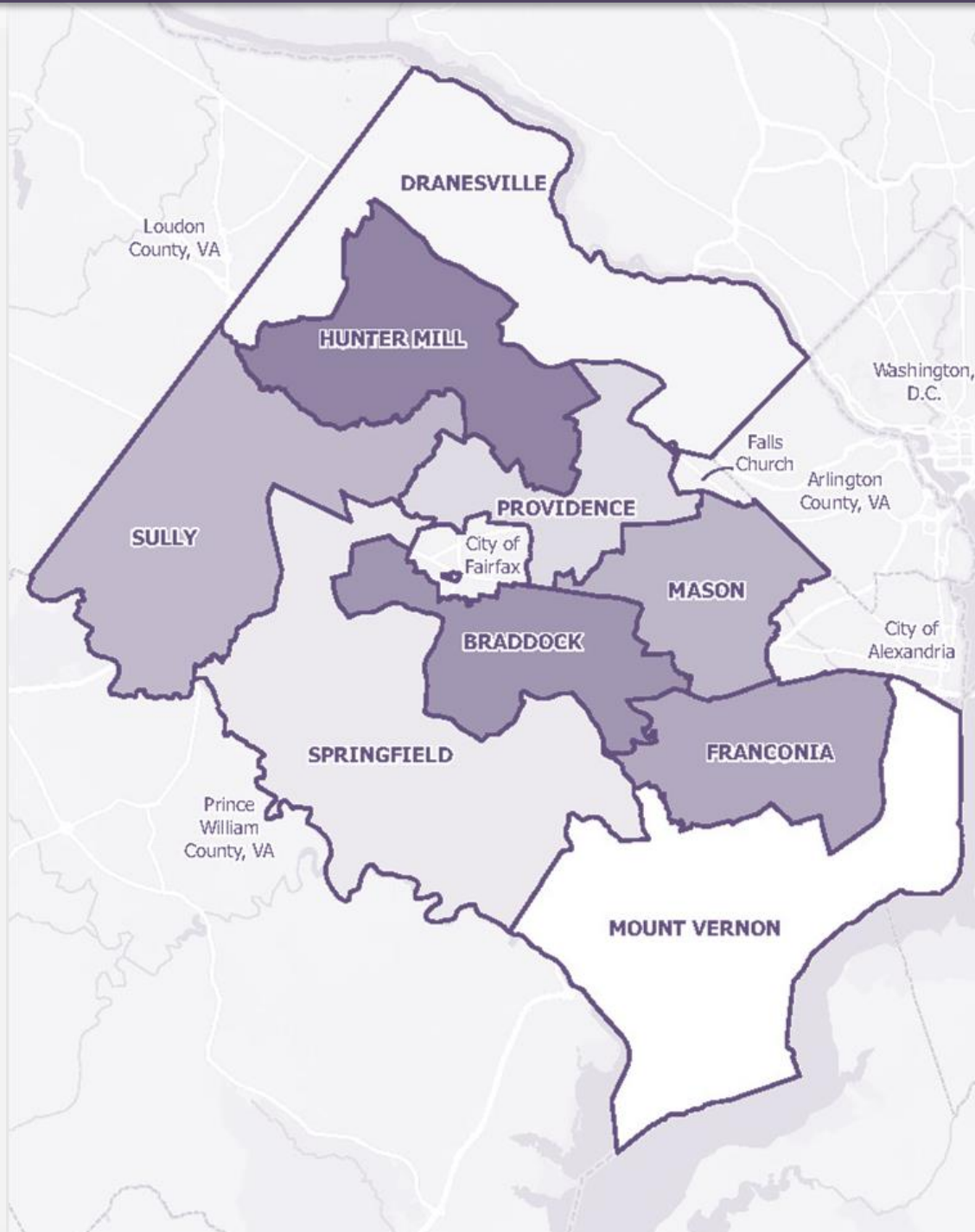


Inaugurating an EV Garbage Truck



Dedication of Sharon Bulova Public Center for Community Health

The FY 2023 Popular Annual Financial Report was prepared by:
COUNTY OF FAIRFAX, VIRGINIA
DEPARTMENT OF FINANCE
12000 Government Center Parkway, Suite 214
Fairfax, Virginia 22035



Fairfax County is committed to a policy of nondiscrimination in all County programs, services, and activities. Reasonable accommodations will be provided upon request.

Special accommodations/alternative information formats will be provided upon request.

Call 703-324-3120, TTY 711

