



Fairfax County, Virginia

Annual Comprehensive Financial Report

July 1, 2022 – June 30, 2023



Fiscal Year

Ended June 30, 2023

Front Cover Photograph:

Front Cover – The Silver Line Metro Opening Event in
Tysons Corner – November 2022



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023



DEPARTMENT OF FINANCE

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COUNTY OF FAIRFAX, VIRGINIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2023

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Introductory Section

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



County of Fairfax, Virginia

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

November 17, 2023

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

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the County of Fairfax, Virginia (the County) for Fiscal Year (FY) 2023 (July 1, 2022 - June 30, 2023) 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 the County 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 and business 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; and
- Acknowledgements.

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

ECONOMIC CONDITION AND OUTLOOK

Fairfax County's Gross County Product, adjusted for inflation, increased at a rate of 1.6 percent in calendar year (CY) 2022, following an increase of 7.0 percent in CY 2021, according to economic forecasting conducted by IHS Markit Ltd.

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The national economy grew modestly during the first half of 2023. U.S. Gross Domestic Product increased at an annualized rate of 2.0 percent in the first quarter and at a rate of 2.4 percent in the second quarter. Personal consumption expenditures, which make up almost 70 percent of the economy, grew at an annualized rate of 4.2 percent in the first quarter and 1.6 percent in the second quarter. The labor market continues to be extremely strong. The unemployment rate was at 3.6 percent as of June, and on average the economy has added 278,000 workers per month so far in 2023. Inflation, which has been a serious problem in recent years, has fallen significantly, though it is still elevated above the Federal Reserve's target rate of 2.0 percent. Compared to a year ago, the June Consumer Price Index (CPI) increased 3.0 percent. However, the core rate of inflation, which excludes food and energy, was much higher at 4.8 percent, and inflation in the service sector less energy services increased 6.2 percent. The cost of housing continues to run significantly above the long-term average. In the June CPI report, the cost of shelter which is a function of rent increases was up 7.8 percent. Housing inflation has slowed somewhat for purchased homes. According to the Case-Shiller Home Price Index, through May, the average home price decreased 0.5 percent from a year earlier, though that's after double digit increases during the previous two years. Due to higher mortgage interest rates and elevated home prices, according to the National Association of Realtors, the Housing Affordability Index is at the lowest level since the middle of the 1980s.

To deal with the recent surge in inflation, the Federal Reserve Board has been raising interest rates since March of 2022. The federal funds rate, which was cut to zero percent at the beginning of the pandemic, has increased to 5.25 – 5.50 percent as of July 2023, its highest level since January 2001. The Fed has also been reducing its holdings of assets such as US Treasury Bonds. Mortgage rates have increased to around 7 percent. In a recent statement, Federal Reserve Board Chair Jerome Powell has suggested that “Reducing inflation is likely to require a period of below-trend growth and some softening of labor market conditions.”

The future course of Fairfax County's economic and revenue outlook is dependent upon the Federal Reserve's ability to slow the economy without causing a major recession. However, because of Fairfax County's proximity to the Federal Government, any downturn in the economy is likely to have more limited effect on the County relative to many other jurisdictions throughout the United States.

The Local Economy

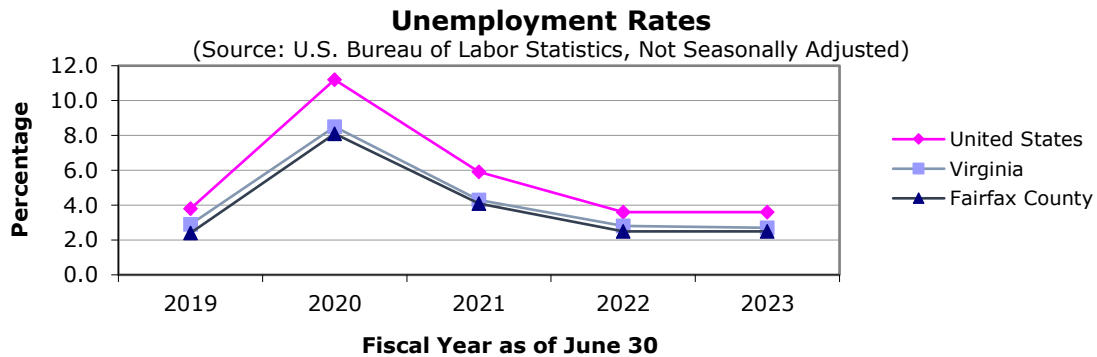
The total number of employed workers in Fairfax County increased a net 22,321 jobs (3.7 percent) in CY 2022, as reported by the U.S. Bureau of Labor and Statistics. For all of 2022, the total number of workers with jobs in Fairfax County finally exceeded pre-COVID levels, by 0.2 percent. While overall employment has mostly recovered, the recovery varies by sector. In 2022, sectors such as the Leisure and Hospitality sector remained over 12 percent below their pre-COVID levels, while other sectors such as the higher paying Professional and Business Services sector have fully recovered.

Because the economy of the Washington Metro region is knowledge-based and dependent upon federal spending, it has been somewhat insulated from the disruptions that have affected other regional economies in recent years. Business, Professional, and Occupational License (BPOL) and Sales Taxes are two revenue sources that are good indicators of economic activity in the County. In FY 2023, overall BPOL tax receipts increased 5.8 percent over the previous year. Revenues in the combined Consultant and Business Service Occupations categories, which represent almost 43 percent of total BPOL tax receipts, increased by 3.4 percent. FY 2023 Sales Tax receipts increased 3.9 percent.

For the commercial real estate market, office vacancy rates increased. According to the Fairfax County Economic Development Authority (FCEDA), the direct office vacancy rate increased for the third year in a row from 14.6 percent in CY 2020 to 16.7 percent as of the end of CY 2022. The vacancy rate exceeded the previous 10-year high of 16.5 percent in 2015 when sequestration impacted federal government related office space.

Based on information from Bright MLS, the average sales price of homes in Fairfax County rose 7.4 percent in CY 2022. Home prices continued to increase primarily because of the tight inventory of homes for sale. Since 2009, the average home sales price has risen 82.6 percent, or an average annual growth rate of 4.7 percent. Bright MLS also reported that the number of home sales in Fairfax County decreased by 25.4 percent compared to CY 2021, thanks to higher interest rates and smaller inventory.

As illustrated in the following chart, Fairfax County's unemployment rates, not seasonally adjusted, have consistently tracked well below both state and national averages. For June 2023, Fairfax County's unemployment rate was 2.5 percent. The seasonally adjusted unemployment rates for the state of Virginia and the United States were 2.7 percent and 3.6 percent, respectively.



Economic Development

Fairfax County supports economic development through fomenting a vibrant, diversified business community, growing job opportunities, while enhancing the commercial tax base. This includes response to economic transitions accelerated by the pandemic, including to shifts in how people and businesses do work. The Fairfax County Department of Economic Initiatives (DEI) and the Fairfax County Economic Development Authority (FCEDA) are the lead economic development organizations in Fairfax County.

Fairfax County DEI developed and led several programs in FY 2023 to support local economic development, including:

- Launched the Fairfax Founders Fund, a \$1,000,000 technical assistance program that provides grants of up to \$50,000 to early-stage Fairfax County-based startups that are on a high-growth trajectory.
- Launched the Thrive Small Business Technical Assistance Program with \$7,000,000 in funding. Thrive will provide approximately 600 businesses with fewer than 50 employees targeted consulting services valued up to \$10,000 to help these entrepreneurs achieve business goals and continue their post-pandemic recovery.
- The BizEx program directly supported more than 612 businesses to start or expand their business in Fairfax County.
- Developed 25 small business education events or resources such as the Carbon Neutral Pitch and Pilot. DEI led the Fairfax Carbon Neutral Pitch and Pilot, partnering with Smart City Works and the Office for Environmental and Energy Coordination (OEEC) to engage and support innovative sustainability solutions pitched by firms.

- Provided business education information to 655 entrepreneurs or businesses through events such as the Accelerate Smart City Challenge and Chambers of Commerce activities.
- Administered the \$4,170,000 Virginia ARPA Tourism Recovery Program from the Virginia Tourism Corporation (VTC). Grant activities will be led by Visit Fairfax to promote Fairfax County and increase visitation to local attractions. Fairfax County received the largest grant in the Commonwealth of Virginia.
- Activated the Workhouse Arts Campus, a 55-acre adaptive reuse center, through locating local business projects. This includes coordinating a Made In Fairfax pop-up storefront for Fairfax Makers, and also facilitating the site activation through a lease with a Fairfax County based brewery to expand to a renovated historic building.
- As part of the Tysons Vision work group, DEI supported the focus, design and establishment of the new Tysons Community Alliance (TCA). DEI is the staff administrator for the TCA and led development of the Memorandum of Understanding to guide the \$3 million annual budget. The projected trajectory for Tysons is robust, and the next generation organization will help ensure Tysons is maximized as a major job-center for County residents, an attractive destination for visitors and residents, and a revenue generator.

The FCEDA plays a major role in attracting, retaining, and expanding businesses in Fairfax County. The FCEDA has supported the County's recovery from pandemic-related economic impacts through an array of services to office and industrial-based companies, across various industries. In FY 2023, Fairfax County workforce and employment indicators returned to pre-pandemic levels. The services provided throughout the year include connecting County-based companies to workforce with the Talent Program, site selection for new and expanding companies, providing resources to the small business community, reporting on Fairfax County business successes, and supporting industry events. In addition, FCEDA continued to assist data center stakeholders in FY 2023.

During FY 2023 the FCEDA connected 85,000+ job seekers to Northern Virginia companies via the talent site, workinnorthernvirginia.com, launched K-12 programming to provide career exploration, mentorships, internships, job readiness and placement across all industries for our middle and high school students in Fairfax County, created the business to military community alliance which doubled the number of Virginia Values Veterans (V3) certified organizations to 1,400 and led or sponsored dozens of networking/job fairs resulting in the hiring of 2,800 veterans and military spouses in the second half of FY23.

The FCEDA operates under the direction of nine commissioners appointed by the BOS. The FCEDA's mission statement is: "to promote the competitive advantages of Fairfax County and influence the growth of a diverse and innovative ecosystem that enhances the tax base, creates demand for commercial space, and supports an extraordinary and equitable quality of life across Fairfax County." It promotes the County as one of the world's best business locations. The FCEDA provides a wide array of services and information to assist new, expanding and relocating American and international businesses. There are offices in six important global technology business centers: Bangalore/Mumbai, India; London, England; Los Angeles; Berlin, Germany; Seoul, South Korea; and Tel Aviv, Israel. In upholding the diversification of the County's business community, in FY 2023, the FCEDA assisted 32 foreign owned businesses with their expansions in the County. There are over 440 foreign-owned firms from 43 countries located in Fairfax County.

During FY 2023, the FCEDA worked directly with 119 companies adding approximately 9,325 jobs and 1,524,378 square feet to Fairfax County's economy. The largest corporate announcements were as follows: Hilton retained their headquarters in Tysons; Amentum added 157 jobs and relocated headquarters to Chantilly; SmartRoof added 410 jobs with a move to Reston; and Pangiam added 201 jobs in Tysons. Not

only are these companies creating jobs, they are building the commercial tax base that the Board uses to fund high-quality public services essential for the quality of life for the 1.17 million County residents to enjoy.

Of the 119 businesses making job announcements, 87 are U.S.-based. Among the U.S. firms, 12 are minority-owned, woman-owned or veteran-owned companies. The remaining 32 announcements came from companies with international headquarters or parent companies announcing expansions in Fairfax County.

The total office space inventory in the County was 119.7 million square feet as of FY-end 2023, making Fairfax County the largest suburban office market in the Washington, D.C. area. The industrial/flex inventory reported in the County was at 39 million square feet.

Online Resource: <https://www.fairfaxcountyped.org/>

MAJOR INITIATIVES AND ACCOMPLISHMENTS

On March 17, 2020, the BOS held an emergency special meeting, officially declaring a Local State of Emergency in response to COVID-19. Then, during the BOS meeting on March 24, 2020, the BOS enacted an Emergency Ordinance to assure continuity in the County during the COVID-19 emergency. The health, safety, and well-being of all County residents and employees became a top priority. The emergency declaration ended March 1, 2023. This change will not have a direct impact on the County's operational response or approach to COVID-19. The Health Department will continue to share important updates and resources concerning COVID-19 on its webpage and social media channels.

2022 Nonprofit Sustainability Grants

The pandemic's lingering effects have negatively impacted nonprofits through reduced revenues, increased expenses and community need, and persistent staffing concerns. The 2022 Nonprofit Sustainability Grants, utilized \$6 million in the County's ARPA funds to provide one-time grants up to \$75,000 to help nonprofit safety net organizations mitigate those impacts and remain sustainable community partners in serving our community.

2023 Child Care Provider Grant Program

The pandemic's ongoing negative economic impacts on child care providers in Fairfax County has resulted in decreased enrollment, reduced revenue, increased expenses and community need, and persistent staffing shortages. The County allocated \$2.5 million in ARPA funds to establish the 2023 Child Care Provider Grant Program for child care providers experiencing negative economic impacts from the COVID-19 pandemic. Grants were based on permit capacity and ranged from \$2,000-\$15,000.

Emergency Rental Assistance (ERA) Bridge Program

In anticipation of expiring enhanced federal benefits, the County established the ERA Bridge Program with a combination of \$14 million in federal and County funds to support housing stability and eviction prevention for residents experiencing financial hardship. In addition to direct client assistance, the County has made strategic investments to support housing stability and eviction prevention to provide additional capacity for legal assistance.

Food Access Program

The Food Access Program used \$2 million in ARPA funds to award grants to 501(3)(c) non-profit organizations and houses of worship for direct food assistance and innovative models of food service delivery to address the unprecedented demands for food assistance.

One Fairfax

One Fairfax is a racial and social equity policy, jointly adopted by the BOS and School Board, committing Fairfax County Government and Fairfax County Public Schools to intentionally consider equity when making policies and delivering programs and services. Interlocking, systemic issues existing in areas such as housing, employment, transportation, and health, were exacerbated by COVID-19 and continue to limit opportunity for some County residents to fully participate in the County and regional economy. With a continued focus on strategically addressing these inequities with bold, cross-sector approaches to promote equitable opportunity, One Fairfax is supporting a Fairfax County where everyone will be able to thrive.

Online Resource: <https://www.fairfaxcounty.gov/topics/one-fairfax>



Fairfax Countywide Strategic Plan

On October 5, 2021, the BOS adopted a Countywide Strategic Plan, specifically the Ten Community Outcomes, Indicators of Success, and Proposed Strategies and Sample Metrics. These elements support the goals of the plan, which are to: 1) Set a community-driven vision for the next 10-20 years; 2) align and integrate existing and emerging countywide work; 3) provide a tool to focus and prioritize existing and emerging countywide work; and 4) communicate progress on achieving measurable outcomes on behalf of the community. This plan is driven by the One Fairfax policy.

The Ten Community Outcome Areas are:

- Cultural and Recreational Opportunities
- Economic Opportunity
- Effective and Efficient Government
- Empowerment and Support for Residents Facing Vulnerability
- Environment and Energy
- Healthy Communities
- Housing and Neighborhood Livability
- Lifelong Education and Learning
- Mobility and Transportation
- Safety and Security



Online Resource: <https://www.fairfaxcounty.gov/strategicplan/>

Diversion First

Diversion First is a cross-system initiative that offers alternatives to arrest and incarceration for people with mental illness, substance use disorders, and/or developmental disabilities who come into contact with the criminal justice system for low-level offenses. The goal is to intervene whenever possible to provide assessment, treatment, and needed support, prevent repeated encounters with the criminal justice system and promote a safer community.

At the earliest stages, community-based teams, including teams comprised of public safety and clinical staff, respond to behavioral health crises. In addition, law enforcement officers can bring people to a 24/7 community-based crisis response center for services in lieu of arrest. Diversion First also provides opportunities for intervention throughout the criminal justice system. Behavioral health services are offered during incarceration, a Supervised Release Program provides intensive pre-trial supervision in the community, and the Veterans Treatment Docket, Drug Court, and Mental Health Docket provide diversion through a structured process that integrates treatment and court supervision. Diversion First also includes

community-based behavioral health treatment, peer recovery support and housing to support stability, self-sufficiency skills and long-term independence.

Online Resource: www.fairfaxcounty.gov/topics/diversion-first/

Virginia Task Force 1

Virginia Task Force 1 is a premier disaster response and humanitarian resource sponsored by the Fairfax County Fire and Rescue Department through partnerships with the United States Agency for International Development Bureau for Humanitarian Assistance, and the Department of Homeland Security Federal Emergency Management Agency. Nationally, the team deploys as VA-TF1, and, internationally, as USA-01 to natural and man-made disasters on short notice. During FY 2023, personnel deployed to support response efforts in Puerto Rico for Hurricane Fiona, Florida for Hurricane Ian, Türkiye for a magnitude 7.8 earthquake, and Peru for flooding after Cyclone Yaku. The federal government pays the costs for training, equipment, supplies, and personnel. Team members also participated in capacity building and training of other rescue resources throughout the Americas, Europe, and Asia.

Online Resource: <https://www.fairfaxcounty.gov/fire-ems/>

Technology Initiatives

The BOS and County Executive are committed to providing the necessary investment to keep pace with emerging trends in Information Technology (IT); providing citizens, the business community, and employees timely and convenient access to information and services through the use of technology; and utilizing current technologies to create new business processes and improve government efficiency.

One specific area of opportunity that will require innovative solutions is the proliferation of data and growing value of data and data analytics. There are drastically increased expectations for the Department of Information Technology (DIT) and partner agencies to securely gather, manage, preserve, and analyze data. This is critical to support service efficiency and productivity for County agencies and will be a critical element in measuring the success of the County's and DIT's strategic initiatives and mission.

As the County continues its overall digital transformation, these changes have significant IT implications. To achieve effective and successful results, DIT is establishing Fusion Teams concepts (IT working with stakeholders and agencies as a trusted partner) in the era of digital delivery. These Fusion Teams achieve the long-term goal for sustainability of the transformation.

E-Government

The Department of Information Technology's E-Government branch works to strategically plan, develop, and design user experience for all platforms such as content on the website, artificial intelligence integration (chatbot/virtual assistant), mobile app and social media in coordination with the Office of Public Affairs.

In addition, the Department of Information Technology works with agencies to meet their technology roadmap and customer engagement needs. Engagement strategies are evaluated to ensure resource availability, compliance with governance and policies, and the ability to provide value to our community. This process works well as collaboration has helped the County develop a unified approach to implementing countywide citizen-centric services. The process and strategies have been in place for a few years and will continue to evolve with initiatives like the countywide strategic plan which features a heavy emphasis on human-centered design.

Overall, the County's approach to adapting and sustaining IT customer engagement strategies is by leveraging digital channels, fostering a customer service culture, and engaging with customers through advisory groups, understanding their needs, preferences and developing services that effectively meet those needs. The County values partnerships and collaboration with stakeholders to ensure the success of its IT initiatives.

Online Resource: <https://www.fairfaxcounty.gov/informationtechnology/it-plan>

Cyber Security Program



The mission of Fairfax County’s Cybersecurity program is to protect County data assets and develop and enforce policies using modern security frameworks and technologies to be ahead of emerging security threats. Fairfax has adopted a Zero Trust model and is leveraging its already proven Defense-in-Depth Cybersecurity approach to detect and stop threats where data moves in the Hybrid Cloud Infrastructure and its mobile workforce. The transformation and implementation of the Zero Trust security model started in 2018; however, it gained a heightened level of importance for Fairfax County with the onset of the COVID-19 pandemic forcing large numbers of County staff to work remotely.

In late 2022 and into early 2023, the County improved security operations in the areas of proactive monitoring, response, modern threat detection, and offensive security testing. In its early stages, the Cybersecurity team implemented contracted *Continuous Attack Surface Testing* services primarily to find ways to break-in before hackers do. By simulating different types of adversaries to find system vulnerabilities in a very controlled manner in coordination with the Information security team and application owners. The purpose is to practice the response to see if all the technical controls are working as expected and if issues arise, make configuration changes, and conduct extra training to the team. In addition, the County recently acquired a Managed Detection and Response (MDR) service, and it is in its initial phase of implementation. The MDR service provides round the clock monitoring to protect against advanced and emerging threats across endpoints, network, cloud, email and operational activities by providing fast detection combined with human analysis and proactive response.

Online Resource: <https://www.fairfaxcounty.gov/informationtechnology/information-security-office>

Development Initiatives

Tysons

On June 22, 2010, the BOS adopted a new Comprehensive Plan (the Plan) for the Tysons Urban Center (Tysons). The Plan for Tysons is an essential element in the County’s strategic efforts to manage future growth effectively and efficiently. The Plan created a vision for the County’s largest downtown and was designed to take advantage of the Silver Line extension of the Metrorail transit system. The transformation of Tysons into a walkable, vibrant urban center expects to support a 2050 population of over 100,000 residents and 200,000 jobs. Tysons is fast becoming a 24-hour place where people live, work, and play.



Monitoring the progress of the Plan is critical to ensuring that the vision for Tysons is achieved. Many of the strategies and milestones for Tysons require the maturation of plans and development; therefore, it is crucial to monitor progress and adjust, as necessary, to achieve intended outcomes. The Plan calls for monitoring performance related to land use and demographics, transportation, environmental stewardship and sustainability, public facilities, and implementation. As part of the monitoring process, the BOS charged County staff with preparing a periodic report on Tysons and as of 2021, this monitoring is provided through an interactive online platform called the Tysons Tracker.

Highlights of major accomplishments during the past year are as follows:

- 2.05 million square feet of development delivered since August 2022.
- Three residential buildings and one office building delivered since August 2022.
- 1.1 million square feet under construction.

- Capital Bikeshare stations operating.
- Tysons Area Metrorail Station Access Improvement Projects completed.
- 2 permanent park spaces opened since August 2022.
- Review and analysis of the Silver Line Metro Rail ridership and other modes of transportation.
- Implementation progress on the Grid of Streets.
- Establishment of the Tysons Community Alliance. The TCA, funded by Fairfax County Government, is an independent, non-profit community improvement organization committed to the ongoing transformation of Tysons, Virginia, into a vibrant, inclusive, globally attractive urban center.

Online Resources: www.fairfaxcounty.gov/tysons/annual-report
<https://tysons-tracker-fairfaxcountygis.hub.arcgis.com/>

Reston Transit Station Areas

In February 2014, the BOS adopted an amendment to the Plan establishing the Reston Transit Station Areas (TSAs). The Plan amendment represented a nearly four-year planning effort led by a 45-member, Reston Master Plan Special Study Task Force in partnership with County staff. The Plan focuses on future growth around three new Silver Line Metrorail stations: Wiehle-Reston East; Reston Town Center; and Herndon, along the Dulles Airport Access Road in Reston. The new Plan builds upon the foundation established for Reston by its founder, Robert E. Simon, in the 1960s. It capitalizes on the framework originally envisioned for the new town by creating a transit-oriented development strategy that allows for Reston’s continued economic and physical growth, while maintaining its legacy of walkability, sustainability, innovation, and inclusiveness. Since the adoption of the Plan in 2014, the BOS has approved applications resulting in an additional 12.8 million square feet of non-residential development and an additional 16.1 million square feet of residential development with approximately 2.5 million square feet of park space. As of Spring 2023, the Reston Road Fund has generated \$20.98 million, and the Reston Transportation Service District has generated over \$13.3 million.

On September 12, 2023, the Board of Supervisors adopted an amendment to the Reston Plan, which included updates to guidance for topics like affordable housing, open space, and community health.

Online Resources:

www.fairfaxcounty.gov/transportation/projects/silver-line
www.fairfaxcounty.gov/planning-development/urban-centers/reston-tsas/development-guidelines
www.fairfaxcounty.gov/planning-zoning/comprehensive-plan/special-planning-areas
<https://reston-data-visualization-fairfaxcountygis.hub.arcgis.com/>

Land Development Services

Land Development Services (LDS) ensures every building and site developed in Fairfax County meets required safety, health, and environmental standards. On average, LDS staff process more than 5,000 building permit applications per month. Applications range from gas appliance installation and residential additions, such as decks, to the coordination of large, commercial development projects. Robust construction and development translate into future tax revenue for the County and contribute to its economic development. In FY 2023, LDS staff processed more than 59,000 building permits and conducted more than 169,000 inspections (building and site). LDS collected \$47,231,174 in total revenue for permit and inspection fees. Large scale construction projects, such as office buildings and planned mixed-use areas – for example, Halley Rise (Reston), Arrowbrook Centre (Centreville) and Residences at North Hill (Alexandria) continue to add to the health of the local economy, long after buildings are completed, due to real estate taxes, employment, and more. LDS transitioned all its building and site-related applications and licenses to the Planning and Land Use System (PLUS) in FY 2023, saving applicants time and money by speeding up the submission and review process while ensuring all construction projects in Fairfax County meet safety, health and environmental standards.

Online Resource: <https://www.fairfaxcounty.gov/landdevelopment/>

Transportation Improvements

On December 3, 2019, the BOS approved the FY 2020 – FY 2025 Transportation Priorities Plan (TPP) to direct County priorities for transportation projects through FY 2025. The current funding estimate for transportation capital projects is \$3.036 billion. The FY 2020 – FY 2025 TPP updates the FY 2015 – FY 2020 plan that the BOS approved in 2014. The FY 2020 – FY 2025 TPP includes funds from a variety of federal, state, local, and private sources, and includes projects previously approved by the BOS, as part of other, stand-alone funding plans.

I-66 Express Lanes

The County is working closely with the Virginia Department of Transportation (VDOT) to implement express toll lanes and other multimodal improvements on I-66, inside and outside the I-495 Capital Beltway (Beltway). VDOT selected Express Mobility Partners (EMP) to implement the express lanes and other multimodal improvements on I-66 outside the Beltway to Gainesville (University Boulevard) in Prince William County. EMP is responsible for financing, designing, and building the project. EMP will also operate and maintain the express lanes. Improvements have also been made to the I-66/Route 28 Interchange as part of the project. The Express Lanes were opened to the public in fall of 2022. Completion of all associated improvements is anticipated by late 2023. With the opening of the I-66 Outside the Beltway Express Lanes, all vehicles traveling on the I-66 express lanes that rideshare with three or more occupants can use the facility for free (with an EZPass Flex).

I-495 Northern Extension (NEXT) Project

The I-495 NEXT project is a public-private partnership between the Commonwealth of Virginia and Transurban. The project extends the existing I-495 Express Lanes north by two-and-a-half miles from the Dulles Corridor to the George Washington Memorial Parkway interchanges near the American Legion Bridge. This project also includes a shared-use path parallel to I-495 from Lewinsville Road to Live Oak Drive. Construction began summer of 2022. The I-495 NEXT Express Lanes are expected to be completed by mid-2025.

Route 7 Widening

Route 7 is being widened from the Reston area to the Dulles Toll Road, with VDOT administering the project. This project will improve almost seven miles of Route 7 between Reston Avenue and Jarrett Valley Drive in Fairfax County by widening the road from four to six lanes, adding facilities for cyclists and pedestrians, and making substantial intersection and other improvements along the corridor. Construction began in spring 2019. Construction should be completed in 2023, ahead of the original estimate of July 2024.

Route 28 Widening

In 2015, Fairfax, Loudoun, and Prince William Counties jointly began construction on Route 28 to relieve traffic congestion. Significant funding for these projects comes from the Northern Virginia Transportation Authority. \$250 million is being provided to these projects over the next several years. In the County, Route 28 was widened on the northbound lanes of Route 28 from McLearen Road to the Dulles Toll Road, while the southbound lanes of Route 28 were widened from the Dulles Toll Road to Route 50. One additional lane will be added in both directions from the Prince William County border to Route 29. A Design-Build contract for widening this section of Route 28, from four to six lanes, was awarded in June 2020. The project is anticipated to be substantially complete by the end of 2023.

Fairfax County Parkway Widening

The Fairfax County Parkway will be widened from four to six lanes, from Route 123 to Route 29 and the Pope Heads Road intersection will be converted into an interchange with a connection to the future Shirley Gate Road Extension. Design work has been completed and land acquisition for the Popes Head Road interchange began in summer 2021. Construction of the interchange is expected to commence in late-2023 and be completed in late 2026. Land acquisition is in process on the segment from US 29 to the intersection

of Nomes Court, with construction anticipated to commence in 2024. Land acquisition and construction on the segment from Nomes Court to Route 123, which includes improvements to the Route 123 interchange, have not yet been scheduled.

Richmond Highway Bus Rapid Transit (BRT)

The County is proceeding with implementing a BRT system along the Richmond Highway corridor, from Huntington Metrorail Station to Fort Belvoir. In accordance with the Virginia Department of Rail and Public Transportation Route 1 Multimodal Transportation Alternatives Analysis, the BRT schedule projects Section 1 of the project from Huntington Metrorail Station to the Sherwood Hall Lane, and Section 2 of the project from Sherwood Hall Lane to Fort Belvoir, to be completed in 2031.

Soapstone Connector

The Soapstone Connector is an approximately one-half mile long planned new roadway over the Dulles Corridor, between Sunrise Valley Drive and Sunset Hills Road, just west of the Wiehle-Reston East Metrorail Station. The environmental assessment process of the project is ongoing. It was determined by the Federal Highway Administration (FHWA) that the project would have an adverse effect on a historical property, but FHWA has since determined that there is no prudent and feasible alternative to the use of that property. Therefore, as part of this process, a Memorandum of Agreement that outlines stipulations that must be taken to mitigate adverse effects on the historic property was developed and signed by the signatories FHWA, the Virginia Department of Transportation, Virginia Department of Historic Resources, and Fairfax County. FCDOT held a Public Information Meeting on July 18, 2022, and received comments through August 1, 2022, on this environmental assessment process. The Board of Supervisors endorsed a Locally Preferred Alternative and the Department of Interior issued the Section 4(f) approval. The FHWA is reviewing the final National Environmental Policy Act documentation and expected to issue a decision soon. VDOT will develop a schedule once the project is turned over to them.

Richmond Highway Corridor Improvements

The County is working with VDOT to widen the three-mile section of Route 1 from Jeff Todd Way/Mount Vernon Memorial Highway to Sherwood Hall Lane, from four to six lanes. This is the last remaining four-lane section of Richmond Highway between Fort Belvoir and Alexandria. The project will provide continuous pedestrian and bicycle facilities within this three-mile section. The project will also construct a median to accommodate the Richmond Highway BRT project that will be implemented as part of the County's separate Richmond Highway BRT project. The design public hearing was held in March of 2019. The project will be implemented in two phases. Phase one spans Richmond Highway between Jeff Todd Way and Frye Road. Construction for phase one is anticipated to start in 2027 with completion by 2029. Phase two spans Richmond Highway between Frye Road and Sherwood Hall Lane. Construction for phase two is anticipated to start in 2028 with completion in 2029.

Environmental Vision

In Fairfax County, environmental decisions are guided by the 2017 *Environmental Vision*. The Vision document is a policy framework on environmental sustainability that addresses seven core areas: land use, transportation, water, waste management, parks and ecological resources, climate and energy, and environmental stewardship. The *Environmental Vision* highlights the importance of environmental quality, which is essential for everyone living and working in the county. A healthy environment enhances the quality of life and preserves the vitality that makes Fairfax County a special place to live and work.



Online Resource: <https://www.fairfaxcounty.gov/environment/environmental-vision>

Office of Environmental and Energy Coordination

In FY 2020, the Office of Environmental and Energy Coordination (OEEC) was established. The OEEC’s mission is to lead the County’s cross-organizational development and implementation of environmental and energy policies, goals, and programs, including an operational energy strategy and climate planning initiatives, described below. The OEEC supports a comprehensive and effective approach to implementing the goals, objectives, and targets of the BOS’ policies and initiatives, including the *Environmental Vision* and the *Fairfax County Operational Energy Strategy*.

Online Resource: <https://www.fairfaxcounty.gov/environment-energy-coordination/>

Climate Planning and Action

To support the climate and energy objectives included in the *Environmental Vision*, the OEEC oversees development and implementation of community-wide climate planning and action initiatives to address climate change, its various impacts, and related considerations, such as equity. To address climate mitigation and the reduction of greenhouse gases, the OEEC facilitated development of the *Community-wide Energy and Climate Action Plan* (CECAP), accepted by the BOS in September 2021. With goals, strategies and actions developed by and for the community, CECAP is a roadmap to reaching carbon neutrality by 2050. The OEEC is leading a countywide effort to implement CECAP by developing and supporting community programs, fostering a network of Climate Champions, and implementing its own climate mitigation strategies.

The OEEC also oversees *Resilient Fairfax*, the County’s first Climate Adaptation and Resilience Plan, accepted by the BOS in November 2022. *Resilient Fairfax* includes strategies to ensure the County is able to address the impacts of climate change. These strategies were developed in coordination with community stakeholders and in tandem with local climate projections; an audit of existing policies, plans and programs; and a vulnerability and risk assessment to determine the extent to which County populations, community assets and services, local infrastructure, and County operations will be impacted by climate change. The OEEC leads an interagency team of 27 County departments to streamline implementation of both resilience and climate mitigation efforts. Progress on both initiatives is shared through a Climate Action Dashboard.

Online Resource: <https://www.fairfaxcounty.gov/environment-energy-coordination/cecap>
<https://www.fairfaxcounty.gov/environment-energy-coordination/resilient-fairfax>
<https://www.fairfaxcounty.gov/environment-energy-coordination/climate-action>

Sustainable County Operations

Fairfax County Government leads by example on climate and sustainability initiatives through its *Operational Energy Strategy* (OES). Updated in 2021, the OES includes goals, targets, and actions to achieve sustainable County operations, including an overarching goal to be energy carbon neutral by 2040. The OES touches on several focus areas, including energy use and efficiency, green buildings, renewables, fleet electrification and goods and services. A target to be Zero Waste by 2030 in the waste management and recycling focus area led to the adoption of the joint *Fairfax County Government and Schools Zero Waste Plan* in October 2021, which includes over 20 strategies to help the County divert 90 percent of its waste from disposal by 2030.



Online Resource:

<https://www.fairfaxcounty.gov/environment-energy-coordination/energy-strategy>
<https://www.fairfaxcounty.gov/procurement/sites/procurement>

Environmental Improvement Program

The OEEC helps manage the Environmental Improvement Program (EIP) to support the *Environmental Vision*, the *Operational Energy Strategy*, and other environmental and energy policies. The EIP provides the County Executive and BOS with environmental and energy action-oriented opportunities that support these

policies. EIP projects are selected based on a formal project selection process supported by the Environmental Quality Advisory Council (EQAC).

The EIP projects approved for funding in FY 2023 included bottle filling stations for several Fairfax County Park Authority locations; the Annandale Civic Space, an urban green space in an underutilized portion of County property; Phase I of a rapid response control program to reduce the spread of water chestnut (an invasive species); educational stickers to help County residents recycle right; electric vehicle charging stations for the County's vehicle maintenance facilities; and continued funding for the Invasive Management Area program and for HomeWise, an energy education and outreach program for residents of low- and moderate-income housing.

Online Resource:

<https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/fy2023/adopted/volume2/30015.pdf>

Plastic Bag Tax Revenue

In addition to the EIP, the OEEC also oversees a project selection process for plastic bag tax revenue. Fairfax County accrues revenue monthly from its five-cent disposable plastic bag tax, implemented in January 2022. Revenue is allocated twice yearly to projects and initiatives led by County and contributory agencies. Projects are reviewed to ensure they advance BOS policies and priorities, and that they meet one of the four statutory requirements. Revenue must only be used for environmental cleanup, pollution and litter mitigation, education on environmental waste reduction, and the provision of reusable bags for recipients of Supplemental Nutrition Assistance Program (SNAP) or Women, Infants, and Children Program (WIC) benefits. A list of projects funded to date with plastic bag tax revenue may be found on the OEEC website.



Online Resource: <https://www.fairfaxcounty.gov/environment-energy-coordination/disposable-plastic-bag-tax-fairfax-county>

Affordable Housing

The mission of the Fairfax County Redevelopment and Housing Authority (FCRHA) is to initiate and provide opportunities for Fairfax County residents to live in safe, affordable housing and to help develop, preserve, and revitalize communities through fiscally responsible and open processes. Nearly 20,000 County residents—including families, individuals, veterans, seniors, people with disabilities, and those with specialized housing needs—are housed in privately owned and FCRHA-owned properties through a variety of housing programs. Many more live in privately owned affordable housing developed with FCRHA financing and provided through inclusionary zoning policies administered by these agencies. Additionally, the FCRHA and the Department of Housing and Community Development (HCD) administer resident assistance programs to promote independence, self-sufficiency, and housing stability.

- **Housing Assistance Programs:** From emergency shelter for individuals and families experiencing homelessness to rental housing and, eventually, homeownership, the FCRHA and HCD provide critical assistance to households across the housing spectrum to obtain safe, decent, stable, and affordable housing.
 - **Emergency Shelter and Supportive Housing Programs:** In FY 2023, the County sheltered 3,776 residents through its emergency shelter contracts. The County was able to assist 27 percent of those served to exit to permanent housing destinations.
 - **Rental Housing Subsidy Programs:** The County administers several local, state, and federal rental subsidy programs to assist low- and moderate-income households to afford a place to call home. Fairfax County administers 5,469 rental housing subsidy vouchers awarded through the Housing Choice Voucher program, including those serving veterans. Additionally, the FCRHA itself owns approximately 3,900 units of affordable rental housing,

including 2,009 units of multifamily housing, 505 units of independent senior housing, 112 beds of assisted living, and 205 units/beds of specialized housing - including a manufactured housing community with 115 pads.

- **Homeownership Programs:** The County has provided homeownership assistance to thousands of low- to moderate-income homebuyers for more than 40 years. Programs afford qualified homebuyers access to for-sale homes at below-market prices; avenues for down payment assistance, lower interest rates, and reduced mortgage principal; and pre- and post-purchase counseling. In FY 2023, the County assisted 86 new homeowners in purchasing a home through the First-Time Homebuyer Program and helped facilitate down payment assistance for 73 households through state and federal programs.

- **Affordable Housing Development:** In 2019, the BOS adopted a countywide goal to produce a minimum of 5,000 new affordable units to households earning up to 60 percent of Area Median Income (AMI) by the year 2034. This goal was subsequently updated in FY 2022, with the BOS adopting a new goal of producing a minimum of 10,000 new homes by 2034. In FY 2023 1,219 units were under construction with approximately 2,000 additional units in the development pipeline. The County continues to grow this pipeline through utilizing public-private partnerships to construct new units of housing on County-owned land; pursuing opportunities to construct new FCRHA-owned units; investing local, state, and federal funding in private affordable housing development; and administering inclusionary zoning policies that encourage the incorporation of affordable units in market-rate housing development projects.

- **Affordable Housing Preservation:** The preservation of affordable rental housing has long been a concern of the BOS and the FCRHA, and in 2019, these bodies adopted a commitment of “No Net Loss” when it comes to Fairfax County’s stock of more than 15,000 units of committed affordable housing. As of the end of FY 2023, 1,423 housing units have been preserved or are in the preservation pipeline for households at or below 60% of the area median income. As the preeminent housing financing agency in Fairfax County, the FCRHA issues loans and administers federal housing funds to support the private acquisition and rehabilitation of committed affordable housing units in all areas of Fairfax County.

- **Resident Services:** The work of the FCRHA is deeply rooted to the individual and the family by providing the resources to help residents achieve housing stability and self-sufficiency. One such way is through the Family Self-Sufficiency program, which provides opportunities for households receiving federal housing subsidies to set individualized goals that help them increase their self-sufficiency within a five-year period. One of the key features of the program is the ability for participants to increase their financial assets through escrow accounts. Once participants complete their goals, graduates can choose how they use their escrow accounts such as to help purchase a home or pay off student debt. Another program provided by the FCRHA is the Home Repair for the Elderly Program which provides free skilled labor and up to \$1000 in materials cost at no charge to qualified applicants to complete small handyman-sized projects for their home.

In addition to administering rental programs and continuing to further the development of new affordable housing opportunities, both the FCRHA and HCD are leading the County’s effort to advance the County’s vision for affordable housing as a critical element for the future of Fairfax County. Each year, these agencies host the Housing Symposium to engage residents; local, state, and federal government officials; housing advocates and industry leaders; and other civic, faith, and nonprofit organizations to better understand the impact of housing stability on the lives of our residents and to investigate innovative solutions and means for equitably expanding affordable housing in all areas of the County.

Quality Communities

Fairfax County provides residents and visitors a robust array of recreational opportunities and diverse experiences, as well as protecting natural and cultural resources within the community, and strives to make all parks, programs, and other assets accessible to all.

Parks

The Fairfax County Park Authority (FCPA) mission is to enrich the quality of life for all members of the community through an enduring park system that provides a healthy environment, preserves natural and cultural heritage, offers inspiring recreational experiences and promotes healthy lifestyles. FCPA owns/maintains 420 parks totaling 23,636 acres of owned parkland, which is approximately 9.0% of the land in Fairfax County. The park system is rich in amenities, including ownership/maintenance of nine recreation centers, eight golf courses, two skate parks, an ice skating rink, 11 dog parks, 228 playgrounds, 665 public garden plots, seven nature centers, three equestrian facilities, 452 Fairfax County Public School and other County-owned athletic fields, 266 Park Authority athletic fields (which includes 50 synthetic turf athletic fields), 62 picnic shelters, 16 volleyball courts, 252 tennis and racquetball courts, 74 dedicated or lined pickleball courts, 10 historic sites, two water parks, a horticultural center, and more than 334 miles of multimodal trails. The Park Authority continues its dual role as a provider of active recreation including fitness and wellness opportunities as well as serving as stewards and interpreters of historic sites, cultural treasures and natural resources.

Library

Fairfax County Public Library (FCPL) is a large library system serving the community with 23 branches located throughout the County. As of the end of FY 2023, more than 578,035 people held FCPL library cards to borrow and download books, conduct in-person and online research, use free library Wi-Fi and computers, and enjoy a variety of programming.

One of the biggest milestones for FCPL during this fiscal year was the opening of the newly renovated Lorton Library on Oct. 10, 2022, after a two-year closure for the construction process. The library is housed in a facility that co-locates the branch with the Lorton Community Center, the Lorton Community Action Center, and Lorton Park, allowing visitors to access many County resources under one roof. Renovations to the library expanded its footprint from roughly 10,000 square-feet to 16,000 square-feet, providing library visitors a lot more room to enjoy the vast array of services. Highlights of the space include multiple meeting rooms and study spaces, a teen room with a gaming area and a colorful children's section. Data shows that the community has responded positively to the new Lorton branch, with staff seeing an average of 57,218 visitors a month.



Another program area that saw great expansion during the year was FCPL’s Library of Things. Formally known as realia, the Library of Things is a collection of items available for checkout that goes beyond what is thought of as traditional materials. Prior to FY 2023, items available from the Library of Things included artwork, book discussion and hands-on history kits, nature backpacks, Conserve Kits, Connect Kits, and thermal cameras. New items introduced this fiscal year included binoculars (September 2022), board games (November 2022) and interactive learning tablets known as Launchpads (January 2023). The library’s collection of Connect Kits - laptops and MiFi units for home use - also grew thanks to a grant from the Emergency Connectivity Fund. Through this expansion, Connect Kits are now available for checkout at all 22 full-service library branches.



This fiscal year saw FCPL celebrating many branch anniversaries. Among these was FCPL’s Access Services branch which celebrated 50 years of serving cardholders by removing barriers to services, programs, and resources for individuals with disabilities. Other branches who hosted gatherings celebrating their respective anniversaries within the year include:

- Oakton Library, which celebrated its 15th anniversary on Sept. 24, 2022
- Kings Park Library, which celebrated its 50th anniversary on Oct. 15, 2022
- John Marshall Library, which celebrated its 60th anniversary on April 22, 2023
- Burke Centre Library, which celebrated its 15th anniversary on June 24, 2023

In the fall of 2022, recruitment challenges necessitated a temporary change in service hours for all branches. The new hours allowed for all branches to remain open on their scheduled days; Monday through Saturday for community branches and Sunday through Saturday for regional branches, while also requiring only one shift per day as the library continued to work to fill staffing vacancies. During this time library leaders and human resources staff worked aggressively to fill vacant positions. Library leadership is confident in the return to normal hours, which began on Aug. 28, 2023.

Despite the temporary reduction in hours, FCPL continued to follow its trend of increasing usage and visitation, with most factors meeting or exceeding pre-pandemic levels. Of note, FCPL saw a total circulation of more than 11.2 million materials during FY 2023, including a print circulation of approximately 8.2 million and a digital circulation of approximately 3 million.

ABOUT FAIRFAX COUNTY

Governmental Structure

Fairfax County is 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 BOS, which sets policy for the administration of the County. The BOS consists of 10 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 BOS appoints a County Executive to act as the administrative head of the County. The

County Executive serves at the pleasure of the BOS, carries out the policies established by the BOS, directs business and administrative procedures, and recommends officers and personnel to be appointed by the BOS.

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 the County, and the County generally is not required to provide governmental services to their residents. The County does; however, provide certain services to these cities' residents pursuant to intermunicipal agreements. The incorporated towns of Clifton, Herndon, and Vienna are underlying units of government within the County. The ordinances and regulations of the County apply, with certain limitations prescribed by state law. 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.

Employment

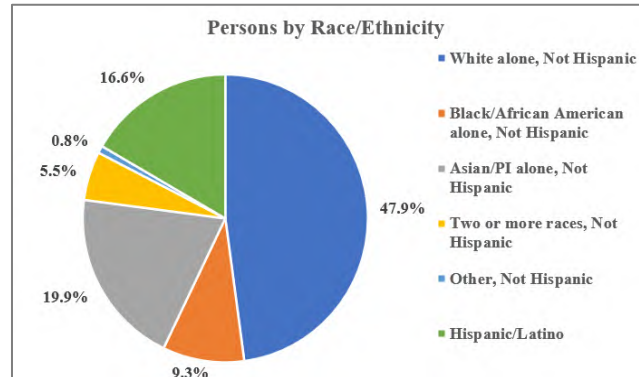
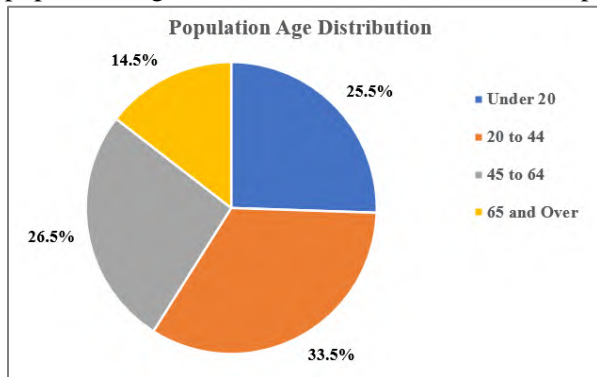
Businesses in Fairfax County include corporate and regional headquarters, information technology firms, sales and marketing offices, and business services. Local businesses create employment in such diverse areas as computer software development and systems integration, internet related services, telecommunications,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

- The technology sector in Fairfax County attracts new talent and investments from across the nation. Fairfax County is home to more than 10,000 technology-focused enterprises that deliver a full spectrum of high-end services and solutions to government, industry, healthcare, and consumer markets worldwide. From cloud computing and software development to artificial intelligence and data analytics, cutting-edge business processes and initiatives continue to usher in a new era of growth, making the County one of the prime spots for tech companies in northern Virginia.
- More than 500 cybersecurity companies are headquartered in the County. With its proximity to all major federal agencies, major educational institutions and Fortune 500-headquartered companies Fairfax County cybersecurity firms have access to people and resources which provides the County with a competitive edge over other tech-based areas. The unique concentration of tech talent, companies, resources, and training programs in such a small area has made the region a top choice for cybersecurity companies to establish themselves.
- Ten Fairfax County based companies are on the Fortune 500 list including Beacon Roofing Supply; Booz Allen Hamilton; Capital One; Freddie Mac; General Dynamics; Hilton; Leidos; Northrop Grumman; NVR; and SAIC.
- 441 international companies are based in the County including global giants like Rolls-Royce; Airbus; CGI; Volkswagen; Hexaware; and SAP.
- In Fairfax County, ensuring that small businesses succeed is a top priority. More than 90 percent of local businesses in Northern Virginia are small ones, though they tap into the same resource-rich region that large companies call home.

Online Resource: <https://www.fairfaxcountyeda.org/publications/>

Demographic Information

Based on the latest information from the County’s Department of Management and Budget’s Economic, Demographic and Statistical Research (EDSR) data for 2022, the County’s estimated population was 1.17 million. Approximately 39 percent of all County residents, five years or older, spoke a language other than English at home. The County had approximately 25.5 percent of its population under the age of 20 years, about 33.5 percent were between age of 20 to 44 years, approximately 26.5 percent were between the age of 45 to 64 years and age 65 years and over made up about 14.5 percent. The County is majority-minority with almost 52.1 percent of the County’s population consisting of racial/ethnic minorities according to the U.S. Census Bureau's latest 1-year American Community Survey of 2021. EDSR projects that the population of Fairfax will grow to 1.20 million by 2025. Additionally, as reported in the 2021 1-Year ACS estimate, Fairfax County had an estimated annual median household income of \$134,115 compared to \$80,963 in the Commonwealth of Virginia and \$69,717 in the United States. The following charts illustrate the County’s population age distribution and racial/ethnic composition based on data for 2021:



Online Resources:

<https://www.fairfaxcounty.gov/demographics/fairfax-county-general-overview>
<https://data.census.gov>

Public Schools

Fairfax County Public Schools (FCPS) is one of the largest school divisions in the U.S. with 198 schools and centers. FCPS serves a diverse student population of more than 180,000 students in grades pre-kindergarten through 12, speaking over 200 languages. Over 31 percent of the total student population is economically disadvantaged; approximately 15 percent are reported as students with disabilities; and almost 26 percent of students are English learners.



Demographically, 36.6 percent of FCPS students are White, 28.1 percent are Hispanic, 19.0 percent are Asian, 9.8 percent are Black, 6.2 percent are two or more races, and 0.3 percent are American Indian, (Source: 2022 Fall Membership by Subgroup as reported in the Virginia Department of Education School Quality Profile).

Nearly 94.6 percent of FCPS students graduate on time (in four years of high school), and more than 92 percent plan to pursue post-secondary education. FCPS students can take Advanced Placement (AP) or International Baccalaureate (IB) classes in high school. The school system offers the IB middle years program and the IB primary years program in select schools. The Class of 2023 had 238 students, from 18 high schools, named semifinalists by the National Merit Scholarship Corporation.

Thomas Jefferson High School for Science and Technology is a part of FCPS. It is also a regional magnet Governor’s School for Science and Technology in Northern Virginia. On a national level, it is the 5th highest ranked high school per U.S. News and World Report Best High Schools Rankings for 2023-2024. Rankings

are based on a school's performance on state-required tests, graduation, and how well they prepare students for college.

Online Resource: <https://www.fcps.edu/about-fcps>
<https://www.usnews.com/education/best-high-schools/articles/us-news-ranks-best-high-schools>

Colleges and Universities

Higher education plays a critical role in developing a highly skilled and competitive workforce. There are 12 colleges and universities either based or operating in the County. Among the larger institutions are George Mason University (GMU) which is Virginia's largest four-year research university, and Northern Virginia Community College (NVCC) which is one of the nation's largest community colleges. Combined, GMU and NVCC serve approximately 92,000 students. Also, at the Northern Virginia Center, there are satellite campuses for Virginia Polytechnic Institute and State University, known as Virginia Tech (VT), and University of Virginia (UVA). VT has a graduate program and UVA has a School of Continuing and Professional Services.

Online Resource: <https://www.fairfaxcountyed.org/doing-business/higher-education/>

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. FCPS, FCRHA, FCPA, and FCEDA are reported as discretely presented component units. For additional information regarding the basic financial statements and the County's financial position, refer to the Management's Discussion and Analysis section of this report.

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 Cherry Bekaert LLP. In addition to meeting the requirements of the state statutes, the audit was designed to meet the requirements in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 of the Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. 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 auditor's reports related specifically to the audit of expenditures of federal awards.

Ten Principles of Sound Financial Management

The keystone of the County's maintenance of fiscal integrity and sound financial management is the approval and continuing commitment of the BOS to 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. In FY 2016, the principles were reviewed by the BOS and have been revised to place additional emphasis on building and maintaining reserves to increase flexibility to deal with both expected and unanticipated events.

The County maintains a self-managed investment program under the direction and oversight of an Investment Committee. The committee is comprised of the Chief Financial Officer, the Director of the Department of Finance, the Director of the Department of Management and Budget, 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 policy is subjected to regular peer review by the Association of Public Treasurers of the United States and Canada.

A summary listing of the Fairfax County *Ten Principles of Sound Financial Management* is as follows:

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

The full text of the Fairfax County *Ten Principles of Sound Financial Management* is published annually within the County's adopted budget overview.

Online Resource:

<https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/fy2023/adopted/overview/long-term-financial-policies-tools.pdf>

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, superior commitment item grouping or project level. Any revisions that alter the total expenditures of any agency or fund must be approved by the BOS. The County's budget is adopted by May 15 for the coming fiscal year, which commences on July 1. Two budget reviews during the year, the Carryover Review, and 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 BOS 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 is separate and distinct from the County's Managed Reserve, which was established initially in FY 1983. As part of the adoption of the FY

2016 Adopted Budget Plan, the BOS updated the County's *Ten Principles of Sound Financial Management* to increase the reserve targets for both the Revenue Stabilization Reserve and the Managed Reserve. The target level of the Revenue Stabilization Reserve is five percent of General Fund disbursements, and the target level of the Managed Reserve is four percent of General Fund disbursements. In addition, the BOS established a new Economic Opportunity Reserve with a target balance equal to one percent of General Fund disbursements. This fund acts as a revolving reserve to address opportunities that are identified as priorities of the BOS. The total target balance for these three reserves is ten percent of General Fund disbursements. As of June 30, 2023, the Revenue Stabilization Fund, Managed Reserve and Economic Opportunity Reserve balances were \$263,388,385, \$204,451,288, and \$51,446,979, respectively.

The County's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the U.S. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. The evaluation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state financial assistance, the County also is responsible for maintaining an adequate internal control structure to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management, and the Internal Audit Office staff.

Debt Administration

The County borrows money primarily 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 the County an AAA rating in October 1978, and the 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 the County's high credit rating include recognized excellence in financial management, superior tax collection rates, low debt ratios, and high-income levels. As of January 2023, only 11 of 50 states, 47 of 3,143 counties, and 36 of 19,429 cities in the U.S. had such high bond ratings from all three rating agencies. These high credit ratings enable the 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 J of 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 the County with the Certificate of Achievement for Excellence in Financial Reporting for its FY 2022 Financial Report. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual financial

report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The County has received the Certificate of Achievement since 1977.

Award for Outstanding Achievement in Popular Annual Financial Reporting

GFOA also awarded the County with the Award for Outstanding Achievement in Popular Annual Financial Reporting for the FY 2022 Popular Annual Financial Report (PAFR). The PAFR is designed to offer those with a general interest in the County's financial activities a broad, high-level view of select data from the Annual Comprehensive Financial Report (ACFR), presented in an easily readable format. The GFOA PAFR award program annually recognizes high quality reports that meet the GFOA's criteria for reader appeal, understandability, dissemination, and other related requirements. The County has received the Award since its first publication of a PAFR in 2017.

Distinguished Budget Presentation Award

The GFOA has presented the Award for Distinguished Budget Presentation to the 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.

International City/County Management Association (ICMA) Award for Performance Measurement

Since 2002, the County has received ICMA's highest award for performance management. In 2021 (the most recent award cycle), the County was one of only 31 jurisdictions nationwide to earn this level of recognition for measuring performance and using that data to improve programs and services.

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 1998.

National Association of Counties (NACo) 2023 Achievement Awards

Fairfax County received five National Association of Counties 2023 Achievement Awards, recognizing effective and innovative programs that contribute to and enhance county government in the United States.



- ***Family Support Liaisons Program (FSLP)***- The FSLP offers trained liaisons, fluent in English and Spanish with translation available in many other languages, to support parents of children with developmental delays navigate the array of therapeutic options and services available through FCPA and Infant Toddler Connection. Another key component is organizing events and outings where parents and children can connect with other families in similar circumstances.
- ***Food Access Program (FAP)*** - Food insecurity is a growing problem. The Department of Neighborhood and Community Services' Food Access Program (FAP) surveyed community-based nonprofits and faith communities to see what the most crucial needs were as the County continued to navigate the effects of COVID-19. Based on that feedback, the FAP was able to identify needs and allocate more than \$7 million in American Rescue Act Plan funding to address purchasing, distribution and storage support benefitting more than 50 nonprofits and houses of worship. In keeping with Fairfax County's One Fairfax's social and racial equity program, the FAP has paid particular attention to food preferences among various religious and ethnic preferences. It has also examined and implemented ways to improve food access and distribution to meet the needs of those experiencing barriers to food access. The initial \$3.5 million FAP investment has increased food access for thousands of County residents. The remaining \$4 million will be spent in FY23 and FY24.
- ***Treating Addiction to Encourage Long-Term Recovery*** - The Fairfax County Sheriff's Office's (FCSO) history of innovation, outcomes and recovery for people with substance use disorders (SUDs) at the Adult Detention Center (ADC) is noteworthy. In 2018, FCSO launched Striving to Achieve Recovery (STAR), a voluntary jail-based SUDs program which is a Peer-led. More than half of past

participants have returned to the community and not recidivated. Since 2020, FCSO offers individuals with opioid use disorder (OUD) medication for addiction treatment and ensures wraparound recovery supports. FCSO recognizes OUD as a chronic illness that jails are required to treat. Transformative changes include validated SUDs screening tools and withdrawal protocols, peer support, counseling, workforce training, revised standard operating procedures, harm reduction and enhanced release plans. FCSO strives to be a correctional leader in its efforts.

- ***Promoting the use of Developmental and Social Emotional Screeners Among Early Childhood Programs to Support School Readiness: The ASQ Virtual Learning Program*** - In 2021, Fairfax County developed the Ages & Stages Questionnaires® Learning Course Program (ASQ Virtual Learning Program) to help promote school readiness throughout Fairfax County. A nonprofit, Fairfax Futures, led a collaborative endeavor with the County’s Infant & Toddler Connection and the Office for Children’s School Readiness division to develop the program. In the County, there are approximately 72,000 children ages birth to age 5, and the screening tool helps ensure that children enter kindergarten meeting age-appropriate developmental expectations. The course includes recorded learning modules and facilitated group conversations. There are also online support tools to help track screening data.
- ***Virtual Center for Active Adults (VCAA)*** - When community centers were closed due to the COVID-19 restrictions, the County sought ways to engage older adults and adults with disabilities. The Department of Neighborhood and Community Services (NCS) in collaboration with our partners at ServiceSource Inc., embraced the Zoom platform, meeting the programming challenges with a robust slate of daily live and on-demand programming. VCAA participants could see their friends in a social group, learn a skill, practice a foreign language, stay fit and so much more. VCAA has served over 64,000 individuals in over 3,400 virtual activities and has a virtual library of over 25 on-demand videos. Based on the high use and very positive feedback, NCS plans to keep the program active.

Digital Counties Survey & Technology Awards

The County was recognized in first place of the Center for Digital Government’s 2023 Digital Counties Survey in the category of jurisdictions with populations greater than 1 million. The survey honors counties with innovative use of technology in areas such as: data management; cybersecurity; modernized infrastructure; and emerging technologies. Fairfax County has been in the top 10 in eighteen of the last nineteen years of the award and in the top 3 eleven times. Additional information is available here: [Digital Counties 2023: 1 Million or More Population Category \(govtech.com\)](https://www.govtech.com/digital-counties-survey-2023)



ACKNOWLEDGMENTS

We express our sincere appreciation to all staff who contributed to this report, especially the members of the ACFR Project Team in the Financial Reporting Division 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 ACFR reflects our commitment to the residents and businesses of Fairfax County, the BOS, and all interested readers of this report to provide information in conformance with the highest standards of financial reporting.

Respectfully,



Bryan J. Hill
County Executive



Christina C. Jackson
Chief Financial Officer



Christopher J. Pietsch
Director of Finance

COUNTY OF FAIRFAX, VIRGINIA
Urban County Executive Form of Government
As of June 30, 2023

BOARD OF SUPERVISORS

Jeffrey C. McKay, Chairman	At-Large
Penelope A. Gross, Vice Chairman	Mason District
Daniel G. Storck	Mount Vernon District
Dalia A. Palchik	Providence District
Walter L. Alcorn	Hunter Mill District
Kathy L. Smith	Sully District
James R. Walkinshaw	Braddock District
Rodney L. Lusk	Franconia District
Patrick S. Herrity	Springfield District
John W. Foust	Dranesville District

CLERK TO THE BOARD

Jill Cooper

COUNTY EXECUTIVE

Bryan J. Hill

DEPUTY COUNTY EXECUTIVES

Thomas G. Arnold
Rachel O'Dwyer Flynn
Christopher Leonard
Ellicia Seard-McCormick
Christina C. Jackson, CFO

DEPARTMENT OF MANAGEMENT AND BUDGET

Phil A. Hagen, Director

DEPARTMENT OF TAX ADMINISTRATION

Jaydeep Doshi, Director

OFFICE OF THE COUNTY ATTORNEY

Elizabeth D. Teare, County Attorney

OFFICE OF THE INTERNAL AUDITOR

Sharon A. Pribadi, Director

DEPARTMENT OF FINANCE

Christopher J. Pietsch, Director

PROCUREMENT AND MATERIAL MANAGEMENT

Lee Ann Pender, Director

OFFICE OF PUBLIC AFFAIRS

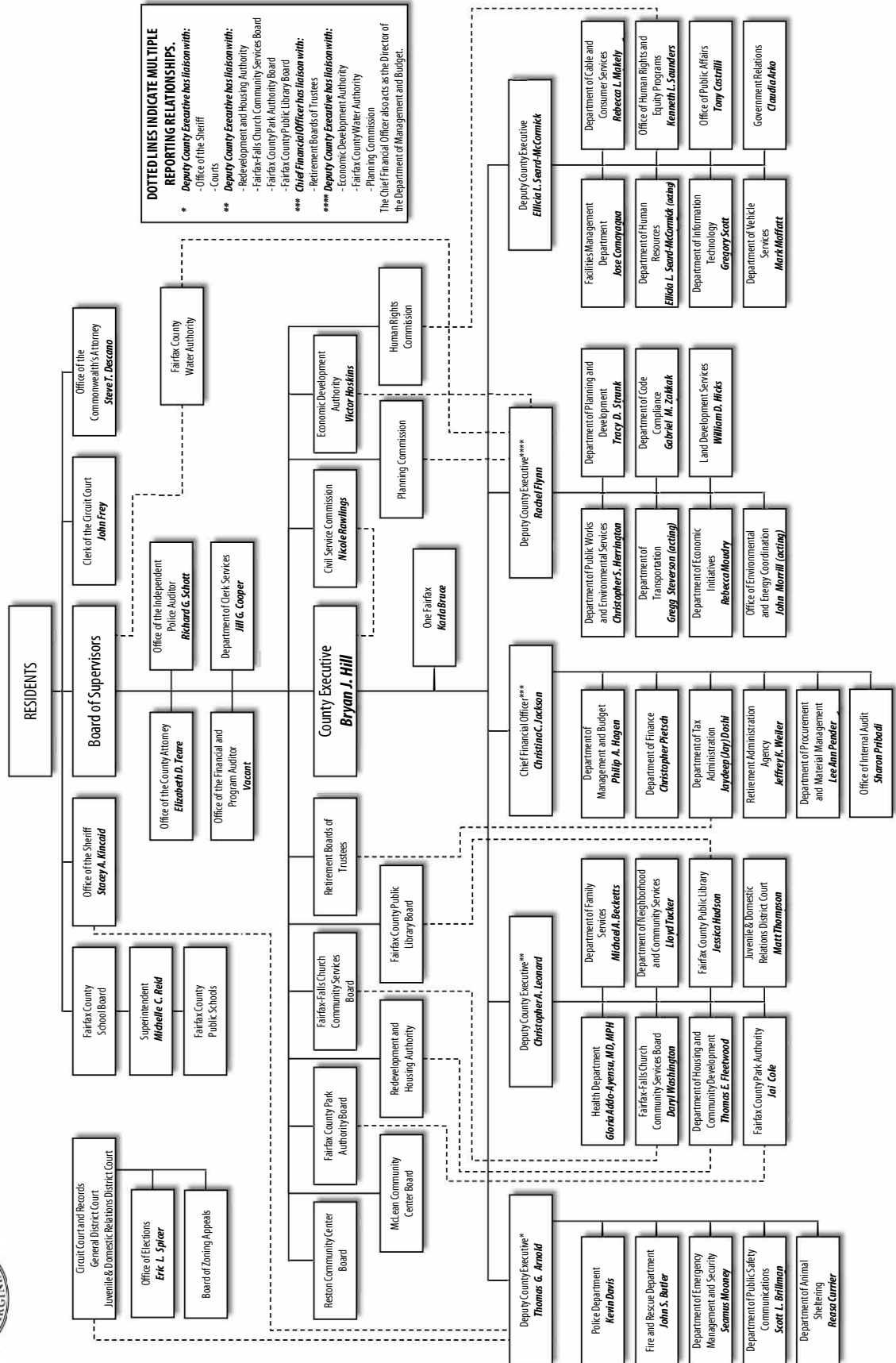
Tony Castrilli, Director

INDEPENDENT AUDITOR

Cherry Bekaert LLP



ORGANIZATION OF FAIRFAX COUNTY GOVERNMENT



This report was prepared by:

COUNTY OF FAIRFAX, VIRGINIA
DEPARTMENT OF FINANCE

12000 Government Center Parkway, Suite 214
Fairfax, Virginia 22035
(703) 324-3120, TTY 711
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DIRECTOR

Christopher J. Pietsch, CPFO, CIA

DEPUTY DIRECTORS

Tanya D. Burrell, CPA, MPA
Jerry Wilhelm

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Nashwa Abualsaad

With the support and assistance of many others.

Special Thanks to Carl Pagani, Department of Finance

**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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. 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 ACFR 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 45 times since 1977.



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Fairfax
Virginia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



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.

Report of Independent Auditor

To the Board of Supervisors
County of Fairfax, Virginia

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Specifications for Audits of Counties, Cities, and Towns* (the "Specifications"), issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards and Specifications are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Specifications will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Specifications, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Other Supplementary 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 accompanying Other Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s 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.

Cherry Bekaert LLP

Tysons Corner, Virginia
November 17, 2023



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) Annual Comprehensive Financial Report (ACFR) presents our discussion and analysis of the County's financial performance during the fiscal year that ended on June 30, 2023. 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 ACFR.

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.

- The County's assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$1,744.5 million on a government-wide basis at June 30, 2023.
- For the fiscal year, taxes and other revenues of the County's governmental activities amounted to \$5,973.9 million. Expenses amounted to \$5,626.0 million.
- For the fiscal year, revenues of the County's business-type activities were \$277.0 million, and expenses were \$216.0 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 \$213.5 million for fiscal year 2023, compared to an increase of \$326.7 million for fiscal year 2022.
- The County's General Fund reported a fund balance of \$779.0 million, an increase of \$42.7 million, or 5.8 percent, over fiscal year 2022.

General Financial Highlights

In November 2022, the County completed a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan prepayment of \$38.6 million for the Dulles Corridor Metrorail Project. This project, also known as the Silver Line, is a 23-mile extension of the Washington Metro from East Falls Church to Washington Dulles International Airport and westward into Ashburn.

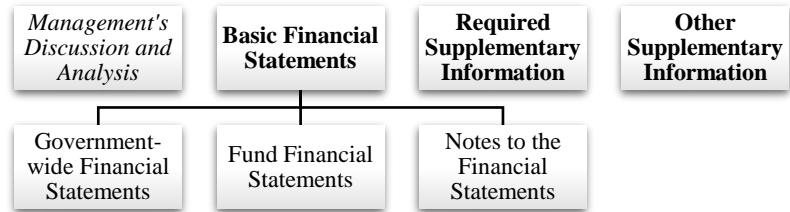
In February 2023, the County issued \$321.9 million of Series 2023A General Obligation Public Improvement Bonds. Bond proceeds from this issue are being used to finance school, park, road, public safety, and other County improvements.

In June 2023, the County completed a General Obligation (GO) Series 2020B escrow restructuring, a substitution of escrow securities on refunded bonds, which generated \$475,000 in revenue.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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



The statements and notes are followed by required supplementary information that contains the budgetary comparison schedule for the General Fund and trend data pertaining to the retirement systems. In addition to these required elements, the County includes other supplementary information with combining and individual fund statements to provide details about the governmental, internal service, and fiduciary funds, as well as 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 it has 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, 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 custodial 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 custodial 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 tables below and on the following page present a Summary of Net Position for the reporting entity as of June 30, 2023 and 2022:

Summary of Net Position As of June 30 (\$ in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 7,298.1	\$ 6,996.9	\$ 424.5	\$ 444.7	\$ 7,722.6	\$ 7,441.6
Capital assets (net)	3,569.4	3,341.3	1,876.6	1,803.0	5,446.0	5,144.3
Total assets	10,867.5	10,338.2	2,301.1	2,247.7	13,168.6	12,585.9
Deferred outflow of resources:	1,215.3	698.9	50.5	48.3	1,265.8	747.2
Liabilities:						
Current liabilities	541.6	635.5	44.6	41.2	586.2	676.7
Long-term liabilities	6,764.2	5,532.7	859.8	854.9	7,624.0	6,387.6
Total liabilities	7,305.8	6,168.2	904.4	896.1	8,210.2	7,064.3
Deferred inflow of resources:	4,471.6	4,911.4	8.1	21.8	4,479.7	4,933.2
Net position:						
Net investment in capital assets	2,637.2	2,411.5	1,186.2	1,181.5	3,823.4	3,593.0
Restricted	434.3	442.8	54.2	48.5	488.5	491.3
Unrestricted (deficit)	(2,766.1)	(2,896.8)	198.7	148.1	(2,567.4)	(2,748.7)
Net position	\$ 305.4	\$ (42.5)	\$ 1,439.1	\$ 1,378.1	\$ 1,744.5	\$ 1,335.6

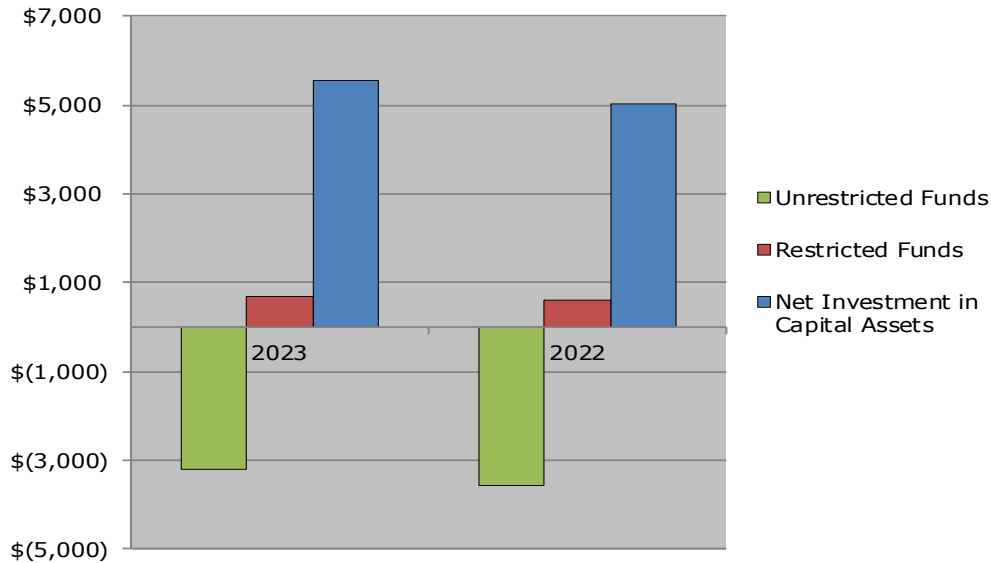
Summary of Net Position - continued								
As of June 30								
(\$ in millions)								
	Total Primary Government		Component Units		Reclassifications*		Total Reporting Entity	
	2023	2022	2023	2022	2023	2022	2023	2022
Assets:								
Current and other assets	\$ 7,722.6	\$ 7,441.6	\$ 2,343.0	\$ 1,147.3	\$ -	\$ -	\$ 10,065.6	\$ 8,588.9
Capital assets (net)	5,446.0	5,144.3	3,794.7	3,585.7	-	-	9,240.7	8,730.0
Total assets	13,168.6	12,585.9	6,137.7	4,733.0	-	-	19,306.3	17,318.9
Deferred outflow of resources:	1,265.8	747.2	1,153.5	1,003.9	-	-	2,419.3	1,751.1
Liabilities:								
Current liabilities	586.2	676.7	279.8	274.9	-	-	866.0	951.6
Long-term liabilities	7,624.0	6,387.6	5,157.7	2,950.7	-	-	12,781.7	9,338.3
Total liabilities	8,210.2	7,064.3	5,437.5	3,225.6	-	-	13,647.7	10,289.9
Deferred inflow of resources:	4,479.7	4,933.2	586.7	1,780.6	-	-	5,066.4	6,713.8
Net position:								
Net investment in capital assets	3,823.4	3,593.0	3,500.1	3,363.9	(1,774.3)	(1,947.7)	5,549.2	5,009.2
Restricted	488.5	491.3	314.0	239.0	(128.9)	(103.3)	673.6	627.0
Unrestricted (deficit)	(2,567.4)	(2,748.7)	(2,547.1)	(2,872.2)	1,903.2	2,051.0	(3,211.3)	(3,569.9)
Net position	\$ 1,744.5	\$ 1,335.6	\$ 1,267.0	\$ 730.7	\$ -	\$ -	\$ 3,011.5	\$ 2,066.3

*Reclassification represents County issued debt for Schools and Parks facilities. See Note A - 13 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. The Governmental Accounting Standards Board (GASB) Statement 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 result is that debt financed assets are presented on the books for the component units while the associated debt resides on the books of the primary government. 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. Consequently, the net position of the total financial reporting entity best represents the financial position.

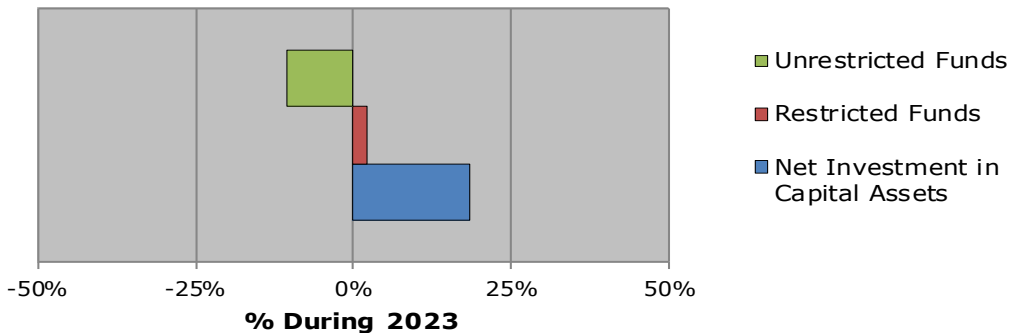
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the reporting entity, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$3,011.5 million at the end of fiscal year 2023, representing an increase of \$945.2 million from the net position at June 30, 2022, as shown above. The increase in fiscal year 2023 net position was mainly due to increases in current and other assets, capital assets, and deferred inflows related to pensions, as well as decreases in current liabilities offset by increases in deferred tax revenue and deferred inflows related to pension.

**Composition of Net Position of the Reporting Entity
As of June 30
(\$ in millions)**



As shown above and below, the largest portion of net position is the net investment in capital assets (e.g., land, buildings, infrastructure, equipment, and right-to-use lease and subscription assets, net of depreciation and amortization), less the outstanding debt that was used to acquire those assets, followed closely by unrestricted. 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 is restricted for various uses, some of which include transportation (\$366.6 million), grant programs (\$159.6 million), housing (\$45.6 million), and community centers (\$17.1 million). The balance of net position that is neither related to capital assets nor restricted for specific uses is represented as unrestricted net position.

**Composition of Net Position of the Reporting Entity
As of June 30**



Statement of Activities

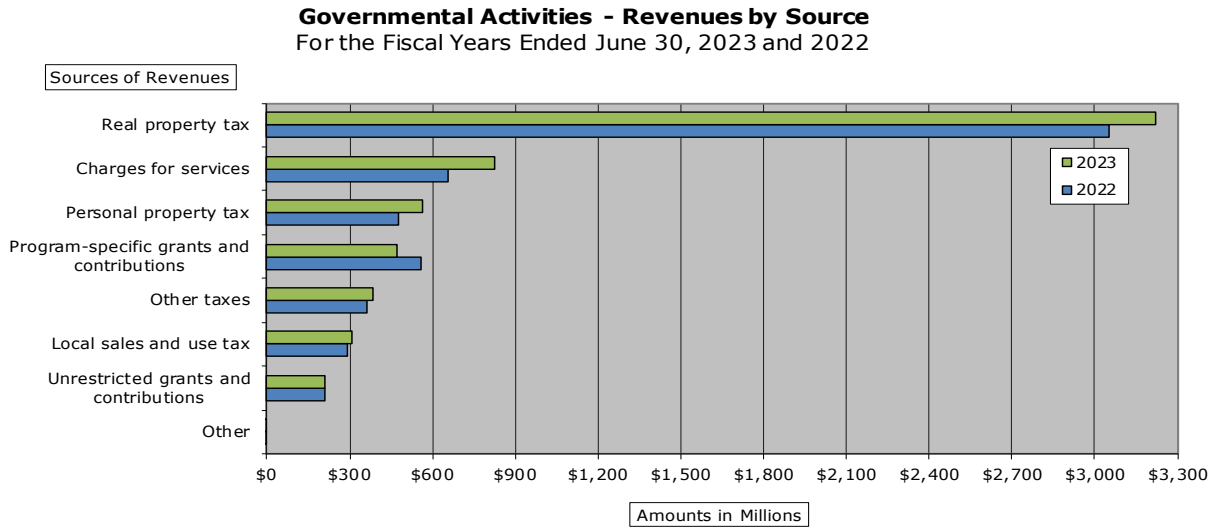
The following table summarizes the changes in Net Position for the primary government for the fiscal years ended June 30, 2023 and 2022:

Summary of Changes in Net Position For the Fiscal Years Ended June 30 (\$ in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 827.5	\$ 658.2	\$ 266.2	\$ 247.6	\$ 1,093.7	\$ 905.8
Operating grants and contributions	447.7	522.3	-	-	447.7	522.3
Capital grants and contributions	25.6	38.8	4.2	2.2	29.8	41.0
General revenues:						
Real property tax	3,219.9	3,053.6	-	-	3,219.9	3,053.6
Personal property tax	564.3	475.1	-	-	564.3	475.1
Business licenses tax	205.1	190.0	-	-	205.1	190.0
Local sales and use tax	305.9	294.3	-	-	305.9	294.3
Consumers utility tax	123.5	106.6	-	-	123.5	106.6
Other taxes	54.6	66.8	-	-	54.6	66.8
Unrestricted grants and contributions	211.4	211.4	-	-	211.4	211.4
Revenue from the use of money	(11.6)	(61.5)	6.6	0.5	(5.0)	(61.0)
Total revenues	5,973.9	5,555.6	277.0	250.3	6,250.9	5,805.9
Expenses:						
General government administration	228.8	192.5	-	-	228.8	192.5
Judicial administration	81.3	61.8	-	-	81.3	61.8
Public safety	888.2	801.6	-	-	888.2	801.6
Public works	303.5	223.9	216.0	196.6	519.5	420.5
Health and welfare	778.6	775.3	-	-	778.6	775.3
Community development	572.7	443.1	-	-	572.7	443.1
Parks, recreation, and cultural	158.1	195.3	-	-	158.1	195.3
Education	2,515.9	2,368.9	-	-	2,515.9	2,368.9
Interest on long-term debt *	98.9	96.1	-	-	98.9	96.1
Total expenses	5,626.0	5,158.5	216.0	196.6	5,842.0	5,355.1
Increase in net position	347.9	397.1	61.0	53.7	408.9	450.8
Beginning net position	(42.5)	(439.6)	1,378.1	1,324.4	1,335.6	884.8
Ending net position	\$ 305.4	\$ (42.5)	\$ 1,439.1	\$ 1,378.1	\$ 1,744.5	\$ 1,335.6

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

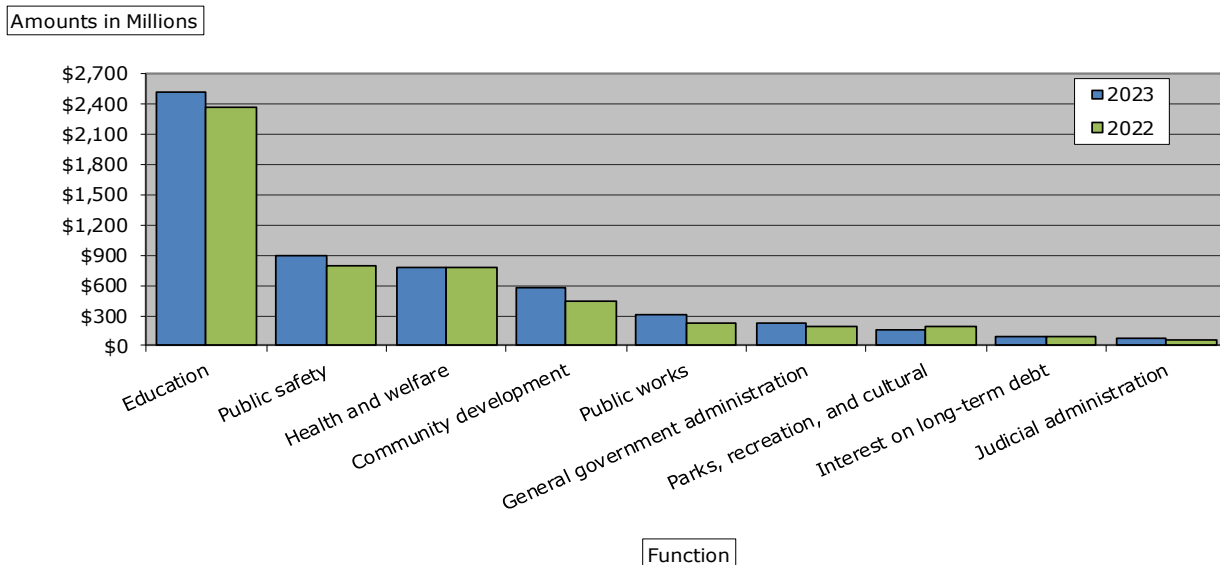
Governmental Activities

Revenue for the County’s governmental activities was \$5,973.9 million for fiscal year 2023, representing an increase of \$418.3 million over fiscal year 2022. Sources of revenue for fiscal years 2023 and 2022 are shown below:



Taxes constitute the largest source of County revenues, amounting to \$4,473.3 million for fiscal year 2023, an increase of \$286.9 million over fiscal year 2022, primarily due to increases in real and personal property taxes. Real property taxes (\$3,219.9 million) represent 72.0 percent 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 \$166.3 million, resulting in increased revenue. Unrestricted grants and contributions include \$211.4 million in revenue from the Commonwealth of Virginia to reimburse the 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, 2023 and 2022



The total cost of all of the County's governmental activities for fiscal year 2023 was \$5,626.0 million, representing an increase of \$467.5 million over fiscal year 2022. As the table below indicates, education continues to be the County's largest program. Education totaled \$2,515.9 million in fiscal year 2023, an increase of \$147.0 million over fiscal year 2022, to support school operations and to service debt for bond-funded projects to build new schools and renew older facilities. Community development increased by \$129.6 in total cost of services compared to fiscal year 2022, due in large part to a variety of transportation projects (such as the Metro's Silver Line and Richmond Highway widening projects), as well as the advent of the Land Development Services fund.

The table below 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).

Net Cost of County's Governmental Activities For the Fiscal Years Ended June 30 (\$ in millions)				
Functions/Programs	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Education	\$ 2,515.9	\$ 2,368.9	\$ 2,515.9	\$ 2,365.2
Public safety	888.2	801.6	755.6	672.9
Health and welfare	778.6	775.3	484.2	397.4
Community development	572.7	443.1	249.2	79.4
Public works	303.5	223.9	90.2	32.1
General government administration	228.8	192.5	(50.1)	99.6
Other	338.3	353.2	280.2	292.7
Total	\$ 5,626.0	\$ 5,158.5	\$ 4,325.2	\$ 3,939.3

Some of the cost of governmental activities was paid by those who directly benefited from the programs; these costs totaled \$827.5 million. Other governments and organizations subsidized certain programs with grants and contributions totaling \$473.3 million. County taxpayers subsidized the balance of \$4,325.2 million net cost of governmental expenses.

Business-type Activities

The Sewer System recovers its costs primarily through user service charges and availability fees. For fiscal year 2023, the Sewer System reported an increase in net position of \$61.0 million. Total revenues of the Sewer System increased \$26.7 million from fiscal year 2022. This increase was primarily the result of an increase in the sewer availability fees.

Total expenses of the Sewer System for fiscal year 2023 were \$216.0 million, increasing by \$19.4 million from fiscal year 2022. This increase was primarily the result of increases in personnel services, contractual services, and intergovernmental expenses from the EDA S2021A bond.

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 Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

As of June 30, 2023, the County's governmental funds had a combined fund balance of \$2,231.6 million, compared with \$2,018.1 million at June 30, 2022. Of the fiscal year 2023 fund balance, \$77.5 million is assigned in the General Fund, indicating that it is not available for new spending as it has been allocated for items such as existing purchase orders, construction contracts and loan repayments. Approximately 16.0 percent (\$124.7 million) of the total 2023 General Fund balance is unassigned, representing resources not associated with a specified purpose. With regards to the nonmajor fund balance, as a portion of the total governmental funds' fund balance, 65.1 percent (\$1,452.1 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 (\$2.3 million) of the total fund balance. At June 30, 2023, \$467.8 million of the General Fund's committed fund balance of \$575.1 million is designated for the managed reserve and revenue stabilization fund based on fiscal year 2023 actuals.

For the fiscal year ended June 30, 2023, fund balances for all governmental funds increased by \$213.5 million, compared with the \$326.7 million increase for fiscal year ended June 30, 2022. Total revenues and other financing sources were \$7,286.5 million, total expenditures and other financing uses were \$7,073.0 million, resulting in the increase to the fund balances. In comparison to fiscal year 2022, total revenues and other financing sources increased by \$209.1 million, mainly as a result of increases in Real and Personal Property Tax and Other Local Taxes receipts, as well as increases in charges for public works and health and welfare services. Expenditures and other financing uses increased by \$322.2 million compared to fiscal year 2022 primarily due to increases in expenditures related to education (\$147.0 million increase), community development (\$129.6 million), and public safety (\$86.6 million).

The General Fund is the main operating fund of the County. At the end of the current fiscal year, the unassigned fund balance was \$124.7 million, which represents approximately 2.9 percent of the General Fund's total expenditures. Revenues of \$5,054.7 million, less expenditures of \$4,234.1 million and other financing uses of \$777.8 million, resulted in a net increase in fund balance of \$42.7 million. This increase was primarily attributed to the rise in property tax assessments.

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 and 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, such as the Fairfax-Falls Church Community Services Board, that receive the majority of their funding from the General Fund. These balances total approximately 21.4 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, 2023	
(\$ in millions)	
General fund committed reserves ⁽¹⁾ :	
Revenue stabilization fund reserve	\$ 263.4
Managed reserve	204.5
Information Technology and others	107.2
Total committed	575.1
General fund assigned reserves (encumbrances)	77.5
General fund unassigned reserves	124.7
General fund supported reserves ⁽²⁾ :	
Community services board	61.3
Internal service fund reserves ⁽³⁾ :	
Vehicle related reserves	103.5
Technology related reserves	24.6
Self insurance reserves	116.0
Total reserves funded by and available to the general fund	1,082.7
General fund revenues and transfers in ⁽⁴⁾ :	
General fund revenues	5,054.7
Transfers in	15.9
Total general fund revenues and transfers in	\$ 5,070.6
Total available reserves as % of general fund revenues	21.4%

⁽¹⁾ Exhibit A-2

⁽³⁾ Exhibit G

⁽²⁾ Exhibit D

⁽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 \$523.5 million or 11.0 percent. This increase is primarily due to the carryover of prior-year commitments and one-time funding requirements for IT and Capital Projects. The final amended budget revenues and transfers were more than the original budget by a net of \$144.9 million or 3.0 percent, primarily due to higher than projected interest earnings on Investments, Personal Property Taxes, Local sales and use Tax, Transient Occupancy Tax, and an increase to the Transfer In from the Fairfax-Falls Church Community Services Board of \$10.0 million.

Actual revenues were \$72.6 million more than final budget amounts, and actual expenditures were \$249.3 million less than final budget amounts. Highlights of the comparison of final budget to actual figures for the fiscal year ended June 30, 2023, include the following:

- Tax revenues exceeded budgeted amounts by \$44.6 million. The increase is a combination of increases in Personal Property Taxes, Real Property Taxes, Local Sales & Use Taxes, Business Licenses Taxes, Recordation Taxes and Occupancy, Tobacco and Other Taxes.
- Intergovernmental revenue was \$6.4 million more than budgeted amounts primarily as a result of increase in different kinds of federal aid and subsidy.
- General government administration expenditures were \$12.3 million, or 8.1 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 \$22.4 million, or 3.8 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 \$42.3 million, or 12.1 percent, less than budgeted amounts due to managing position vacancies, lower than anticipated costs in the Department of Family Services, the Health Department, and the Department of Neighborhood and Community Services, and encumbrances carried forward to the next fiscal year.
- Nondepartmental expenditures were \$146.7 million, or 23.2 percent, less than budgeted amounts primarily due to less expenditure in unclassified administrative expenses and some savings on employee benefits.

CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets

The County’s investment in capital assets as of June 30, 2023, amounted to \$5.4 billion, which represents an increase of \$301.7 million, or 5.9 percent, over last year. Capital assets as of June 30, 2023 and 2022, are summarized below:

	Capital Assets As of June 30 (\$ in millions)					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land and easements	\$ 480.0	\$ 478.5	\$ 25.4	\$ 25.2	\$ 505.4	\$ 503.7
Buildings, improvements, and infrastructure	3,469.9	3,326.9	1,846.6	1,759.4	5,316.5	5,086.3
Software	215.6	199.2	-	-	215.6	199.2
Vehicles, equipment, and library collections	746.4	675.3	19.2	16.9	765.6	692.2
Construction in progress	491.3	428.0	197.8	180.6	689.1	608.6
Equipment under construction	55.5	38.5	-	-	55.5	38.5
Software in development	37.1	24.2	-	-	37.1	24.2
Purchased capacity	-	-	1,209.5	1,172.9	1,209.5	1,172.9
Right-to-use lease assets	149.4	127.2	-	-	149.4	127.2
Right-to-use subscription assets	67.1	-	-	-	67.1	-
Total capital assets	5,712.3	5,297.8	3,298.5	3,155.0	9,010.8	8,452.8
Less: Accumulated depreciation and amortization	(2,142.9)	(1,956.5)	(1,421.9)	(1,352.0)	(3,564.8)	(3,308.5)
Total capital assets, net	\$ 3,569.4	\$ 3,341.3	\$ 1,876.6	\$ 1,803.0	\$ 5,446.0	\$ 5,144.3

The major capital asset activities for fiscal year 2023 included the following:

- Developers’ contributions of sewer lines and manholes totaled \$4.1 million; contributions related to stormwater and pedestrian walkways totaled \$4.7 million.
- The purchase of library books and audio/video materials totaled \$4.4 million, funded through general operating revenues.

- Improvements to transportation, including bus and rail service, totaled \$37.0 million, County and Regional transportation projects totaled \$2.0 million, and Stormwater Services totaled \$51.0 million.
- Expenditures related to construction of the Springfield and Monument Drive Parking Facility, Lorton and Hybla Valley Community Center and Kingstowne Regional Library, Franconia and South County Police Station and Animal Services Facility, Stormwater Consolidation Facility, Fire Station in multiple locations and Capital Sinking fund for facilities and walkways were \$23.1 million, \$10.0 million, \$16.2 million, \$17.3 million, \$9.3 million, and \$11.1 million, respectively.
- The Sewer System's share of the upgrade and operating costs of the Noman Cole Treatment Plant Renovation totaled \$50.9 million.
- The acquisition of Software increased by \$29.3 million for improving general government administration functions.
- The acquisition of new Motorola radios to replace existing radios for the public safety agencies totaled \$39.9 million.
- Leases for the use of office space increased by \$22.2 million due to lease contract renewals and modifications.
- Due to the implementation of GASB Statement 96, *Subscription-Based Information Technology Arrangements*, 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.

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

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 \$2.0 billion of general obligation bond sales over a five-year period, for an average of \$400.0 million annually, with a maximum of \$425.0 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 3.00 percent of the total market value of taxable real and personal property in the County and that annual debt service payments do not exceed 10.00 percent of annual General Fund expenditures and transfers out. For fiscal year 2023, these percentages were 0.95 percent and 6.64 percent, respectively.

In February 2023, the County issued \$321.9 million of Series 2023A General Obligation Public Improvement Bonds with a true interest cost of 2.98 percent and a premium of \$29.1 million. Proceeds of \$321.9 million are being used to fund new schools, parks, roads, and other public works and public safety improvements, as shown (in millions) on the following page:

County facilities:	
Transportation Improvements	\$22.0
Public safety facilities	41.9
Other purposes	12.0
Park facilities.....	27.0
Transportation facilities.....	30.0
Public Schools facilities	<u>189.0</u>
Total bonds issued for new projects	<u>\$321.9</u>

The following is a summary of the County’s gross outstanding long-term debt as of June 30, 2023 and 2022:

Outstanding Long-term Debt As of June 30 (\$ in millions)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
General obligation bonds issued for:						
County facilities	\$ 947.7	\$ 896.6	\$ -	\$ -	\$ 947.7	\$ 896.6
Public Schools facilities	1,569.1	1,518.4	-	-	1,569.1	1,518.4
Revenue bonds	525.0	565.2	-	-	525.0	565.2
Sewer revenue bonds	-	-	721.4	730.1	721.4	730.1
Direct placements and borrowings	542.2	570.3	-	-	542.2	570.3
Notes payable and other	158.5	126.8	-	-	158.5	126.8
Total County outstanding debt	\$ 3,742.5	\$ 3,677.3	\$ 721.4	\$ 730.1	\$ 4,463.9	\$ 4,407.4

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following economic factors are reflected in the General Fund budget for fiscal year 2024:

- The assessed value of all real property increased by \$19.5 billion, or 6.59 percent, over the fiscal year 2023 value. This resulted from an increase in existing property values and construction of new properties.
- Equalized residential property assessments increased 6.97 percent and non-residential equalization increased 1.65 percent for fiscal year 2024. For the third consecutive year, growth in residential equalization has been higher than that of non-residential equalization.
- Personal property tax revenue is projected to decrease 2.10 percent in fiscal year 2024 compared to the fiscal year 2023 revised budget due to change in assessed ratio of vehicle values. The total vehicle volume is forecasted to remain the same in 2024.
- The General Fund revenue is expected to increase 4.0 percent from the fiscal year 2023 revised budget plan primarily as a result of strong growth in Real Estate assessment base, higher Local Sales Tax, Transient Occupancy Tax, and significant increase in Investment Interest earnings on the County's portfolio.

The fiscal year 2024 Adopted Budget includes revenues of \$5.11 billion, or a 3.8 percent increase from the fiscal year 2023 Revised Budget Plan. Real estate and personal property taxes represent the majority of budgeted revenues, comprising approximately 80.62 percent of the fiscal year 2024 General Fund revenues. Revenue from real property taxes alone makes up 66.15 percent of total revenues, as compared with approximately 67.13 percent in the fiscal year 2023 Adopted Budget.

The fiscal year 2024 General Fund disbursements, which include transfers out, total \$5.11 billion, a 3.58 percent decrease from the fiscal year 2023 Revised Budget Plan. County funding for Public Schools is \$2.64 billion which is approximately 52.2 percent of the County's total General Fund budget. This funding supports operating costs, school construction, and debt service. Total direct expenditure funding decreased by \$90.34 million, or 4.50 percent, from fiscal year 2023 Revised Budget Plan.

The following tax rates and fees were approved for fiscal year 2024:

- Real estate tax rate decreases from \$1.11 to \$1.095 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 tax rate for the Dulles Rail Phase I Transportation Improvement District remains at \$0.09 per \$100 of assessed value, levied on commercial and industrial properties in the district. Dulles Rail Phase II decreases from \$0.20 to \$0.18 per \$100 of assessed value.
- Special real estate tax rate collected on all properties within Small District 1, Dranesville, for the McLean Community Center remains at \$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 \$8.09 to \$8.46 per 1,000 gallons of water consumption and the Sewer Availability Charge for new single-family homes increases from \$8,592 to \$8,860 per unit. The Sewer Base Charge increases from \$40.14 to \$44.81 per quarter.

- Refuse collection rate for County collection sanitation districts increases from \$475 to \$490 per household and the refuse disposal rate increases from \$70 to \$72 per ton.
- The Stormwater Services rate remains the same at \$0.0325 per \$100 of assessed value.
- Special real estate tax rate collected on all properties within the Tysons Service District remains at \$0.05 per \$100 of assessed value.
- Special real estate tax rate collected on all properties within the Reston Service District remains at \$0.021 per \$100 of assessed value.

The Board has increased the funding dedicated to affordable housing to just over one penny of the real estate tax rate. Funding adjustments and strategies have been incorporated in the fiscal year 2024 Adopted Budget Plan to continue to address the County's commitment to achieving the strategic priorities of a strong investment in education; public safety; affordable housing; environmental protection; and transportation improvements.

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.



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, 2023

	Primary Government		Total Primary Government
	Governmental Activities	Business-type Activities	
ASSETS			
Equity in pooled cash and temporary investments	\$ 905,644,535	181,796,264	1,087,440,799
Cash in banks/with fiscal agents	-	-	-
Investments	1,677,577,673	-	1,677,577,673
Receivables (net of allowances):			
Accounts	34,973,980	794,104	35,768,084
Leases	-	-	-
Accrued interest	8,147,483	-	8,147,483
Property taxes:			
Delinquent	34,410,724	-	34,410,724
Not yet due	3,912,280,019	-	3,912,280,019
Business license taxes - delinquent	2,024,726	-	2,024,726
Loans	96,285,964	-	96,285,964
Notes	34,565,000	-	34,565,000
Due from intergovernmental units (net of allowances):			
Property tax relief - not yet due	211,313,944	-	211,313,944
Other	195,714,335	64,569,034	260,283,369
Due from primary government	-	-	-
Due from component units	197,376	-	197,376
Loan to component unit	8,505,000	-	8,505,000
Inventories of supplies	3,068,350	326,342	3,394,692
Prepaid and other assets	5,143,632	-	5,143,632
Restricted assets:			
Equity in pooled cash and temporary investments	40,823,744	90,762,795	131,586,539
Cash and temporary investments with fiscal agents	125,799,590	54,235,528	180,035,118
Deposit held in trust	-	-	-
Investments	-	31,958,291	31,958,291
Property held for sale	894,694	-	894,694
Capital assets:			
Non-depreciable/non-amortizable:			
Land and easements	480,005,175	25,464,904	505,470,079
Construction in progress	491,259,264	197,768,389	689,027,653
Equipment under construction	55,498,694	-	55,498,694
Software in development	37,078,270	-	37,078,270
Depreciable/amortizable:			
Vehicles and equipment	619,822,865	19,200,009	639,022,874
Software	215,571,656	-	215,571,656
Library collections	126,537,418	-	126,537,418
Purchased capacity	-	1,209,528,528	1,209,528,528
Buildings and improvements	2,165,130,596	96,950,088	2,262,080,684
Infrastructure	1,304,794,123	1,749,603,548	3,054,397,671
Right-to-use lease assets	149,425,049	-	149,425,049
Right-to-use subscription assets	67,135,757	-	67,135,757
Accumulated depreciation	(1,980,830,703)	(869,040,861)	(2,849,871,564)
Accumulated amortization	(162,066,629)	(552,843,313)	(714,909,942)
Other non-current assets:			
Lease receivable	760,252	-	760,252
Total assets	<u>10,867,492,556</u>	<u>2,301,073,650</u>	<u>13,168,566,206</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow for pension contributions subsequent to the measurement date	313,856,564	6,388,346	320,244,910
Deferred outflow for change in proportion (pensions)	13,542,503	2,120,150	15,662,653
Deferred outflow for differences between expected and actual experience (pensions)	349,470,535	4,690,025	354,160,560
Deferred outflow of recognition of pension investments	168,535,758	580,552	169,116,310
Deferred outflow for changes in assumptions (pensions)	170,854,023	3,372,597	174,226,620
Deferred outflow for OPEB contributions subsequent to the measurement date	14,102,655	357,704	14,460,359
Deferred outflow for change in proportion (OPEB)	-	-	-
Deferred outflow for differences between expected and actual experience (OPEB)	51,100,334	1,316,586	52,416,920
Deferred outflow for recognition of investments (OPEB)	55,636,231	369,295	56,005,526
Deferred outflow for changes in assumptions (OPEB)	39,066,024	1,006,525	40,072,549
Deferred loss on refunding of debt	39,161,900	30,268,346	69,430,246
Total deferred outflows of resources	<u>\$ 1,215,326,527</u>	<u>50,470,126</u>	<u>1,265,796,653</u>

See accompanying notes to the financial statements.

EXHIBIT A

Total Component Units	Reclassifications (See Note A-13)	Total Reporting Entity	
			ASSETS
758,491,697	-	1,845,932,496	Equity in pooled cash and temporary investments
67,483,498	-	67,483,498	Cash in banks/with fiscal agents
6,608,000	-	1,684,185,673	Investments
			Receivables (net of allowances):
19,507,883	-	55,275,967	Accounts
879,853	-	879,853	Leases
488,905	-	8,636,388	Accrued interest
			Property taxes:
-	-	34,410,724	Delinquent
-	-	3,912,280,019	Not yet due
-	-	2,024,726	Business license taxes - delinquent
-	-	96,285,964	Loans
27,993,397	-	62,558,397	Notes
			Due from intergovernmental units (net of allowances):
-	-	211,313,944	Property tax relief - not yet due
129,233,939	-	389,517,308	Other
1,098,294,015	-	1,098,294,015	Due from primary government
-	-	197,376	Due from component units
-	-	8,505,000	Loan to component unit
1,241,031	-	4,635,723	Inventories of supplies
4,462,092	-	9,605,724	Prepaid and other assets
			Restricted assets:
159,021,671	-	290,608,210	Equity in pooled cash and temporary investments
41,647,091	-	221,682,209	Cash and temporary investments with fiscal agents
6,345,003	-	6,345,003	Deposit held in trust
-	-	31,958,291	Investments
-	-	894,694	Property held for sale
			Capital assets:
			Non-depreciable/non-amortizable:
533,149,612	-	1,038,619,691	Land and easements
316,214,913	-	1,005,242,566	Construction in progress
-	-	55,498,694	Equipment under construction
-	-	37,078,270	Software in development
			Depreciable/amortizable:
388,414,786	-	1,027,437,660	Vehicles and equipment
14,037,906	-	229,609,562	Software
18,915,527	-	145,452,945	Library collections
-	-	1,209,528,528	Purchased capacity
5,647,541,457	-	7,909,622,141	Buildings and improvements
-	-	3,054,397,671	Infrastructure
79,755,373	-	229,180,422	Right-to-use lease assets
84,558,062	-	151,693,819	Right-to-use subscription assets
(3,241,175,704)	-	(6,091,047,268)	Accumulated depreciation
(46,738,236)	-	(761,648,178)	Accumulated amortization
			Other non-current assets:
21,261,863	-	22,022,115	Lease receivable
6,137,633,634	-	19,306,199,840	Total assets
			DEFERRED OUTFLOWS OF RESOURCES
486,506,618	-	806,751,528	Deferred outflow for pension contributions subsequent to the measurement date
27,657,787	-	43,320,440	Deferred outflow for change in proportion (pensions)
			Deferred outflow for differences between expected and actual experience (pensions)
96,751,018	-	450,911,578	Deferred outflow of recognition of pension investments
102,168,202	-	271,284,512	Deferred outflow for changes in assumptions (pensions)
316,054,953	-	490,281,573	Deferred outflow for OPEB contributions subsequent to the measurement date
			Deferred outflow for change in proportion (OPEB)
			Deferred outflow for differences between expected and actual experience (OPEB)
65,031,571	-	117,448,491	Deferred outflow for recognition of investments (OPEB)
7,263,255	-	63,268,781	Deferred outflow for changes in assumptions (OPEB)
12,691,701	-	52,764,250	Deferred loss on refunding of debt
3,227,885	-	72,658,131	
1,153,464,256	-	2,419,260,909	Total deferred outflows of resources

continued

COUNTY OF FAIRFAX, VIRGINIA
Statement of Net Position
June 30, 2023

	Primary Government		Total Primary Government
	Governmental Activities	Business-type Activities	
LIABILITIES			
Accounts payable and accrued liabilities	\$ 146,120,613	3,440,336	149,560,949
Accrued salaries and benefits	60,959,926	1,583,706	62,543,632
Contract retainages	12,825,373	7,211,361	20,036,734
Contracts payable	-	22,548,677	22,548,677
Accrued interest payable	36,756,190	9,792,799	46,548,989
Due to intergovernmental units	12,003,755	-	12,003,755
Due to primary government	-	-	-
Due to component units	7,738,987	-	7,738,987
Other current liabilities	-	-	-
Unearned revenue	-	-	-
Other	119,158,651	-	119,158,651
Performance and other deposits	146,059,575	-	146,059,575
Long-term liabilities:			
Portion due or payable within one year:			
General obligation bonds payable, net	256,473,730	-	256,473,730
Revenue bonds payable, net	4,379,918	35,894,701	40,274,619
Component unit revenue bonds payable, net	39,695,742	887,254	40,582,996
Component unit direct placements and borrowings	15,475,157	-	15,475,157
Notes payable	2,288,427	-	2,288,427
Component unit notes payable	645,000	-	645,000
Compensated absences payable	74,847,297	1,674,413	76,521,710
Landfill closure and postclosure obligation	36,000	-	36,000
Lease liability	17,383,605	-	17,383,605
Subscription liability	18,295,853	-	18,295,853
Insurance and benefit claims payable	13,723,000	-	13,723,000
Loan from primary government	-	-	-
Other	1,215,646	-	1,215,646
Portion due or payable after one year:			
General obligation bonds payable, net	2,463,111,473	-	2,463,111,473
Revenue bonds payable, net	55,845,449	750,864,764	806,710,213
Component unit revenue bonds payable, net	482,955,026	23,187,399	506,142,425
Component unit direct placements and borrowings	526,741,950	-	526,741,950
Notes payable, net	25,381,118	-	25,381,118
Component unit notes payable	967,500	-	967,500
Compensated absences payable	97,330,606	1,887,599	99,218,205
Landfill closure and postclosure obligation	55,326,446	-	55,326,446
Lease liability	100,047,975	-	100,047,975
Subscription liability	25,635,729	-	25,635,729
Insurance and benefit claims payable	81,495,000	-	81,495,000
Net pension liability	2,385,173,445	45,202,652	2,430,376,097
Net OPEB liability	7,516,762	193,667	7,710,429
Loan from primary government	-	-	-
Other	12,221,435	-	12,221,435
Total liabilities	<u>7,305,832,359</u>	<u>904,369,328</u>	<u>8,210,201,687</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred tax revenue	4,159,343,597	-	4,159,343,597
Deferred lease revenue	728,757	-	728,757
Deferred revenue - other	50,695,801	-	50,695,801
Deferred gain on refunding	5,428,340	4,145,925	9,574,265
Deferred inflow related to differences between actual and expected experience (pensions)	34,710,187	681,910	35,392,097
Deferred inflow of recognition of pension investments	42,317,568	-	42,317,568
Deferred inflow for change in proportion (pensions)	11,144,630	-	11,144,630
Deferred inflow related to differences between actual and expected experience (OPEB)	4,173,610	107,532	4,281,142
Deferred recognition of OPEB investments	41,302,889	-	41,302,889
Deferred inflow for change in proportion (OPEB)	8,598	38,734	47,332
Deferred inflow for change in assumptions (OPEB)	121,736,455	3,136,505	124,872,960
Deferred inflow related to lease	-	-	-
Total deferred inflows of resources	<u>4,471,590,432</u>	<u>8,110,606</u>	<u>4,479,701,038</u>
NET POSITION			
Net investment in capital assets	2,637,152,244	1,186,134,177	3,823,286,421
Restricted for:			
Grant programs	50,593,788	-	50,593,788
Community centers	17,128,042	-	17,128,042
Housing	-	-	-
Transportation	366,619,159	-	366,619,159
Capital projects	-	-	-
Debt service	-	54,235,528	54,235,528
Unrestricted (deficit)	(2,766,096,941)	198,694,137	(2,567,402,804)
Net position	<u>\$ 305,396,292</u>	<u>1,439,063,842</u>	<u>1,744,460,134</u>

See accompanying notes to the financial statements.

EXHIBIT A
concluded

Total Component Units	Reclassifications (See Note A-13)	Total Reporting Entity	
			LIABILITIES
82,744,659	-	232,305,608	Accounts payable and accrued liabilities
104,339,543	-	166,883,175	Accrued salaries and benefits
13,698,085	-	33,734,819	Contract retainages
-	-	22,548,677	Contracts payable
13,228,120	-	59,777,109	Accrued interest payable
117,433	-	12,121,188	Due to intergovernmental units
197,376	-	197,376	Due to primary government
-	-	7,738,987	Due to component units
362,797	-	362,797	Other current liabilities
38,729,534	-	38,729,534	Unearned revenue
-	-	119,158,651	Other
26,399,557	-	172,459,132	Performance and other deposits
			Long-term liabilities:
			Portion due or payable within one year:
-	-	256,473,730	General obligation bonds payable, net
56,861,934	-	97,136,553	Revenue bonds payable, net
-	-	40,582,996	Component unit revenue bonds payable, net
-	-	15,475,157	Component unit direct placements and borrowings
26,284,013	-	28,572,440	Notes payable, net
-	-	645,000	Component unit notes payable
32,018,459	-	108,540,169	Compensated absences payable
-	-	36,000	Landfill closure and postclosure obligation
12,261,413	-	29,645,018	Lease liability
13,889,828	-	32,185,681	Subscription liability
38,030,447	-	51,753,447	Insurance and benefit claims payable
765,000	-	765,000	Loan from primary government
-	-	1,215,646	Other
			Portion due or payable after one year:
-	-	2,463,111,473	General obligation bonds payable, net
1,050,292,311	-	1,857,002,524	Revenue bonds payable, net
-	-	506,142,425	Component unit revenue bonds payable, net
-	-	526,741,950	Component unit direct placements and borrowings
127,687,694	-	153,068,812	Notes payable, net
-	-	967,500	Component unit notes payable
17,671,214	-	116,889,419	Compensated absences payable
-	-	55,326,446	Landfill closure and postclosure obligation
48,649,558	-	148,697,533	Lease liability
48,540,352	-	74,176,081	Subscription liability
44,789,288	-	126,284,288	Insurance and benefit claims payable
3,282,848,559	-	5,713,224,656	Net pension liability
349,254,788	-	356,965,217	Net OPEB liability
7,740,000	-	7,740,000	Loan from primary government
-	-	12,221,435	Other
5,437,401,962	-	13,647,603,649	Total liabilities
			DEFERRED INFLOWS OF RESOURCES
-	-	4,159,343,597	Deferred tax revenue
-	-	728,757	Deferred lease revenue
-	-	50,695,801	Deferred revenue - other
-	-	9,574,265	Deferred gain on refunding
136,927,346	-	172,319,443	Deferred inflow related to differences between actual and expected experience (pensions)
220,868,843	-	263,186,411	Deferred inflow of recognition of pension investments
97,767,714	-	108,912,344	Deferred inflow for change in proportion (pensions)
30,075,210	-	34,356,352	Deferred inflow related to differences between actual and expected experience (OPEB)
5,990,139	-	47,293,028	Deferred recognition of OPEB investments
11,998,467	-	12,045,799	Deferred inflow for change in proportion (OPEB)
60,939,487	-	185,812,447	Deferred inflow for change in assumptions (OPEB)
22,131,522	-	22,131,522	Deferred inflow related to lease
586,698,728	-	5,066,399,766	Total deferred inflow of resources
			NET POSITION
3,500,109,043	(1,774,305,898)	5,549,089,566	Net investment in capital assets
			Restricted for:
108,963,717	-	159,557,505	Grant programs
-	-	17,128,042	Community centers
45,608,195	-	45,608,195	Housing
-	-	366,619,159	Transportation
159,404,474	(128,882,874)	30,521,600	Capital projects
-	-	54,235,528	Debt service
(2,547,088,229)	1,903,188,772	(3,211,302,261)	Unrestricted (deficit)
1,266,997,200	-	3,011,457,334	Net position

COUNTY OF FAIRFAX, VIRGINIA
Statement of Activities
For the fiscal year ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government administration	\$ 228,764,017	197,673,859	71,764,257	9,320,656
Judicial administration	81,284,343	8,468,404	29,360,609	-
Public safety	888,165,848	75,596,380	56,260,477	679,439
Public works	303,510,108	202,047,154	803,681	10,468,788
Health and welfare	778,592,446	80,272,433	214,154,399	-
Community development	572,725,232	244,308,629	74,038,400	5,143,774
Parks, recreation, and cultural	158,136,482	19,101,853	1,237,944	-
Education - for Public Schools	2,515,855,422	-	-	-
Interest on long-term debt	98,934,751	-	-	-
Total governmental activities	5,625,968,649	827,468,712	447,619,767	25,612,657
Business-type activities:				
Public works - Sewer	216,032,050	266,239,423	-	4,235,838
Total business-type activities	216,032,050	266,239,423	-	4,235,838
Total primary government	5,842,000,699	1,093,708,135	447,619,767	29,848,495
Component units:				
Public Schools	3,457,306,295	151,744,103	595,311,511	245,241,769
Redevelopment and Housing Authority	118,225,341	42,302,502	94,853,382	-
Park Authority	125,708,494	53,783,623	-	36,351,101
Economic Development Authority	11,380,873	-	-	-
Total component units	\$ 3,712,621,003	247,830,228	690,164,893	281,592,870

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, 2022

Net position, June 30, 2023

See accompanying notes to the financial statements.

EXHIBIT A-1

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Total	
Governmental Activities	Business-type Activities	Total Primary Government	Component Units	Functions/Programs
49,994,755	-	49,994,755	-	Primary government:
(43,455,330)	-	(43,455,330)	-	Governmental activities:
(755,629,552)	-	(755,629,552)	-	General government administration
(90,190,485)	-	(90,190,485)	-	Judicial administration
(484,165,614)	-	(484,165,614)	-	Public safety
(249,234,429)	-	(249,234,429)	-	Public works
(137,796,685)	-	(137,796,685)	-	Health and welfare
(2,515,855,422)	-	(2,515,855,422)	-	Community development
(98,934,751)	-	(98,934,751)	-	Parks, recreation, and cultural
(4,325,267,513)	-	(4,325,267,513)	-	Education - for Public Schools
				Interest on long-term debt
				Total governmental activities
-	54,443,211	54,443,211	-	Business-type activities:
-	54,443,211	54,443,211	-	Public works - Sewer
(4,325,267,513)	54,443,211	(4,270,824,302)	-	Total business-type activities
				Total primary government
				Component units:
-	-	-	(2,465,008,912)	Public Schools
-	-	-	18,930,543	Redevelopment and Housing Authority
-	-	-	(35,573,770)	Park Authority
-	-	-	(11,380,873)	Economic Development Authority
-	-	-	(2,493,033,012)	Total component units
				General revenues:
				Taxes:
\$ 3,219,943,695	-	3,219,943,695	-	Real property
564,348,311	-	564,348,311	-	Personal property
205,131,120	-	205,131,120	-	Business licenses
305,938,564	-	305,938,564	-	Local sales and use
123,521,957	-	123,521,957	-	Consumers utility
20,852,846	-	20,852,846	-	Recordation
33,739,992	-	33,739,992	-	Occupancy, tobacco, and other
211,421,093	-	211,421,093	636,468,279	Grants and contributions not restricted to specific programs
(11,720,428)	6,541,726	(5,178,702)	5,445,861	Revenue from the use of money
-	-	-	2,382,761,402	Revenue from primary government
-	-	-	4,706,035	Other
4,673,177,150	6,541,726	4,679,718,876	3,029,381,577	Total general revenues
347,909,637	60,984,937	408,894,574	536,348,565	Change in net position
(42,513,345)	1,378,078,905	1,335,565,560	730,648,635	Net position, July 1, 2022
\$ 305,396,292	1,439,063,842	1,744,460,134	1,266,997,200	Net position, June 30, 2023

COUNTY OF FAIRFAX, VIRGINIA
Balance Sheet
Governmental Funds
June 30, 2023

EXHIBIT A-2

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Equity in pooled cash and temporary investments	\$ 289,984,558	354,761,967	644,746,525
Investments	754,516,080	923,061,593	1,677,577,673
Receivables (net of allowances):			
Accounts	11,234,799	23,732,667	34,967,466
Leases	-	760,252	760,252
Accrued interest	-	8,147,483	8,147,483
Property taxes:			
Delinquent	34,410,724	-	34,410,724
Not yet due	3,912,280,019	-	3,912,280,019
Business license taxes - delinquent	2,024,726	-	2,024,726
Loans	-	96,285,964	96,285,964
Notes	-	34,565,000	34,565,000
Due from intergovernmental units (net of allowances):			
Not yet due	211,313,944	-	211,313,944
Other	58,158,883	137,105,179	195,264,062
Due from component units	197,376	-	197,376
Loan to component unit	-	8,505,000	8,505,000
Interfund receivables	9,393,323	-	9,393,323
Prepaid and other assets	1,840,235	780,493	2,620,728
Restricted assets:			
Equity in pooled cash and temporary investments	-	40,823,744	40,823,744
Cash with fiscal agents	-	125,799,590	125,799,590
Property held for sale	-	894,694	894,694
Total assets	<u>5,285,354,667</u>	<u>1,755,223,626</u>	<u>7,040,578,293</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ 5,285,354,667</u>	<u>1,755,223,626</u>	<u>7,040,578,293</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 37,169,842	97,767,093	134,936,935
Accrued salaries and benefits	45,876,869	13,645,306	59,522,175
Contract retainages	2,348	12,823,025	12,825,373
Due to intergovernmental units	23,443	11,980,312	12,003,755
Due to component units	6,325,896	1,413,091	7,738,987
Interfund payables	1,186,647	9,393,323	10,579,970
Unearned revenue	152,644,216	34,018,459	186,662,675
Performance and other deposits	80,188,814	65,870,761	146,059,575
Total liabilities	<u>323,418,075</u>	<u>246,911,370</u>	<u>570,329,445</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred tax revenue	4,159,343,597	-	4,159,343,597
Lease revenue	-	728,757	728,757
Unavailable revenue	23,549,581	55,017,802	78,567,383
Total deferred inflows of resources	<u>4,182,893,178</u>	<u>55,746,559</u>	<u>4,238,639,737</u>
Total liabilities and deferred inflows of resources	<u>\$ 4,506,311,253</u>	<u>302,657,929</u>	<u>4,808,969,182</u>

continued

EXHIBIT A-2

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES			
Nonspendable:			
Prepaid amounts	\$ 1,840,235	480,500	2,320,735
Total Nonspendable	1,840,235	480,500	2,320,735
Restricted for:			
Public safety, courts, and judicial	-	55,795,969	55,795,969
General public works	-	109,695,863	109,695,863
Stormwater management	-	169,417,856	169,417,856
Transportation	-	376,216,529	376,216,529
Social services, health and welfare	-	29,319,023	29,319,023
Housing and community development	-	52,344,466	52,344,466
Parks, recreation, and cultural	-	17,956,111	17,956,111
Debt service	-	5,111,603	5,111,603
Capital projects	-	152,890,064	152,890,064
Other purposes	-	6,085,847	6,085,847
Total Restricted	-	974,833,331	974,833,331
Committed to:			
Revenue stabilization	263,388,384	-	263,388,384
Managed reserves	204,451,288	-	204,451,288
Public safety, courts, and judicial	610,540	2,334,021	2,944,561
Transportation	-	11,805,309	11,805,309
Social services, health and welfare	2,529,783	79,876,201	82,405,984
Housing and community development	51,449,234	11,206,857	62,656,091
Parks, recreation, and cultural	1,180,801	-	1,180,801
Debt service	-	16,701,367	16,701,367
Capital projects	-	355,328,111	355,328,111
Other purposes	51,464,962	-	51,464,962
Total Committed	575,074,992	477,251,866	1,052,326,858
Assigned to:			
Public safety, courts, and judicial	17,527,983	-	17,527,983
General public works	7,899,436	-	7,899,436
Social services, health and welfare	22,218,751	-	22,218,751
Housing and community development	9,338,219	-	9,338,219
Parks, recreation, and cultural	3,310,305	-	3,310,305
Other purposes	17,158,413	-	17,158,413
Total Assigned	77,453,107	-	77,453,107
Unassigned:			
Total fund balances	779,043,414	1,452,565,697	2,231,609,111
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,285,354,667	1,755,223,626	7,040,578,293

See accompanying notes to the financial statements.

continued

COUNTY OF FAIRFAX, VIRGINIA
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2023

EXHIBIT A-2

Fund balances - Total governmental funds \$ 2,231,609,111

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	\$ 478,066,487	
Construction in progress	462,176,108	
Equipment under construction	46,688,346	
Software in development	37,078,270	
Depreciable/amortizable assets:		
Vehicles and equipment	410,245,674	
Software	213,371,069	
Library collections	126,537,418	
Buildings and improvements	2,142,914,859	
Infrastructure	1,300,196,333	
Right-to-use lease assets	144,523,809	
Right-to-use subscription assets	<u>19,666,904</u>	
Total capital assets	5,381,465,277	
Less accumulated depreciation/amortization	<u>(1,940,087,330)</u>	3,441,377,947

Some of the County's receivables will not be collected soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows in the funds:

Delinquent taxes (net of allowances):		
Property	\$ 29,890,590	
Business license	2,024,726	
Sales and use and other taxes		
Other charges for services	1,023,708	
Notes receivable from component unit	<u>34,565,000</u>	67,504,024

When an asset is recorded in governmental fund financial statements, but the revenue is not available, it is reported as deferred inflows of resources in the funds:

Sales and use and other taxes	\$ 24,811,482	
EMS transport and other charges for services	<u>3,060,100</u>	27,871,582

Investment fair value adjustment is recorded in the government-wide statements but not in the fund financial statements (81,391,804)

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 outflows of resources or a deferred inflows of resources:

Deferred loss on refunding of debt	\$ 39,161,900	
Deferred gain on refunding of debt	<u>(5,428,340)</u>	33,733,560

Certain results experienced by pension plans and OPEB are required to be reported as a deferred outflows or inflows of resources:

Deferred outflow for pension contributions subsequent to the measurement date	\$ 313,856,564	
Deferred outflow for change in proportion (pensions)	13,542,503	
Deferred outflow for differences between expected and actual experience (pensions)	349,470,535	
Deferred outflow of recognition of pension investments	168,535,758	
Deferred outflow for changes in assumptions (pensions)	170,854,023	
Deferred inflow for differences between expected and actual experience (pensions)	(34,710,187)	
Deferred inflow of recognition of pension investments	(42,317,568)	
Deferred inflow for change in proportion (pensions)	(11,144,630)	
Deferred outflow for OPEB contributions subsequent to the measurement date	14,102,655	
Deferred outflow for differences between expected and actual experience (OPEB)	51,100,334	
Deferred outflow for recognition of investments (OPEB)	55,636,231	
Deferred outflow for changes in assumptions (OPEB)	39,066,024	
Deferred inflow related to differences between actual and expected experience (OPEB)	(4,173,610)	
Deferred recognition of OPEB investments	(41,302,889)	
Deferred inflow for change in proportion (OPEB)	(8,598)	
Deferred inflow for change in assumptions (OPEB)	<u>(121,736,455)</u>	920,770,690

continued

COUNTY OF FAIRFAX, VIRGINIA
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
June 30, 2023

EXHIBIT A-2
concluded

Certain other receivables are accrued only in the government-wide statements		386,328
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	\$ 349,138,174	
Capital assets	330,793,590	
Less accumulated depreciation/amortization	(202,810,002)	
Liabilities	<u>(144,723,719)</u>	332,398,043
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	\$ (2,719,585,203)	
Revenue bonds payable, net	(60,225,367)	
Notes payable	(27,669,545)	
Compensated absences payable	(167,745,258)	
Landfill closure and postclosure obligation	(55,362,446)	
Lease liability	(115,317,360)	
Subscription liability	(14,167,699)	
Net pension liability	(2,385,173,445)	
Net OPEB liability	(7,516,762)	
Other long-term liabilities	(13,437,081)	
Accrued interest on long-term debt	(36,182,648)	
Component unit long-term debt	<u>(1,066,480,375)</u>	<u>(6,668,863,189)</u>
Net position of governmental activities		<u>\$ 305,396,292</u>

COUNTY OF FAIRFAX, VIRGINIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2023

EXHIBIT A-3

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 4,388,203,709	79,159,923	4,467,363,632
Permits, privilege fees, and regulatory licenses	9,840,841	63,256,309	73,097,150
Intergovernmental	443,076,170	346,670,365	789,746,535
Charges for services	64,757,492	359,495,602	424,253,094
Fines and forfeitures	9,180,575	279,717	9,460,292
Developers' contributions	-	2,789,571	2,789,571
Revenue from the use of money and property	128,629,518	42,396,734	171,026,252
Recovered costs	10,221,650	10,069,360	20,291,010
Gifts, donations, and contributions	750,993	419,124	1,170,117
Total revenues	5,054,660,948	904,536,705	5,959,197,653
EXPENDITURES			
Current:			
General government administration	183,535,889	10,959,149	194,495,038
Judicial administration	75,491,790	732,719	76,224,509
Public safety	790,523,334	86,654,395	877,177,729
Public works	82,056,184	133,155,099	215,211,283
Health and welfare	445,737,271	322,892,973	768,630,244
Community development	79,907,759	323,623,093	403,530,852
Parks, recreation, and cultural	43,971,560	18,212,555	62,184,115
Intergovernmental:			
Community development	50,829,768	95,921,579	146,751,347
Parks, recreation, and cultural	48,872,049	40,367,226	89,239,275
Education - for Public Schools	2,307,977,486	207,877,936	2,515,855,422
Capital outlay:			
General government administration	30,408,448	21,593,069	52,001,517
Judicial administration	182,762	301,528	484,290
Public safety	44,692,592	61,499,078	106,191,670
Public works	26,974,884	64,735,486	91,710,370
Health and welfare	386,638	8,843,635	9,230,273
Community development	180,543	78,039,093	78,219,636
Parks, recreation, and cultural	5,347,728	9,360,168	14,707,896
Debt service:			
Principal retirement	15,424,918	306,463,700	321,888,618
Interest and other charges	1,604,164	119,076,981	120,681,145
Total expenditures	4,234,105,767	1,910,309,462	6,144,415,229
Excess (deficiency) of revenues over (under) expenditures	820,555,181	(1,005,772,757)	(185,217,576)
OTHER FINANCING SOURCES (USES)			
Transfers in	15,892,936	887,621,102	903,514,038
Transfers out	(859,452,246)	(69,134,535)	(928,586,781)
General obligation bonds issued	-	321,900,000	321,900,000
Premium on general obligation bonds issued	-	29,142,774	29,142,774
Notes issued	27,669,545	-	27,669,545
Leases	38,075,822	7,007,342	45,083,164
Total other financing sources (uses), net	(777,813,943)	1,176,536,683	398,722,740
Net change in fund balances	42,741,238	170,763,926	213,505,164
Fund balances, July 1, 2022	736,302,176	1,281,801,771	2,018,103,947
Fund balances, June 30, 2023	\$ 779,043,414	1,452,565,697	2,231,609,111

See accompanying notes to the financial statements.

continued

COUNTY OF FAIRFAX, VIRGINIA
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, 2023

EXHIBIT A-3
concluded

Net change in fund balances - Total governmental funds \$ 213,505,164

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	\$ 352,545,652	
Less depreciation/amortization expense	<u>(163,131,686)</u>	189,413,966

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. (12,133,763)

Certain transactions such as 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. 21,222,707

Build America Bonds interest subsidy accrual is not recognized as revenue in the fund statements (50,847)

Some of the County's receivables will not be collected soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflow in the governmental funds:

Delinquent property taxes	\$ 5,354,321	
Delinquent business license taxes	669,096	
Other charges for services	<u>202,437</u>	6,225,854

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	\$ 89,436	
EMS transport and other charges for services	<u>1,238,918</u>	1,328,354

Investment fair value adjustment is recorded in the government-wide statements but not in the fund financial statements (13,246,425)

The receipt of principal payments for the lease to the component unit does not result in a revenue in the Statement of Activities. (2,325,000)

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:

General Obligation Bonds	\$ (351,042,774)	
Notes Payable	(27,669,545)	
Leases	<u>(45,083,164)</u>	(423,795,483)

OPEB costs are recognized as expenditures in the fund statements, but are deferred and amortized in the government-wide statements, resulting in a net difference. 7,257,694

Certain other long-term liabilities are recognized only in the government-wide statements, resulting in a net difference. 868,274

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	\$ 302,388,606	
Principal payments of leases	<u>19,500,012</u>	321,888,618

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 leases	\$ (13,193,238)	
Amortization of bond premiums and discounts	43,586,012	
Amortization of deferred gains on bond refundings	1,655,471	
Amortization of deferred losses on bond refundings	<u>(9,645,460)</u>	22,402,785

Under the modified accrual basis of accounting used in the governmental funds, expenditures for the following are not recognized until they mature. In the Statement of Activities, however, they are reported as expenses and liabilities as they accrue. The timing differences are as follows:

Landfill closure and postclosure costs	\$ (3,670,153)	
Compensated absences	(6,551,132)	
Net pension liability	<u>(39,155,756)</u>	(49,377,041)

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. 64,724,780

Change in net position of governmental activities \$ 347,909,637

COUNTY OF FAIRFAX, VIRGINIA
Statement of Net Position
Proprietary Funds
June 30, 2023

EXHIBIT A-4

	Business-type Activities - <u>Enterprise Fund</u> Integrated Sewer System	Governmental Activities - Internal Service Funds
ASSETS		
Current assets:		
Equity in pooled cash and temporary investments	\$ 181,796,264	342,289,814
Accounts receivable	703,111	6,514
Due from intergovernmental units (net of allowance)	64,569,034	63,945
Interfund receivables	-	1,186,647
Inventories of supplies	326,342	3,068,350
Prepaid and other assets	-	2,522,904
Total unrestricted current assets	<u>247,394,751</u>	<u>349,138,174</u>
Restricted assets:		
Equity in pooled cash and temporary investments	90,762,795	-
Temporary investments with fiscal agents	54,235,528	-
Investments with fiscal agents	31,958,291	-
Total restricted current assets	<u>176,956,614</u>	<u>-</u>
Total current assets	<u>424,351,365</u>	<u>349,138,174</u>
Long-term assets:		
Capital assets:		
Non-depreciable/non-amortizable:		
Land	24,477,054	1,938,688
Easements	987,850	-
Construction in progress	197,768,389	29,083,156
Equipment under construction	-	8,810,348
Depreciable/amortizable:		
Vehicles and equipment	19,200,009	209,577,191
Software	-	2,200,587
Purchased capacity	1,209,528,528	-
Buildings and improvements	96,950,088	22,215,737
Infrastructure	1,749,603,548	4,597,790
Right-to-use lease assets	-	4,901,240
Right-to-use subscription assets	-	47,468,853
Accumulated depreciation	(869,040,861)	(181,322,334)
Accumulated amortization	(552,843,313)	(21,487,668)
Total capital assets, net	<u>1,876,631,292</u>	<u>127,983,588</u>
Other long-term assets:		
Accounts receivable	90,993	-
Total other long-term assets	<u>90,993</u>	<u>-</u>
Total long-term assets	<u>1,876,722,285</u>	<u>127,983,588</u>
Total assets	<u>2,301,073,650</u>	<u>477,121,762</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow for pension contributions subsequent to the measurement date	6,388,346	-
Deferred outflow for change in proportion (pensions)	2,120,150	-
Deferred outflow for differences between expected and actual experience (pensions)	4,690,025	-
Deferred outflow for changes in assumptions (pensions)	3,372,597	-
Deferred outflow of recognition of pension investments	580,552	-
Deferred outflow for OPEB contributions subsequent to the measurement date	357,704	-
Deferred outflow for differences between expected and actual experience (OPEB)	1,316,586	-
Deferred outflow for recognition of investments (OPEB)	369,295	-
Deferred outflow for changes in assumptions (OPEB)	1,006,525	-
Deferred amounts from the refunding of debt	30,268,346	-
Total deferred outflows of resources	<u>\$ 50,470,126</u>	<u>-</u>

See accompanying notes to the financial statements.

continued

EXHIBIT A-4

concluded

	Business-type Activities - <u>Enterprise Fund</u> Integrated Sewer System	Governmental Activities - Internal Service Funds
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,440,336	11,183,678
Accrued salaries and benefits	1,583,706	1,437,751
Contract retainages	7,211,361	-
Contracts payable	22,548,677	-
Accrued interest payable	9,792,799	573,542
Revenue bonds payable, net	36,781,955	-
Compensated absences payable	1,674,413	1,470,254
Lease liability	-	1,052,809
Subscription liability	-	15,384,882
Insurance and benefit claims payable	-	13,723,000
Total current liabilities	<u>83,033,247</u>	<u>44,825,916</u>
Long-term liabilities:		
Revenue bonds payable, net	774,052,163	-
Compensated absences payable	1,887,599	2,962,391
Lease liability	-	1,061,411
Subscription liability	-	14,379,001
Insurance and benefit claims payable	-	81,495,000
Net pension liability	45,202,652	-
Net other postemployment benefit liability	193,667	-
Total long-term liabilities	<u>821,336,081</u>	<u>99,897,803</u>
Total liabilities	<u>904,369,328</u>	<u>144,723,719</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to differences between actual and expected experience (pensions)	681,910	-
Deferred inflow related to differences between actual and expected experience (OPEB)	107,532	-
Deferred inflow for change in proportion (OPEB)	38,734	-
Deferred inflow for change in assumptions (OPEB)	3,136,505	-
Total deferred inflow of resources	<u>8,110,606</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	1,186,134,177	96,105,485
Restricted for:		
Debt service	54,235,528	-
Unrestricted	198,694,137	236,292,558
Total restricted	<u>252,930,655</u>	<u>236,292,558</u>
Net position	<u>\$ 1,439,063,842</u>	<u>332,398,043</u>

COUNTY OF FAIRFAX, VIRGINIA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the fiscal year ended June 30, 2023

EXHIBIT A-5

	Business-type Activities - <u>Enterprise Fund</u> Integrated Sewer System	Governmental Activities - Internal Service Funds
OPERATING REVENUES:		
Charges for services	\$ 242,725,291	380,913,706
Recovered costs	-	244,854
Total operating revenues	<u>242,725,291</u>	<u>381,158,560</u>
OPERATING EXPENSES:		
Personnel services	44,399,195	35,641,463
Materials and supplies	18,672,298	3,576,390
Equipment operation and maintenance	-	46,059,305
Risk financing and benefit payments	-	190,092,264
Depreciation and amortization	69,828,776	34,776,232
Professional consultant and contractual services	58,042,941	25,074,590
Other	-	9,423,931
Total operating expenses	<u>190,943,210</u>	<u>344,644,175</u>
Operating income	<u>51,782,081</u>	<u>36,514,385</u>
NONOPERATING REVENUES (EXPENSES):		
Availability fees	23,514,132	-
Interest revenue	6,541,726	3,137,866
Interest expense	(25,119,429)	(656,391)
Gain on disposal of capital assets	30,589	656,177
Total nonoperating expenses, net	<u>4,967,018</u>	<u>3,137,652</u>
Income before contributions and transfers	56,749,099	39,652,037
Capital contributions	4,235,838	-
Transfers in	-	25,072,743
Change in net position	<u>60,984,937</u>	<u>64,724,780</u>
Net position, July 1, 2022	<u>1,378,078,905</u>	<u>267,673,263</u>
Net position, June 30, 2023	<u>\$ 1,439,063,842</u>	<u>332,398,043</u>

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2023

EXHIBIT A-6

	Business-type Activities - Enterprise Fund Integrated Sewer System	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 237,981,619	-
Receipts from interfund services provided	-	379,358,413
Payments to suppliers and contractors	(77,766,322)	(72,261,111)
Payments to employees	(44,628,255)	(36,383,442)
Claims and benefits paid	-	(194,208,984)
Payments for interfund services used	-	(6,659,502)
Net cash provided by operating activities	<u>115,587,042</u>	<u>69,845,374</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	25,072,743
Net cash provided by noncapital financing activities	<u>-</u>	<u>25,072,743</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Availability fees received	23,514,132	-
Capital grants received	112,808	-
Increase in contract retainages	7,211,361	-
Decrease in contracts payable	(1,351,398)	-
Principal payments on sewer revenue bonds	(27,831,369)	-
Interest payments on sewer revenue bonds	(26,951,366)	-
Proceeds from sale of capital assets	30,589	656,177
Purchase of capital assets, other than purchased capacity	(102,693,211)	(16,957,866)
Acquisition of purchased capacity	(17,161,861)	-
Principal payments on obligations under leases	-	(20,501,870)
Interest payments on obligations under leases	-	(647,313)
Net cash used in capital and related financing activities	<u>(145,120,315)</u>	<u>(37,450,872)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of restricted investments	33,483,255	-
Purchases of restricted investments	(38,720,321)	-
Interest received	6,160,015	3,137,866
Net cash provided by investing activities	<u>922,949</u>	<u>3,137,866</u>
Net increase (decrease) in cash and cash equivalents	(28,610,324)	60,605,111
Cash and cash equivalents, July 1, 2022	301,169,383	281,684,703
Cash and cash equivalents, June 30, 2023	<u>\$ 272,559,059</u>	<u>342,289,814</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 51,782,081	36,514,385
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	69,828,776	34,776,232
Change in assets and liabilities:		
(Increase) in accounts receivable	-	(4,107)
(Increase) in intergovernmental receivables	(4,743,672)	(43,325)
Decrease in interfund receivables	-	770,290
Decrease in inventories of supplies	176,374	916,400
(Increase)/Decrease in other assets	173,391	(2,522,904)
Increase/(Decrease) in accounts payable and accrued liabilities	(1,400,848)	196,281
Increase in pension and OPEB related deferred outflows and deferred inflows	123,130	-
(Decrease) in accrued salaries and benefits	(352,190)	(757,878)
Total adjustments to operating income	<u>63,804,961</u>	<u>33,330,989</u>
Net cash provided by operating activities	<u>\$ 115,587,042</u>	<u>69,845,374</u>
Noncash investing, capital, and financing activities:		
Capital contributions - sewer lines, manholes, and equipment	\$ 4,123,030	-
Gain on disposal of capital assets	-	656,177
Initiation of an obligation under lease	-	46,908,974
Increase in long-term debt resulting from the issuance of loans/revenue bonds by UOSA	19,647,019	-
Amortization of bond premium	4,257,909	-
Increase in fair value of investments not classified as cash and cash equivalents	147,098	-
Removal of purchased capacity through credit of UOSA debt	184,391	-
UOSA adjustment to bond payments	22,035	-
Decrease in long-term debt resulting from the sale of purchased capacity	<u>(374,455)</u>	<u>-</u>

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Statement of Fiduciary Net Position
Trust and Custodial Funds
June 30, 2023

EXHIBIT A-7

	Pension/OPEB Trust Funds	Custodial Funds
ASSETS		
Equity in pooled cash and temporary investments	\$ 36,826,273	3,684,894
Cash collateral for securities lending	129,074,227	-
Accounts receivable	-	130,551
Contributions receivable	15,218,685	-
Accrued interest and dividends receivable	13,654,565	-
Receivable from sale of pension investments	813,493,648	-
Due from intergovernmental units	-	517
Buildings and improvements	32,901	-
Vehicles and equipment	22,271	-
Right-to-use subscription assets, net	991,666	-
Investments:		
U.S. Government and agency securities	651,293,208	-
Asset-backed securities	233,249,440	-
Corporate and other bonds	653,280,738	-
Common and preferred stock	1,572,615,794	-
Alternative investments	4,798,375	-
Short-term investments	(58,468,048)	-
Investment in pooled funds	5,676,050,779	-
Total assets	<u>9,742,134,522</u>	<u>3,815,962</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total deferred outflows of resources	-	-
LIABILITIES		
Accounts payable and accrued liabilities	24,143,686	45
Payable for purchase of pension investments	824,460,471	-
Liabilities for collateral received under securities lending agreements	129,074,227	-
Due to intergovernmental units	-	190,467
Performance and other deposits	-	790,526
Compensated absences, short-term	125,529	-
Subscription liabilities, short-term	379,269	-
Long-term liabilities:		
Compensated absences, long-term	412,000	-
Subscription liabilities, long-term	568,619	-
Total liabilities	<u>979,163,801</u>	<u>981,038</u>
DEFERRED INFLOWS OF RESOURCES		
Total deferred inflows of resources	-	-
NET POSITION		
Net position restricted for OPEB benefits	403,797,579	-
Net position restricted for pension benefits	8,359,173,142	-
Net position restricted for individuals, organizations, and other governments	-	2,834,924
Total net position	<u>\$ 8,762,970,721</u>	<u>2,834,924</u>

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Statement of Changes in Fiduciary Net Position
Trust and Custodial Funds
For the fiscal year ended June 30, 2023

EXHIBIT A-8

	Pension/OPEB Trust Funds	Custodial Funds
ADDITIONS		
Contributions:		
Employer	\$ 412,160,396	-
Plan members	71,391,653	-
Other	2,328,956	-
Total contributions	<u>485,881,005</u>	<u>-</u>
Investment income (loss):		
From investment activities:		
Net depreciation in fair value of investments	(5,542,777)	-
Interest	44,422,425	48,434
Dividends	38,711,550	-
Total income from investment activities	<u>77,591,198</u>	<u>48,434</u>
Less investment activities expenses:		
Management fees	86,081,308	572
Other	3,896,900	-
Total investment activities expenses	<u>89,978,208</u>	<u>572</u>
Net income (loss) from investment activities	<u>(12,387,010)</u>	<u>47,862</u>
From securities lending activities:		
Securities lending income	<u>1,911,842</u>	<u>-</u>
Less securities lending expenses:		
Management fees	541,960	-
Total securities lending activities expenses	<u>541,960</u>	<u>-</u>
Net income from securities lending activities	<u>1,369,882</u>	<u>-</u>
Net investment income (loss)	<u>(11,017,128)</u>	<u>47,862</u>
Collections:		
Taxes and fees for other governments	-	31,340,908
Intergovernmental for individuals	-	614,050
Penalty for other governments and organizations	-	913,095
Other for organizations and individuals	-	748,221
Total collections	<u>-</u>	<u>33,616,274</u>
Total additions	<u>474,863,877</u>	<u>33,664,136</u>
DEDUCTIONS		
Benefits	652,154,824	-
Refunds of contributions	6,415,023	-
Administrative expenses	4,091,875	66,679
Payments:		
Taxes and fees to other governments	-	30,718,289
Intergovernmental collections to individuals	-	631,442
Penalties to other governments and organizations	-	913,145
Other collections to organizations and individuals	-	553,435
Total payments	<u>-</u>	<u>32,816,311</u>
Total deductions	<u>662,661,722</u>	<u>32,882,990</u>
Change in net position	(187,797,845)	781,146
Net position, July 1, 2022	<u>8,950,768,566</u>	<u>2,053,778</u>
Net position, June 30, 2023	<u>\$ 8,762,970,721</u>	<u>2,834,924</u>

See accompanying notes to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Net Position
Component Units
June 30, 2023

	Public Schools	Redevelopment and Housing Authority	Park Authority
ASSETS			
Equity in pooled cash and temporary investments	\$ 701,319,731	25,556,191	31,615,775
Cash in banks/with fiscal agents/escrow	551,183	66,932,315	-
Investments	-	6,608,000	-
Receivables (net of allowances):			
Accounts	14,875,659	3,935,135	697,089
Accrued interest	220,917	139,498	128,490
Notes	-	27,993,397	-
Lease	532,809	347,044	-
Due from intergovernmental units	129,233,939	-	-
Due from primary government	169,569	66,245,275	8,764,338
Inventories of supplies	1,241,031	-	-
Prepaid and other assets	354,722	3,693,662	413,708
Restricted assets:			
Equity in pooled cash and temporary investments	125,236,567	-	31,104,104
Cash with fiscal agents	-	41,647,091	-
Deposit held in trust	-	6,345,003	-
Capital assets:			
Non-depreciable/non-amortizable:			
Land and easements	46,837,095	84,058,697	402,253,820
Construction in progress	279,227,896	8,719,423	28,267,594
Depreciable/amortizable:			
Vehicles and equipment	365,865,345	7,965,661	14,564,491
Software	14,037,906	-	-
Library collections	18,915,527	-	-
Buildings and improvements	4,802,131,918	243,470,947	600,761,781
Right-to-use lease assets	73,570,764	1,114,790	2,631,762
Right-to-use subscription assets	81,788,887	751,703	1,976,321
Accumulated depreciation	(2,747,002,497)	(160,809,058)	(333,344,860)
Accumulated amortization	(42,539,004)	(213,335)	(1,308,695)
Lease receivable	1,278,709	19,983,154	-
Total assets	<u>3,867,848,673</u>	<u>454,484,593</u>	<u>788,525,718</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow for pension contributions subsequent to the measurement date	472,916,631	3,756,086	8,712,946
Deferred outflow for change in proportion (pensions)	26,654,828	526,958	-
Deferred outflow for differences between expected and actual experience (pensions)	87,256,928	2,636,924	6,037,012
Deferred outflow for recognition of pension investments	100,992,982	326,410	747,288
Deferred outflow for changes in assumptions (pensions)	309,227,753	1,896,212	4,341,215
Deferred outflow for OPEB contributions subsequent to the measurement date	30,655,968	208,136	664,374
Deferred outflow for change in proportion (OPEB)	4,241,509	-	302,234
Deferred outflow for differences between expected and actual experience (OPEB)	61,423,566	1,014,051	2,448,289
Deferred outflow for recognition of investments (OPEB)	6,251,231	284,435	686,731
Deferred outflow for changes in assumptions (OPEB)	9,933,395	775,238	1,871,708
Deferred amounts from the refunding of debt	3,227,885	-	-
Total deferred outflows of resources	<u>\$ 1,112,782,676</u>	<u>11,424,450</u>	<u>25,811,797</u>

See accompanying notes to the financial statements.

EXHIBIT A-9

Economic Development Authority	Total Component Units	
ASSETS		
-	758,491,697	Equity in pooled cash and temporary investments
-	67,483,498	Cash in banks/with fiscal agents/escrow
-	6,608,000	Investments
		Receivables (net of allowances):
-	19,507,883	Accounts
-	488,905	Accrued interest
-	27,993,397	Notes
-	879,853	Lease
-	129,233,939	Due from intergovernmental units
1,023,114,833	1,098,294,015	Due from primary government
-	1,241,031	Inventories of supplies
-	4,462,092	Prepaid and other assets
		Restricted assets:
2,681,000	159,021,671	Equity in pooled cash and temporary investments
-	41,647,091	Cash with fiscal agents
-	6,345,003	Deposit held in trust
		Capital assets:
		Non-depreciable/non-amortizable:
-	533,149,612	Land and easements
-	316,214,913	Construction in progress
		Depreciable/amortizable:
19,289	388,414,786	Equipment
-	14,037,906	Software
-	18,915,527	Library collections
1,176,811	5,647,541,457	Buildings and improvements
2,438,057	79,755,373	Right-to-use lease assets
41,151	84,558,062	Right-to-use subscription assets
(19,289)	(3,241,175,704)	Accumulated depreciation
(2,677,202)	(46,738,236)	Accumulated amortization
-	21,261,863	Lease receivable
1,026,774,650	6,137,633,634	Total assets
DEFERRED OUTFLOWS OF RESOURCES		
1,120,955	486,506,618	Deferred outflow for pension contributions subsequent to the measurement date
476,001	27,657,787	Deferred outflow for change in proportion (pensions)
820,154	96,751,018	Deferred outflow for differences between expected and actual experience (pensions)
101,522	102,168,202	Deferred outflow for recognition of pension investments
589,773	316,054,953	Deferred outflow for changes in assumptions (pensions)
39,045	31,567,523	Deferred outflow for OPEB contributions subsequent to the measurement date
-	4,543,743	Deferred outflow for change in proportion (OPEB)
145,665	65,031,571	Deferred outflow for differences between expected and actual experience (OPEB)
40,858	7,263,255	Deferred outflow for recognition of investments (OPEB)
111,360	12,691,701	Deferred outflow for changes in assumptions (OPEB)
-	3,227,885	Deferred amounts from the refunding of debt
3,445,333	1,153,464,256	Total deferred outflows of resources

continued

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Net Position
Component Units
June 30, 2023

	Public Schools	Redevelopment and Housing Authority	Park Authority
LIABILITIES			
Accounts payable and accrued liabilities	\$ 65,908,676	7,454,909	9,177,729
Accrued salaries and benefits	100,640,171	482,095	3,002,229
Contract retainages	12,850,585	-	847,500
Accrued interest payable	2,473,373	10,741,249	13,498
Due to intergovernmental units	-	113,433	4,000
Other current liabilities	-	362,797	-
Due to primary government	-	-	197,376
Unearned revenue	18,187,878	1,717,908	16,142,748
Performance and other deposits	23,231,232	2,383,899	784,426
Long-term liabilities:			
Portion due or payable within one year:			
Revenue bonds payable, net	-	4,000,576	-
Notes payable	24,867,456	721,836	694,721
Compensated absences payable	29,309,696	363,582	2,089,434
Lease liability	10,306,752	772,077	351,436
Subscription liability	13,352,183	188,104	349,541
Insurance and benefit claims payable	38,030,447	-	-
Loan from primary government	-	-	765,000
Portion due or payable after one year:			
Revenue bonds payable, net	-	80,456,416	-
Notes payable	66,056,626	60,595,340	1,035,728
Compensated absences payable	12,561,298	285,757	4,506,175
Lease liability	46,232,632	377,637	1,758,101
Subscription liability	47,697,991	385,591	456,770
Insurance and benefit claims payable	44,789,288	-	-
Net OPEB liability	348,724,057	149,165	360,139
Loan from primary government	-	-	7,740,000
Net pension liability	3,191,344,129	25,414,783	58,184,965
Total liabilities	4,096,564,470	196,967,154	108,461,516
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to differences between actual and expected experience (pensions)	135,546,945	383,398	877,756
Deferred recognition of pension investments	220,868,843	-	-
Deferred inflow for change in proportion and assumptions (pensions)	91,045,959	3,921,984	2,400,810
Deferred inflow related to differences between actual and expected experience (OPEB)	29,780,527	82,822	199,964
Deferred recognition of OPEB investments	5,990,139	-	-
Deferred inflow for change in proportion (OPEB)	11,743,566	66,078	-
Deferred inflow for change in assumptions (OPEB)	52,344,126	2,415,777	5,832,566
Deferred inflows related to lease	1,767,532	20,363,990	-
Total deferred inflow of resources	549,087,637	27,234,049	9,311,096
NET POSITION			
Net investment in capital assets	2,674,697,497	123,741,648	701,803,417
Restricted for:			
Grant and education programs	107,455,791	-	-
Housing	-	45,608,195	-
Capital projects	132,578,987	-	26,825,487
E.C. Lawrence Trust - Nonexpendable reserve	-	-	1,507,926
Unrestricted (deficit)	(2,579,753,033)	72,357,997	(33,571,927)
Net position	\$ 334,979,242	241,707,840	696,564,903

See accompanying notes to the financial statements.

EXHIBIT A-9

concluded

Economic Development Authority	Total Component Units	
		LIABILITIES
203,345	82,744,659	Accounts payable and accrued liabilities
215,048	104,339,543	Accrued salaries and benefits
-	13,698,085	Contract retainages
-	13,228,120	Accrued interest payable
-	117,433	Due to intergovernmental units
-	362,797	Other current liabilities
-	197,376	Due to primary government
2,681,000	38,729,534	Unearned revenue
-	26,399,557	Performance and other deposits
		Long-term liabilities:
		Portion due or payable within one year:
52,861,358	56,861,934	Revenue bonds payable, net
-	26,284,013	Notes payable
255,747	32,018,459	Compensated absences payable
831,148	12,261,413	Lease liability
-	13,889,828	Subscription liability
-	38,030,447	Insurance and benefit claims payable
-	765,000	Loan from primary government
		Portion due or payable after one year:
969,835,895	1,050,292,311	Revenue bonds payable, net
-	127,687,694	Notes payable
317,984	17,671,214	Compensated absences payable
281,188	48,649,558	Lease liability
-	48,540,352	Subscription liability
-	44,789,288	Insurance and benefit claims payable
21,427	349,254,788	Net OPEB liability
-	7,740,000	Loan from primary government
7,904,682	3,282,848,559	Net pension liability
<u>1,035,408,822</u>	<u>5,437,401,962</u>	Total liabilities
		DEFERRED INFLOWS OF RESOURCES
119,247	136,927,346	Deferred inflow related to differences between actual and expected experience (pensions)
-	220,868,843	Deferred recognition of pension investments
398,961	97,767,714	Deferred inflow for change in proportion (pensions)
11,897	30,075,210	Deferred inflow related to differences between actual and expected experience (OPEB)
-	5,990,139	Deferred recognition of OPEB investments
188,823	11,998,467	Deferred inflow for change in proportion (OPEB)
347,018	60,939,487	Deferred inflow for change in assumptions (OPEB)
-	22,131,522	Deferred inflows related to lease
<u>1,065,946</u>	<u>586,698,728</u>	Total deferred inflow of resources
		NET POSITION
(133,519)	3,500,109,043	Net investment in capital assets
		Restricted for:
-	107,455,791	Grant and education programs
-	45,608,195	Housing
-	159,404,474	Capital projects
-	1,507,926	E.C. Lawrence Trust
<u>(6,121,266)</u>	<u>(2,547,088,229)</u>	Unrestricted (deficit)
<u>(6,254,785)</u>	<u>1,266,997,200</u>	Net position

COUNTY OF FAIRFAX, VIRGINIA
Combining Statement of Activities
Component Units
For the fiscal year ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Public Schools:				
Education	\$ 3,457,306,295	151,744,103	595,311,511	245,241,769
Redevelopment and Housing Authority:				
Community development	118,225,341	42,302,502	94,853,382	-
Park Authority:				
Parks, recreation, and cultural	125,708,494	53,783,623	-	36,351,101
Economic Development Authority:				
Community development	11,380,873	-	-	-
Total component units	\$ 3,712,621,003	247,830,228	690,164,893	281,592,870

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, 2022

Net position, June 30, 2023

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
(2,465,008,912)	-	-	-	(2,465,008,912)
-	18,930,543	-	-	18,930,543
-	-	(35,573,770)	-	(35,573,770)
-	-	-	(11,380,873)	(11,380,873)
<u>(2,465,008,912)</u>	<u>18,930,543</u>	<u>(35,573,770)</u>	<u>(11,380,873)</u>	<u>(2,493,033,012)</u>
\$ 631,218,667	-	5,249,612	-	636,468,279
1,730,933	2,875,808	790,258	48,862	5,445,861
2,275,310,924	35,429,608	60,691,102	11,329,768	2,382,761,402
3,564,433	1,141,602	-	-	4,706,035
<u>2,911,824,957</u>	<u>39,447,018</u>	<u>66,730,972</u>	<u>11,378,630</u>	<u>3,029,381,577</u>
446,816,045	58,377,561	31,157,202	(2,243)	536,348,565
(111,836,803)	183,330,279	665,407,701	(6,252,542)	730,648,635
<u>\$ 334,979,242</u>	<u>241,707,840</u>	<u>696,564,903</u>	<u>(6,254,785)</u>	<u>1,266,997,200</u>



COUNTY OF FAIRFAX, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

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: a 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 accounting principles generally accepted in the United States of America (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; associated activity is reported in a special revenue fund of the County, the Refuse Disposal Fund, but the Authority as an entity is not engaged in financial activity. 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, it is governed by the Board, and the County maintains operational and management responsibility for the 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, it is governed by the Board, and the County maintains operational and management responsibility for the 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. The CDA presentation consists of a special revenue, a debt service fund, and a capital projects fund. The CDA 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 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 create demand for the new commercial construction that expands the tax base and contributes to the quality of life and overall prosperity of the County. The Board appoints the seven members of the EDA's commission which appoints the EDA's President. 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 (IDAFIC). The IDAFIC 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 2023, Fairfax Water collected approximately \$224.1 million on behalf of the County, and as of June 30, 2023, the County has receivables of approximately \$52.4 million due from Fairfax Water.

Joint Ventures

The County is a participant in the Upper Occoquan Service Authority (UOSA), which 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), which is a joint venture created under the Virginia Park Authorities Act of 1959 to protect and preserve Northern Virginia's rich heritage of woods, meadows, lakes, and streams. The governing body of NVRPA is comprised of two members from each of the 6 member jurisdictions: Fairfax, Arlington, and Loudoun Counties, and the Cities of Alexandria, Falls Church, and Fairfax. Each member jurisdiction provides contributions in direct proportion to its share of the region's population. The County's contributions are accounted for in the County Construction capital projects fund. The County has no

explicit and measurable financial interest in NVRPA. Complete financial statements of NVRPA can be obtained by writing to NVRPA, 5400 Ox Road, Fairfax Station, Virginia 22039.

Jointly Governed Organization

The State Route 28 Highway Transportation Improvement District (District) was created in 1987 under the provisions of the Transportation Improvements District Act by the County and Loudoun County, Virginia, in conjunction with the Commonwealth of Virginia Transportation Board (CVTB), for the purpose of undertaking various improvements to State Route 28. The District is governed by a nine-member Commission comprised of four members from each of the Boards of Supervisors of the County and Loudoun County and the Chairman of the CVTB or his designee. The County has no financial interest in the District. See Note J-9 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 Postemployment 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 Postemployment Benefits (OPEB) Trust Fund.

Custodial 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, trust, and custodial fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, 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, consisting of employee retirement and OPEB plans, 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 uncollectible 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 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, 2023, 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, 2023, interest earned by these funds and assigned directly to the County’s General Fund is as shown on the right.

<u>Primary Government</u>	
Nonmajor Governmental Funds	\$ 13,771,512
Internal Service Funds	1,871,313
Custodial Funds	22,241
Total primary government	15,665,066
<u>Component Units</u>	
Public Schools	13,035,749
FCRHA	283
Park Authority	80,668
Total component units	13,116,700
Total reporting entity	\$ 28,781,766

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 GAAP.

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 or net asset value as required by GAAP. 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. Investments are held as pooled assets and not individually attributed to funds. For presentation purposes, these have been allocated proportionally between the County General Fund and Nonmajor Governmental Funds. 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 and Prepaid Items

For inventories and prepaid items the consumption method of accounting 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. Inventories are valued and carried on an average unit cost basis. Prepaid items represent non-inventory transactions that do not qualify for expense or expenditure recognition, but the cash flow occurred as of the end of the fiscal year but prior to meeting the requirements for liability recognition.

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 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 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 deposits to correct or complete the project as necessary. The amount of the 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, extensions and improvements, or the purchase of additional capacity at certain wastewater treatment facilities for the benefit of the County. As of June 30, 2023, the Sewer System has cash and investments that are restricted for the following uses:

Restricted Assets of the Sewer System	
Unspent bond proceeds	\$ 90,762,795
Long-term debt service requirements	31,958,291
Current debt service requirements	54,235,528
Total restricted assets	<u>\$ 176,956,614</u>

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 and Public School System have restricted assets representing the amount of the debt service reserve requirement pertaining to unspent amounts from general obligation bonds issued by the County.

10. Capital Assets

Depreciable capital assets, including buildings, improvements, equipment, library collections, purchased capacity, infrastructure, and right-to-use leases and subscriptions, that individually cost \$5,000 or more and software with a cost of \$100,000 or more, with useful lives greater than one year, and non-depreciable assets including land and permanent right-of-way easements which have no threshold, 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 acquisition 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.

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

Capital Assets	Useful Lives
Infrastructure	10-50 years
Buildings	20-50 years
Purchased capacity	99 years
Improvements	15-25 years
Vehicles	5-12 years
Equipment	5-20 years
Library collections	5 years
Software	5-15 years
Right-to-use-leases*	1-24 years
Right-to-use subscriptions**	1-10 years

* Based on the underlying agreement of lease term

** Based on the underlying agreement of software subscription term

constructed assets, all associated costs necessary to bring such assets to the condition and location necessary for their intended use are initially capitalized as construction in progress and are transferred to buildings, 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 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. Pensions and OPEB Plans

The reporting entity administers multiple public employee retirement systems and OPEB plans. The net pension and OPEB liabilities and associated deferred outflows of resources and deferred inflows of resources are reported with a one year lag when compared with the fiduciary net position as reported by the retirement systems and OPEB plans. Employer contributions during the current fiscal year are reflected as a deferred outflow of resources which will impact the pension expense of the subsequent year. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Detailed information about the individual retirement systems and their respective pension plans is found in Note G. Information regarding the OPEB plans is found in Note H.

13. 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 debt that is 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, 2023, the Primary Government had \$488.6 million restricted net position, of which \$383.7 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 \$1,093.22 million should be reclassified as shown below to present the total Reporting Entity column of Exhibit A. Reclassification as presented on Exhibit A consumes restricted in the amount of \$128.9 million for capital projects with the balance of \$1,093.2 million to unrestricted.

Net Position (summarized)	Primary Government	Component Units	Reclassification of Debt Issued for:			Total Reporting Entity
			Public Schools Facilities	Park Authority Facilities	Total Reclassification of Debt Issued	
Net investment in capital assets	\$ 3,823,286,421	3,500,109,043	(1,583,296,579)	(191,009,319)	(1,774,305,898)	5,549,089,566
Restricted	488,576,517	313,976,386	(125,236,567)	(3,646,307)	(128,882,874)	673,670,029
Unrestricted	(2,567,402,804)	(2,547,088,229)	1,708,533,146	194,655,626	1,903,188,772	(3,211,302,261)
Net position	\$ 1,744,460,134	1,266,997,200	-	-	-	3,011,457,334

14. 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.

15. 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 included within the highest level of fund balance constraint in accordance with the order of expenditure as noted in note A-13. Encumbrances in the general fund are generally reported as assigned fund balance, but balances included in other funds within the General Fund group are committed. 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	\$ 17,527,983
General public works	7,899,436
Social services, health and welfare	22,218,751
Housing and community development	9,338,219
Parks, recreation, and cultural	3,310,305
Other purposes	17,158,413
Total General Fund	<u>77,453,107</u>
Capital Projects Funds	
Capital Project	<u>\$ 235,793,243</u>

16. 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. The Board increased the target to 4.0 percent in April of 2015.

In 1999, the Board 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 percent 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.

17. 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.

18. Intermunicipal Agreements

The Sewer System has entered into several intermunicipal agreements for the purpose of sharing sewage flow and treatment facility costs (see Note K). The payments made to reimburse operating costs and debt service requirements are recorded as expenses in the year due. Payments made to fund the Sewer System's portion of facility expansion and upgrade costs are capitalized as purchased capacity (see Note F). The Sewer System amortizes these costs over the period in which benefits are expected to be derived, which is between 30 and 99 years, depending on time of installation.

The City of Fairfax, Virginia (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, Virginia 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 community-based supports for individuals and families of the three jurisdictions that are affected by developmental delay, developmental disabilities, serious emotional disturbance, mental illness and/or substance use disorders. 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.

19. 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. The differences are reflected in the period known unless deemed significant by management.

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 Primary Government is a participant in the Virginia State Non-Arbitrage Program (SNAP), sponsored by the Virginia Treasury Board. The SNAP Program provides comprehensive investment management, accounting and arbitrage calculation services for the proceeds of tax-exempt financings of Virginia governments. The Treasury Board has hired a program/investment manager, rebate calculation agent, central depository, custodian bank, and legal counsel to manage the program and provide services to investors.

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. 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 ACFR. 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 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, 8 East Canal Street, Suite 100, 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
- Certificates of deposits and bank notes
- Insured Deposits
- Demand Deposit Accounts
- 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
- Qualified investment pools

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. Fair Value Measurement

The reporting entity's pooled investments are reported at fair value, except for money market funds and investments that have a remaining maturity at the time of purchase of one year or less. These are carried at amortized cost, which approximates fair value. The fair value of all investments is determined annually and is based on current market prices.

The reporting entity categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the source and type of information used to determine the fair value of the asset. The hierarchy gives the highest level to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest level to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Information is unadjusted quoted prices for identical instruments in active markets that the County has the ability to access.

Level 2 Information is quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, quoted prices that are observable, either directly or indirectly from a source other than an active market.

Level 3 Includes unobservable information to arrive at the valuation.

The Primary Government has the following investments measured at fair value as of June 30, 2023:

Pooled investments		Quoted Prices in Active markets for Identical Assets Level 1	Observable Inputs other than Quoted Prices Level 2		Significant Unobservable Inputs Level 3
			Primary Government	Component Unit	
Investments by Fair Value Level	6/30/2023				
Cash & Cash Equivalents:					
Negotiable Certificates of Deposit	\$ 1,070,000,000	-	820,273,179	249,726,821	-
Commercial Paper	402,387,250	-	308,474,270	93,912,980	-
Fixed Income Securities:					
US Treasury and Agencies	1,199,875,327	-	919,836,961	280,038,366	-
Corporate Notes	253,340,846	-	194,213,739	59,127,107	-
Supranational	29,761,500	-	22,815,477	6,946,023	-
Total investment by Fair Value Level	\$ 2,955,364,923	-	2,265,613,626	689,751,297	-

The income from pooled investments held by the Primary Government is allocated at month-end to the individual funds based on the fund's average daily cash balance in relation to total equity in pooled cash.

Securities and equities held by the County and component pension systems classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities

in Level 2 are valued using bid evaluation which may include market quotations, yields, maturity call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Level 3 securities use proprietary information or single source pricing. Additional information regarding the holdings of the individual retirement systems is available in their separately issued ACFRs. Information on how these may be viewed can be found in Note G.

Primary Government pension holdings reported at fair value and net asset value are presented below:

Primary Government - Pension Trust Funds:		Fair Value Measurements Using				
		Quoted Prices in Active markets for Identical Assets	Level 1	Significant Other Observable Inputs	Level 2	Significant Unobservable Inputs
Investments by Fair Value Level	6/30/2023	Level 1	Level 2	Level 3		
Asset-backed securities	\$ 233,249,440	-	66,135,834	167,113,606		
Convertible or exchangeable securities	9,262,150	87,900	9,174,250	-		
Corporate and other bonds	348,084,259	27,540,028	181,070,832	139,473,399		
Equity	1,569,655,583	1,421,677,589	-	147,977,994		
Futures contracts	15,185,207	15,185,207	-	-		
International bonds	280,749,122	-	274,824,565	5,924,557		
Natural resources	4,798,375	-	-	4,798,375		
Preferred securities	2,960,211	1,962,525	970,040	27,646		
US government obligations	651,293,208	-	651,293,208	-		
Total investment by Fair Value Level	\$ 3,115,237,555	1,466,453,249	1,183,468,729	465,315,577		
Investments measured at the net asset value (NAV)		Unfunded Commitments	Redemption Frequency	Redemption Notice Period		
Absolute return	\$ 1,261,651,697	-	Daily, Monthly, Quarterly	2-90 days		
Global equity	1,247,105,784	565,882,118	None, Daily, Monthly, Quarterly	0-90 days, N/A		
Global fixed income	1,446,022,068	400,509,131	None, Daily, Monthly, Quarterly, Semi-Annually	0-90 days, N/A		
Global multi-asset	557,148,635	-	Daily, Monthly, Quarterly	1-90 days		
Global real assets	763,938,102	284,821,100	None, Daily, Quarterly	0-60 days, N/A		
Total investments measured at the NAV	5,275,866,286	1,251,212,349				
Investments Measured at Amortized Cost						
Short-Term	(58,468,048)					
Total investments	\$ 8,332,635,793					

Absolute Return: This type includes relative value hedge funds which implement long and short relative value strategies to capture structural returns across multiple asset classes including equity sectors, equity indices, fixed income, currency and commodities. The funds classified as absolute return also include the following:

Global Macro: This type includes hedge funds that invest long/short across fixed income, currency, equity and commodity markets. The process is equally driven by analysis of the macro environment, flows of capital, the expected reaction to changes in interest rates, trend following and other drivers. This type also includes Commodity Trading Advisor (CTA) that analyzes market prices to determine trends then uses tactical asset allocation to capture and ride market trends. The fund is a diversified portfolio with exposure to currencies, commodities, bonds and short interest rates, and equity indices at various times. These exposures are typically achieved through the use of derivatives which allows quick response because of the high liquidity in the derivative markets.

Equity long/short hedge funds: This type includes hedge funds that invest both long and short primarily in the U.S. common stock market. Each of the funds have different strategies. Each of the hedge fund strategies requires a longer hold period to realize value so each fund has quarterly liquidity and forty five day notice period for redemptions.

Multi-strategy: This type includes an event-driven multi-strategy fund that invests in distressed debt, risk arbitrage, event equities, convertible arbitrage, and volatility trades. This type includes hedge funds that use quantitative and qualitative tools to optimize return per unit of volatility.

Event Driven: This type includes investment in a hedge fund that focuses on global long/short credit and event driven positions, investing across the capital structure.

Global Equity: This type includes domestic equity fund that uses derivative instruments to replace long equity exposures, and international equity funds providing traditional long-only international equity exposure.

U.S. Equities: This type includes a private hedge fund. A bundled portable alpha mandate which uses futures on the S&P 500 Index and ports it to a fundamental global macro/fixed income fund. The fund has exposure to interest rates, FX, equity indices and commodities. However, the majority of its exposure is generally to interest rates. Another type of hedge fund is a U.S. small cap deep value long/short equity fund. This type also includes a hedge fund that is based on the fundamental concepts of value and momentum investing. The fund applies both concepts through the use of numerous proprietary indicators across many sectors, while generally giving more weight to value than momentum. This is a long/short strategy that maintains a net 100 percent invested position by investing 130percent of portfolio assets in long positions and 30 percent in short positions.

International Equities: This type includes an international small cap fund that uses a quantitative approach. In addition to traditional value measures such as price/earnings and price/book ratios, the fund also considers growth-related factors, such as price momentum and trends in analysts' earnings estimates, to target undervalued companies that have strong prospects for future outperformance. This type also includes emerging markets equity fund that uses both quantitative and qualitative analysis to build a diversified portfolio.

Private Equity: This type includes private equity stakes in investment management firms and thus a share of the firm's revenues and capital appreciation. They are invested in management buy-in, buy-outs, venture capital, growth and expansion capital, mezzanine, distressed and venture debt, special situation, recapitalization and other private equity funds.

Global Fixed Income: This includes fixed income, direct lending, and opportunistic types of securities. Fixed income consists of funds providing leveraged exposure to US and international government issued inflation-linked bonds, and emerging market debt fund. This also includes funds that invests in Mortgage Backed, Asset Backed and other distressed securities believed to be priced below the fundamental credit risk inherent in those securities. Direct Lending includes private debt funds conducting middle market corporate and commercial mortgage direct lending with negotiated senior secured loans to borrowers that are too small to attract the attention of conventional banks and lenders. Loan payments are also distributed on a monthly or quarterly basis. The loans are held at book value unless a payment default has occurred at which time a third-party appraisal value is determined. Opportunistic credit includes funds investing in public and private debt, equity and real estate as opportunities present themselves. These investments cannot be redeemed. The distributions are received through the liquidation of underlying assets of the funds over a period of years as per the terms of the fund.

Global Multi-Asset: This type includes funds that invest across multiple asset classes using a risk balance approach in their asset allocation with the intent to balance risk across all combinations of

Rising and Falling Growth and Inflation. The main goal is to construct a portfolio that achieves the best risk adjusted return at a given expected level of volatility which varies by fund. This is achieved through the use of derivatives and liquid long positions across multiple asset classes.

Global Real Assets: This type includes fund that owns and operates a fleet of commercial bulk container and tanker vessels, fund that purchases interests in other private real estate funds on the secondary market, and fund that owns and operates the real estate, infrastructure and inventory of a cattle feeding operation. This type also includes funds that focuses on publicly traded REITs, listed infrastructures, commodities, MLPs, natural resource equities, precious metals, TIPS, and floating rate/bank loans. The strategy will set long term strategic allocations to those asset classes with broad ranges. The portfolio will be tactically reviewed on a quarterly basis. The other funds classified under this type include the following:

Inflation Hedges: This type includes funds that invest in inflation sensitive asset classes to help hedge against inflation risks in the broader portfolio. One of the funds uses a diversified commodity portfolio to lower commodity volatility more than equities, provide an inflation hedge, and perform better in most economic environments, except for recessions. The portfolio is invested in inflation sensitive assets and inflation linked assets. Exposure to the inflation sensitive assets is achieved through global equity and derivative positions in precious metals, mining, agriculture, energy, and other commodities and commodity dependent equities. Global inflation linked bonds such as TIPS and emerging market inflation linked bonds provide exposure to the assets directly linked to inflation.

Real Estate funds: One fund in this type is primarily a core portfolio of U.S. equity real estate with a goal to provide good returns while limiting downside risk through property type, geographic, and economic diversification with moderate leverage. This type also includes distressed real estate fund-of-funds that invest in local real estate managers that purchase distresses properties and renovate them. Distributions in this fund are received through the liquidation of the underlying properties over five to ten years, and rental income is received as a current yield from the underlying funds.

Component unit pension holdings reporting at fair value and net asset value are presented below:

Component Unit - Pension Trust Fund:		Fair Value Measurements Using			
		Quoted Prices in Active markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	
Investments by Fair Value Level	6/30/2023				
Short-term securities	\$ 50,763,024	6,995,251	-	43,767,773	
Debt securities					
Asset and mortgage backed securities	151,874,330	-	151,874,330	-	
Corporate bonds	267,355,914	574,341	262,153,350	4,628,223	
Convertible securities	6,329,630	-	6,329,630	-	
International bonds	586,765	-	586,765	-	
Municipal bonds	525,748	-	525,748	-	
US government obligations	160,214,589	156,033,602	4,180,987	-	
Total debt securities	586,886,976	156,607,943	425,650,810	4,628,223	
Equity investments	314,666,906	314,666,906	-	-	
Total investment by Fair Value Level	\$ 952,316,906	478,270,100	425,650,810	48,395,996	
Investments measured at the net asset value (NAV)		Unfunded Commitments	Redemption Frequency	Redemption Notice Period	
Commingled large cap equity funds	\$ 371,475,360	-	Daily	None	
Commingled emerging markets equity funds	142,687,123	-	Daily	3 days	
Commingled global equity fund	374,815,414	-	Daily	None	
Commingled TIPS fund	100,751,812	-	Daily	None	
Commingled global fixed income funds	2,462,003	-	Daily	None	
Commingled emerging markets debt funds	66,102,994	-	Monthly	30 days	
Private markets	445,742,619	292,539,494	Not eligible	N/A	
Commingled Multi asset class solutions	126,407,441	-	Monthly	5 days	
Commingled Hedge funds	225,645,325	-	Monthly	30 days	
Commingled real estate equity funds	197,464,625	-	Daily, quarterly	1-90 days	
Private real estate fund	73,708,261	107,426,190	Not eligible	N/A	
Total investments measured at the NAV	2,127,262,977	399,965,684			
Total investments	\$ 3,079,579,883				

Commingled Large Cap Equity Fund: The objective of this index fund is to invest in securities and collective funds that together are designed to track the performance of the Russell 1000®.

Commingled Emerging Markets Equity Fund: The fund invests in common stocks and other forms of equity investments issued by emerging market companies of all sizes to obtain long-term capital appreciation.

Commingled Global Equity Funds: The fund in this category is an actively managed, multi-capitalization fund focused on attractively priced companies with strong and/or improving financial productivity. The fund invests in listed global equity securities located in both developed and emerging markets.

Commingled TIPS Funds - The fund's investment objective is to track the performance of the Bloomberg U.S. Treasury Inflation-Linked Index (the "Index"). The Fund is constructed to mirror the Index to provide income and preservation of capital. The assets of the fund may be invested in securities, including those issued through private placements, exchange-traded and mutual funds, and a combination of other collective funds that together are designed to track the performance of the Index. The fund may also invest in the EB Temporary Investment Fund, an affiliate of the fund.

Commingled Global Fixed Income Funds: The fund seeks to generate strong risk-adjusted returns from the global bond markets. The strategy focuses on selecting securities with attractive valuations in countries with stable to improving structural outlooks and growth trajectories.

Commingled Emerging Markets Debt Fund: This fund invests in fixed income securities of emerging or developing countries to achieve high current income and long-term capital growth.

Private Equity and Debt Partnerships: This type includes investments in limited partnerships, which generally include the following strategies: buyouts, venture capital, mezzanine, distressed debt, growth equity and special situations. These investments have an approximate life of 10 years and are considered illiquid. Redemptions are restricted over the life of the partnership. During the life of the partnerships, distributions are received as underlying partnership investments are realized. As of June 30, 2023, it is probable that all of the investments in this type will be sold at an amount different from the NAV per share of the plan's ownership interest in partners' capital.

Infrastructure - This type invests in assets which provide essential services or facilities to a community such as schools, hospitals, transportation, distribution, communication, power generation, water and waste management. These investments can include limited partnerships and commingled funds and are considered illiquid. The investment seeks to provide long-term risk-adjusted returns, a stable income stream and inflation protection.

Commingled Multi-Asset Class Solutions Funds: This type of fund typically has an unconstrained, non-benchmark oriented investment approach with investments across various asset classes. It may invest in, but is not limited to, equities, fixed income, inflation-linked bonds, currencies and commodities. The objective is to provide attractive returns in any type of economic environments.

Commingled Real Estate Equity Funds: This type of fund provides diversified exposure to a coreportfolio of US real estate investments across different sectors. The investment primarily focused on income with some value-add properties seeking higher returns from potential appreciation.

Private Real Estate Funds: This fund is a limited partnership that makes secondary investments in various types of real estate and real estate entities, such as commingled real estate funds, limited partnerships, joint ventures, real estate operating companies and non-traded REIT vehicles.

Hedge Funds – Opportunistic: This is an alternative type of strategy with a typical return objective of cash plus a premium. It invests across different asset classes.

Information related to the investments held in the OPEB trust funds of both the County and component unit is discussed in Note H.

3. Interest Rate Risk

The reporting entity's policy is to minimize the risk that the fair 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 ninety days or less. All other pooled funds are invested primarily in shorter-term securities, with a maximum maturity of five years. The reporting entity's pooled investments as of June 30, 2023, are summarized on the following page:

Investment Type	Valuation	Weighted Average Maturity (Days)
Primary Government - Pooled Investments:		
U.S. Treasury Securities and Agencies	\$ 919,836,961	3,102
Commercial Paper	308,474,270	76
Corporate Notes and Bonds	217,029,216	538
Money Market Funds	330,271,583	1
Negotiable Certificates of Deposit	820,273,179	121
Virginia Investment Pool LGIP	45,528,989	51
VIP - Virginia Investment Pool	42,713,952	70
Total	\$ 2,684,128,150	
Portfolio weighted average maturity		1,154
Component Unit - Pooled Investments:		
U.S. Treasury Securities and Agencies	\$ 280,038,366	3,102
Commercial Paper	93,912,980	76
Corporate Notes	66,073,130	538
Money Market Funds	100,549,030	1
Negotiable Certificates of Deposit	249,726,821	121
Virginia Investment Pool LGIP	13,861,004	51
VIP - Virginia Investment Pool	13,003,984	70
Total	\$ 817,165,315	
Portfolio weighted average maturity		1,154

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, 2023, are summarized as follows:

Investment Type	Valuation	Duration (Years)
Primary Government - Pension Trust Funds:		
U.S. Government securities		
Employees' Retirement System	\$ 489,261,650	8.8
Police Officers Retirement System	114,224,593	8.8
Uniformed Retirement System	47,806,965	10.9
Corporate and other bonds		
Employees' Retirement System	241,270,325	1.7
Police Officers Retirement System	46,253,805	0.7
Uniformed Retirement System	85,007,486	1.8
International Bonds		
Employees' Retirement System	246,140,736	10.1
Police Officers Retirement System	34,422,387	10.9
Uniformed Retirement System	185,999	4.5
Asset-backed securities		
Employees' Retirement System	115,897,948	3.4
Police Officers Retirement System	26,640,326	4.2
Uniformed Retirement System	90,711,166	4.6
Short-term investments		
Employees' Retirement System	(198,786,794)	-
Police Officers Retirement System	(14,990,585)	-
Uniformed Retirement System	155,309,331	-
Total	<u>\$ 1,479,355,338</u>	
Component Unit - Pension Trust Fund:		
Asset and mortgage backed	\$ 151,874,330	1.3
Convertible securities	267,355,914	2.3
Corporate bonds	586,765	0.0
International bonds	6,329,630	0.1
Municipal bonds	525,748	0.0
US government obligations	160,214,589	2.9
Total	<u>\$ 586,886,976</u>	

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

4. 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 agency and GSE instruments should have a rating of least Prime-1 by Moody’s and A-1 by S&P. In those instances when a GSE does not have a rating, a thorough credit and financial analysis will be conducted by county investment staff.
- 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.
- Negotiable certificates of deposit must have a rating of at least A-1 by S&P and P-1 by Moody’s if less than 1 year and a rating of AA by S&P if more than 1 year.
- Bankers’ acceptances shall be rated by at least two of the following: Moody’s, with a rating of P-1; S&P, A-1; 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.
- Local government investment pool (LGIP) bond fund must have a rating of AAA by S&P, and AAAM by S&P for VIP Stable NAV Liquidity Pool.
- Supranationals must have a rating of AAA by S&P or Moody’s.

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 A. The policy also permits up to 20 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, 2023, investments held by the County pool were rated as follows:

		Credit Quality Rating *							
AA		A-1		AAA-m		Aaa/AAA		Unrated	
Corporate Notes	6.6%	Commercial paper	10.4%	Money Market Funds	2.0%	Supranational	0.8%	Demand Deposit Accounts	6.6%
US Treasury and Agencies**	32.4%	Negotiable CD	27.2%	LGIP	2.9%			Collateralized CD	3.7%
	39.0%		37.6%	Bond Funds	7.4%				
					12.3%		0.8%		10.3%

* 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, 2023.

** U.S.Treasury and Agencies AA+

The primary government and component units' pension trust funds' credit quality ratings at June 30, 2023, were as follows:

Investment Type	Credit Quality Rating *							
	AAA	AA	A	BBB	BB	B	Below B	Unrated
Primary Government								
Pension Trust Funds:								
U.S. Government obligations	- %	- %	- %	- %	- %	- %	- %	43.9 %
Corporate and other bonds	-	0.2	0.8	1.9	4.1	3.4	1.7	13.1
Asset-backed securities	0.1	5.5	0.1	0.6	1.1	0.3	0.5	7.7
Short-term investments	-	-	-	-	-	-	-	(4.0)
International bonds	0.7	-	-	1.3	0.6	0.3	-	16.1
Component Unit								
Pension Trust Fund:								
Asset and mortgage-backed securities	15.0 %	8.7 %	2.9 %	5.1 %	0.9 %	0.2 %	1.9 %	1.1 %
Corporate bonds	-	0.8	10.5	36.8	8.7	5.1	-	0.8
Convertible securities	-	-	-	0.9	-	0.6	-	-
International bonds	-	-	-	-	0.1	-	-	-
Municipal bonds	-	-	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, 2023.

5. 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:

Investment Type	Maximum Diversification
U.S. Treasury securities and agencies	100% maximum
Negotiable certificates of deposit	40% maximum
Banker's acceptances	35% maximum
Commercial paper	35% maximum
Repurchase agreements	30% maximum
Mutual funds	30% maximum
Virginia investment pool - daily liquidity	30% maximum
Corporate notes	25% maximum
Non-negotiable certificates of deposit	25% maximum
Virginia investment pool - LGIP bond fund	25% maximum
Insured certificates of deposit	15% maximum
Bank demand deposit	10% maximum
Supranationals	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, corporate notes, and negotiable certificates of deposits. The County shall seek to maintain 5 percent 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 limits the securities of any one issue to 10 percent at cost and 15 percent at market of each fixed income portfolio. The policy allows an exception for government securities and its agencies. As of June 30, 2023, ERFC had three active fixed income managers. The active manager portfolios had values of \$168.4 million, \$184.9 million and \$248.1 million. The fair value of the largest issue other than the U.S. Government in the portfolios of the active managers, excluding pooled funds, was only 1.74 percent of that portfolio.

6. 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, 2023, 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	\$ 14,158,093	14,976,146	-
Corporate and other bonds	14,495,162	14,882,526	-
Common and preferred stock	95,988,010	99,215,555	-
Lent for securities collateral:			
U.S. Government securities	42,608,492	-	46,267,743
Common and preferred stock	113,385,744	-	124,574,782
Total securities lent	<u>\$ 280,635,501</u>	<u>129,074,227</u>	<u>170,842,525</u>
Component Unit - Pension Trust Fund:			
Lent for cash collateral:			
Domestic corporate bonds	\$ 38,411,452	39,413,537	-
Domestic stock	108,490,725	110,901,122	-
International bonds	4,580	4,809	-
U.S. Government securities	2,667,337	2,737,538	-
Total securities lent	<u>\$ 149,574,094</u>	<u>153,057,006</u>	<u>-</u>

7. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the investment. 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 currency risk exposures primarily exist in the international equity and active fixed income holdings. At the present time, there are no specific foreign currency guidelines for equities or active fixed income investments, however, equity and fixed income managers are all measured against specific performance standard and risk guidelines identified in the component unit’s pension trust fund’s investment policy. The fair value in U.S. dollars of the pension trust funds’ foreign currency investments as of June 30, 2023, is presented on the following pages:

Foreign Currency Risk

International Securities	Cash and Cash Equivalents	Equity	Convertible and Fixed Income	Total U.S. Dollars
Primary Government - Pension Trust Funds:				
Australian Dollar	\$ (888,209)	22,062,465	3,629,937	24,804,193
Brazil Real	12,960	2,798,975	7,329,063	10,140,998
Canadian Dollar	190,378	28,065,161	11,965,772	40,221,311
Chinese Yuan Renminbi	6,576	228,202	-	234,778
Colombian Peso	74	-	8,954,769	8,954,843
Danish Krone	576	29,628,049	-	29,628,625
Euro Currency Unit	(15,618,993)	152,349,464	94,073,925	230,804,396
Hong Kong Dollar	646	26,714,933	-	26,715,579
Indian Rupee	4,960	9,749,371	-	9,754,331
Indonesian Rupiah	6,048	1,116,457	66,597	1,189,102
Japanese Yen	880,707	114,060,543	20,175,506	135,116,756
Mexican Peso	1	2,796,801	16,134,106	18,930,908
New Taiwan Dollar	-	5,675,832	-	5,675,832
New Zealand Dollar	14,559	389,980	2,248,305	2,652,844
Norwegian Krone	-	4,626,171	-	4,626,171
Philippine Peso	7,317	-	-	7,317
Pound Sterling	(16,742,019)	95,048,235	104,409,079	182,715,295
Russian Ruble	-	-	186,034	186,034
Singapore Dollar	42,998	10,445,523	395,958	10,884,479
South African Rand	124	652,061	3,843,920	4,496,105
South Korean Won	16,611	5,333,186	240,612	5,590,409
Swedish Krona	14,778	19,843,740	5,091,328	24,949,846
Swiss Franc	3,845	38,141,383	-	38,145,228
Thailand Baht	2	2,613,184	-	2,613,186
Turkish Lira	-	118,582	-	118,582
Total fair value	\$ (32,046,061)	572,458,298	278,744,911	819,157,148

Foreign Currency Risk

International Securities	Cash & Cash Equivalents	Equity	Convertible and Fixed Income	Total U.S. Dollars
Component Unit - Pension Trust Fund: *				
Australian Dollar	\$ 2,105	1,277,510	-	1,279,615
Brazil Real	40,916	-	-	40,916
Canadian Dollar	47,027	1,582,992	-	1,630,019
Chilean Peso	12,922	-	-	12,922
Danish Krone	177,135	2,437,728	-	2,614,863
Euro Currency Unit	400,021	18,878,180	32,021,949	51,300,150
Hong Kong Dollar	43,387	3,463,813	-	3,507,200
Indonesian Rupiah	12,504	1,462	-	13,966
Israeli Shekel	11,041	4	-	11,045
Japanese Yen	153,570	2,723,329	-	2,876,899
Malaysian Ringgit	9,131	-	-	9,131
New Taiwan Dollar	22,503	2,441,266	-	2,463,769
Norwegian Krone	1,672	-	-	1,672
Philippines Peso	1,344	-	-	1,344
Polish Zloty	1,409	-	-	1,409
Pound Sterling	49,690	5,647,524	-	5,697,214
South African Rand	1,681	-	586,765	588,446
South Korean Won	372	266	-	638
Swedish Krona	15,380	3,969,144	-	3,984,524
Swiss Franc	502,307	4,897,470	-	5,399,777
Thailand Baht	1,833	-	-	1,833
Total fair value	<u>\$ 1,507,950</u>	<u>47,320,688</u>	<u>32,608,714</u>	<u>81,437,352</u>

*Includes preferred securities investments in fixed income balance.

8. 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 enter into derivative transactions to gain exposure to currencies and markets where derivatives are the most cost-effective instrument. During fiscal year 2023, 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 their 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, 2023, is shown in the table on the following page:

Future Contract Types	Base Exposure	Notional Cost
Primary Government - Pension Trust Funds:		
Cash & Cash Equivalent Futures:		
Long	\$ -	-
Short	(345,563,378)	(345,597,546)
Equity Futures:		
Long	723,254,426	702,264,099
Short	(89,022,150)	(88,211,432)
Fixed Income Futures:		
Long	878,179,734	883,736,234
Short	(102,624,355)	(103,066,886)
Commodity Futures:		
Long	340,425,642	344,763,520
Short	-	-
Total	\$ 1,404,649,919	1,393,887,989

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, 2023, is summarized as follows:

Swap Types	Base Exposure	Fair Value
Primary Government - Pension Trust Funds:		
Fixed Income Swaps:		
Cleared Interest Rate Swaps	\$ (709,373)	(726,191)
Cleared Credit Default Swaps	1,092,773	1,171,240
Cleared Inflation Swaps	32,057	32,057
Total	\$ 415,457	477,106

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, 2023, are presented below.

	Cost	Fair Value	Unrealized Gain
Primary Government - Pension Trust Funds:			
Equity Options:			
Purchased Call	\$ 367,485	348,861	(18,624)
Written Put	(758,760)	(692,643)	66,117
Fixed Income Options:			
Purchased Put	43,114	26,226	(16,888)
Written Put	(86,792)	(55,366)	31,426
Total	\$ (434,953)	(372,922)	62,031

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 contracts at June 30, 2023, was \$5,509,778, and the Pension trust funds' currency forwards contracts are summarized as follows:

Foreign Currency Contracts Purchased	Notional (Local Currency)	Cost	Fair Value of Foreign Currency Contract Payable in U.S. Dollars	Unrealized Gain(Loss)
Primary Government - Pension Trust Funds:				
Chinese Yuan Renminbi				
Australian Dollar	(13,470,856)	(8,926,441)	\$ (8,971,062)	(44,621)
Brazil Real	(13,830,000)	(2,773,099)	(2,858,994)	(85,895)
Canadian Dollar	(28,893,374)	(21,523,513)	(21,840,908)	(317,395)
Columbian Peso	(11,070,000,000)	(2,395,948)	(2,629,645)	(233,697)
Euro Currency Unit	(162,070,876)	(175,950,122)	(176,972,902)	(1,022,780)
Japanese Yen	(5,526,430,066)	(39,160,710)	(38,332,198)	828,512
Mexican Peso	(203,800,000)	(11,068,267)	(11,824,524)	(756,257)
New Zealand Dollar	(6,614,118)	(4,025,720)	(4,051,888)	(26,168)
Polish Zloty	(22,080,000)	(5,243,266)	(5,429,849)	(186,583)
Pound Sterling	(135,427,635)	(169,892,440)	(172,195,818)	(2,303,378)
South African Rand	(71,900,000)	(3,806,025)	(3,789,613)	16,412
Swedish Krona	(103,441,190)	(9,614,018)	(9,583,103)	30,915
Swiss Franc	(5,940,000)	(6,662,928)	(6,687,362)	(24,434)
Total Foreign Currency Contracts Purchased			\$ (465,167,866)	(4,125,369)

Foreign Currency Contracts Sold				
Primary Government - Pension Trust Funds:				
Australian Dollar	19,425,536	12,867,302	\$ 12,945,139	77,837
Canadian Dollar	19,733,974	14,769,247	14,916,344	147,097
Euro Currency Unit	100,814,938	110,494,290	110,041,730	(452,560)
Indian Rupee	274,000,000	3,326,333	3,331,505	5,172
Japanese Yen	7,475,472,537	53,498,038	52,126,054	(1,371,984)
New Zealand Dollar	6,025,059	3,700,467	3,690,736	(9,731)
Norwegian Krone	112,900,000	10,762,329	10,568,841	(193,488)
Polish Zloty	22,080,000	5,277,360	5,429,849	152,489
Pound Sterling	69,187,635	87,594,873	87,963,383	368,510
South African Rand	41,400,000	2,133,724	2,182,058	48,334
South Korean Won	9,480,000,000	7,307,485	7,222,964	(84,521)
Swedish Krona	48,137,819	4,458,627	4,456,857	(1,770)
Thailand Baht	44,300,000	1,324,167	1,254,373	(69,794)
Total Foreign Currency Contracts Sold			\$ 316,129,833	(1,384,409)

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, the component unit's pension trust fund (ERFC) invests in derivative instruments on a limited basis in accordance with the Board of Trustees' investment policy. Derivatives provide a means for ERFC to increase earnings and/or hedge against potential losses. The risks associated with derivative instruments, include market risk resulting from fluctuations in interest and currency rates, the credit worthiness of counter parties to any contracts entered into, and the credit worthiness of mortgages related to collateralized mortgage obligations (CMOs). Specific authorization by the Board is required should investment managers seek to purchase securities on margin or leverage. During fiscal year 2023, ERFC had no direct investments in derivatives.

9. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources representing a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. Deferred outflows for pensions and OPEB activities result from changes in actuarial proportions, changes in actuarial assumptions, differences between projected and actual earnings on pension and OPEB investments, differences between expected and actual experience and pension and OPEB contributions made subsequent to the measurement date. Deferred outflows related to investment differences are deferred and amortized over a closed five-year period and all other deferred outflows, except contributions made subsequent to the measurement date, are amortized over the remaining service life of all participants.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources representing an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows for pension and OPEB activities result from changes in actuarial proportions, changes in actuarial assumptions, differences between projected and actual earnings on pension and OPEB investments and differences between expected and actual experience. Deferred inflows related to investment differences are deferred and amortized over a closed five-year period and all other deferred inflows are amortized over the remaining service life of all participants.

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 two 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. Effective January 1, 2023, Fairfax County will automatically file personal property tax returns for motor vehicles, trailers, and semi-trailers on behalf of Fairfax County residents that have properly registered with the Department of Motor Vehicles (DMV) within 30 days, eliminating the ten percent penalty for late filing for those properties. All other late filings will continue to be subject to the ten percent late filing penalty. 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 taxes not paid by the due dates are assessed a ten percent late payment penalty on the tax amount. Personal property taxes are initially assessed a ten percent late payment penalty, which increases to twenty-five percent after thirty days of delinquency. Furthermore, interest accrues from the first day following the due date at an annual rate of one percent for real estate taxes and five percent for personal property taxes. The net delinquent taxes receivable, including interest and penalties, as of June 30, 2023, after allowances for uncollectible amounts, is \$34,410,724, of which \$4,520,134 has been included in tax revenue for fiscal year 2023 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 2023 as receivables (net of payments totaling \$35,749,634 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, 2023; however, these resources, which amount to \$4,159,343,598, will not be available to the County until fiscal year 2024.

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 revenues in the General Fund.

D. Receivables

Receivables and allowances for uncollectible receivables of the primary government, excluding fiduciary funds, at June 30, 2023, consist of the following:

	General Fund	Nonmajor Governmental Funds	Enterprise Fund	Internal Service Funds	Total Primary Government (Exhibit A)
Receivables:					
Accounts	\$ 15,209,703	23,732,667	703,111	6,514	39,651,995
Accrued interest	-	14,973,144	-	-	14,973,144
Property taxes:					
Delinquent	62,290,618	-	-	-	62,290,618
Not yet due	3,926,026,936	-	-	-	3,926,026,936
Business license taxes - delinquent	26,312,441	-	-	-	26,312,441
Leases	-	760,252	-	-	760,252
Loans	-	151,030,868	-	-	151,030,868
Notes	-	34,565,000	-	-	34,565,000
Total receivables	4,029,839,698	225,061,931	703,111	6,514	4,255,611,254
Allowances for uncollectibles:					
Accounts receivable	(3,974,904)	-	-	-	(3,974,904)
Accrued interest	-	(6,825,661)	-	-	(6,825,661)
Property taxes:					
Delinquent	(27,879,894)	-	-	-	(27,879,894)
Not yet due	(13,746,917)	-	-	-	(13,746,917)
Business license taxes - delinquent	(24,287,715)	-	-	-	(24,287,715)
Loans	-	(54,744,904)	-	-	(54,744,904)
Total allowances for uncollectibles	(69,889,430)	(61,570,565)	-	-	(131,459,995)
Total net receivables	\$ 3,959,950,268	163,491,366	703,111	6,514	4,124,151,259

BASIC FINANCIAL STATEMENTS

Receivables of the component units, excluding fiduciary funds, at June 30, 2023, consist of the following:

	Public Schools	FCRHA	Park Authority	EDA	Total Component Units
Receivables:					
Accounts	\$ 14,875,659	5,192,007	697,089	-	20,764,755
Accrued interest	220,917	139,498	128,490	-	488,905
Notes, mortgages, and other	-	27,993,397	-	-	27,993,397
Lease	1,811,518	20,330,198	-	-	22,141,716
Total receivables	16,908,094	53,655,100	825,579	-	71,388,773
Allowances for uncollectible	-	(1,256,872)	-	-	(1,256,872)
Total net receivables	\$ 16,908,094	52,398,228	825,579	-	70,131,901

Delinquent property taxes receivable from taxpayers in the General Fund as of June 30, 2023, are as follows:

Year of Levy	Real Estate	Personal Property	Total
2022	\$ 9,636,548	18,347,383	27,983,931
2021	2,503,511	6,869,433	9,372,944
2020	1,104,898	5,287,000	6,391,898
Prior years	\$1,396,114	6,132,962	7,529,076
Total delinquent taxes	\$ 14,641,071	36,636,778	51,277,849
Penalty and interest			11,012,769
Total delinquent taxes, penalty and interest			62,290,618
Allowances for uncollectibles			(27,879,894)
Net delinquent tax receivables			\$ 34,410,724

Amounts due to the primary government and component units from other governmental units at June 30, 2023, include the following:

	Primary Government				Total (Exhibit A)	Component Unit	
	General Fund	Nonmajor Governmental Funds	Enterprise Fund	Internal Service Funds		Public Schools	Park Authority
Federal government	\$ 281,777	18,871,483	154,719	-	19,307,979	101,580,737	-
State government:							
Property tax relief - not yet due	211,313,944	-	-	-	211,313,944	-	-
Other	56,179,772	61,230,031	1,725,360	-	119,135,163	24,131,265	-
Local governments	1,697,334	57,003,664	62,688,955	63,945	121,453,898	3,521,937	-
Total intergovernmental units	\$ 269,472,827	137,105,179	64,569,034	63,945	471,210,985	129,233,939	-
Federal-Build America Bond subsidy					386,328		
Total (Exhibit A)					\$ 471,597,313		

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. Interfund balances as of June 30, 2023 is as follows:

	Interfund Receivables	Interfund Payables
Primary Government		
General Fund	\$ 9,393,323	1,186,647
Nonmajor Governmental Funds	-	9,393,323
Internal Service Funds	1,186,647	-
Total primary government	\$ 10,579,970	10,579,970
Component Unit		
Public Schools:		
General Fund	\$ 300,000	-
Nonmajor Governmental Funds	-	300,000
Total component units	\$ 300,000	300,000

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, 2023, are as follows:

Receivable Entity	Payable Entity	Amount
Component Units	Primary Government	
Public Schools	General Fund	\$ 169,569
Park Authority	General Fund	5,738,747
Park Authority	Nonmajor Governmental Fund	1,413,091
EDA	General Fund	417,580
Total		\$ 7,738,987
Primary Government	Component Unit	
General Fund	Park Authority	\$ 197,376
Total		\$ 197,376

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, 2023, are as follows:

	Transfers In	Transfers Out
Primary Government		
General Fund	\$ 15,892,936	859,452,246
Nonmajor Governmental Funds	887,621,102	69,134,535
Internal Service Funds	25,072,743	-
Total primary government	\$ 928,586,781	928,586,781
Component Unit		
Public Schools:		
General Fund	\$ -	50,131,397
Capital Projects Fund	26,085,422	-
Nonmajor Governmental Funds	24,045,975	-
Total component units	\$ 50,131,397	50,131,397

F. CAPITAL ASSETS

Capital assets activity for the primary government and component units for the year ended June 30, 2023, is as follows:

	Balances July 1, 2022	Increases	Decreases	Balances June 30, 2023
Primary Government				
Governmental activities:				
Non-depreciable/non-amortizable:				
Land and easements	\$ 478,487,645	3,111,382	(1,593,852)	480,005,175
Construction in progress	427,992,794	172,555,669	(109,289,199)	491,259,264
Equipment under construction	38,485,294	18,716,643	(1,703,243)	55,498,694
Software in development	24,230,750	23,852,919	(11,005,399)	37,078,270
Total non-depreciable/non-amortizable	969,196,483	218,236,613	(123,591,693)	1,063,841,403
Depreciable/amortizable:				
Vehicles and equipment	553,186,757	72,148,764	(5,512,656)	619,822,865
Software	199,166,686	16,404,970	-	215,571,656
Library collections	122,178,141	4,359,277	-	126,537,418
Buildings	1,766,257,610	55,006,952	(3,680,237)	1,817,584,325
Improvements	310,305,172	37,523,944	(282,845)	347,546,271
Infrastructure	1,250,362,847	54,431,276	-	1,304,794,123
Right-to-use lease assets	127,186,254	26,263,642	(4,024,847)	149,425,049
Right-to-use subscription assets*	58,729,296	8,406,461	-	67,135,757
Total depreciable/amortizable	4,387,372,763	274,545,286	(13,500,585)	4,648,417,464
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(395,080,211)	(33,027,407)	5,484,452	(422,623,166)
Software	(89,378,918)	(15,522,707)	-	(104,901,625)
Library collections	(110,786,439)	(3,856,515)	-	(114,642,954)
Buildings	(752,781,303)	(54,862,664)	1,853,966	(805,790,001)
Improvements	(139,476,163)	(13,490,104)	168,301	(152,797,966)
Infrastructure	(449,171,145)	(35,805,471)	-	(484,976,616)
Right-to-use lease assets	(19,846,801)	(21,057,666)	4,024,847	(36,879,620)
Right-to-use subscription assets	-	(20,285,384)	-	(20,285,384)
Total accumulated depreciation/amortization	(1,956,520,980)	(197,907,918)	11,531,566	(2,142,897,332)
Total capital assets, being depreciated/amortized, net	2,430,851,783	76,637,368	(1,969,019)	2,505,520,132
Total capital assets, net - Governmental activities	3,400,048,266	294,873,981	(125,560,712)	3,569,361,535
Business-type activities:				
Non-depreciable/non-amortizable:				
Land and easements	25,176,910	287,994	-	25,464,904
Construction in progress	180,601,998	77,157,903	(59,991,512)	197,768,389
Total non-depreciable/non-amortizable	205,778,908	77,445,897	(59,991,512)	223,233,293
Depreciable/amortizable:				
Vehicles and equipment	16,948,926	2,251,083	-	19,200,009
Purchased capacity	1,172,904,039	36,624,489	-	1,209,528,528
Buildings and improvements	92,099,752	4,850,336	-	96,950,088
Infrastructure	1,667,343,110	82,260,438	-	1,749,603,548
Total depreciable/amortizable	2,949,295,827	125,986,346	-	3,075,282,173
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(13,040,616)	(1,240,640)	-	(14,281,256)
Purchased capacity	(522,306,115)	(30,537,198)	-	(552,843,313)
Buildings and improvements	(58,713,833)	(2,158,526)	-	(60,872,359)
Infrastructure	(757,994,834)	(35,892,412)	-	(793,887,246)
Total accumulated depreciation/amortization	(1,352,055,398)	(69,828,776)	-	(1,421,884,174)
Total capital assets, being depreciated/amortized, net	1,597,240,429	56,157,570	-	1,653,397,999
Total capital assets, net - Business-type activities	1,803,019,337	133,603,467	(59,991,512)	1,876,631,292
Total capital assets, net - Primary government	\$ 5,203,067,603	428,477,448	(185,552,224)	5,445,992,827

* Fiscal year 2022 beginning balance restated due to the implementation of GASB Statement 96.

	Balances July 1, 2022	Increases	Decreases	Balances June 30, 2023
Component Units				
Public Schools				
Non-depreciable/non-amortizable:				
Land	\$ 46,837,095	-	-	46,837,095
Construction in progress	343,497,904	218,472,002	(282,742,010)	279,227,896
Software in development	-	244,348	(244,348)	-
Total non-depreciable/non-amortizable	390,334,999	218,716,350	(282,986,358)	326,064,991
Depreciable/amortizable:				
Vehicles and equipment	332,629,685	41,701,076	(8,465,416)	365,865,345
Software	14,037,906	-	-	14,037,906
Library collections	18,706,970	2,029,475	(1,820,918)	18,915,527
Buildings	1,318,146,103	21	(1,912,961)	1,316,233,163
Improvements	3,211,978,532	273,920,223	-	3,485,898,755
Right-to-use lease assets	56,536,496	20,256,087	(3,221,819)	73,570,764
Right-to-use subscription assets	-	91,171,654	(9,382,767)	81,788,887
Total depreciable/amortizable	4,952,035,692	429,078,536	(24,803,881)	5,356,310,347
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(239,419,466)	(36,491,516)	7,741,532	(268,169,450)
Software	(9,827,609)	(776,032)	-	(10,603,641)
Library collections	(11,583,697)	(2,256,644)	1,820,918	(12,019,423)
Buildings	(727,429,777)	(24,183,284)	-	(751,613,061)
Improvements	(1,593,126,749)	(122,073,814)	-	(1,715,200,563)
Right-to-use lease assets	(9,828,146)	(12,613,277)	3,193,651	(19,247,772)
Right-to-use subscription assets	-	(12,687,591)	-	(12,687,591)
Total accumulated depreciation/amortization	(2,591,215,444)	(211,082,158)	12,756,101	(2,789,541,501)
Total capital assets, being depreciated/amortized, net	2,360,820,248	217,996,378	(12,047,780)	2,566,768,846
Total capital assets, net - Public Schools	2,751,155,247	436,712,728	(295,034,138)	2,892,833,837
FCRHA				
Non-depreciable/non-amortizable:				
Land, as restated	43,138,347	40,920,350	-	84,058,697
Construction in progress	4,528,611	5,590,812	(1,400,000)	8,719,423
Total non-depreciable/non-amortizable	47,666,958	46,511,162	(1,400,000)	92,778,120
Depreciable/amortizable:				
Vehicles and equipment	7,433,190	532,471	-	7,965,661
Buildings and improvements	240,778,097	2,692,850	-	243,470,947
Right-to-use lease assets	254,904	859,886	-	1,114,790
Right-to-use subscription assets	-	751,703	-	751,703
Total depreciable/amortizable	248,466,191	4,836,910	-	253,303,101
Less accumulated depreciation/amortization for:				
Vehicles and equipment**	(2,180,671)	(701,831)	-	(2,882,502)
Buildings and improvements**	(152,322,235)	(5,604,321)	-	(157,926,556)
Right-to-use lease assets	(10,128)	(15,281)	-	(25,409)
Right-to-use subscription assets	-	(187,926)	-	(187,926)
Total accumulated depreciation/amortization	(154,513,034)	(6,509,359)	-	(161,022,393)
Total capital assets, being depreciated/amortized, net	93,953,157	(1,672,449)	-	92,280,708
Total capital assets, net - FCRHA	141,620,115	44,838,713	(1,400,000)	185,058,828
Park Authority				
Non-depreciable/non-amortizable:				
Land and easements	401,339,190	1,284,167	(369,537)	402,253,820
Construction in progress	30,441,497	19,289,899	(21,463,802)	28,267,594
Total non-depreciable/non-amortizable	431,780,687	20,574,066	(21,833,339)	430,521,414
Depreciable/amortizable:				
Vehicles and equipment	14,646,944	1,385,233	(1,467,686)	14,564,491
Buildings and improvements	555,524,014	45,237,767	-	600,761,781
Right-to-use lease assets	2,569,418	62,344	-	2,631,762
Right-to-use subscription assets	822,324	1,153,997	-	1,976,321
Total depreciable/amortizable	573,562,700	47,839,341	(1,467,686)	619,934,355
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(8,881,749)	(583,366)	1,409,822	(8,055,293)
Buildings and improvements	(304,281,881)	(20,465,272)	-	(324,747,153)
Right-to-use lease assets	(172,341)	(370,073)	-	(542,414)
Right-to-use subscription assets*	(822,324)	(486,371)	-	(1,308,695)
Total accumulated depreciation/amortization	(314,158,295)	(21,905,082)	1,409,822	(334,653,555)
Total capital assets, being depreciated/amortized, net	259,404,405	25,934,259	(57,864)	285,280,800
Total capital assets, net - Park Authority	691,185,092	46,508,325	(21,891,203)	715,802,214
EDA				
Depreciable/amortizable:				
Vehicles and equipment	19,289	-	-	19,289
Buildings and improvements	1,176,811	-	-	1,176,811
Right-to-use lease assets	2,443,901	-	(5,844)	2,438,057
Right-to-use subscription assets*	41,151	-	-	41,151
Total depreciable/amortizable	3,681,152	-	(5,844)	3,675,308
Less accumulated depreciation/amortization for:				
Vehicles and equipment	(19,289)	-	-	(19,289)
Buildings and improvements	(1,140,422)	(36,389)	-	(1,176,811)
Right-to-use lease assets	(754,611)	(721,451)	3,773	(1,472,289)
Right-to-use subscription assets	-	(28,102)	-	(28,102)
Total accumulated depreciation/amortization	(1,914,322)	(785,942)	3,773	(2,696,491)
Total capital assets, net - EDA	1,766,830	(785,942)	(2,071)	978,817
Total capital assets, net - Component units	\$ 3,585,727,284	527,273,824	(318,327,412)	3,794,673,696

* Fiscal year 2023 beginning balance restated due to the implementation of GASB statement 96.

** Beginning balance updated due to change in reporting entity.

Depreciation and amortization expense for the year ended June 30, 2023, 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	\$ 26,006,823	-	-
Judicial administration	3,854,845	-	-
Public safety	12,284,208	-	-
Public works	84,098,048	69,828,776	-
Health and welfare	7,312,857	-	-
Community development	21,646,517	-	-
Parks, recreation, and cultural	7,928,388	-	-
In addition, depreciation on capital assets held by the County's internal service funds is charged to the various functions based on asset usage.	34,776,232	-	-
Component Units			
Public Schools	-	-	211,082,158
FCRHA	-	-	6,509,359
Park Authority	-	-	21,905,082
EDA	-	-	785,942
Total depreciation and amortization expense	\$ 197,907,918	69,828,776	240,282,541

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. County Administered Plan Descriptions

Fairfax County Employees' Retirement System

The Fairfax County Employees' Retirement System (ERS) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia, 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. This is the only plan that provides pension benefits to both the primary government and component units. The balances have been allocated in the financial statements as follows: County, including business type activities, 68.8 percent, FCPS 26.3 percent, EDA 0.4 percent, FCRHA 1.4 percent, and FCPA 3.1 percent of all totals. More information is shown in section 6 of this note.

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, 12015 Lee Jackson Memorial Highway, Suite 350, Fairfax, VA 22033, or by calling (703) 279-8200. It may be accessed online for additional information including details of the plan fiduciary net position. The information presented in this report follows the same accounting basis as the plan. <https://www.fairfaxcounty.gov/retirement/financial-publications>

Fairfax County Police Officers Retirement System

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.

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, 12015 Lee Jackson Memorial Highway, Suite 350, Fairfax, VA 22033, or by calling (703) 279-8200. It may be accessed online for additional information including details of the plan fiduciary net position. The information presented in this report follows the same accounting basis as the plan. <https://www.fairfaxcounty.gov/retirement/financial-publications>

Fairfax County Uniformed Retirement System

The Fairfax County Uniformed Retirement System (URS) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia. The plan covers uniformed or sworn employees of the Fire and Rescue Department, Office of Sheriff, Park Police, helicopter pilots, and Animal Control Officers as well as non-administrative positions of the Department of Public Safety Communications who are not covered by other plans of the reporting entity or the VRS.

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, 12015 Lee Jackson Memorial Highway, Suite 350, Fairfax, VA 22033, or by calling (703) 279-8200. It may be accessed online for additional information including details of the plan fiduciary net position. The information presented in this report follows the same accounting basis as the plan. <https://www.fairfaxcounty.gov/retirement/financial-publications>

The Educational Employees' Supplementary Retirement System

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 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, Suite 300, Springfield, VA 22151. It may be accessed online for additional information including details of the plan fiduciary net position. The information presented in this report follows the same accounting basis as the plan. <https://www.fcps.edu/ERFC-Financials>

2. Benefit Provisions and Requirements

Fairfax County Employees' Retirement System

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 the option to elect to join Plan A or Plan B, and members who were hired on or after January 1, 2013 may elect to join Plan C or Plan D. Members who were hired on or after July 1, 2019 are automatically enrolled in Plan E. 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, D, and E, 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. For Plans A, B, C, and D, if normal retirement occurs before Social Security benefits are scheduled to begin, an additional monthly benefit is paid to retirees. Plan E eliminates the pre-Social Security Supplement; however, there is a cost-neutral Early Age Option for employees who retire prior to full retirement age under Social Security. 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 entry into the Deferred Retirement Option Program (DROP). The benefit for early retirement is actuarially reduced and payable at early termination.

Effective July 1, 2005, a 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.

Fairfax County Police Officers Retirement System

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. Based on sworn in date, individuals were enrolled in Plan A, Plan B or Plan C. To be eligible for normal retirement, an individual must meet the following criteria: For Plan A (if sworn in before December 31, 2012) attain the age of 55 or have completed 25 years of creditable service (20 years of creditable service if sworn in prior to July 1, 1981). For Plan B (sworn on or after January 1, 2013) and for Plan C (sworn on or after July 1, 2019) 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. For Plan B and Plan C, individuals may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or DROP entry. For Plan C, individuals are not eligible for the one-time 3 percent calculated retirement annuity increase from the plan. To be eligible for early retirement, the employee must have 20 years of creditable service (does not apply if sworn in 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 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.

Fairfax County Uniformed Retirement System

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. Employees hired before July 1, 1981 were enrolled in Plan A. 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. From July 1, 2019 forward, all new hires are enrolled in Plan F. To be eligible for normal retirement an individual must meet the following criteria: (a) attain the age of 55 with six years of creditable service, or (b) complete 25 years of creditable service. The normal retirement benefit is calculated using average final compensation and years (or partial years) of creditable service at date of termination. Annual cost-of-living adjustments are provided to retirees and beneficiaries equal to the lesser of 4 percent or the percentage increase in the Consumer Price Index for the Washington 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 enrolled in Plan E and Plan F may not use more than 2,080 hours of accrued sick leave toward service credit for retirement or DROP entry. For Plan F, individuals are not eligible for the one-time 3 percent calculated retirement annuity increase from the plan. In addition, Plan F eliminates the pre-Social Security Supplement; however, there is a cost-neutral Early Age Option for employees who retire prior to full retirement age under Social Security. 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 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 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 Educational Employees' Supplementary Retirement System

Benefit provisions for ERFC and ERFC 2001 are established and may be amended by ERFC's Benefit Trustees (ERFC Board) subject to approval by the School Board. All members are vested for benefits after five years of service. The ERFC benefit formula was revised effective July 1, 1988, following changes to VRS, which ERFC has historically supplemented. The benefit structure is designed to supplement VRS and Social Security benefits to provide a level retirement benefit throughout retirement.

ERFC 2001 Tier 1 and Tier 2 have a stand-alone structure. Member contributions for ERFC and ERFC 2001 are made through an arrangement that results in a deferral of taxes on the contributions. Further details of member contributions may be found in Article III of the ERFC and ERFC 2001 Plan Documents.

ERFC and ERFC 2001 provide for a variety of benefit payment types. ERFC's payment types include Service Retirement, Reduced Service, Disability, Death-in-Service, and Deferred Retirement. ERFC 2001's payment types include Service Retirement, Death-in-Service, and Deferred Retirement. ERFC's minimum eligibility requirements for receipt of full benefits range from members attaining the age of 55 with 25 years of service to completing five years of service prior to age 65. The minimum eligibility requirements for full benefits for ERFC 2001 Tier 1 members are age 60 with five years of service or any age with 30 years of service. The minimum eligibility requirements for full benefits for ERFC Tier 2 members are full Social Security age with five years of service or age and service equal 90 (the rule of 90). Annual post-retirement cost-of-living increases are effective each March 31. Participants in their first full year of retirement from ERFC 2001 Tier 1 receive a 1.49 percent increase. Participants who retire on or after January 1 receive no cost-of-living increase that first March. Under ERFC 2001 Tier 2, the first cost-of-living will equal approximately half of the full amount. Thereafter, the full cost-of-living will equal 100 percent of the Consumer Price Index for all Urban Consumers for the Washington, D.C, metropolitan area for the period ending in November

of each year, capped at 4 percent. Additional details regarding benefit payment types can be found in the actuarial valuation and the Plan Documents

3. Funding Policy

Fairfax County Employees' Retirement System

All contribution requirements for ERS are established and may be amended by County ordinances, including member contribution rates. Plan A and Plan C require member contributions of 4.0 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, Plan D, and Plan E 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, 2023, was 28.88 percent of annual covered payroll. The employer contribution made during the measurement period of the liability was \$229,114,059. The 2023 employer contribution totaled \$266,535,889.

Fairfax County Police Officers Retirement System

All contribution requirements for PORS are established and may be amended by County ordinances, including member contribution rates. Member contributions were based on 8.65 percent of compensation at June 30, 2023.

The County is required to contribute at an actuarially determined rate; the rate for the year ended June 30, 2023 was 46.04 percent of annual covered payroll. The employer contribution made for the measurement period of the liability was \$52,066,100. The 2023 employer contribution totaled \$57,592,394.

Fairfax County Uniformed Retirement System

All contribution requirements for URS are established and may be amended by County ordinances, including member contribution rates. 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, Plan E, and Plan F 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, 2023 was 39.31 percent of annual covered payroll. The employer contribution made for the measurement period of the liability was \$65,793,238. The 2023 employer contribution totaled \$74,989,155.

The Educational Employees' Supplementary Retirement System

All contribution requirements for ERFC plans are established and may be amended by the ERFC Board with the approval of the School Board. The requirements are based upon a fundamental financial objective of having rates of contribution that remain relatively level from generation to generation of employees. To determine the appropriate employer contribution rates and to assess the extent to which the fundamental financial objective is being achieved, ERFC has actuarial valuations prepared annually. Members are required to contribute 3 percent of annual salary. The employer is required to contribute at an actuarially determined rate which was 6.70 percent for fiscal year 2023.

Employer contributions to the pension plan were \$117,155,967 and \$111,119,456 for the years ended June 30, 2023 and June 30, 2022, respectively.

The actuarial valuations are used to set the employer contribution rate for the two-year period beginning 18 months after the valuation date. As such, the December 31, 2019 valuation recommended that the contribution rate for the two-year period beginning July 1, 2022 to June 30, 2023 be increased from 6.44 percent to 6.70 percent

4. Actuarial Methods and Assumptions

The reported total pension liability (TPL) was based on participant data collected as of December 31, 2020 and an actuarial valuation as of June 30, 2022, using the entry age actuarial cost method, with a measurement date of June 30, 2022. Significant actuarial assumptions used in the valuation for ERS, PORS, and URS include:

Actuarial Assumptions

Discount rate, net of plan investment expenses	6.75%
Inflation	2.25%
Salary increases, including inflation	2.25% + merit
Investment rate of return, net of plan investment expenses	6.75%
Mortality	Healthy and Disabled Mortality Table PubG-2010 & PubS-2010 projected using the MP-2020 model

ERFC assumptions deviate from the chart for salary increases, using a range of 2.75 percent - 7.25 percent. Mortality rates were based on PUB-2010 mortality healthy annuitant total data set table with fully generation two-dimensional sex distinct MP-2020 projection scale.

The actuarial assumptions used have been recommended by the actuary and adopted by the Board of Trustees of ERS, PORS and URS based on the most recent review of the experience associated with their respective plans, completed in 2022.

The rate of employer contributions to the ERS, PORS and URS is composed of normal cost, amortization of the unfunded actuarial accrued liability and an allowance for administrative expenses. The normal cost is a level percent of payroll cost, which, along with the member contributions, will pay for projected benefits at retirement for each plan participant. The actuarial accrued liability is that portion of the present value of projected benefits that will not be paid by future normal employer costs or member contributions. The difference between this liability and the funds accumulated as of the same date is the unfunded actuarial accrued liability. The allowance for administrative costs is based upon the actual administrative expenses of the plans.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study performed from July 1, 2015 to June 30, 2020.

Target Allocation and Rate of Investment Return

The target asset allocation of the System’s investment portfolio has a significant impact on the investment returns expected to be experienced by the System. The table on the next page shows the target allocation and long term expected real rate of return based on the Board’s current policy along with the capital market assumptions compiled by System’s investment staff.

Long-Term Expected Real Rate of Return/Target Allocation*

Asset Class	ERS*	PORS*	URS*
US Leverage Cost	1.9% / -35%	1.9% / -41%	1.9% / -13%
Non-US Leverage Cost	1.1% / -26%	1.1% / -20%	1.1% / -3%
US Large-Cap Equity	7.7% / 11%	7.7% / 11%	7.7% / 16%
US Small/Mid-Cap Equity	8.7% / 3%	8.7% / 2%	8.7% / 4%
Non-US Developed Equity	- / -	- / -	8.4% / 6%
Non-US Developed Equity (USD Hedge)	8.3% / 6%	8.3% / 6%	8.3% / 5%
Non-US Developed Small-Cap Equity	9.3% / 3%	9.3% / 3%	9.3% / 3%
Emerging Market Equity	12.5% / 3%	12.5% / 3%	12.5% / 8%
Global Equity	8.6% / 5%	8.6% / 7%	- / -
Private Equity - Buyout	- / -	- / -	10.2% / 4%
Private Equity - Growth	14.6% / 1%	14.6% / 1%	14.6% / 1%
Private Equity - Venture	20.8% / 1%	20.8% / 2%	20.8% / 2%
Non-US Private Equity	- / -	- / -	15.8% / 1%
Private Equity	13.2% / 2%	13.2% / 3%	13.2% / 1%
US TIPS	2.3% / 16%	2.3% / 13%	2.3% / 2%
US Treasury Bond	2.1% / -3%	2.1% / -1%	- / -
US Mortgage-Backed Securities	2.5% / 2%	2.5% / 2%	2.5% / 2%
US Aggregate Bond	- / -	- / -	2.9% / 5%
US High Yield Corporate Bond	5.7% / 4%	5.7% / 3%	5.7% / 5%
Emerging Market External Debt	5.3% / 4%	5.3% / 3%	5.3% / 2%
Emerging Market Local Currency Debt	6.0% / 2%	6.0% / 2%	6.0% / 2%
Non-US Government Bond	2.2% / 2%	- / -	- / -
Non-US Government Bond (USD Hedge)	2.0% / 2%	- / -	- / -
Non-US Inflation-Linked Bond (USD Hedge)	1.3% / 12%	1.3% / 10%	1.3% / 2%
Private Debt - Credit Opportunities	8.0% / 6%	8.0% / 8%	8.0% / 1%
Private Debt - Distressed	8.8% / 4%	8.8% / 6%	8.8% / 3%
Private Debt - Direct Lending	8.1% / 1%	- / -	8.1% / 3%
US Long-Term Treasury Bond (10-30 Year)	2.6% / 5%	2.6% / 6%	- / -
20+ Year US Treasury STRIPS	3.9% / 3%	3.9% / 3%	- / -
US High Yield Securitized Bond	5.1% / 2%	5.1% / 1%	- / -
US High Yield Collateralized Loan Obligation	6.3% / 4%	6.3% / 3%	- / -
10 Year US Treasury Bond	2.6% / 8%	2.6% / 10%	2.6% / 3%
10 Year Non-US Government Bond (USD Hedge)	1.2% / 18%	1.2% / 12%	1.2% / 2%
Commodity Futures	5.0% / 7%	5.0% / 7%	5.0% / 2%
Public Real Assets (Multi-Asset)	6.0% / 2%	6.0% / 4%	- / -
Midstream Energy	- / -	- / -	11.0% / 1%
US REIT	9.0% / 5%	9.0% / 3%	9.0% / 3%
Global Natural Resources Equity	- / -	- / -	9.6% / 2%
Gold	5.1% / 3%	5.1% / 3%	- / -
Core Real Estate	6.7% / 1%	6.7% / 2%	6.7% / 2%
Non-Core Real Estate	- / -	- / -	9.2% / 3%
Private Real Assets - Natural Resources	- / -	- / -	13.6% / 2%
Private Real Assets - Infrastructure	7.4% / 4%	7.4% / 1%	7.4% / 1%
Hedge Fund - Macro	5.1% / 8%	5.1% / 10%	5.1% / 2%
Hedge Fund - Credit	5.8% / 4%	5.8% / 2%	5.8% / 2%
Hedge Fund - Equity	- / -	- / -	5.7% / 3%
Hedge Fund	5.6% / 3%	5.6% / 6%	5.6% / 5%
Cash	1.9% / 5%	1.9% / 5%	1.9% / 5%

* Target total may exceed 100% due to futures and other derivatives

Asset Class	ERFC	
	L/T Expected RRR	Target Allocation
Domestic Large Cap Equity	6.2%	14.0%
Domestic Small Cap Equity	7.2%	10.0%
International Large Cap Equity	6.8%	5.0%
International Small Cap Equity	8.2%	5.0%
Emerging International Equity	8.5%	5.0%
Global Equity	6.4%	5.0%
Emerging Market Debt	2.8%	2.0%
US Fixed Income	0.4%	21.0%
Multi-Asset Class Strategies	3.6%	4.0%
Hedge Funds Opportunistic	4.9%	5.0%
Infrastructure	6.5%	4.0%
Real Estate (Core)	4.4%	9.0%
Private Equity	10.8%	7.0%
Private Debt	6.1%	4.0%

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The TPL and NPL resulting from the plans fiduciary net position at June 30, 2023, are as follows:

	ERS	PORS
Total pension liability	\$ 6,736,635,842	\$ 2,185,608,626
Pension plan's fiduciary net position	<u>(4,857,119,591)</u>	<u>(1,786,738,122)</u>
Net pension liability	<u>\$ 1,879,516,251</u>	<u>\$ 398,870,504</u>
Plan fiduciary net position as a percentage of the total pension liability	72.1%	81.8%
	URS	ERFC
Total pension liability	\$ 2,663,244,986	\$ 3,999,987,949
Pension plan's fiduciary net position	<u>(1,924,536,685)</u>	<u>(2,997,909,880)</u>
Net pension liability	<u>\$ 738,708,301</u>	<u>\$ 1,002,078,069</u>
Plan fiduciary net position as a percentage of the total pension liability	72.3%	74.9%

Items that have resulted in a change in the NPL for the current reporting period are as follows:

	Increases (Decreases) in (000)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
Balances 6/30/2022	\$ 14,486,944	12,391,599	2,095,345
Changes for year:			
Service cost	291,872	-	291,872
Interest	989,624	-	989,624
Differences between expected and actual experience	477,705	-	477,705
Changes of assumptions	133,042	-	133,042
Benefit payments, including refunds of member contributions	(793,710)	(793,710)	-
Contributions - employer	-	458,092	(458,092)
Contributions - member	-	112,599	(112,599)
Net investment income	-	(593,984)	593,984
Administrative expense	-	(8,287)	8,287
Net changes	1,098,533	(825,290)	1,923,823
Balances 6/30/2023	\$ 15,585,477	11,566,309	4,019,168

Presented below are the those items as they relate to the individual plans:

	Dollar amounts in (000)				
	ERS	PORS	URS	ERFC	Total
Total Pension Liability					
Service cost	\$ 119,242	35,635	44,932	92,063	291,872
Interest	422,967	134,451	163,743	268,463	989,624
Differences between expected and actual experience	236,424	109,416	136,998	(5,133)	477,705
Changes of assumptions	-	-	-	133,042	133,042
Benefit payments, including refunds of member contributions	(371,807)	(98,631)	(124,617)	(198,655)	(793,710)
Net change in total pension liability	406,826	180,871	221,056	289,780	1,098,533
Total pension liability - 6/30/2022	6,329,809	2,004,738	2,442,189	3,710,208	14,486,944
Total pension liability - 6/30/2023	\$ 6,736,635	2,185,609	2,663,245	3,999,988	15,585,477
Plan Fiduciary Net Position					
Contributions - employer	\$ 229,114	52,066	65,793	111,119	458,092
Contributions - member	40,269	10,242	12,071	50,017	112,599
Net investment income	(184,212)	15,536	(193,071)	(232,237)	(593,984)
Benefit payments, including refunds of member contributions	(371,807)	(98,631)	(124,617)	(198,655)	(793,710)
Administrative expense	(2,477)	(664)	(665)	(4,481)	(8,287)
Net change in plan fiduciary net position	(289,113)	(21,451)	(240,489)	(274,237)	(825,290)
Plan fiduciary net position - 6/30/2022	5,146,232	1,808,189	2,165,026	3,272,152	12,391,599
Plan fiduciary net position - 6/30/2023	\$ 4,857,119	1,786,738	1,924,537	2,997,915	11,566,309
Net pension liability - 6/30/2023	\$ 1,879,516	398,871	738,708	1,002,073	4,019,168

Changes in the discount rate affect the measurement of the TPL. The discount rate does not affect the measurement of assets; hence the percentage change in the NPL can be very significant for a

relatively small change in the discount rate. To illustrate this, the tables below reflect the impact of a one percent increase or decrease of the discount rate would have on the NPL for each of the plans:

Sensitivity of Net Pension Liability to Changes in Discount Rate - ERS

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Total pension liability	\$ 7,548,571,290	\$ 6,736,635,842	\$ 6,057,022,312
Plan fiduciary net position	(4,857,119,591)	(4,857,119,591)	(4,857,119,591)
Net pension liability	<u>\$ 2,691,451,699</u>	<u>\$ 1,879,516,251</u>	<u>\$ 1,199,902,721</u>
Plan fiduciary net position as a percentage of the total pension liability	64.3%	72.1%	80.2%

Sensitivity of Net Pension Liability to Changes in Discount Rate - PORS

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Total pension liability	\$ 2,491,553,726	\$ 2,185,608,626	\$ 1,936,045,804
Plan fiduciary net position	(1,786,738,122)	(1,786,738,122)	(1,786,738,122)
Net pension liability	<u>\$ 704,815,604</u>	<u>\$ 398,870,504</u>	<u>\$ 149,307,682</u>
Plan fiduciary net position as a percentage of the total pension liability	71.7%	81.8%	92.3%

Sensitivity of Net Pension Liability to Changes in Discount Rate - URS

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Total pension liability	\$ 3,014,933,191	\$ 2,663,244,986	\$ 2,372,877,464
Plan fiduciary net position	(1,924,536,685)	(1,924,536,685)	(1,924,536,685)
Net pension liability	<u>\$ 1,090,396,506</u>	<u>\$ 738,708,301</u>	<u>\$ 448,340,779</u>
Plan fiduciary net position as a percentage of the total pension liability	63.8%	72.3%	81.1%

Sensitivity of Net Pension Liability to Changes in Discount Rate - ERFC

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Total pension liability	\$ 4,517,550,056	\$ 3,999,987,949	\$ 3,498,738,306
Plan fiduciary net position	(2,997,909,880)	(2,997,909,880)	(2,997,909,880)
Net pension liability	<u>\$ 1,519,640,176</u>	<u>\$ 1,002,078,069</u>	<u>\$ 500,828,426</u>
Plan fiduciary net position as a percentage of the total pension liability	66.4%	74.9%	85.7%

5. Plan Membership

As of the measurement date(s), 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	10,641	1,317	1,583	13,747
Terminated employees entitled to, but not yet receiving, benefits	2,475	88	124	6,067
DROP participants	734	73	136	N/A
Active plan members	13,943	1,299	1,868	22,916
Total number of plan members	27,793	2,777	3,711	42,730

6. Pension Expense, Deferred Outflows and Deferred Inflows of Resources, Net Pension Liability, and Component Allocation

The reported deferred outflows and inflows of resources and recognized pension expense associated with ERS, PORS, URS, and ERFC is presented below:

	ERS		PORS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 195,010,208	28,353,650	\$ 104,996,408	5,545,472
Changes of assumptions	140,231,825	-	37,275,672	-
Net difference between projected and actual earnings on pension plan investments	24,139,234	-	-	42,317,568
Contributions subsequent to the measurement date	266,535,889	-	57,592,394	-
Total	\$ 625,917,156	28,353,650	\$ 199,864,474	47,863,040
Pension Expense Recognized 2023	\$ 249,109,572		\$ 62,492,742	
Net Pension Liability June 30, 2023	\$ 1,879,516,251		\$ 398,870,504	

	URS		ERFC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 115,029,281	10,343,989	\$ 35,875,681	11,264,782
Changes of assumptions	40,494,573	-	112,564,567	11,522,245
Net difference between projected and actual earnings on pension plan investments	152,512,496	-	94,632,782	-
Contributions subsequent to the measurement date	74,989,155	-	117,155,967	-
Total	\$ 383,025,505	10,343,989	\$ 360,228,997	22,787,027
Pension Expense Recognized 2023	\$ 121,091,914		\$ 125,343,998	
Net Pension Liability June 30, 2023	\$ 738,708,301		\$ 1,002,078,069	

Deferred outflows associated with contributions made subsequent to the measurement date will be recognized as a reduction to the net pension liability in 2024. The remaining deferred outflows and inflows will impact pension expense in subsequent years as presented on the next page:

Year ended June 30:
Measurement Date June 30 of prior year

	ERS	PORS	URS	ERFC
2024	\$ 80,380,194	23,052,968	75,851,014	45,100,631
2025	66,664,944	16,498,299	65,270,007	28,466,571
2026	31,077,660	(15,390,264)	34,909,563	11,923,199
2027	152,904,819	52,012,113	98,828,711	116,113,424
2028	-	18,235,924	22,833,066	18,682,178
Total	\$ 331,027,617	94,409,040	297,692,361	220,286,003

ERS balances have been allocated between the Primary Government and discretely presented component units as follows:

	Dollar amounts in (000)					
	Total	Primary Government	FCPS	EDA	FCRHA	FCPA
Total pension liability	\$ 6,736,636	4,633,695	1,774,967	28,332	91,093	208,549
Pension plan's fiduciary net position	(4,857,120)	(3,340,898)	(1,279,753)	(20,427)	(65,678)	(150,364)
Net pension liability	\$ 1,879,516	1,292,797	495,214	7,905	25,415	58,185
Deferred outflows:						
Contributions after measurement date	\$ 266,536	187,663	65,283	1,121	3,756	8,713
Investment return	24,139	16,604	6,360	102	326	747
Changes in proportion	31,303	15,663	14,637	476	527	-
Experience	195,010	134,135	51,381	820	2,637	6,037
Changes of assumptions	140,232	96,457	36,948	590	1,896	4,341
Total deferred outflows (ERS)	\$ 657,220	450,522	174,609	3,109	9,142	19,838
Deferred inflows:						
Experience	\$ 28,354	19,503	7,471	119	383	878
Changes in proportion	31,303	11,145	13,436	399	3,922	2,401
Total deferred inflows (ERS)	\$ 59,657	30,648	20,907	518	4,305	3,279
Pension expense	\$ 249,110	176,121	63,158	905	2,438	6,488

7. Virginia Retirement System (VRS)

Plan Description

FCPS contributes to VRS on behalf of its covered professional 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 and provide coverage for Commonwealth 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. Contributions made by members and participating VRS employers are invested to provide future retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Benefit Provisions and Requirements

Benefit provisions are established and governed by Section 51.1 of the Code. Changes to the Code can be made only by an act of the Virginia General Assembly. All benefits vest at 5 years of creditable service. Benefits under the Defined Contribution component of the Hybrid Plan are always 100 percent vested. To be eligible for unreduced retirement benefits, an individual must meet the following criteria: (a) attain the age of 65 with 5 years of service or age 50 with 30 years of service for Plan 1, (b) for Plan 2 and the Defined Benefit component of the Hybrid Plan, attain normal social security retirement age with five years of service or combination of age and service equals 90 or (c) for the Defined Contribution component of the Hybrid Plan, terminate employment. To be eligible for reduced retirement benefits, an individual must meet the following criteria: (a) attain the age of 55 with 5 years of service or age 50 with 10 years of service for Plan 1, (b) for Plan 2 and the Defined Benefit component of the Hybrid Plan, attain the age of 60 with 5 years of service or (c) for the Defined Contribution component of the Hybrid Plan, terminate employment.

Annual retirement benefits are payable monthly for life in an amount equal to (a) 1.7 percent of eligible members' average final compensation for each year of credited service under Plan 1, (b) 1.65 percent of eligible members' average final compensation for each year of creditable service on or after January 1, 2013 and 1.7 percent on creditable service before January 1, 2013 for Plan 2, or (c) 1.0 percent of eligible members' average final compensation for each year of creditable service for the Defined Benefit component of the Hybrid Plan. The health insurance credit provides retirees who have 15 or more years of creditable service with reimbursement to assist with the cost of health insurance premiums. The credit is a dollar amount set by the General Assembly for each year of service

Funding Policy

The contribution requirement for active employees is governed by Section 51.1-145 of the Code, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Employees are required to contribute 5.0 percent of their compensation toward their retirement. Each school division's contractually required contribution rate for the year ended June 30, 2023 was 16.62 percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2019. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Based on the provisions of Section 51.1-145 of the Code, as amended, the contributions were funded at 100.00 percent of the actuarial rate for the year ended June 30, 2023. Employer contributions to the pension plan were \$290,478,121 and \$275,534,721 for the years ended June 30, 2023 and June 30, 2022, respectively.

Actuarial Methods and Assumptions

The total pension liability for VRS was based on an actuarial valuation as of June 30, 2021, using the entry age normal actuarial cost method, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2022. The assumptions used are presented on the next page:

Actuarial Assumptions

Inflation	2.50%
Salary increases, including inflation	3.50% to 5.95%
Investment rate of return, net of pension plan investment expense, including inflation	6.75%

Mortality Rates

Pre-Retirement	Post-Retirement	Post-Disablement
Pub-2010 Amount Weighted Teachers Employee Rates projected generationally; 110% of rates for males	Pub-2010 Amount Weighted Teachers Healthy Retiree Rates projected generationally; males set forward 1 year; 105% of rates for females	Pub-2010 Amount Weighted Teachers Disabled Rates projected generationally; 110% of rates for males and females

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study are presented as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

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

At June 30, 2023, FCPS reported a liability of \$1,694,051,531 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined based on an actuarial valuation as of June 30, 2021 rolled forward to the measurement date of June 30, 2022. The FCPS' proportion of the net pension liability was based on FCPS' actuarially determined employer contributions to the pension plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, FCPS's proportion was 17.79 percent, as compared to 18.40 percent at June 30, 2021.

For the year ended June 30, 2023, FCPS recognized pension expense of \$81,290,532. Since there was a change in proportionate share between measurement dates, a portion of the pension expense was related to deferred amounts from changes in proportion and from differences between actual employer contributions and the proportionate share of employer contributions. At June 30, 2023, FCPS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 116,811,550
Net difference between projected and actual earnings on pension plan investments	-	220,868,843
Change of assumptions	159,714,936	-
Changes in proportion and differences between contributions and proportionate share of contributions	12,017,478	66,087,139
Contributions subsequent to the measurement date	290,478,121	-
Total	<u>\$ 462,210,535</u>	<u>\$ 403,767,532</u>

A total of \$290,478,121 reported as deferred outflows of resources related to pensions resulting from FCPS contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as shown to the right:

Year ended June 30:	
2024	\$ (65,525,419)
2025	(89,687,526)
2026	(163,510,031)
2027	86,687,858
	<u>\$ (232,035,118)</u>

The long-term expected rate of return on VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized on the next page:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
MAPS-Multi-Asset Public Strategies	6.00	3.73	0.22
PIP-Private Investment Partnership	3.00	6.55	0.20
Total	100.00 %		5.33 %
		Inflation	2.50
	Expected arithmetic nominal return ^(a)		7.83 %

(a) The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for VRS, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2022, the rate contributed by FCPS for VRS will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100.00 percent of the actuarially determined contribution rate. From July 1, 2022 on, school divisions are assumed to contribute 100.00 percent of the actuarially determined contribution rates. Based on those assumptions, VRS' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents FCPS' proportionate share of the net pension liability using the discount rate of 6.75 percent, as well as what FCPS' proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75) percent or one percentage point higher (7.75) percent than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
FCPS' proportionate share of the VRS net pension liability	\$ 3,025,705,719	\$ 1,694,051,531	\$ 609,792,186

Plan Fiduciary Net Position

Detailed information about the VRS net position is available in the separately issued VRS 2022 Annual Comprehensive Financial Report (ACFR). A copy of the 2022 VRS ACFR may be obtained by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500. It is also available online through the VRS website.

<https://www.varetire.org/>

Reporting Entity Pension Expense

The aggregate amount of pension expense for all plans (ERS, PORS, URS, ERFC, and VRS) for the period associated with net pension liabilities totaled \$539,587,646 for fiscal year 2023.

H. OTHER POST-EMPLOYMENT BENEFITS**1. General Information about the OPEB Plan**

The Fairfax County OPEB Plan (the Plan) is a single-employer defined benefit plan administered by Fairfax County. The Plan provides the opportunity to continue participation in medical/dental, vision, and life insurance benefits for eligible retirees and their spouses. The plan benefits correspond with benefits available to active employees. The benefit provisions are established and may be amended by the Board. Fiduciary oversight is provided by the members of the Deferred Compensation Board. The members of the Deferred Compensation Board are the CFO, Director of Finance, Director of Management and Budget, and the Executive Director of the Retirement Agency. The Plan does not issue a stand-alone financial report.

In order to participate in the Plan, an employee must meet retirement criteria for either ERS, PORS, or URS (Note G). The retiree must have the applicable benefit(s) in place as an active employee and must maintain continuous participation in the benefit plan into retirement. Upon retirement, the County no longer contributes to the premium payments and the participant becomes responsible for 100 percent of applicable premiums less any applicable subsidies.

Beginning in fiscal year 2006, the amount of monthly medical subsidy provided by the County is based on years of service and ranges from \$30 per month to \$220 per month. Employees who retired prior to July 1, 2003, are eligible for the greater of the amount based on the current subsidy structure or the amount calculated based on the subsidy structure in place prior to July 2003. In addition, the Board 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. In order to receive these subsidies, retirees must be 55 or older and have a minimum of five years of service credit. If participation in any of the benefit areas is discontinued, eligibility is lost and a retiree may not re-enroll into the Plan. Consequently, all inactive employees are considered to be receiving benefits.

Beginning in fiscal year 2018, required disclosures for the County OPEB liability and OPEB plan’s fiduciary net position will be made simultaneously. Participant data for current fiscal year and prior fiscal year is as follows:

Membership	FY 2022	FY 2023
Medical Members		
Number of active members	15,905	12,420
Average age	44	45
Average service	10	12
<u>Number of inactive members</u>		
Retirees and spouses	5,668	5,706
Average age	68	68
Life Insurance Members		
Number of active members	15,905	12,420
Average age	44	45
Average service	10	12
<u>Number of inactive members</u>		
Retirees and spouses	6,229	6,359
Average age	69	70

Contributions to the Plan are made by appropriation from the Board based on their commitment to fund an actuarially determined amount. The contributions for fiscal years 2022 and 2023 were \$19.0 million and \$15.4 million, respectively. Plan members are not required to contribute.

2. County Reporting OPEB Plan

Net OPEB Liability for the County

The County’s net OPEB liability was measured as of June 30, 2022. The components of the net OPEB liability for the County are presented below:

	Total	Primary Government	EDA	FCRHA	FCPA
Total OPEB Liability	\$ 390,615,328	365,459,700	1,015,600	7,070,138	17,069,890
Plan's Fiduciary Net Position	(382,374,168)	(357,749,272)	(994,173)	(6,920,972)	(16,709,751)
Net OPEB Liability	\$ 8,241,160	7,710,428	21,427	149,166	360,139

Assumptions

For the County, the total OPEB Liability was determined by an actuarial valuation as of July 1, 2021, rolled forward to June 30, 2022, using the following actuarial assumption:

Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation.
Retirement age	Varies by age and pension plan.
Mortality	Pub-2010, "General" classification, Employees & Healthy Annuitant mortality table, projected using scale MP-2021, sex-distinct. Disabled mortality table Pub-2010, "General" classification, Disabled Retirement mortality table, projected using scale MP-2021, sex distinct.
Healthcare cost trend rate	6.7% - 11.9%, decreasing to 4.5%

The actuarial assumptions used in the valuation were based on the results of an actuarial experience for the period July 1, 2015 to June 30, 2020.

Discount rate

The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed Plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current Plan members and their beneficiaries are included. Projected County contributions that are intended to fund the service costs of future Plan members and their beneficiaries, as well as projected contributions from future Plan members, are not included. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future OPEB payments for current Plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB (Asset) Liability

Items that have resulted in a change in the OPEB (asset) liability for the current reporting period are as follows:

	Dollar amounts in (000)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a-b)
Balances 6/30/2022	\$ 381,810	423,897	(42,087)
Changes for year:			
Service cost	13,532	-	13,532
Interest	26,912	-	26,912
Difference between expected and actual experience	36,029	-	36,029
Changes of assumptions	(45,521)	-	(45,521)
Benefit payments, including refunds of members	(22,146)	(22,146)	-
Contributions - employer	-	19,004	(19,004)
Net investment income	-	(38,248)	38,248
Administrative expense	-	(132)	132
Net changes	8,806	(41,522)	50,328
Balances 6/30/2023	\$ 390,616	382,375	8,241

Presented below are those items as they relate to the individual plans:

	Dollar amounts in (000)				
	Primary Government	EDA	FCRHA	FCPA	Total
Total OPEB Liability					
Service cost	\$ 12,660	35	246	591	13,532
Interest	25,179	70	487	1,176	26,912
Difference between expected and actual experience	32,563	94	1,225	2,147	36,029
Changes in assumptions	(42,589)	(118)	(824)	(1,990)	(45,521)
Benefit payments, including refunds of member contributions	(20,720)	(57)	(401)	(968)	(22,146)
Net change in total OPEB liability	7,093	24	733	956	8,806
Total OPEB Liability - 6/30/2022	358,367	992	6,338	16,113	381,810
Total OPEB Liability - 6/30/2023	\$ 365,460	1,016	7,071	17,069	390,616
Plan Fiduciary Net Position					
Contributions - employer	\$ 17,780	49	344	831	19,004
Net investment income	(37,057)	(99)	(56)	(1,036)	(38,248)
Benefit payments, including refunds of member contributions	(20,720)	(57)	(401)	(968)	(22,146)
Administrative expense	(124)	-	(2)	(6)	(132)
Net change in plan fiduciary net position	(40,121)	(107)	(115)	(1,179)	(41,522)
Plan Fiduciary Net Position - 6/30/2022	397,869	1,102	7,037	17,889	423,897
Plan Fiduciary Net Position - 6/30/2023	\$ 357,748	995	6,922	16,710	382,375
Net OPEB Liability - 6/30/2023	\$ 7,712	21	149	359	8,241

Sensitivity Analysis

The following represents the County's net OPEB (asset) liability using the 7.00 percent discount rate, as well as what the (asset) liability would be if the discount rate were decreased or increased by 1 percent.

	1% Decrease (6%)	Current Rate (7%)	1% Increase (8%)
Total OPEB Liability	\$ 451,223,800	390,615,328	342,135,409
Plan Fiduciary Net Position	(382,374,168)	(382,374,168)	(382,374,168)
Net OPEB (Asset) Liability	<u>\$ 68,849,632</u>	<u>8,241,160</u>	<u>(40,238,759)</u>

	1% Decrease (6%)	Current Rate (7%)	1% Increase (8%)
Total OPEB Liability			
Primary Government	\$ 422,164,987	365,459,700	320,101,889
EDA	1,173,182	1,015,600	889,552
FCRHA	8,167,151	7,070,138	6,192,651
FCPA	19,718,480	17,069,890	14,951,317
Total OPEB Liability	<u>\$ 451,223,800</u>	<u>390,615,328</u>	<u>342,135,409</u>

	1% Decrease (6%)	Current Rate (7%)	1% Increase (8%)
Plan Fiduciary Net Position			
Primary Government	\$ (357,749,272)	(357,749,272)	(357,749,272)
EDA	(994,173)	(994,173)	(994,173)
FCRHA	(6,920,972)	(6,920,972)	(6,920,972)
FCPA	(16,709,751)	(16,709,751)	(16,709,751)
Total Plan Fiduciary Net Position	<u>\$ (382,374,168)</u>	<u>(382,374,168)</u>	<u>(382,374,168)</u>

	1% Decrease (6%)	Current Rate (7%)	1% Increase (8%)
Net OPEB (Asset) Liability			
Primary Government	\$ 64,415,715	7,710,428	(37,647,383)
EDA	179,009	21,427	(104,621)
FCRHA	1,246,179	149,166	(728,321)
FCPA	3,008,729	360,139	(1,758,434)
Total Net OPEB (Asset) Liability	<u>\$ 68,849,632</u>	<u>8,241,160</u>	<u>(40,238,759)</u>

The following represents the County's net OPEB (asset) liability calculated using the healthcare trend rates (6.70 percent to 11.90 percent, decreasing to 4.50 percent), as well as the impacts of calculating the rates at one percentage point lower (5.70 percent to 10.90 percent, decreasing to 3.50 percent) or one percentage point higher (7.70 percent to 12.90 percent, decreasing to 5.50 percent):

	1% Decrease	Trend Rate	1% Increase
	(Varied decreasing to 3.5%)	(Varied decreasing to 4.5%)	(Varied decreasing to 5.5%)
Total OPEB Liability	\$ 332,804,800	390,615,328	465,748,627
Plan Fiduciary Net Position	(382,374,168)	(382,374,168)	(382,374,168)
Net OPEB (Asset) Liability	<u>\$ (49,569,368)</u>	<u>8,241,160</u>	<u>83,374,459</u>

	1% Decrease	Trend Rate	1% Increase
	(Varied decreasing to 3.5%)	(Varied decreasing to 4.5%)	(Varied decreasing to 5.5%)
Total OPEB Liability			
Primary Government	\$ 311,372,171	365,459,700	435,754,416
EDA	865,292	1,015,600	1,210,946
FCRHA	6,023,767	7,070,138	8,430,050
FCPA	14,543,570	17,069,890	20,353,215
Total OPEB Liability	<u>\$ 332,804,800</u>	<u>390,615,328</u>	<u>465,748,627</u>

	1% Decrease	Trend Rate	1% Increase
	(Varied decreasing to 3.5%)	(Varied decreasing to 4.5%)	(Varied decreasing to 5.5%)
Plan Fiduciary Net Position			
Primary Government	\$ (357,749,272)	(357,749,272)	(357,749,272)
EDA	(994,173)	(994,173)	(994,173)
FCRHA	(6,920,972)	(6,920,972)	(6,920,972)
FCPA	(16,709,751)	(16,709,751)	(16,709,751)
Total Plan Fiduciary Net Position	<u>\$ (382,374,168)</u>	<u>(382,374,168)</u>	<u>(382,374,168)</u>

	1% Decrease	Trend Rate	1% Increase
	(Varied decreasing to 3.5%)	(Varied decreasing to 4.5%)	(Varied decreasing to 5.5%)
Net OPEB (Asset) Liability			
Primary Government	\$ (46,377,101)	7,710,428	78,005,144
EDA	(128,881)	21,427	216,773
FCRHA	(897,205)	149,166	1,509,078
FCPA	(2,166,181)	360,139	3,643,464
Total Net OPEB (Asset) Liability	<u>\$ (49,569,368)</u>	<u>8,241,160</u>	<u>83,374,459</u>

OPEB Expense, Deferred Outflows and Deferred Inflows of Resources, and Component Allocation

For the year ended June 30, 2023, the County recognized OPEB expense of \$7,504,617. Deferred outflows and deferred inflows of resources and expense related to OPEB have been allocated between the Primary Government and discretely presented component units as follows:

	Dollar amounts in (000)				
	Total	Primary Government	EDA	FCRHA	FCPA
Total OPEB Liability	\$ 390,616	365,460	1,016	7,071	17,069
Plan's Fiduciary Net Position	(382,375)	(357,748)	(995)	(6,922)	(16,710)
Net OPEB Liability	\$ 8,241	7,712	21	149	359
Deferred Outflows:					
Experience	\$ 56,025	52,417	146	1,014	2,448
Assumptions changes	42,831	40,073	111	775	1,872
Investment return	60,998	57,070	158	1,104	2,666
Contributions after measurement date	15,372	14,461	39	208	664
Change in proportion	302	-	-	-	302
Total Deferred Outflows	\$ 175,528	164,021	454	3,101	7,952
Deferred Inflows:					
Experience	\$ (4,576)	(4,281)	(12)	(83)	(200)
Assumptions changes	(133,469)	(124,873)	(347)	(2,416)	(5,833)
Investment return	(45,284)	(42,367)	(118)	(820)	(1,979)
Change in proportion	(302)	(47)	(189)	(66)	-
Total Deferred Inflows:	\$ (183,631)	(171,568)	(666)	(3,385)	(8,012)
OPEB Expense	\$ 7,505	7,021	20	136	328

Contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024.

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2024	\$ (2,220,021)
2025	(2,799,233)
2026	(6,489,767)
2027	492,788
2028	(11,277,481)
Thereafter	(1,179,990)
	<u>\$ (23,473,704)</u>

3. OPEB Plan Reporting

The County has established a trust fund to account for the cost of OPEB. The financial information for the fund is as follows:

COUNTY OF FAIRFAX, VIRGINIA	
Statement of Plan Net Position	
June 30, 2023	
ASSETS	
Equity in pooled cash and temporary investments	\$ 3,224,526
Contributions receivable	380,619
Accrued interest and dividends receivable	29,805
Investments, at fair value:	
Investment in pooled funds	400,184,493
Total assets	<u>403,819,443</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total deferred outflows of resources	<u>-</u>
LIABILITIES	
Accounts payable and accrued liabilities	21,864
Total liabilities	<u>21,864</u>
DEFERRED INFLOWS OF RESOURCES	
Total deferred inflows of resources	<u>-</u>
NET POSITION	
Held in trust for OPEB benefits	<u>\$ 403,797,579</u>

COUNTY OF FAIRFAX, VIRGINIA
Statement of Changes in Plan Net Position
For the fiscal year ended June 30, 2023

ADDITIONS

Contributions:	
Employer	\$ 13,042,958
Other	2,328,956
Total contributions	15,371,914
Investment income:	
From investment activities:	
Net change in fair value of investments	28,531,488
Interest	61,686
Total gain from investment activities	28,593,174
Less investment activities expenses:	
Management fees	274,055
Other	542
Total investment activities expenses	274,597
Net gain from investment activities	28,318,577
Net investment gain	28,318,577
Total deductions	43,690,491

DEDUCTIONS

Benefits	22,127,226
Administrative expenses	139,854
Total deductions	22,267,080
Net increase	21,423,411
Net position, July 1, 2022	382,374,168
Net position, June 30, 2023	\$ 403,797,579

Net OPEB Liability for the Plan

The Plan's net OPEB liability was measured as of June 30, 2023. The components of the net OPEB liability for the Plan are as follows:

Total OPEB Liability	\$ 366,660,854
Plan Fiduciary Net Position (Market Value of Assets)	(403,797,579)
Net OPEB Asset	\$ (37,136,725)
Plan Fiduciary Net Position as a Percentage of the	
Total OPEB Liability	110.13%

Assumptions

For the Plan, the total OPEB liability was determined by an actuarial valuation as of July 1, 2021, rolled forward to June 30, 2022, using the following actuarial assumptions:

Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets
Salary increases	3.00%
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation.
Retirement age	Varies by age and pension plan.
Mortality	Pub-2010, "General" classification, ERS participants and "Public Safety" classification for PORS and URS participants, Employees Mortality Table, projected using Scale MP-2021, sex-distinct. Disabled mortality table Pub-2010, "General" classification, ERS participants and "Public Safety" classification for PORS and URS participants, Disabled Retirement mortality table, projected using scale MP-2021, sex distinct.
Healthcare cost trend rate	7.4% - 10.8%, decreasing to 4.50%

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period of July 1, 2015 to June 30, 2020.

Investments

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class and target allocations as of June 30, 2023 are below:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Domestic Equity (Large Cap)	6.80%	24.77%
Domestic Equity (Small Cap)	7.30%	10.82%
International Equity	7.30%	13.05%
Emerging Markets Equity	7.70%	3.42%
Long / Short Equity	7.30%	6.28%
Core US Fixed Income	4.10%	4.01%
Core Plus US Fixed Income	5.40%	13.86%
Absolute Return Fixed Income	3.70%	3.88%
Real Estate	5.60%	10.16%
Private Equity	9.80%	7.18%
Cash	3.30%	2.57%

There are no concentrations in any one organization that represent 5.00 percent or more of the fiduciary net position in the Plan. For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was negative 6.72 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The Plan’s funds are invested in domestic and international equity and fixed income funds through the Virginia Pooled OPEB Trust Fund established as the investment vehicle for participating employers.

The County is not involved in the administration of these funds. Further information about the Virginia Pooled OPEB Trust Fund sponsored by VML/VACo., including financial statements, can be obtained by writing to VML/VACo Finance Program, 8 East Canal Street, Suite 100, Richmond, Virginia 23219.

Sensitivity Analysis

The following represents the OPEB plan’s net liability using the 7.00 percent discount rate, as well as what the liability would be if the discount rate were decreased or increased by one percent.

Sensitivity of Net OPEB (Asset) Liability to Changes in Discount Rate

	1% Decrease 6%	Current Rate 7%	1% Increase 8%
Total OPEB Liability	\$ 421,647,063	366,660,854	322,445,882
Plan Fiduciary Net Position	(403,797,579)	(403,797,579)	(403,797,579)
Net OPEB (Asset) Liability	<u>\$ 17,849,484</u>	<u>(37,136,725)</u>	<u>(81,351,697)</u>

The following represents the OPEB plan’s net liability calculated using the healthcare trend rates (7.40 percent to 10.80 percent, decreasing to 4.50 percent), as well as the impacts of calculating the rates at one percentage point lower (6.40 percent to 9.80 percent, decreasing to 3.50 percent) or one percentage point higher (8.40 percent to 11.80 percent, decreasing to 5.50 percent):

Sensitivity of Net OPEB (Asset) Liability to Changes in Healthcare Cost Trend Rates

	1% Decrease (Varied decreasing to 3.5%)	Trend Rate (Varied decreasing to 4.5%)	1% Increase (Varied decreasing to 5.5%)
Total OPEB Liability	\$ 314,426,808	366,660,854	433,626,479
Plan Fiduciary Net Position	(403,797,579)	(403,797,579)	(403,797,579)
Net OPEB (Asset) Liability	<u>\$ (89,370,771)</u>	<u>(37,136,725)</u>	<u>29,828,900</u>

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 15,371,914	-
Total	<u>\$ 15,371,914</u>	<u>-</u>

Contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or addition to the net OPEB asset, as applicable, in the year ending June 30, 2024.

4. 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' plan provides health benefits to eligible retirees and their spouses. The plan benefits correspond with benefits available to active employees. Benefit provisions are established and may be amended by the School Board. Fiduciary oversight is provided by the members of the Local Finance Board for OPEB. The Plan does not issue a stand-alone financial report.

Public School employees participate in the Public School OPEB Plan, the Virginia Retirement System Teacher Health Insurance Credit (HIC) OPEB Plan, and the Virginia Retirement System Group Life Insurance (GLI) OPEB Plan. In order to participate, an employee must meet retirement criteria for either VRS, ERFC, or FCERS. Employees are eligible to continue health insurance coverage after retirement, provided that retiring employees have health coverage in effect for at least 60 months when they stop working. Upon retirement Public Schools no longer contributes to the premium payments and the participant becomes responsible for 100 percent of premiums less any applicable subsidies.

A retiree and/or spouse who is at least 55 of years of age and participates in a Public Schools administered health insurance plan will receive an explicit subsidy ranging from \$15 to \$175 per month, based on years of service and the retirement plan in which the retiree is covered. In addition, Public Schools provides an implicit subsidy by allowing retirees to participate in the health insurance plans at the group premium rates calculated on the entire universe of active and retired employees. This subsidy occurs because, on an actuarial basis, the current and future claims of the retiree participants are expected to result in higher per person costs to the insurance plans than will be the experience for active employees.

For fiscal year 2023, required disclosures for the Public Schools OPEB liability and OPEB plan’s fiduciary net position are made simultaneously. Participant data for current fiscal year and prior fiscal year is as follows:

Membership	FY 2022	FY 2021
Medical Members		
Number of active members	20,528	19,878
Average age	46	46
Average service	11	11
<u>Number of inactive members</u>		
Retirees and spouses	10,174	10,135
Average age	73	72
Life Insurance Members		
Number of active members	4,451	4,457
Average age	53	53
Average service	12	11
<u>Number of inactive members</u>		
Retirees and spouses	3,050	2,844
Average age	72	72

Contributions

Contributions to the Public School OPEB Trust Fund are determined and may be amended by the School Board. The contributions are set at a minimum to satisfy the current year’s projected pay-as-you-go benefits costs. The School Board may provide additional amounts to prefund future costs. Contributions to the Plan were \$15,536,667 and \$15,527,658 for the years ended June 30, 2023 and June 30, 2022, respectively. The costs of administrating the plan are paid for by the Plan through the use of investment income and employer contributions. The Public Schools’ annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for 2023 are as follows on the next page:

Public Schools OPEB Plan Reporting:

COUNTY OF FAIRFAX, VIRGINIA
OPEB Trust Fund
Statement of Plan Net Position
June 30, 2023

	Component Unit - Public Schools' OPEB Trust Fund
ASSETS	
Receivable, accounts	\$ 37,200
Receivable, securities sold	5,919,200
Investment in pooled funds	<u>207,528,719</u>
Total assets	<u>213,485,119</u>
LIABILITIES	
Accounts payable and accrued liabilities	<u>37,200</u>
Total liabilities	<u>37,200</u>
NET POSITION	
Held in trust for OPEB benefits	<u>\$ 213,447,919</u>

COUNTY OF FAIRFAX, VIRGINIA
OPEB Trust Fund
Statement of Changes in Net Position
For the fiscal year ended June 30, 2023

	Component Unit - Public Schools' OPEB Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 15,536,667
Total contributions	<u>15,536,667</u>
Investment income:	
From investment activities:	
Net increase in fair value of investments	14,986,379
Administrative expense	<u>(100,336)</u>
Total income from investment activities	<u>14,886,043</u>
Total additions	<u>30,422,710</u>
DEDUCTIONS	
Benefits payments /refunds	<u>10,536,667</u>
Total deductions	<u>10,536,667</u>
Change in net position	19,886,043
Net position, July 1, 2022	<u>193,561,876</u>
Net position, June 30, 2023	<u>\$ 213,447,919</u>

Net OPEB Liability

The Public Schools' net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability for Fairfax County Public Schools is as follows:

Total OPEB liability	\$ 247,699,784
Plan fiduciary net position (market value of assets)	<u>(213,447,919)</u>
Net OPEB liability	<u>\$ 34,251,865</u>
Plan fiduciary net position as a percentage of the OPEB liability	86.17%

Actuarial Assumptions

Significant actuarial assumptions used in the valuation include:

Actuarial cost method	Entry age normal
Asset valuation method	Market value of assets
Salary increases	7.25%, trending down to 2.75%
Investment rate of return	7.00%, prior year rate was 7.00%, net of OPEB plan investment expense, including inflation.
Retirement age	Varies by age and pension plan.
Mortality	
Active participants	102% of the male rates and 99% of the female rates of the Pub-2010, "Teachers" Classification, Employees Mortality Table, projected using Scale MP-2021, sex-distinct
Current retirees	102% of the male rates and 99% of the female rates of the Pub-2010, "Teachers" Classification, Healthy Annuitant Mortality Table, projected using scale MP-2021, sex-distinct
Surviving spouses	102% of the male rates and 99% of the female rates of the Pub-2010, "Teachers" Classification, Survivor Beneficiary Mortality Table, projected using scale MP-2021, sex-distinct
Disabled retirees	102% of the male rates and 99% of the female rates of the Pub-2010, "Teachers" Classification, Disabled Retirement Mortality Table, projected using scale MP-2021, sex-distinct
Healthcare cost trend rate	7.00% - 8.50%, decreasing to 4.50%

Discount rate

The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that Public Schools contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current inactive and active employees / current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments are determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2023, are summarized in the following table:

Component Unit - Public Schools		
Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Domestic Equity (Large Cap)	4.4%	24.8%
Domestic Equity (Small Cap)	4.9%	10.8%
International Equity	4.9%	13.1%
Emerging Markets Equity	5.3%	3.4%
Cash (Gov't)	1.0%	2.6%
Core US Fixed Income	1.8%	4.0%
Long Duration Bonds - Credit	3.0%	13.9%
Non-US Developed Bond (50% Hedged)	1.4%	3.9%
Private Real Estate (Core)	3.2%	10.2%
Private Equity	7.3%	7.2%
Hedge Funds - Equity Long/Short (Buy List)	4.9%	6.3%

There are no concentrations in any one organization that represent 5.00 percent or more of the fiduciary net position in the plan. For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 7.66 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing actual invested. The Plan's funds are invested in domestic and international equity and fixed income funds through the Virginia Pooled OPEB Trust Fund established as the investment vehicle for participating employers. The Public Schools is not involved in the administration of these funds. Further information about the Virginia Pooled OPEB Trust Fund sponsored by VML/VACo., including financial statements, can be obtained by writing to VML/VACo Finance Program, 8 East Canal Street, Suite 100, Richmond, Virginia 23219.

Sensitivity Analysis

The following represents Public Schools Net OPEB liability calculated using the 7.00 percent discount rate, as well as what the liability would be if the discount rate were calculated using a discount rate is one percentage lower (6.00 percent) or one percentage higher (8.00 percent) than the current rate:

	1% Decrease	Current Rate	1% Increase
	6%	7%	8%
Total OPEB liability	\$ 274,095,778	247,699,784	225,363,784
Plan fiduciary net position	(213,447,919)	(213,447,919)	(213,447,919)
Net OPEB liability	\$ 60,647,859	34,251,865	11,915,865

The following represents Public Schools Net OPEB liability calculated using the healthcare trend rates (varied percentages decreasing to 4.50 percent), as well as what the liability would be if it were calculated using healthcare trend rates at one percentage point lower (varied percentages decreasing to 3.50 percent) or one percentage point higher (varied percentages decreasing to 5.50 percent) than the current healthcare trend rates:

	1% Decrease (Varied decreasing to 3.5%)	Trend Rate (Varied decreasing to 4.5%)	1% Increase (Varied decreasing to 5.5%)
Total OPEB liability	\$ 237,234,694	247,699,784	260,475,549
Plan fiduciary net position	(213,447,919)	(213,447,919)	(213,447,919)
Net OPEB liability	<u>\$ 23,786,775</u>	<u>34,251,865</u>	<u>47,027,630</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the Public Schools recognized OPEB expense of \$(9,204,116). At June 30, 2023, the Public Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 54,114,892	17,021,583
Change of assumptions	-	42,786,768
Net difference between expected and actual earnings on OPEB plan investment	6,251,231	-
Total	<u>\$ 60,366,123</u>	<u>59,808,351</u>

Amounts recognized in the deferred outflows of resources and deferred inflows of resources related to the Public Schools' OPEB plan will be recognized in the OPEB plan expense as follows:

Year Ended June 30	Public Schools OPEB
2024	(14,330,890)
2025	2,584,078
2026	12,125,007
2027	(428,022)
2028	287,866
Thereafter	319,733
	<u>\$ 557,772</u>

Changes in the Net OPEB Liability

	(Dollar amounts in thousands)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a-b)
Balances recognized at 6/30/2022	\$ 245,104	193,562	51,542
Changes for the year:			
Service cost	3,624	-	3,624
Interest cost	17,048	-	17,048
Differences between expected and actual experiences	(7,540)	-	(7,540)
Benefit payments	(10,537)	(10,537)	-
Contributions - employer	-	15,537	(15,537)
Net investment income	-	14,986	(14,986)
Administrative expense	-	(100)	100
Net changes	2,595	19,886	(17,291)
Balances recognized at 6/30/2023	\$ 247,699	213,448	34,251

Investments

The Public Schools invests the School OPEB Trust Fund's assets with the Virginia Pooled OPEB Trust Fund (Pooled Trust) sponsored by the Virginia Association of Counties and the Virginia Municipal League (VACo/VML). The Pooled Trust is an investment pooling vehicle created to allow participating local governments, school divisions, and authorities in the State to accumulate and invest assets to fund other postemployment benefits. Funds of participating jurisdictions are pooled and invested in the name of the Pooled Trust. The Public Schools' respective shares in the Pooled Trust are reported in the School OPEB Trust Fund's financial statements. Investment decisions are made by the Board of Trustees (Trustees) of the Pooled Trust. The Trustees adopted an investment policy to establish investment objectives, risk tolerance levels, and asset allocation parameters. The investment objective is to maximize the total long-term rate of return with reasonable risk by seeking capital appreciation and, secondarily, principal protection. The Pooled Trust is segregated and managed as two distinct portfolios that are referred to as Portfolio I and Portfolio II. Portfolio I is structured to achieve a compound annualized total expected rate of return over a market cycle, including current income and capital appreciation, of 7.5 percent. Portfolio II is structured to achieve an expected rate of return of 6.0 percent. The investment performance of each Portfolio is reviewed quarterly and compared on a rolling three year basis and over other relevant time periods to the following: (a) a composite benchmark comprised of each asset classes' market index benchmarks, weighted by each Portfolio's long-term policy allocations, and (b) a peer group of other similar size fund sponsors.

The Pooled Trust's assets are separately managed by professional investment managers or invested in professionally managed investment vehicles. Each Portfolio is invested in a broadly diversified manner by asset class, style and capitalization, which control volatility levels.

The asset allocation policies for the Portfolios are outlined in the table below:

	Portfolio I		Portfolio II	
	Target Percentages of Total Assets	Allocation Range	Target Percentages of Total Assets	Allocation Range
Total Equity	65%	0% - 26%	40%	0% - 21%
Total Fixed Income	20%	0% - 16%	50%	0% - 43%
Total Real Assets	15%	0% - 15%	10%	5% - 15%
Cash	0%	0% - 10%	0%	0% - 10%

The Pooled Trust and each Portfolio is monitored on a continual basis for consistency in investment philosophy, return relative to objectives, and investment risk as measured by asset concentrations, exposure to extreme economic conditions, and market volatility. Each Portfolio is reviewed by the Trustees on a regular basis, but results are evaluated over longer time periods. The Trustees regularly review each manager in order to confirm that the factors underlying the performance expectations remain in place.

The Trustees meet a minimum of four times a year to review quarterly performance and asset allocation. The investment policy is reviewed and updated at least annually.

On June 30, 2023, the School OPEB Trust Fund had the following investments in the Pooled Trust:

Investments by Fair Value Level	6/30/2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
		Level 1	Level 2	Level 3
Mutual funds	\$ 130,319,790	-	-	130,319,790
Stocks	77,208,929	-	-	77,208,929
Total investment by fair value hierarchy level	\$ 207,528,719	-	-	207,528,719

The Pooled Trust uses the following methods when valuing investments.

Common Stocks, Mutual Funds, Exchange Traded Funds are publicly traded investments, and are valued daily at the closing price reported on the active market on which the individual securities are traded. The Pooled Trust invests in commingled accounts for which quoted prices are not available in active markets for identical instruments. The Pooled Trust utilizes the NAV per share, as determined by the respective investment manager, as the estimated fair value. Because quoted prices in active markets for identical assets are not available, these prices are determined using observable market information such as quotes from less active markets and/or quoted prices of securities with similar characteristics.

Limited Partnership - Fund of Hedge Funds - This fund invests in a number of underlying hedge funds which pursue various strategies. The strategies pursued by the underlying hedge funds include: credit, equity, macro, multi-strategy, and relative value. The Pooled Trust's interest in the fund is valued at the NAV of units of the collective partnership. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the Pooled Trust could not redeem its investment at the NAV per unit reported by the fund. Participant purchases may occur monthly. Redemptions are available quarterly upon 70 days' notice.

Limited Partnership - Private Equity Fund - This fund invests in the equity of a variety of privately held companies. The Pooled Trust's interest in the fund is valued at the Pooled Trust's ownership interest in the collective limited partners' capital. The Pooled Trust's ownership interest in limited partners' capital is used as a practical expedient to estimate fair value. This investment can never be redeemed with the fund. Instead, the nature of investments of this type is that distributions are received through the liquidation of the underlying assets of the fund. It is expected that the underlying assets of the fund will be liquidated over a period of six to twelve years. It is probable that the Pooled Trust's investment in this fund will be sold at an amount different from Pooled Trust's ownership interest in limited partners' capital as of June 30, 2023. The effective date of this fund is December 1, 2015, and it made its inaugural investment in the same month. Barring unusual circumstances, the fund values recent investments in nonmarketable securities at acquisition cost. The primary valuation methodology used to determine the fair value of the fund's investments at June 30, 2023, was recent arms-length financing rounds in which the partnership or other partnerships managed by the general partner had participated. As of June 30, 2023, all underlying investments of the fund were valued at cost.

Partnership - Real Estate Funds - One fund invests primarily in commercial, industrial, and multi-family residential properties. The other invests in multi-family residential, hotels, industrial, and office properties. Both funds are valued at the NAV of units of the collective partnership. The NAV is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is determined to be probable that the Pooled Trust could not redeem its investment at the NAV per unit reported by the fund. The real estate partnerships provide quarterly valuations to the Pooled Trust. For one fund, individual properties are valued internally by the investment manager quarterly. Internal valuations are completed using valuation techniques such as income capitalization, sales comparison, and cost approaches. Independent external appraisals are generally completed annually for the first fund, quarterly for the other. Redemptions are available quarterly upon 45 days' and 60 days' notice respectively.

The Pooled Trust does not have investments (other than U.S. government, agency, and guaranteed obligations) in any one organization that represent 5 percent or more at market value of net position held in trust for OPEB benefits. The Pooled Trust does not have investments assigned to any single investment manager that represent 25 percent or more at market value of net position, or more than 20 percent of the fund at market value invested in one industry.

More extensive information about the Pooled Trust, including the classification of individual investments and related risks, can be obtained by writing to VACo/VML Finance, 8 East Canal Street, Suite 100, Richmond, Virginia 23219.

5. VRS Health Insurance Credit (HIC) OPEB

Plan Description

The HIC OPEB plan is a cost-sharing, multiple-employer plan administered by VRS. All full-time, salaried permanent (professional) employees of public school divisions are automatically covered by the HIC OPEB plan. The plan provides health insurance credit to eligible retirees. Members earn one month of service credit toward the benefit for each month they are employed and for which their

employer pays contributions to VRS. The health insurance credit is a tax-free reimbursement in an amount set by the Virginia General Assembly for each year of service credit against qualified health insurance premiums retirees pay for single coverage, excluding any portion covering the spouse or dependents. The credit cannot exceed the amount of the premiums and ends upon the retiree's death.

In order to participate, retirees must have at least 15 years of service credit. The HIC OPEB plan provides the following benefits for eligible employees:

- At Retirement - For teacher and other professional school employees who retire, the monthly benefit is \$4.00 per year of service per month with no cap on the benefit amount.
- Disability Retirement - For teacher and other professional school employees who retire on disability or go on long-term disability under the Virginia Local Disability Program (VLDP), the month benefit is either (a) \$4.00 per month, multiplied by twice the amount of service credit, or (b) \$4.00 per month, multiplied by the amount of service earned had the employee been active until age 60, whichever is lower.

Employees who retire after being on long-term disability under VLDP must have at least 15 years of service credit to qualify for the health insurance credit as a retiree.

Contributions

The contribution requirement for active employees is governed by Section 51.1-1401(E) of the Code, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. Each school division's contractually required contribution rate for the year ended June 30, 2023, was 1.21 percent of covered employee compensation for employees in the HIC OPEB plan. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2020. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the HIC OPEB plan were \$21,152,523 and \$20,059,856 for the years ended June 30, 2023 and June 30, 2022, respectively.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the Public Schools reported a liability of \$222,176,275 for its proportionate share of the net HIC OPEB liability. The net HIC OPEB liability was measured as of June 30, 2022, and the total HIC OPEB liability used to calculate the net HIC OPEB liability was determined by an actuarial valuation as of that date. The Public Schools' proportion of the net HIC OPEB liability was based on actuarially determined employer contributions to the HIC OPEB plan for the year ended June 30, 2022, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, Public Schools' proportion was 17.79 percent, as compared to 18.39 percent at June 30, 2020.

For the year ended June 30, 2023, Public Schools recognized HIC OPEB expense of \$17,322,199. Since there was a change in proportionate share between measurement dates, a portion of the HIC OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, Public Schools reported deferred outflows of resources and deferred inflows of resources related to HIC OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportionate share of contributions	\$ 3,038,552	8,232,659
Change of assumptions	6,490,903	567,365
Difference between expected and actual experience	-	9,056,254
Net difference between expected and actual earnings on OPEB plan investment	-	223,003
Contributions subsequent to the measurement date	21,152,523	-
Total	\$ 30,681,978	18,079,281

A total of \$21,152,523 reported as deferred outflows of resources related to HIC OPEB resulting from Public Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net HIC OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to HIC OPEB will be recognized in HIC OPEB expense as follows:

Year Ended June 30	VRC HIC OPEB
2024	\$ (1,111,759)
2025	(1,130,909)
2026	(1,311,484)
2027	(913,045)
2028	(1,986,054)
Thereafter	(2,096,575)
	\$ (8,549,826)

Actuarial Assumptions

The total HIC OPEB liability for VRS was based on an actuarial valuation as of June 30, 2021, using the entry age normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	3.50% to 5.95%
Investment rate of return, net of plan investment expense, including inflation	6.75%

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016, through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality rates (pre-retirement, post-retirement healthy, and disabled)	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement scale MP-2020
Retirement rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability rates	No change
Salary scale	No change
Discount rate	No change

Long-term Expected Rate of Return

The long-term expected rate of return on VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class (Strategy)</u>	<u>Target Allocation</u>	<u>Arithmetic Long-Term Expected Rate of Return</u>	<u>Weighted Average Long-Term Expected Rate of Return</u>
Public Equity	34.00 %	5.70 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
Multi-Asset Public Strategies	6.00	3.73	0.22
Private Investment	3.00	6.55	0.20
Total	<u>100.00 %</u>		<u>5.33 %</u>
		Inflation	<u>2.50</u>
		*Expected arithmetic nominal return	<u><u>7.83 %</u></u>

* The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for VRS, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%.

* On October 10, 2019, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total HIC OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2022, the rate contributed by Public Schools for the VRS HIC plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly which was 100.00 percent of the actuarially determined contribution rate. From July 1, 2022 on, school divisions are assumed to contribute 100.00 percent of the actuarially determined contribution rates. Based on those assumptions, VRS plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total HIC OPEB liability.

Sensitivity of Public Schools’ Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents Public Schools’ proportionate share of the net HIC OPEB liability using the discount rate of 6.75 percent, as well as what Public Schools’ proportionate share of the net HIC OPEB liability would be if it were calculated using a discount rate that is one percentage lower (5.75 percent) or one percentage higher (7.75 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Public Schools' proportionate share of the VRS net HIC OPEB liability	\$ 250,395,211	222,176,275	198,255,793

OPEB Plan Fiduciary Net Position

Detailed information about the HIC OPEB plan’s fiduciary net position is available in the separately issued VRS 2022 ACFR. A copy of the 2021 VRS ACFR may be obtained from the VRS website at VRS 2022 ACFR, or by writing to the VRS Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

6. VRS General Life Insurance (GLI) OPEB

Plan Description

The GLI OPEB plan is a cost-sharing, multiple-employer plan administered by VRS. All full-time, salaried permanent employees of the state agencies, teachers and employees of participating political subdivisions are automatically covered by the GLI OPEB plan upon employment. In addition to Basic Group Life Insurance benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI plan. For members who elect the optional group life insurance coverage, the insurer bills Public Schools directly for the premiums. Public Schools deducts these premiums from members’ paychecks and pays the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI OPEB plan. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.

The benefits payable under the GLI OPEB plan have the following components:

- Natural Death Benefit - The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled.
- Accidental Death Benefit - The accidental death benefit is double the natural death benefit.
- Other Benefit Provisions - In addition to the basic natural and accidental death benefits, the plan provides additional benefits provided under specific circumstances. These benefits include accidental dismemberment, safety belt, repatriation, felonious assault and accelerated death options.

The benefit amounts provided to members covered under the GLI OPEB plan are subject to a reduction factor. The benefit amount reduces by 25.0 percent on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25.0 percent on each subsequent January 1 until it reaches 25.0 percent of its original value. For covered members with at least 30 years of creditable service, there is a minimum benefit payable under the GLI OPEB plan. The minimum benefit was set at \$8,000 by statute. This amount is increased annually based on the VRS Plan 2 cost-of-living adjustment and is currently \$8,984 effective June 30, 2023.

Contributions

The contribution requirement for active employees is governed by Sections 51.1-506 and 51.1-508 of the Code, as amended, but may be impacted as a result of funding provided to school divisions by the Virginia General Assembly. The total rate for the GLI OPEB plan was 1.34 percent of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80 percent (1.34 x 60 percent) and the employer component was 0.54 percent (1.34 x 40 percent). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2023, was 0.54 percent of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Employer contributions to the GLI OPEB plan were \$9,503,445 and \$9,003,779 for the years ended June 30, 2023 and June 30, 2022, respectively.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, Public Schools reported a liability of \$92,295,917 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2022 and the total GLI OPEB liability used to calculate the net GLI OPEB liability was determined by an actuarial valuation as of that date. The Public Schools' proportion of the net GLI OPEB liability was based on actuarially determined employer contributions to the GLI OPEB plan for the year ended June 30, 2022 relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2022, Public Schools' proportion was 7.67 percent as compared to 7.94 percent at June 30, 2021.

For the year ended June 30, 2023, Public Schools recognized GLI OPEB expense of \$3,108,317. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2023, Public Schools reported deferred outflows of resources and deferred inflows of resources related to GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportionate share	\$ 1,202,957	3,510,907
Difference between expected and actual experience	7,308,674	3,702,690
Change of assumptions	3,442,492	8,989,993
Net difference between expected and actual earnings on OPEB plan investment	-	5,767,136
Contributions subsequent to the measurement date	9,503,445	-
Total	\$ 21,457,568	21,970,726

A total of \$9,503,445 reported as deferred outflows of resources related to GLI OPEB resulting from Public Schools' contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to GLI OPEB will be recognized in GLI OPEB expense as follows:

Year Ended June 30	VRC GLI OPEB
2024	\$ (1,678,978)
2025	(1,787,200)
2026	(5,212,021)
2027	(4,687)
2028	(1,333,717)
	\$ (10,016,603)

Actuarial Assumptions

The total GLI OPEB liability for VRS was based on an actuarial valuation as of June 30, 2021, using the entry age normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022.

Inflation	2.50%
Salary increases, including inflation	3.50% to 5.95%
Investment rate of return, net of plan investment expense, including inflation	6.75%

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2016 through June 30, 2020. Changes to the actuarial assumptions as a result of the experience study are as follows:

Mortality rates (pre-retirement, post-retirement healthy, and disabled)	Updated to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement rates	Adjusted rates to better fit experience for Plan 1; set separate rates on based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability rates	No change
Salary scale	No change
Discount rate	No change

Long-term Expected Rate of Return

The long-term expected rate of return on VRS investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of VRS investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	34.00 %	5.71 %	1.94 %
Fixed Income	15.00	2.04	0.31
Credit Strategies	14.00	4.78	0.67
Real Assets	14.00	4.47	0.63
Private Equity	14.00	9.73	1.36
Multi-Asset Public Strategies	6.00	3.73	0.22
Private Investment	3.00	6.55	0.20
Total	<u>100.00 %</u>		<u>5.33 %</u>
		Inflation	<u>2.50</u>
		Expected arithmetic nominal return ^(a)	<u><u>7.83 %</u></u>

a) The above allocation provides a one-year return of 7.83%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for VRS, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 6.72%, including expected inflation of 2.50%. On October 10, 2019, the VRS Board elected a long-term rate of 6.75% which is roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at the time, providing a medium return of 7.11%, including expected inflation of 2.50%.

Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2021, the rate contributed by Public Schools for the GLI OPEB plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100.00 percent of the actuarially determined contribution rate. From July 1, 2022 on, school divisions are assumed to contribute 100.00 percent of the actuarially determined contribution rates. Based on those assumptions, VRS plan’s fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

Sensitivity of Public Schools’ Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents Public Schools’ proportionate share of the net GLI OPEB liability using the discount rate of 6.75 percent, as well as what Public Schools’ proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage lower (5.75 percent) or one percentage higher (7.75 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	5.75%	6.75%	7.75%
Public Schools' proportionate share of the VRS net GLI OPEB liability	\$ 134,301,364	92,295,917	58,349,769

OPEB Plan Fiduciary Net Position

Detailed information about the GLI OPEB plan’s fiduciary net position is available in the separately issued VRS 2023 ACFR. A copy of the 2023 VRS ACFR may be obtained from the VRS website at <http://www.varetire.org> or by writing to the VRS Chief Financial Officer at P.O. Box 2500, Richmond, VA, 23218-2500.

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 Park Authority and EDA participate in the County’s self-insurance program. Participating funds and agencies are charged “premiums” which are computed based the cost of claims and insurance premiums and are administered through Risk Management.

Liabilities are reported in the self-insurance fund 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 unallocated claims adjustment expenses.

The claims liabilities in the self-insurance funds are discounted at 1.77 and 1.49 percent on June 30, 2023 and 2022, respectively, to reflect anticipated investment income. Changes in the balances of claims liabilities during fiscal years 2023 and 2022 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, 2021	\$ 69,996,000	12,791,000	50,236,735	21,880,000
Claims incurred				
Claims and changes in estimates	29,568,920	176,643,718	10,927,616	465,918,929
Claims payments	(20,144,920)	(175,549,718)	(13,165,788)	(461,128,929)
Liability balances, June 30, 2022	79,420,000	13,885,000	47,998,563	26,670,000
Claims incurred				
Claims and changes in estimates	23,184,950	184,872,445	20,925,410	497,710,408
Claims payments	(20,177,950)	(185,966,445)	(14,726,238)	(495,758,408)
Liability balances, June 30, 2023	\$ 82,427,000	12,791,000	54,197,735	28,622,000

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 \$2,000,000 self-insured retention (SIR) for liability, \$500,000 for County buildings and contents, \$100,000 for vehicles, and \$3,000,000 for workers' compensation.

J. LONG-TERM OBLIGATIONS

Presented below 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, 2023 (in thousands):

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Primary Government					
Governmental activities:					
General obligation bonds payable:					
Principal amount of bonds payable	\$ 2,414,985	321,900	(220,090)	2,516,795	224,530
Premium on bonds payable	208,862	29,142	(35,214)	202,790	31,944
Revenue bonds payable:					
Principal amount of bonds payable**	59,795	-	(3,605)	56,190	3,695
Premium on bonds payable**	4,791	-	(756)	4,035	685
Principal amount of component unit bonds payable**	505,435	-	(36,585)	468,850	32,880
Premium on component unit bonds payable**	61,427	-	(7,626)	53,801	6,816
Component unit direct placements and borrowings**	570,265	12,249	(40,297)	542,217	15,475
Notes payable **	960	27,670	(960)	27,670	2,288
Component unit notes payable **	2,258	-	(645)	1,613	645
Compensated absences payable	165,244	82,806	(75,872)	172,178	74,847
Landfill closure and postclosure obligations	51,692	3,670	-	55,362	36
Lease liability	108,925	27,137	(18,630)	117,432	17,384
Subscription liability*	56,971	8,334	(21,373)	43,932	18,296
Insurance and benefit claims payable	93,305	11,079	(9,166)	95,218	13,723
Net pension liability	1,270,140	1,460,341	(345,308)	2,385,173	-
Net OPEB liability	-	104,858	(97,341)	7,517	-
Other:					
HUD Section 108 loans	3,095	-	(344)	2,751	344
Library Exchange	11,554	-	(868)	10,686	872
Total governmental activities	5,589,704	2,089,186	(914,680)	6,764,210	444,460
Business-type activities:					
Sewer revenue bonds payable:					
Principal amount of bonds payable**	710,085	19,647	(27,763)	701,969	31,889
Premium on bonds payable**	88,796	-	(4,006)	84,790	4,006
EDA revenue bonds payable:					
Principal amount of EDA bonds**	20,055	-	(605)	19,450	635
Premium on EDA bonds**	4,877	-	(252)	4,625	252
Net pension liability	27,987	23,694	(6,478)	45,203	-
Net OPEB liability	-	2,724	(2,530)	194	-
Compensated absences payable	3,152	2,190	(1,780)	3,562	1,674
Total business-type activities	854,952	48,255	(43,414)	859,793	38,456
Total long-term liabilities - Primary Government	\$ 6,444,656	2,137,441	(958,094)	7,624,003	482,916
Component Units					
Public Schools					
Compensated absences payable	\$ 39,169	32,012	(29,310)	41,871	29,310
Purchased Leases	80,907	29,873	(19,856)	90,924	24,867
Lease liability	47,701	20,432	(11,594)	56,539	10,307
Subscription liability	-	75,745	(14,695)	61,050	13,352
Insurance and benefit claims payable	74,669	8,231	(80)	82,820	38,030
Net pension liability	2,163,905	1,474,460	(447,021)	3,191,344	-
Net OPEB liability	380,071	404,576	(435,923)	348,724	-
Total Public Schools	2,786,422	2,045,329	(958,479)	3,873,272	115,866
FCRHA					
FCRHA lease revenue bonds liability:					
Principal amount of FCRHA bonds**	58,010	-	(2,040)	55,970	2,140
Premium on FCRHA bonds**	11,373	-	(1,098)	10,275	1,057
Mortgage revenue bonds payable	18,971	-	(759)	18,212	804
Mortgage notes payable	62,965	-	(1,648)	61,317	722
Lease liability	250	905	(5)	1,150	772
Subscription liability	-	747	(173)	574	188
Net pension liability	19,420	13,053	(7,058)	25,415	-
Net OPEB liability	-	2,016	(1,867)	149	-
Compensated absences payable	673	372	(396)	649	364
Total FCRHA	171,662	17,093	(15,044)	173,711	6,047
Park Authority					
Notes payable**	2,346	62	(678)	1,730	695
Lease liability	2,455	-	(345)	2,110	351
Subscription liability*	-	1,154	(348)	806	350
Net pension liability	37,076	29,884	(8,775)	58,185	-
Net OPEB liability	(1,776)	2,136	-	360	-
Loan from Primary Government	9,380	-	(875)	8,505	765
Compensated absences payable	5,773	2,772	(1,949)	6,596	2,089
Total Park Authority	55,254	36,008	(12,970)	78,292	4,250
EDA					
EDA revenue bonds liability:					
Principal amount of EDA bonds**	1,036,570	12,249	(74,272)	974,547	46,850
Premium on EDA bonds**	54,931	-	(6,781)	48,150	6,011
Compensated absences payable	553	303	(282)	574	256
Lease liability	1,643	-	(531)	1,112	831
Subscription liability*	41	-	(41)	-	-
Net pension liability	4,985	4,060	(1,140)	7,905	-
Net OPEB liability	-	298	(277)	21	-
Total EDA	1,098,723	16,910	(83,324)	1,032,309	53,948
Total long-term liabilities - Component units	\$ 4,112,061	2,115,340	(1,069,817)	5,157,584	180,111

* Fiscal year 2022 balance restated due to the implementation of GASB Statement 96.

**Fiscal year 2022 balance restated. Long-term debts issued by Component Units were reclassified to the issuers' financial statements.

Compensated absences payable, lease liability, 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. The General Fund and other governmental funds provide funding to Trust funds that have been established for the liquidation of obligations associated with pensions and other postemployment benefits. The Primary Government funding source for the employer share contributions to these trusts is primarily provided by the General Fund.

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, 2023, the amount of general obligation bonds authorized and unissued is summarized to the right.

The Commonwealth does not impose a legal limit on the amount of general obligation indebtedness that the County can incur or have outstanding. The Board, 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 also follows a self-imposed limitation in total general obligation bond sales of \$2.0 billion over a five-year period or an average of \$400 million annually, with a maximum of \$425 million in any given year. All self-imposed bond limits have been complied with at June 30, 2023.

Bond Purpose	Amount (in Thousands)
School improvements	\$ 519,260
Transportation improvements	101,380
Parks and park facilities	127,070
Human Services	136,900
Public safety facilities	249,610
Public library facilities	90,000
Total authorized but unissued bonds	\$ 1,224,220

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

In February 2023, the County issued \$321,900,000 of Series 2023A General Obligation Public Improvement Bonds with an average interest rate of 4.05 percent. The bonds were issued to finance projects related to school improvements, public safety, park facilities, and other purposes.

Detailed information regarding the general obligation bonds outstanding as of June 30, 2023, is contained in Section 6 of this note.

2. 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 EDA issued \$47,745,000 to advance refund a portion of the outstanding Series 2003 Laurel Hill revenue bonds. In November 2021, the EDA issued \$53,475,000 Fairfax County Facilities Revenue Refunding Bonds Series 2021C (County Facilities Projects) (Federally Taxable) to advance refund certain outstanding maturities of the 2012A Laurel Hill Public Facilities Project Bonds, 2014B County Facilities Project Bonds, and 2017B County Facilities Projects Refunding Bonds. In June 2022, the 2012A Bonds were fully redeemed.

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 EDA issued \$44,000,000 to advance refund certain outstanding maturities of the Series 2005 facilities revenue bonds. In November 2021, the EDA issued \$110,485,000 Fairfax County Facilities Revenue Refunding Bonds Series 2021D (County Facilities Projects) (Federally Taxable) to advance refund certain outstanding maturities of the 2014A County Facilities Projects 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 April 2019, the EDA issued \$18,125,000 of lease revenue bonds to current refund certain outstanding maturities of the Series 2010 lease revenue bonds. Also, in April 2019, the remaining outstanding maturities of the Series 2010 lease revenue bonds were fully redeemed.

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 (WMATA) mass transit system in the County. In March 2016, the EDA issued \$173,960,000 to refund a portion of the bonds issued in 2011 and 2012. In December 2019, Fairfax County set aside funds of \$19,546,337 into a depository account with the Trustee for purposely partially defeasing certain Series 2016 obligations associated with the transportation district improvement revenue bonds (Silver Line Phase 1 Project) with a principal amount of \$17,495,000. These funds were placed in escrow on April 1, 2020 until the call date of the bonds. In May 2021, Fairfax County partially defeased certain Series 2016 obligations associated with the transportation district improvement revenue bonds (Silver Line Phase 1 Project) with a principal amount of \$11,190,000. In May 2022, Fairfax County partially defeased a portion of the Series 2016 Bonds in a principal amount of \$4,780,000. In April 2020, the 2011 and 2012 Bonds were fully redeemed.

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 September 2019, the EDA sold \$62,285,000 revenue refunding bonds (Forward Delivery Bonds) for the purpose of refunding certain maturities of the Authority's Revenue Bonds (Wiehle Avenue Metrorail Station Parking Project) Series 2011. The Series 2020 bonds were issued and delivered on May 5, 2020. In August 2020, the remaining outstanding maturities of the Series 2011 Bonds were fully redeemed.

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 the County as mental health facilities and as a neighborhood community center. In August 2017, the EDA issued \$31,150,000 of refunding revenue bonds to

advance refund certain outstanding maturities of the Series 2012A facilities revenue bonds. In November 2021, the EDA issued \$13,865,000 Fairfax County Facilities Revenue Refunding Bonds Series 2021B (County Facilities Projects) to current refund all of the outstanding maturities of the 2012A Bonds. Also, in November 2021, the EDA issued \$53,475,000 Fairfax County Facilities Revenue Refunding Bonds Series 2021C (County Facilities Projects) (Federally Taxable) to advance refund certain outstanding maturities of the 2012A Laurel Hill Public Facilities Project Bonds, 2014B County Facilities Project Bonds, and 2017B County Facilities Projects Refunding Bonds. In November 2021, the remaining maturities of the 2012A revenue bonds were fully redeemed.

In June 2014, the EDA 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 the County. Also, in June 2014, the EDA 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. In November 2021, the EDA issued \$110,485,000 Fairfax County Facilities Revenue Refunding Bonds Series 2021D (County Facilities Projects) (Federally Taxable) to advance refund certain outstanding maturities of the 2014A County Facilities Projects Bonds. Also, in November 2021, the EDA issued \$53,475,000 Fairfax County Facilities Revenue Refunding Bonds Series 2021C (County Facilities Projects) (Federally Taxable) to advance refund certain outstanding maturities of the 2012A Laurel Hill Public Facilities Project Bonds, 2014B County Facilities Project Bonds, and 2017B County Facilities Projects Refunding Bonds.

In March 2017, the EDA issued \$69,645,000 of facilities revenue bonds to finance the construction of parking facilities to be owned and operated by the County, located adjacent to WMATA's Herndon and Innovation Center Metrorail Stations.

In August 2017, the EDA issued \$19,060,000 of facilities revenue bonds to finance the costs of the construction and improvement of certain property to be used by the County as an adult day care facility, child day care centers, and a senior center or for other County approved purposes.

In November 2021, the EDA issued \$74,605,000 Fairfax County Facilities Revenue Bonds Series 2021A (County Facilities Projects) (Green Bonds) to finance the construction and improvement of certain property to be used as a consolidated public works complex for the County's Stormwater and Wastewater divisions. Of the total issuance, Stormwater's portion totals \$54,550,000 and Wastewater's portion totals \$20,055,000.

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. Duplicate entries have been eliminated for reporting purposes.

In the event of default, EDA Revenue Bonds Trustees may declare the principal of all of the Bonds then outstanding, to be due and payable immediately, subject to the right of EDA to cure such default. Bondholders will have the right to direct the method and place of conducting all remedial proceedings to be taken under the agreement. The acceleration clause, if applicable, allows the lender, upon default, to accelerate payment of the entire unpaid Bond principal and interest.

In June 2011, the CDA issued \$46,980,000 of revenue bonds (Mosaic District Project) Series 2011A. In July 2011, the Authority issued \$18,670,000 of revenue bonds (Taxable) Series 2011A-T. The bonds were issued to finance certain public infrastructure improvements within or serving the CDA district. The 2011 Bonds are limited obligations of the CDA, payable solely from and secured by a pledge of certain County Advanced Revenues and certain Special Assessment Revenues. In December 2020, the CDA issued \$37,765,000 of revenue refunding bonds (Mosaic District Project) Series 2020A to current refund the outstanding maturities of the Series 2011A revenue bonds, which resulted in an aggregate decrease in the overall debt service of \$23,940,499 and an economic gain (the difference between the present values of the old and new debt service payments) of \$17,659,695.

In December 2020, the CDA issued \$17,885,000 of revenue refunding bonds (Taxable) Series 2020A-T to current refund the outstanding maturities of the Series 2011A-T revenue bonds, which resulted in an aggregate decrease in the overall debt service of \$9,226,274 and an economic gain of \$6,539,005. These bond refundings resulted in a deferred loss of \$161,042. The 2020 Bonds are limited obligations of the CDA, 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 of special subfund revenue bond (the 2013 VRA Bonds) 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.

In the event of default, VRA has the right to immediately declare all outstanding bond payments due and payable by the County without further notice or demand and is authorized to take legal action necessary to collect the payments owed.

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.

In November 2007, the FCRHA issued a \$105,485,000 of bond anticipation note (Series 2007B) to finance a portion of the purchase price of a multi-family rental housing property as part of the County's affordable housing initiative. In October 2008, the FCRHA issued a \$104,105,000 bond anticipation note (Series 2008B) to repay the outstanding \$105,485,000 bond anticipation note (Series 2007B). In August 2009, the FCRHA issued a \$94,950,000 of revenue bonds to provide funds, together with other funds, sufficient to pay the outstanding \$104,105,000 short-term bond anticipation note (Series 2008B) that matured on October 1, 2009. The bonds bear an average interest rate of 4.53 percent and mature on October 1, 2039. In August 2019, the FCRHA issued \$61,795,000 to refund a portion of the principal amount of the Series 2009 Bonds outstanding. 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 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 anticipation notes to current refund \$26,725,000 of outstanding Series 2011 bond anticipation notes. The note matured on March 1, 2015. In February 2015, the County and FCRHA entered into a direct loan agreement with Bank of America, N.A. in a principal amount of \$18,260,000, which together with other County funds refinanced the 2013A bond anticipation notes. In February 2018, FCRHA issued \$11,175,000 Revenue Bonds Series 2018A (Federally Taxable), which together with other County funds refinanced the FCRHA direct loan agreement with Bank of America, N.A. The County is obligated by the terms of a payment agreement with FCRHA, subject to the appropriation of funds for the purpose, to pay amounts equal to the interest on and the principal of the FCRHA 2018A revenue bonds. In October 2022, the FCRHA 2018A Bonds were fully redeemed.

Detailed information regarding the revenue bonds outstanding as of June 30, 2023 is contained in Section 6 of this note.

3. Direct Placements and Borrowings

In December 2014, EDA utilized its revenue bond structure (Silver Line Phase II) Series 2014 to enter into a loan agreement with the United States Department of Transportation for a Transportation Infrastructure Financing and Innovation Act (TIFIA) loan in the principal amount up to \$403,274,894 (plus capitalized interest). Proceeds from the TIFIA loan will be used to finance the County's share of Phase II of the Silver Line Metrorail expansion. The County is obligated by a contract with the EDA to pay amounts equal to debt service on the TIFIA loan. The County's obligation to make such payments is subject to the annual appropriation by the Board of sufficient funds for such purpose. The terms of the TIFIA bond provide for repayment of the loan to begin October 1, 2023 and end April 1, 2046. The County made the first prepayment of \$38,599,999 on November 17, 2022. The County's outstanding obligations from direct borrowings and direct placements related to governmental activities include the County's TIFIA loan and the County's EDA Series 2021D Refunding Bonds.

The County's TIFIA loan contains a provision that an event of default (including, but not limited to payment defaults, covenant defaults and a default under the TIFIA Loan Agreement) can trigger acceleration of the TIFIA bond as a remedy. The County's EDA Series 2021D Refunding Bonds contain (1) a provision that an acceleration of maturity of the County's EDA Series 2021D Refunding Bonds can be triggered in the event of a payment default only; (2) a provision that provides for an increase in the interest rate on the County's EDA Series 2021D Refunding Bonds during any period in which there is a default under the Master Trust Agreement or the Installment Purchase Contract; and (3) a gross up provision relating to the rate of interest on the County's EDA Series 2021D Refunding Bonds if, after conversion to a tax-exempt rate, a determination of taxability occurs.

Detailed information regarding the direct placements and borrowings outstanding as of June 30, 2023 is contained in Section 6 of this note.

4. Sewer Revenue Bonds

On October 14, 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.

On August 8, 2012, the Sewer System issued \$90,710,000 of Series 2012 sewer revenue bonds, with an average interest rate 4.53 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.

On April 16, 2014, the Sewer System issued \$61,755,000 of Series 2014 sewer revenue refunding bonds, with an average interest rate of 4.14 percent, to advance 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. This refunding resulted in a deferred net loss of \$4,045,945, which is being amortized over 15 years, and an aggregate decrease in the overall debt service of \$15,461,166.

On May 12, 2016, the Sewer System issued \$164,450,000 of Series 2016A sewer revenue bonds, with a weighted average interest rate of 3.92 percent, to advance refund \$123,065,000 of outstanding Series 2009 revenue bonds with an average interest rate of 4.80 percent and \$46,720,000 of outstanding Series 2012 revenue bonds with an average interest rate of 4.67 percent. This refinancing resulted in a deferred net loss of \$12,406,377, which is being amortized over 24 years, and remaining outstanding amounts of \$13,400,000 unrefunded Series 2009 bonds and \$39,545,000 unrefunded Series 2012 bonds. This refunding resulted in an aggregate decrease in the overall debt service of

\$35,116,418 and an economic gain (the difference between the present values of the old and new debt service payments) of \$20,440,024.

On June 28, 2017, the Sewer System issued \$85,785,000 of Series 2017 sewer revenue bonds, with an average interest rate of 4.77 percent, to fund certain additions, extensions, and improvements to the County's sewage collection, treatment, and disposal systems, capital improvement costs allocable to the County at certain wastewater treatment facilities that provide service to the County, the purchase of any necessary additional capacity at certain wastewater treatment facilities for the benefit of the County, the costs of issuing the Series 2017 Bonds, and the necessary deposit to the reserve subfund.

On June 9, 2021, the Sewer System issued \$191,990,000 of Series 2021A sewer revenue bonds, with an average interest rate of 4.66 percent to pay the costs of certain additions, extensions and improvements to the County's sewage collection, treatment and disposal systems, pay for capital improvement costs allocable to the County at certain wastewater treatment facilities that provide service to the County and, if necessary, purchase additional capacity at certain wastewater treatment facilities for the benefit of the County, the costs of issuing the Series 2021A bonds, and the necessary deposit to the reserve subfund.

On June 9, 2021, the Sewer System issued \$24,210,000 of Series 2021B sewer revenue refunding bonds, with an average interest rate of 3.67 percent to refund \$28,625,000 of the outstanding Series 2012 Bonds with an average interest rate of 4.50 percent. The net proceeds were used to redeem the Series 2012 bonds on July 15, 2021. This refunding resulted in a deferred net gain of \$3,969,019, which is being amortized over 21 years, and an aggregate decrease in the overall debt service of \$11,937,848.

As of June 30, 2023, the outstanding bonds consist of \$31,665,000 of Series 2014 revenue refunding bonds, \$150,395,000 of Series 2016A revenue refunding bonds, \$78,610,000 of Series 2017 revenue bonds, \$191,990,000 of Series 2021A revenue bonds, and \$24,210,000 of Series 2021B revenue refunding bonds.

The aforementioned sewer revenue bonds were issued in accordance with the General Bond Resolution adopted by the Board on July 29, 1985 and are payable from and secured by the net revenue generated through the Sewer System's operations. The General Bond Resolution includes a rate covenant under which the Sewer System agrees to charge reasonable rates for the use of services it renders but 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 as well as the Sewer System's annual commitments to fund its proportionate share of other jurisdictions' debt service requirements. Pursuant to the General Bond Resolution, the Sewer System is required to maintain a reserve equal to the lesser of (i) the maximum principal and interest requirements of the outstanding bonds for any year or (ii) 125 percent of the average annual principal and interest for any bond year.

In the event of default, Sewer Revenue Bonds Trustees may proceed to protect and enforce its rights and rights of the Bond Holders under the laws of the Commonwealth or the General Bond Resolution or by proceedings in the office of any board having jurisdiction, either for the specific performance of any agreement or for the enforcement of any proper legal or equitable remedy. In the enforcement of any remedy under the General Bond Resolution, the Trustee or the Bond Holders will be entitled to sue for, enforce payment of amounts remaining due for principal, interest, interest on overdue payments of principal, all costs and expenses of collection and all proceedings under the General Bond Resolution. The acceleration clause allows the lender, upon default, to accelerate payment of the entire unpaid Bond principal and interest.

On November 23, 2021, the Fairfax County Economic Development Authority (EDA) issued \$74,605,000 of Fairfax County Facilities Revenue Bonds Series 2021A, with an average interest rate of 4.60 percent, to fund the costs of construction of a joint Stormwater/Wastewater facility to be used to consolidate the functions and operations of Fairfax County's Stormwater and Wastewater divisions

(the “2021 Public Works Project”) and to pay the issuance costs of the Series 2021A bonds. Of the total par value in the amount of \$74,605,000, Stormwater’s component share is \$54,550,000, while Wastewater’s component share is \$20,055,000.

The outstanding bonds as of June 30, 2023 consist of \$52,910,000 for the Stormwater component and \$19,450,000 for the Wastewater component.

In December 2003, UOSA issued \$58,150,000 of regional sewer system revenue refunding bonds (UOSA 2003) to advance refund its outstanding UOSA 1993 bonds, resulting in a deferred net gain of \$1,514,497, which is being amortized over 18 years.

In July 2005, UOSA issued \$82,465,000 of regional sewer system revenue refunding bonds (UOSA 2005), of which the Sewer System’s share is \$53,201,198, to advance refund another portion of the outstanding UOSA 1995 bonds. This resulted in a deferred net gain of \$1,909,604, which is being amortized over the life of the UOSA 2005 bonds.

In February 2007, UOSA issued \$90,315,000 of regional sewer system revenue refunding bonds (UOSA 2007A), of which the Sewer System’s share is \$58,265,521, to advance refund another portion of the outstanding UOSA 1995 bonds. This resulted in a deferred net loss of \$83,868, which is being amortized over the life of the UOSA 2007A bonds.

In December 2007, UOSA issued \$119,715,000 of regional sewer system revenue bonds (UOSA 2007B), of which the System’s share is \$53,925,458, to fund the expansion of its wastewater treatment and conveyance facilities.

In December 2010, UOSA issued \$85,180,000 of regional sewer system revenue bonds (UOSA 2010), of which the System’s share is \$34,113,615, to fund certain capital improvements.

In July 2011, UOSA entered into VRA loan Series 2011A to fund costs related to the Energy Service project. In December 2011, UOSA entered into VRA loan Series 2011B to fund Phase 1 of the Nutrient Compliance Improvement Project.

In May 2013, UOSA issued \$101,615,000 of regional sewer system revenue refunding bonds (UOSA 2013A), of which the System’s share is \$65,555,566, to advance refund the outstanding Series 2005 bonds. This refunding resulted in a deferred net loss of \$12,354,368, which is being amortized over the life of the Series 2013A bonds, but an aggregate decrease in the overall debt service of approximately \$4.9 million.

In fiscal year 2015, UOSA issued regional sewer system revenue refunding bonds (UOSA 2014) to advance refund the outstanding UOSA 2007A bonds and a portion of the outstanding UOSA 2007B bonds. Of the \$112,190,980 UOSA 2007 bonds outstanding balance, \$93,175,291 was refunded into the UOSA 2014 bonds. This resulted in a net deferred gain of \$2,029,198, which is being amortized over 24 years, and an aggregate decrease in the overall debt service of \$6,359,189.

In fiscal year 2016, UOSA issued regional sewer system revenue refunding bonds (UOSA 2016B) to advance refund the \$19,015,689 remaining outstanding UOSA 2007B bonds. This refunding resulted in a deferred net gain of \$533,782, which is being amortized over 22 years, and an aggregate decrease in the overall debt service of \$4,676,694.

In December 2019, UOSA issued \$52,440,000 of regional sewer system revenue bonds (UOSA 2019), of which the System’s share is \$21,410,631, to fund improvements to UOSA’s regional advanced wastewater treatment system.

In November 2020, UOSA issued \$199,755,000 of regional sewer system revenue refunding bonds (UOSA 2020), of which the System's share is \$111,228,596, to advance refund the \$91,146,092 remaining outstanding UOSA 2014 bonds. This refunding resulted in a deferred net loss of \$19,939,089, which is being amortized over 20 years, but an aggregate decrease in the overall debt service of \$2,594,724.

In December 2022, UOSA issued \$48,830,000 of regional sewer system revenue bonds (UOSA 2022), of which the System's share is \$19,647,019, to fund improvements to UOSA's regional advanced wastewater treatment system.

The Sewer System's share of UOSA's total outstanding debt as of June 30, 2023 is \$225,098,562 and it is subordinate to the sewer revenue bonds issued by the Sewer System.

In the event of default, UOSA bondholders have the right to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Trust Agreement. Bondholders do not have the right to institute any suit, action, or proceeding in equity or at law for enforcement of the Trust Agreement for the execution trust unless the specific terms of the bond agreement are met. Nothing in the Trust Agreement shall affect or impair the right of any bondholder to enforce legal action for payment of the principal, premium, and interest upon maturity of the bond.

Detailed information regarding the sewer revenue bonds outstanding as of June 30, 2023 is contained in Section 6 of this note.

5. Notes Payable

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. 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. Duplicate entries have been eliminated for reporting purposes.

In the event of default, the Park Authority is not obligated to pay the instalments on these notes except from the County payments pledged for such purpose. Neither the faith and credit nor the taxing power of the County or Park Authority is pledged to the payments of installments on these notes. The Park Authority has no taxing power.

In January 2023, the County entered into an equipment master lease agreement with the Banc of America Public Capital Corp. to finance the purchase of portable and mobile radios for the public safety agencies over a ten-year period in the amount of \$27,669,645. The ownership of the equipment will transfer to the County at the end of the lease term. The lease is recognized as financed-purchase lease and recorded as notes payable.

Detailed information regarding notes payable outstanding as of June 30, 2023 is contained in Section 6 of this note.

6. 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, 2023, are comprised of the issues presented on the following pages:

BASIC FINANCIAL STATEMENTS

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 2009 E	Public Improvement (BABs)	4.70-5.25	10-28-09	10-01-29	4,247	\$ 63,700	29,727	5,307	35,034
Series 2012 B	Refunding	5.00	02-02-12	04-01-24	9,767	74,759	9,768	488	10,256
Series 2013 B	Refunding	3.00-4.00	01-24-13	10-01-25	1,242-8,716	54,389	15,090	802	15,892
Series 2014 A	Public Improvement	3.00-5.00	02-06-14	10-01-33	6,170	123,426	18,509	1,265	19,774
Series 2014 A	Refunding	5.00	02-06-14	10-01-23	833	18,569	833	21	854
Series 2014 B	Refunding	3.00-5.00	11-04-14	10-01-26	5,424-15,893	70,399	39,289	2,873	42,162
Series 2015 A	Public Improvement	3.00-5.00	03-04-15	10-01-34	4,300	86,037	25,800	3,268	29,068
Series 2015 B	Refunding	3.00-5.00	03-11-15	10-01-26	1,824-8,613	17,989	17,989	2,120	20,109
Series 2015 C	Refunding	5.00	07-07-15	10-01-25	2,682-2,717	49,077	8,099	609	8,708
Series 2016 A	Public Improvement	3.00-4.00	02-09-16	10-01-35	4,115	82,312	28,805	3,812	32,617
Series 2016 A	Refunding	3.00-4.00	02-09-16	10-01-30	2,242-13,840	37,806	33,177	6,057	39,234
Series 2017 A	Public Improvement	4.00-5.00	02-07-17	10-01-36	4,565-4,570	91,395	63,975	19,031	83,006
Series 2018 A	Public Improvement	4.00-5.00	01-24-18	10-01-37	4,221-4,225	84,481	63,355	20,692	84,047
Series 2019 A	Public Improvement	4.00-5.00	02-12-19	10-01-38	2,920-2,925	58,460	46,760	18,330	65,090
Series 2019 B	Refunding	3.30-5.00	02-12-19	10-01-32	124-4,056	17,066	16,708	4,465	21,173
Series 2020 A	Public Improvement	4.00-5.00	02-11-20	10-01-39	3,515-3,520	70,064	59,810	25,050	84,860
Series 2020 A	Refunding	4.00-5.00	02-11-20	10-01-31	1,355-3,423	35,627	28,017	6,182	34,199
Series 2020 B	Refunding	0.38-1.83	09-16-20	10-01-35	2,047-15,316	122,271	117,797	12,852	130,649
Series 2021 A	Public Improvement	2.00-4.00	02-09-21	10-01-40	4,870-4,875	96,850	87,700	20,655	108,355
Series 2022 A	Public Improvement	2.00-4.00	02-08-22	10-01-41	5,450-5,455	109,060	103,605	27,535	131,140
Series 2023 A	Public Improvement	4.00-5.00	02-02-23	10-01-42	6,645	132,900	132,900	54,673	187,573
Total general obligation bonds - General County						<u>1,496,637</u>	<u>947,713</u>	<u>236,087</u>	<u>1,183,800</u>
Schools:									
Series 2009 E	Public Improvement (BABs)	4.70-5.25	10-28-09	10-01-29	9,233	138,500	64,633	11,539	76,172
Series 2012 B	Refunding	5.00	02-02-12	04-01-24	14,743	117,591	14,743	737	15,480
Series 2013 B	Refunding	3.00-4.00	01-24-13	10-01-25	1,518-11,969	73,611	19,525	1,022	20,547
Series 2014 A	Public Improvement	3.00-5.00	02-06-14	10-01-33	7,045	140,904	21,136	1,444	22,580
Series 2014 A	Refunding	5.00	02-06-14	10-01-23	1,572	33,411	1,572	39	1,611
Series 2014 B	Refunding	3.00-5.00	11-04-14	10-01-26	6,626-20,725	131,791	64,386	4,422	68,808
Series 2015 A	Public Improvement	3.00-5.00	03-04-15	10-01-34	7,065	141,303	42,390	5,369	47,759
Series 2015 B	Refunding	3.00-5.00	03-11-15	10-01-26	4,736-19,772	39,081	39,081	4,467	43,548
Series 2015 C	Refunding	5.00	07-07-15	10-01-25	3,278-3,328	90,438	9,906	746	10,652
Series 2016 A	Public Improvement	3.00-4.00	02-09-16	10-01-35	6,735-6,740	134,728	47,150	6,238	53,388
Series 2016 A	Refunding	3.00-4.00	02-09-16	10-01-30	5,819-27,125	81,134	69,118	12,780	81,898
Series 2017 A	Public Improvement	4.00-5.00	02-07-17	10-01-36	6,845-6,850	136,980	95,880	28,522	124,402
Series 2018 A	Public Improvement	4.00-5.00	01-24-18	10-01-37	6,755-6,760	135,160	101,359	33,111	134,470
Series 2019 A	Public Improvement	4.00-5.00	02-12-19	10-01-38	7,810	156,200	124,960	49,008	173,968
Series 2019 B	Refunding	3.30-5.00	02-12-19	10-01-32	201-6,604	27,784	27,202	7,269	34,471
Series 2020 A	Public Improvement	4.00-5.00	02-11-20	10-01-39	7,210-7,215	143,861	122,645	51,384	174,029
Series 2020 A	Refunding	4.00-5.00	02-11-20	10-01-31	2,465-6,233	64,833	50,983	11,249	62,232
Series 2020 B	Refunding	0.38-1.83	09-16-20	10-01-35	2,863-21,890	171,789	165,533	18,781	184,314
Series 2021 A	Public Improvement	2.00-4.00	02-09-21	10-01-40	7,915	157,340	142,470	33,560	176,030
Series 2022 A	Public Improvement	2.00-4.00	02-08-22	10-01-41	8,175-8,180	163,590	155,410	41,305	196,715
Series 2023 A	Public Improvement	4.00-5.00	02-02-23	10-01-42	9,445-9,455	189,000	189,000	77,734	266,734
Total general obligation bonds - Schools						<u>2,469,029</u>	<u>1,569,082</u>	<u>400,726</u>	<u>1,969,808</u>
Total general obligation bonds						<u>3,965,666</u>	<u>2,516,795</u>	<u>636,813</u>	<u>3,153,608</u>
Revenue bonds:									
EDA revenue bonds:									
Series 2014 A	Public Safety Facility Project	5.00	06-26-14	10-01-24	7,040	126,690	14,080	704	14,784
Series 2014 A	County Facilities Refunding	5.00	06-26-14	10-01-24	1,955-2,050	44,000	4,005	203	4,208
Series 2014 B	County Facilities Project	3.31-3.53	06-26-14	10-01-24	1,395-1,445	30,175	2,840	100	2,940
Series 2016	Silver Line Phase 1 Project	4.00-5.00	03-16-16	04-01-34	8,600-12,955	173,960	116,765	30,404	147,169
Series 2017	MetroRail Parking System Project	5.00	03-08-17	04-01-47	1,475-4,530	69,645	65,625	48,517	114,142
Series 2017A	County Facilities Project	2.58-3.79	08-10-17	10-01-37	810-1,290	19,060	15,270	4,450	19,720
Series 2017B	County Facilities Refunding	1.63-5.00	08-10-17	10-01-28	1,445-1,845	31,150	9,820	1,536	11,356
Series 2019	Six Public Facilities Refunding	3.50-4.13	04-23-19	04-01-32	1,270-1,725	18,125	13,470	3,101	16,571
Series 2020	MetroRail Station Parking Refunding	5.00	05-05-20	08-01-34	3,485-6,035	62,285	55,825	18,401	74,226
Series 2021 A	County Facilities Projects (Stormwater)	4.00-5.00	11-23-21	10-01-41	1,725-4,100	54,550	52,910	26,518	79,428
Series 2021 B	County Facilities Refunding	4.00-5.00	11-23-21	10-01-41	2,525-3,020	13,865	13,865	10,069	23,934
Series 2021 C	County Facilities Refunding	0.51-2.63	11-23-21	10-01-36	1,420-5,380	53,475	48,405	7,847	56,252

(Continued)

NOTES TO THE FINANCIAL STATEMENTS

(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)
FCRHA lease revenue bonds:								
Series 2019 Wedgewood	5.00	08-13-19	10-01-39	2,140-4,765	\$ 61,795	55,970	27,109	83,079
VRA Subfund Revenue bonds:								
Series 2013 C Linconia Project	4.40-5.13	11-20-13	10-01-33	555	11,085	6,105	1,551	7,656
CDA revenue bonds:								
Series 2020 A Tax-Exempt	4.00	12-03-20	03-01-36	1,550-3,295	37,765	34,235	10,335	44,570
Series 2020 A Taxable	0.90-2.99	12-03-20	03-01-36	965-1,410	17,885	15,850	3,025	18,875
Total revenue bonds					825,510	525,040	193,870	718,910
Direct Placements and Borrowings:								
Series 2021 D Revenue Bonds County Facilities Refunding	2.03	11-23-21	10-01-34	1,730-11,340	110,485	108,790	14,690	123,480
TIFIA Loan	2.73	12-17-14	04-01-46	4,462-8,003	403,275	433,427	153,093	586,520
Total direct placements and borrowings					513,760	542,217	167,783	710,000
Notes payables:								
General County:								
Salona	4.22-4.29	12-27-05	12-31-25	645	12,900	1,613	103	1,716
Financed purchase agreement	4.1520	01-06-23	01-06-33	2,288-3,300	27,669	27,670	6,703	34,373
Schools:								
Financed purchase agreement - Bus	1.10-4.34	10-26-19	05-05-28	161-816	44,884	31,928	2,867	34,795
Financed purchase agreement - Gatehouse building	5.0000	01-10-05	01-04-35	2,880	60,690	34,565	4,486	39,051
Financed purchase agreement - Laptops	0.56-4.64	05-17-20	09-23-26	530-5,495	54,533	24,431	877	25,308
Park Authority:								
Financed purchase agreement	4.5000	06-01-22	06-01-26	1,355 - 2,711	153	117	9	126
Total notes payables					200,829	120,324	15,045	135,369
HUD Section 108 Loans:								
HUD Section 108 loan #12	Variable	02-14-11	08-01-30	343-344	6,535	2,751	351	3,102
Total HUD Section 108 loans					6,535	2,751	351	3,102
Total governmental activities					5,512,300	3,707,127	1,013,862	4,720,989
Business-type activities:								
Sewer revenue bonds:								
UOSA Bonds Subordinated	0.297-5.60	12-23-10	07-01-52	1,072-24,063	277,621	225,099	63,581	288,680
EDA Series 2021A Subordinated	4.00-5.00	11-23-21	10-01-41	635-1,505	20,055	19,450	9,748	29,198
Series 2014 Refunding	3.00-5.00	04-16-14	07-15-28	4,735-5,770	61,755	31,665	3,437	35,102
Series 2016 Refunding	3.00-5.00	05-12-16	07-15-39	6,615-12,950	164,450	150,395	51,510	201,905
Series 2017 Revenue	4.00-5.00	06-28-17	07-15-47	1,620-5,375	85,785	78,610	59,091	137,701
Series 2021A Revenue	4.00-5.00	06-09-21	07-15-51	3,130-11,545	191,990	191,990	149,568	341,558
Series 2021B Refunding	3.00-4.00	06-09-21	07-15-42	3,585-4,545	24,210	24,210	15,144	39,354
Total business-type activities					825,866	721,419	352,079	1,073,498
Total County bond, note, and loan indebtedness					\$ 6,338,166	4,428,546	1,365,941	5,794,487

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, 2023 are as follows:

Fiscal Year	Governmental Activities								Business-Type			
	General Obligation Bonds		Revenue Bonds		Direct Placements and Direct Borrowings		Notes and Loans		Sewer System Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 224,530	93,760	36,575	22,146	15,475	13,947	28,196	3,506	32,524	27,009	337,300	160,368
2025	221,335	81,314	37,890	20,485	16,165	13,499	21,736	2,825	34,092	25,769	331,218	143,892
2026	210,975	72,294	30,025	18,995	25,868	12,990	13,172	2,285	42,528	24,495	322,568	131,059
2027	203,075	63,919	31,315	17,669	26,083	12,363	12,293	1,847	37,295	23,207	310,061	119,005
2028	190,725	56,070	32,690	16,274	26,304	11,741	10,331	1,412	38,408	22,085	298,458	107,582
2029-2033	774,185	184,266	182,585	59,806	135,360	48,825	31,128	3,394	135,603	94,681	1,258,861	390,972
2034-2038	486,470	72,473	104,130	26,698	114,810	32,563	6,220	127	140,435	69,021	852,065	200,882
2039-2043	205,500	12,717	52,965	9,637	109,177	18,327	-	-	129,087	41,055	496,729	81,736
2044-2048	-	-	16,865	2,160	72,975	3,528	-	-	77,736	19,996	167,576	25,684
2049-2053	-	-	-	-	-	-	-	-	52,596	4,716	52,596	4,716
2054-2058	-	-	-	-	-	-	-	-	1,115	45	1,115	45
Totals	\$ 2,516,795	636,813	525,040	193,870	542,217	167,783	123,076	15,396	721,419	352,079	4,428,547	1,365,941

In July 2005, the City of Fairfax (the City) secured funding, for the construction of the New Library, through the sale of 30 year EDA Lease Revenue Bonds for public improvements. Approximately, \$22,940,000 of the bond proceeds were allocated for the construction of the New Library. After the new library was completed, the City transferred ownership to the County on January 13, 2009, including all land and the new building. On January 22, 2009, the County transferred ownership to the City for the existing library, including all land and the old building.

Annual requirements to amortize long-term obligations related to the library exchange are as follows:

Fiscal Year	Governmental Activities
	Library Exchange Contribution
2024	\$ 871,646
2025	875,031
2026	878,429
2027	881,841
2028	885,265
2029-2033	4,478,162
2034-2035	1,815,707
Totals	\$ 10,686,081

7. FCRHA Bonds, Notes, and Loans Payable

In December 2018, the FCRHA issued a \$20,000,000 Multifamily Housing Revenue Bond Note (Series 2018) for the acquisition and rehabilitation of Murraygate Village Apartments by Murraygate Village Limited Partnership (MVL), a limited partner of the FCRHA. These bonds had an interest rate of 2.26 percent. In August 2020, the FCRHA issued an additional \$4,000,000 Multifamily Housing Revenue Bond Note (Series 2020) for the continued rehabilitation of Murraygate Village Apartments by MVL. These bonds had an interest rate of 2.00 percent.

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.

The table details all FCRHA bonds, notes (including a loan from the County), and loans payable as of June 30, 2023, 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	1,630
Tax-exempt revenue bonds	Herndon Harbor I - rental property	6.35	08-01-97	07-01-27	24-30	2,875	275
Multi-family revenue bonds	Herndon Harbor II - rental property	4.875-6.0	05-01-99	05-01-29	44-56	2,000	727
Multi-family revenue bonds	Cedar Ridge Apartments	5.98	03-29-07	10-01-48	62-115	13,200	11,138
Multi-family revenue bonds	Olley Glen - senior rental property	average of 5.37%	08-26-08	08-01-51	30-355	12,220	4,442
Lease revenue bonds		5.00	08-13-19	10-01-39	2,140-4,765	61,795	55,970
Total mortgage bonds payable - FCRHA						98,430	74,182
Mortgage Notes Payable and Loan from County:							
United Bank	Faircrest North, Laurel Hill, Westcott Ridge, Legato Corner	6.21	01-01-07	12-01-32	54-65	2,998	1,291
Sun Trust Bank	Stonegate rental property	6.16	02-08-05	01-08-24	112	1,286	117
Virginia Housing Development	First Stop Group Home property	7.61	08-01-06	03-01-25	36	385	63
	Gum Springs Glen property	4.50	07-22-03	08-31-33	96	1,500	769
Fulton Bank	Morris Glen	8.50	01-01-14	04-01-26	26	322	120
Fairfax County Redevelopment and Housing Authority	Herndon Harbour House I	2.00	varies	08-01-27	-	3,013	2,654
	Herndon Harbour House II	2.00	varies	05-01-29	-	3,059	3,059
	The Green rental property	3.37	varies	11-01-28	-	1,257	907
	Castellani Meadows	4.00	varies	04-01-28	-	1,920	1,226
	Tavener	7.21	varies	01-01-27	-	2,042	778
	Morris Glen	1.00-2.00	varies	01-01-26	-	2,272	1,410
	Stonegate	1.00	varies	04-01-24	-	1,957	271
	Gum Springs Glen	4.25	varies	04-01-33	-	655	427
Total mortgage notes payable - FCRHA						22,666	13,092
Total public housing bonds, notes, and loans payable - FCRHA primary government						\$ 121,096	87,274

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, 2023, are presented below:

Fiscal Year	Component Unit - FCRHA (Primary Government)					
	Housing Bonds Payable		Mortgage Notes Payable and Loan from County		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 2,943,781	964,020	300,068	101,572	3,243,849	1,065,592
2025	3,110,164	916,353	184,198	86,988	3,294,362	1,003,341
2026	3,273,145	865,496	1,575,326	605,309	4,848,471	1,470,805
2027	3,474,172	804,492	3,557,747	1,607,438	7,031,919	2,411,930
2028	3,090,857	762,701	2,266,480	2,148,300	5,357,337	2,911,001
2029-2033	17,350,689	3,470,098	4,937,602	2,195,321	22,288,291	5,665,419
2034-2038	22,237,316	2,849,392	270,500	-	22,507,816	2,849,392
2039-2044	12,851,874	2,067,509	-	-	12,851,874	2,067,509
2044-2048	4,518,190	1,001,073	-	-	4,518,190	1,001,073
2049-2053	1,331,529	96,058	-	-	1,331,529	96,058
Totals	\$ 74,181,717	13,797,192	13,091,921	6,744,928	87,273,638	20,542,120

8. 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, with an average interest rate of 4.36 percent, to advance refund \$11,670,000 of the outstanding Series 1995 bonds with an average interest rate of 6.62 percent. Proceeds of \$12,615,112 were used to purchase U.S. Government securities, which were deposited in an irrevocable escrow fund to provide for the resources to redeem the Series 1995 Bonds on July 15, 2003. The outstanding \$7.02 million of Revenue Bonds Series 2001 was refunded on June 5, 2013 through the Virginia Resources Authority bond sale of Series 2013, which resulted in a total debt service savings of \$1.92 million. The bonds are solely the obligation of the Park Authority and were paid off in October 2020 of fiscal year 2021. As a result of this, the bond covenant which required to keep reserve in the Park Improvement Fund, upon recommendation of the Executive Director, the Park Board approved transfer into Park Revenue and Operating Fund to restore the net negative position caused due to the COVID-19 pandemic.

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. As a result of the refunding of the Series 2003 Laurel Hill revenue bonds by the Fairfax County Economic Development Authority in April 2012, the outstanding loan payable amount was reduced to \$13,200,220. In November 2021, the County refinanced Laurel Hill 2012A Bond Series and fully refunded the remaining debt balance of \$9,599,400, with an interest saving of \$257,457 and entered in the 2021C Bond Series. The loan payable amount outstanding as of June 30, 2023 is \$8,505,000.

The debt service requirements to maturity for the outstanding bonds and loan at June 30, 2023, are as follows:

Fiscal Year	Loan from Primary Government		
	Int. Rate	Principal	Interest
2024	0.51 %	\$ 765,000	130,547
2025	0.83	810,000	125,243
2026	1.11	815,000	117,378
2027	1.39	825,000	107,262
2028	1.58	840,000	95,011
2029-2033	1.98	4,450,000	232,269
Totals		\$ 8,505,000	807,710

9. Conduit Debt Obligations

The FCRHA is empowered by the Commonwealth 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. The FCRHA has only limited commitments for these conduit debt obligations. A bondholder’s sole recourse in the event of default on the tax-exempt bonds is to the subject property and third-party beneficiaries. Due to the implementation of GASB Statement No. 91, these bonds have been recorded in the FCRHA financial statements as long-term obligation. As the County is responsible, under the related documents and subject to annual appropriations, to make payments to a trustee sufficient to pay principal and interest on all these bonds, the related non-current receivables from the County have been recorded in the FCRHA financial statements. As of June 30, 2023, approximately \$68.7 million of such tax-exempt bonds are still outstanding.

On December 15, 2020, the FCRHA issued \$22,500,000 of Multifamily Housing Revenue Bonds. The tax-exempt bonds have provided funding for the construction of a 148- unit project known as Ovation at Arrowbrook. The project is owned by Arrowbrook Apartments II, LLC. The FCRHA is a conduit issuer for these bonds and the bondholders will be paid solely from the project’s revenue. The bond bears an initial interest rate of 0.41 percent and matures on January 1, 2041.

During the year ended June 30, 2022, the FCRHA issued private activity bonds to make loans for the assistance in the development, equipping, and/or construction of four affordable rental housing development projects by private sponsors. In June 2022, a total of \$515,000 in short-term Multifamily Housing Revenue Bonds (Series 2022) were issued to provide supplemental financing for the costs of the construction and equipping of a 47 unit (\$270,000) and a 94 unit (\$245,000) residential rental housing project. Both projects comprise one portion of a larger affordable multifamily housing development to be known as Residences at North Hill. The construction of the projects was also financed with Virginia Housing 4.00 percent Low Income Housing Tax Credits. The bonds bear an average interest rate of 2.75 percent calculated on the basis of a 360-day year with a maturity date of May 1, 2023.

In September 2021, FCRHA issued a total of \$19,680,000 in Multifamily Housing Revenue Bonds (Series 2021) to provide supplemental financing for the construction of a 120-unit affordable multifamily housing development project to be known as One University Senior Apartments. The

Project was to be constructed on the land owned by FCRHA and leased to the borrower pursuant to a Deed of Lease between FCRHA and the borrower. The bond bears an interest rate of 1.25 percent and matures on December 1, 2025.

In October 2021, FCRHA issued a total of \$12,570,000 in Multifamily Housing Revenue Bonds (Series 2021) to finance, refinance or reimburse a portion of the costs of the construction and equipping of a 70-unit multifamily housing development to be owned and operated as an affordable multifamily rental housing project and to be known as Oakwood North Four Project. The Project was to be constructed on the land owned by FCRHA and leased to an affiliate of the Borrower pursuant to a Deed of Lease and sub-leased to the Borrower pursuant to a Sub-Leased Agreement. The bond bears an initial interest rate of 0.41 percent with a maturity date of May 1, 2025.

In September 2022, FCRHA issued a total of \$7,717,000 in Multifamily Housing Revenue Bonds (Series 2022) to provide supplemental financing for the construction of a 44-unit affordable multifamily housing development project known as Braddock Four Apartments. The Project was to be constructed on the land owned by FCRHA and leased to the borrower pursuant to a Deed of Lease between FCRHA and the borrower. The bond bears an interest rate of 1.25 percent with a maturity date April 1, 2042.

In December 2022, FCRHA issued a total of \$2,722,000 in Multifamily Housing Revenue Bonds (Series 2022) to provide supplemental financing for the construction of a 148-unit affordable housing development project known as Arrowbrook Apartments. The Project was to be constructed on the land owned by FCRHA and leased to the borrower pursuant to a Deed of Lease between FCRHA and the borrower. The bond bears an interest rate of 1.25 percent with a maturity date of January 1, 2025.

The EDA is empowered by the Commonwealth 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. The EDA has only limited commitments for these conduit debt obligations. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2023, the cumulative amount of all IRBs outstanding was \$347,399,664.

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 constructing certain improvements to State Route 28 in the County and in Loudoun County, Virginia. In May 2012, the EDA issued \$86,275,000 of transportation contract revenue refunding bonds, Series 2012, 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. In August 2016, the EDA issued \$43,035,000 of transportation contract revenue refunding bonds, Series 2016 A and \$45,760,000 of transportation contract revenue refunding bonds, Series 2016 B, on behalf of the State Route 28 Transportation Improvement District to advance refund \$41,505,000 of outstanding Series 2007A bonds and partially refund \$43,660,000 of outstanding principal of the Series 2008 Bonds, respectively, leaving \$3,590,000 of the outstanding principal of the Series 2008 bonds unrefunded. In February 2022, the EDA issued \$49,080,000 of transportation contract revenue refunding bonds, Series 2022A, on behalf of the State Route 28 Transportation Improvement District to current refund all the outstanding maturities of Series 2012 bonds. These bonds are payable primarily from a limited ad valorem real property tax levied by the counties on property owners in the district. The bonds are secured by a reserve subfund, and each County has agreed to cure one-half of any deficiency in the reserve subfund. As neither the EDA nor the Counties are responsible for making principal or interest payments on the bonds, neither reports a liability for the bonds. Rather, this liability for debt service payments on the bonds rests with the State Route 28 Highway Transportation Improvement District. As of June 30, 2023, the

total outstanding principal amount of these transportation contract revenue bonds outstanding was \$131,360,000.

In the event of default, Trustees may proceed to protect and enforce its rights and rights of the State Route 28 District's Bond Holders under the Master Indenture, the Bond Acts and the Bonds by such suits, actions, or proceedings provided, that any monetary remedies under the Master Indenture will be limited to amounts, if any, from the Board's Trust Estate, including but limited to civil actions to recover monetary damages. The acceleration clause allows the lender, upon default, to accelerate payment of the entire unpaid Bond principal and interest.

10. Defeasance of Debt

Advance Refundings Resulting in 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, 2023, the outstanding bonds considered defeased but not yet redeemed are \$379 million in revenue bonds.

11. Sanitary Landfill Closure and Postclosure Obligation

The County is required to present Financial Assurance Requirements for any future closure and post-closure expenditures related to the I-95 Sanitary Landfill, the I-66 Landfill, and the I-66 Transfer Station by reporting an estimated financial assurance liability (closure and post-closure obligation).

The majority of the \$55.4 million closure and post-closure obligation, as of June 30, 2023, is in relation to the I-95 Landfill. State and federal regulations require the County to place final covers on the I-95 Landfill at key points in time during the life of the disposal units, such as when final design grades are reached and, ultimately, when the unit stops accepting solid waste. In addition, maintenance of environmental infrastructure and monitoring of performance parameters are required for 30 years after closure.

The I-95 Landfill consists of two major units: the Municipal Solid Waste (MSW) unit and the Area Three Lined Landfill (ATLL) unit. The MSW unit stopped accepting waste on December 31, 1995 and the final closure cap, Phase IV, was completed during 2007. As of December 31, 2007, all closure costs associated with the MSW unit were complete and no post-closure costs are anticipated until I-95 Landfill facility reaches capacity. The ATLL unit is active and continues to accept incinerator ash generated from the thermal processing of municipal solid waste at the Fairfax and Arlington/Alexandria Waste-To-Energy facilities. Closure expenditures for approximately 17 percent of the permitted ATLL cap area have been incurred for the ATLL unit. The County holds permits allowing it to continue to dispose of ash in the ATLL unit until it reaches capacity, currently estimated to occur in approximately 2055.

The closure and post-closure obligation for the I-95 Landfill, as of June 30, 2023, is \$53.9 million. The amount represents closure and post-closure obligation for ATLL unit and post-closure obligation for MSW unit. 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.

A \$1.5 million obligation was estimated for long-term operational maintenance expenditures related to the landfill gas collection system at the closed I-66 Landfill and for the closure and post-closure expenditures related to the I-66 Transfer Station.

12. Leases

Leases Payable

The County has entered into various long-term noncancellable lease agreements as lessee for use of office space, land, infrastructure, and office equipment. The County recognizes lease liabilities and intangible right-to-use lease assets in the government-wide financial statements and proprietary fund financial statements. Most leases have initial terms of up to 25 years and contain renewals at the County’s option. As the interest rate implicit in the County’s leases is not readily determinable, the County uses its incremental borrowing rate to discount the lease payments. For additional information, refer to the disclosures below.

At June 30, 2023 the value of the underlying assets and the annual requirements to maturity relating to leases are as follows:

Asset Class	Primary Government - Governmental Activities		Component Units	
Land	\$ 3,413,311			-
Buildings	138,913,238		65,964,688	
Infrastructure	1,825,101		233,954	
Equipment	5,273,399		13,556,730	
Total assets, at cost	149,425,049		79,755,372	
Accumulated amortization	(36,879,620)		(21,287,883)	
Total assets, net	\$ 112,545,429		58,467,489	

Fiscal Year	Primary Government - Governmental Activities			Component Units		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 17,383,606	1,695,568	19,079,174	\$ 12,261,413	1,291,523	13,552,936
2025	16,693,291	1,465,899	18,159,190	8,551,942	959,669	9,511,611
2026	13,130,906	1,248,183	14,379,089	7,894,717	791,095	8,685,812
2027	12,663,939	1,044,410	13,708,349	7,268,994	678,595	7,947,589
2028	12,077,481	849,192	12,926,673	6,875,271	558,287	7,433,558
2029-2033	38,014,309	1,988,743	40,003,052	14,557,511	1,345,157	15,902,668
2034-2038	4,936,128	470,074	5,406,202	3,333,827	1,244,754	4,578,581
2039-2043	1,825,211	172,048	1,997,259	67,198	21,913	89,111
2044-2047	706,709	24,385	731,094	100,098	4,341	104,439
Total	\$ 117,431,580	8,958,502	126,390,082	\$ 60,910,971	6,895,334	67,806,305

13. Subscription-Based Information Technology Arrangements

Subscriptions Payable

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). The primary objective of this statement is to enhance the relevance and consistency of information about governments’ subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this statement, the County is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

The County has entered into various long-term noncancellable subscription arrangements for the use of the vendor’s information technology software. Most of the subscriptions have initial terms of more than one year with up to nine years and contain renewals at the County’s option. The County includes the renewal period in the subscription term when it is reasonably certain that the renewal option will be exercised. The County uses the interest rate charged by the vendor as the discount rate. When the interest rate is not provided, the County generally uses its incremental borrowing rate to discount the subscription payments.

At June 30, 2023 the value of the underlying assets and the annual requirements to maturity relating to subscriptions are as follows:

Asset Class	Primary Government - Governmental Activities		Component Units			
	Principal	Interest	Total	Principal	Interest	Total
Software	\$ 67,135,757		84,558,062			
Total assets, at cost	67,135,757		84,558,062			
Accumulated amortization	(20,285,384)		(14,212,314)			
Total assets, net	\$ 46,850,373		70,345,748			

Fiscal Year	Primary Government - Governmental Activities			Component Units		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 18,295,853	991,925	19,287,778	\$ 13,889,828	1,541,960	15,431,788
2025	16,002,480	606,982	16,609,462	13,818,752	1,217,068	15,035,820
2026	2,867,696	262,871	3,130,567	6,912,220	892,063	7,804,283
2027	2,179,406	185,527	2,364,933	6,472,768	719,964	7,192,732
2028	1,015,603	121,869	1,137,472	6,384,780	555,118	6,939,898
2029-2033	3,570,545	194,631	3,765,176	14,951,832	922,609	15,874,441
Total	\$ 43,931,583	2,363,805	46,295,388	\$ 62,430,180	5,848,782	68,278,962

K. LONG-TERM COMMITMENTS

1. Washington Metropolitan Area Transit Authority (WMATA)

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

Capital Contributions – Transit Equipment and Facilities

Each fiscal year, the County and other local jurisdictions make contributions for WMATA’s acquisition, replacement, and rehabilitation of transit equipment and facilities and for the debt service on federally guaranteed transit revenue bonds issued by WMATA. The County’s obligation of approximately \$48.2 million for fiscal year 2023 was funded with \$30.0 million of County general obligation bond proceeds, bond premium credits, state aid and regional gasoline tax receipts. It is anticipated that the County’s obligation for fiscal year 2024 will amount to \$48.6 million and be funded with \$43.0 million from County general obligation bond proceeds and \$5.6 million of County funds.

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 2023, the County’s obligation of approximately \$163.2 million for operating subsidies was funded with \$41.8 million of County funds and \$121.4 million from state aid and regional gasoline tax receipts provided through the NVTC. It is anticipated that the County’s obligation for fiscal year 2024 will amount to \$167.9 million and be funded with \$121.7 million of state aid and regional gasoline tax receipts provided through the NVTC and \$46.2 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 but is transmitted to NVTC directly from the Commonwealth.

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 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, which required 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 2023 contribution to the VRE was \$4.7 million.

3. Intermunicipal Agreements

City of Alexandria, Virginia Renew Enterprises

The Sewer System is obligated under an agreement with the City of Alexandria, Alexandria Renew Enterprises (ARE) to share in the construction and operating costs and debt service requirements for ARE's 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. Although the Sewer System is allowed one nonvoting representative at the meetings of ARE, the Sewer System 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 ARE.

The ARE facility is currently undergoing major improvements to meet new water quality standards. The Sewer System paid ARE \$9.2 million for purchased capacity in fiscal year 2023 to fund its share of the construction and land acquisition costs. The Sewer System estimates its share of the remaining construction costs to be \$118.9 million, of which \$17.4 million is expected to be incurred in fiscal year 2023 and the remaining balance over fiscal years 2025 to 2032. In addition, the Sewer System made payments of \$11.8 million to ARE during fiscal year 2023 for its share of ARE's operating costs.

District of Columbia Water and Sewer Authority

The Sewer System is obligated under the 2012 Blue Plains 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 nitrogen removal facilities along with the construction of new wet weather flow facilities. The Sewer System paid DC Water \$7.4 million for purchased capacity during fiscal year 2023 to fund its share of construction costs. The Sewer System estimates its share of the remaining construction costs to be \$211.0 million, of which \$20.8 million is expected to be incurred in fiscal year 2023 and the remaining balance over

fiscal years 2025 to 2032. In addition, the Sewer System made payments of \$18.0 million to DC Water during fiscal year 2023 for its share of the Blue Plains 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 finance, construct, and operate the regional sewage treatment facility for the upper portion of the Occoquan Watershed. Currently, the Sewer System has a capacity entitlement of 22.1 MGD, which is approximately 41 percent of this facility’s total capacity of 54.0 MGD. 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.

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 of \$14.8 million in fiscal year 2023 to pay its share of UOSA’s operating costs.

Summarized UOSA financial information as of and for the years ended June 30, 2022 and 2021 (the most recent audited financial information available), is as follows:

	2022	2021
Total assets	\$ 516,740,870	545,139,317
Deferred outflows of resources	26,351,328	30,108,454
Total liabilities	(511,581,240)	(546,755,430)
Deferred inflows of resources	(11,399,652)	(1,214,477)
Net position	\$ 20,111,306	27,277,864
Operating revenues	\$ 31,886,427	32,486,897
Operating expenses	(59,694,039)	(62,531,610)
Nonoperating revenues, net	(4,323,085)	(4,852,451)
Capital contributions	24,964,139	21,107,329
Decrease in net position	\$ (7,166,558)	(13,789,835)
Total net position, beginning of year	27,277,864	41,067,699
Total net position, end of year	\$ 20,111,306	27,277,864

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 3.0 MGD, which is 7.5 percent of the facility’s total capacity of 40.0 MGD. The Sewer System has no significant influence over the management of the treatment facility and no direct on-going equity interest in the facility’s assets and liabilities.

The Arlington facility has recently completed a major upgrade to meet new water quality standards. The Sewer System paid Arlington \$0.6 million for purchased capacity in fiscal year 2023. The Sewer System estimates its share of the remaining construction costs to be \$13.6 million, of which \$3.2 million is expected to be incurred in fiscal year 2023 and the remaining balance over fiscal years 2025 to 2032. In addition, the Sewer System made payments of \$2.4 million for contractual services to

Arlington during fiscal year 2023 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 costs, operating costs, and debt service payments 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 11.0 MGD. The Sewer System has no significant influence over the management of the treatment facility and 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 2023. 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 2024.

4. Long-term Contracts

At June 30, 2023, the Primary Government had contractual commitments of \$246,557,242 in the capital projects funds and \$62,915,406 in the Sewer System for the construction of various sewer projects. At June 30, 2023, the component units had contractual commitments of \$182,648,245 and \$7,345,425 in the capital projects funds of the Public Schools and the Park Authority, respectively, for the construction of various projects

L. CONTINGENT LIABILITIES

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

The County receives grant funds, principally from the federal government, which benefit programs across many functional areas. Certain expenditures of these funds are subject to audit by the grantor, and the County is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of County management, no material refunds will be required as a result of expenditures disallowed by the grantors.

M. IMPLEMENTATION OF NEW ACCOUNTING PRONOUNCEMENTS

In Fiscal Year 2023 the County implemented the following GASB Standards:

No. 96, *Subscription-Based Information Technology Arrangements*

This Statement establishes standards of accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs). Information related to the County's adoption of this Statement can be found in Note J-13 to the financial statements

The implementation of the following standards did not have a material impact on the County's financial statements.

No. 91, Conduit Debt Obligations

This Statement eliminates an existing option for issuers to report conduit debt obligations as their own liabilities and is intended to eliminate diversity in practice associated with reporting and disclosure of information

No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

This Statement establishes definitions of public-private and public-public partnership arrangements (PPPs) and financial reporting for availability payment arrangements (APAs). Also providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. The required disclosures are intended to allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs and APAs.

No. 99, Omnibus 2022

This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics. The requirements related to leases, PPPs, and SBITAs are effective for fiscal year 2023.



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, related to the pension trust funds and OPEB plans 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, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 4,293,797,682	4,343,607,071	4,388,203,709	44,596,638
Permits, privilege fees, and regulatory licenses	10,768,187	9,404,120	9,839,241	435,121
Intergovernmental	355,246,108	359,568,620	365,971,495	6,402,875
Charges for services	58,506,226	59,083,001	62,976,188	3,893,187
Fines and forfeitures	8,166,007	7,275,494	7,873,896	598,402
Revenue from the use of money and property	22,334,209	104,286,843	118,639,690	14,352,847
Recovered costs	17,014,267	17,497,470	19,823,364	2,325,894
Total revenues	4,765,832,686	4,900,722,619	4,973,327,583	72,604,964
EXPENDITURES				
General government administration	143,997,512	152,415,768	140,089,880	12,325,888
Judicial administration	49,315,231	53,933,971	51,309,539	2,624,432
Public safety	569,657,905	585,857,518	563,439,294	22,418,224
Public works	79,135,160	90,740,310	78,426,674	12,313,636
Health and welfare	338,334,820	350,371,689	308,047,188	42,324,501
Community development	67,882,974	75,964,042	66,653,244	9,310,798
Parks, recreation, and cultural	62,694,886	65,209,299	63,979,257	1,230,042
Nondepartmental	439,175,466	632,583,720	485,847,964	146,735,756
Total expenditures	1,750,193,954	2,007,076,317	1,757,793,040	249,283,277
Excess of revenues over expenditures	3,015,638,732	2,893,646,302	3,215,534,543	321,888,241
OTHER FINANCING SOURCES (USES)				
Transfers in from other primary government funds	9,712,936	19,712,936	19,712,936	-
Transfers out to other primary government funds	(732,930,069)	(972,807,667)	(972,807,667)	-
Transfers out to component units	(2,290,910,924)	(2,317,619,236)	(2,317,619,236)	-
Total other financing (uses), net	(3,014,128,057)	(3,270,713,967)	(3,270,713,967)	-
Net change in fund balance	\$ 1,510,675	(377,067,665)	(55,179,424)	321,888,241

See accompanying notes to required supplementary information.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Changes in Net Pension Liability and Related Ratios - Employees' Retirement System
Last Ten Fiscal Years *
(Dollar amounts in thousands)

ACFR Reporting Year Measurement Date June 30 of prior year	2023	2022	2021	2020	2019
Total Pension Liability					
Service cost	\$ 119,242	108,644	103,313	99,759	96,662
Interest	422,967	427,327	415,149	400,860	385,505
Changes in benefit terms	-	-	-	-	603
Differences between expected and actual experience	236,424	(43,616)	(5,461)	29,355	41,363
Changes of assumptions	-	233,720	-	-	-
Benefit payments, including refunds of member contributions	(371,807)	(357,332)	(343,616)	(329,517)	(300,641)
Net change in total pension liability	406,826	368,743	169,385	200,457	223,492
Total pension liability - beginning	6,329,809	5,961,066	5,791,681	5,591,224	5,367,732
Total pension liability - ending	\$ 6,736,635	6,329,809	5,961,066	5,791,681	5,591,224
Plan Fiduciary Net Position					
Contributions - employer	\$ 229,114	227,846	234,743	210,964	188,578
Contributions - member	40,269	39,914	40,327	37,916	36,358
Net investment income	(184,212)	1,096,260	111,442	243,546	269,418
Benefit payments, including refunds of member contributions	(371,807)	(357,332)	(343,616)	(329,517)	(300,641)
Administrative expense	(2,477)	(2,519)	(2,471)	(2,198)	(2,171)
Net change in plan fiduciary net position	(289,113)	1,004,169	40,425	160,711	191,542
Plan fiduciary net position - beginning	5,146,232	4,142,063	4,101,638	3,940,927	3,749,385
Plan fiduciary net position - ending	\$ 4,857,119	5,146,232	4,142,063	4,101,638	3,940,927
Net pension liability - ending	\$ 1,879,516	1,183,577	1,819,003	1,690,043	1,650,297
Plan fiduciary net position as a percentage of the total pension liability	72.10 %	81.30 %	69.49 %	70.82 %	70.48 %
Covered payroll	\$ 793,331	803,691	828,020	777,319	745,664
Net pension liability as a percentage of covered payroll	236.91 %	147.27 %	219.68 %	217.42 %	221.32 %

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

2018	2017	2016	2015	
				Total Pension Liability
93,128	85,499	84,154	84,075	Service cost
367,586	361,074	353,622	340,920	Interest
582	773	1,463	-	Changes in benefit terms
74,948	(104,260)	(8,617)	-	Differences between expected and actual experience
-	68,573	-	-	Changes of assumptions
(284,929)	(274,902)	(258,835)	(238,562)	Benefit payments, including refunds of member contributions
251,315	136,757	171,787	186,433	Net change in total pension liability
5,116,417	4,979,660	4,807,873	4,621,440	Total pension liability - beginning
5,367,732	5,116,417	4,979,660	4,807,873	Total pension liability - ending
				Plan Fiduciary Net Position
167,312	155,780	138,493	129,618	Contributions - employer
35,476	34,627	33,194	32,759	Contributions - member
243,496	(16,668)	16,342	490,196	Net investment income
(284,931)	(274,902)	(258,835)	(238,560)	Benefit payments, including refunds of member contributions
(2,050)	(2,112)	(1,897)	(1,885)	Administrative expense
159,303	(103,275)	(72,703)	412,128	Net change in plan fiduciary net position
3,590,082	3,693,357	3,766,060	3,353,932	Plan fiduciary net position - beginning
3,749,385	3,590,082	3,693,357	3,766,060	Plan fiduciary net position - ending
1,618,347	1,526,335	1,286,303	1,041,813	Net pension liability - ending
69.85 %	70.17 %	74.17 %	78.33 %	Plan fiduciary net position as a percentage of the total pension liability
730,618	708,415	686,289	671,597	Covered payroll
221.50 %	215.46 %	187.43 %	155.12 %	Net pension liability as a percentage of covered payroll

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Changes in Net Pension Liability and Related Ratios - Police Officers Retirement System
Last Ten Fiscal Years *
(Dollar amounts in thousands)

ACFR Reporting Year Measurement Date June 30 of prior year	2023	2022	2021	2020	2019
Total Pension Liability					
Service cost	\$ 35,635	32,981	32,944	31,993	30,744
Interest	134,451	133,441	128,461	123,663	118,405
Differences between expected and actual experience	109,416	20,396	(5,785)	(7,959)	1,315
Changes of assumptions	-	55,913	-	-	-
Benefit payments, including refunds of member contributions	(98,631)	(89,580)	(84,449)	(80,576)	(77,838)
Net change in total pension liability	180,871	153,151	71,171	67,121	72,626
Total pension liability - beginning	2,004,738	1,851,587	1,780,416	1,713,295	1,640,669
Total pension liability - ending	\$ 2,185,609	2,004,738	1,851,587	1,780,416	1,713,295
Plan Fiduciary Net Position					
Contributions - employer	\$ 52,066	50,348	50,781	47,183	44,505
Contributions - member	10,242	14,688	10,570	10,177	9,896
Net investment income	15,536	432,834	(59,355)	71,578	94,135
Benefit payments, including refunds of member contributions	(98,631)	(89,580)	(84,449)	(80,576)	(77,838)
Administrative expense	(664)	(666)	(656)	(611)	(619)
Net change in plan fiduciary net position	(21,451)	407,624	(83,109)	47,751	70,079
Plan fiduciary net position - beginning	1,808,189	1,400,565	1,483,674	1,435,923	1,365,844
Plan fiduciary net position - ending	\$ 1,786,738	1,808,189	1,400,565	1,483,674	1,435,923
Net pension liability - ending	\$ 398,871	196,549	451,022	296,742	277,372
Plan fiduciary net position as a percentage of the total pension liability	81.75 %	90.20 %	75.64 %	83.33 %	83.81 %
Covered payroll	\$ 113,089	121,029	122,071	117,663	114,173
Net pension liability as a percentage of covered payroll	352.71 %	162.40 %	369.48 %	252.20 %	242.94 %

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

2018	2017	2016	2015	
				Total Pension Liability
29,052	30,913	30,390	30,859	Service cost
112,638	110,362	106,740	102,492	Interest
11,638	(30,821)	(11,516)	-	Differences between expected and actual experience
-	9,895	-	-	Changes of assumptions
(73,175)	(70,750)	(67,757)	(62,288)	Benefit payments, including refunds of member contributions
80,153	49,599	57,857	71,063	Net change in total pension liability
1,560,516	1,510,917	1,453,060	1,381,997	Total pension liability - beginning
1,640,669	1,560,516	1,510,917	1,453,060	Total pension liability - ending
				Plan Fiduciary Net Position
43,381	40,647	37,867	34,179	Contributions - employer
9,632	9,324	8,890	10,091	Contributions - member
116,099	10,764	41,601	176,684	Net investment income
(73,176)	(70,750)	(67,757)	(62,288)	Benefit payments, including refunds of member contributions
(481)	(511)	(443)	(431)	Administrative expense
95,455	(10,526)	20,158	158,235	Net change in plan fiduciary net position
1,270,389	1,280,915	1,260,757	1,102,522	Plan fiduciary net position - beginning
1,365,844	1,270,389	1,280,915	1,260,757	Plan fiduciary net position - ending
274,825	290,127	230,002	192,303	Net pension liability - ending
83.25 %	81.41 %	84.78 %	86.77 %	Plan fiduciary net position as a percentage of the total pension liability
111,291	107,022	102,844	100,912	Covered payroll
246.94 %	271.09 %	223.64 %	190.57 %	Net pension liability as a percentage of covered payroll

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Changes in Net Pension Liability and Related Ratios - Uniformed Retirement System
Last Ten Fiscal Years *
(Dollar amounts in thousands)

ACFR Reporting Year Measurement Date June 30 of prior year	2023	2022	2021	2020	2019
Total Pension Liability					
Service cost	\$ 44,932	45,463	43,435	43,537	42,115
Interest	163,743	165,370	159,360	153,521	147,114
Changes in benefit terms	-	-	-	-	956
Differences between expected and actual experience	136,998	(4,253)	(6,625)	(7,935)	(1,128)
Changes of assumptions	-	60,742	-	-	-
Benefit payments, including refunds of member contributions	(124,617)	(119,190)	(111,543)	(105,543)	(96,896)
Net change in total pension liability	221,056	148,132	84,627	83,580	92,161
Total pension liability - beginning	2,442,189	2,294,057	2,209,430	2,125,850	2,033,689
Total pension liability - ending	\$ 2,663,245	2,442,189	2,294,057	2,209,430	2,125,850
Plan Fiduciary Net Position					
Contributions - employer	\$ 65,793	69,464	69,931	69,246	67,895
Contributions - member	12,071	12,980	12,810	12,605	12,262
Net investment income	(193,071)	440,347	(22,161)	78,142	131,997
Benefit payments, including refunds of member contributions	(124,617)	(119,190)	(111,543)	(105,543)	(96,896)
Administrative expense	(665)	(678)	(667)	(620)	(618)
Net change in plan fiduciary net position	(240,489)	402,923	(51,630)	53,830	114,640
Plan fiduciary net position - beginning	2,165,026	1,762,103	1,813,733	1,759,903	1,645,263
Plan fiduciary net position - ending	\$ 1,924,537	2,165,026	1,762,103	1,813,733	1,759,903
Net pension liability - ending	\$ 738,708	277,163	531,954	395,697	365,947
Plan fiduciary net position as a percentage of the total pension liability	72.26 %	88.65 %	76.81 %	82.09 %	82.79 %
Covered payroll	\$ 167,370	178,847	180,049	178,285	174,808
Net pension liability as a percentage of covered payroll	441.36 %	154.97 %	295.45 %	221.95 %	209.34 %

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

2018	2017	2016	2015	
				Total Pension Liability
39,668	43,408	41,721	39,648	Service cost
140,286	136,679	132,951	125,660	Interest
839	806	1,702	-	Changes in benefit terms
6,048	(54,054)	11,019	-	Differences between expected and actual experience
-	20,479	-	-	Changes of assumptions
(93,609)	(90,536)	(84,849)	(78,918)	Benefit payments, including refunds of member contributions
93,232	56,782	102,544	86,390	Net change in total pension liability
<u>1,940,457</u>	<u>1,883,675</u>	<u>1,781,131</u>	<u>1,694,741</u>	Total pension liability - beginning
<u>2,033,689</u>	<u>1,940,457</u>	<u>1,883,675</u>	<u>1,781,131</u>	Total pension liability - ending
				Plan Fiduciary Net Position
67,410	65,548	60,928	56,095	Contributions - employer
12,223	12,020	11,473	10,906	Contributions - member
161,014	(13,447)	21,800	210,256	Net investment income
(93,609)	(90,536)	(84,849)	(78,917)	Benefit payments, including refunds of member contributions
(477)	(500)	(455)	(434)	Administrative expense
146,561	(26,915)	8,897	197,906	Net change in plan fiduciary net position
<u>1,498,702</u>	<u>1,525,617</u>	<u>1,516,720</u>	<u>1,318,814</u>	Plan fiduciary net position - beginning
<u>1,645,263</u>	<u>1,498,702</u>	<u>1,525,617</u>	<u>1,516,720</u>	Plan fiduciary net position - ending
<u>388,426</u>	<u>441,755</u>	<u>358,058</u>	<u>264,411</u>	Net pension liability - ending
80.90 %	77.23 %	80.99 %	85.15 %	Plan fiduciary net position as a percentage of the total pension liability
173,604	168,808	160,762	153,979	Covered payroll
223.74 %	261.69 %	222.73 %	171.72 %	Net pension liability as a percentage of covered payroll

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Changes in Net Pension Liability and Related Ratios - Educational Employees Supplementary Retirement System
Last Ten Fiscal Years *
(Dollar amounts in thousands)

ACFR Reporting Year Measurement Date June 30 of prior year	2023	2022	2021	2020
Total Pension Liability				
Service cost	\$ 92,063	91,770	92,719	90,633
Interest	268,463	253,330	243,579	231,477
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(5,133)	29,759	(12,696)	27,727
Changes of assumptions	133,042	(17,342)	-	-
Benefit payments, including refunds of member contributions	(198,655)	(191,266)	(185,986)	(181,932)
Net change in total pension liability	289,780	166,251	137,616	167,905
Total pension liability - beginning	3,710,208	3,543,957	3,406,341	3,238,436
Total pension liability - ending	\$ 3,999,988	3,710,208	3,543,957	3,406,341
Plan Fiduciary Net Position				
Contributions - employer	\$ 111,119	104,784	104,741	96,983
Contributions - member	50,017	48,934	49,096	46,645
Net investment income	(232,237)	720,739	108,472	117,728
Benefit payments, including refunds of member contributions	(198,655)	(191,266)	(185,986)	(181,932)
Administrative expense	(4,481)	(4,423)	(4,381)	(4,262)
Net change in plan fiduciary net position	(274,237)	678,768	71,942	75,162
Plan fiduciary net position - beginning	3,272,147	2,593,384	2,521,442	2,446,280
Plan fiduciary net position - ending	\$ 2,997,910	3,272,152	2,593,384	2,521,442
Net pension liability - ending	\$ 1,002,078	438,056	950,573	884,899
Plan fiduciary net position as a percentage of the total pension liability	74.95 %	88.19 %	73.18 %	74.02 %
Covered payroll	\$ 1,658,499	1,627,086	1,626,417	1,549,248
Net pension liability as a percentage of covered payroll	60.43 %	26.92 %	58.45 %	57.12 %

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

** Restated from prior year to reflect measurement date presentation.

See accompanying notes to required supplementary information.

2019	2018	2017	2016 **	2015 **	
					Total Pension Liability
88,599	78,926	77,761	77,494	75,788	Service cost
221,107	209,516	205,720	198,939	192,724	Interest
-	(1,039)	-	-	-	Changes in benefit terms
12,141	19,857	(11,012)	(17,051)	(19,052)	Differences between expected and actual experience
-	23,334	45,752	-	-	Changes of assumptions
(177,720)	(173,386)	(170,348)	(167,843)	(167,050)	Benefit payments, including refunds of member contributions
144,127	157,208	147,873	91,539	82,410	Net change in total pension liability
3,094,309	2,937,101	2,789,228	2,697,689	2,615,279	Total pension liability - beginning
3,238,436	3,094,309	2,937,101	2,789,228	2,697,689	Total pension liability - ending
					Plan Fiduciary Net Position
91,705	80,094	76,600	74,324	74,174	Contributions - employer
44,169	43,063	41,384	39,983	40,018	Contributions - member
188,145	250,982	(15,767)	32,084	304,641	Net investment income
(177,720)	(173,386)	(170,348)	(167,842)	(167,050)	Benefit payments, including refunds of member contributions
(4,300)	(4,060)	(4,005)	(3,752)	(3,629)	Administrative expense
141,999	196,693	(72,136)	(25,203)	248,154	Net change in plan fiduciary net position
2,304,281	2,107,588	2,179,724	2,204,927	1,956,773	Plan fiduciary net position - beginning
2,446,280	2,304,281	2,107,588	2,179,724	2,204,927	Plan fiduciary net position - ending
792,156	790,028	829,513	609,504	492,762	Net pension liability - ending
75.54 %	74.47 %	71.76 %	78.15 %	81.73 %	Plan fiduciary net position as a percentage of the total pension liability
1,469,629	1,430,260	1,374,735	1,328,420	1,328,420	Covered payroll
53.90 %	55.24 %	60.34 %	45.88 %	37.09 %	Net pension liability as a percentage of covered payroll

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Net Pension Liability-Single Employer Plans
Last Ten Fiscal Years *
(Dollar amounts in thousands)

ACFR Reporting Year Measurement Date June 30 of prior year	2023	2022	2021	2020
Employees' Retirement System:				
Total pension liability	\$ 6,736,636	6,329,809	5,961,066	5,791,681
Pension plan's fiduciary net position	4,857,120	5,146,232	4,142,063	4,101,638
Net pension liability	\$ 1,879,516	1,183,577	1,819,003	1,690,043
Plan fiduciary net position as a percentage of the total pension liability	72.10 %	81.30 %	69.49 %	70.82 %
Covered payroll	\$ 793,331	803,691	828,020	777,319
Net pension liability as a percentage of covered payroll	236.91 %	147.27 %	219.68 %	217.42 %
Police Officers Retirement System:				
Total pension liability	\$ 2,185,609	2,004,738	1,851,587	1,780,416
Pension plan's fiduciary net position	1,786,738	1,808,189	1,400,565	1,483,674
Net pension liability	\$ 398,871	196,549	451,022	296,742
Plan fiduciary net position as a percentage of the total pension liability	81.75 %	90.20 %	75.64 %	83.33 %
Covered payroll	\$ 113,089	121,029	122,071	117,663
Net pension liability as a percentage of covered payroll	352.71 %	162.40 %	369.48 %	252.20 %
Uniformed Retirement System:				
Total pension liability	\$ 2,663,245	2,442,189	2,294,057	2,209,430
Pension plan's fiduciary net position	1,924,537	2,165,026	1,762,103	1,813,733
Net pension liability	\$ 738,708	277,163	531,954	395,697
Plan fiduciary net position as a percentage of the total pension liability	72.26 %	88.65 %	76.81 %	82.09 %
Covered payroll	\$ 167,370	178,847	180,049	178,285
Net pension liability as a percentage of covered payroll	441.36 %	154.97 %	295.45 %	221.95 %
Educational Employees' Supplementary Retirement System				
Total pension liability	\$ 3,999,988	3,710,208	3,543,957	3,406,341
Pension plan's fiduciary net position	2,997,910	3,272,152	2,593,384	2,521,442
Net pension liability	\$ 1,002,078	438,056	950,573	884,899
Plan fiduciary net position as a percentage of the total pension liability	74.95 %	88.19 %	73.18 %	74.02 %
Covered payroll	\$ 1,658,499	1,627,086	1,626,417	1,549,248
Net pension liability as a percentage of covered payroll	60.42 %	26.92 %	58.45 %	57.12 %

* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

2019	2018	2017	2016	2015	
5,591,224	5,367,732	5,116,416	4,979,660	4,807,874	Employees' Retirement System:
3,940,927	3,749,385	3,590,081	3,693,357	3,766,060	
1,650,297	1,618,347	1,526,335	1,286,303	1,041,814	Pension plan's fiduciary net position
					Net pension liability
70.48 %	69.85 %	70.17 %	74.17 %	78.33 %	Plan fiduciary net position as a percentage of the total pension liability
745,664	730,618	708,415	686,289	671,597	Covered payroll
221.32 %	221.50 %	215.46 %	187.43 %	155.12 %	Net pension liability as a percentage of covered payroll
1,713,295	1,640,669	1,560,516	1,510,917	1,453,060	Police Officers Retirement System:
1,435,923	1,365,844	1,270,389	1,280,915	1,260,757	Total pension liability
277,372	274,825	290,127	230,002	192,303	Pension plan's fiduciary net position
					Net pension liability
83.81 %	83.25 %	81.41 %	84.78 %	86.77 %	Plan fiduciary net position as a percentage of the total pension liability
114,173	111,291	107,022	102,844	100,912	Covered payroll
242.94 %	246.94 %	271.09 %	223.64 %	190.57 %	Net pension liability as a percentage of covered payroll
2,125,850	2,033,689	1,940,457	1,883,675	1,781,131	Uniformed Retirement System:
1,759,903	1,645,263	1,498,702	1,525,617	1,516,720	Total pension liability
365,947	388,426	441,755	358,058	264,411	Pension plan's fiduciary net position
					Net pension liability
82.79 %	80.90 %	77.23 %	80.99 %	85.15 %	Plan fiduciary net position as a percentage of the total pension liability
174,808	173,604	168,808	160,762	153,979	Covered payroll
209.34 %	223.74 %	261.69 %	222.73 %	171.72 %	Net pension liability as a percentage of covered payroll
3,238,436	3,094,309	2,937,101	2,789,228	2,697,689	Educational Employees' Supplementary Retirement System
2,446,280	2,304,281	2,107,588	2,179,724	2,204,927	Total pension liability
792,156	790,028	829,513	609,504	492,762	Pension plan's fiduciary net position
					Net pension liability
75.54 %	74.47 %	71.76 %	78.15 %	81.73 %	Plan fiduciary net position as a percentage of the total pension liability
1,469,629	1,430,260	1,374,735	1,328,420	1,328,420	Covered payroll
53.90 %	55.24 %	60.34 %	45.88 %	37.09 %	Net pension liability as a percentage of covered payroll

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Employer Contributions-Single Employer Plans
Last Ten Fiscal Years
(Dollar amounts in thousands)

	2023	2022	2021	2020	2019
Employees' Retirement Systems:					
Actuarial Determined Contribution Contributions in Relations to the Actuarial Determined Contribution Contribution (Deficiency) Excess	\$ 266,536	229,114	227,846	234,744	210,964
	<u>266,536</u>	<u>229,114</u>	<u>227,846</u>	<u>234,744</u>	<u>210,964</u>
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 922,908	793,331	803,691	828,021	777,319
Contributions as a Percentage of Covered Payroll	28.88%	28.88%	28.35%	28.35%	27.14%
Police Officers Retirement System:					
Actuarial Determined Contribution Contributions in Relations to the Actuarial Determined Contribution Contribution (Deficiency) Excess	\$ 57,592	52,066	50,348	50,781	47,183
	<u>57,592</u>	<u>52,066</u>	<u>50,348</u>	<u>50,781</u>	<u>47,183</u>
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 125,092	113,089	121,029	122,071	117,663
Contributions as a Percentage of Covered Payroll	46.04%	46.04%	41.60%	41.60%	40.10%
Uniformed Retirement System:					
Actuarial Determined Contribution Contributions in Relations to the Actuarial Determined Contribution Contribution (Deficiency) Excess	\$ 74,989	65,793	69,464	69,931	69,246
	<u>74,989</u>	<u>65,793</u>	<u>69,464</u>	<u>69,931</u>	<u>69,246</u>
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 190,764	167,370	178,847	180,049	178,285
Contributions as a Percentage of Covered Payroll	39.31%	39.31%	38.84%	38.84%	38.84%
Educational Employees' Supplementary Retirement System:					
Actuarial Determined Contribution Contributions in Relations to the Actuarial Determined Contribution Contribution (Deficiency) Excess	\$ 117,156	111,119	104,784	104,741	96,983
	<u>117,156</u>	<u>111,119</u>	<u>104,784</u>	<u>104,741</u>	<u>96,983</u>
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 1,748,597	1,658,499	1,627,086	1,626,417	1,549,248
Contributions as a Percentage of Covered Payroll	6.70%	6.70%	6.44%	6.44%	6.26%

See accompanying notes to required supplementary information.

2018	2017	2016	2015	2014	
188,578	167,312	155,780	138,493	129,618	Employees' Retirement Systems: Actuarial Determined Contribution Contributions in Relations to the Actuarial Determined Contribution Contribution (Deficiency) Excess
188,578	167,312	155,780	138,493	129,618	
-	-	-	-	-	
745,664	730,618	708,415	686,289	671,597	Covered Payroll
25.29%	22.90%	21.99%	20.18%	19.30%	Contributions as a Percentage of Covered Payroll
44,505	43,381	40,647	37,867	34,179	Police Officers Retirement System: Actuarial Determined Contribution Contributions in Relations to the Actuarial Determined Contribution Contribution (Deficiency) Excess
44,505	43,381	40,647	37,867	34,179	
-	-	-	-	-	
114,173	111,291	107,022	102,844	100,912	Covered Payroll
38.98%	38.98%	37.98%	36.82%	33.87%	Contributions as a Percentage of Covered Payroll
67,895	67,410	65,548	60,929	56,095	Uniformed Retirement System: Actuarial Determined Contribution Contributions in Relations to the Actuarial Determined Contribution Contribution (Deficiency) Excess
67,895	67,410	65,548	60,929	56,095	
-	-	-	-	-	
174,853	173,604	168,808	160,762	153,979	Covered Payroll
38.83%	38.83%	38.83%	37.90%	36.43%	Contributions as a Percentage of Covered Payroll
93,543	80,305	76,070	74,791	72,749	Educational Employees' Supplementary Retirement System: Actuarial Determined Contribution Contributions in Relations to the Actuarial Determined Contribution Contribution (Deficiency) Excess
91,705	80,146	76,600	74,324	74,174	
(1,838)	(159)	530	(467)	1,425	
1,469,629	1,430,260	1,374,735	1,328,420	1,328,420	Covered Payroll
6.24%	5.60%	5.57%	5.59%	5.58%	Contributions as a Percentage of Covered Payroll

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Proportionate Share of Net Pension Liability in VRS Pension Plan
Last Ten Fiscal Years *
(Dollar amounts in thousands)

	Proportion of the net pension liability	Proportion share of the net pension liability	Covered payroll	Proportionate share of the net pension liability as a percentage of its covered payroll	Contributions as a Percentage of Covered Payroll
2023	17.79%	\$ 1,694,052	\$ 1,657,850	102.18%	82.61%
2022	18.40%	1,428,168	1,626,372	87.81%	85.46%
2021	18.51%	2,693,016	1,626,469	165.57%	71.47%
2020	18.47%	2,430,715	1,549,185	156.90%	73.51%
2019	18.19%	2,139,027	1,470,716	145.44%	74.81%
2018	18.16%	2,232,727	1,432,051	155.91%	72.92%
2017	17.95%	2,515,447	1,368,572	183.80%	68.28%
2016	17.89%	2,251,917	1,330,241	169.29%	70.88%
2015	18.15%	2,193,660	1,327,488	165.25%	70.88%

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

The amounts presented for each fiscal year were determined as of June 30th, year shown is fiscal year of presentation. See accompanying notes to required supplementary information.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Contributions-VRS Pension Plan
Last Ten Fiscal Years *
(Dollar amounts in thousands)

	Actuarial Determined Contribution	Contributions in Relations to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 290,478	\$ 290,478	\$ -	\$ 1,747,762	16.62 %
2022	275,535	275,535	-	1,657,850	16.62
2021	270,303	270,303	-	1,626,372	16.62
2020	255,030	255,030	-	1,626,469	15.68
2019	242,912	242,912	-	1,549,185	15.68
2018	240,021	240,021	-	1,470,716	16.32
2017	233,711	209,939	23,772	1,432,051	14.66
2016	192,421	192,421	-	1,368,572	14.06
2015	192,885	192,885	-	1,330,245	14.50

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

See accompanying notes to required supplementary information.



COUNTY OF FAIRFAX, VIRGINIA
Schedule of Changes in the Net OPEB (Asset) Liability and Related Ratios*
Last Ten Fiscal Years **
(Dollar amounts in thousands)

	Fiscal Year		
	2023	2022	2021
Total OPEB Liability			
Service Cost	\$ 9,938	13,532	11,679
Interest	27,277	26,912	24,392
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experiences	(11,092)	36,029	21,576
Changes of Assumptions	(27,951)	(45,521)	(791)
Benefit Payments	(22,127)	(22,146)	(23,252)
Net Change in Total OPEB Liability	(23,955)	8,806	33,604
Total OPEB Liability (Beginning)	390,616	381,810	348,206
Total OPEB Liability (Ending)	\$ 366,661	390,616	381,810
Plan Fiduciary Net Position			
Contributions—Employer	\$ 15,372	19,004	18,072
Net Investment Income	28,318	(38,248)	98,443
Benefit Payments	(22,127)	(22,146)	(23,252)
Administrative Expense	(140)	(132)	(131)
Net Change in Plan Fiduciary Net Position	21,423	(41,522)	93,132
Plan Fiduciary Net Position (Beginning)	382,375	423,897	330,765
Plan Fiduciary Net Position (Ending)	\$ 403,798	382,375	423,897
Net OPEB (Asset) Liability (Ending)	\$ (37,137)	8,241	(42,087)
Net Position as a Percentage of the Total OPEB Liability	110.13%	97.89%	111.02%
Covered-Employee Payroll	\$ 1,075,607	1,027,575	1,027,104
Net OPEB Liability as a Percentage of Covered-Employee Payroll	(3.45%)	0.80%	(4.10)%

* Dates Presented are based on the Plan reporting year. One year prior represents the perspective of the reporting entity, therefore 11 years will be presented.

** The schedule is intended to show information for 10 years. Fiscal Year 2017 is the first year implemented; additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

Ending June 30				
2020	2019	2018	2017	
				Total OPEB Liability
15,608	13,994	9,987	7,582	Service Cost
33,195	28,235	22,517	23,024	Interest
-	-	(387)	-	Changes of Benefit Terms
(1,518)	17,956	(10,412)	3,389	Differences Between Expected and Actual Experiences
(145,858)	32,078	78,188	(22,671)	Changes of Assumptions
(23,254)	(22,798)	(21,670)	(20,278)	Benefit Payments
(121,827)	69,465	78,223	(8,954)	Net Change in Total OPEB Liability
470,033	400,568	322,345	331,299	Total OPEB Liability (Beginning)
348,206	470,033	400,568	322,345	Total OPEB Liability (Ending)
				Plan Fiduciary Net Position
19,677	25,659	24,367	27,992	Contributions—Employer
9,633	13,837	26,160	30,711	Net Investment Income
(23,254)	(22,827)	(21,670)	(20,278)	Benefit Payments
(131)	(127)	(123)	(118)	Administrative Expense
5,925	16,542	28,734	38,307	Net Change in Plan Fiduciary Net Position
324,840	308,298	279,564	241,257	Plan Fiduciary Net Position (Beginning)
330,765	324,840	308,298	279,564	Plan Fiduciary Net Position (Ending)
17,441	145,193	92,270	42,781	Net OPEB (Asset) Liability (Ending)
94.99%	69.11%	76.96%	86.73%	Net Position as a Percentage of the Total OPEB Liability
961,557	932,764	911,923	908,162	Covered-Employee Payroll
1.81%	15.57%	10.11%	4.71%	Net OPEB Liability as a Percentage of Covered-Employee Payroll

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Contributions-OPEB
Last Ten Fiscal Years *
(Dollar amounts in thousands)

	Actuarially Determined Contribution	Contributions Made in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2023	\$ 9,276	\$ 15,372	\$ (6,096)	\$ 1,075,607	1.43%
2022	11,873	19,004	(7,131)	1,027,575	1.85%
2021	18,864	18,072	792	1,027,104	1.76%
2020	16,220	19,677	(3,457)	961,557	2.05%
2019	22,827	25,659	(2,832)	932,764	2.75%
2018	21,670	24,367	(2,697)	911,923	2.67%
2017	20,278	27,992	(7,714)	908,162	3.08%

* The schedule is intended to show information for 10 years. Fiscal year 2017 is the first year implemented; additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Investment Returns-OPEB
Last Ten Fiscal Years *

	Annual money-weighted rate of return, net of investment expense
2023	6.72%
2022	(8.19)%
2021	30.61%
2020	2.55%
2019	4.57%
2018	9.55%
2017	12.85%

* The schedule is intended to show information for 10 years. Fiscal year 2017 is first year implemented; additional years will be displayed as they become available.

See accompanying notes to required supplementary information.



COUNTY OF FAIRFAX, VIRGINIA
Schedule of Changes in the Net OPEB Liability and Related Ratios - Public Schools OPEB Plan
Last Ten Fiscal Years *
(Dollar amounts in thousands)

ACFR Reporting Year Measurement Date June 30 of prior year	2023	2022	2021
Total OPEB Liability			
Service cost	\$ 3,623	4,150	3,878
Interest	17,048	15,413	15,321
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(7,539)	33,747	(6,731)
Changes of assumptions	-	(18,881)	(999)
Benefit payments, including refunds of member contributions	(10,536)	(10,528)	(10,349)
Net change in total OPEB liability	2,596	23,901	1,120
Total OPEB liability - beginning	245,104	221,203	220,083
Total OPEB liability - ending	<u>\$ 247,700</u>	<u>245,104</u>	<u>221,203</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 15,536	15,528	15,349
Net investment income	14,986	(19,692)	47,507
Benefit payments, including refunds of member contributions	(10,536)	(10,528)	(10,349)
Administrative expense	(100)	(121)	(101)
Net change in plan fiduciary net position	19,886	(14,813)	52,406
Plan fiduciary net position - beginning	193,562	208,375	155,969
Plan fiduciary net position - ending	<u>\$ 213,448</u>	<u>193,562</u>	<u>208,375</u>
Net OPEB liability - ending	<u>\$ 34,252</u>	<u>51,542</u>	<u>12,828</u>
Plan fiduciary net position as a percentage of the total OPEB liability	86.17 %	78.97 %	94.20 %
Covered employee payroll	1,862,772	1,765,660	1,750,085
Net OPEB liability as a percentage of covered employee payroll	1.84 %	2.92 %	0.73 %

* This schedule is intended to show information for 10 years. Fiscal Year 2017 is the first year implemented; additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

2020	2019	2018	2017	ACFR Reporting Year Measurement Date June 30 of prior year
				Total OPEB Liability
5,046	5,221	8,320	N/A	Service cost
12,378	17,157	29,187	N/A	Interest
-	(39,067)	-	N/A	Changes of benefit terms
58,670	(24,768)	33,884	N/A	Differences between expected and actual experience
(15,662)	-	(170,068)	N/A	Changes of assumptions
(23,875)	(29,287)	(54,806)	N/A	Benefit payments, including refunds of member contributions
36,557	(70,744)	(153,483)	N/A	Net change in total OPEB liability
183,526	254,270	407,753	N/A	Total OPEB liability - beginning
220,083	183,526	254,270	407,753	Total OPEB liability - ending
				Plan Fiduciary Net Position
28,875	34,287	59,806	22,404	Contributions - employer
4,561	6,423	11,565	13,289	Net investment income
(23,875)	(29,287)	(54,806)	(17,404)	Benefit payments, including refunds of member contributions
(101)	(89)	(87)	(84)	Administrative expense
9,460	11,334	16,478	18,205	Net change in plan fiduciary net position
146,509	135,175	118,697	100,492	Plan fiduciary net position - beginning
155,969	146,509	135,175	118,697	Plan fiduciary net position - ending
64,114	37,017	119,095	289,056	Net OPEB liability - ending
70.87 %	79.83 %	53.16 %	29.11 %	Plan fiduciary net position as a percentage of the total OPEB liability
1,699,112	1,393,959	1,340,335	1,256,877	Covered employee payroll
3.77 %	2.66 %	8.89 %	23.00 %	Net OPEB liability as a percentage of covered employee payroll

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Public Schools' Proportionate Share of Net OPEB Liability
VRS HIC OPEB Plan
Last Ten Fiscal Years *
(Dollar amounts in thousands)

	Proportion of the net OPEB liability	Proportionate share of the net OPEB liability	Covered employee payroll	Proportionate share of the net OPEB liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	17.79%	\$ 222,176	\$ 1,657,839	13.40%	15.08%
2022	18.39%	236,047	1,626,394	14.51%	13.15%
2021	18.55%	242,022	1,626,466	14.88%	9.95%
2020	18.47%	241,787	1,549,185	15.61%	8.97%
2019	18.18%	230,889	1,470,712	15.70%	8.08%
2018	18.15%	230,217	1,432,191	16.07%	7.04%

* The schedule is intended to show information for 10 years. Fiscal year 2018 is the first year implemented; additional years will be displayed as they become available.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Public Schools' Proportionate Share of Net OPEB Liability
VRS GLI OPEB Plan
Last Ten Fiscal Years *
(Dollar amounts in thousands)

	Proportion of the net OPEB liability	Proportionate share of the net OPEB liability	Covered employee payroll	Proportionate share of the net OPEB liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	7.67%	\$ 92,296	\$ 1,667,366	5.54%	67.21%
2022	7.94%	92,481	1,639,978	5.64%	67.45%
2021	7.95%	132,610	1,635,371	8.11%	52.64%
2020	7.96%	129,575	1,560,950	8.30%	52.00%
2019	7.79%	118,262	1,480,801	7.99%	51.22%
2018	7.80%	117,380	1,438,996	8.16%	48.86%

* The schedule is intended to show information for 10 years. Fiscal year 2018 is the first year implemented; additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Contributions-Public Schools OPEB Plan
Last Ten Fiscal Years *
(Dollar amounts in thousands)

	Actuarial Determined Contribution	Contributions in Relations to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2023	\$ 10,537	\$ 15,537	\$ (5,000)	\$ 1,862,772	0.83%
2022	10,528	15,528	(5,000)	1,765,660	0.88%
2021	10,349	15,349	(5,000)	1,750,085	0.88%
2020	23,875	28,875	(5,000)	1,699,112	1.70%
2019	29,287	34,287	(5,000)	1,393,959	2.46%
2018	54,806	59,806	(5,000)	1,340,335	4.46%

* The schedule is intended to show information for 10 years. Fiscal year 2018 is the first year implemented, additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Contributions-Public Schools
VRS HIC OPEB Plan
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Contractually Required contribution	Contributions in Relations to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2023	\$ 21,153	\$ 21,153	\$ -	\$ 1,748,142	1.2%
2022	20,060	20,060	-	1,657,839	1.2%
2021	19,679	19,679	-	1,626,394	1.2%
2020	19,518	19,518	-	1,626,466	1.2%
2019	18,590	18,590	-	1,549,185	1.2%
2018	18,090	18,090	-	1,470,712	1.2%
2017	17,616	15,897	1,719	1,432,191	1.1%
2016	16,152	14,510	1,642	1,368,852	1.1%
2015	15,700	14,103	1,597	1,330,497	1.1%
2014	15,535	14,738	797	1,327,753	1.1%

The amounts presented for each fiscal year were determined as of June 30th of the fiscal year shown. See accompanying notes to required supplementary information.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Contributions-Public Schools
VRS GLI OPEB Plan
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Contractually Required contribution	Contributions in Relations to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2023	\$ 9,503	\$ 9,503	\$ -	\$ 1,759,898	0.5%
2022	9,004	9,004	-	1,667,366	0.5%
2021	8,856	8,856	-	1,639,978	0.5%
2020	8,504	8,504	-	1,635,371	0.5%
2019	8,117	8,117	-	1,560,950	0.5%
2018	7,700	7,700	-	1,480,801	0.5%
2017	7,483	7,483	-	1,438,996	0.5%
2016	7,286	6,599	687	1,374,776	0.5%
2015	7,073	6,405	668	1,334,442	0.5%
2014	7,062	6,396	666	1,332,479	0.5%

The amounts presented for each fiscal year were determined as of June 30th of the fiscal year shown. See accompanying notes to required supplementary information.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Investment Returns-Public Schools OPEB Plan
Last Ten Fiscal Years *

Annual money-weighted rate of return, net of investment expense	
2023	7.66%
2022	(9.36)%
2021	30.09%
2020	3.05%
2019	4.66%
2018	9.50%
2017	12.86%

* The schedule is intended to show information for 10 years. Fiscal year 2017 is the first year implemented, additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

COUNTY OF FAIRFAX, VIRGINIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

A. BUDGETARY DATA

The Board of Supervisors adheres to the following procedures in establishing the annual 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:
 - 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.

REQUIRED SUPPLEMENTARY INFORMATION

- The Gift Fund, which is included in the County’s General Fund for reporting purposes, is treated as an custodial fund for budgeting purposes.
- The Information Technology Fund, Consolidated Community Funding Pool Fund, Contributory Fund, the Revenue Stabilization Fund, Northern Virginia Regional Identification System (NOVARIS), and the Economic Opportunity Reserve 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)	\$ (55,179,424)
Basis difference - Revenue from investments	
Timing difference - Goods/Invoice Receipt	(6,125)
Basis difference - Appropriated reserve fund balance deferral	68,346,206
Perspective differences:	
The Gift Fund is treated as an custodial fund for budget purposes	(6,886)
The Northern Virginia Regional Identification System (NOVARIS) is treated as a separate fund for budget purposes	13,055
The Revenue Stabilization Fund is treated as a separate fund for budget purposes	25,230,463
The Economic Opportunity Reserve Fund is treated as separate fund for budget purposes	4,325,334
The Consolidated Community Funding Pool Fund is treated as a separate fund for budget purposes	398,493
The Contributory Fund is treated as a separate fund for budget purposes	(14,907)
The Information Technology Fund is treated as a separate fund for budget purposes	455,197
Excess (deficiency) of revenues and other financing sources over (under)	
Net change in fund balance (GAAP basis)	<u>\$ 43,561,406</u>

- 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

Ten-year historical trend information of the retirement systems administered by the County 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 fiduciary net position, total pension liability, and net pension liability in isolation can be misleading. Expressing plan net position as a percentage of the total pension liability provides one indication of each system’s funding status. 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 net pension liability and covered payroll are both affected by inflation. Expressing the net pension liability as a percentage of covered payroll approximately adjusts for the effects of inflation and aids in the analysis of the systems’ progress made in accumulating sufficient assets to pay

benefits when due. Generally, the smaller the percentage is, the stronger the system.

The Schedule of Changes in Net Pension Liability and Related Ratios illustrates whether each plan's net position is increasing or decreasing over time relative to the total pension liability, and the net pension liability as it relates to covered payroll.

The Schedule of Employer Contributions provides historical context for the amount of contributions in the current period. The actuarially determined contribution rates are calculated as of June 30, one year prior to the beginning of the fiscal year in which contributions are reported. Significant methods and assumptions used to determine the contributions for County administered systems include:

Discount rate, net of plan investment expenses	6.75%
Inflation	2.25%
Salary increases, including inflation	2.25% + merit
Investment rate of return, net of plan investment expenses	6.75%
Mortality	Healthy and Disabled Mortality Table PubG-2010 & PubS-2010 projected using the MP-2020 model

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

C. OTHER POSTEMPLOYMENT 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 Changes in net OPEB Liability and Related Ratios 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.

Beginning in fiscal year 2017, information provided in relation to the GASB 74 requirements include information related to the total and net OPEB liability, information associated with the actuarially determined contribution, and investment returns. Significant methods and assumptions used to determine the contributions for net OPEB liability include:

Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Retirement age	Varies by age and pension plan
Mortality	Pub-2010, "General" classification, Employees & Healthy Annuitant mortality table, projected using scale MP-2021, sex-distinct. Disabled mortality table Pub-2010, "General" classification, Disabled Retirement mortality table, projected using scale MP-2021, sex distinct.
Healthcare cost trend rate	6.7% - 11.9%, decreasing to 4.5%

Disclosures associated with the County reporting of OPEB and OPEB Plan reporting are found in Note H to the financial statements.



Other

Supplementary Information

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

- Governmental Funds
- Internal Service Funds
- Fiduciary Funds
- 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 2017, 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.

Revenue Stabilization Fund is used to reserve funds that could be utilized in the event of a significant unexpected downturn in the economy.

Economic Opportunity Reserve is used as a reserve to stimulate economic growth and to provide for strategic investment opportunities identified as priorities by the Board.

COUNTY OF FAIRFAX, VIRGINIA
Budgetary Comparison Schedule Detail - General Fund (Budget Basis)
For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Real property	\$ 3,199,106,841	3,206,874,367	3,219,286,874	12,412,507
Personal property	520,893,593	537,443,717	559,650,811	22,207,094
Business licenses	188,469,000	199,379,120	204,462,024	5,082,904
Local sales and use	283,577,666	302,339,109	305,747,203	3,408,094
Consumers utility	44,374,901	44,880,523	44,463,959	(416,564)
Recordation	29,926,163	20,422,659	20,852,846	430,187
Occupancy, tobacco, and other	27,449,518	32,267,576	33,739,992	1,472,416
Total taxes	4,293,797,682	4,343,607,071	4,388,203,709	44,596,638
Permits, privilege fees, and regulatory licenses	10,768,187	9,404,120	9,839,241	435,121
Intergovernmental	355,246,108	359,568,620	365,971,495	6,402,875
Charges for services	58,506,226	59,083,001	62,976,188	3,893,187
Fines and forfeitures	8,166,007	7,275,494	7,873,896	598,402
Revenue from the use of money and property	22,334,209	104,286,843	118,639,690	14,352,847
Recovered costs	17,014,267	17,497,470	19,823,364	2,325,894
Total revenues	4,765,832,686	4,900,722,619	4,973,327,583	72,604,964
EXPENDITURES				
General government administration:				
Board of Supervisors	7,012,852	7,012,852	5,963,478	1,049,374
Financial and Program Auditor	438,434	458,432	207,642	250,790
County Executive	8,123,088	8,778,877	7,585,301	1,193,576
Clerk Services	1,909,024	2,073,368	1,870,522	202,846
Tax Administration	30,133,893	30,922,701	29,412,890	1,509,811
Finance	9,494,846	9,494,846	8,780,950	713,896
Human Resources	10,291,653	10,559,962	9,936,946	623,016
Procurement and Material Management	8,619,696	9,262,004	7,599,676	1,662,328
Public Affairs	2,658,777	2,676,524	2,262,671	413,853
Elections	7,087,861	10,361,856	8,294,992	2,066,864
County Attorney	8,985,876	10,379,398	8,814,212	1,565,186
Information Technology	41,091,176	41,859,266	41,590,019	269,247
Management and Budget	7,057,883	7,478,093	6,888,819	589,274
Civil Service Commission	493,606	493,606	352,728	140,878
Independent Police Auditor	347,976	347,976	302,099	45,877
Independent Police Civilian Review Panel	250,871	256,007	226,935	29,072
Total general government administration	143,997,512	152,415,768	140,089,880	12,325,888
Judicial administration:				
Circuit Court and Records	13,429,813	13,551,209	13,260,386	290,823
Commonwealth Attorney	8,458,241	9,939,028	8,472,594	1,466,434
General District Court	5,454,939	6,039,646	4,836,950	1,202,696
Sheriff	21,972,238	24,404,088	24,739,609	(335,521)
Total judicial administration	49,315,231	53,933,971	51,309,539	2,624,432
Public safety:				
Cable and Consumer Services	859,017	859,227	727,734	131,493
Juvenile and Domestic Relations District Court	27,593,906	27,691,181	24,021,263	3,669,918
Police Department	235,505,691	245,244,840	238,572,894	6,671,946
Sheriff	54,417,790	53,190,831	48,661,266	4,529,565
Fire and Rescue	235,446,205	239,720,080	236,563,814	3,156,266
Emergency Management and Security	7,561,945	9,198,476	7,104,044	2,094,432
Animal Sheltering	3,190,809	4,869,070	3,150,805	1,718,265
Code Compliance	5,082,542	5,083,813	4,637,474	446,339
Total public safety	\$ 569,657,905	585,857,518	563,439,294	22,418,224

continued

EXHIBIT B

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
Public works:				
Facilities Management	\$ 61,364,779	71,167,825	62,805,435	8,362,390
Business Planning and Support	1,262,110	1,276,146	1,232,421	43,725
Capital Facilities	16,508,271	18,296,339	14,388,818	3,907,521
Total public works	79,135,160	90,740,310	78,426,674	12,313,636
Health and welfare:				
Family Services	156,592,827	154,242,481	145,756,538	8,485,943
Health Department	83,089,790	87,342,660	73,586,069	13,756,591
Neighborhood and Community Services	98,652,203	108,786,548	88,704,581	20,081,967
Total health and welfare	338,334,820	350,371,689	308,047,188	42,324,501
Community development:				
Economic Development Authority	9,138,153	9,543,870	9,402,552	141,318
Economic Initiatives	1,969,127	2,219,914	1,870,599	349,315
Planning and Development	15,148,609	16,322,168	14,021,183	2,300,985
Housing and Community Development	28,985,542	34,037,461	30,004,244	4,033,217
Human Rights and Equity Programs	1,974,929	2,035,319	1,631,231	404,088
Transportation	10,666,614	11,805,310	9,723,435	2,081,875
Total community development	67,882,974	75,964,042	66,653,244	9,310,798
Parks, recreation, and cultural:				
Park Authority	30,677,847	31,990,364	31,470,433	519,931
Public Library	32,017,039	33,218,935	32,508,824	710,111
Total parks, recreation, and cultural	62,694,886	65,209,299	63,979,257	1,230,042
Nondepartmental:				
Unclassified Administrative Expenses	-	200,532,246	68,551,390	131,980,856
Employee Benefits	439,175,466	432,051,474	417,296,574	14,754,900
Total nondepartmental	439,175,466	632,583,720	485,847,964	146,735,756
Total expenditures	1,750,193,954	2,007,076,317	1,757,793,040	249,283,277
Excess of revenues over expenditures	\$ 3,015,638,732	2,893,646,302	3,215,534,543	321,888,241

continued

COUNTY OF FAIRFAX, VIRGINIA
Budgetary Comparison Schedule Detail - General Fund (Budget Basis)
For the fiscal year ended June 30, 2023

EXHIBIT B
concluded

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers in:				
From other Primary Government funds:				
Cable Communications	\$ 2,527,936	2,527,936	2,527,936	-
Integrated Pest Management	151,000	151,000	151,000	-
Stormwater Services	1,400,000	1,400,000	1,400,000	-
Leaf Collection	54,000	54,000	54,000	-
Refuse Collection and Recycling Operations	494,000	494,000	494,000	-
Fairfax-Falls Church Community Services Board	-	10,000,000	10,000,000	-
Refuse Disposal	707,000	707,000	707,000	-
I-95 Refuse Disposal	209,000	209,000	209,000	-
Land Development Services	350,000	350,000	350,000	-
Enterprise Funds:				
Sewer Operation and Maintenance	3,000,000	3,000,000	3,000,000	-
Component Units	820,000	820,000	820,000	-
Total transfers in from other Primary Government funds	9,712,936	19,712,936	19,712,936	-
Transfers out:				
To other Primary Government funds:				
Special Revenue Funds:				
County Transit Systems	(42,965,059)	(42,965,059)	(42,965,059)	-
Federal/State Grants	(4,432,654)	(4,432,654)	(4,432,654)	-
Information Technology Projects	-	(29,687,280)	(29,687,280)	-
Fairfax-Falls Church Community Services Board	(165,193,503)	(165,445,478)	(165,445,478)	-
Consolidated Community Funding Pool	(12,897,910)	(12,928,260)	(12,928,260)	-
Contributory Fund	(15,944,577)	(18,504,577)	(18,504,577)	-
E-911	(10,618,392)	(10,618,392)	(10,618,392)	-
Alcohol Safety Action Program	(891,625)	(910,360)	(910,360)	-
Early Childhood Birth to 5	(33,286,113)	(33,286,113)	(33,286,113)	-
Affordable Housing Development and Investment	-	(18,000,000)	(18,000,000)	-
Revenue Stabilization	(3,055,692)	(17,406,188)	(17,406,188)	-
Economic Opportunity Reserve	(611,137)	(3,841,177)	(3,841,177)	-
Land Development Services	-	(898,000)	(898,000)	-
Debt Service Fund:				
Debt Service Fund	(333,541,521)	(333,541,521)	(333,541,521)	-
Capital Projects Funds:				
General Construction and Contributions	(22,697,006)	(82,371,646)	(82,371,646)	-
Environmental and Energy Program	(1,298,767)	(11,618,767)	(11,618,767)	-
Infrastructure Replacement and Upgrades	(1,500,000)	(31,415,961)	(31,415,961)	-
Public Safety Construction	-	(17,600,000)	(17,600,000)	-
Metro Operations and Construction	(53,046,270)	(53,046,270)	(53,046,270)	-
Transportation Improvements	-	(25,208,830)	(25,208,830)	-
Department of Vehicle Services	-	(11,504,310)	(11,504,310)	-
County Insurance	(24,398,493)	(33,822,493)	(33,822,493)	-
Document Services	(4,051,350)	(4,062,738)	(4,062,738)	-
Technology Infrastructure Services	-	(7,191,593)	(7,191,593)	-
OPEB Trust Fund	(2,500,000)	(2,500,000)	(2,500,000)	-
Total transfers out to other Primary Government funds	(732,930,069)	(972,807,667)	(972,807,667)	-
To component units:				
Public Schools:				
School Operation	(2,275,310,924)	(2,275,310,924)	(2,275,310,924)	-
School Construction	(15,600,000)	(32,553,312)	(32,553,312)	-
FCRHA - Asset Management	-	(9,500,000)	(9,500,000)	-
Park Authority - Park Revenue and Operating	-	(255,000)	(255,000)	-
Total transfers out to component units	(2,290,910,924)	(2,317,619,236)	(2,317,619,236)	-
Total transfers out	(3,023,840,993)	(3,290,426,903)	(3,290,426,903)	-
Total other financing (uses), net	(3,014,128,057)	(3,270,713,967)	(3,270,713,967)	-
Net change in fund balance	\$ 1,510,675	(377,067,665)	(55,179,424)	321,888,241

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, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
EXPENDITURES				
Health and welfare	\$ 12,897,910	13,576,193	12,529,767	1,046,426
Total expenditures	12,897,910	13,576,193	12,529,767	1,046,426
Excess (deficiency) of revenues over (under) expenditures	(12,897,910)	(13,576,193)	(12,529,767)	1,046,426
OTHER FINANCING SOURCES				
Transfers in	12,897,910	12,928,260	12,928,260	-
Total other financing sources	12,897,910	12,928,260	12,928,260	-
Net change in fund balance	\$ -	(647,933)	398,493	1,046,426

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT B-1B

General Fund Group

Budgetary Comparison Schedule - Contributory Fund (Budget Basis)

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
EXPENDITURES				
General government administration	\$ 2,670,411	2,577,754	2,659,607	(81,853)
Public safety	19,577	19,577	19,577	-
Health and welfare	3,880,147	3,880,147	3,880,147	-
Community development	4,199,115	6,759,115	6,759,115	-
Parks, recreation, and cultural	5,168,038	5,168,038	5,168,038	-
Nondepartmental	33,000	125,657	33,000	92,657
Total expenditures	15,970,288	18,530,288	18,519,484	10,804
Excess (deficiency) of revenues over (under) expenditures	(15,970,288)	(18,530,288)	(18,519,484)	10,804
OTHER FINANCING SOURCES				
Transfers in	15,944,577	18,504,577	18,504,577	-
Total other financing sources	15,944,577	18,504,577	18,504,577	-
Net change in fund balance	\$ (25,711)	(25,711)	(14,907)	10,804

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, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 206	206	1,263	1,057
Recovered costs	18,593	18,593	18,593	-
Total revenues	18,799	18,799	19,856	1,057
EXPENDITURES				
Public safety	18,799	61,105	6,801	54,304
Total expenditures	18,799	61,105	6,801	54,304
Excess (deficiency) of revenues over (under) expenditures	-	(42,306)	13,055	55,361
Net change in fund balance	\$ -	(42,306)	13,055	55,361

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, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	372,085	431,350	59,265
Charges for Services	-	151,021	297,981	146,960
Revenue from the use of money and property	-	-	687,842	687,842
Recovered costs	-	234,356	415,300	180,944
Total revenues	-	757,462	1,832,473	1,075,011
EXPENDITURES				
General government administration	-	76,119,026	25,730,002	50,389,024
Total expenditures	-	76,119,026	25,730,002	50,389,024
Excess (deficiency) of revenues over (under) expenditures	-	(75,361,564)	(23,897,529)	51,464,035
OTHER FINANCING SOURCES (USES)				
Transfers in	-	29,687,280	29,687,280	-
Transfers out	-	(5,334,554)	(5,334,554)	-
Total other financing sources, net	-	24,352,726	24,352,726	-
Net change in fund balance	\$ -	(51,008,838)	455,197	51,464,035

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT B-1E

General Fund Group

Budgetary Comparison Schedule - Revenue Stabilization Fund (Budget Basis)

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ -	-	7,824,275	7,824,275
Total revenues	-	-	7,824,275	7,824,275
Excess of revenues over expenditures	-	-	7,824,275	7,824,275
OTHER FINANCING SOURCES				
Transfers in	3,055,692	17,406,188	17,406,188	-
Total other financing sources	3,055,692	17,406,188	17,406,188	-
Net change in fund balance	\$ 3,055,692	17,406,188	25,230,463	7,824,275

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT B-1F

General Fund Group

Budgetary Comparison Schedule - Economic Opportunity Reserve Fund (Budget Basis)

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Revenue from the use of money and property	\$ 150,000	150,000	760,426	610,426
Total revenues	150,000	150,000	760,426	610,426
EXPENDITURES				
Community development	-	7,671,869	276,269	7,395,600
Nondepartmental	-	43,440,953	-	43,440,953
Total expenditures	-	51,112,822	276,269	50,836,553
Excess (deficiency) of revenues over (under) expenditures	150,000	(50,962,822)	484,157	51,446,979
OTHER FINANCING SOURCES				
Transfers in	611,137	3,841,177	3,841,177	-
Total other financing sources	611,137	3,841,177	3,841,177	-
Net change in fund balance	\$ 761,137	(47,121,645)	4,325,334	51,446,979



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

COUNTY OF FAIRFAX, VIRGINIA
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2023

EXHIBIT C

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Equity in pooled cash and temporary investments	\$ 781,150,512	8,514,683	488,158,365	1,277,823,560
Receivables (net of allowances):				
Accounts	23,540,003	-	192,664	23,732,667
Leases	760,252	-	-	760,252
Accrued interest	1,821,689	20,912	6,304,882	8,147,483
Loans	12,042,764	-	84,243,200	96,285,964
Notes	-	34,565,000	-	34,565,000
Due from intergovernmental units	137,054,291	-	50,888	137,105,179
Loan to component unit	-	8,505,000	-	8,505,000
Prepaid and other assets	780,493	-	-	780,493
Restricted assets:				
Equity in pooled cash and temporary investments	559,240	-	40,264,504	40,823,744
Cash with fiscal agents	119,231,076	5,094,575	1,473,939	125,799,590
Property held for sale	894,694	-	-	894,694
Total assets	<u>1,077,835,014</u>	<u>56,700,170</u>	<u>620,688,442</u>	<u>1,755,223,626</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 1,077,835,014	56,700,170	620,688,442	1,755,223,626
LIABILITIES				
Accounts payable and accrued liabilities	\$ 77,605,216	322,200	19,839,677	97,767,093
Accrued salaries and benefits	13,613,271	-	32,035	13,645,306
Contract retainages	5,484,090	-	7,338,935	12,823,025
Due to intergovernmental units	11,980,312	-	-	11,980,312
Due to component units	-	-	1,413,091	1,413,091
Interfund payables	9,393,323	-	-	9,393,323
Unearned revenues	10,102,980	-	23,915,479	34,018,459
Performance and other deposits	12,244,593	-	53,626,168	65,870,761
Total liabilities	<u>140,423,785</u>	<u>322,200</u>	<u>106,165,385</u>	<u>246,911,370</u>
DEFERRED INFLOWS OF RESOURCES				
Lease revenue	728,757	-	-	728,757
Unavailable revenue	14,147,920	34,565,000	6,304,882	55,017,802
Total deferred inflows of resources	<u>14,876,677</u>	<u>34,565,000</u>	<u>6,304,882</u>	<u>55,746,559</u>
Total liabilities and deferred inflows of resources	155,300,462	34,887,200	112,470,267	302,657,929
FUND BALANCES				
Nonspendable:				
Prepaid amounts	480,500	-	-	480,500
Total Nonspendable	<u>480,500</u>	<u>-</u>	<u>-</u>	<u>480,500</u>
Restricted for:				
Public safety, courts, and judicial	55,795,969	-	-	55,795,969
General public works	109,695,863	-	-	109,695,863
Stormwater management	169,417,856	-	-	169,417,856
Transportation	376,216,529	-	-	376,216,529
Social services, health and welfare	29,319,023	-	-	29,319,023
Housing and community development	52,344,466	-	-	52,344,466
Parks, recreation, and cultural	17,956,111	-	-	17,956,111
Debt service	-	5,111,603	-	5,111,603
Capital projects	-	-	152,890,064	152,890,064
Other purposes	6,085,847	-	-	6,085,847
Total Restricted	<u>816,831,664</u>	<u>5,111,603</u>	<u>152,890,064</u>	<u>974,833,331</u>
Committed to:				
Public safety, courts, and judicial	2,334,021	-	-	2,334,021
Transportation	11,805,309	-	-	11,805,309
Social services, health and welfare	79,876,201	-	-	79,876,201
Housing and community development	11,206,857	-	-	11,206,857
Debt service	-	16,701,367	-	16,701,367
Capital projects	-	-	355,328,111	355,328,111
Total Committed	<u>105,222,388</u>	<u>16,701,367</u>	<u>355,328,111</u>	<u>477,251,866</u>
Total fund balances	<u>922,534,552</u>	<u>21,812,970</u>	<u>508,218,175</u>	<u>1,452,565,697</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,077,835,014	56,700,170	620,688,442	1,755,223,626

COUNTY OF FAIRFAX, VIRGINIA
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2023

EXHIBIT C-1

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 46,847,659	-	32,312,264	79,159,923
Permits, privilege fees, and regulatory licenses	63,256,309	-	-	63,256,309
Intergovernmental	337,155,927	3,980,716	5,533,722	346,670,365
Charges for services	357,724,390	-	1,771,212	359,495,602
Fines and forfeitures	279,717	-	-	279,717
Developers' contributions	1,484,746	-	1,304,825	2,789,571
Revenue from the use of money and property	32,788,703	1,683,268	7,924,763	42,396,734
Recovered costs	6,623,342	-	3,446,018	10,069,360
Gifts, donations, and contributions	419,124	-	-	419,124
Total revenues	846,579,917	5,663,984	52,292,804	904,536,705
EXPENDITURES				
Current:				
General government administration	3,587,091	-	7,372,058	10,959,149
Judicial administration	732,719	-	-	732,719
Public safety	86,327,024	-	327,371	86,654,395
Public works	130,406,475	-	2,748,624	133,155,099
Health and welfare	318,541,779	-	4,351,194	322,892,973
Community development	312,494,543	-	11,128,550	323,623,093
Parks, recreation, and cultural	14,880,695	-	3,331,860	18,212,555
Intergovernmental:				
Community development	4,879,587	-	91,041,992	95,921,579
Parks, recreation, and cultural	23,090	-	40,344,136	40,367,226
Education - for Public Schools	2,877,936	-	205,000,000	207,877,936
Capital outlay:				
General government administration	31,230	-	21,561,839	21,593,069
Judicial administration	-	-	301,528	301,528
Public safety	15,302,696	-	46,196,382	61,499,078
Public works	61,945,923	-	2,789,563	64,735,486
Health and welfare	1,571,286	-	7,272,349	8,843,635
Community development	66,747,969	-	11,291,124	78,039,093
Parks, recreation, and cultural	805,874	-	8,554,294	9,360,168
Debt service:				
Principal retirement	58,493,700	244,110,000	3,860,000	306,463,700
Interest and other charges	15,037,090	101,085,128	2,954,763	119,076,981
Total expenditures	1,094,686,707	345,195,128	470,427,627	1,910,309,462
Deficiency of revenues under expenditures	(248,106,790)	(339,531,144)	(418,134,823)	(1,005,772,757)
OTHER FINANCING SOURCES (USES)				
Transfers in	308,884,040	339,475,588	239,261,474	887,621,102
Transfers out	(64,537,146)	-	(4,597,389)	(69,134,535)
General obligation bonds issued	-	-	321,900,000	321,900,000
Premium on general obligation bonds issued	-	-	29,142,774	29,142,774
Leases	7,007,342	-	-	7,007,342
Total other financing sources, net	251,354,236	339,475,588	585,706,859	1,176,536,683
Net change in fund balances	3,247,446	(55,556)	167,572,036	170,763,926
Fund balances, July 1, 2022	919,287,106	21,868,526	340,646,139	1,281,801,771
Fund balances, June 30, 2023	\$ 922,534,552	21,812,970	508,218,175	1,452,565,697



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.

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

Metrorail Parking System Pledged Revenue Fund is used to collect and disburse funds related to revenue-generating activities at Metrorail parking facilities owned by and located within the County. These funds will be earned from fees paid at these parking facilities and used to pay operating, maintenance and debt expenses of the facilities.

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.

Early Childhood Birth to 5 Fund is used to account for programs supporting a comprehensive approach to advancing and expanding the County's early childhood system by providing full and equitable access to high quality, affordable, early care and education for young children.

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 (CDA) Fund is the main operating fund of the CDA. The CDA was established as a separate corporate entity and all operational aspects are handled by administrators and trustees outside the County. The CDA is funded through a special assessment on property located within the district. This fund is not an appropriated fund within the operating budget. Thus, there is no budgetary comparison schedule for this fund.

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

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

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

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

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

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

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

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

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.

Land Development Services Fund focuses on the safe and sustainable building of communities throughout Fairfax County. The fund is committed to the protection of the environment, and the health, safety, and welfare of all who live in, work in, and visit Fairfax County.

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, 2023

	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	\$ -	9,087,822	37,977,711	175,522,348	58,346,467
Receivables (net of allowances):					
Accounts	647,195	50,169	59,531	353,537	33,049
Leases	-	-	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Due from intergovernmental units	44,351,367	-	-	39,355,495	-
Prepaid and other assets	-	-	-	-	-
Restricted assets:					
Equity in pooled cash and temporary investments	-	-	-	-	-
Cash with fiscal agents	-	29,135,896	16,165,768	13,301,461	-
Property held for sale	-	-	-	-	-
Total assets	44,998,562	38,273,887	54,203,010	228,532,841	58,379,516
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 44,998,562	38,273,887	54,203,010	228,532,841	58,379,516
LIABILITIES					
Accounts payable and accrued liabilities	\$ 24,959,316	864	2,500	11,485,215	13,631
Accrued salaries and benefits	-	-	-	242,163	-
Contract retainages	-	-	-	847,868	-
Due to intergovernmental units	-	-	-	11,327,365	-
Interfund payables	8,233,937	-	-	-	-
Unearned revenues	-	50,169	59,531	353,722	33,049
Performance and other deposits	-	-	-	-	-
Total liabilities	33,193,253	51,033	62,031	24,256,333	46,680
DEFERRED INFLOWS OF RESOURCES					
Lease revenue	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	33,193,253	51,033	62,031	24,256,333	46,680
FUND BALANCES					
Nonspendable:					
Prepaid amounts	-	-	-	-	-
Total Nonspendable	-	-	-	-	-
Restricted for:					
Public safety, courts, and judicial	-	-	-	-	-
General public works	-	-	-	-	-
Stormwater management	-	-	-	-	-
Transportation	-	38,222,854	54,140,979	204,276,508	58,332,836
Social services, health and welfare	-	-	-	-	-
Housing and community development	-	-	-	-	-
Parks, recreation, and cultural	-	-	-	-	-
Other purposes	-	-	-	-	-
Total Restricted	-	38,222,854	54,140,979	204,276,508	58,332,836
Committed to:					
Public safety, courts, and judicial	-	-	-	-	-
Transportation	11,805,309	-	-	-	-
Social services, health and welfare	-	-	-	-	-
Housing and community development	-	-	-	-	-
Total Committed	11,805,309	-	-	-	-
Total fund balances	11,805,309	38,222,854	54,140,979	204,276,508	58,332,836
Total liabilities, deferred inflows of resources, and fund balances	\$ 44,998,562	38,273,887	54,203,010	228,532,841	58,379,516

EXHIBIT D

Reston Service District	Metrorail Parking System Pledged Revenue	Federal/ State Grant	Cable Communications	Early Childhood Birth-5	
					ASSETS
12,381,218	92,073	32,077,463	10,496,272	19,656,530	Equity in pooled cash and temporary investments
8,030	-	9,611,927	1,261,935	-	Receivables (net of allowances):
-	-	-	-	-	Accounts
-	-	-	-	-	Leases
-	-	-	-	-	Accrued interest
-	-	41,482,029	709,557	5,788	Loans
-	-	299,994	-	-	Due from intergovernmental units
-	-	-	-	-	Prepaid and other assets
-	-	-	-	-	Restricted assets:
-	-	-	-	-	Equity in pooled cash and temporary investments
-	9,391,512	-	-	-	Restricted assets - Cash with fiscal agents
-	-	-	-	-	Property held for sale
12,389,248	9,483,585	83,471,413	12,467,764	19,662,318	Total assets
					DEFERRED OUTFLOWS OF RESOURCES
-	-	-	-	-	Total deferred outflows of resources
12,389,248	9,483,585	83,471,413	12,467,764	19,662,318	Total assets and deferred outflows of resources
					LIABILITIES
668	285,759	11,192,101	370,961	1,558,370	Accounts payable and accrued liabilities
-	-	2,134,788	180,389	229,389	Accrued salaries and benefits
-	-	1,419,427	-	-	Contract retainages
-	-	652,947	-	-	Due to intergovernmental units
-	1,159,386	-	-	-	Interfund payables
8,030	-	8,209,028	-	-	Unearned revenues
-	-	-	-	-	Performance and other deposits
8,698	1,445,145	23,608,291	551,350	1,787,759	Total liabilities
					DEFERRED INFLOWS OF RESOURCES
-	-	-	-	-	Lease revenue
-	-	8,017,039	709,557	-	Unavailable revenue
-	-	8,017,039	709,557	-	Total deferred inflows of resources
8,698	1,445,145	31,625,330	1,260,907	1,787,759	Total liabilities and deferred inflows of resources
					FUND BALANCES
					Nonspendable:
-	-	-	-	-	Prepaid amounts
-	-	-	-	-	Total Nonspendable
					Restricted for:
-	-	17,848,568	-	-	Public safety, courts, and judicial
-	-	-	-	-	General public works
-	-	-	-	-	Stormwater management
12,380,550	8,038,440	824,362	-	-	Transportation
-	-	26,117,529	-	-	Social services, health and welfare
-	-	326,348	-	-	Housing and community development
-	-	-	-	-	Parks, recreation, and cultural
-	-	6,085,847	-	-	Other purposes
12,380,550	8,038,440	51,202,654	-	-	Total Restricted
					Committed to:
-	-	-	-	-	Public safety, courts, and judicial
-	-	-	-	-	Transportation
-	-	643,429	-	17,874,559	Social services, health and welfare
-	-	-	11,206,857	-	Housing and community development
-	-	643,429	11,206,857	17,874,559	Total Committed
12,380,550	8,038,440	51,846,083	11,206,857	17,874,559	Total fund balances
12,389,248	9,483,585	83,471,413	12,467,764	19,662,318	Total liabilities, deferred inflows of resources, and fund balances

continued

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2023

	Fairfax- Falls Church Community Services Board	Reston Community Center	Mosaic Community Development Authority	McLean Community Center	Burgundy Village Community Center
ASSETS					
Equity in pooled cash and temporary investments	\$ 71,945,317	11,247,289	-	7,547,211	434,894
Receivables (net of allowances):					
Accounts	-	47,166	-	31,061	684
Leases	-	-	-	-	-
Accrued interest	-	-	12,188	-	-
Loans	-	-	-	-	-
Due from intergovernmental units	34,706	-	-	-	-
Prepaid and other assets	145,005	20,199	-	129,452	-
Restricted assets:					
Equity in pooled cash and temporary investments	-	-	-	-	-
Restricted assets - Cash with fiscal agents	-	-	2,775,050	-	-
Property held for sale	-	-	-	-	-
Total assets	72,125,028	11,314,654	2,787,238	7,707,724	435,578
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 72,125,028	11,314,654	2,787,238	7,707,724	435,578
LIABILITIES					
Accounts payable and accrued liabilities	\$ 5,228,854	102,242	946	120,745	1,142
Accrued salaries and benefits	5,585,654	237,783	-	149,196	481
Contract retainages	-	-	-	-	-
Due to intergovernmental units	-	-	-	-	-
Interfund payables	-	-	-	-	-
Unearned revenues	-	310,575	-	414,270	12,159
Performance and other deposits	-	3,600	-	-	-
Total liabilities	10,814,508	654,200	946	684,211	13,782
DEFERRED INFLOWS OF RESOURCES					
Lease revenue	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	10,814,508	654,200	946	684,211	13,782
FUND BALANCES					
Nonspendable:					
Prepaid amounts	145,005	20,199	-	129,453	-
Total Nonspendable	145,005	20,199	-	129,453	-
Restricted for:					
Public safety, courts, and judicial	-	-	-	-	-
General public works	-	-	-	-	-
Stormwater management	-	-	-	-	-
Transportation	-	-	-	-	-
Social services, health and welfare	-	-	-	-	-
Housing and community development	-	-	2,786,292	-	-
Parks, recreation, and cultural	-	10,640,255	-	6,894,060	421,796
Other purposes	-	-	-	-	-
Total Restricted	-	10,640,255	2,786,292	6,894,060	421,796
Committed to:					
Public safety, courts, and judicial	-	-	-	-	-
Transportation	-	-	-	-	-
Social services, health and welfare	61,165,515	-	-	-	-
Housing and community development	-	-	-	-	-
Total Committed	61,165,515	-	-	-	-
Total fund balances	61,310,520	10,660,454	2,786,292	7,023,513	421,796
Total liabilities, deferred inflows of resources, and fund balances	\$ 72,125,028	11,314,654	2,787,238	7,707,724	435,578

EXHIBIT D

E-911	Integrated Pest Management Program	Stormwater Services	Leaf Collection	Refuse Collection and Recycling Operations	
					ASSETS
38,036,298	6,059,143	131,879,271	4,412,969	6,623,604	Equity in pooled cash and temporary investments
-	13,122	421,028	13,247	229,936	Receivables (net of allowances):
-	-	-	-	-	Accounts
-	-	-	-	-	Leases
-	-	-	-	-	Accrued interest
-	-	-	-	-	Loans
7,781,118	-	3,044,521	-	55,647	Due from intergovernmental units
-	-	185,843	-	-	Prepaid and other assets
					Restricted assets:
-	-	-	-	-	Equity in pooled cash and temporary investments
-	-	47,760,194	-	-	Cash with fiscal agents
-	-	-	-	-	Property held for sale
45,817,416	6,072,265	183,290,857	4,426,216	6,909,187	Total assets
					DEFERRED OUTFLOWS OF RESOURCES
-	-	-	-	-	Total deferred outflows of resources
45,817,416	6,072,265	183,290,857	4,426,216	6,909,187	Total assets and deferred outflows of resources
					LIABILITIES
810,892	63,864	9,359,590	85,014	742,806	Accounts payable and accrued liabilities
1,112,658	89,436	866,806	3,285	344,957	Accrued salaries and benefits
-	-	2,478,084	-	-	Contract retainages
-	-	-	-	-	Due to intergovernmental units
-	-	-	-	-	Interfund payables
-	13,086	414,106	13,242	188,144	Unearned revenues
-	-	568,572	-	60,000	Performance and other deposits
1,923,550	166,386	13,687,158	101,541	1,335,907	Total liabilities
					DEFERRED INFLOWS OF RESOURCES
-	-	-	-	-	Lease revenue
3,612,444	-	-	-	-	Unavailable revenue
3,612,444	-	-	-	-	Total deferred inflows of resources
5,535,994	166,386	13,687,158	101,541	1,335,907	Total liabilities and deferred inflows of resources
					FUND BALANCES
					Nonspendable:
-	-	185,843	-	-	Prepaid amounts
-	-	185,843	-	-	Total Nonspendable
					Restricted for:
37,947,401	-	-	-	-	Public safety, courts, and judicial
-	-	-	4,324,675	5,573,280	General public works
-	-	169,417,856	-	-	Stormwater management
-	-	-	-	-	Transportation
-	3,201,494	-	-	-	Social services, health and welfare
-	2,704,385	-	-	-	Housing and community development
-	-	-	-	-	Parks, recreation, and cultural
-	-	-	-	-	Other purposes
37,947,401	5,905,879	169,417,856	4,324,675	5,573,280	Total Restricted
					Committed to:
2,334,021	-	-	-	-	Public safety, courts, and judicial
-	-	-	-	-	Transportation
-	-	-	-	-	Social services, health and welfare
-	-	-	-	-	Housing and community development
2,334,021	-	-	-	-	Total Committed
40,281,422	5,905,879	169,603,699	4,324,675	5,573,280	Total fund balances
45,817,416	6,072,265	183,290,857	4,426,216	6,909,187	Total liabilities, deferred inflows of resources, and fund balances

continued

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Balance Sheet
June 30, 2023

	Land Development Services	Refuse Disposal	I-95 Refuse Disposal	Community Development Block Grant
ASSETS				
Equity in pooled cash and temporary investments	\$ 20,808,155	51,166,380	48,692,557	1,545,184
Receivables (net of allowances):				
Accounts	1,774,454	7,888,848	1,088,454	-
Leases	-	760,252	-	-
Accrued interest	-	621	-	-
Loans	-	-	-	242,267
Due from intergovernmental units	-	166,221	-	62,027
Prepaid and other assets	-	-	-	-
Restricted assets:				
Equity in pooled cash and temporary investments	-	-	-	-
Cash with fiscal agents	701,195	-	-	-
Property held for sale	-	-	-	-
Total assets	<u>23,283,804</u>	<u>59,982,322</u>	<u>49,781,011</u>	<u>1,849,478</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ <u>23,283,804</u>	<u>59,982,322</u>	<u>49,781,011</u>	<u>1,849,478</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 2,776,579	7,850,211	508,167	6,174
Accrued salaries and benefits	1,542,292	577,765	191,153	61,837
Contract retainages	-	81,169	4,334	581,039
Due to intergovernmental units	-	-	-	-
Interfund payables	-	-	-	-
Unearned revenues	-	23,869	-	-
Performance and other deposits	11,612,421	-	-	-
Total liabilities	<u>15,931,292</u>	<u>8,533,014</u>	<u>703,654</u>	<u>649,050</u>
DEFERRED INFLOWS OF RESOURCES				
Lease revenue	-	728,757	-	-
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	<u>728,757</u>	-	-
Total liabilities and deferred inflows of resources	<u>15,931,292</u>	<u>9,261,771</u>	<u>703,654</u>	<u>649,050</u>
FUND BALANCES				
Nonspendable:				
Prepaid amounts	-	-	-	-
Total Nonspendable	-	-	-	-
Restricted for:				
Public safety, courts, and judicial	-	-	-	-
General public works	-	50,720,551	49,077,357	-
Stormwater management	-	-	-	-
Transportation	-	-	-	-
Social services, health and welfare	-	-	-	-
Housing and community development	7,352,512	-	-	1,200,428
Parks, recreation, and cultural	-	-	-	-
Other purposes	-	-	-	-
Total Restricted	<u>7,352,512</u>	<u>50,720,551</u>	<u>49,077,357</u>	<u>1,200,428</u>
Committed to:				
Public safety, courts, and judicial	-	-	-	-
Transportation	-	-	-	-
Social services, health and welfare	-	-	-	-
Housing and community development	-	-	-	-
Total Committed	-	-	-	-
Total fund balances	<u>7,352,512</u>	<u>50,720,551</u>	<u>49,077,357</u>	<u>1,200,428</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>23,283,804</u>	<u>59,982,322</u>	<u>49,781,011</u>	<u>1,849,478</u>

EXHIBIT D

concluded

Housing Trust	HOME Investment Partnerships Grant	Alcohol Safety Action Program	Total Special Revenue Funds	
				ASSETS
24,750,918	119,975	243,443	781,150,512	Equity in pooled cash and temporary investments
-	-	6,630	23,540,003	Receivables (net of allowances):
-	-	-	760,252	Accounts
1,808,880	-	-	1,821,689	Leases
10,898,624	901,873	-	12,042,764	Accrued interest
-	5,815	-	137,054,291	Loans
-	-	-	780,493	Due from intergovernmental units
559,240	-	-	559,240	Prepaid and other assets
-	-	-	119,231,076	Restricted assets:
894,694	-	-	894,694	Equity in pooled cash and temporary investments
38,912,356	1,027,663	250,073	1,077,835,014	Cash with fiscal agents
				Property held for sale
				Total assets
				DEFERRED OUTFLOWS OF RESOURCES
-	-	-	-	Total deferred outflows of resources
38,912,356	1,027,663	250,073	1,077,835,014	Total assets and deferred outflows of resources
				LIABILITIES
77,237	945	423	77,605,216	Accounts payable and accrued liabilities
-	6,287	56,952	13,613,271	Accrued salaries and benefits
72,169	-	-	5,484,090	Contract retainages
-	-	-	11,980,312	Due to intergovernmental unit
-	-	-	9,393,323	Interfund payables
-	-	-	10,102,980	Unearned revenues
-	-	-	12,244,593	Performance and other deposits
149,406	7,232	57,375	140,423,785	Total liabilities
				DEFERRED INFLOWS OF RESOURCES
-	-	-	728,757	Lease revenue
1,808,880	-	-	14,147,920	Unavailable revenue
1,808,880	-	-	14,876,677	Total deferred inflows of resources
1,958,286	7,232	57,375	155,300,462	Total liabilities and deferred inflows of resources
				FUND BALANCES
				Nonspendable:
-	-	-	480,500	Prepaid amounts
-	-	-	480,500	Total Nonspendable
				Restricted for:
-	-	-	55,795,969	Public safety, courts, and judicial
-	-	-	109,695,863	General public works
-	-	-	169,417,856	Stormwater management
-	-	-	376,216,529	Transportation
-	-	-	29,319,023	Social services, health and welfare
36,954,070	1,020,431	-	52,344,466	Housing and community development
-	-	-	17,956,111	Parks, recreation, and cultural
-	-	-	6,085,847	Other purposes
36,954,070	1,020,431	-	816,831,664	Total Restricted
				Committed to:
-	-	-	2,334,021	Public safety, courts, and judicial
-	-	-	11,805,309	Transportation
-	-	192,698	79,876,201	Social services, health and welfare
-	-	-	11,206,857	Housing and community development
-	-	192,698	105,222,388	Total Committed
36,954,070	1,020,431	192,698	922,534,552	Total fund balances
38,912,356	1,027,663	250,073	1,077,835,014	Total liabilities, deferred inflows of resources, and fund balances

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the fiscal year ended June 30, 2023

	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	38,000,975	-	-	73,919,710	-
Charges for services	4,624,123	15,395,981	21,864,755	60,765,930	8,695,047
Fines and forfeitures	-	-	-	-	-
Developers' contributions	-	-	-	-	-
Revenue from the use of money and property	7,739,505	1,280,753	1,619,951	1,854,888	864,499
Recovered costs	43,689	-	-	-	-
Gifts, donations, and contributions	-	-	-	-	-
Total revenues	50,408,292	16,676,734	23,484,706	136,540,528	9,559,546
EXPENDITURES					
Current:					
General government administration	-	-	-	-	-
Judicial administration	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community development	108,732,994	-	-	115,211,042	163,803
Parks, recreation, and cultural	-	-	-	-	-
Intergovernmental:					
Community development	4,879,587	-	-	-	-
Parks, recreation, and cultural	-	-	-	-	-
Education - for Public Schools	-	-	-	-	-
Capital outlay:					
General government administration	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Community development	37,000,415	-	-	2,031,934	-
Parks, recreation, and cultural	-	-	-	-	-
Debt service:					
Principal retirement	-	8,295,000	38,464,783	-	-
Interest and other charges	-	5,514,104	161,917	-	-
Total expenditures	150,612,996	13,809,104	38,626,700	117,242,976	163,803
Excess (deficiency) of revenues over (under) expenditures	(100,204,704)	2,867,630	(15,141,994)	19,297,552	9,395,743
OTHER FINANCING SOURCES (USES)					
Transfers in	85,031,816	-	-	-	-
Transfers out	-	-	-	(41,239,877)	-
Leases	-	-	-	-	-
Total other financing sources (uses), net	85,031,816	-	-	(41,239,877)	-
Net change in fund balances	(15,172,888)	2,867,630	(15,141,994)	(21,942,325)	9,395,743
Fund balances, July 1, 2022	26,978,197	35,355,224	69,282,973	226,218,833	48,937,093
Fund balances, June 30, 2023	\$ 11,805,309	38,222,854	54,140,979	204,276,508	58,332,836

EXHIBIT D-1

Reston Service District	Metrorail Parking system Pledged Revenue	Federal/ State Grant	Cable Communications	Early Childhood Birth to 5	
					REVENUES
-	-	-	-	-	- Taxes
-	-	-	18,256,738	10,192	Permits, privilege fees, and regulatory licenses
2,487,121	2,036,812	193,855,643	15	55,038	Intergovernmental
-	-	4,851,744	-	11,153	- Charges for services
-	-	-	-	-	Fines and forfeitures
-	-	-	-	-	- Developers' contributions
181,428	4,296,278	87,729	11,041	-	Revenue from the use of money and property
-	-	4,473,893	-	6,448	Recovered costs
-	-	416,619	-	-	- Gifts, donations, and contributions
2,668,549	6,333,090	203,685,628	18,267,794	82,831	Total revenues
					EXPENDITURES
					Current:
-	-	50,000	3,537,091	-	- General government administration
-	-	732,719	-	-	- Judicial administration
-	-	25,934,390	872,274	-	- Public safety
-	-	-	-	-	- Public works
-	-	106,351,518	-	26,048,197	Health and welfare
-	2,666,505	36,116,733	4,781,099	-	- Community development
-	-	97,179	-	-	- Parks, recreation, and cultural
					Intergovernmental:
-	-	-	-	-	- Community development
-	-	23,090	-	-	- Parks, recreation, and cultural
-	-	-	2,877,936	-	- Education - for Public Schools
					Capital outlay:
-	-	-	31,230	-	- General government administration
-	-	693,569	-	-	- Public safety
-	-	-	-	-	- Public works
-	-	848,903	-	60,361	Health and welfare
-	66,011	26,151,646	312,191	-	- Community development
-	-	-	-	-	- Parks, recreation, and cultural
					Debt service:
-	4,715,000	44,392	8,874	30,159	Principal retirement
-	6,227,000	489	-	-	Interest and other charges
-	13,674,516	197,044,628	12,420,695	26,138,717	Total expenditures
2,668,549	(7,341,426)	6,641,000	5,847,099	(26,055,886)	Excess (deficiency) of revenues over (under) expenditures
					OTHER FINANCING SOURCES (USES)
-	2,717,877	4,432,654	-	33,286,113	Transfers in
-	-	-	(4,842,038)	-	- Transfers out
-	-	-	8,874	60,361	Leases
-	2,717,877	4,432,654	(4,833,164)	33,346,474	Total other financing sources (uses), net
2,668,549	(4,623,549)	11,073,654	1,013,935	7,290,588	Net change in fund balances
9,712,001	12,661,989	40,772,429	10,192,922	10,583,971	Fund balances, July 1, 2022
12,380,550	8,038,440	51,846,083	11,206,857	17,874,559	Fund balances, June 30, 2023

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, 2023

	Fairfax- Falls Church Community Services Board	Reston Community Center	Mosaic Community Development Authority	McLean Community Center	Burgundy Village Community Center
REVENUES					
Taxes	\$ -	-	4,881,435	-	-
Permits, privilege fees, and regulatory licenses	-	-	-	-	-
Intergovernmental	17,413,699	-	-	-	-
Charges for services	30,112,656	10,410,784	-	6,636,355	38,743
Fines and forfeitures	13,388	-	-	-	-
Developers' contributions	-	-	-	-	-
Revenue from the use of money and property	124,800	555,849	134,862	252,748	87,448
Recovered costs	30,556	-	-	-	-
Gifts, donations, and contributions	-	-	-	-	-
Total revenues	47,695,099	10,966,633	5,016,297	6,889,103	126,191
EXPENDITURES					
Current:					
General government administration	-	-	-	-	-
Judicial administration	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	183,524,861	-	-	-	-
Community development	-	-	29,558	-	-
Parks, recreation, and cultural	-	8,524,691	-	6,231,903	26,922
Intergovernmental:					
Community development	-	-	-	-	-
Parks, recreation, and cultural	-	-	-	-	-
Education - for Public Schools	-	-	-	-	-
Capital outlay:					
General government administration	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	662,022	-	-	-	-
Community development	-	-	-	-	-
Parks, recreation, and cultural	-	607,350	-	198,524	-
Debt service:					
Principal retirement	3,336,545	185,929	-	-	-
Interest and other charges	408,692	89,338	-	-	-
Total expenditures	187,932,120	9,407,308	29,558	6,430,427	26,922
Excess (deficiency) of revenues over (under) expenditures	(140,237,021)	1,559,325	4,986,739	458,676	99,269
OTHER FINANCING SOURCES (USES)					
Transfers in	165,445,478	-	-	-	-
Transfers out	(10,000,000)	-	(4,881,435)	-	-
Leases	489,422	3,944	-	-	-
Total other financing sources (uses), net	155,934,900	3,944	(4,881,435)	-	-
Net change in fund balances	15,697,879	1,563,269	105,304	458,676	99,269
Fund balances, July 1, 2022	45,612,641	9,097,185	2,680,988	6,564,837	322,527
Fund balances, June 30, 2023	\$ 61,310,520	10,660,454	2,786,292	7,023,513	421,796

EXHIBIT D-1

E-911	Integrated Pest Management Program	Stormwater Services	Leaf Collection	Refuse Collection and Recycling Operations	
REVENUES					
41,966,224	-	-	-	-	Taxes
-	-	-	-	-	Permits, privilege fees, and regulatory licenses
4,041,261	-	37,503	-	207,460	Intergovernmental
140	2,906,931	94,857,403	2,372,101	23,404,964	Charges for services
-	-	-	-	100	Fines and forfeitures
-	-	376,790	-	-	Developers' contributions
654,086	102,704	3,114,745	85,057	199,822	Revenue from the use of money and property
172,481	-	984,629	-	7,721	Recovered costs
-	-	-	-	-	Gifts, donations, and contributions
46,834,192	3,009,635	99,371,070	2,457,158	23,820,067	Total revenues
EXPENDITURES					
Current:					
-	-	-	-	-	General government administration
-	-	-	-	-	Judicial administration
43,349,102	-	-	-	-	Public safety
-	-	40,310,120	3,074,732	20,724,955	Public works
-	1,118,739	-	-	-	Health and welfare
-	1,421,267	-	-	-	Community development
-	-	-	-	-	Parks, recreation, and cultural
Intergovernmental:					
-	-	-	-	-	Community development
-	-	-	-	-	Parks, recreation, and cultural
-	-	-	-	-	Education - for Public Schools
Capital outlay:					
-	-	-	-	-	General government administration
14,609,127	-	-	-	-	Public safety
-	-	51,016,371	73,749	1,307,166	Public works
-	-	-	-	-	Health and welfare
-	-	-	-	-	Community development
-	-	-	-	-	Parks, recreation, and cultural
Debt service:					
1,061,052	-	1,910,819	-	63,176	Principal retirement
-	-	2,545,129	-	13	Interest and other charges
59,019,281	2,540,006	95,782,439	3,148,481	22,095,310	Total expenditures
(12,185,089)	469,629	3,588,631	(691,323)	1,724,757	Excess (deficiency) of revenues over (under) expenditures
OTHER FINANCING SOURCES (USES)					
10,618,392	-	-	-	-	Transfers in
-	(151,000)	(1,608,796)	(54,000)	(494,000)	Transfers out
5,621,639	-	496,226	-	232,656	Leases
16,240,031	(151,000)	(1,112,570)	(54,000)	(261,344)	Total other financing sources (uses), net
4,054,942	318,629	2,476,061	(745,323)	1,463,413	Net change in fund balances
36,226,480	5,587,250	167,127,638	5,069,998	4,109,867	Fund balances, July 1, 2022
40,281,422	5,905,879	169,603,699	4,324,675	5,573,280	Fund balances, June 30, 2023

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, 2023

	Land Development Services	Refuse Disposal	I-95 Refuse Disposal	Community Development Block Grant
REVENUES				
Taxes	\$ -	-	-	-
Permits, privilege fees, and regulatory licenses	44,903,144	86,235	-	-
Intergovernmental	-	-	-	7,246,419
Charges for services	1,921,393	52,217,188	11,455,421	-
Fines and forfeitures	179,477	75,599	-	-
Developers' contributions	-	-	-	-
Revenue from the use of money and property	223,833	3,172,029	969,728	1,325,593
Recovered costs	823	3,591	-	-
Gifts, donations, and contributions	2,505	-	-	-
Total revenues	47,231,175	55,554,642	12,425,149	8,572,012
EXPENDITURES				
Current:				
General government administration	-	-	-	-
Judicial administration	-	-	-	-
Public safety	16,171,258	-	-	-
Public works	-	58,681,690	7,614,978	-
Health and welfare	-	-	-	-
Community development	29,688,451	-	-	7,392,558
Parks, recreation, and cultural	-	-	-	-
Intergovernmental:				
Community development	-	-	-	-
Parks, recreation, and cultural	-	-	-	-
Education - for Public Schools	-	-	-	-
Capital outlay:				
General government administration	-	-	-	-
Public safety	-	-	-	-
Public works	-	7,157,972	2,390,665	-
Health and welfare	-	-	-	-
Community development	110,304	-	-	59,191
Parks, recreation, and cultural	-	-	-	-
Debt service:				
Principal retirement	13,736	20,235	-	344,000
Interest and other charges	-	142	-	90,266
Total expenditures	45,983,749	65,860,039	10,005,643	7,886,015
Excess (deficiency) of revenues over (under) expenditures	1,247,426	(10,305,397)	2,419,506	685,997
OTHER FINANCING SOURCES (USES)				
Transfers in	6,441,350	-	-	-
Transfers out	(350,000)	(707,000)	(209,000)	-
Leases	13,736	80,484	-	-
Total other financing sources (uses), net	6,105,086	(626,516)	(209,000)	-
Net change in fund balances	7,352,512	(10,931,913)	2,210,506	685,997
Fund balances, July 1, 2022	-	61,652,464	46,866,851	514,431
Fund balances, June 30, 2023	\$ 7,352,512	\$ 50,720,551	49,077,357	1,200,428

EXHIBIT D-1

concluded

Housing Trust	HOME Investment Partnerships Grant	Alcohol Safety Action Program	Total Special Revenue Funds	
REVENUES				
-	-	-	46,847,659	Taxes
-	-	-	63,256,309	Permits, privilege fees, and regulatory licenses
-	2,375,760	2,459	337,155,927	Intergovernmental
-	-	668,783	357,724,390	Charges for services
-	-	-	279,717	Fines and forfeitures
1,107,956	-	-	1,484,746	Developers' contributions
3,777,963	62,247	9,117	32,788,703	Revenue from the use of money and property
899,511	-	-	6,623,342	Recovered costs
-	-	-	419,124	Gifts, donations, and contributions
5,785,430	2,438,007	680,359	846,579,917	Total revenues
EXPENDITURES				
Current:				
-	-	-	3,587,091	General government administration
-	-	-	732,719	Judicial administration
-	-	-	86,327,024	Public safety
-	-	-	130,406,475	Public works
-	-	1,498,464	318,541,779	Health and welfare
3,759,352	2,531,181	-	312,494,543	Community development
-	-	-	14,880,695	Parks, recreation, and cultural
Intergovernmental:				
-	-	-	4,879,587	Community development
-	-	-	23,090	Parks, recreation, and cultural
-	-	-	2,877,936	Education - for Public Schools
Capital outlay:				
-	-	-	31,230	General government administration
-	-	-	15,302,696	Public safety
-	-	-	61,945,923	Public works
-	-	-	1,571,286	Health and welfare
1,016,277	-	-	66,747,969	Community development
-	-	-	805,874	Parks, recreation, and cultural
Debt service:				
-	-	-	58,493,700	Principal retirement
-	-	-	15,037,090	Interest and other charges
4,775,629	2,531,181	1,498,464	1,094,686,707	Total expenditures
1,009,801	(93,174)	(818,105)	(248,106,790)	Excess (deficiency) of revenues over (under) expenditures
OTHER FINANCING SOURCES (USES)				
-	-	910,360	308,884,040	Transfers in
-	-	-	(64,537,146)	Transfers out
-	-	-	7,007,342	Leases
-	-	910,360	251,354,236	Total other financing sources (uses), net
1,009,801	(93,174)	92,255	3,247,446	Net change in fund balances
35,944,269	1,113,605	100,443	919,287,106	Fund balances, July 1, 2022
36,954,070	1,020,431	192,698	922,534,552	Fund balances, June 30, 2023

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - County Transit Systems Fund (Budget Basis)
For the fiscal year ended June 30, 2023

EXHIBIT D-2A

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 34,313,072	68,378,096	38,000,975	(30,377,121)
Charges for services	3,708,916	5,944,853	4,624,123	(1,320,730)
Revenue from the use of money and property	433,750	433,750	7,739,505	7,305,755
Recovered costs	-	-	43,689	43,689
Total revenues	38,455,738	74,756,699	50,408,292	(24,348,407)
EXPENDITURES				
Community development	130,399,164	180,189,749	149,962,248	30,227,501
Total expenditures	130,399,164	180,189,749	149,962,248	30,227,501
Excess (deficiency) of revenues over (under) expenditures	(91,943,426)	(105,433,050)	(99,553,956)	5,879,094
OTHER FINANCING SOURCES				
Transfers in	85,031,816	85,031,816	85,031,816	-
Total other financing sources	85,031,816	85,031,816	85,031,816	-
Net change in fund balance	\$ (6,911,610)	(20,401,234)	(14,522,140)	5,879,094

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - Dulles Rail Phase I Transportation Improvement
District Fund (Budget Basis)
For the fiscal year ended June 30, 2023

EXHIBIT D-2B

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 15,629,149	15,629,149	15,395,981	(233,168)
Revenue from the use of money and property	-	-	1,280,753	1,280,753
Total revenues	15,629,149	15,629,149	16,676,734	1,047,585
EXPENDITURES				
Debt service:				
Principal retirement	8,295,000	8,275,000	8,295,000	(20,000)
Interest and other charges:				
Interest	5,713,250	5,713,250	5,522,050	191,200
Bond issuance costs and other	-	20,000	(7,946)	27,946
Total expenditures	14,008,250	14,008,250	13,809,104	199,146
Excess of revenues over expenditures	1,620,899	1,620,899	2,867,630	1,246,731
Net change in fund balance	\$ 1,620,899	1,620,899	2,867,630	1,246,731

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - Dulles Rail Phase II Transportation Improvement
District Fund (Budget Basis)
For the fiscal year ended June 30, 2023

EXHIBIT D-2C

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive Negative
	Original	Final		
REVENUES				
Charges for services	\$ 21,481,900	21,481,900	21,864,755	382,855
Revenue from the use of money and property	-	-	1,619,951	1,619,951
Total revenues	21,481,900	21,481,900	23,484,706	2,002,806
EXPENDITURES				
Debt service:				
Principal retirement	-	38,600,000	38,600,000	-
Interest and other charges:				
Bond issuance costs and other	500,000	500,000	26,700	473,300
Total expenditures	500,000	39,100,000	38,626,700	473,300
Excess (deficiency) of revenues over (under) expenditures	20,981,900	(17,618,100)	(15,141,994)	2,476,106
Net change in fund balance	\$ 20,981,900	(17,618,100)	(15,141,994)	2,476,106

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - County and Regional Transportation Projects (Budget Basis)
For the fiscal year ended June 30, 2023

EXHIBIT D-2D

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive Negative
	Original	Final		
REVENUES				
Intergovernmental	\$ 45,464,201	147,868,968	75,773,549	(72,095,419)
Charges for services	62,859,433	62,859,433	60,765,930	(2,093,503)
Revenue from the use of money and property	-	-	2,019,323	2,019,323
Total revenues	108,323,634	210,728,401	138,558,802	(72,169,599)
EXPENDITURES				
Public works	-	88,082	-	88,082
Community development	69,801,634	489,471,940	118,005,408	371,466,532
Total expenditures	69,801,634	489,560,022	118,005,408	371,554,614
Excess (deficiency) of revenues over (under) expenditures	38,522,000	(278,831,621)	20,553,394	299,385,015
OTHER FINANCING SOURCES (USES)				
Transfers out	(38,522,000)	(41,239,877)	(41,239,877)	-
Revenue bonds issued	-	100,000,000	-	(100,000,000)
Total other financing sources (uses), net	(38,522,000)	58,760,123	(41,239,877)	(100,000,000)
Net change in fund balance	\$ -	(220,071,498)	(20,686,483)	199,385,015

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - Tysons Service District Fund (Budget Basis)
For the fiscal year ended June 30, 2023

EXHIBIT D-2E

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 8,809,234	8,809,234	8,695,047	(114,187)
Revenue from the use of money and property	-	-	864,499	864,499
Total revenues	8,809,234	8,809,234	9,559,546	750,312
EXPENDITURES				
Community development	-	18,279,764	163,803	18,115,961
Total expenditures	-	18,279,764	163,803	18,115,961
Excess (deficiency) of revenues over (under) expenditures	8,809,234	(9,470,530)	9,395,743	18,866,273
Net change in fund balance	\$ 8,809,234	(9,470,530)	9,395,743	18,866,273

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - Reston Service District (Budget Basis)
For the fiscal year ended June 30, 2023

EXHIBIT D-2F

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,510,794	2,510,794	2,487,121	(23,673)
Revenue from the use of money and property	-	-	181,428	181,428
Total revenues	2,510,794	2,510,794	2,668,549	157,755
EXPENDITURES				
Community development	-	4,332,914	-	4,332,914
Total expenditures	-	4,332,914	-	4,332,914
Excess (deficiency) of revenues over (under) expenditures	2,510,794	(1,822,120)	2,668,549	4,490,669
Net change in fund balance	\$ 2,510,794	(1,822,120)	2,668,549	4,490,669

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2G

Special Revenue Fund

Budgetary Comparison Schedule - Metrorail Parking System Pledged Revenue (Budget Basis)

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Charges for services	\$ 2,967,343	1,483,672	2,036,812	553,140
Revenue from the use of money and property	4,601,505	3,961,090	4,296,278	335,188
Total revenues	7,568,848	5,444,762	6,333,090	888,328
EXPENDITURES				
Community development	1,657,018	5,352,543	2,732,516	2,620,027
Debt service:				
Principal retirement	4,715,000	4,715,000	4,715,000	-
Interest and other charges:				
Interest	6,225,500	6,227,000	6,225,500	1,500
Bond issuance costs and other	-	-	1,500	(1,500)
Total expenditures	12,597,518	16,294,543	13,674,516	2,620,027
Excess (deficiency) of revenues over (under) expenditures	(5,028,670)	(10,849,781)	(7,341,426)	3,508,355
OTHER FINANCING SOURCES				
Transfers in	-	2,717,877	2,717,877	-
Total other financing sources	-	2,717,877	2,717,877	-
Net change in fund balance	\$ (5,028,670)	(8,131,904)	(4,623,549)	3,508,355

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2H

Special Revenue Fund

Budgetary Comparison Schedule - Federal/State Grant Fund (Budget Basis)

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 121,784,625	463,145,845	210,210,361	(252,935,484)
Charges for services	-	-	4,851,744	4,851,744
Revenue from the use of money and property	-	-	87,729	87,729
Recovered costs	-	-	1,888,895	1,888,895
Gifts, donations, and contributions	-	-	3,001,617	3,001,617
Total revenues	121,784,625	463,145,845	220,040,346	(243,105,499)
EXPENDITURES				
General government administration	126,217,279	230,407,692	3,401,344	227,006,348
Judicial administration	-	166,288	730,688	(564,400)
Public safety	-	33,543,673	30,231,877	3,311,796
Public works	-	3,035,843	-	3,035,843
Health and welfare	-	99,240,519	100,292,071	(1,051,552)
Community development	-	125,988,521	62,268,380	63,720,141
Parks, recreation, and cultural	-	88,538	120,269	(31,731)
Total expenditures	126,217,279	492,471,074	197,044,629	295,426,445
Excess (deficiency) of revenues over (under) expenditures	(4,432,654)	(29,325,229)	22,995,717	52,320,946
OTHER FINANCING SOURCES				
Transfers in	-	19,119,228	4,432,654	(14,686,574)
Total other financing sources	-	19,119,228	4,432,654	(14,686,574)
Net change in fund balance	\$ (4,432,654)	(10,206,001)	27,428,371	37,634,372

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - Cable Communications Fund (Budget Basis)
For the fiscal year ended June 30, 2023

EXHIBIT D-2I

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Permits, privilege fees, and regulatory licenses	\$ 18,719,981	18,719,981	18,256,738	(463,243)
Charges for services	-	-	15	15
Revenue from the use of money and property	-	-	11,041	11,041
Total revenues	18,719,981	18,719,981	18,267,794	(452,187)
EXPENDITURES				
Community development	11,665,893	17,233,864	9,533,885	7,699,979
Total expenditures	11,665,893	17,233,864	9,533,885	7,699,979
Excess of revenues over expenditures	7,054,088	1,486,117	8,733,909	7,247,792
OTHER FINANCING USES				
Transfers out	(4,842,038)	(4,842,038)	(4,842,038)	-
Transfers out to component units	(2,877,936)	(2,877,936)	(2,877,936)	-
Total other financing uses	(7,719,974)	(7,719,974)	(7,719,974)	-
Net change in fund balance	\$ (665,886)	(6,233,857)	1,013,935	7,247,792

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - Early Childhood Birth to 5 Fund (Budget Basis)
For the fiscal year ended June 30, 2023

EXHIBIT D-2J

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Permits, privilege fees, and regulatory licenses	\$ 15,353	15,353	10,192	(5,161)
Intergovernmental	44,689	44,689	55,038	10,349
Fines and forfeitures	-	-	11,153	11,153
Recovered costs	155,918	155,918	6,448	(149,470)
Total revenues	215,960	215,960	82,831	(133,129)
EXPENDITURES				
Health and welfare	33,502,073	33,905,610	26,078,536	7,827,074
Total expenditures	33,502,073	33,905,610	26,078,536	7,827,074
Excess (deficiency) of revenues over (under) expenditures	(33,286,113)	(33,689,650)	(25,995,705)	7,693,945
OTHER FINANCING USES				
Transfers in	33,286,113	33,286,113	33,286,113	-
Total other financing sources	33,286,113	33,286,113	33,286,113	-
Net change in fund balance	\$ -	(403,537)	7,290,408	7,693,945

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2K

Special Revenue Fund

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

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 16,262,898	16,262,898	17,413,699	1,150,801
Charges for services	20,769,208	20,769,208	30,112,656	9,343,448
Fines and forfeitures	-	-	13,388	13,388
Revenue from the use of money and property	124,800	124,800	124,800	-
Recovered costs	-	-	30,556	30,556
Total revenues	37,156,906	37,156,906	47,695,099	10,538,193
EXPENDITURES				
Health and welfare	202,350,409	212,141,714	187,442,697	24,699,017
Total expenditures	202,350,409	212,141,714	187,442,697	24,699,017
Excess (deficiency) of revenues over (under) expenditures	(165,193,503)	(174,984,808)	(139,747,598)	35,237,210
OTHER FINANCING SOURCES				
Transfers in	165,193,503	165,445,478	165,445,478	-
Transfers out	-	(10,000,000)	(10,000,000)	-
Total other financing sources, net	165,193,503	155,445,478	155,445,478	-
Net change in fund balance	\$ -	(19,539,330)	15,697,880	35,237,210

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2L

Special Revenue Fund

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

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 9,828,079	10,091,042	10,410,784	319,742
Revenue from the use of money and property	308,166	308,166	555,849	247,683
Total revenues	10,136,245	10,399,208	10,966,633	567,425
EXPENDITURES				
Parks, recreation, and cultural	9,606,316	10,895,545	9,403,364	1,492,181
Total expenditures	9,606,316	10,895,545	9,403,364	1,492,181
Excess (deficiency) of revenues over (under) expenditures	529,929	(496,337)	1,563,269	2,059,606
Net change in fund balance	\$ 529,929	(496,337)	1,563,269	2,059,606

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2M

Special Revenue Fund

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

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 6,632,157	6,632,157	6,636,355	4,198
Revenue from the use of money and property	100,670	100,670	252,748	152,078
Total revenues	6,732,827	6,732,827	6,889,103	156,276
EXPENDITURES				
Parks, recreation, and cultural	7,832,827	8,437,170	6,430,427	2,006,743
Total expenditures	7,832,827	8,437,170	6,430,427	2,006,743
Excess (deficiency) of revenues over (under) expenditures	(1,100,000)	(1,704,343)	458,676	2,163,019
Net change in fund balance	\$ (1,100,000)	(1,704,343)	458,676	2,163,019

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2N

Special Revenue Fund

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

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 40,521	40,521	38,743	(1,778)
Revenue from the use of money and property	46,138	46,138	87,448	41,310
Total revenues	86,659	86,659	126,191	39,532
EXPENDITURES				
Parks, recreation, and cultural	47,656	113,154	26,922	86,232
Total expenditures	47,656	113,154	26,922	86,232
Excess (deficiency) of revenues over (under) expenditures	39,003	(26,495)	99,269	125,764
Net change in fund balance	\$ 39,003	(26,495)	99,269	125,764

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - E-911 Fund (Budget Basis)
For the fiscal year ended June 30, 2023

EXHIBIT D-2o

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local sales and use taxes	\$ 40,568,880	40,568,880	41,966,224	1,397,344
Intergovernmental	3,396,251	3,396,251	4,041,261	645,010
Charges for Services	-	-	140	140
Revenue from the use of money and property	10,000	10,000	654,086	644,086
Recovered costs	1,046,259	1,046,259	172,481	(873,778)
Total revenues	45,021,390	45,021,390	46,834,192	1,812,802
EXPENDITURES				
Public safety	57,683,070	78,378,033	53,397,642	24,980,391
Total expenditures	57,683,070	78,378,033	53,397,642	24,980,391
Excess (deficiency) of revenues over (under) expenditures	(12,661,680)	(33,356,643)	(6,563,450)	26,793,193
OTHER FINANCING SOURCES				
Transfers in	10,618,392	10,618,392	10,618,392	-
Total other financing sources	10,618,392	10,618,392	10,618,392	-
Net change in fund balance	\$ (2,043,288)	(22,738,251)	4,054,942	26,793,193

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - Integrated Pest Management Program Fund (Budget Basis)
For the fiscal year ended June 30, 2023

EXHIBIT D-2p

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,692,792	2,692,792	2,906,931	214,139
Revenue from the use of money and property	7,691	7,691	102,704	95,013
Total revenues	2,700,483	2,700,483	3,009,635	309,152
EXPENDITURES				
Health and welfare	1,884,518	1,963,835	1,118,739	845,096
Community development	1,549,413	1,684,542	1,421,267	263,275
Total expenditures	3,433,931	3,648,377	2,540,006	1,108,371
Excess (deficiency) of revenues over (under) expenditures	(733,448)	(947,894)	469,629	1,417,523
OTHER FINANCING USES				
Transfers out	(151,000)	(151,000)	(151,000)	-
Total other financing uses	(151,000)	(151,000)	(151,000)	-
Net change in fund balance	\$ (884,448)	(1,098,894)	318,629	1,417,523

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - Stormwater Services Fund (Budget Basis)
For the fiscal year ended June 30, 2023

EXHIBIT D-2Q

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	710,613	25,137,579	24,426,966
Charges for services	94,393,055	94,393,055	94,857,403	464,348
Developers' contributions	-	-	376,790	376,790
Revenue from the use of money and property	-	-	3,114,745	3,114,745
Recovered costs	-	-	984,629	984,629
Total revenues	94,393,055	95,103,668	124,471,146	29,367,478
EXPENDITURES				
Public works	88,814,055	277,601,717	91,107,213	186,494,504
Debt service:				
Principal retirement	1,640,000	3,794,900	1,640,000	2,154,900
Interest and other charges:				
Interest	2,539,000	4,245,634	2,539,000	1,706,634
Total expenditures	92,993,055	285,642,251	95,286,213	190,356,038
Excess (deficiency) of revenues over (under) expenditures	1,400,000	(190,538,583)	29,184,933	219,723,516
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,400,000)	(1,608,796)	(1,608,796)	-
Total other financing (uses)	(1,400,000)	(1,608,796)	(1,608,796)	-
Net change in fund balance	\$ -	(192,147,379)	27,576,137	219,723,516

COUNTY OF FAIRFAX, VIRGINIA
Special Revenue Fund
Budgetary Comparison Schedule - Leaf Collection Fund (Budget Basis)
For the fiscal year ended June 30, 2023

EXHIBIT D-2R

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,382,767	2,382,767	2,372,101	(10,666)
Revenue from the use of money and property	14,839	14,839	85,057	70,218
Total revenues	2,397,606	2,397,606	2,457,158	59,552
EXPENDITURES				
Public works	2,648,462	3,648,462	3,148,481	499,981
Total expenditures	2,648,462	3,648,462	3,148,481	499,981
Excess (deficiency) of revenues over (under) expenditures	(250,856)	(1,250,856)	(691,323)	559,533
OTHER FINANCING USES				
Transfers out	(54,000)	(54,000)	(54,000)	-
Total other financing uses	(54,000)	(54,000)	(54,000)	-
Net change in fund balance	\$ (304,856)	(1,304,856)	(745,323)	559,533

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2s

Special Revenue Fund

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

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 113,247	113,247	207,460	94,213
Fines and Forfeitures	-	-	100	100
Charges for services	23,150,175	23,150,175	23,404,964	254,789
Revenue from the use of money and property	21,590	21,590	199,822	178,232
Recovered costs	25,966	25,966	7,721	(18,245)
Total revenues	23,310,978	23,310,978	23,820,067	509,089
EXPENDITURES				
Public works	21,569,641	24,351,099	21,915,182	2,435,917
Total expenditures	21,569,641	24,351,099	21,915,182	2,435,917
Excess (deficiency) of revenues over (under) expenditures	1,741,337	(1,040,121)	1,904,885	2,945,006
OTHER FINANCING USES				
Transfers out	(494,000)	(494,000)	(494,000)	-
Total other financing uses	(494,000)	(494,000)	(494,000)	-
Net change in fund balance	\$ 1,247,337	(1,534,121)	1,410,885	2,945,006

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2t

Special Revenue Fund

Budgetary Comparison Schedule - Land Development Services Fund (Budget Basis)

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Permits, privilege fees, and regulatory licenses	\$ 46,955,995	48,466,225	44,903,142	(3,563,083)
Charges for services	1,520,000	1,520,000	1,921,393	401,393
Fines and forfeitures	70,000	70,000	179,477	109,477
Revenue from the use of money and property	-	-	223,833	223,833
Recovered costs	11,000	11,000	3,328	(7,672)
Total revenues	48,556,995	50,067,225	47,231,173	(2,836,052)
EXPENDITURES				
Public safety	16,042,274	17,681,490	16,171,258	1,510,232
Community development	29,767,994	29,958,972	29,798,754	160,218
Total expenditures	45,810,268	47,640,462	45,970,012	1,670,450
Excess of revenues over expenditures	2,746,727	2,426,763	1,261,161	(1,165,602)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	6,441,350	6,441,350	-
Transfers out	(350,000)	(350,000)	(350,000)	-
Total other financing sources (uses), net	(350,000)	6,091,350	6,091,350	-
Net change in fund balance	\$ 2,396,727	8,518,113	7,352,511	(1,165,602)

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2u

Special Revenue Fund

Budgetary Comparison Schedule - Refuse Disposal Fund (Budget Basis)

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Permits, privilege fees, and regulatory licenses	\$ 82,320	82,320	86,235	3,915
Charges for services	54,152,553	54,152,553	52,217,188	(1,935,365)
Revenue from the use of money and property	1,097,162	1,097,162	3,161,996	2,064,834
Recovered costs	-	-	3,591	3,591
Fines and forfeitures	-	-	75,599	75,599
Total revenues	55,332,035	55,332,035	55,544,609	212,574
EXPENDITURES				
Public works	58,152,178	69,269,337	65,779,553	3,489,784
Total expenditures	58,152,178	69,269,337	65,779,553	3,489,784
Excess (deficiency) of revenues over (under) expenditures	(2,820,143)	(13,937,302)	(10,234,944)	3,702,358
OTHER FINANCING USES				
Transfers out	(707,000)	(707,000)	(707,000)	-
Total other financing uses	(707,000)	(707,000)	(707,000)	-
Net change in fund balance	\$ (3,527,143)	(14,644,302)	(10,941,944)	3,702,358

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2v

Special Revenue Fund

Budgetary Comparison Schedule - I-95 Refuse Disposal Fund (Budget Basis)

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Permits, privilege fees, and regulatory licenses	\$ 10,514,352	-	-	-
Charges for services	-	10,514,352	11,455,421	941,069
Revenue from the use of money and property	338,222	338,222	969,728	631,506
Total revenues	10,852,574	10,852,574	12,425,149	1,572,575
EXPENDITURES				
Public works	10,259,599	20,283,895	9,953,116	10,330,779
Total expenditures	10,259,599	20,283,895	9,953,116	10,330,779
Excess (deficiency) of revenues over (under) expenditures	592,975	(9,431,321)	2,472,033	11,903,354
OTHER FINANCING USES				
Transfers out	(209,000)	(209,000)	(209,000)	-
Total other financing uses	(209,000)	(209,000)	(209,000)	-
Net change in fund balance	\$ 383,975	(9,640,321)	2,263,033	11,903,354

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2w

Special Revenue Fund

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

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 6,128,149	13,127,137	8,964,576	(4,162,561)
Charges for services	-	2,812	-	(2,812)
Total revenues	6,128,149	13,129,949	8,964,576	(4,165,373)
EXPENDITURES				
Community development	5,693,883	12,562,961	7,451,749	5,111,212
Debt service:				
Principal retirement	344,000	344,000	344,000	-
Interest and other charges:				
Interest	90,266	90,266	90,266	-
Total expenditures	6,128,149	12,997,227	7,886,015	5,111,212
Excess of revenues over expenditures	-	132,722	1,078,561	945,839
Net change in fund balance	\$ -	132,722	1,078,561	945,839

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2x

Special Revenue Fund

Budgetary Comparison Schedule - Housing Trust Fund (Budget Basis)

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Developers' contributions	\$ -	-	1,107,956	1,107,956
Revenue from the use of money and property	77,251	17,251	367,895	350,644
Other Revenue	3,589,940	4,552,536	4,413,181	(139,355)
Total revenues	3,667,191	4,569,787	5,889,032	1,319,245
EXPENDITURES				
Community development	3,667,191	22,598,442	3,639,666	18,958,776
Total expenditures	3,667,191	22,598,442	3,639,666	18,958,776
Excess (deficiency) of revenues over (under) expenditures	-	(18,028,655)	2,249,366	20,278,021
Net change in fund balance	\$ -	(18,028,655)	2,249,366	20,278,021

COUNTY OF FAIRFAX, VIRGINIA

EXHIBIT D-2Y

Special Revenue Fund

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

For the fiscal year ended June 30, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,175,471	13,535,721	2,375,760	(11,159,961)
Revenue from the use of money and property	-	-	78,502	78,502
Total revenues	2,175,471	13,535,721	2,454,262	(11,081,459)
EXPENDITURES				
Community development	2,175,471	13,381,952	2,531,181	10,850,771
Total expenditures	2,175,471	13,381,952	2,531,181	10,850,771
Excess (deficiency) of revenues over (under) expenditures	-	153,769	(76,919)	(230,688)
Net change in fund balance	\$ -	153,769	(76,919)	(230,688)

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. This fund is not appropriated in the County's operating budget.

COUNTY OF FAIRFAX, VIRGINIA
Debt Service Funds
Combining Balance Sheet
June 30, 2023

EXHIBIT E

	Debt Service	Mosaic Community Development Authority	Total Debt Service Funds
ASSETS			
Equity in pooled cash and temporary investments	\$ 8,514,683	-	8,514,683
Receivables:			
Accrued interest	-	20,912	20,912
Notes receivable	34,565,000	-	34,565,000
Loan to component unit	8,505,000	-	8,505,000
Restricted assets:			
Restricted assets - Cash with fiscal agents	3,884	5,090,691	5,094,575
Investments			
Total assets	<u>51,588,567</u>	<u>5,111,603</u>	<u>56,700,170</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 51,588,567</u>	<u>5,111,603</u>	<u>56,700,170</u>
LIABILITIES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 322,200	-	322,200
Total liabilities	<u>322,200</u>	<u>-</u>	<u>322,200</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>34,565,000</u>	<u>-</u>	<u>34,565,000</u>
Total deferred inflows of resources	<u>34,565,000</u>	<u>-</u>	<u>34,565,000</u>
Total liabilities and deferred inflows of resources	<u>34,887,200</u>	<u>-</u>	<u>34,887,200</u>
FUND BALANCES			
Restricted for:			
Debt service	-	5,111,603	5,111,603
Total Restricted	<u>-</u>	<u>5,111,603</u>	<u>5,111,603</u>
Committed to:			
Debt service	<u>16,701,367</u>	<u>-</u>	<u>16,701,367</u>
Total Committed	<u>16,701,367</u>	<u>-</u>	<u>16,701,367</u>
Total fund balance	<u>16,701,367</u>	<u>5,111,603</u>	<u>21,812,970</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 51,588,567</u>	<u>5,111,603</u>	<u>56,700,170</u>

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, 2023

	Debt Service	Mosaic Community Development Authority	Total Debt Service Funds
REVENUES			
Intergovernmental	\$ 3,980,716	-	3,980,716
Revenue from the use of money and property	1,499,986	183,282	1,683,268
Total revenues	5,480,702	183,282	5,663,984
EXPENDITURES			
Principal retirement:			
County	96,885,000	3,050,000	99,935,000
Schools	144,175,000	-	144,175,000
Interest:			
County	38,943,147	1,831,435	40,774,582
Schools	58,049,505	-	58,049,505
Other charges:			
Bond issuance costs and other charges	2,237,641	-	2,237,641
Arbitrage rebate payments	23,400	-	23,400
Total expenditures	340,313,693	4,881,435	345,195,128
Deficiency of revenues under expenditures	(334,832,991)	(4,698,153)	(339,531,144)
OTHER FINANCING SOURCES			
Transfers in from:			
General Fund	333,541,521	-	333,541,521
Special revenue funds	-	4,881,435	4,881,435
Capital projects funds	1,052,632	-	1,052,632
Total other financing sources	334,594,153	4,881,435	339,475,588
Net change in fund balance	(238,838)	183,282	(55,556)
Fund balances, July 1, 2022	16,940,205	4,928,321	21,868,526
Fund balances, June 30, 2023	\$ 16,701,367	5,111,603	21,812,970

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, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,805,500	1,805,500	1,655,716	(149,784)
Revenue from the use of money and property	-	-	494,360	494,360
Total revenues	1,805,500	1,805,500	2,150,076	344,576
EXPENDITURES				
Principal retirement:				
County	91,430,000	91,430,000	96,885,000	(5,455,000)
Schools	135,995,000	135,995,000	144,175,000	(8,180,000)
Interest:				
County	44,396,936	46,489,639	38,943,148	7,546,491
Schools	66,230,711	69,369,765	58,049,505	11,320,260
Bond issuance costs and other charges	2,000,000	2,000,002	1,808,796	191,206
Total expenditures	340,052,647	345,284,406	339,861,449	5,422,957
Excess (deficiency) of revenues over (under) expenditures	(338,247,147)	(343,478,906)	(337,711,373)	5,767,533
OTHER FINANCING SOURCES				
General obligation bonds issued	500,000	500,000	590,530	90,530
Transfers in from:				
General Fund	333,541,521	333,541,521	333,541,521	-
Other funds	4,205,626	4,215,484	4,215,484	-
Total other financing sources	338,247,147	338,257,005	338,347,535	90,530
Net change in fund balance, net	\$ -	(5,221,901)	636,162	5,858,063



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 ongoing 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.

Metro Operations and Construction Fund is used to account for subsidies to the WMATA 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.

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.

Environmental and Energy Program Fund is used to account for the funding of projects that support the County's environmental initiatives and energy strategies. Projects are funded mostly by the General Fund.

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

COUNTY OF FAIRFAX, VIRGINIA
Capital Projects Funds
Combining Balance Sheet
June 30, 2023

	Contributed Roadway Improvement	Library Construction	County Construction
ASSETS			
Equity in pooled cash and temporary investments	\$ 102,245,144	3,581,703	111,380,929
Receivables:			
Accounts	-	-	192,664
Accrued interest	-	-	-
Loans	-	-	-
Due from intergovernmental units	-	-	50,888
Restricted assets:			
Equity in pooled cash and temporary investments	-	5,246,426	-
Cash with fiscal agents	-	-	1,473,939
Total assets	<u>102,245,144</u>	<u>8,828,129</u>	<u>113,098,420</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 102,245,144</u>	<u>8,828,129</u>	<u>113,098,420</u>
LIABILITIES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 258,051	2,682,290	4,685,150
Accrued salaries and benefits	-	-	32,035
Contract retainages	-	578,024	1,357,792
Due to component units	-	-	1,133,928
Unearned revenues	-	-	23,915,479
Performance and other deposits	52,280,303	-	1,337,257
Total liabilities	<u>52,538,354</u>	<u>3,260,314</u>	<u>32,461,641</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>52,538,354</u>	<u>3,260,314</u>	<u>32,461,641</u>
FUND BALANCES			
Restricted for:			
Capital projects	49,706,790	5,567,815	-
Total Restricted	<u>49,706,790</u>	<u>5,567,815</u>	<u>-</u>
Committed to:			
Capital projects	-	-	80,636,779
Total Committed	<u>-</u>	<u>-</u>	<u>80,636,779</u>
Total fund balances	<u>49,706,790</u>	<u>5,567,815</u>	<u>80,636,779</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 102,245,144</u>	<u>8,828,129</u>	<u>113,098,420</u>

EXHIBIT F

Capital Renewal Construction	Transportation Improvements	Metro Operations and Construction	
76,777,848	32,639,326	2,292,589	ASSETS
-	-	-	Equity in pooled cash and temporary investments
-	-	-	Receivables:
-	-	-	Accounts
-	-	-	Accrued interest
-	-	-	Loans
-	-	-	Due from intergovernmental units
-	21,540,129	-	Restricted assets:
-	-	-	Equity in pooled cash and temporary investments
-	-	-	Cash with fiscal agents
76,777,848	54,179,455	2,292,589	Total assets
-	-	-	DEFERRED OUTFLOWS OF RESOURCES
-	-	-	Total deferred outflows of resources
76,777,848	54,179,455	2,292,589	Total assets and deferred outflows of resources
2,275,600	682,418	-	LIABILITIES
-	-	-	Liabilities:
-	179,976	-	Accounts payable and accrued liabilities
-	71,594	-	Accrued salaries and benefits
-	-	-	Contract retainages
-	-	-	Due to component units
-	-	-	Unearned revenues
-	-	-	Performance and other deposits
2,275,600	933,988	-	Total liabilities
-	-	-	DEFERRED INFLOWS OF RESOURCES
-	-	-	Unavailable revenue
-	-	-	Total deferred inflows of resources
2,275,600	933,988	-	Total liabilities and deferred inflows of resources
-	53,245,467	2,292,589	FUND BALANCES
-	53,245,467	2,292,589	Restricted for:
-	-	-	Capital projects
-	-	-	Total Restricted
74,502,248	-	-	Committed to:
74,502,248	-	-	Capital projects
74,502,248	53,245,467	2,292,589	Total Committed
-	-	-	Total fund balances
76,777,848	54,179,455	2,292,589	Total liabilities, deferred inflows of resources, and fund balances

continued

COUNTY OF FAIRFAX, VIRGINIA
Capital Projects Funds
Combining Balance Sheet
June 30, 2023

	Public Safety Construction	Pro Rata Drainage Construction	Environmental and Energy Program
ASSETS			
Equity in pooled cash and temporary investments	\$ 30,990,067	10,886,657	34,553,557
Receivables:			
Accounts	-	-	-
Accrued interest	-	-	-
Loans	-	-	-
Due from intergovernmental units	-	-	-
Restricted assets:			
Equity in pooled cash and temporary investments	13,474,775	-	-
Cash with fiscal agents	-	-	-
Total assets	<u>44,464,842</u>	<u>10,886,657</u>	<u>34,553,557</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 44,464,842	10,886,657	34,553,557
LIABILITIES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 8,074,657	-	735,549
Accrued salaries and benefits	-	-	-
Contract retainages	5,190,831	-	-
Due to component units	-	-	207,569
Unearned revenues	-	-	-
Performance and other deposits	-	8,608	-
Total liabilities	<u>13,265,488</u>	<u>8,608</u>	<u>943,118</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	-	-
Total deferred inflows of resources	-	-	-
Total liabilities and deferred inflows of resources	13,265,488	8,608	943,118
FUND BALANCES			
Restricted for:			
Capital projects	31,199,354	10,878,049	-
Total Restricted	<u>31,199,354</u>	<u>10,878,049</u>	-
Committed to:			
Capital projects	-	-	33,610,439
Total Committed	-	-	<u>33,610,439</u>
Total fund balances	<u>31,199,354</u>	<u>10,878,049</u>	<u>33,610,439</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 44,464,842	10,886,657	34,553,557

EXHIBIT F

concluded

The Penny for Affordable Housing	Total Capital Projects Funds	
		ASSETS
82,810,545	488,158,365	Equity in pooled cash and temporary investments
		Receivables:
-	192,664	Accounts
6,304,882	6,304,882	Accrued interest
84,243,200	84,243,200	Loans
-	50,888	Due from intergovernmental units
		Restricted assets:
3,174	40,264,504	Equity in pooled cash and temporary investments
-	1,473,939	Cash with fiscal agents
<u>173,361,801</u>	<u>620,688,442</u>	Total assets
		DEFERRED OUTFLOWS OF RESOURCES
-	-	Total deferred outflows of resources
<u>173,361,801</u>	<u>620,688,442</u>	Total assets and deferred outflows of resources
		LIABILITIES AND FUND BALANCES
		Liabilities:
445,962	19,839,677	Accounts payable and accrued liabilities
-	32,035	Accrued salaries and benefits
32,312	7,338,935	Contract retainages
-	1,413,091	Due to component units
-	23,915,479	Unearned revenues
-	53,626,168	Performance and other deposits
<u>478,274</u>	<u>106,165,385</u>	Total liabilities
		DEFERRED INFLOWS OF RESOURCES
6,304,882	6,304,882	Unavailable revenue
<u>6,304,882</u>	<u>6,304,882</u>	Total deferred inflows of resources
<u>6,783,156</u>	<u>112,470,267</u>	Total liabilities and deferred inflows of resources
		FUND BALANCES
		Restricted for:
-	152,890,064	Capital projects
<u>-</u>	<u>152,890,064</u>	Total Restricted
		Committed to:
166,578,645	355,328,111	Capital projects
<u>166,578,645</u>	<u>355,328,111</u>	Total Committed
<u>166,578,645</u>	<u>508,218,175</u>	Total fund balances
<u>173,361,801</u>	<u>620,688,442</u>	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, 2023

	Contributed Roadway Improvements	Library Construction	County Construction
REVENUES			
Taxes	\$ -	-	-
Intergovernmental	-	-	-
Charges for services	-	-	1,771,212
Developers' contributions	1,070,619	-	28,100
Revenue from the use of money and property	1,527,928	-	471,347
Recovered costs	-	-	928,874
Total revenues	2,598,547	-	3,199,533
EXPENDITURES			
Current:			
General government administration	-	-	90,314
Public safety	-	-	98,013
Public works	-	-	2,748,624
Health and welfare	-	-	4,351,194
Community development	660,614	-	3,096,838
Parks, recreation, and cultural	-	-	3,331,860
Intergovernmental:			
Community development	-	-	-
Parks, recreation, and cultural	-	-	38,645,469
Education - for Public Schools	-	-	205,000,000
Capital outlay:			
General government administration	-	-	6,978,999
Judicial administration	-	-	301,528
Public safety	-	-	-
Public works	-	-	171,839
Health and welfare	-	-	7,272,349
Community development	2,919,500	-	4,691,568
Parks, recreation, and cultural	-	7,719,790	834,504
Debt service:			
Principal retirement	-	-	645,000
Interest and other charges	-	-	89,107
Total expenditures	3,580,114	7,719,790	278,347,206
Excess (deficiency) of revenues over (under) expenditures	(981,567)	(7,719,790)	(275,147,673)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	82,371,646
Transfers out	(134,000)	-	(1,042,774)
General obligation bonds issued	-	-	228,000,000
Premium on general obligation bonds issued	-	-	23,042,774
Total other financing sources (uses), net	(134,000)	-	332,371,646
Net change in fund balances	(1,115,567)	(7,719,790)	57,223,973
Fund balances, July 1, 2022	50,822,357	13,287,605	23,412,806
Fund balances, June 30, 2023	\$ 49,706,790	5,567,815	80,636,779

EXHIBIT F-1

Capital Renewal Construction	Transportation Improvements	Metro Operations and Construction	
			REVENUES
-	-	-	- Taxes
333,722	-	-	- Intergovernmental
-	-	-	- Charges for services
-	-	-	- Developers' contributions
-	-	-	- Revenue from the use of money and property
-	-	-	- Recovered costs
333,722	-	-	Total revenues
			EXPENDITURES
			Current:
3,801,642	-	-	- General government administration
-	-	-	- Public safety
-	-	-	- Public works
-	-	-	- Health and welfare
-	3,644,101	-	- Community development
-	-	-	- Parks, recreation, and cultural
			Intergovernmental:
-	-	89,520,098	- Community development
-	465,799	-	- Parks, recreation, and cultural
-	-	-	- Education - for Public Schools
			Capital outlay:
14,081,631	-	-	- General government administration
-	-	-	- Judicial administration
-	100,000	-	- Public safety
-	-	-	- Public works
-	-	-	- Health and welfare
-	2,715,559	-	- Community development
-	-	-	- Parks, recreation, and cultural
			Debt service:
-	-	-	- Principal retirement
-	-	-	- Interest and other charges
17,883,273	6,925,459	89,520,098	Total expenditures
			Excess (deficiency) of revenues over (under) expenditures
(17,549,551)	(6,925,459)	(89,520,098)	OTHER FINANCING SOURCES (USES)
31,415,961	25,208,830	53,046,270	Transfers in
-	-	(3,410,757)	Transfers out
-	22,000,000	30,000,000	General obligation bonds issued
-	-	-	Premium on general obligation bonds issued
31,415,961	47,208,830	79,635,513	Total other financing sources (uses), net
13,866,410	40,283,371	(9,884,585)	Net change in fund balances
60,635,838	12,962,096	12,177,174	Fund balances, July 1, 2022
74,502,248	53,245,467	2,292,589	Fund balances, June 30, 2023

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, 2023

	Public Safety Construction	Pro Rata Drainage Construction	Environmental and Energy Program
REVENUES			
Taxes	\$ -	-	2,626,264
Intergovernmental	-	-	-
Charges for services	-	-	-
Developers' contributions	206,106	-	-
Revenue from the use of money and property	126,218	-	-
Recovered costs	-	2,509,936	7,208
Total revenues	332,324	2,509,936	2,633,472
EXPENDITURES			
Current:			
General government administration	-	-	3,480,102
Public safety	229,358	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community development	-	-	-
Parks, recreation, and cultural	-	-	-
Intergovernmental:			
Community development	-	-	-
Parks, recreation, and cultural	-	-	1,232,868
Education - for Public Schools	-	-	-
Capital outlay:			
General government administration	-	-	501,209
Judicial administration	-	-	-
Public safety	46,096,382	-	-
Public works	-	239,860	2,377,864
Health and welfare	-	-	-
Community development	-	-	-
Parks, recreation, and cultural	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and other charges	-	-	-
Total expenditures	46,325,740	239,860	7,592,043
Excess (deficiency) of revenues over (under) expenditures	(45,993,416)	2,270,076	(4,958,571)
OTHER FINANCING SOURCES (USES)			
Transfers in	17,600,000	-	11,618,767
Transfers out	(9,858)	-	-
General obligation bonds issued	41,900,000	-	-
Premium on general obligation bonds issued	6,100,000	-	-
Total other financing sources (uses), net	65,590,142	-	11,618,767
Net change in fund balances	19,596,726	2,270,076	6,660,196
Fund balances, July 1, 2022	11,602,628	8,607,973	26,950,243
Fund balances, June 30, 2023	\$ 31,199,354	10,878,049	33,610,439

EXHIBIT F-1

concluded

The Penny for Affordable Housing	Total Capital Projects Funds	
		REVENUES
29,686,000	32,312,264	Taxes
5,200,000	5,533,722	Intergovernmental
-	1,771,212	Charges for services
-	1,304,825	Developers' contributions
5,799,270	7,924,763	Revenue from the use of money and property
-	3,446,018	Recovered costs
<u>40,685,270</u>	<u>52,292,804</u>	Total revenues
		EXPENDITURES
		Current:
-	7,372,058	General government administration
-	327,371	Public safety
-	2,748,624	Public works
-	4,351,194	Health and welfare
3,726,997	11,128,550	Community development
-	3,331,860	Parks, recreation, and cultural
		Intergovernmental:
1,521,894	91,041,992	Community development
-	40,344,136	Parks, recreation, and cultural
-	205,000,000	Education - for Public Schools
		Capital outlay:
-	21,561,839	General government administration
-	301,528	Judicial administration
-	46,196,382	Public safety
-	2,789,563	Public works
-	7,272,349	Health and welfare
964,497	11,291,124	Community development
-	8,554,294	Parks, recreation, and cultural
		Debt service:
3,215,000	3,860,000	Principal retirement
2,865,656	2,954,763	Interest and other charges
<u>12,294,044</u>	<u>470,427,627</u>	Total expenditures
		Excess (deficiency) of revenues over (under) expenditures
<u>28,391,226</u>	<u>(418,134,823)</u>	
		OTHER FINANCING SOURCES (USES)
18,000,000	239,261,474	Transfers in
-	(4,597,389)	Transfers out
-	321,900,000	General obligation bonds issued
-	29,142,774	Premium on general obligation bonds issued
<u>18,000,000</u>	<u>585,706,859</u>	Total other financing sources (uses), net
46,391,226	167,572,036	Net change in fund balances
120,187,419	340,646,139	Fund balances, July 1, 2022
<u>166,578,645</u>	<u>508,218,175</u>	Fund balances, June 30, 2023



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, 2023

	Vehicle Services	Self- Insurance	Document Services
ASSETS			
Current assets:			
Equity in pooled cash and temporary investments	\$ 103,539,702	115,987,267	1,181,497
Accounts receivable	419	-	1,802
Due from intergovernmental units	8,479	-	55,466
Interfund receivables	-	-	-
Inventories of supplies	3,068,350	-	-
Prepaid and other assets	-	2,522,904	-
Total unrestricted current assets	106,616,950	118,510,171	1,238,765
Total current assets	106,616,950	118,510,171	1,238,765
Long-term assets:			
Capital assets:			
Non-depreciable/non-amortizable:			
Land	1,938,688	-	-
Construction in progress	29,083,156	-	-
Equipment under construction	3,695,735	-	-
Depreciable/amortizable:			
Vehicles and equipment	174,470,940	-	564,641
Software	-	-	-
Buildings and improvements	20,855,984	-	-
Infrastructure	4,597,790	-	-
Right-to-use lease assets	-	-	4,197,156
Right-to-use subscription assets	559,879	362,790	-
Accumulated depreciation	(151,233,262)	-	(498,067)
Accumulated amortization	(223,951)	(181,395)	(2,098,578)
Total capital assets, net	83,744,959	181,395	2,165,152
Total assets	190,361,909	118,691,566	3,403,917
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	3,974,115	579,854	133,861
Accrued salaries and benefits	954,698	47,778	69,417
Accrued interest payable	5,600	3,478	1,434
Compensated absences payable	930,000	43,216	96,692
Lease liability	-	-	1,052,809
Subscription liability	146,884	184,118	-
Insurance and benefit claims payable	-	13,723,000	-
Total current liabilities	6,011,297	14,581,444	1,354,213
Long-term liabilities:			
Compensated absences payable	2,066,614	41,998	29,550
Lease liability	-	-	1,061,411
Subscription liability	149,665	-	-
Insurance and benefit claims payable	-	68,704,000	-
Total long-term liabilities	2,216,279	68,745,998	1,090,961
Total liabilities	8,227,576	83,327,442	2,445,174
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
NET POSITION			
Net investment in capital assets	83,448,410	(2,723)	50,932
Unrestricted	98,685,923	35,366,847	907,811
Net position	\$ 182,134,333	35,364,124	958,743

EXHIBIT G

Technology Infrastructure Services	Health Benefits	Total Internal Service Funds	
			ASSETS
			Current assets:
23,397,917	98,183,431	342,289,814	Equity in pooled cash and temporary investments
4,293	-	6,514	Accounts receivable
-	-	63,945	Due from intergovernmental units
-	1,186,647	1,186,647	Interfund receivables
-	-	3,068,350	Inventories of supplies
-	-	2,522,904	Prepaid and other assets
<u>23,402,210</u>	<u>99,370,078</u>	<u>349,138,174</u>	Total unrestricted current assets
<u>23,402,210</u>	<u>99,370,078</u>	<u>349,138,174</u>	Total current assets
			Long-term assets:
			Capital assets:
			Non-depreciable/non-amortizable:
-	-	1,938,688	Land
-	-	29,083,156	Construction in progress
5,114,613	-	8,810,348	Equipment under construction
			Depreciable:
34,479,821	61,789	209,577,191	Equipment
2,200,587	-	2,200,587	Software
1,086,205	273,548	22,215,737	Buildings and improvements
-	-	4,597,790	Infrastructure
704,084	-	4,901,240	Right-to-use lease assets
46,546,184	-	47,468,853	Right-to-use subscription assets
(29,450,751)	(140,254)	(181,322,334)	Accumulated depreciation
(18,983,744)	-	(21,487,668)	Accumulated amortization
<u>41,696,999</u>	<u>195,083</u>	<u>127,983,588</u>	Total capital assets, net
<u>65,099,209</u>	<u>99,565,161</u>	<u>477,121,762</u>	Total assets
			DEFERRED OUTFLOWS OF RESOURCES
-	-	-	Total deferred outflows of resources
			LIABILITIES
			Current liabilities:
1,677,387	4,818,461	11,183,678	Accounts payable and accrued liabilities
349,478	16,380	1,437,751	Accrued salaries and benefits
563,030	-	573,542	Accrued interest payable
400,346	-	1,470,254	Compensated absences payable
-	-	1,052,809	Lease liability
15,053,880	-	15,384,882	Subscription liability
-	-	13,723,000	Insurance and benefit claims payable
<u>18,044,121</u>	<u>4,834,841</u>	<u>44,825,916</u>	Total current liabilities
			Long-term liabilities:
824,229	-	2,962,391	Compensated absences payable
-	-	1,061,411	Lease liability
14,229,336	-	14,379,001	Subscription liability
-	12,791,000	81,495,000	Insurance and benefit claims payable
<u>15,053,565</u>	<u>12,791,000</u>	<u>99,897,803</u>	Total long-term liabilities
<u>33,097,686</u>	<u>17,625,841</u>	<u>144,723,719</u>	Total liabilities
			DEFERRED INFLOWS OF RESOURCES
-	-	-	Total deferred inflows of resources
			NET POSITION
12,413,783	195,083	96,105,485	Net investment in capital assets
<u>19,587,740</u>	<u>81,744,237</u>	<u>236,292,558</u>	Unrestricted
<u>32,001,523</u>	<u>81,939,320</u>	<u>332,398,043</u>	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, 2023

	Vehicle Services	Self- Insurance	Document Services
OPERATING REVENUES:			
Charges for services	\$ 100,050,906	34,591,852	5,137,579
Recovered costs	244,854	-	-
Total operating revenues	100,295,760	34,591,852	5,137,579
OPERATING EXPENSES:			
Personnel services	24,191,639	1,245,137	1,940,001
Materials and supplies	154,983	151,615	3,023,550
Equipment operation and maintenance	42,225,899	733	1,387,867
Risk financing and benefit payments	-	25,298,870	-
Depreciation and amortization	12,373,944	181,395	1,061,222
Professional consultant and contractual services	5,075,215	640,345	1,805,120
Other	25,629	63,725	44,006
Total operating expenses	84,047,309	27,581,820	9,261,766
Operating income (loss)	16,248,451	7,010,032	(4,124,187)
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	-	1,797,299	-
Interest expense	(5,600)	(3,478)	(23,254)
Gain on disposal of capital assets	656,177	-	-
Total nonoperating revenues (expenses), net	650,577	1,793,821	(23,254)
Income (loss) before transfers and contributions	16,899,028	8,803,853	(4,147,441)
Transfers in	11,504,310	-	4,062,738
Change in net position	28,403,338	8,803,853	(84,703)
Net position, July 1, 2022	153,730,995	26,560,271	1,043,446
Net position, June 30, 2023	\$ 182,134,333	35,364,124	958,743

EXHIBIT G-1

Technology Infrastructure Services	Health Benefits	Total Internal Service Funds	
45,568,218	195,565,151	380,913,706	OPERATING REVENUES:
-	-	244,854	Charges for services
45,568,218	195,565,151	381,158,560	Recovered costs
			Total operating revenues
			OPERATING EXPENSES:
8,264,686	-	35,641,463	Personnel services
232,474	13,768	3,576,390	Materials and supplies
2,298,933	145,873	46,059,305	Equipment operation and maintenance
-	164,793,394	190,092,264	Risk financing and benefit payments
21,142,551	17,120	34,776,232	Depreciation and amortization
17,514,125	39,785	25,074,590	Professional consultant and contractual services
159,072	9,131,499	9,423,931	Other
49,611,841	174,141,439	344,644,175	Total operating expenses
(4,043,623)	21,423,712	36,514,385	Operating income (loss)
			NONOPERATING REVENUES (EXPENSES):
-	1,340,567	3,137,866	Interest revenue
(624,059)	-	(656,391)	Interest expense
-	-	656,177	Gain on disposal of capital assets
(624,059)	1,340,567	3,137,652	Total nonoperating revenues (expenses), net
(4,667,682)	22,764,279	39,652,037	Income (loss) before transfers and contributions
9,505,695	-	25,072,743	Transfers in
4,838,013	22,764,279	64,724,780	Change in net position
27,163,510	59,175,041	267,673,263	Net position, July 1, 2022
32,001,523	81,939,320	332,398,043	Net position, June 30, 2023

COUNTY OF FAIRFAX, VIRGINIA
Internal Service Funds
Combining Statement of Cash Flows
For the fiscal year ended June 30, 2023

	Vehicle Services	Self- Insurance	Document Services
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 100,289,735	32,068,848	5,100,464
Payments to suppliers and contractors	(41,662,780)	-	(6,374,388)
Payments to employees	(24,590,615)	(1,303,073)	(2,075,072)
Claims and benefits paid	-	(21,928,695)	-
Payments for interfund services used	(5,803,084)	(856,418)	-
Net cash provided by (used in) operating activities	28,233,256	7,980,662	(3,348,996)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	11,504,310	-	4,062,738
Net cash provided by noncapital financing activities	11,504,310	-	4,062,738
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	656,177	-	-
Purchase of capital assets	(10,988,890)	-	-
Principal payments on obligations under leases	(152,499)	(178,672)	(1,042,843)
Interest payments on obligations under leases	-	-	(23,254)
Net cash used in capital and related financing activities	(10,485,212)	(178,672)	(1,066,097)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	1,797,299	-
Net cash provided by investing activities	-	1,797,299	-
Net increase (decrease) in cash and cash equivalents	29,252,354	9,599,289	(352,355)
Cash and cash equivalents, July 1, 2022	74,287,348	106,387,978	1,533,852
Cash and cash equivalents, June 30, 2023	\$ 103,539,702	115,987,267	1,181,497
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 16,248,451	7,010,032	(4,124,187)
Adjustments to reconcile operating income (loss) by operating activities:			
Depreciation and amortization	12,373,944	181,395	1,061,222
Change in assets and liabilities:			
Decrease (Increase) in accounts receivable	1,273	-	(1,087)
Increase in intergovernmental receivables	(7,297)	-	(36,028)
Decrease in interfund receivables	-	-	-
Decrease in inventories of supplies	916,400	-	-
Increase in other assets	-	(2,522,904)	-
Increase (Decrease) in accounts payable and accrued liabilities	(900,539)	3,370,075	(113,845)
Decrease in accrued salaries and benefits	(398,976)	(57,936)	(135,071)
Total adjustments to operating income	11,984,805	970,630	775,191
Net cash provided by (used in) operating activities	\$ 28,233,256	7,980,662	(3,348,996)
Noncash capital and financing activities:			
Initiation of an obligation under lease	\$ -	362,790	-
Gain on disposal of capital assets	656,177	-	-

EXHIBIT G-2

Technology Infrastructure Services	Health Benefits	Total Internal Service Funds	
CASH FLOWS FROM OPERATING ACTIVITIES			
45,563,925	196,335,441	379,358,413	Receipts from interfund services provided
(20,563,696)	(3,660,247)	(72,261,111)	Payments to suppliers and contractors
(8,414,682)	-	(36,383,442)	Payments to employees
-	(172,280,289)	(194,208,984)	Claims and benefits paid
-	-	(6,659,502)	Payments for interfund services used
16,585,547	20,394,905	69,845,374	Net cash provided by (used in) operating activities
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
9,505,695	-	25,072,743	Transfers from other funds
9,505,695	-	25,072,743	Net cash provided by noncapital financing activities
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
-	-	656,177	Proceeds from sale of capital assets
(5,968,976)	-	(16,957,866)	Purchase of capital assets
(19,127,856)	-	(20,501,870)	Principal payments on obligations under leases
(624,059)	-	(647,313)	Interest payments on obligations under leases
(25,720,891)	-	(37,450,872)	Net cash used in capital and related financing activities
CASH FLOWS FROM INVESTING ACTIVITIES			
-	1,340,567	3,137,866	Interest received
-	1,340,567	3,137,866	Net cash provided by investing activities
370,351	21,735,472	60,605,111	Net increase (decrease) in cash and cash equivalents
23,027,566	76,447,959	281,684,703	Cash and cash equivalents, July 1, 2022
23,397,917	98,183,431	342,289,814	Cash and cash equivalents, June 30, 2023
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
(4,043,623)	21,423,712	36,514,385	Operating income (loss)
Adjustments to reconcile operating income (loss) by operating activities:			
21,142,551	17,120	34,776,232	Depreciation and amortization
(4,293)	-	(4,107)	Change in assets and liabilities:
-	-	(43,325)	Decrease (Increase) in accounts receivable
-	770,290	770,290	Increase in intergovernmental receivables
-	-	916,400	Decrease in interfund receivables
-	-	(2,522,904)	Decrease in inventories of supplies
(359,092)	(1,800,318)	196,281	Increase in other assets
(149,996)	(15,899)	(757,878)	Increase (Decrease) in accounts payable and accrued liabilities
20,629,170	(1,028,807)	33,330,989	Decrease in accrued salaries and benefits
16,585,547	20,394,905	69,845,374	Total adjustments to operating income
Net cash provided by (used in) operating activities			
Noncash capital and financing activities:			
46,546,184	-	46,908,974	Initiation of an obligation under lease
-	-	656,177	Gain on disposal of capital assets

The **Fiduciary Funds** are used to account for assets held by the County in a trustee or custodial capacity and include the pension trust funds and custodial funds. Pension trust funds account for assets held by the County under terms of a formal trust agreement. Custodial funds 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 a custodial 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 a custodial 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 State Taxes Fund is a custodial fund used to account for the collection of sheriff's fees and local taxes and their subsequent remittances to the Commonwealth of Virginia or other local governmental entities.

Route 28 Fund is a custodial 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 a custodial 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.

Friends of Library Fund is a custodial fund used to account for the collection and reimbursement of Friends of Library's portion of book sale proceeds.

Toll Road Violations Fund is a custodial 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.

Police Evidence Fund is a custodial fund used to account for the collection and distribution of seized assets.

COUNTY OF FAIRFAX, VIRGINIA
Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2023

	Uniformed Retirement	Employees' Retirement	Police Officers Retirement
ASSETS			
Equity in pooled cash and temporary investments	\$ 5,907,514	22,893,353	4,800,880
Cash collateral for securities lending	3,981,217	123,370,903	1,722,107
Contributions receivable	3,214,215	9,051,428	2,572,423
Accrued interest and dividends receivable	2,935,093	8,768,273	1,921,394
Receivable from sale of pension investments	4,618,135	711,337,785	97,537,728
Buildings and improvements	4,935	23,031	4,935
Vehicles and Equipment	3,341	15,589	3,341
Right-to-use subscription assets, net	148,750	694,166	148,750
Investments:			
U.S. Government securities	47,806,965	489,261,650	114,224,593
Asset-backed securities	90,711,166	115,897,948	26,640,326
Corporate and other bonds	85,193,485	487,411,061	80,676,192
Common and preferred stock	515,778,260	855,472,509	201,365,025
Alternative investments	-	-	4,798,375
Short-term investments	155,309,331	(198,786,794)	(14,990,585)
Investment in pooled funds	1,130,645,198	2,890,254,534	1,254,966,554
Total assets	<u>2,046,257,605</u>	<u>5,515,665,436</u>	<u>1,776,392,038</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
LIABILITIES			
Accounts payable and accrued liabilities	5,018,306	13,956,846	5,146,670
Payable for purchase of pension investments	7,579,055	725,461,689	91,419,727
Liabilities for collateral received under securities lending agreements	3,981,217	123,370,903	1,722,107
Compensated absences, short term	18,903	87,897	18,729
Subscription liabilities, short-term	56,890	265,489	56,890
Long-term liabilities:			
Compensated absences, long-term	61,726	288,373	61,901
Subscription liabilities, long-term	85,293	398,033	85,293
Total liabilities	<u>16,801,390</u>	<u>863,829,230</u>	<u>98,511,317</u>
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
NET POSITION			
Net position restricted for OPEB benefits	-	-	-
Net position restricted for pension benefits	2,029,456,215	4,651,836,206	1,677,880,721
Net position	<u>\$ 2,029,456,215</u>	<u>4,651,836,206</u>	<u>1,677,880,721</u>

EXHIBIT H

Total Pension Trust Funds	OPEB Trust Fund	Total Trust Funds	
33,601,747	3,224,526	36,826,273	ASSETS
129,074,227	-	129,074,227	Equity in pooled cash and temporary investments
14,838,066	380,619	15,218,685	Cash collateral for securities lending
13,624,760	29,805	13,654,565	Contributions receivable
813,493,648	-	813,493,648	Accrued interest and dividends receivable
32,901	-	32,901	Receivable from sale of pension investments
22,271	-	22,271	Buildings and improvements
991,666	-	991,666	Equipment
			Right-to-use subscription assets, net
			Investments:
651,293,208	-	651,293,208	U.S. Government securities
233,249,440	-	233,249,440	Asset-backed securities
653,280,738	-	653,280,738	Corporate and other bonds
1,572,615,794	-	1,572,615,794	Common and preferred stock
4,798,375	-	4,798,375	Alternative investments
(58,468,048)	-	(58,468,048)	Short-term investments
5,275,866,286	400,184,493	5,676,050,779	Investment in pooled funds
9,338,315,079	403,819,443	9,742,134,522	Total assets
			DEFERRED OUTFLOWS OF RESOURCES
-	-	-	Total deferred outflows of resources
			LIABILITIES
24,121,822	21,864	24,143,686	Accounts payable and accrued liabilities
824,460,471	-	824,460,471	Payable for purchase of pension investments
129,074,227	-	129,074,227	Liabilities for collateral received under securities lending agreements
125,529	-	125,529	Compensated absences, short term
379,269	-	379,269	Subscription liabilities, short-term
			Long-term liabilities:
412,000	-	412,000	Compensated absences, long-term
568,619	-	568,619	Subscription liabilities, long-term
979,141,937	21,864	979,163,801	Total liabilities
			DEFERRED INFLOWS OF RESOURCES
-	-	-	Total deferred inflows of resources
			NET POSITION
-	403,797,579	403,797,579	Net position restricted for OPEB benefits
8,359,173,142	-	8,359,173,142	Net position restricted for pension benefits
8,359,173,142	403,797,579	8,762,970,721	Net position

COUNTY OF FAIRFAX, VIRGINIA
Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the fiscal year ended June 30, 2023

	Uniformed Retirement	Employees' Retirement	Police Officers Retirement
ADDITIONS			
Contributions:			
Employer	\$ 74,989,155	266,535,889	57,592,394
Plan members	13,690,276	46,534,884	11,166,493
Other	-	-	-
Total contributions	<u>88,679,431</u>	<u>313,070,773</u>	<u>68,758,887</u>
Investment income:			
From investment activities:			
Net appreciation (depreciation) in fair value of investments	140,223,342	(113,596,073)	(60,701,534)
Interest	13,995,650	24,086,146	6,278,943
Dividends	14,829,378	18,041,647	5,840,525
Total income (loss) from investment activities	<u>169,048,370</u>	<u>(71,468,280)</u>	<u>(48,582,066)</u>
Less investment activities expenses:			
Management fees	15,487,386	50,114,183	20,205,684
Other	1,457,939	1,745,893	692,526
Total investment activities expenses	<u>16,945,325</u>	<u>51,860,076</u>	<u>20,898,210</u>
Net income (loss) from investment activities	<u>152,103,045</u>	<u>(123,328,356)</u>	<u>(69,480,276)</u>
From securities lending activities:			
Securities lending income	<u>164,602</u>	<u>1,713,297</u>	<u>33,943</u>
Less securities lending expenses:			
Management fees	<u>51,177</u>	<u>478,552</u>	<u>12,231</u>
Total securities lending activities expenses	<u>51,177</u>	<u>478,552</u>	<u>12,231</u>
Net income from securities lending activities	<u>113,425</u>	<u>1,234,745</u>	<u>21,712</u>
Net investment income (loss)	<u>152,216,470</u>	<u>(122,093,611)</u>	<u>(69,458,564)</u>
Total additions	<u>240,895,901</u>	<u>190,977,162</u>	<u>(699,677)</u>
DEDUCTIONS			
Benefits payments	134,228,025	388,978,677	106,820,896
Refunds of contributions	1,044,587	4,716,049	654,387
Administrative expenses	703,759	2,565,821	682,441
Total deductions	<u>135,976,371</u>	<u>396,260,547</u>	<u>108,157,724</u>
Net increase (decrease) in fiduciary net position	104,919,530	(205,283,385)	(108,857,401)
Net position, July 1, 2022	1,924,536,685	4,857,119,591	1,786,738,122
Net position, June 30, 2023	<u>\$ 2,029,456,215</u>	<u>4,651,836,206</u>	<u>1,677,880,721</u>

EXHIBIT H-1

Total Pension Trust Funds	OPEB Trust Fund	Total Trust Funds	
399,117,438	13,042,958	412,160,396	ADDITIONS
71,391,653	-	71,391,653	Contributions:
-	2,328,956	2,328,956	Employer
470,509,091	15,371,914	485,881,005	Plan members
			Other
			Total contributions
			Investment income:
			From investment activities:
(34,074,265)	28,531,488	(5,542,777)	Net appreciation (depreciation) in fair value of investments
44,360,739	61,686	44,422,425	Interest
38,711,550	-	38,711,550	Dividends
48,998,024	28,593,174	77,591,198	Total income (loss) from investment activities
			Less investment activities expenses:
85,807,253	274,055	86,081,308	Management fees
3,896,358	542	3,896,900	Other
89,703,611	274,597	89,978,208	Total investment activities expenses
(40,705,587)	28,318,577	(12,387,010)	Net income (loss) from investment activities
			From securities lending activities:
1,911,842	-	1,911,842	Securities lending income
			Less securities lending expenses:
541,960	-	541,960	Management fees
541,960	-	541,960	Total securities lending activities expenses
1,369,882	-	1,369,882	Net income from securities lending activities
(39,335,705)	28,318,577	(11,017,128)	Net investment income (loss)
431,173,386	43,690,491	474,863,877	Total additions
			DEDUCTIONS
630,027,598	22,127,226	652,154,824	Benefits payments
6,415,023	-	6,415,023	Refunds of contributions
3,952,021	139,854	4,091,875	Administrative expenses
640,394,642	22,267,080	662,661,722	Total deductions
(209,221,256)	21,423,411	(187,797,845)	Net increase (decrease) in fiduciary net position
8,568,394,398	382,374,168	8,950,768,566	Net position, July 1, 2022
8,359,173,142	403,797,579	8,762,970,721	Net position, June 30, 2023

COUNTY OF FAIRFAX, VIRGINIA
Custodial Funds
Combining Statement of Fiduciary Net Position
June 30, 2023

	Sanitary Reimbursement	Special Welfare	State Taxes	Route 28
ASSETS				
Equity in pooled cash and temporary investments	\$ 1,754,311	710,775	692,854	5,093
Accounts receivable	-	-	66,167	64,384
Due from intergovernmental units	-	-	-	-
Total assets	1,754,311	710,775	759,021	69,477
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
LIABILITIES				
Accounts payable and accrued liabilities	-	-	-	45
Due to intergovernmental units	-	-	89,788	64,384
Performance and other deposits	790,526	-	-	-
Total liabilities	790,526	-	89,788	64,429
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Net position restricted for individuals, organizations, and other governments	\$ 963,785	710,775	669,233	5,048

EXHIBIT H-2

Lake Barcroft	Friends of Library	Toll Road Violations Penalties	Police Evidence Fund	Total Custodial Funds	
					ASSETS
1,195	9,053	35,924	475,689	3,684,894	Equity in pooled cash and temporary investments
-	-	-	-	130,551	Accounts receivable
-	-	517	-	517	Due from intergovernmental units
1,195	9,053	36,441	475,689	3,815,962	Total assets
					DEFERRED OUTFLOWS OF RESOURCES
-	-	-	-	-	Total deferred outflows of resources
					LIABILITIES
-	-	-	-	45	Accounts payable and accrued liabilities
-	-	36,295	-	190,467	Due to intergovernmental units
-	-	-	-	790,526	Performance and other deposits
-	-	36,295	-	981,038	Total liabilities
					DEFERRED INFLOWS OF RESOURCES
-	-	-	-	-	Total deferred inflows of resources
					NET POSITION
1,195	9,053	146	475,689	2,834,924	Net position restricted for individuals, organizations, and other governments

COUNTY OF FAIRFAX, VIRGINIA
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the fiscal year ended June 30, 2023

	Sanitary Reimbursement	Special Welfare	State Taxes	Route 28
ADDITIONS				
Investment income:				
From investment activities:				
Interest	\$ 26,859	10,387	-	11,188
Total income from investment activities	26,859	10,387	-	11,188
Less investment activities expenses:				
Management fees	319	119	-	134
Total investment activities expenses	319	119	-	134
Net income from investment activities	26,540	10,268	-	11,054
Collections:				
Taxes and fees for other governments	-	-	18,929,207	11,062,112
Intergovernmental for individuals	-	614,050	-	-
Penalty for other governments and organizations	-	-	-	-
Other for organizations and individuals	-	14,327	-	-
Total collections	-	628,377	18,929,207	11,062,112
Total additions	26,540	638,645	18,929,207	11,073,166
DEDUCTIONS				
Administrative expenses	-	-	66,679	-
Payments:				
Taxes and fees to other governments	-	-	18,301,817	11,068,078
Intergovernmental collections to individuals	-	631,442	-	-
Penalties to other governments and organizations	-	-	-	-
Other collections to organizations and individuals	-	4,615	-	-
Total payments	-	636,057	18,301,817	11,068,078
Total deductions	-	636,057	18,368,496	11,068,078
Net increase (decrease) in fiduciary net position	26,540	2,588	560,711	5,088
Net position, July 1, 2022	937,245	708,187	108,522	(40)
Net position, June 30, 2023	\$ 963,785	710,775	669,233	5,048

EXHIBIT H-3

Lake Barcroft	Friends of Library	Toll Road Violations Penalties	Police Evidence Fund	Total Custodial Funds	
					ADDITIONS
					Investment income:
					From investment activities:
-	-	-	-	48,434	Interest
-	-	-	-	48,434	Total income from investment activities
					Less investment activities expenses:
-	-	-	-	572	Management fees
-	-	-	-	572	Total investment activities expenses
-	-	-	-	47,862	Net income from investment activities
					Collections:
1,349,589	-	-	-	31,340,908	Taxes and fees for other governments
-	-	-	-	614,050	Intergovernmental for individuals
-	-	913,095	-	913,095	Penalty for other governments and organizations
-	94,422	-	639,472	748,221	Other for organizations and individuals
1,349,589	94,422	913,095	639,472	33,616,274	Total collections
1,349,589	94,422	913,095	639,472	33,664,136	Total additions
					DEDUCTIONS
-	-	-	-	66,679	Administrative expenses
					Payments:
1,348,394	-	-	-	30,718,289	Taxes and fees to other governments
-	-	-	-	631,442	Intergovernmental collections to individuals
-	-	913,145	-	913,145	Penalties to other governments and organizations
-	91,875	-	456,945	553,435	Other collections to organizations and individuals
1,348,394	91,875	913,145	456,945	32,816,311	Total payments
1,348,394	91,875	913,145	456,945	32,882,990	Total deductions
1,195	2,547	(50)	182,527	781,146	Net increase (decrease) in fiduciary net position
-	6,506	196	293,162	2,053,778	Net position, July 1, 2022
1,195	9,053	146	475,689	2,834,924	Net position, June 30, 2023

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.

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.

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.

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 workers' 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 postemployment defined benefit plan.

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Balance Sheet - Governmental Funds
June 30, 2023

	General Fund	Capital Projects Fund	Nonmajor Governmental	
			Food and Nutrition Services	Special Revenue Grants and Self-Supporting Programs
ASSETS				
Equity in pooled cash and temporary investments	\$ 398,849,328	68,367,378	46,671,421	23,339,181
Cash with fiscal agents	91,580	-	-	-
Receivables:				
Accounts	577,773	-	1,128,910	9,599
Accrued interest	-	-	135,855	26,434
Lease	1,811,518	-	-	-
Due from intergovernmental units	86,272,030	-	8,845,802	33,599,690
Due from Primary Government	97,240	-	72,329	-
Interfund receivables	300,000	-	-	-
Inventories of supplies	-	-	1,241,031	-
Prepaid and other assets	349,586	-	-	-
Restricted assets - investments	-	125,236,567	-	-
Total assets	<u>488,349,055</u>	<u>193,603,945</u>	<u>58,095,348</u>	<u>56,974,904</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 488,349,055	193,603,945	58,095,348	56,974,904
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 25,996,399	24,943,141	673,947	343,539
Accrued salaries and benefits	100,022,511	-	345,708	11,324
Contract retainages	-	12,850,585	-	-
Interfund payables	-	-	-	-
Unearned revenues	274,606	-	2,394,609	2,604,303
Performance and other deposits	-	23,231,232	-	-
Total liabilities	<u>126,293,516</u>	<u>61,024,958</u>	<u>3,414,264</u>	<u>2,959,166</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - lease	1,767,532	-	-	-
Total deferred inflows of resources	<u>1,767,532</u>	-	-	-
Total liabilities and deferred inflows of resources	128,061,048	61,024,958	3,414,264	2,959,166
FUND BALANCES				
Nonspendable	349,586	-	1,241,031	-
Restricted	-	132,578,987	53,440,053	54,015,738
Committed	35,000,000	-	-	-
Assigned	317,180,621	-	-	-
Unassigned	7,757,800	-	-	-
Total fund balances	<u>360,288,007</u>	<u>132,578,987</u>	<u>54,681,084</u>	<u>54,015,738</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 488,349,055	193,603,945	58,095,348	56,974,904
Reconciliation of the Balance Sheet to the Statement of Net Position				
Fund balances - Total governmental funds				\$ 601,212,409
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 \$5,681,472,565 and accumulated depreciation/amortization is \$2,789,488,516.				2,891,984,049
OPEB liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds. The deferred outflow related to OPEB is \$112,505,669, and the net OPEB liability is \$348,724,057. The deferred inflow related to OPEB liability is \$99,858,358.				(336,076,746)
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.				68,171,966
Compensated absences and accrued interests on long-term debt related to governmental fund activities are not due and payable in the current periods, and therefore, are not reported in the funds.				(44,032,331)
Leases, subscription liabilities, and notes payable are not due and payable in the current periods and, therefore, are not reported in the funds.				(207,751,236)
Revisions of debt agreement resulting in an increase of debt obligations are reported as deferred inflows in the Statement of Net Position.				3,227,885
Pension liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds. The deferred outflow related to pensions is \$997,049,122, and the net pension liability is \$3,191,344,129. The deferred inflow related to pension liability is \$447,461,747.				(2,641,756,754)
Net position of governmental activities				<u>\$ 334,979,242</u>

EXHIBIT I

Funds		
Adult and Community Education	Total Governmental Funds	
82,566	537,309,874	ASSETS
-	91,580	Equity in pooled cash and temporary investments
		Cash with fiscal agents
		Receivables:
22,973	1,739,255	Accounts
14,680	176,969	Accrued interest
-	1,811,518	Lease
516,417	129,233,939	Due from intergovernmental units
-	169,569	Due from Primary Government
-	300,000	Interfund receivables
-	1,241,031	Inventories of supplies
5,136	354,722	Prepaid and other assets
-	125,236,567	Restricted assets - investments
641,772	797,665,024	Total assets
		DEFERRED OUTFLOWS OF RESOURCES
-	-	Total deferred outflows of resources
641,772	797,665,024	Total assets and deferred outflows of resources
		LIABILITIES AND FUND BALANCES
		Liabilities:
88,572	52,045,598	Accounts payable and accrued liabilities
260,628	100,640,171	Accrued salaries and benefits
-	12,850,585	Contract retainages
300,000	300,000	Interfund payables
343,979	5,617,497	Unearned revenues
-	23,231,232	Performance and other deposits
993,179	194,685,083	Total liabilities
		DEFERRED INFLOWS OF RESOURCES
-	1,767,532	Deferred inflows of resources - lease
-	1,767,532	Total deferred inflows of resources
993,179	196,452,615	Total liabilities and deferred inflows of resources
		FUND BALANCES
5,136	1,595,753	Nonspendable
-	240,034,778	Restricted
-	35,000,000	Committed
-	317,180,621	Assigned
(356,543)	7,401,257	Unassigned
(351,407)	601,212,409	Total fund balances
641,772	797,665,024	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, 2023

	General Fund	Capital Projects Fund	Nonmajor Food and Nutrition Services
REVENUES			
Intergovernmental	\$ 3,332,805,172	261,990,465	64,163,724
Charges for services	12,959,683	-	31,966,658
Revenue from the use of money and property	3,725,602	-	711,964
Recovered costs	52,911,698	1,821,351	-
Other	51,038,615	9,923,072	77,557
Total revenues	3,453,440,770	273,734,888	96,919,903
EXPENDITURES			
Current:			
Education	3,300,412,329	37,041,003	89,689,363
Capital outlay	135,110,694	207,810,705	3,876,369
Debt service:			
Principal retirement	45,303,809	-	792,186
Interest and other charges	2,775,692	-	85,549
Total expenditures	3,483,602,524	244,851,708	94,443,467
Excess (deficiency) of revenues over (under) expenditures	(30,161,754)	28,883,180	2,476,436
OTHER FINANCING SOURCES (USES)			
Transfers in	-	26,085,422	1,800,000
Transfers out	(50,131,397)	-	-
Leases	17,682,563	-	2,573,525
Other financed leases/notes payable	29,872,886	-	-
Right-to-use subscriptions	74,927,364	-	-
Total other financing sources, net	72,351,416	26,085,422	4,373,525
Net change in fund balances	42,189,662	54,968,602	6,849,961
Fund balances, July 1, 2022	318,098,345	77,610,385	48,647,696
Decrease in reserve for inventories	-	-	(816,573)
Fund balances, June 30, 2023	\$ 360,288,007	132,578,987	54,681,084

EXHIBIT I-1

Governmental Special Revenue	Funds Funds	Total Governmental Funds	
Grants and Self-Supporting Programs	Adult and Community Education		
			REVENUES
70,781,001	2,187,766	3,731,928,128	Intergovernmental
2,437,361	3,150,991	50,514,693	Charges for services
282,752	75,787	4,796,105	Revenue from the use of money and property
-	-	54,733,049	Recovered costs
1,108,945	2,180	62,150,369	Other
74,610,059	5,416,724	3,904,122,344	Total revenues
			EXPENDITURES
			Current:
81,421,352	6,770,312	3,515,334,359	Education
4,368,170	-	351,165,938	Capital outlay
			Debt service:
2,877	2,760	46,101,632	Principal retirement
374	491	2,862,106	Interest and other charges
85,792,773	6,773,563	3,915,464,035	Total expenditures
(11,182,714)	(1,356,839)	(11,341,691)	Excess (deficiency) of revenues over (under) expenditures
			OTHER FINANCING SOURCES (USES)
20,853,213	1,392,762	50,131,397	Transfers in
-	-	(50,131,397)	Transfers out
-	-	20,256,088	Leases
-	-	29,872,886	Other financed leases/notes payable
-	-	74,927,364	Right-to-use subscriptions
20,853,213	1,392,762	125,056,338	Total other financing sources, net
9,670,499	35,923	113,714,647	Net change in fund balances
44,345,239	(387,330)	488,314,335	Fund balances, July 1, 2022
-	-	(816,573)	Decrease in reserve for inventories of supplies
54,015,738	(351,407)	601,212,409	Fund balances, June 30, 2023

continued

COUNTY OF FAIRFAX, VIRGINIA
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, 2023

EXHIBIT I-1
concluded

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 \$ 113,714,647

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	\$ 351,165,938	
Less depreciation/amortization expense	<u>(211,029,173)</u>	140,136,765
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.		976,508
Losses on the disposition of capital assets are 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.		(284,470)
Principal payments on 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.		46,101,632
In the government-wide statements, the effects of deferred outflows of resources relating to Gatehouse Administrative Building are amortized over the life of each lease and expensed.		(286,923)
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.		(2,694,891)
Internal service funds are used by management to provide certain goods and services to governmental funds. The change in net position of these funds is reported within governmental activities in the Statement of Activities.		(33,269,585)
Interest on 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.		(1,590,871)
Other financing sources recorded at the inception of leases increase the fund balance of governmental funds. In the government-wide statements, new debt increases non-current liabilities in the Statement of Net Position and does not affect the Statement of Activities. This amount represents principal amounts of new leases.		(125,056,338)
Rent abatement charges reduce deferred rent in government-wide statements, but do not use current resources so are not reported in governmental funds.		(189,077)
Inventory changes impact net position in government-wide statements, but are recorded as expenditures in governmental fund statements when purchased.		(816,573)
Contributions for pension benefits are reported as expenditure in governmental funds when they are due. In the government-wide statements, the effects of net pensions liability, deferred outflows and inflows relating to pension accounting are expensed.		270,639,011
Contributions for OPEB benefits are reported as expenditure in governmental funds when they are due. In the government-wide statements, the effects of net OPEB liability, deferred outflows and inflows relating to OPEB accounting are expensed.		<u>39,436,210</u>
Change in net position of governmental activities		<u>\$ 446,816,045</u>

COUNTY OF FAIRFAX, VIRGINIA
 Fairfax County Public Schools
 Budgetary Comparison Schedule - General Fund (Budget Basis)
 For the fiscal year ended June 30, 2023

EXHIBIT I-2

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 916,887,188	1,098,210,059	1,056,619,248	(41,590,811)
Charges for services	10,917,142	10,917,142	12,959,683	2,042,541
Revenue from the use of money and property	3,686,259	3,686,259	3,725,602	39,343
Recovered costs	51,248,621	51,248,621	52,911,698	1,663,077
Other	9,323,373	9,323,373	8,731,618	(591,755)
Total revenues	992,062,583	1,173,385,454	1,134,947,849	(38,437,605)
EXPENDITURES				
Education	3,255,508,063	3,669,205,125	3,316,487,029	352,718,096
Total expenditures	3,255,508,063	3,669,205,125	3,316,487,029	352,718,096
Excess (deficiency) of revenues over (under) expenditures	(2,263,445,480)	(2,495,819,671)	(2,181,539,180)	314,280,491
OTHER FINANCING SOURCES (USES)				
Transfers in	2,276,185,924	2,276,185,924	2,276,185,924	-
Transfers out	(34,615,215)	(53,598,022)	(53,328,160)	269,862
Total other financing sources, net	2,241,570,709	2,222,587,902	2,222,857,764	269,862
Net change in fund balance	\$ (21,874,771)	(273,231,769)	41,318,584	314,550,353

COUNTY OF FAIRFAX, VIRGINIA
 Fairfax County Public Schools
 Budgetary Comparison Schedule - Food and Nutrition Services Fund (Budget Basis)
 For the fiscal year ended June 30, 2023

EXHIBIT I-3A

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 48,022,763	48,033,559	64,163,724	16,130,165
Charges for services	40,465,734	40,465,734	31,966,658	(8,499,076)
Revenue from the use of money and property	21,183	21,183	711,964	690,781
Other	15,000	15,000	77,557	62,557
Total revenues	88,524,680	88,535,476	96,919,903	8,384,427
EXPENDITURES				
Education	94,749,795	138,983,173	91,869,942	47,113,231
Total expenditures	94,749,795	138,983,173	91,869,942	47,113,231
Excess (deficiency) of revenues over (under) expenditures	(6,225,115)	(50,447,697)	5,049,961	55,497,658
OTHER FINANCING SOURCES				
Transfers in	-	1,800,000	1,800,000	-
Total other financing sources	-	1,800,000	1,800,000	-
Net change in fund balance	\$ (6,225,115)	(48,647,697)	6,849,961	55,497,658

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Budgetary Comparison Schedule - Grants and Self-Supporting Programs Fund (Budget Basis)
For the fiscal year ended June 30, 2023

EXHIBIT I-3B

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 51,687,572	121,522,008	68,778,065	(52,743,943)
Charges for services	2,291,000	2,291,000	2,437,361	146,361
Revenue from the use of money and property	10,000	10,000	282,752	272,752
Other	380,107	1,459,854	1,108,945	(350,909)
Total revenues	54,368,679	125,282,862	72,607,123	(52,675,739)
EXPENDITURES				
Education	81,187,126	192,484,249	85,792,773	106,691,476
Total expenditures	81,187,126	192,484,249	85,792,773	106,691,476
Excess (deficiency) of revenues over (under) expenditures	(26,818,447)	(67,201,387)	(13,185,650)	54,015,737
OTHER FINANCING SOURCES				
Transfers in from other governmental funds	20,853,213	20,853,213	20,853,213	-
Transfers in from Primary Government	2,002,936	2,002,936	2,002,936	-
Total other financing sources	22,856,149	22,856,149	22,856,149	-
Net change in fund balance	\$ (3,962,298)	(44,345,238)	9,670,499	54,015,737

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Budgetary Comparison Schedule - Adult and Community Education Fund (Budget Basis)
For the fiscal year ended June 30, 2023

EXHIBIT I-3C

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,305,747	2,310,567	2,187,766	(122,801)
Charges for services	4,087,355	4,087,355	3,150,991	(936,364)
Revenue from the use of money and property	20,000	20,000	75,787	55,787
Other	5,000	5,000	2,180	(2,820)
Total revenues	6,418,102	6,422,922	5,416,724	(1,006,198)
EXPENDITURES				
Education	7,422,352	7,428,356	6,773,563	654,793
Total expenditures	7,422,352	7,428,356	6,773,563	654,793
Deficiency of revenues under expenditures	(1,004,250)	(1,005,434)	(1,356,839)	(351,405)
OTHER FINANCING SOURCES				
Transfers in	1,004,250	1,392,762	1,392,762	-
Total other financing sources	1,004,250	1,392,762	1,392,762	-
Net change in fund balance	\$ -	387,328	35,923	(351,405)

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Combining Statement of Net Position - Internal Service Funds
June 30, 2023

EXHIBIT I-4

	Health Benefits Trust	Insurance	Total Internal Service Funds
ASSETS			
Current assets:			
Equity in pooled cash and temporary investments	\$ 104,107,718	59,902,139	164,009,857
Cash in escrow	-	459,603	459,603
Accounts receivable	13,136,404	-	13,136,404
Accrued interest receivable	43,948	-	43,948
Total current assets	117,288,070	60,361,742	177,649,812
Long-term assets - Capital assets:			
Right-to-use subscription assets	-	902,773	902,773
Accumulated depreciation	-	(52,985)	(52,985)
Total long-term assets	-	849,788	849,788
Total assets	117,288,070	61,211,530	178,499,600
DEFERRED OUTFLOW OF RESOURCES			
Total deferred outflows of resources	-	-	-
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 13,433,342	429,736	13,863,078
Compensated absences payable	149,466	63,218	212,684
Insurance and benefit claims payable	27,190,900	10,839,547	38,030,447
Unearned revenue	12,570,381	-	12,570,381
Subscription liabilities	-	78,653	78,653
Total current liabilities	53,344,089	11,419,356	64,763,445
Long-term liabilities:			
Compensated absences payable	64,057	27,093	91,150
Insurance and benefit claims payable	1,431,100	43,358,188	44,789,288
Subscription liabilities	-	683,751	683,751
Total long-term liabilities	1,495,157	44,069,032	45,564,189
Total liabilities	54,839,246	55,488,388	110,327,634
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
NET POSITION			
Unrestricted	62,448,824	4,873,354	67,322,178
Net position	\$ 62,448,824	5,723,142	68,171,966

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, 2023

	Health Benefits Trust	Insurance	Total Internal Service Funds
OPERATING REVENUES:			
Charges for services	\$ 479,546,865	22,855,561	502,402,426
Total operating revenues	479,546,865	22,855,561	502,402,426
OPERATING EXPENSES:			
Personnel services	3,169,078	1,433,678	4,602,756
Depreciation and amortization expenses	-	52,985	52,985
Claims and benefit payments	497,702,154	20,941,248	518,643,402
Professional consultant and contractual services	10,378,403	2,871,412	13,249,815
Other	46,786	361,921	408,707
Total operating expenses	511,296,421	25,661,244	536,957,665
Operating (loss)	(31,749,556)	(2,805,683)	(34,555,239)
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	1,293,856	-	1,293,856
Subscription interest expense	-	(8,202)	(8,202)
Total nonoperating revenues	1,293,856	(8,202)	1,285,654
(Loss) before transfers	(30,455,700)	(2,813,885)	(33,269,585)
Change in net position	(30,455,700)	(2,813,885)	(33,269,585)
Net position, July 1, 2022	92,904,524	8,537,027	101,441,551
Net position, June 30, 2023	\$ 62,448,824	5,723,142	68,171,966

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Combining Statement of Cash Flows - Internal Service Funds
For the fiscal year ended June 30, 2023

EXHIBIT I-6

	Health Benefits Trust	Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 482,334,821	22,855,561	505,190,382
Payments to employees	(3,169,078)	(1,433,678)	(4,602,756)
Claims and benefits paid	(495,758,408)	(14,726,238)	(510,484,646)
Payments for professional services	(6,419,492)	(2,870,341)	(9,289,833)
Payments for other operating expenses	(46,786)	(361,920)	(408,706)
Net cash provided by (used in) operating activities	(23,058,943)	3,463,384	(19,595,559)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	1,249,908	-	1,249,908
Net cash provided by investing activities	1,249,908	-	1,249,908
Net increase (decrease) in cash and cash equivalents	(21,809,035)	3,323,014	(18,486,021)
Cash and cash equivalents, July 1, 2022	125,916,753	57,038,728	182,955,481
Cash and cash equivalents, June 30, 2023	104,107,718	60,361,742	164,469,460
Reconciliation of operating (loss) to net cash provided by (used in) operating activities:			
Operating (loss)	(31,749,556)	(2,805,683)	(34,555,239)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Change in assets and liabilities:			
Decrease in accounts receivable	1,976,578	-	1,976,578
Increase in accounts payable and accrued liabilities	3,958,911	1,072	3,959,983
Increase in actuarial claims payable	1,952,000	6,199,172	8,151,172
Increase (decrease) in compensated absences	(8,254)	15,838	7,584
Increase in unearned revenues	811,378	-	811,378
Total adjustments to operating loss	8,690,613	6,269,067	14,959,680
Net cash provided by (used in) operating activities	\$ (23,058,943)	3,463,384	(19,595,559)

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Fiduciary Funds
Statement of Fiduciary Net Position - Trust Funds
June 30, 2023

EXHIBIT I-7

	Pension Trust Fund - Educational Employees' Supplementary Retirement System	OPEB Trust Fund	Total Pension and OPEB Trust Funds
ASSETS			
Cash and cash equivalents	\$ 2,268,451	-	2,268,451
Cash with fiscal agents	2,379,882	-	2,379,882
Cash collateral for securities lending	153,057,006	-	153,057,006
Short-term investments	50,763,024	-	50,763,024
Accounts receivable	14,198	37,200	51,398
Accrued interest and dividends receivable	2,530,231	-	2,530,231
Receivable from sale of pension investments	17,449,687	5,919,200	23,368,887
Investments:			
Commingled funds	1,058,294,706	-	1,058,294,706
U.S. government obligations	160,214,589	-	160,214,589
Asset and mortgage-backed securities	151,874,330	-	151,874,330
Corporate and international bonds	267,942,679	-	267,942,679
Convertible and preferred securities	6,329,630	-	6,329,630
Stocks	314,666,906	-	314,666,906
Municipal bonds	525,748	-	525,748
Real estate	271,172,886	-	271,172,886
Multi asset class solutions	126,407,441	-	126,407,441
Hedge funds	225,645,325	-	225,645,325
Private equity	316,852,573	-	316,852,573
Private debt	61,387,456	-	61,387,456
Infrastructure	53,947,972	-	53,947,972
Investment in pooled funds	-	207,528,719	207,528,719
Natural resources	13,554,618	-	13,554,618
Equipment, net of depreciation	2,379	-	2,379
Right-to-use lease asset, net of amortization	2,600,797	-	2,600,797
Total assets	<u>3,259,882,514</u>	<u>213,485,119</u>	<u>3,473,367,633</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,928,358	37,200	1,965,558
Payable for purchase of pension investments	25,402,687	-	25,402,687
Liabilities for collateral received under securities lending agreements	153,057,006	-	153,057,006
Right-to-use lease liability	2,761,361	-	2,761,361
Total liabilities	<u>183,149,412</u>	<u>37,200</u>	<u>183,186,612</u>
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	-	-	-
NET POSITION			
Held in trust for pension/OPEB benefits	\$ 3,076,733,102	213,447,919	3,290,181,021

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Public Schools
Statement of Changes in Fiduciary Net Position - Trust Funds
For the fiscal year ended June 30, 2023

EXHIBIT I-8

	Pension Trust Fund - Educational Employees' Supplementary Retirement System	OPEB Trust Fund	Total Pension and OPEB Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 117,155,967	15,536,667	132,692,634
Plan members	52,542,598	-	52,542,598
Total contributions	169,698,565	15,536,667	185,235,232
Investment income:			
From investment activities:			
Net appreciation in fair value of investments	95,289,778	14,972,174	110,261,952
Interest and dividends	31,876,806	14,205	31,891,011
Total gain from investment activities	127,166,584	14,986,379	142,152,963
Less investment activities expenses:			
Management fees	5,230,148	99,621	5,329,769
Other	1,776,025	715	1,776,740
Total investment activities expenses	7,006,173	100,336	7,106,509
Net gain from investment activities	120,160,411	14,886,043	135,046,454
From securities lending activities:			
Securities lending income	7,693,751	-	7,693,751
Less securities lending expenses:			
Management fees	(7,058,754)	-	(7,058,754)
Total securities lending activities expenses	(7,058,754)	-	(7,058,754)
Net income from securities lending activities	634,997	-	634,997
Net investment income	120,795,408	14,886,043	135,681,451
Total additions	290,493,973	30,422,710	320,916,683
DEDUCTIONS			
Benefits payments	202,023,360	10,536,667	212,560,027
Refunds of contributions	4,021,605	-	4,021,605
Administrative expenses	5,119,588	-	5,119,588
Depreciation expense	506,198	-	506,198
Total deductions	211,670,751	10,536,667	222,207,418
Change in net position	78,823,222	19,886,043	98,709,265
Net position, July 1, 2022	2,997,909,880	193,561,876	3,191,471,756
Net position, June 30, 2023	\$ 3,076,733,102	213,447,919	3,290,181,021



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, 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
Fairfax County Redevelopment and Housing Authority
Statement of Net Position
June 30, 2023

EXHIBIT J

	Housing Authority	Component Units	Total Entity
ASSETS			
Current assets:			
Equity in pooled cash and temporary investments	\$ 25,556,191	-	25,556,191
Cash in bank	44,634,181	5,333,356	49,967,537
Cash reserves	16,964,778	-	16,964,778
Investments	6,608,000	-	6,608,000
Receivables (net of allowances):			
Accounts	3,583,308	351,827	3,935,135
Accrued interest	139,498	-	139,498
Notes	268,772	-	268,772
Lease	347,044	-	347,044
Due from Primary Government	66,245,275	-	66,245,275
Prepaid and other assets	783,572	275,370	1,058,942
Restricted assets:			
Cash reserves	9,436,029	-	9,436,029
Performance and other deposits	5,975,779	369,224	6,345,003
Total current assets	<u>180,542,427</u>	<u>6,329,777</u>	<u>186,872,204</u>
Long-term assets:			
Restricted assets:			
Cash reserves	27,225,767	4,985,295	32,211,062
Total restricted assets	<u>27,225,767</u>	<u>4,985,295</u>	<u>32,211,062</u>
Capital assets:			
Non-depreciable/non-amortizable:			
Land	77,068,882	6,989,815	84,058,697
Construction in progress	8,719,423	-	8,719,423
Depreciable/amortizable:			
Vehicles and equipment	1,761,972	6,203,689	7,965,661
Buildings and improvements	194,922,929	48,548,018	243,470,947
Right-to-use lease assets	1,114,790	-	1,114,790
Right-to-use subscription assets	751,703	-	751,703
Accumulated depreciation/amortization	(144,153,459)	(16,868,934)	(161,022,393)
Total capital assets, net	<u>140,186,240</u>	<u>44,872,588</u>	<u>185,058,828</u>
Other long-term assets:			
Notes receivable	27,724,625	-	27,724,625
Lease receivable	19,983,154	-	19,983,154
Prepaid and other assets	2,548,875	85,845	2,634,720
Total other long-term assets	<u>50,256,654</u>	<u>85,845</u>	<u>50,342,499</u>
Total long-term assets	<u>217,668,661</u>	<u>49,943,728</u>	<u>267,612,389</u>
Total assets	<u>398,211,088</u>	<u>56,273,505</u>	<u>454,484,593</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows for pensions	9,142,590	-	9,142,590
Deferred outflows for OPEB	2,281,860	-	2,281,860
Total deferred outflows of resources	<u>11,424,450</u>	<u>-</u>	<u>11,424,450</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 7,084,519	370,390	7,454,909
Accrued salaries and benefits	482,095	-	482,095
Due to FCRHA	-	113,433	113,433
Unearned revenues	1,585,240	132,668	1,717,908
Performance and other deposits	2,134,161	249,738	2,383,899
Other current liabilities	362,797	-	362,797
Loans, notes and bonds payable, net of deferred financing fees	4,285,744	436,668	4,722,412
Compensated absences payable	363,582	-	363,582
Lease liability	772,077	-	772,077
Subscription liability	188,104	-	188,104
Total current liabilities	<u>17,258,319</u>	<u>1,302,897</u>	<u>18,561,216</u>
Long-term liabilities:			
Loans, notes and bonds payable, net of deferred financing fees	93,225,145	47,826,611	141,051,756
Compensated absences payable	285,757	-	285,757
Lease liability	377,637	-	377,637
Subscription liability	385,591	-	385,591
Net OPEB liability	149,165	-	149,165
Net pension liability	25,414,783	-	25,414,783
Other accrued long-term interest	5,249,254	5,491,995	10,741,249
Total long-term liabilities	<u>125,087,332</u>	<u>53,318,606</u>	<u>178,405,938</u>
Total liabilities	<u>142,345,651</u>	<u>54,621,503</u>	<u>196,967,154</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows for pension	4,305,382	-	4,305,382
Deferred inflows for OPEB	2,564,677	-	2,564,677
Deferred inflows related to lease	20,363,990	-	20,363,990
Total deferred inflows of resources	<u>27,234,049</u>	<u>-</u>	<u>27,234,049</u>
NET POSITION			
Net investment in capital assets	127,132,339	(3,390,691)	123,741,648
Restricted	40,503,414	5,104,781	45,608,195
Unrestricted	72,420,085	(62,088)	72,357,997
Net Position	<u>\$ 240,055,838</u>	<u>1,652,002</u>	<u>241,707,840</u>

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Redevelopment and Housing Authority
Statement of Revenues, Expenses, and Changes in Net Position
For the fiscal year ended June 30, 2023

EXHIBIT J-1

	Housing Authority	Component Units	Total Entity
OPERATING REVENUES:			
Dwelling rentals	\$ 33,109,233	4,209,094	37,318,327
Other	4,299,322	684,853	4,984,175
Total operating revenues	37,408,555	4,893,947	42,302,502
OPERATING EXPENSES:			
Personnel services	12,039,807	657,263	12,697,070
Materials and supplies	7,319,291	1,871,849	9,191,140
Repairs and maintenance	8,672,650	456,993	9,129,643
Housing assistance payments	62,341,931	-	62,341,931
Depreciation and amortization	4,456,551	2,052,808	6,509,359
Contractual services	917,550	498,110	1,415,660
Utilities	6,000,267	596,470	6,596,737
Total operating expenses	101,748,047	6,133,493	107,881,540
Operating loss	(64,339,492)	(1,239,546)	(65,579,038)
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental revenue	92,740,966	2,112,416	94,853,382
Interest revenue	2,815,667	60,141	2,875,808
Contribution from General Partner	-	1,141,602	1,141,602
Interest expense	(965,503)	(2,456,636)	(3,422,139)
Contribution from County	35,429,608	-	35,429,608
Contribution to County	(6,921,662)	-	(6,921,662)
Total nonoperating revenues, net	123,099,076	857,523	123,956,599
Income (loss) before contributions	58,759,584	(382,023)	58,377,561
Change in net position	58,759,584	(382,023)	58,377,561
Net Position, July 1, 2022	181,296,254	2,034,025	183,330,279
Net Position, June 30, 2023	\$ 240,055,838	1,652,002	241,707,840

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Redevelopment and Housing Authority
Statement of Cash Flows
For the fiscal year ended June 30, 2023

EXHIBIT J-2

	Housing Authority	Component Units	Total Entity
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	\$ 35,384,351	4,135,646	39,519,997
Other operating cash receipts	4,299,328	684,853	4,984,181
Payments to employees for services	(13,738,332)	(669,101)	(14,407,433)
Payments made for housing assistance	(62,341,931)	-	(62,341,931)
Payments to suppliers for goods and services	(20,947,838)	(3,984,948)	(24,932,786)
Net cash provided by (used in) operating activities	(57,344,422)	166,450	(57,177,972)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Contribution from FCRHA	-	1,141,602	1,141,602
Intergovernmental revenue received	93,760,495	2,112,416	95,872,911
Contribution to County	(5,839,092)	-	(5,839,092)
Net cash provided by noncapital financing activities	87,921,403	3,254,018	91,175,421
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(14,689,851)	(159,479)	(14,849,330)
Interest payments	(698,824)	(4,299,773)	(4,998,597)
Lease income	67,002	-	67,002
Debt principal payments	(2,237,508)	(668,467)	(2,905,975)
Net cash used in capital and related financing activities	(17,559,181)	(5,127,719)	(22,686,900)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of loan and advance repayments	18,810	-	18,810
Maturity of investments	482,318	-	482,318
Acquisition of investments	1,886,000	-	1,886,000
Interest received	2,855,325	60,141	2,915,466
Net cash provided by investing activities	5,242,453	60,141	5,302,594
Net increase (decrease) in cash and cash equivalents	18,260,253	(1,647,110)	16,613,143
Cash and cash equivalents, July 1, 2022	111,532,472	12,334,985	123,867,457
Cash and cash equivalents, June 30, 2023	\$ 129,792,725	10,687,875	140,480,600
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (64,339,492)	(1,239,546)	(65,579,038)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation and amortization	4,456,551	2,052,808	6,509,359
Provision for doubtful accounts	(896,295)	-	(896,295)
Change in assets and liabilities:			
Accounts receivable	1,601,733	(65,104)	1,536,629
Prepaid items and other assets	54,121	(54,702)	(581)
Net Pension Liability and related outflows/inflows	(1,318,018)	-	(1,318,018)
Increase in accounts payable and accrued liabilities	2,588,643	(87,240)	2,501,403
Net OPEB liability and related outflows/inflows	(72,305)	-	(72,305)
Performance and other deposits	90,396	(109,888)	(19,492)
Due to FCRHA	-	(321,534)	(321,534)
Unearned revenues	490,244	(8,344)	481,900
Total adjustments to operating income	6,995,070	1,405,996	8,401,066
Net cash provided by (used in) operating activities	\$ (57,344,422)	166,450	(57,177,972)
Noncash investing, capital, and financing activities:			
Contributions from County, net	\$ 34,437,039	-	34,437,039
Asset acquired from financing	(751,703)	-	(751,703)
Amortization of debt issuance costs	8,269	13,602	21,871

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 is 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.

Financed from County Environmental and Energy Program Fund is a capital projects fund that supports projects that advance the County's Environmental Vision and Operational Energy Strategy.

Financed from County Transportation Improvement Fund is a capital projects fund that supports the land acquisition, design and construction of county transportation improvements as well as sidewalk and trail improvements.

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.

Park Foundation - Component Unit is a nonprofit charitable organization which provides a variety of philanthropic opportunities.

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Park Authority
Balance Sheet
June 30, 2013

	Major Governmental Funds			
	General Fund (Financed from County General Fund)	Special Revenue Fund - Park Revenue	Financed from County Construction Fund	Capital Financed from County Environmental and Energy Program Fund
ASSETS				
Equity in pooled cash and temporary investments	\$ -	21,848,955	-	-
Receivables:				
Accounts	14,575	145,366	-	-
Accrued interest	-	33,163	-	-
Due from primary government	5,736,907	1,840	1,133,928	207,569
Prepaid and other asset	81,226	196,166	16,608	16,173
Restricted assets:				
Equity in pooled cash and temporary investments	-	-	-	-
Total assets	5,832,708	22,225,490	1,150,536	223,742
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 5,832,708	22,225,490	1,150,536	223,742
LIABILITIES				
Accounts payable and accrued liabilities	\$ 3,649,601	2,265,985	1,125,924	211,060
Accrued salaries and benefits	1,444,910	1,557,319	-	-
Due to intergovernmental units	4,000	-	-	-
Due to primary government	193,868	3,508	-	-
Contract retainages	2,198	-	24,612	12,682
Unearned revenues	538,131	15,016,701	-	-
Performance and other deposits	-	60,367	-	-
Total liabilities	5,832,708	18,903,880	1,150,536	223,742
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	5,832,708	18,903,880	1,150,536	223,742
FUND BALANCES				
Nonspendable:				
Prepaid	95,801	-	16,608	16,173
Inventory	-	196,166	-	-
E.C.Lawrence Trust	-	-	-	-
Restricted for:				
With donar restrictions	-	-	-	-
With donar restrictions-purpose	-	-	-	-
With donar restrictions-perpetuity	-	-	-	-
Capital projects	-	-	-	-
Committed to:				
Revenue and operating fund stabilization	-	3,885,720	-	-
Other capital projects	-	-	-	-
Unassigned	(95,801)	(760,276)	(16,608)	(16,173)
Total fund balances	-	3,321,610	-	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,832,708	22,225,490	1,150,536	223,742

Reconciliation of the Balance Sheet to the Statement of Net Position

Fund balances - Total governmental funds \$ 40,954,996

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 \$1,050,455,769 and the accumulated depreciation is \$334,653,555. 715,802,214

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Lease liability payable	\$ (3,033,797)	
Compensated absences payable	(6,595,610)	
Accrued interest payable	(13,498)	
Loan from Primary Government	(8,505,000)	(18,147,905)

Pension and other postemployment benefit liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds. The deferred outflows related to pensions are \$19,838,461, and the net pension liability is \$-58,184,965. The deferred inflows related to pension are \$3,278,566. The deferred outflows related to OPEB are \$5,973,336 and the net OPEB asset is \$360,139. The deferred inflows related to OPEB are \$6,032,530. (42,044,402)

Net position of governmental activities \$ 696,564,903

EXHIBIT K

Project Funds					
Financed from County					
Transportation Improvement Fund	Park Construction Bond	Park Capital Improvement	Park Foundation - Component Unit	Total Governmental Funds	
-	-	8,816,758	950,062	31,615,775	ASSETS
-	-	4,979	532,169	697,089	Equity in pooled cash and temporary investments
-	-	95,327	-	128,490	Receivables:
71,594	-	-	-	7,151,838	Accounts
-	-	103,535	-	413,708	Accrued interest
-	3,646,307	27,089,015	368,782	31,104,104	Due from primary government
71,594	3,646,307	36,109,614	1,851,013	71,111,004	Prepaid and other asset
-	-	-	-	-	Restricted assets:
-	-	-	-	-	Equity in pooled cash and temporary investments
-	-	-	-	-	Total assets
-	-	-	-	-	DEFERRED OUTFLOWS OF RESOURCES
-	-	-	-	-	Total deferred outflows of resources
71,594	3,646,307	36,109,614	1,851,013	71,111,004	Total assets and deferred outflows of resources
71,594	1,658,978	194,587	-	9,177,729	LIABILITIES
-	-	-	-	3,002,229	Accounts payable and accrued liabilities
-	-	-	-	4,000	Accrued salaries and benefits
-	-	-	-	197,376	Due to intergovernmental units
-	742,931	65,077	-	847,500	Due to primary government
-	-	587,916	-	16,142,748	Contract retainages
-	-	724,059	-	784,426	Unearned revenues
71,594	2,401,909	1,571,639	-	30,156,008	Performance and other deposits
-	-	-	-	-	Total liabilities
-	-	-	-	-	DEFERRED INFLOWS OF RESOURCES
-	-	-	-	-	Total deferred inflows of resources
71,594	2,401,909	1,571,639	-	30,156,008	Total liabilities and deferred inflows of resources
-	-	103,535	-	232,117	FUND BALANCES
-	-	-	-	196,166	Nonspendable:
-	-	1,507,926	-	1,507,926	Prepaid
-	-	-	277,859	277,859	Inventory
-	-	-	1,473,154	1,473,154	E.C.Lawrence Trust
-	-	-	100,000	100,000	Restricted for:
-	1,244,398	25,581,089	-	26,825,487	With donar restrictions
-	-	-	-	3,885,720	With donar restrictions-purpose
-	-	-	-	7,345,425	With donar restrictions-perpetuity
-	-	-	-	(888,858)	Capital projects
-	-	-	-	-	Committed to:
-	-	-	-	-	Revenue and operating fund stabilization
-	-	-	-	-	Other capital projects
-	-	-	-	-	Unassigned
-	1,244,398	34,537,975	1,851,013	40,954,996	Total fund balances
71,594	3,646,307	36,109,614	1,851,013	71,111,004	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, 2023

	General Fund (Financed from County General Fund)	Special Revenue Funds		Major Governmental	Funds
		Special Revenue Fund - Park Revenue	Financed from County Federal-State Grant Fund	Capital Projects	Financed from County Environmental and Energy Program Fund
REVENUES					
Intergovernmental	\$ 48,178,732	287,750	23,090	13,645,468	1,232,868
Charges for services	249,533	50,479,343	-	-	-
Developers' contributions	-	-	-	-	-
Revenue from the use of money and property	9,900	3,188,952	-	-	-
Gifts, donations, and contributions	-	-	-	-	-
Other	-	564,828	-	-	-
Total revenues	48,438,165	54,520,873	23,090	13,645,468	1,232,868
EXPENDITURES					
Current:					
Parks, recreation, and cultural	42,151,451	48,292,359	23,090	8,564,051	629,630
Intergovernmental	-	820,000	-	-	-
Capital outlay	6,455,333	362,195	-	5,098,490	603,238
Debt service:					
Principal retirement	-	875,000	-	-	-
Interest and other charges	-	133,862	-	-	-
Lease:					
Principal	120,016	378,301	-	5,900	-
Interest	2,830	2,693	-	271	-
Total expenditures	48,729,630	50,864,410	23,090	13,668,712	1,232,868
Excess (deficiency) of revenues over (under) expenditures	(291,465)	3,656,463	-	(23,244)	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(1,235,950)	-	-	-
Lease	291,465	-	-	23,244	-
Total other financing sources (uses), net	291,465	(1,235,950)	-	23,244	-
Net change in fund balances	-	2,420,513	-	-	-
Fund balances, July 1, 2022	-	890,023	-	-	-
Increase in reserve for inventories	-	11,074	-	-	-
Fund balances, June 30, 2023	\$ -	3,321,610	-	-	-

EXHIBIT K-1

Financed from County Transportation Improvement Fund	Park Construction Bond	Park Capital Improvement	Park Foundation - Component Unit	Total Governmental Funds	
465,799	25,000,000	10,000	438,917	89,282,624	REVENUES
-	-	-	-	50,728,876	Intergovernmental
-	-	2,214,651	-	2,214,651	Charges for services
-	-	2,301,710	-	5,500,562	Developers' contributions
-	-	1,369,526	2,073,053	3,442,579	Revenue from the use of money and property
-	-	27,000	-	591,828	Gifts, donations and contributions
465,799	25,000,000	5,922,887	2,511,970	151,761,120	Other
					Total revenues
					EXPENDITURES
465,799	668,677	1,471,679	574,760	102,841,496	Current:
-	-	-	1,317,292	2,137,292	Parks, recreation, and cultural
-	26,040,415	3,223,014	-	41,782,685	Intergovernmental
-	-	-	-	875,000	Capital outlay
-	-	-	-	133,862	Debt service:
-	-	210,964	-	715,181	Principal retirement
-	-	7,704	-	13,498	Interest and other charges
465,799	26,709,092	4,913,361	1,892,052	148,499,014	Lease:
					Principal
					Interest
					Total expenditures
-	(1,709,092)	1,009,526	619,918	3,262,106	Excess (deficiency) of revenues over (under) expenditures
					OTHER FINANCING SOURCES (USES)
-	-	1,235,950	-	1,235,950	Transfers in
-	-	-	-	(1,235,950)	Transfers out
-	-	839,289	-	1,153,998	Lease
-	-	2,075,239	-	1,153,998	Total other financing sources (uses), net
-	(1,709,092)	3,084,765	619,918	4,416,104	Net change in fund balances
-	2,953,490	31,453,210	1,231,095	36,527,818	Fund balances, July 1, 2022
-	-	-	-	11,074	Increase in reserve for inventories
-	1,244,398	34,537,975	1,851,013	40,954,996	Fund balances, June 30, 2023

continued

COUNTY OF FAIRFAX, VIRGINIA
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, 2023

EXHIBIT K-1
concluded

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 \$ 4,416,104

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	\$ 41,782,685	
Depreciation expense	<u>(21,905,082)</u>	19,877,603

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. 5,104,575

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. (476,709)

Certain costs reported in prior year construction in progress balances were determined not to be capital 341,339

Increase in fund balance reserve (11,074)

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 reported is as follows:

Accrued interest on notes payable and leases	(13,498)
--	----------

Repayment of the principal amount of long-term debt is reported as an expenditure or as an other financing use when debt is refunded in governmental funds and thus, reduces fund balance. However, the principal payment reduces the liabilities in the Statement of Net Position and do not result in the Statement of Activities.

Principal payments of bonds, notes, and leases	1,568,653
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The issuance of long-term debt 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:

Leases	(3,033,797)
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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	822,857
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Pension liability does not require the use of current financial resources and, therefore, is not reported in governmental funds:

Pension expense	2,224,727
Other postemployment benefit expense	336,422

Change in net position of governmental activities	<u>\$ 31,157,202</u>
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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, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 30,677,847	64,512,486	36,739,419	(27,773,067)
Charges for services	513,750	513,750	250,329	(263,421)
Revenue from the use of money and property	-	-	9,104	9,104
Total revenues	31,191,597	65,026,236	36,998,852	(28,027,384)
EXPENDITURES				
Current:				
Parks, recreation, and cultural	30,677,847	64,512,486	36,998,852	27,513,634
Total expenditures	30,677,847	64,512,486	36,998,852	27,513,634
Net change in fund balance	\$ 513,750	513,750	-	(513,750)

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, 2022

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	-	287,750	287,750
Charges for services	42,781,591	50,281,591	50,479,343	197,752
Revenue from the use of money and property	2,446,704	2,446,704	3,188,952	742,248
Other	510,603	510,603	564,828	54,225
Total revenues	45,738,898	53,238,898	54,520,874	1,281,975
EXPENDITURES				
Parks, recreation, and cultural	43,092,872	53,406,198	50,864,410	2,541,788
Total expenditures	43,092,872	53,406,198	50,864,410	2,541,788
Excess of revenues over expenditures	2,646,026	(167,300)	3,656,464	3,823,763
OTHER FINANCING SOURCES				
Transfers in from primary government	-	1,235,950	1,235,950	-
Total other financing sources	-	1,235,950	1,235,950	-
Net change in fund balance	\$ 2,646,026	1,068,650	4,892,414	3,823,763

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, which appoints the seven members of EDA's Commission and also appropriates funds annually for operating expenditures incurred in carrying out EDA's mission.

Governmental Funds is used to account for the operations of the EDA financed from the County Fund, all of which are funded through the County. It also includes cash incentives awarded to businesses relocating or expanding business operations in Fairfax County, and funded by the Commonwealth's Development Opportunity Fund (COF) grant program.

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Economic Development Authority
Balance Sheet
June 30, 2023

EXHIBIT L

	Governmental Funds
ASSETS	
Restricted cash and cash equivalents	\$ 2,681,000
Due from primary government	417,580
Total assets	<u>3,098,580</u>
DEFERRED OUTFLOWS OF RESOURCES	
Total deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 3,098,580</u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 202,532
Accrued salaries and benefits	215,048
Unearned revenue	2,681,000
Total liabilities	<u>3,098,580</u>
DEFERRED INFLOWS OF RESOURCES	
Total deferred inflows of resources	<u>-</u>
Total liabilities and deferred inflows of resources	<u>3,098,580</u>
FUND BALANCE	
Unassigned	<u>-</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,098,580</u>
Reconciliation of the Balance Sheet to the Statement of Net Position	
Fund balance - Governmental Funds	\$ -
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 the governmental funds. The cost of the assets is \$3,675,308 and the accumulated depreciation and amortization is \$2,696,491.	978,817
Long-term liabilities, including compensated absences payable of \$573,731, and lease liability and accrued interest of \$1,113,149, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(1,686,880)
Pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. The deferred outflows related to pensions are \$3,108,405 and the net pension liability is \$7,904,682. The deferred inflow related to pensions is \$518,208.	(5,314,485)
OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. The deferred outflows related to OPEB are \$336,928 and the net OPEB liability is \$21,427. The deferred inflow related to OPEB is \$547,738.	<u>(232,237)</u>
Net position of governmental activities	<u>\$ (6,254,785)</u>

COUNTY OF FAIRFAX, VIRGINIA
Fairfax County Economic Development Authority
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the fiscal year ended June 30, 2023

EXHIBIT L-1

	Governmental Funds
REVENUES	
Revenue from use of money and property	\$ 48,862
Intergovernmental	11,329,768
Total revenues	<u>11,378,630</u>
EXPENDITURES	
Current:	
Community development	10,787,126
Capital outlay	41,151
Debt service:	
Principal retirement	570,201
Interest and other charges	21,303
Total expenditures	<u>11,419,781</u>
Deficiency of revenues under expenditures	<u>(41,151)</u>
OTHER FINANCING SOURCES	
Subscription-based information technology arrangements	41,151
Total other financing sources, net	<u>41,151</u>
Net change in fund balance	-
Fund balance, July 1, 2022	-
Fund balance, June 30, 2023	<u>\$ -</u>

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

Net change in fund balance - governmental funds \$ -

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	\$ (785,942)	
Increase in liability for compensated absences	(20,888)	
Lease payments	570,201	
Accrued interest	(744)	
Pension expense	215,597	
Other postemployment benefit activity	<u>19,533</u>	<u>(2,243)</u>
Change in net position of governmental activities		<u>\$ (2,243)</u>

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, 2023

	Budgeted Amounts		Actual Amounts (Budget Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 9,138,153	9,543,870	9,402,552	(141,318)
Total revenues	9,138,153	9,543,870	9,402,552	(141,318)
EXPENDITURES				
Community development	9,138,153	9,543,870	9,402,552	141,318
Total expenditures	9,138,153	9,543,870	9,402,552	141,318
Net change in fund balance	\$ -	-	-	-



Statistical Section

The Statistical Section provides financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, including the accompanying notes, and required supplementary information to understand and assess the County's economic condition. Information is presented in the following five categories:

- 1.0 Financial trends information
- 2.0 Revenue capacity information
- 3.0 Debt capacity information
- 4.0 Demographic and economic information
- 5.0 Operating information



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				
	2023	2022	2021	2020	2019
<i>Governmental activities:</i>					
Net investment in capital assets	\$ 2,637,152,244	2,411,445,112	2,347,835,603	2,265,813,475	2,213,668,557
Restricted	434,340,989	442,814,210	355,681,686	382,010,214	475,424,529
Unrestricted (deficit) ⁽¹⁾	(2,766,096,941)	(2,896,772,667)	(3,143,115,712)	(3,108,132,334)	(3,038,583,029)
Net position, governmental activities	\$ 305,396,292	(42,513,345)	(439,598,423)	(460,308,645)	(349,489,943)
<i>Business-type activities:</i>					
Net investment in capital assets	\$ 1,186,134,177	1,181,439,831	1,207,780,108	1,112,420,058	1,065,086,054
Restricted	54,235,528	48,522,726	17,941,505	20,281,937	19,398,343
Unrestricted	198,694,137	148,116,348	98,648,390	133,460,268	119,690,633
Net position, business-type activities	\$ 1,439,063,842	1,378,078,905	1,324,370,003	1,266,162,263	1,204,175,030
<i>Total Primary government:</i>					
Net investment in capital assets	\$ 3,823,286,421	3,592,884,943	3,555,615,711	3,378,233,533	3,278,754,611
Restricted	488,576,517	491,336,936	373,623,191	402,292,151	494,822,872
Unrestricted (deficit)	(2,567,402,804)	(2,748,656,319)	(3,044,467,322)	(2,974,672,066)	(2,918,892,396)
Net position, Primary government	\$ 1,744,460,134	1,335,565,560	884,771,580	805,853,618	854,685,087

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 position 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				
	2023	2022	2021	2020	2019
	\$ 1,903,188,772	2,051,038,452	1,782,043,298	1,741,833,436	1,715,069,054

(2) Fiscal Year 2014 net position restated in Fiscal Year 2015 due to the implementation of GASB statement 68.

(3) Fiscal Year 2017 net position restated in Fiscal Year 2018 due to the implementation of GASB statement 75.

Fiscal Year					
2018 ⁽³⁾	2017 ⁽³⁾	2016	2015	2014 ⁽²⁾	
					<i>Governmental activities:</i>
2,070,863,206	2,001,991,926	1,913,173,352	1,875,208,103	1,861,776,623	Net investment in capital assets
456,321,016	388,129,831	355,513,953	318,966,582	286,196,280	Restricted
(3,045,029,065)	(2,881,760,586)	(2,732,479,263)	(2,802,308,892)	(2,960,996,275)	Unrestricted (deficit) ⁽¹⁾
(517,844,843)	(491,638,829)	(463,791,958)	(608,134,207)	(813,023,372)	Net position, governmental activities
					<i>Business-type activities:</i>
1,038,360,082	1,003,960,254	940,641,576	892,414,328	843,276,715	Net investment in capital assets
18,178,132	14,185,711	73,853,503	66,038,662	43,116,468	Restricted
99,372,962	90,123,639	38,417,623	66,651,531	100,358,086	Unrestricted
1,155,911,176	1,108,269,604	1,052,912,702	1,025,104,521	986,751,269	Net position, business-type activities
					<i>Total Primary government:</i>
3,109,223,288	3,005,952,180	2,853,814,928	2,767,622,431	2,705,053,338	Net investment in capital assets
474,499,148	402,315,542	429,367,456	385,005,244	329,312,748	Restricted
(2,945,656,103)	(2,791,636,947)	(2,694,061,640)	(2,735,657,361)	(2,860,638,189)	Unrestricted
638,066,333	616,630,775	589,120,744	416,970,314	173,727,897	Net position, Primary government

Fiscal Year				
2018 ⁽³⁾	2017 ⁽³⁾	2016	2015	2014 ⁽²⁾
1,726,348,892	1,715,069,179	1,674,949,073	1,616,079,489	1,625,585,624

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

	Fiscal Year				
	2023	2022	2021	2020	2019
Expenses					
<i>Governmental activities:</i>					
General government administration	\$ 228,764,017	192,501,537	258,112,138	258,330,991	200,274,042
Judicial administration	81,284,343	61,798,750	71,191,932	76,694,008	65,346,777
Public safety	888,165,848	801,632,044	882,293,607	879,159,005	780,408,993
Public works	303,510,108	223,892,691	282,251,099	274,427,262	251,705,576
Health and welfare	778,592,446	775,306,233	797,755,569	721,920,761	660,919,624
Community development	572,725,232	443,003,734	569,687,675	550,075,342	442,747,859
Parks, recreation, and cultural	158,136,482	195,329,785	133,178,188	143,686,850	133,504,969
Education - for Public Schools	2,515,855,422	2,368,929,073	2,339,297,904	2,332,366,853	2,251,573,120
Interest on long-term debt	98,934,751	96,141,979	99,955,370	103,197,911	114,012,753
Total expenses, governmental activities	5,625,968,649	5,158,535,826	5,433,723,482	5,339,858,983	4,900,493,713
<i>Business-type activities:</i>					
Public works - Sewer	\$ 216,032,050	196,623,266	195,221,272	193,400,681	188,706,778
Total expenses, business-type activities	216,032,050	196,623,266	195,221,272	193,400,681	188,706,778
Total expenses, Primary Government	5,842,000,699	5,355,159,092	5,628,944,754	5,533,259,664	5,089,200,491
Program Revenues					
<i>Governmental activities:</i>					
Charges for services:					
Public safety	\$ 75,596,380	78,013,235	73,317,201	69,427,621	73,816,732
Public works	202,047,154	184,156,413	176,467,547	173,483,022	170,109,205
Health and welfare	80,272,433	62,217,830	42,688,380	74,148,243	86,877,525
Other activities	469,552,745	333,787,294	332,441,013	360,181,203	375,485,955
Operating grants and contributions	447,619,767	522,275,034	504,962,481	346,819,376	274,272,173
Capital grants and contributions	25,612,657	38,793,723	64,416,721	40,729,751	45,889,290
Total program revenues, governmental activities	1,300,701,136	1,219,243,529	1,194,293,343	1,064,789,216	1,026,450,880
<i>Business-type activities:</i>					
Charges for services:					
Public works - Sewer	\$ 266,239,423	247,569,058	251,162,619	240,034,485	232,435,065
Capital grants and contributions	4,235,838	2,283,276	1,475,624	2,595,202	859,618
Total program revenues, business-type activities	270,475,261	249,852,334	252,638,243	242,629,687	233,294,683
Total program revenues, Primary Government	1,571,176,397	1,469,095,863	1,446,931,586	1,307,418,903	1,259,745,563
Net (Expense) Revenue					
Governmental activities	(4,325,267,513)	(3,939,292,297)	(4,239,430,139)	(4,275,069,767)	(3,874,042,833)
Business-type activities	54,443,211	53,229,068	57,416,971	49,229,006	44,587,905
Total Primary Government	\$ (4,270,824,302)	(3,886,063,229)	(4,182,013,168)	(4,225,840,761)	(3,829,454,928)

Fiscal Year					
2018	2017	2016	2015	2014	
					Expenses
					<i>Governmental activities:</i>
190,974,147	199,163,586	188,767,791	183,647,484	201,180,941	General government administration
64,060,042	62,157,826	58,125,849	55,830,358	54,913,419	Judicial administration
783,282,501	743,811,404	702,043,058	670,432,665	695,690,761	Public safety
255,772,468	220,029,595	204,873,695	204,114,861	195,014,404	Public works
641,619,815	621,738,349	589,307,995	557,312,024	551,586,755	Health and welfare
553,891,606	449,963,548	373,621,317	352,960,858	352,759,047	Community development
132,413,348	124,438,465	112,957,367	112,338,852	107,762,594	Parks, recreation, and cultural
2,139,229,138	2,085,926,217	1,998,723,980	1,936,673,334	1,883,055,936	Education - for Public Schools
113,312,939	108,077,416	94,644,722	101,276,354	109,563,020	Interest on long-term debt
4,874,556,004	4,615,306,406	4,323,065,774	4,174,586,790	4,151,526,877	Total expenses, governmental activities
					<i>Business-type activities:</i>
188,232,208	177,630,559	183,076,813	174,932,128	174,845,675	Public works - Sewer
188,232,208	177,630,559	183,076,813	174,932,128	174,845,675	Total expenses, business-type activities
5,062,788,212	4,792,936,965	4,506,142,587	4,349,518,918	4,326,372,552	Total expenses, Primary Government
					Program Revenues
					<i>Governmental activities:</i>
					Charges for services:
74,116,426	70,562,165	70,934,542	71,729,966	58,202,390	Public safety
158,834,077	129,171,598	139,528,323	141,711,640	131,355,271	Public works
77,063,723	80,070,825	69,250,901	70,951,265	69,351,107	Health and welfare
345,815,823	335,242,533	301,673,838	309,689,155	334,124,545	Other activities
273,051,191	264,019,862	250,208,494	243,282,980	222,115,446	Operating grants and contributions
49,319,980	22,209,405	29,020,526	34,407,375	22,578,476	Capital grants and contributions
978,201,220	901,276,388	860,616,624	871,772,381	837,727,235	Total program revenues, governmental activities
					<i>Business-type activities:</i>
					Charges for services:
225,733,347	220,959,308	205,115,248	209,227,867	212,175,672	Public works - Sewer
7,614,925	12,513,674	4,598,439	3,277,159	4,074,576	Capital grants and contributions
233,348,272	233,472,982	209,713,687	212,505,026	216,250,248	Total program revenues, business-type activities
1,211,549,492	1,134,749,370	1,070,330,311	1,084,277,407	1,053,977,483	Total program revenues, Primary Government
					Net (Expense) Revenue
(3,896,354,784)	(3,714,030,018)	(3,462,449,150)	(3,302,814,409)	(3,313,799,642)	Governmental activities
45,116,064	55,842,423	26,636,874	37,572,898	41,404,573	Business-type activities
(3,851,238,720)	(3,658,187,595)	(3,435,812,276)	(3,265,241,511)	(3,272,395,069)	Total Primary Government

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

	Fiscal Year				
	2023	2022	2021	2020	2019
General Revenues and Other Changes in Net Position					
<i>Governmental activities:</i>					
Taxes:					
Real property	\$ 3,219,943,695	3,053,617,253	3,008,700,940	2,897,823,200	2,796,625,634
Personal property	564,348,311	475,145,763	432,944,446	443,280,543	421,706,327
Business licenses	205,131,120	190,004,446	180,132,797	180,120,661	170,065,024
Local sales and use	305,938,564	294,262,843	263,801,220	249,560,545	252,284,959
Consumers utility	123,521,957	106,582,505	104,787,720	110,508,254	107,307,687
Recordation	20,852,846	36,659,136	42,977,172	31,251,909	23,536,391
Occupancy, tobacco, and other	33,739,992	30,164,116	20,532,652	28,604,036	35,898,475
Unrestricted grants and contributions	211,421,093	211,422,169	211,422,769	211,426,887	211,431,885
Revenue from the use of money	(11,720,428)	(61,502,432)	(5,159,355)	11,675,030	23,541,351
Total general revenues and other changes in net position, governmental activities	4,673,177,150	4,336,355,799	4,260,140,361	4,164,251,065	4,042,397,733
<i>Business-type activities:</i>					
Revenue from the use of money	\$ 6,541,726	479,834	790,769	2,859,826	3,675,949
Special item	-	-	-	9,898,401 ⁽¹⁾	-
Total general revenues and other changes in net position, business-type activities	6,541,726	479,834	790,769	12,758,227	3,675,949
Total general revenues and other changes in net position, Primary Government	4,679,718,876	4,336,835,633	4,260,931,130	4,177,009,292	4,046,073,682
Change in Net Position					
Governmental activities	347,909,637	397,063,502	20,710,222	(110,818,702)	168,354,900
Business-type activities	60,984,937	53,708,902	58,207,740	61,987,233	48,263,854
Total Primary Government	\$ 408,894,574	450,772,404	78,917,962	(48,831,469)	216,618,754

Source: Fairfax County Department of Finance

Notes:

⁽¹⁾ In July 2019, the Sewer System completed a sale of 0.5 MGD purchased capacity with the City of Manassas, reducing the Sewer System's capacity entitlement in UOSA to 22.1 MGD or 41%. Per the agreement, the City of Manassas paid \$8,220,297 in cash and has assumed the future debt service payments of \$5,932,557 owed to UOSA with respect to the purchased capacity. As a result, a special item - Gain from sale of purchased capacity - of \$9,898,401 was recognized.

Fiscal Year					
2018	2017	2016	2015	2014	
					General Revenues and Other Changes in Net Position
					<i>Governmental activities:</i>
					Taxes:
2,652,298,780	2,601,473,140	2,437,535,377	2,356,421,557	2,215,898,422	Real property
412,251,446	403,229,884	380,123,202	368,390,092	362,772,805	Personal property
167,766,061	160,711,944	158,380,380	154,681,661	158,619,113	Business licenses
252,019,165	246,876,636	249,278,074	247,734,220	261,193,846	Local sales and use
104,785,290	104,327,491	102,181,691	100,484,941	74,633,997	Consumers utility
24,623,858	25,401,332	23,808,125	23,898,873	19,968,520	Recordation
35,969,332	36,206,695	34,115,345	33,775,982	31,296,981	Occupancy, tobacco, and other
211,426,419	211,464,000	211,423,471	211,423,648	230,920,811	Unrestricted grants and contributions
9,008,419	6,653,142	9,945,734	10,892,600	8,577,857	Revenue from the use of money
<u>3,870,148,770</u>	<u>3,796,344,264</u>	<u>3,606,791,399</u>	<u>3,507,703,574</u>	<u>3,363,882,352</u>	Total general revenues and other changes in net position, governmental activities
2,525,508	1,022,586	1,171,307	780,354	484,332	<i>Business-type activities:</i>
-	-	-	-	-	Revenue from the use of money
-	-	-	-	-	Special item
<u>2,525,508</u>	<u>1,022,586</u>	<u>1,171,307</u>	<u>780,354</u>	<u>484,332</u>	Total general revenues and other changes in net position, business-type activities
<u>3,872,674,278</u>	<u>3,797,366,850</u>	<u>3,607,962,706</u>	<u>3,508,483,928</u>	<u>3,364,366,684</u>	Total general revenues and other changes in net position, Primary Government
(26,206,014)	82,314,246	144,342,249	204,889,165	50,082,710	Change in Net Position
47,641,572	56,865,009	27,808,181	38,353,252	41,888,905	Governmental activities
21,435,558	139,179,255	172,150,430	243,242,417	91,971,615	Business-type activities
					Total Primary Government

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

	Fiscal Year				
	2023	2022	2021	2020	2019
<i>General Fund:</i>					
Nondisposable	\$ 1,840,235	1,755,384	1,702,289	1,796,346	3,204,829
Committed	575,074,992	532,150,215	500,612,871	479,328,679	450,390,936
Assigned	77,453,107	47,493,932	36,762,530	41,102,387	27,852,920
Unassigned	124,675,080	154,902,645	145,469,633	85,591,972	53,361,158
Total general fund	<u>\$ 779,043,414</u>	<u>736,302,176</u>	<u>684,547,323</u>	<u>607,819,384</u>	<u>534,809,843</u>
<i>All Other Governmental Funds:</i>					
Nondisposable	\$ 480,500	471,507	332,994	271,039	316,588
Restricted	974,833,331	937,295,555	763,480,427	755,102,339	887,566,576
Committed	477,251,866	344,034,709	259,808,373	231,835,504	247,760,895
Unassigned	-	-	(16,718,127)	-	-
Total all other governmental funds	<u>\$ 1,452,565,697</u>	<u>1,281,801,771</u>	<u>1,006,903,667</u>	<u>987,208,882</u>	<u>1,135,644,059</u>

Source: Fairfax County Department of Finance

Fiscal Year					
2018	2017	2016	2015	2014	
					<i>General Fund:</i>
1,996,914	2,122,029	514,559	880,201	614,966	Nonspendable
381,006,291	318,449,966	271,363,898	237,696,440	220,628,054	Committed
29,257,275	29,810,689	31,420,067	33,264,339	29,406,539	Assigned
66,563,791	71,072,769	38,093,937	54,080,837	52,154,540	Unassigned
<u>478,824,271</u>	<u>421,455,453</u>	<u>341,392,461</u>	<u>325,921,817</u>	<u>302,804,099</u>	Total general fund
					<i>All Other Governmental Funds:</i>
292,733	502,104	369,676	385,364	457,598	Nonspendable
869,259,392	875,478,273	822,378,966	806,622,981	779,237,002	Restricted
237,969,839	217,556,600	179,787,832	161,136,329	151,287,756	Committed
-	-	(20,854)	-	-	Unassigned
<u>1,107,521,964</u>	<u>1,093,536,977</u>	<u>1,002,515,620</u>	<u>968,144,674</u>	<u>930,982,356</u>	Total all other governmental funds

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

	Fiscal Year				
	2023	2022	2021	2020	2019
Revenues					
Taxes	\$ 4,467,363,632	4,185,778,288	4,048,525,783	3,940,896,963	3,809,188,577
Permits, privilege fees, and regulatory licenses	73,097,150	79,480,379	76,665,984	76,492,974	79,009,171
Intergovernmental	789,746,535	866,765,465	843,948,812	655,986,487	589,878,410
Charges for services	424,253,094	390,008,383	361,333,426	401,274,199	409,528,868
Fines and forfeitures	9,460,292	8,356,053	6,379,279	12,375,980	15,301,279
Revenue from the use of money and property	171,026,252	35,431,232	38,624,526	88,199,662	100,602,318
Recovered costs	20,291,010	15,695,088	17,700,423	14,104,830	15,771,173
Contributions and other	3,959,688	13,867,917	27,213,405	11,712,204	18,498,183
Total revenues	5,959,197,653	5,595,382,805	5,420,391,638	5,201,043,299	5,037,777,979
Expenditures					
Current:					
General government administration	194,495,038	187,885,157	211,763,383	199,349,480	169,486,397
Judicial administration	76,224,509	68,378,721	62,253,981	63,247,888	61,590,923
Public safety	877,177,729	824,640,344	802,618,717	799,071,319	775,354,938
Public works	215,211,283	194,738,517	207,017,475	200,931,845	197,579,765
Health and welfare	768,630,244	778,800,261	754,667,957	685,228,743	659,194,791
Community development	403,530,852	339,312,326	342,620,638	369,540,318	293,591,266
Parks, recreation, and cultural	62,184,115	61,816,244	52,281,283	55,921,968	57,199,029
Intergovernmental: ⁽¹⁾					
Community development	146,751,347	86,741,816	176,821,619	138,534,100	170,104,337
Parks, recreation, and cultural	89,239,275	68,704,328	66,283,648	74,448,119	69,637,352
Education	2,515,855,422	2,368,929,073	2,339,297,904	2,332,366,853	2,251,573,120
Capital outlay	352,545,652	365,420,368	199,624,409	207,717,122	166,061,186
Debt service:					
Principal retirement	321,888,618	290,153,315	318,572,023	538,875,357	287,193,768
Interest and other charges	120,681,145	123,093,738	128,931,225	140,850,323	137,922,641
Total expenditures	6,144,415,229	5,758,614,208	5,662,754,262	5,806,083,435	5,296,489,513
Deficiency of revenues under expenditures	(185,217,576)	(163,231,403)	(242,362,624)	(605,040,136)	(258,711,534)
Other Financing Sources (Uses)					
Transfers in	903,514,038	812,629,350	734,745,924	675,792,885	673,647,732
Transfers out	(928,586,781)	(828,646,789)	(750,239,673)	(689,273,514)	(685,341,165)
Bonds issued	351,042,774	300,730,444	290,739,140	344,836,070	248,084,893
Refunding bonds issued	-	249,465,161	355,392,049	198,259,059	75,964,692
Payments to escrow agent	-	(163,535,669)	(293,126,253)	-	(44,553,144)
Capital leases, installment purchases, and other	72,752,709	119,241,863	1,274,161	-	75,016,193
Total other financing sources, net	398,722,740	489,884,360	338,785,348	529,614,500	342,819,201
Net change in fund balances	\$ 213,505,164	326,652,957	96,422,724	(75,425,636)	84,107,667
Debt service as a percentage of noncapital expenditures	7.6%	7.7%	8.2%	12.1%	8.3%

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					
2018	2017	2016	2015	2014	
					Revenues
3,649,017,783	3,576,143,127	3,384,696,039	3,289,084,031	3,119,946,744	Taxes
77,285,673	78,789,135	74,165,960	71,026,501	63,886,989	Permits, privilege fees, and regulatory licenses
591,245,422	588,060,996	565,562,122	559,309,630	609,843,183	Intergovernmental
381,639,549	373,123,236	367,293,019	387,763,613	351,597,808	Charges for services
15,349,405	16,172,236	14,675,893	16,437,938	16,817,313	Fines and forfeitures
64,497,904	45,195,094	39,360,901	31,080,667	31,544,136	Revenue from the use of money and property
18,643,367	14,851,978	15,369,266	20,109,855	16,141,935	Recovered costs
8,795,789	2,822,015	8,571,664	12,221,739	3,408,767	Contributions and other
<u>4,806,474,892</u>	<u>4,695,157,817</u>	<u>4,469,694,864</u>	<u>4,387,033,974</u>	<u>4,213,186,875</u>	Total revenues
					Expenditures
					Current:
156,249,168	160,694,938	165,144,963	163,023,642	164,384,546	General government administration
58,752,207	57,242,859	55,337,889	53,183,629	50,760,212	Judicial administration
747,806,458	737,122,371	711,044,003	699,203,895	690,063,408	Public safety
197,520,108	212,209,456	188,198,288	199,205,144	202,904,525	Public works
629,650,541	614,513,160	598,715,227	568,675,553	553,250,576	Health and welfare
288,415,827	243,788,329	226,958,426	230,287,575	193,976,264	Community development
55,055,417	52,985,491	52,721,664	50,642,925	51,709,656	Parks, recreation, and cultural
					Intergovernmental: ⁽¹⁾
216,205,206	190,913,914	134,236,475	111,031,149	146,812,410	Community development
68,701,097	63,077,723	56,967,246	57,848,921	52,381,153	Parks, recreation, and cultural
2,139,229,138	2,085,926,217	1,998,723,980	1,936,673,334	1,878,460,936	Education
185,888,125	176,169,811	179,067,050	160,667,922	224,900,077	Capital outlay
					Debt service:
257,426,810	225,198,620	386,099,648	280,109,469	204,975,519	Principal retirement
141,690,140	134,359,311	156,503,054	137,140,834	132,973,357	Interest and other charges
<u>5,142,590,242</u>	<u>4,954,202,200</u>	<u>4,909,717,913</u>	<u>4,647,693,992</u>	<u>4,547,552,639</u>	Total expenditures
(336,115,350)	(259,044,383)	(440,023,049)	(260,660,018)	(334,365,764)	Deficiency of revenues under expenditures
					Other Financing Sources (Uses)
696,481,666	610,776,813	587,755,580	555,297,170	581,375,596	Transfers in
(703,429,940)	(618,264,035)	(594,655,237)	(581,266,174)	(587,133,301)	Transfers out
283,089,727	339,653,241	450,743,979	257,188,745	480,886,115	Bonds issued
37,408,232	-	297,981,112	311,478,707	108,080,978	Refunding bonds issued
(37,063,950)	-	(338,948,636)	(270,710,041)	(107,703,910)	Payments to escrow agent
130,983,420	97,962,713	86,987,841	48,951,647	47,574,292	Capital leases, installment purchases, and other
<u>407,469,155</u>	<u>430,128,732</u>	<u>489,864,639</u>	<u>320,940,054</u>	<u>523,079,770</u>	Total other financing sources, net
<u>71,353,805</u>	<u>171,084,349</u>	<u>49,841,590</u>	<u>60,280,036</u>	<u>188,714,006</u>	Net change in fund balances
8.1%	7.5%	11.5%	9.3%	7.8%	Debt service as a percentage of noncapital expenditures

2.0 - Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the County’s ability to generate its own-source revenues. There are four tables presented in this section.

COUNTY OF FAIRFAX, VA

**TABLE 2.1 - Assessed Value and Actual Value of Taxable Real Property ⁽¹⁾
Last Ten Fiscal Years**

Fiscal Year	Residential (000s)	Commercial (000s)	Public Service Corporations (000s)	Total Taxable Assessed Value (000s)	Tax-Exempt (000s)	Total Direct Tax Rate ⁽²⁾
2023	\$ 224,340,511	71,429,938	1,259,106	297,029,555	21,243,437	1.110
2022	203,305,684	69,112,808	1,205,759	273,624,251	20,230,937	1.140
2021	193,599,518	71,194,127	1,146,136	265,939,781	19,624,810	1.150
2020	187,371,027	67,820,928	1,088,148	256,280,103	18,948,829	1.150
2019	181,857,973	64,476,359	977,297	247,311,629	18,276,651	1.150
2018	177,009,973	60,781,189	969,415	238,760,577	17,878,071	1.130
2017	175,187,489	58,185,653	899,206	234,272,348	17,485,097	1.130
2016	171,409,697	55,199,289	892,919	227,501,905	16,791,394	1.090
2015	164,977,246	54,044,028	863,583	219,884,857	16,421,055	1.090
2014	154,104,662	52,968,482	876,142	207,949,286	15,866,827	1.085

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, 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**

Fiscal Year	County Direct Rate ⁽²⁾	Overlapping Rates ⁽³⁾	
		Town of Herndon	Town of Vienna
2023	\$ 1.110	0.265	0.2050
2022	1.140	0.265	0.2250
2021	1.150	0.265	0.2250
2020	1.150	0.265	0.2250
2019	1.150	0.265	0.2250
2018	1.130	0.265	0.2250
2017	1.130	0.265	0.2250
2016	1.090	0.265	0.2250
2015	1.090	0.265	0.2288
2014	1.085	0.265	0.2288

Sources: Fairfax County Department of Tax Administration; Town of Herndon; Town of Vienna

Notes:

- (1) Rates are per \$100 of assessed value, 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 2023			
Rank	Taxpayer	Taxable Assessed Value ⁽¹⁾	Pct. of Total Taxable Assessed Value ⁽²⁾
1	Tyson's Corner Property Holdings LLC	\$ 1,674,466,960	0.57 %
2	Capital One Bank	922,189,470	0.31
3	Washington Gas Light Co	497,168,482	0.17
4	Reston Town Center Property LLC	457,567,960	0.15
5	Reston Corporate Center LP	447,020,600	0.15
6	Camden Summit Partnership LP	438,883,130	0.15
7	PR Springfield Town Center LLC	365,053,310	0.12
8	Federal Home Loan Mortgage Corp	360,268,630	0.12
9	Tyson's Galleria LLC	353,672,270	0.12
10	Mitre Corporation	324,603,680	0.11
Totals		<u>\$ 5,840,894,492</u>	<u>1.97 %</u>

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 2023 is \$295,770,449,300.

Total taxable assessed value for fiscal year 2014 is \$207,073,144,800. These assessments exclude Public Service Corporations.

COUNTY OF FAIRFAX, VA
TABLE 2.4 - Real Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year Original Levy ⁽¹⁾	Collected within the Fiscal Year of the Levy		Adjustments to Original Levy in Subsequent Years ⁽²⁾	Total Adjusted Levy
		Amount	Pct. of Original Levy		
2023 ⁽⁴⁾	\$ 3,246,015,284	3,236,378,736	99.70 %	-	3,246,015,284
2022	3,082,470,114	3,073,452,749	99.71	(6,602,477)	3,075,867,636
2021	3,022,677,499	3,012,104,497	99.65	(5,775,401)	3,016,902,098
2020	2,911,713,956	2,903,982,237	99.73	(3,284,104)	2,908,429,852
2019	2,810,924,242	2,803,550,146	99.74	(3,345,979)	2,807,578,263
2018	2,665,889,198	2,657,434,969	99.68	(1,572,770)	2,664,316,428
2017	2,614,861,824	2,607,565,912	99.72	(1,741,620)	2,613,120,204
2016	2,450,462,549	2,443,167,137	99.70	(1,518,985)	2,448,943,564
2015	2,367,484,875	2,360,588,850	99.71	(1,611,634)	2,365,873,241
2014	2,226,943,153	2,220,155,139	99.70	(1,498,067)	2,225,445,086

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., FY2023 taxes are levied for calendar year 2022.

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

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	Washington 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		<u>\$ 3,843,076,750</u>	<u>1.86 %</u>

Collections in Subsequent Years	Total Collections to Date	
	Amount	Pct. of Adjusted Levy ⁽³⁾
-	3,236,378,736	99.70 %
(90,227)	3,073,362,522	99.92
3,692,704	3,015,797,201	99.96
3,929,810	2,907,912,047	99.98
3,828,862	2,807,379,009	99.99
6,722,529	2,664,157,498	99.99
5,497,408	2,613,063,321	100.00
5,724,994	2,448,892,132	100.00
5,259,969	2,365,848,819	100.00
5,264,749	2,225,419,888	100.00

⁽³⁾ This table includes real estate taxes only and does not include penalty and interest. There is a difference in the collection rate reported here and the rate reported in the County's Budget Overview document resulting from a difference in accounting basis. Taxes receivable reflects only the actual levy and collections and does not include the accrual of taxes.

⁽⁴⁾ In Fiscal Year 2023, Fairfax County issued a large taxpayer exoneration/refund for multiple tax years (2018-2022).

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

Fiscal Year	Governmental Activities						
	General Obligation Bonds (000s)	Revenue Bonds		Direct Placements and Borrowings			Leases ⁽³⁾ (000s)
		Revenue- Backed Bonds (000s)	Lease Revenue Bonds ⁽¹⁾ (000s)	Direct Placements ⁽²⁾ (000s)	Direct Borrowings ⁽²⁾ (000s)	Notes ⁽²⁾ (000s)	
2023	\$ 2,719,585	382,294	200,582	108,790	433,427	29,283	117,432
2022	2,623,847	405,482	225,966	110,485	459,780	2,258	108,925
2021	2,573,717	362,750	357,837	-	-	450,383	2,993
2020	2,503,048	392,665	384,497	-	-	439,073	7,526
2019	2,480,827	429,761	409,108	-	-	430,071	13,134
2018	2,474,659	444,433	443,757	-	-	352,861	18,535
2017	2,450,071	458,552	445,445	-	-	236,239	21,504
2016	2,404,587	391,517	470,579	-	-	145,996	25,938
2015	2,367,801	406,207	495,338	-	-	75,736	23,218
2014	2,311,626	413,632	520,906	-	-	53,883	24,323

Source: Fairfax County Department of Finance

Notes:

- ⁽¹⁾ Lease revenue bonds have been issued by County component units, using receipt of lease payments as the revenue source. The associated lease payments for the outstanding lease revenue bonds are made using general government resources.
- ⁽²⁾ Beginning in fiscal year 2022, the TIFIA loan was reclassified from Notes Payable to Direct Borrowings due to the implementation of GASB 88 (Certain disclosures related to debt, including direct borrowings and placements). The outstanding bonds for direct placements are the Economic Development Authority Series 2021D Revenue Refunding Bonds. See Note J, Section 3, for additional details.
- ⁽³⁾ Due to the implementation of GASB statement 87, debt previously known as capital leases are defined as leases.
- ⁽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.

HUD Section 108 Loan (000s)	Business-type Activities ⁽¹⁾ Revenue Bonds (000s)	Total Primary Government (000s)	Pct. of Personal Income ⁽⁴⁾	Debt Per Capita ⁽⁵⁾
2,751	810,834	4,804,978	4.328 %	4,098
3,095	823,813	4,763,651	4.503	4,071
3,554	835,345	4,586,579	4.544	3,914
4,013	610,541	4,341,363	4.513	3,720
7,385	620,111	4,390,397	4.859	3,808
8,088	649,572	4,391,905	5.058	3,843
8,783	676,804	4,297,398	5.037	3,778
9,471	600,266	4,048,354	4.960	3,559
10,152	619,150	3,997,602	4.936	3,535
10,826	644,967	3,980,163	4.915	3,519

COUNTY OF FAIRFAX, VA
**TABLE 3.2 - Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years**

General Bonded Debt Outstanding						
Fiscal Year	General Obligation Bonds (000s)	Lease Revenue Bonds ⁽¹⁾ (000s)	Direct Placements ⁽²⁾ (000s)	Total (000s)	Pct. of Actual Taxable Value of Real Property ⁽³⁾	Debt Per Capita ⁽⁴⁾
2023	\$ 2,719,585	200,582	108,790	3,028,957	1.02 %	2,583
2022	2,623,847	225,966	110,485	2,960,298	1.08	2,530
2021	2,573,717	357,837	-	2,931,554	1.10	2,502
2020	2,503,048	384,497	-	2,887,545	1.13	2,474
2019	2,480,827	409,108	-	2,889,935	1.17	2,507
2018	2,474,659	443,757	-	2,918,416	1.22	2,554
2017	2,450,071	445,445	-	2,895,516	1.24	2,543
2016	2,404,587	470,579	-	2,875,166	1.26	2,517
2015	2,367,801	495,338	-	2,863,139	1.30	2,517
2014	2,311,626	520,906	-	2,832,532	1.36	2,505

Source: Fairfax County Department of Finance

Notes:

⁽¹⁾ Lease revenue bonds have been issued by County component units, using receipt of lease payments as the revenue source. The associated lease payments for the outstanding lease revenue bonds are made using general government resources.

⁽²⁾ Beginning in fiscal year 2022, the TIFIA loan was reclassified from Notes Payable to Direct Borrowings due to the implementation of GASB 88 (Certain disclosures related to debt, including direct borrowings and placements). The outstanding bonds for direct placements are the Economic Development Authority Series 2021D Revenue Refunding Bonds. See Note J, Section 3, for additional details.

⁽³⁾ See Table 2.1 for actual taxable value of real property data. This percentage is calculated using levied values for each fiscal year.

⁽⁴⁾ See Table 4.1 for population data. The ratio is calculated using population data for the prior calendar year.

COUNTY OF FAIRFAX, VA
TABLE 3.3 - Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

	Debt Outstanding (000s)	Percentage Applicable ⁽¹⁾	Share of Overlapping Debt (000s) ⁽²⁾
<i>Overlapping debt:</i>			
Town of Herndon			
General obligation bonds	\$ 9,551	100.0 %	\$ 9,551
Total overlapping debt, Town of Herndon			<u>9,551</u>
Town of Vienna			
General obligation bonds	61,770	100.0	<u>61,770</u>
Total overlapping debt, Town of Vienna			<u>61,770</u>
Total overlapping debt			<u>71,321</u>
<i>County direct debt:</i> ⁽³⁾			
General obligation bonds			2,719,585
Revenue-Backed bonds			382,294
Lease Revenue bonds			200,582
Direct Placements ⁽⁴⁾			108,790
Direct Borrowings ⁽⁴⁾			433,427
Notes			29,283
Leases ⁽⁵⁾			117,432
HUD Section 108 loans			<u>2,751</u>
Total direct debt			<u>3,994,144</u>
Total direct and overlapping debt			<u>\$ 4,065,465</u>

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

Notes:

- (1) 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.
- (2) Amounts for bonds are reported net of premiums and/or discounts.
- (3) The County's direct debt is also presented in Table 3.1.
- (4) Beginning in fiscal year 2022, the TIFIA loan was reclassified from Notes Payable to Direct Borrowings due to the implementation of GASB 88 (Certain disclosures related to debt, including direct borrowings and placements). The outstanding bonds for direct placements are the Economic Development Authority Series 2021D Revenue Refunding Bonds. See Note J, Section 3, for additional details.
- (5) Due to the implementation of GASB statement 87 in the beginning of fiscal year 2022, debt previously known as capital leases are defined as leases.

COUNTY OF FAIRFAX, VA
TABLE 3.4 - Self-Imposed Debt Margin Information
Last Ten Fiscal Years

The Commonwealth of Virginia does not impose a legal limit on the amount of long-term indebtedness that the County can at any time incur or have outstanding. The Board of Supervisors, however, has imposed limits which provide that the County's (a) long-term general bonded debt should not exceed three percent of the total assessed value of taxable real and personal property in the County and (b) annual debt service should not exceed ten percent of the annual general fund expenditures and transfers out, excluding leases and installment purchases in the year initiated. Relevant information pertaining to these self-imposed debt margins is provided below.

	Fiscal Year (000s)				
	2023	2022	2021	2020	2019
(a) Debt limit ⁽²⁾	\$ 9,542,473	8,789,510	8,518,781	8,244,479	7,955,879
Total debt applicable to limit ⁽³⁾	3,028,957	2,960,298	2,931,554	2,887,545	2,889,935
Self-imposed debt margin	\$ 6,513,516	5,829,212	5,587,227	5,356,934	5,065,944
Total debt applicable to limit as a percentage of debt limit	31.74%	33.68%	34.41%	35.02%	36.32%
Total debt applicable to limit as a percentage of assessed value	0.95%	1.01%	1.03%	1.05%	1.09%

Debt Margin Calculation for Fiscal Year 2023:

Assessed value ⁽²⁾	\$ 318,082,436
Debt limit (3% of assessed value)	9,542,473
Debt applicable to limit: ⁽³⁾	
General obligation bonds ⁽¹⁾	2,719,585
Lease Revenue bonds ⁽¹⁾	200,582
Direct Placements ⁽¹⁾⁽⁵⁾	108,790
Total debt applicable to limit	3,028,957
Self-imposed debt margin	\$ 6,513,516

	Fiscal Year (000s)				
	2023	2022	2021	2020	2019
(b) Debt service limit	\$ 509,274	475,027	454,590	444,986	430,048
Total debt service requirements applicable to limit ⁽⁴⁾	338,053	331,034	325,402	332,257	345,310
Self-imposed debt service margin	\$ 171,221	143,993	129,188	112,729	84,738
Total debt service requirements applicable to limit as a percentage of the debt service limit	66.38%	69.69%	71.58%	74.67%	80.30%
Total debt service requirements applicable to limit as a percentage of annual General Fund expenditures and transfers out	6.64%	6.97%	7.16%	7.47%	8.03%

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 levied for each period 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 and payments to refunded escrow agent (current refundings) of \$17.15 million in FY 2022, \$121.38 million in FY 2020, \$30.74 million in FY 2019, \$154.54 million in FY 2016, and \$39.58 million in FY 2015.
- (5) Beginning in fiscal year 2022, the TIFIA loan was reclassified from Notes Payable to Direct Borrowings due to the implementation of GASB 88 (Certain disclosures related to debt, including direct borrowings and placements). The outstanding bonds for direct placements are the Economic Development Authority Series 2021D Revenue Refunding Bonds. See Note J, Section 3, for additional details.

Fiscal Year (000s)					
2018	2017	2016	2015	2014	
7,687,822	7,551,723	7,331,913	7,092,110	6,731,089	Debt limit ⁽²⁾
2,918,416	2,895,516	2,875,166	2,863,139	2,832,532	Total debt applicable to limit ⁽³⁾
4,769,406	4,656,207	4,456,747	4,228,971	3,898,557	Self-imposed debt margin
					Total debt applicable to limit as a percentage of debt limit
37.96%	38.34%	39.21%	40.37%	42.08%	
					Total debt applicable to limit as a percentage of assessed value
1.14%	1.15%	1.18%	1.19%	1.26%	

Fiscal Year (000s)					
2018	2017	2016	2015	2014	
411,255	400,584	386,066	372,962	363,784	Debt service limit
337,077	313,389	323,859	313,969	295,451	Total debt service requirements applicable to limit ⁽⁴⁾
74,178	87,195	62,207	58,993	68,333	Self-imposed debt service margin
					Total debt service requirements applicable to limit as a percentage of the debt service limit
81.96%	78.23%	83.89%	84.18%	81.22%	
					Total debt service requirements applicable to limit as a percentage of annual General Fund expenditures and transfers out
8.20%	7.82%	8.39%	8.42%	8.12%	

COUNTY OF FAIRFAX, VA
**TABLE 3.5 - Pledged Revenue Coverage for the Integrated Sewer System
 Last Ten Fiscal Years**

Fiscal Year	Gross ⁽¹⁾ Revenues (000s)	Operating ⁽²⁾ Expenses (000s)	Net Available Revenue (000s)	Debt Service ⁽³⁾			Coverage
				Principal (000s)	Interest (000s)	Total (000s)	
2023	\$ 242,725	121,114	121,611	33,483	21,300	54,783	2.22 %
2022	248,049	103,546	144,503	29,137	23,659	52,796	2.74
2021	251,953	109,195	142,758	29,088	20,886	49,974	2.86
2020	242,894	107,460	135,434	27,475	22,214	49,689	2.73
2019	236,111	101,359	134,752	26,898	23,131	50,029	2.69
2018	228,259	100,996	127,263	21,192	22,152	43,344	2.94
2017	221,982	94,166	127,816	23,953	19,178	43,131	2.96
2016	206,287	92,453	113,834	23,070	24,046	47,116	2.42
2015	210,057	92,312	117,745	22,429	24,335	46,764	2.52
2014	212,782	91,111	121,671	20,872	27,125	47,997	2.53

Source: Fairfax County Department of Finance

Notes:

- ⁽¹⁾ Gross revenues include all revenues, except the amortization of deferred gain on bond refundings and gains on disposals of capital assets.
- ⁽²⁾ Operating expenses do not include depreciation and amortization.
- ⁽³⁾ See Note J in the Notes to the Financial Statements for detailed information regarding the sewer revenue bonds issued by the Integrated Sewer System and Note K for the System's share of the revenue bonds issued by the Upper Occoquan Service 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 ⁽³⁾ (yrs)	Pct. of People \geq 25 Years Old with a Bachelor's Degree ⁽³⁾	Public School Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2022	1,172,646	\$ 111,022,605	\$ 94,677	38.8	64.9 %	178,421	2.5 %
2021	1,170,033	105,777,709	88,971	38.1	62.1	179,748	3.5
2020	1,171,848	100,944,159	86,141	38.4	61.6	188,355	5.6
2019	1,166,965	96,205,762	82,441	38.4	61.1	187,474	2.3
2018	1,152,873	90,357,574	78,376	37.9	60.7	188,403	2.4
2017	1,142,888	86,834,344	75,978	38.1	60.3	187,484	3.0
2016	1,138,652	85,311,224	74,923	38.0	59.9	185,979	3.2
2015	1,142,234	85,675,546	75,007	37.7	59.2	185,914	3.1
2014	1,137,538	81,620,627	71,752	37.6	58.6	183,895	3.5
2013	1,130,924	80,982,075	71,607	37.3	58.2	181,259	3.7

Notes:

- (1) Population data is obtained from the Fairfax County Department of Management and Budget.
- (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 2022 is estimated using percent change in per capita personal income from 2021.
- (3) Median age and educational attainment information are obtained from the Fairfax County Economic Development Authority.
- (4) Public school enrollment is obtained from Fairfax County Public Schools.
- (5) Unemployment rates are obtained from the Fairfax County Department of Management and Budget.

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

Employer	Fiscal Year 2023 ⁽¹⁾			Fiscal Year 2014 ⁽¹⁾		
	Number of Employees	Rank	Pct. of Total County Employment ⁽³⁾	Number of Employees ⁽²⁾	Rank	Pct. of Total County Employment ⁽³⁾
Federal Government	27,821	1	4.48 %	23,586	2	4.09 %
Fairfax County Public Schools	25,526	2	4.11	24,590	1	4.27
Inova Health System	20,000	3	3.22	7,000-10,000	4	1.47
Fairfax County Government	12,426	4	2.00	12,240	3	2.12
George Mason University	5,000-9,999	5	1.21	5,000-10,000	5	1.30
Booz-Allen Hamilton	5,000-9,999	6	1.21	4,000-6,999	6	0.95
Amazon	5,000-9,999	7	1.21			
Capital One	5,000-9,999	8	1.21			
Science Applications International Corporation ⁽⁴⁾	5,000-9,999	9	1.21	4,000-6,999	10	0.95
Federal Home Loan Mortgage	5,000-9,999	10	1.21	4,000-6,999	7	0.95
General Dynamics				4,000-6,999	8	0.95
Northrup Grumman				4,000-6,999	9	0.95
Lockheed Martin Corporation				1,000-3,999		0.43
Computer Science Corporation				1,000-3,999		0.43
Navy Federal Credit Union				1,000-3,999		0.43
			<u>21.07 %</u>			<u>19.29 %</u>

Notes:

- (1) Employment information for fiscal year 2023, excluding data for Fairfax County Government and Fairfax County Public Schools, is from the 4th quarter of calendar year 2022 Virginia Employment Commission (VEC) and Fairfax County's Economic Development Authority (Jan 23). Employment information for fiscal year 2014 is as was presented in the FY 2014 Fairfax County ACFR.
- (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 2023 is estimated at 620,328 based on VEC. Average total County employment for fiscal year 2014 was estimated at 576,368.
- (4) Science Applications International Corporation employment reported prior to the September 2013 split into two independent companies (SAIC and Leidos).



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

Function/Program	Full-Time Equivalent Employees as of June 30				
	2023	2022	2021	2020	2019*
Primary Government:					
General government administration	1,228.0	1,196.0	1,206.0	1,237.0	1,227.0
Judicial administration	441.0	408.0	383.0	378.0	360.0
Public safety	4,233.0	4,255.0	4,349.0	4,429.0	4,437.0
Public works	1,048.0	1,069.0	1,074.0	1,063.0	1,043.0
Health and welfare	3,951.0	3,668.0	3,729.0	3,510.0	3,550.0
Community development	466.0	517.0	516.0	531.0	514.0
Parks, recreation, and cultural	471.0	318.0	297.0	470.0	307.0
Total	11,838.0	11,431.0	11,554.0	11,618.0	11,438.0
Component Units:					
<i>Public Schools:</i>					
Education	25,526.0	25,570.0	25,389.0	25,041.0	24,936.0
<i>Redevelopment and Housing Authority:</i>					
Community development	150.0	141.0	160.0	189.0	172.0
<i>Park Authority:</i>					
Parks, recreation, and cultural	438.0	412.0	414.0	417.0	424.0

Sources: Fairfax County Department of Management and Budget, Fairfax County Department of Human Resources, Fairfax County Public Schools

*In FY2019 an improvement was made to the method used to identify positions by function which better represents actual staffing levels. The table was restated for fiscal years 2018 and 2017 to also reflect this improvement.

Full-Time Equivalent Employees as of June 30					Function/Program
2018*	2017*	2016	2015	2014	
					<u>Primary Government:</u>
1,201.0	1,190.0	2,259.0	2,258.0	2,251.0	General government administration
362.0	377.0	398.0	394.0	391.0	Judicial administration
4,367.0	4,385.0	4,398.0	4,390.0	4,318.0	Public safety
1,066.0	1,069.0	551.0	538.0	520.0	Public works
3,526.0	3,366.0	3,464.0	3,475.0	3,490.0	Health and welfare
543.0	524.0	529.0	516.0	513.0	Community development
307.0	470.0	736.0	755.0	757.0	Parks, recreation, and cultural
<u>11,372.0</u>	<u>11,381.0</u>	<u>12,335.0</u>	<u>12,326.0</u>	<u>12,240.0</u>	Total
					<u>Component Units:</u>
					<i>Public Schools:</i>
<u>24,715.0</u>	<u>24,688.0</u>	<u>24,581.0</u>	<u>24,181.0</u>	<u>24,590.0</u>	Education
					<i>Redevelopment and Housing Authority:</i>
<u>187.0</u>	<u>196.0</u>	<u>226.0</u>	<u>233.0</u>	<u>233.0</u>	Community development
					<i>Park Authority:</i>
<u>437.0</u>	<u>447.0</u>	<u>582.0</u>	<u>595.0</u>	<u>600.0</u>	Parks, recreation, and cultural

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

Function/Program	Fiscal Year				
	2023	2022	2021	2020	2019
Primary Government:					
<i>General government administration:</i>					
Real property parcels assessed	365,647	364,262	363,157	349,958	360,579
Personal property vehicles assessed	937,676	959,763	954,075	993,452	994,469
Businesses licensed	45,305	46,104	47,392	48,561	49,071
Best qualified job applicants forwarded to departments	22,165	22,017	14,972	15,687	17,307
<i>Judicial administration:</i>					
Cases filed in General District Court	167,409	133,626	118,662	255,752	315,048
Booking transactions	28,195	22,003	19,445	28,042	34,599
General District Court probation program new adult enrollment	912	942	730	651	1,036
<i>Public safety:</i>					
Police:					
Recruits graduating Criminal Justice Academy ⁽¹⁾	76	84	67	67	54
Total cases assigned ⁽²⁾	2,371	2,036	2,478	2,625	2,854
Total cases cleared ⁽²⁾	1,905	1,662	1,930	1,354	1,940
Parking tickets issued	24,118	36,123	24,874	43,276	52,783
Sheriff:					
Court cases heard annually	238,661	203,233	137,042	249,063	436,666
Average daily Adult Detention Center inmate population	659	639	588	689	964
Fire and rescue:					
Fire investigations conducted	267	232	205	291	287
Fire inspection activities conducted	25,169	25,210	37,445	23,936	20,206
EMS incidents	93,415	86,781	74,103	75,055	76,877
Animals impounded	4,092	3,122	2,856	3,858	4,467
<i>Public works:</i>					
Gross square feet of facilities maintained	11,953,865	11,930,365	11,842,769	11,764,583	11,764,583
Tons of County waste disposed	698,772	728,205	723,078	694,634	753,625
Total tons recycled	466,081	464,299	466,793	422,286	494,553
Total average daily wastewater flow treated (million gallons)	91.98	98.12	100.70	95.40	112.40
<i>Health and welfare:</i>					
Persons served through Community Services Board programs:					
Mental Health Services	6,249	6,045	6,181	6,932	7,348
Substance Abuse Services	1,244	997	1,005	1,529	1,568
Developmental Services	2,610	2,474	2,330	2,479	2,348
Infant Toddler Connection	4,465	4,094	3,800	3,660	4,132
Emergency and Ancillary Services	19,315	18,150	17,874	17,707	18,770
Home and Congregate Meals for Older Adults ⁽³⁾	532,792	509,331	583,743	539,776	504,447
Food Stamp applications received (SNAP)	27,233	25,056	23,605	21,568	17,924
Medicaid/FAMIS Applications	35,327	36,169	45,166	48,516	43,719
Child immunization vaccines given at clinics	31,955	29,397	11,317	30,642	31,816

Fiscal Year					Function/Program
2018	2017	2016	2015	2014	
<i>Primary Government:</i>					
<i>General government administration:</i>					
360,954	360,617	360,495	359,265	359,099	Real property parcels assessed
994,746	986,610	980,114	979,836	979,424	Personal property vehicles assessed
49,071	49,408	49,309	49,063	48,202	Businesses licensed
15,544	16,806	17,177	17,374	15,577	Best qualified job applicants forwarded to departments
<i>Judicial administration:</i>					
297,213	302,665	310,879	316,727	313,055	Cases filed in General District Court
36,435	36,820	37,537	40,248	43,543	Booking transactions
1,290	1,091	1,127	1,168	1,252	General District Court probation program new adult enrollment
<i>Public safety:</i>					
<i>Police:</i>					
72	72	104	72	49	Recruits graduating Criminal Justice Academy ⁽¹⁾
4,181	30	6,725	9,166	11,559	Total cases assigned ⁽²⁾
3,545	2,329	2,141	3,590	4,742	Total cases cleared ⁽²⁾
52,111	46,886	45,775	48,645	59,097	Parking tickets issued
<i>Sheriff:</i>					
474,377	499,583	451,837	420,081	510,857	Court cases heard annually
994	1,029	1,038	1,062	1,228	Average daily Adult Detention Center inmate population
<i>Fire and rescue:</i>					
264	335	350	386	283	Fire investigations conducted
16,659	19,981	20,520	20,943	21,920	Fire inspection activities conducted
75,123	75,019	72,037	69,486	66,550	EMS incidents
4,416	4,311	4,354	4,553	4,090	Animals impounded
<i>Public works:</i>					
11,105,648	10,838,046	10,799,658	10,652,102	8,590,360	Gross square feet of facilities maintained
731,706	735,287	727,734	709,936	700,170	Tons of County waste disposed
494,734	611,171	520,628	484,783	518,575	Total tons recycled
95.80	90.50	96.20	102.90	104.20	Total average daily wastewater flow treated (million gallons)
<i>Health and welfare:</i>					
<i>Persons served through Community Services Board programs:</i>					
6,803	6,748	6,884	7,082	6,619	Mental Health Services
1,523	1,600	1,658	2,406	2,602	Substance Abuse Services
2,231	2,104	1,969	1,901	1,910	Developmental Services
3,889	3,642	3,559	3,372	3,164	Infant Toddler Connection
17,749	16,587	15,154	14,245	13,442	Emergency and Ancillary Services
512,881	519,959	468,022	433,170	443,865	Home and Congregate Meals for Older Adults ⁽³⁾
19,576	21,260	18,469	18,466	17,416	Food Stamp applications (SNAP)
32,544	35,061	39,361	31,609	17,472	Medicaid/FAMIS applications
28,277	37,659	31,559	34,417	30,590	Child immunization vaccines given at clinics

(continued)

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

Function/Program	Fiscal Year				
	2023	2022	2021	2020	2019
<i>Community development:</i>					
Building inspections	169,909	189,858	180,492	181,749	168,008
Building permits issued	64,156	70,524	71,429	64,464	66,421
Zoning permits processed	17,512	18,880	21,001	16,011	17,275
Fairfax Connector bus passengers	8,365,288	5,191,499	4,566,013	6,783,112	8,334,616
<i>Parks, recreation, and cultural:</i>					
Senior Center attendance	220,595	131,134	41,294	269,535	380,355
Teen Center attendance	36,664	9,462	1,044	64,992	67,104
Community Center attendance	241,810	93,105	21,780	301,374	349,204
Library visits	2,788,190	2,446,265	1,197,867	3,143,196	4,578,666
Circulation of all library materials	11,220,910	10,580,433	10,091,979	8,916,842	10,968,477
<u>Component Units:</u>					
<i>Public Schools:</i>					
Combined SAT scores ⁽⁴⁾	1,181	1,185	1,201	1,211	1,218
Number of lunches served daily	74,151	108,349	17,273	81,137	80,473
Number of breakfasts served daily	26,402	47,165	16,271	29,099	29,506
Student enrollment	179,795	178,421	179,748	188,355	187,474
Special education enrollment	26,828	28,236	26,468	27,644	27,107
ESOL enrollment	33,086	34,944	33,325	36,325	35,541
<i>Redevelopment and Housing Authority:</i>					
Residents housed through subsidized rental programs:					
Federal Public Housing ⁽⁵⁾					
Federal Housing Choice Vouchers ⁽⁵⁾	11,964	12,174	12,723	12,241	12,809
County Rental Program-multifamily and seniors	6,602	6,264	5,199	6,665	6,110
Homes sold in First-Time Homebuyer Program	86	71	47	43	31
<i>Park Authority:</i>					
REC Center attendance	1,155,247	1,071,018	563,593	1,307,811	1,646,581
Golf course rounds	343,552	325,349	347,965	231,054	226,602
Visits to natural, cultural, historic, and interpretive sites ⁽⁶⁾	785,823	2,361,383	1,207,791	1,125,462	1,609,067
Class, camp, and program participation	231,782	192,049	89,085	241,627	270,003

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

Notes:

- (1) The increase in recruits graduating in FY 2015 is due to increased academy class size and number of classes.
- (2) The data reflects cases assigned for further investigation and assigned cases closed or cleared.
- (3) In FY 2017, stats for the Nutritional Supplements Program were included. This program is provided to clients who need additional sources of nutrition and/or who cannot tolerate regular solid food.
- (4) In March 2016, the College Board implemented a new grading scale from the previous 600 to 2400 to the new scale of 400 to 1600.
- (5) In FY 2018, Federal Public Housing units were converted to project-based voucher units under the federal Rental Assistance Demonstration (RAD). The number of units were included with Federal Housing Choice Vouchers.
- (6) In FY 2023, the Park Authority modified its approach to tracking system-wide visitation at all locations. This includes using new technology to provide more accurate visitation estimates, resulting in differences from previous years.

Fiscal Year					Function/Program
2018	2017	2016	2015	2014	
<i>Community development:</i>					
159,090	158,289	153,055	156,331	148,587	Building inspections
63,224	59,814	57,972	59,471	59,956	Building permits issued
19,459	19,990	21,513	19,223	19,163	Zoning permits processed
8,312,983	8,631,906	8,984,180	9,764,166	10,655,021	Fairfax Connector bus passengers
<i>Parks, recreation, and cultural:</i>					
361,908	361,270	302,637	296,883	277,342	Senior Center attendance
70,486	74,401	81,975	94,142	92,895	Teen Center attendance
330,152	327,950	330,782	308,143	269,279	Community Center attendance
4,532,886	4,633,327	4,727,927	4,814,043	4,990,860	Library visits
11,175,980	11,405,157	12,042,565	12,095,926	12,881,013	Circulation of all library materials
<u>Component Units:</u>					
<i>Public Schools:</i>					
1,213	1,187	1,672	1,669	1,668	Combined SAT scores ⁽⁴⁾
80,374	80,660	82,168	81,526	83,355	Number of lunches served daily
26,591	22,261	20,102	19,193	19,090	Number of breakfasts served daily
188,403	187,484	185,979	185,914	183,895	Student enrollment
25,779	25,697	25,740	25,490	25,358	Special education enrollment
27,572	27,896	31,120	31,104	31,204	ESOL enrollment
<i>Redevelopment and Housing Authority:</i>					
Residents housed through subsidized rental programs:					
-	2,651	2,762	2,637	2,701	Federal Public Housing ⁽⁵⁾
12,380	9,541	9,917	9,327	9,530	Federal Housing Choice Vouchers ⁽⁵⁾
6,198	5,789	6,034	6,223	6,202	County Rental Program-multifamily and seniors
27	10	18	15	27	Homes sold in First-Time Homebuyer Program
<i>Park Authority:</i>					
1,756,187	1,837,807	1,851,595	1,817,882	1,796,905	REC Center attendance
235,287	259,094	268,801	259,313	268,151	Golf course rounds
1,798,157	1,997,855	1,813,942	1,601,690	1,324,432	Visits to natural, cultural, historic, and interpretive sites ⁽⁶⁾
170,206	176,561	175,701	179,575	178,861	Class, camp, and program participation

COUNTY OF FAIRFAX, VA
TABLE 5.3 - Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2023	2022	2021	2020	2019
Primary Government:					
<i>General government administration:</i>					
Government office buildings (square feet)	2,018,300	2,018,300	2,018,300	2,018,300	2,028,977
Vehicle maintenance facilities	3	3	3	3	3
<i>Judicial administration:</i>					
Correctional facilities (inmate capacity)	1,260	1,260	1,260	1,260	1,260
Courtrooms	44	44	44	44	44
<i>Public safety:</i>					
<i>Police:</i>					
Stations	8	8	8	8	8
Vehicles	1,190	1,498	1,493	1,495	1,476
Helicopters	2	2	2	2	2
Criminal justice academy (trainee capacity)	240	240	240	240	240
<i>Fire and rescue:</i>					
County-operated fire and rescue stations	32	32	32	31	30
Volunteer fire and rescue stations	7	7	7	7	8
Combination stations	2	2	2	2	2
Vehicles	438	503	506	505	505
Boats	2	1	1	1	1
Training facilities (trainee capacity)	186	186	186	186	186
Animal shelters (animal capacity)	153	153	153	153	153
<i>Public works:</i>					
Miles of sanitary sewer lines	3,269	3,300	3,250	3,243	3,249
Sewer pumping stations	63	63	63	63	63
Refuse collection, recycling, and disposal vehicles	226	227	250	223	229
Miles of stormwater drainage lines	1,608	1,535	1,516	1,561	1,679
Stormwater retention ponds	1,465	1,465	1,471	1,509	1,497
Landfills and transfer stations	3	3	3	3	3
<i>Health and welfare:</i>					
Health-related clinics	5	5	5	5	5
Shelters	6	6	6	6	6
Community Services Board centers	7	7	7	7	7
<i>Community development:</i>					
Community centers	11	9	8	8	8
Bus shelters	457	445	438	473	463
Transit centers and park & ride lots	72	57	54	55	55
Fairfax Connector buses	344	344	334	325	313
<i>Parks, recreation, and cultural:</i>					
Libraries	23	23	23	23	23
Multi-Cultural centers	1	1	1	1	1
Trails and walkways (miles)	741	736	732	727	716

Fiscal Year					Function/Program
2018	2017	2016	2015	2014	
Primary Government:					
<i>General government administration:</i>					
2,017,255	1,739,631	2,706,311	3,191,961	3,763,174	Government office buildings (square feet)
3	3	3	3	3	Vehicle maintenance facilities
<i>Judicial administration:</i>					
1,260	1,260	1,371	1,260	1,157	Correctional facilities (inmate capacity)
44	44	44	44	44	Courtrooms
<i>Public safety:</i>					
<i>Police:</i>					
8	8	8	8	8	Stations
1,467	1,456	1,441	1,498	1,491	Vehicles
2	2	2	2	2	Helicopters
240	240	240	240	240	Criminal justice academy (trainee capacity)
<i>Fire and rescue:</i>					
30	30	30	30	29	County-operated fire and rescue stations
8	8	8	8	9	Volunteer fire and rescue stations
2	4	4	4	4	Combination stations
505	502	502	502	502	Vehicles
2	2	2	2	2	Boats
186	186	186	186	186	Training facilities (trainee capacity)
153	153	153	153	153	Animal shelters (animal capacity)
<i>Public works:</i>					
3,247	3,242	3,430	3,425	3,420	Miles of sanitary sewer lines
63	61	59	59	59	Sewer pumping stations
229	229	229	239	244	Refuse collection, recycling, and disposal vehicles
1,668	1,662	1,653	1,641	1,633	Miles of stormwater drainage lines
1,471	1,456	1,440	1,425	1,414	Stormwater retention ponds
3	3	3	3	3	Landfills and transfer stations
<i>Health and welfare:</i>					
8	8	8	8	8	Health-related clinics
6	6	6	6	6	Shelters
7	7	7	7	10	Community Services Board centers
<i>Community development:</i>					
8	8	8	7	7	Community centers
421	534	563	557	410	Bus shelters
46	46	43	47	36	Transit centers and park & ride lots
309	302	302	284	278	Fairfax Connector buses
<i>Parks, recreation, and cultural:</i>					
23	23	23	23	23	Libraries
1	1	1	1	1	Multi-Cultural centers
711	694	689	677	664	Trails and walkways (miles)

(Continued)

COUNTY OF FAIRFAX, VA
TABLE 5.3 - Capital Asset Statistics by Function (concluded)
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2023	2022	2021	2020	2019
Component Units:					
<i>Public Schools:</i>					
Elementary schools	142	142	142	141	141
Middle schools	23	23	23	23	23
High/secondary schools	25	25	25	25	25
Special education centers	7	7	7	7	7
Alternative high schools	2	2	2	2	2
<i>Redevelopment and Housing Authority:</i>					
Housing units owned under programs:					
Federal Public Housing	1,065	1,065	1,065	1,065	1,065
County Rental Program	1,527	1,542	1,501	1,509	1,547
Senior Housing Program	499	476	476	476	476
Partnership Program	736	736	760	760	760
<i>Park Authority:</i>					
Acres of park land	23,685	23,636	23,632	23,595	23,550
Athletic fields	267	261	260	266	266
Trail miles	338	337	334	334	332
Play areas and tot lots	229	227	228	238	206
Tennis courts	249	252	252	258	257
Multi-use courts	135	135	133	128	124
Recreational centers	9	9	9	9	9
Golf courses	9	9	9	9	9
Historic sites ⁽¹⁾	134	131	121	83	68
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

Notes:

⁽¹⁾ The difference in Historic Sites is due to the number of curator houses added to sites.

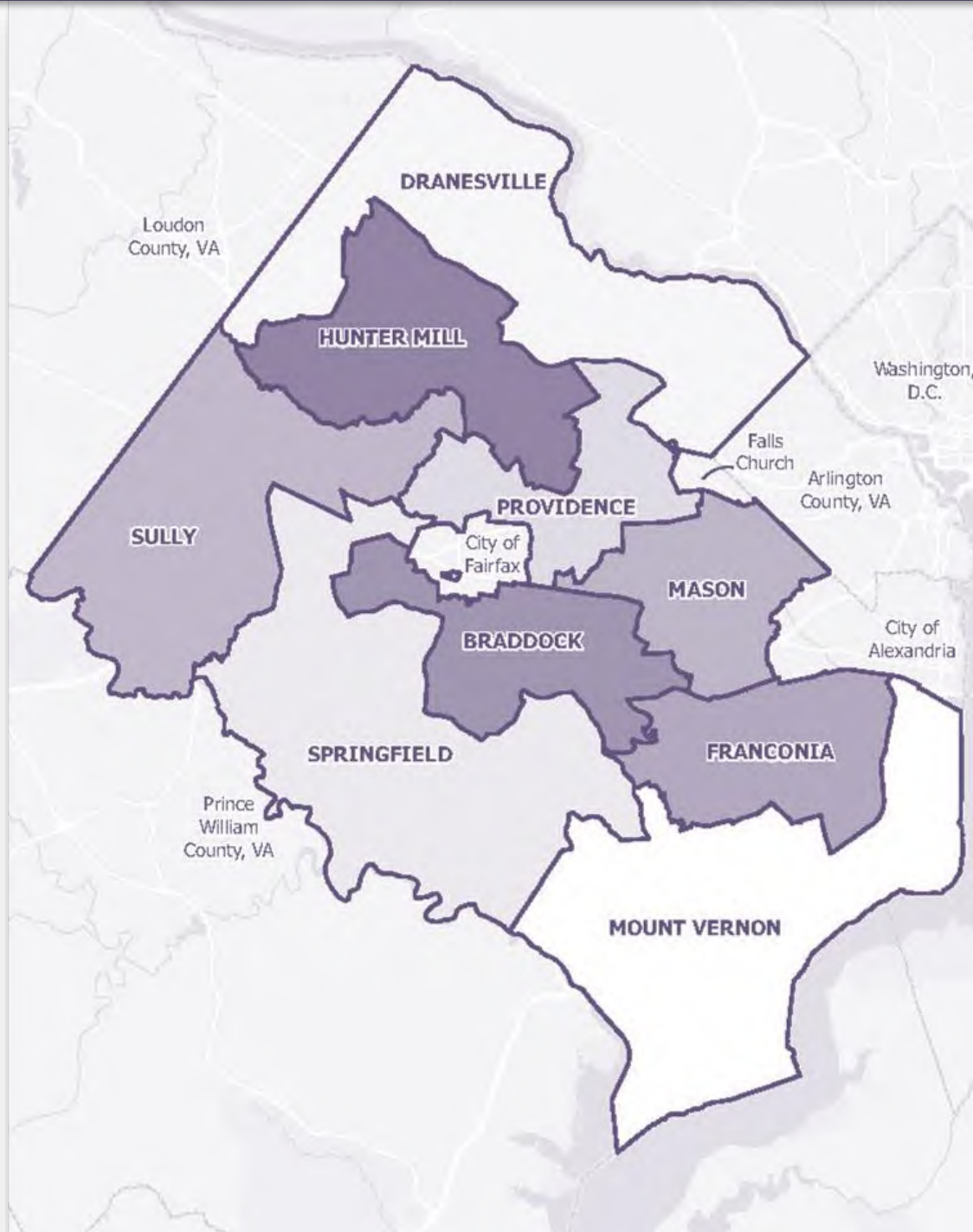
Fiscal Year					Function/Program
2018	2017	2016	2015	2014	
<u>Component Units:</u>					
<i>Public Schools:</i>					
141	141	139	139	139	Elementary schools
23	23	23	23	23	Middle schools
25	25	25	25	25	High/secondary schools
7	7	7	7	7	Special education centers
2	2	2	2	2	Alternative high schools
<i>Redevelopment and Housing Authority:</i>					
Housing units owned under programs:					
1,065	1,065	1,065	1,065	1,065	Federal Public Housing
1,478	1,471	1,467	1,458	1,456	County Rental Program
476	476	476	494	494	Senior Housing Program
699	695	690	779	779	Partnership Program
<i>Park Authority:</i>					
23,513	23,418	23,372	23,346	23,310	Acres of park land
262	263	268	268	272	Athletic fields
327	326	324	324	324	Trail miles
209	210	212	210	209	Play areas and tot lots
254	254	254	254	252	Tennis courts
131	120	124	124	124	Multi-use courts
9	9	9	9	9	Recreational centers
9	9	9	9	9	Golf courses
68	68	68	68	68	Historic sites ⁽¹⁾
7	7	7	7	7	Nature/visitor centers
3	3	3	3	3	Marinas



Back Cover Photograph:
Fairfax County District Map



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



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