

Custodial and Trust Funds

Overview

Custodial Funds are maintained to account for funds received and disbursed by the County for various governmental agencies and other organizations. Custodial Funds include revenue collected for the Route 28 Tax District and the Mosaic District Community Development Authority. Trust Funds account for assets held by the County in a trustee capacity and include four retirement trust funds and two trust funds to pre-fund other post-employment benefits.

Route 28 Tax District

Fairfax County, in partnership with Loudoun County, formed the Route 28 Highway Transportation Improvement District (District) in 1987. The District was formed to accelerate planned highway improvements to state Route 28 that relied on slower pay-as-you-go financing. The owners of industrial and commercial property within the District are subject to an additional tax assessment of \$0.14 per \$100 of assessed value. The Fairfax County Economic Development Authority (EDA) has previously issued bonds on behalf of the District to fund a portion of completed highway improvements. On February 17, 2022, the Fairfax County EDA issued \$49.1 million of Revenue Refunding Bonds, which refunded the Series 2012 District bonds. In December 2023, a final payoff of the Series 2012 Commonwealth Transportation Board (CTB) bonds and partial defeasance of the Series 2016A and Series 2016B EDA revenue refunding bonds was conducted utilizing \$12.6 million in cash available in this fund.

- Fund 70000 - Route 28 Tax District (Refer to the Transportation Overview)

Mosaic District Community Development Authority

The Board of Supervisors approved the Mosaic District Community Development Authority (CDA) on April 27, 2010. The CDA consists of a land area of approximately 31 acres within Fairfax County on a site located in the southwest quadrant of the intersection of Route 29 and Gallows Road in the Merrifield area, approximately 12 miles west of Washington D.C. The CDA is part of a mixed-use development that was developed by Eskridge (E&A), LLC, a South Carolina limited liability company, that includes residential, retail, hotel and office components. In June 2011, the CDA issued \$46.98 million of revenue bonds, Series 2011A, and an additional \$18.67 million, Taxable Series 2011A-T, in July 2011. Proceeds from the CDA Bonds were used to finance certain public infrastructure improvements within the Mosaic District. On December 3, 2020, the CDA closed on \$55.7 million of Revenue Refunding Bonds, which refunded all of the prior CDA bonds from 2011. Liability for the debt service is secured by the CDA, not the County.

- Fund 70040 - Mosaic District Community Development Authority

Retirement Trust Funds

Each of the four retirement funds derives income from employer contributions, employee contributions, and returns on investments. Payments are made from these funds to eligible retirees based on established benefit formulas. Three retirement trust funds compose the Fairfax County Employee Retirement Systems and are administered by the Fairfax County Retirement Administration Agency. The fourth retirement fund is for educational employees and is administered by Fairfax County Public Schools.

- Fund 73000 - Fairfax County Employees' Retirement System
- Fund 73010 - Uniformed Retirement System
- Fund 73020 - Police Officers Retirement System
- Fund S71000 - Educational Employees' Supplementary Retirement

Other Post-Employment Benefits (OPEB) Trust Funds

Beginning in FY 2008, the County's financial statements were required to implement Governmental Accounting Standards Board (GASB) statements related to the reporting of other post-employment benefits. These GASB standards require that the County accrue the cost of other post-employment benefits during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits. Fund 73030, OPEB Trust, and Fund S71100, Public School OPEB Trust, allow the County and Fairfax County Public Schools to capture long-term investment returns, make progress towards reducing the unfunded liability, and pre-fund the cost of post-employment health care and other non-pension benefits.

- Fund 73030 - OPEB Trust
- Fund S71100 - Public School OPEB Trust