Employee Retirement Systems Overview

Overview

Fairfax County employee retirement systems include the Fairfax County Employees' Retirement System (Fund 73000), the Uniformed Retirement System (Fund 73010), and the Police Officers Retirement System (Fund 73020). Each of these systems is funded from employee contributions based on a fixed percentage of pay, and County contributions based on a variable percentage of employee pay as determined by actuarial analysis and return on investments. County contributions are paid from multiple sources, including the General Fund, General Fund-Supported and Other Funds, and Fairfax County Public Schools.

To ensure the continued soundness of each fund, an actuarial valuation is conducted annually and, if appropriate, an adjustment is made to the employer contribution rate. In addition, an experience study which compares actual experience to actuarial assumptions, both economic and demographic, is conducted every five years to ensure that the plan is being valued appropriately. Experience studies of each system were conducted in FY 2021. The assumption changes adopted by the Boards of Trustees as a result of those studies were incorporated in the actuarial valuations for FY 2021 and their impacts were included in the employer contribution rates beginning in FY 2023. The next experience study will be in FY 2026 and any impact to the employer contribution rates will be included in FY 2028.

Funding Policy

The County is committed to strengthening the financial position of its retirement systems. In order to improve the funded status of the plans, the Board of Supervisors approved, as part of the adoption of the FY 2016 Adopted Budget Plan, the following multi-year strategy:

- The employer contribution rates will be increased so that the County will include amortization of 100 percent of the unfunded liability in the actuarially determined contributions for all systems by FY 2020. The County will continue to use a 15-year amortization period.

- Until each system reaches 100 percent funded status, employer contributions to that system will not be reduced. Various factors, such as the historical trend of the County's investment returns exceeding the assumed rate of return, could allow employer contribution rates to be reduced from current levels. However, the County is committed to maintaining the rates and redirecting any potential savings into further improvement in the systems' funded positions.

- Any additional unfunded liability created as a result of approved benefit enhancements, such as ad-hoc Cost-of-Living Adjustments (COLAs), will be fully funded. It is the intent that no adjustments to benefit levels will reduce the funded status of any of the systems.

In keeping with this strategy, the FY 2020 Adopted Budget Plan included the amortization of 100 percent of the unfunded liability in the actuarially determined contributions for all systems. In addition, the employer contribution rates to all three systems have been maintained or increased each year, and benefit enhancements, when approved by the Board, have been accompanied by one-time contributions to fully fund any associated increase in liability in the year that the benefit enhancement is approved.

The County has also taken multiple steps to limit increases in liabilities including:

- In FY 2010, the requirements regarding the award of ad-hoc COLAs were tightened. Retirees are eligible to receive an annual base COLA which is the lesser of the Consumer Price Index (CPI) for the 12 months ending on the previous year's March 31, or 4.0 percent. If certain conditions are met, an additional 1.0 percent ad-hoc COLA can be awarded at the discretion of each retirement system's Board of Trustees. After a staff review at the Board of Supervisors' direction, the Fairfax County Code was changed to require that the retirement system must have an actuarial surplus, demonstrated by having a funding ratio exceeding 100 percent, before an ad-hoc COLA can be considered.

- In FY 2012, the Board of Supervisors adopted modifications to the retirement systems, which apply to new employees who are hired on or after January 1, 2013. These changes include increasing the minimum retirement age for normal service retirement from 50 to 55 in the Employees' system; increasing the rule of 80 (age plus years of service) to the rule of 85 in the Employees' system; placing a cap on the use of sick leave for purposes of determining retirement eligibility and benefits at 2,080 hours for all three retirement systems; and, for the Deferred Retirement Option Plan (DROP), removing the pre-Social Security supplement from balances accumulated during the DROP period in the Employees' and Uniformed systems. No changes were made to benefits for existing employees.

- In FY 2019, the Board of Supervisors adopted modifications to the retirement benefits provided to employees hired on or after July 1, 2019. These changes include eliminating the pre-Social Security supplement for employees in the Employees' and Uniformed systems and repealing the additional retirement allowance that increases the calculated retirement annuity by 3 percent for all three retirement systems. No changes were made to benefits for existing employees.

Funding Status

One of the three systems returns, specifically the Uniformed system, was greater than the 6.75 percent assumed rate of investment return in FY 2023. The Employees' system was down 2.48 percent, the Uniformed system was up 8.07 percent, and the Police Officers system was down 3.87 percent, all net of fees. The combination of liability and investment experience, together with County plus member contributions in FY 2023, resulted in decreased funding ratios for the Employees' and Police Officers systems as of June 30, 2023, and an increased funding ratio for the Uniformed system. The table displays the market value of each system's assets as a percentage of the total plan liability as published in the County's Annual Comprehensive Financial Report (ACFR) and as required under new Governmental Accounting Standards Board (GASB) requirements. It should be noted that since these calculations utilize asset figures as of a point in time (not smoothed as under previous methodologies), the funding ratios calculated are subject to volatility based on market returns.

	June 30, 2021	June 30, 2022	June 30, 2023*
Employees'	81.3%	72.1%	66.9%
Uniformed	88.7%	72.3%	74.2%
Police Officers	90.2%	81.8%	75.5%

* The June 30, 2023 funding ratios will be included in the County's FY 2024 ACFR.

Employer Contribution Rates

Following the County's policy, contribution rates are only adjusted to maintain amortization of 100 percent of the unfunded liability, to fund approved benefit enhancements, or to acknowledge changes in actuarial assumptions. As a result of FY 2023 experience, the required contribution rates are increased over the FY 2024 adopted contribution rates. The FY 2025 employer contribution rates for each of the three retirement systems are as follows:

	FY 2024 Rates (%)	FY 2025 Rates (%)	Percentage Point Change (%)	Net General Fund Impact* (in millions)
Employees'	30.07	32.58	2.51	$11.91
Uniformed	46.79	52.58	5.79	$10.25
Police Officers	50.87	57.57	6.70	$8.97
Total				**$31.13**

* The General Fund impact reflected in the table is based solely on rate changes and does not include other adjustments, including the impact of new positions, employee pay increases, or year-to-date experience.

For more information on the General Fund impact of these employer contribution rate changes, please refer to the Agency 89, Employee Benefits, narrative in the Nondepartmental program area section of Volume 1.

The following table displays relevant information about each retirement system:

EMPLOYEES COVERED

Police Officers Retirement	Uniformed Retirement	Employees' Retirement
Fairfax County Police Officers.	Fire and Rescue Personnel; Uniformed Sheriff's Office employees; Animal Protection Police Officers; Helicopter Pilots; Non-administrative staff in the Department of Public Safety Communications.	County employees not covered under Uniformed or Police Officers system; certain FCPS employees including food service, custodial, bus drivers, part-time and substitute teachers, maintenance staff.

CONDITIONS OF COVERAGE

Police Officers Retirement	Uniformed Retirement	Employees' Retirement
At age 55 or after 20 years of police service if hired before July 1, 1981; or 25 years of service if hired on or after July 1, 1981.	At age 55 with 6 years of service or after 25 years of service.	At age 65 with 5 years of service or earlier when age and years of service combined equal 80 if hired before January 1, 2013; or 85 if hired on or after January 1, 2013. Not before age 50 if hired before January 1, 2013; or age 55 if hired on or after January 1, 2013. For reduced "early retirement" benefits, when age and years of service combined equal 75.

EMPLOYEE CONTRIBUTIONS[1]
(% of Pay)

<table>
<tr><th rowspan="2"></th><th>Police Officers Retirement</th><th colspan="4">Uniformed Retirement</th><th colspan="2">Employees' Retirement</th></tr>
<tr><th>Plans A/B/C</th><th>Plan A</th><th>Plan B</th><th>Plan C</th><th>Plans D/E/F</th><th>Plans A/C</th><th>Plans B/D/E</th></tr>
<tr><td>Up to Wage Base</td><td rowspan="2">8.65%</td><td>4.00%</td><td>7.08%</td><td rowspan="2">4.00%</td><td rowspan="2">7.08%</td><td>4.00%</td><td rowspan="2">5.33%</td></tr>
<tr><td>Above Wage Base</td><td>5.75%</td><td>8.83%</td><td>5.33%</td></tr>
</table>

FY 2025 EMPLOYER CONTRIBUTIONS
(% of Pay)

Police Officers Retirement	Uniformed Retirement	Employees' Retirement
57.57%	52.58%	32.58%

[1] As of July 1, 2019, new hires in the Uniformed Retirement System are automatically enrolled in Plan F, new hires in the Fairfax County Employees' Retirement System are automatically enrolled in Plan E, and new hires in the Police Officers Retirement System are automatically enrolled in Plan C. Additional plans listed above are earlier plan designs that apply to employees hired prior to July 1, 2019. For additional information regarding the County's retirement plans, please refer to the Retirement Administration Agency website at https://www.fairfaxcounty.gov/retirement/.

INVESTMENT MANAGERS AS OF JUNE 30, 2023		
Police Officers Retirement	**Uniformed Retirement**	**Employees' Retirement**
• Acadian Asset Management • Alpha Simplex Group, LLC • AQR Capital Management, LLC • Aspect Capital Ltd. • BlackRock, Inc. • Blockchain Capital • Blue Owl Capital Inc. • Bridgewater Associates, LP • Citadel Advisors, LLC • Coatue Management, LLC • Cohen & Steers Capital Management, Inc. • Crabel Capital Management Inc. • Crestline Management • Czech Asset Management, LP • DoubleLine Capital, LP • DWS • EJF Capital, LLC • First Eagle Investment Management • Frazier Healthcare Partners • Hoisington Investment Management, Co. • Kirkoswald Asset Management, LLC • Landmark Partners • Lavrock Ventures • Loomis Sayles & Company, LLC • Man Asset Management, Ltd. • Marathon Asset Management, LP • Morgan Creek Capital Management, LLC • Onyxpoint Global Management, LP • Parametric Portfolio Advisors, LLC • Parataxis • PIMCO • Pinnacle Associates GP, LLC • Polychain Capital	• Acadian Asset Management • Activum SG Capital Management Ltd. • Alcentra Ltd. • Apollo Financial Credit Investment, LLC • Arcmont Asset Management Ltd. • Aspect Capital Ltd. • Blackrock Enhanced STIF • BlueBay Asset Management • BNY Fallen Angels • BNY US TIPS • Carlyle Property Investors, LP • Cohen & Steers Capital Management, Inc. • Czech Asset Management, LP • Davidson Kempner Institutional Partners, LP • DoubleLine Capital, LP • EQT Group • Garcia Hamilton & Associates • GoldenTree Asset Management LP • Granahan Investment Management • Harbourvest Partners, LLC • HG Vora Capital Management, LLC • I Squared Capital • JP Morgan Investment Mgmt. Inc. • Kayne Anderson Capital Advisors, LP • Kennedy Lewis Investment Management LLC • Kirkoswald Asset Management LLC • Landmark Partners • Levine Leichtman Capital Partners Inc. • Manulife Asset Management, LLC • Marathon Asset Management, LLP • Millenium Management, LLC • Monroe Capital, LLC • OrbiMed Capital, LLC • Pantheon Ventures, Inc. • Parametric Portfolio Advisors, LLC	• Aberdeen Asset Management • AlphaSimplex Group, LLC • Apollo Financial Credit Investment, LLC • AQR Capital Management, LLC • Aspect Capital Ltd. • Axiom International Investors, LLC • BlackRock, Inc. • Blockchain Capital • Blue Owl Capital, Inc. • Brandywine Global Investment Management, LLC • Bridgewater Associates, LP • Capstone Investment Advisors • Cohen & Steers Capital Management, Inc. • Crabel Capital Management Inc • Credit Suisse Asset Management, LLC • Crestline Management • Czech Asset Management, LP • DePrince, Race & Zollo, Inc. • DoubleLine Capital, LP • DWS • EJF Capital, LLC • Fairfax County Retirement • Florin Court Capital LLP • Frazier Healthcare Partners • Hoisington Investment Management, Co. • Investcorp LLC • JP Morgan Investment Mgmt. Inc. • Kirkoswald Asset Management, LLC • Landmark Partners • Lavrock Ventures • Lazard Asset Management, LLC • Lombard Odier Asset Management, Co. • Man Asset Management, Ltd • Marathon Asset Management, LLP

INVESTMENT MANAGERS AS OF JUNE 30, 2023		
Police Officers Retirement	**Uniformed Retirement**	**Employees' Retirement**
• Prudential Global Investment Management • Red Tree Venture Capital • Sands Capital Management, LLC • Section Partners • Simplify Asset Management • Solus Alternative Asset Management • Starboard Value, LP • The Hive • Two Sigma • Van Eck Securities Corporation • Verition • WCM Asset Management	• Partners for Growth, LLC • PIMCO • Pontifax AG Tech • Sands Capital Management, LLC • Siguler Guff & Company, LP • SoMa Equity Partners • Starboard Value, LP • Taurus Funds Management • Thoma Bravo, LLC • Two Sigma • UBS Realty Investors, LLC • Varde Partners, Inc. • Voya Investment Management • Walter Scott • Wasatch Global Investors • WCM Investment Management • Wellington Management Company, LLP	• Marathon Asset Management LP • Millennium Management, LLC • Morgan Creek Capital Management, LLC • Onyxpoint Global Management, LP • Parametric Portfolio Associates, LLC • Parataxis • PIMCO • Pinnacle Associates GP, LLC • Polychain Capital • Prudential Global Investment Management • Red Tree Venture Capital • Roundhill Music Royalty Partners • Sands Capital Management, LLC • Second Foundation Partners • Section Partners • Shenkman Capital Management, Inc. • Solus Alternative Asset Management • The Hive • Two Sigma • Van Eck Securities Corporation • Vanguard • Verition • WCM Asset Management

Retirement Administration Agency

Mission

As an agent of the Boards of Trustees of the Employees', Uniformed, and Police Officers Retirement Systems, the mission of the Retirement Administration Agency is to administer the systems according to the terms established by the County of Fairfax and to do so in a manner that:

- Safeguards and invests the assets of the systems;
- Maximizes cost effectiveness of the retirement programs by optimizing long-term investment returns within an acceptable level of variation in required funding and by maintaining efficient administrative operations;
- Maximizes the value of retirement plans in retaining County personnel through communications, education, and counseling programs and by providing quality service;
- Fulfills the obligations of the systems to retirees by providing timely and accurate payments and by providing quality service; and
- Provides technical support and advice to County management and the Board of Supervisors regarding retirement benefits.

Focus

The Retirement Administration Agency contributes to the County's corporate stewardship through sound management of County resources and assets. To accomplish its specific mission, the Retirement Administration Agency will focus on:

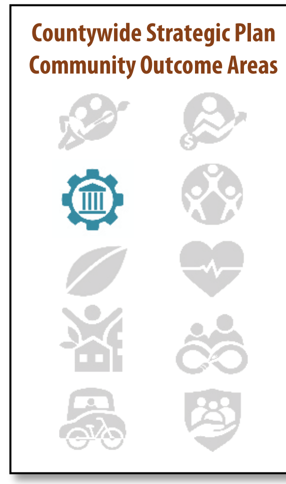
- Support for the Boards of Trustees;
- Services to active employees and retirees;
- Accurate accounting and control of plan assets;
- Accuracy of data;
- Cost efficiency of processes; and
- Investment return and risk control.

Under the direction of the Boards of Trustees for the Fairfax County Employees', Police Officers, and Uniformed Retirement Systems, the Retirement Administration Agency processes benefit payments to eligible Fairfax County retirees and beneficiaries. The agency also processes payments for the retiree health benefit subsidy and provides counseling and comprehensive information pertaining to benefits to active and retired County employees.

The agency receives revenues from various sources, including employee and employer contributions to the various retirement systems, employee payback, and return on investments, to finance the three employee retirement systems. Employee contributions are based on a fixed percentage of pay. Employer contributions come from Agency 89, Employee Benefits, for County employees in General Fund agencies, the employee's agency for County employees in non-General Fund agencies, and Fairfax County Public Schools (FCPS) for school employees.

Some revenues are also generated through employee payback, a process by which employees who have left the County can make a "payback" contribution and return to their previous standing in the retirement system upon their return to County employment. Additionally, significant revenues are achieved through returns on fund investments. Revenue projections are based on an assumed actuarial rate of return of 6.75 percent. It should be noted that as part of the July 1, 2022 actuarial valuation, the 15-year amortization period for amortization bases was measured from the valuation date rather than from the date of first payment, and the change was applied retroactively.

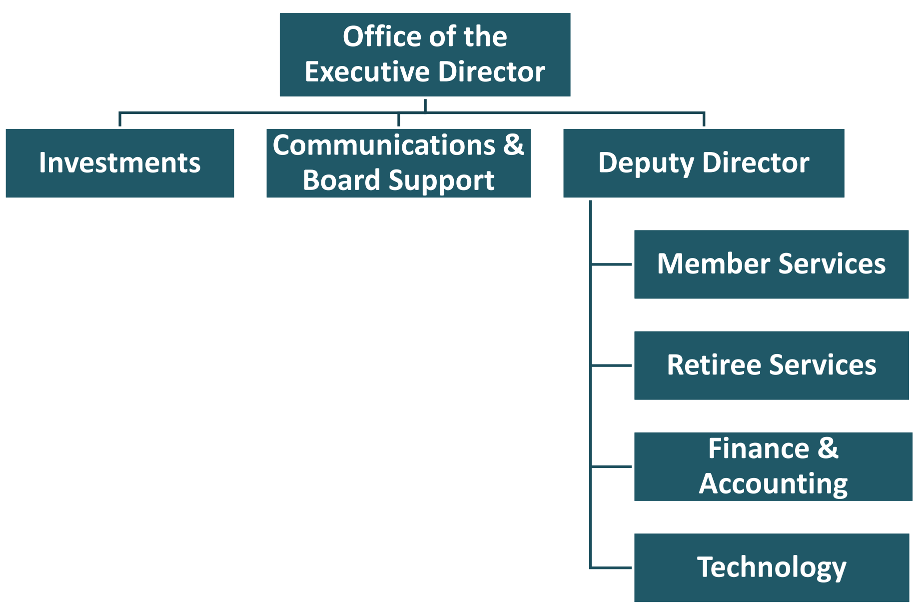
Connection to the Countywide Strategic Plan



The Fairfax County Board of Supervisors adopted the first-ever Countywide Strategic Plan on October 5, 2021. The Countywide Strategic Plan serves as a road map to help guide future work, focusing on the 10 Community Outcome Areas that represent the issues of greatest importance to the community, and uses our One Fairfax equity policy to invest in people and places that have limited access to opportunity. On February 20, 2024, the second Annual Report on the work of the strategic plan was released to the public. The report contains point-in-time progress highlights for each of the community outcome areas, plus three data dashboards and data stories that are being replicated across all of the outcome areas, and a number of additional initiatives to embed the elements of the plan within department-level work. The report also includes a Year Three Implementation Model, which will engage hundreds of County subject-matter experts to identify and champion the specific strategies that will move forward to implementation under the guidance of the Board of Supervisors. For more information on the Countywide Strategic Plan, please visit www.fairfaxcounty.gov/strategicplan. The Retirement Administration Agency primarily supports the following Community Outcome Area:

Community Outcome Area	Vision Statement
Effective and Efficient Government	*All people trust that their government responsibly manages resources, is responsive to their needs, provides exceptional services and equitably represents them.*

Organizational Chart



Budget and Staff Resources

Category	FY 2023 Actual	FY 2024 Adopted	FY 2024 Revised	FY 2025 Advertised	FY 2025 Adopted
FUNDING					
Expenditures:					
Personnel Services	$4,563,235	$5,432,742	$5,432,742	$6,241,738	$6,241,738
Operating Expenses	726,107,071	749,499,739	782,999,739	804,794,258	804,794,258
Total Expenditures	**$730,670,306**	**$754,932,481**	**$788,432,481**	**$811,035,996**	**$811,035,996**
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	32 / 32	32 / 32	32 / 32	33 / 33	33 / 33

FY 2025 Funding Adjustments

The following funding adjustments from the FY 2024 Adopted Budget Plan are necessary to support the FY 2025 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the Budget on May 7, 2024.

Employee Compensation **$227,138**

An increase of $227,138 in Personnel Services includes $104,903 for a 2.00 percent market rate adjustment (MRA) for all employees and $78,267 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2024. The remaining increase of $43,968 is included to support employee retention and recruitment efforts and align the County's pay structures with the market based on benchmark data.

Benefit Payments **$54,425,206**

An increase of $54,425,206 in Benefit Payments reflects increased payments of $52,905,980 to retirees based on actual experience and an increase in payments of $1,519,226 to beneficiaries. Since benefits are pre-funded during an employee's active career, the employer contribution rates as calculated through the actuarial valuation process already reflect this level of benefit payments.

Investment Management Fees **$873,291**

An increase of $873,291 in Operating Expenses reflects an increase in investment management fees based on actual experience.

Personnel Services **$523,422**

An increase of $523,422 in Personnel Services reflects adjustments to support increased fringe benefit requirements and to align the Personnel Services budget with actual expenditure levels.

Position Support **$72,432**

An increase of $72,432 and 1/1.0 FTE new position, including $67,432 in Personnel Services and $5,000 in Operating Expenses, is needed to support the growing workload in the agency. This position will replace the use of temporary staff and will help address a backlog of critical data projects as well as data cleansing efforts in preparation for the implementation of the new Pension Administration System.

Other Operating Expenses **($8,978)**

A decrease of $8,978 in all other Operating Expenses reflects the net impact of several adjustments based on actual experience.

Other Post-Employment Benefits **($8,996)**

A decrease of $8,996 in Other Post-Employment Benefits reflects required adjustments associated with providing Other Post-Employment Benefits (OPEBs) to retirees, including the Retiree Health Benefits Subsidy. For more information on Other Post-Employment Benefits, please refer to Fund 73030, OPEB Trust, in Volume 2 of the FY 2025 Adopted Budget Plan.

Changes to FY 2024 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2024 Revised Budget Plan since passage of the FY 2024 Adopted Budget Plan. Included are all adjustments made as part of the FY 2023 Carryover Review, FY 2024 Third Quarter Review, and all other approved changes through April 30, 2024.

Third Quarter Adjustments **$33,500,000**

As part of the *FY 2024 Third Quarter Review*, the Board of Supervisors approved funding of $33,500,000 in Operating Expenses associated with projected expenditures related to retirement benefit payments based on year-to-date trends.

Position Detail

The FY 2025 Adopted Budget Plan includes the following positions:

RETIREMENT ADMINISTRATION AGENCY - 33 Positions[1]			
Office of the Director			
1	Executive Director	1	Administrative Assistant IV
1	Deputy Director		
Retirement Administration			
1	Business Analyst IV	1	Administrative Assistant V
1	Programmer Analyst II	3	Administrative Assistants III
1	Management Analyst II	1	Administrative Assistant I [+1]
1	Information Technology Technician I		
Retiree Services			
1	Management Analyst II	4	Administrative Assistants V
Membership Services			
1	Management Analyst III	4	Retirement Counselors
1	Financial Specialist II		
Finance/Accounting			
1	Financial Specialist IV	1	Accountant I
Investments			
3	Senior Investment Managers	1	Investment Officer
2	Senior Investment Analysts	2	Investment Analysts
+	**Denotes New Position(s)**		

[1] 1/1.0 FTE Accountant III position resides in the Retirement Administration Agency, but is accounted for and financed by Fund 73030, OPEB Trust. The 33/33.0 FTE positions shown above are financed jointly by the three retirement trust funds (Fund 73000, Fund 73010, and Fund 73020).

Performance Measurement Results by Community Outcome Area

Effective and Efficient Government

Overall, FY 2023 was a mixed year for investment performance with the Employees' system down 2.48 percent, the Police Officers system down 3.87 percent, and the Uniformed system up 8.07 percent. Major global equity indexes rose sharply in the second half of FY 2023. U.S. equity markets (as measured by the S&P 500 Index) ended the fiscal year with a return of 19.6 percent. Within the U.S. stock market, small cap stocks (as measured by the Russell 2000 Index) underperformed large cap stocks, posting a one-year gain of 12.3 percent. Developed international equity markets (as measured by the MSCI EAFE Index) ended FY 2023 with a 12-month return of 18.8 percent. Emerging markets stocks (as measured by the MSCI Emerging Markets Index) lagged developed equity markets but ended the fiscal year with a positive one-year return of 1.7 percent. Headline inflation declined from its 40-year high of 9.1 percent in June 2022 to 3.0 percent in June 2023, but remained above the U.S. Federal Reserve's target of 2.0 percent. During FY 2023, the U.S. Federal Reserve raised its benchmark interest rate from a range of 1.50 percent to 1.75 percent by the end of FY 2022 to a range of 5.0 percent to 5.25 percent by the end of FY 2023, with an additional 0.25 percent rate hike in July 2023. The sharp increase in interest rates was a headwind for the U.S. investment grade bond market.

The Bloomberg U.S. Aggregate Index ended the fiscal year down 0.9 percent for the trailing 12-month period ending June 30, 2023. The U.S. high yield bond market (as measured by the Bloomberg U.S. High Yield Index) posted a positive return of 9.1 percent over the same period. In real assets, commodities declined, with the Bloomberg Commodities Index posting a one-year loss of 9.6 percent and WTI crude oil prices falling 34.4 percent since June 30, 2022.

Compared to their peers across the country in the BNY Mellon public fund universe for FY 2023, the Employees' system gross return for the year was -1.77 percent (-2.48 percent, net of fees), placing it in the 98th percentile; the Police Officers system gross return for the year was -3.65 percent (-3.87 percent, net of fees), placing it in the 98th percentile; and the Uniformed system gross return for the year was 9.11 percent (8.07 percent, net of fees), placing it in the 52nd percentile. In addition to comparing one-year returns to general market results, the long-term investments of the retirement systems should also be considered over multi-year periods relative to the returns achieved by other public pension plans. For the last 10-year period, all three systems had mixed results relative to their peers. The Employees' system placed in the 76th percentile and returned a gross 6.7 percent per year; the Police Officers system placed in the 26th percentile returning 8.6 percent per year; and the Uniformed system placed in the 65th percentile returning 7.2 percent per year.

Employer contribution rates are calculated based on a number of actuarial assumptions, including an actuarially determined rate of return. The actuarial rate of return uses a smoothing methodology to phase in total recognition of a given year's returns above or below the long-term expected rate of 6.75 percent. This smoothing is done to mitigate volatility in funding requirements, recognizing the cyclical nature of capital market returns. However, this smoothing process does not include the impact of any liability gains or losses, which are determined by comparing actual experience, such as rates of retirement and death, against actuarial assumptions. Funding policy and calculations include an average compound return of 6.75 percent over the long-term. Including the results through FY 2023, the actual compound annual returns achieved since 1981, the earliest date for which data is available, have been 9.5 percent for the Employees' system, 8.8 percent for the Uniformed system, and 9.4 percent for the Police Officers system.

Indicator	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2023 Actual	FY 2024 Estimate	FY 2025 Estimate
Effective and Efficient Government						
Customer Satisfaction with County Services						
Number of training classes offered	64	70	65	66	70	70
Number of training class attendees	1,634	1,436	1,800	1,532	1,700	1,700
Number of employee outreach sessions	2	3	7	6	10	10
Number of outreach session participants	75	100	350	250	500	500
Percent of retiree payments processed on time: Fairfax County Employees	100%	100%	100%	100%	100%	100%
Percent of retiree payments processed on time: Uniformed	100%	100%	100%	100%	100%	100%
Percent of retiree payments processed on time: Police Officers	100%	100%	100%	100%	100%	100%
Financial Sustainability and Trustworthiness						
Employees' Retirement System funded status	81.3%	72.1%	73.0%	66.9%	69.0%	70.0%
Uniformed Retirement System funded status	88.7%	72.3%	82.0%	74.2%	76.0%	77.0%
Police Officers Retirement System funded status	90.2%	81.8%	73.0%	75.5%	77.0%	78.0%
Deviation from actuarial rate of return (total plan): Fairfax County Employees	19.7%	(10.0%)	0.0%	(9.2%)	0.0%	0.0%
Deviation from actuarial rate of return (total plan): Uniformed	18.2%	(15.8%)	0.0%	1.3%	0.0%	0.0%
Deviation from actuarial rate of return (total plan): Police Officers	24.0%	(5.9%)	0.0%	(10.6%)	0.0%	0.0%

A complete list of performance measures can be viewed at
https://www.fairfaxcounty.gov/budget/fy-2025-adopted-performance-measures-pm

FUND STATEMENT

Category	FY 2023 Actual	FY 2024 Adopted Budget Plan	FY 2024 Revised Budget Plan	FY 2025 Advertised Budget Plan	FY 2025 Adopted Budget Plan
Beginning Balance	**$4,857,084,923**	**$4,969,060,219**	**$4,651,780,473**	**$4,822,290,767**	**$4,821,585,301**
Revenue:					
County Employer Contributions	$201,253,346	$201,647,965	$201,647,965	$252,799,762	$252,799,762
County Employee Contributions	35,286,702	36,992,865	36,992,865	40,044,290	40,044,290
School Employer Contributions	65,282,543	67,806,200	67,806,200	71,676,000	71,676,000
School Employee Contributions	10,873,811	12,898,600	12,898,600	13,484,900	13,484,900
Employee Payback	374,371	987,921	987,921	1,037,317	1,037,317
Return on Investments[1]	10,184,559	330,353,001	330,353,001	337,766,225	337,766,225
Total Realized Revenue	**$323,255,332**	**$650,686,552**	**$650,686,552**	**$716,808,494**	**$716,808,494**
Unrealized Gain/(Loss)[1,2]	($79,939,542)	$0	$0	$0	$0
Total Revenue	**$243,315,790**	**$650,686,552**	**$650,686,552**	**$716,808,494**	**$716,808,494**
Total Available	**$5,100,400,713**	**$5,619,746,771**	**$5,302,467,025**	**$5,539,099,261**	**$5,538,393,795**
Expenditures:					
Administrative Expenses[1]	$4,332,011	$7,296,172	$7,296,172	$7,499,369	$7,499,369
Investment Services[1]	50,592,735	62,691,611	62,691,611	60,139,251	60,139,251
Payments to Retirees	378,830,544	378,890,496	395,190,496	410,595,052	410,595,052
Beneficiaries	10,148,901	9,724,112	9,724,112	10,757,836	10,757,836
Refunds	4,716,049	5,979,333	5,979,333	5,979,342	5,979,342
Total Expenditures	**$448,620,240**	**$464,581,724**	**$480,881,724**	**$494,970,850**	**$494,970,850**
Total Disbursements	**$448,620,240**	**$464,581,724**	**$480,881,724**	**$494,970,850**	**$494,970,850**
Ending Balance[3]	**$4,651,780,473**	**$5,155,165,047**	**$4,821,585,301**	**$5,044,128,411**	**$5,043,422,945**

[1] In order to account for revenues and expenditures in the proper fiscal year, audit adjustments in the amount of $24,466,568.49 have been reflected as an increase to FY 2023 revenues, primarily associated with adjustments necessary to record a net gain from the unrealized appreciation and sale of investments, as well as adjustments to record interest and dividend revenue in the proper fiscal period. In addition, audit adjustments in the amount of $8,872,033.90 have been reflected as an increase to FY 2023 expenditures primarily to appropriately account for investment management fees and securities lending expenses. The Annual Comprehensive Financial Report (ACFR) reflects all audit adjustments in FY 2023. Details of the audit adjustments were included in Attachment VI of the FY 2024 Third Quarter Package.

[2] Unrealized gain/(loss) is reflected as an actual revenue at the end of each fiscal year.

[3] The Employees' Retirement Fund maintains fund balances at adequate levels relative to projected requirements. The fund balance fluctuates annually primarily due to interest on investments.

FUND STATEMENT

Category	FY 2023 Actual	FY 2024 Adopted Budget Plan	FY 2024 Revised Budget Plan	FY 2025 Advertised Budget Plan	FY 2025 Adopted Budget Plan
Beginning Balance	**$1,924,523,064**	**$1,970,655,517**	**$2,029,438,080**	**$2,044,136,305**	**$2,077,784,493**
Revenue:					
Employer Contributions	$74,989,155	$74,998,370	$74,998,370	$113,336,788	$113,336,788
Employee Contributions	13,554,150	14,858,492	14,858,492	14,858,492	14,858,492
Employee Payback	136,126	207,972	207,972	218,360	218,360
Return on Investments[1]	89,223,499	130,152,959	130,152,959	146,090,122	146,090,122
Total Realized Revenue	**$177,902,930**	**$220,217,793**	**$220,217,793**	**$274,503,762**	**$274,503,762**
Unrealized Gain/(Loss)[1,2]	$79,989,473	$0	$0	$0	$0
Total Revenue	**$257,892,403**	**$220,217,793**	**$220,217,793**	**$274,503,762**	**$274,503,762**
Total Available	**$2,182,415,467**	**$2,190,873,310**	**$2,249,655,873**	**$2,318,640,067**	**$2,352,288,255**
Expenditures:					
Administrative Expenses[1]	$2,166,212	$2,261,542	$2,261,542	$2,400,015	$2,400,015
Investment Services[1]	15,538,563	22,781,012	22,781,012	23,948,582	23,948,582
Payments to Retirees	131,645,593	129,801,503	143,801,503	141,588,223	141,588,223
Beneficiaries	2,582,432	2,289,600	2,289,600	2,737,378	2,737,378
Refunds	1,044,587	737,723	737,723	737,723	737,723
Total Expenditures	**$152,977,387**	**$157,871,380**	**$171,871,380**	**$171,411,921**	**$171,411,921**
Total Disbursements	**$152,977,387**	**$157,871,380**	**$171,871,380**	**$171,411,921**	**$171,411,921**
Ending Balance[3]	**$2,029,438,080**	**$2,033,001,930**	**$2,077,784,493**	**$2,147,228,146**	**$2,180,876,334**

[1] In order to account for revenues and expenditures in the proper fiscal year, audit adjustments in the amount of $49,638,863.22 have been reflected as an increase to FY 2023 revenues, primarily associated with adjustments necessary to record a net gain from the unrealized appreciation and sale of investments, as well as adjustments to record interest and dividend revenue in the proper fiscal period. In addition, audit adjustments in the amount of $1,990,675.48 have been reflected as an increase to FY 2023 expenditures primarily to appropriately account for investment management fees and securities lending expenses. The Annual Comprehensive Financial Report (ACFR) reflects all audit adjustments in FY 2023. Details of the audit adjustments were included in Attachment VI of the FY 2024 Third Quarter Package.

[2] Unrealized gain/(loss) is reflected as an actual revenue at the end of each fiscal year.

[3] The Uniformed Retirement Fund maintains fund balances at adequate levels relative to projected requirements. The fund balance fluctuates annually primarily due to interest on investments.

FUND STATEMENT

Category	FY 2023 Actual	FY 2024 Adopted Budget Plan	FY 2024 Revised Budget Plan	FY 2025 Advertised Budget Plan	FY 2025 Adopted Budget Plan
Beginning Balance	**$1,786,724,546**	**$1,831,790,923**	**$1,677,862,631**	**$1,720,954,604**	**$1,733,329,891**
Revenue:					
Employer Contributions	$57,592,394	$57,999,811	$57,999,811	$84,143,051	$84,143,051
Employee Contributions	10,877,549	11,986,712	11,986,712	11,986,712	11,986,712
Employee Payback	288,944	471,499	471,499	495,599	495,599
Return on Investments[1]	37,788,676	120,688,615	120,688,615	120,831,531	120,831,531
Total Realized Revenue	**$106,547,563**	**$191,146,637**	**$191,146,637**	**$217,456,893**	**$217,456,893**
Unrealized Gain/(Loss)[1,2]	($86,336,799)	$0	$0	$0	$0
Total Revenue	**$20,210,764**	**$191,146,637**	**$191,146,637**	**$217,456,893**	**$217,456,893**
Total Available	**$1,806,935,310**	**$2,022,937,560**	**$1,869,009,268**	**$1,938,411,497**	**$1,950,786,784**
Expenditures:					
Administrative Expenses[1]	$1,379,480	$1,601,908	$1,601,908	$2,065,256	$2,065,256
Investment Services[1]	20,217,916	27,830,334	27,830,334	30,088,415	30,088,415
Payments to Retirees	100,503,594	96,148,274	99,348,274	105,562,978	105,562,978
Beneficiaries	6,317,302	6,439,122	6,439,122	6,476,837	6,476,837
Refunds	654,387	459,739	459,739	459,739	459,739
Total Expenditures	**$129,072,679**	**$132,479,377**	**$135,679,377**	**$144,653,225**	**$144,653,225**
Total Disbursements	**$129,072,679**	**$132,479,377**	**$135,679,377**	**$144,653,225**	**$144,653,225**
Ending Balance[3]	**$1,677,862,631**	**$1,890,458,183**	**$1,733,329,891**	**$1,793,758,272**	**$1,806,133,559**

[1] In order to account for revenues and expenditures in the proper fiscal year, audit adjustments in the amount of $19,232,801.45 have been reflected as an increase to FY 2023 revenues, primarily associated with adjustments necessary to record a net gain from the unrealized appreciation and sale of investments, as well as adjustments to record interest and dividend revenue in the proper fiscal period. In addition, audit adjustments in the amount of $3,657,515.53 have been reflected as an increase to FY 2023 expenditures primarily to appropriately account for investment management fees and securities lending expenses. The Annual Comprehensive Financial Report (ACFR) reflects all audit adjustments in FY 2023. Details of the audit adjustments were included in Attachment VI of the FY 2024 Third Quarter Package.

[2] Unrealized gain/(loss) is reflected as an actual revenue at the end of each fiscal year.

[3] The Police Retirement Fund maintains fund balances at adequate levels relative to projected requirements. The fund balance fluctuates annually primarily due to return on investments.